Torres Rojas, Genara 12749

From: davidn@parabit.com
Sent: Monday, October 31, 2011 1:39 PM
To: Duffy, Daniel
Cc: Torres Rojas, Genara; Van Duyne, Sheree
Subject: Freedom of Information Online Request Form

Information:

First Name: David
Last Name: Nation
Company: Parabit Systems, Inc.
Mailing Address 1: 35 Debevoise Ave.
Mailing Address 2:
City: Roosevelt
State: NY
Zip Code: 11575
Email Address: davidn@parabit.com
Phone: 516-378-4800
Required copies of the records: Yes

List of specific record(s):
I am seeking a copy of the RFP, along with the bids submitted for the JC Decaux Advertising contract. Thank you

THE PORT AUTHORITY OF NY & NJ

Daniel D. Duffy
FOI Administrator

June 27, 2012

Mr. David Nation
Parabit Systems, Inc.
35 Debevoise Avenue
Roosevelt, NY 11575

Re: Freedom of Information Reference No. 12749

Dear Mr. Nation:

This is a response to your October 31, 2011 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code") for a copy of the RFP and the bids submitted for the JCDecaux Advertising contract.

Material responsive to your request and available under the Code can be found on the Port Authority's website at http://www.panynj.gov/corporate-information/foi/12749-C.pdf. Paper copies of the available records are available upon request.

Certain material responsive to your request is exempt from disclosure pursuant to Exemption (1) of the Code.

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

Very truly yours,

Daniel D. Duffy
FOI Administrator

225 Park Avenue South
New York, NY 10003
T: 212 435 3642 F: 212 435 7555

THE PORT AUTHORITY OF NY & NJ

PURCHASING SERVICES DIVISION

ONE MADISON AVENUE, 7TH FL.
NEW YORK, NY 10010

REQUEST FOR PROPOSAL

TITLE: ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS.

NUMBER: 0000007920

SUBMIT PROPOSALS BEFORE THE DUE DATE AND TIME TO THE ABOVE ADDRESS

PRE-PROPOSAL/SITE INSPECTION	MAY 26, 2005	TIME: 10:00 AM
PROPOSAL DUE DATE:	JUNE 8, 2005	TIME: 2:00 PM

BUYER'S NAME: T.J. Storch
PHONE#: *(212) 435-3936*
FAX #: (212) 435-3959
E-MAIL tstorch@panynj.gov

REQUEST FOR PROPOSALS (RFP)

ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

TABLE OF CONTENTS

1. INFORMATION FOR PROPOSERS 5
   A. General Information: The Port Authority of New York and New Jersey 5
   B. Summary of Scope of Work 5
   C. Duration of Contract: 6
   D. Deadline for Receipt of Proposals 6
   E. Submission of Proposals 7
   F. Communications Regarding this RFP 7
   G. Proposal Acceptance or Rejection 7
   H. Pre-Proposal Meeting(s)/Site Inspection(s) 8
   I. Union Jurisdiction 8
   J. Proposer Presentation 8
   K. Multiple Awards 9
2. SCOPE OF WORK 9
3. (NOT USED) 10
4. FINANCIAL INFORMATION 10
5. EVALUATION CRITERIA AND RANKING 11
6. M/WBE SUBCONTRACTING PROVISIONS 13
7. PROPOSAL SUBMISSION REQUIREMENTS 14
   A. Letter of Transmittal 14
   B. Executive Summary 15
   C. Agreement on Terms of Discussion 15
   D. Certifications With Respect to the Contractor's Integrity Provisions 15
   E. (Not Used) 16
   F. Proposer's Organization Chart 16
   G. Business Plan 16
   H. Proposal 16
   I. Acknowledgment of Addenda 18
   J. Acceptance of Standard Contract Terms and Conditions 18
8. CONDITIONS FOR THE SUBMISSION OF A PROPOSAL 18
   A. Changes to this RFP 18
   B. Proposal Preparation Costs 18
   C. Disclosure of Proposal Contents / Use of Ideas and Materials 19
   D. Ownership of Submitted Materials 19
   E. Subcontractors 19
   F. Conflict of Interest 19
   G. Authorized Signature 19
   H. References 19
   I. Evaluation Procedures and Negotiation 20
   J. Taxes and Costs 20
   K. Acceptance of General Contract Provisions 20
   L. Most Advantageous Proposal/No Obligation to Award 20
   M. Multiple Contract Awards 20
   N. Right to Extend Contract 21
   O. Rights of the Port Authority 21
   P. No Personal Liability 22
9. ATTACHMENTS 23
   ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION 23

1. INFORMATION FOR PROPOSERS

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

The Port Authority of New York and New Jersey ("Port Authority" or "the Authority") is a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States. The Port Authority, together with its wholly-owned subsidiaries, provides the region with integrated transportation and trade services and operates facilities in connection therewith, including, but not limited to, three major regional airports, interstate traffic through four bridges and two tunnels, a bus terminal, a bus station, the PATH rapid transit system, the AirTrain systems, the Hoboken-Lower Manhattan ferry service, and certain New York-New Jersey port facilities. The Port Authority owns The World Trade Center site and is currently developing The World Trade Center Transportation Hub as part of the site's redevelopment and Lower Manhattan revitalization.

The Port Authority is hereby seeking proposals from qualified firms to provide advertising and other development opportunities as more fully described herein.

The Port Authority is soliciting under this proposal the widest possible range of companies to propose a total solution or segmented solution(s) to maximize revenue to the Authority.

Partnerships and joint ventures will be considered and the Port Authority reserves the right to award multiple contracts for the Scope of Work under this Request for Proposal.

B. Summary of Scope of Work

The Port Authority of NY & NJ is soliciting proposals for the broadest possible range of Advertising, New Media, Specialty Media, and any other related Out-of-Home Advertising concepts to generate maximum revenue for the Port Authority from non-toll and fare sources. The qualified Contractor shall propose a creative and complete package of non-traditional, out-of-home and outdoor advertising concepts, and shall be responsible for the entire development and implementation of these concepts, including but not limited to: physical design, construction, installation, and maintenance of the advertising infrastructure developed by the Contractor, as well as any other advertising infrastructure that shall be made available to the Contractor under this Contract. The Contractor shall adhere to the Port Authority's guidelines with respect to advertising content. The Contractor shall secure all necessary clearances, permits, zoning approvals, and permissions required for the production of new advertising revenue under this Contract, whether for physical construction and installation, intellectual property, legal and usage rights, or any other related approvals necessary for the execution of work

under this Contract. This offering includes, but is not limited to: outdoor advertising spectaculars, wallscapes, electronic media, public information displays, billboards, "new" and "specialty" media, banners, posters, and other out-of-home and non-traditional advertising media, including media formats not yet developed.

The Contractor shall sell advertising space for all locations and media applications covered under this Contract, and have full responsibility for all advertising installations to be developed at Port Authority facilities (the facilities are listed in Attachment D) and on Port Authority property. The successful Proposer shall be expected to focus on: (a) creating a complete package that maximizes revenue by turning non- and under-performing assets into revenue generators; (b) enhancing the Port Authority's image; (c) taking into full consideration the operational and safety requirements of the Port Authority's facilities; and (d) respecting the best interests of the Port Authority's customers and the public. The Contractor shall provide designs for installations that achieve aesthetic excellence, and that are compatible within the physical and operational context of the Port Authority's facilities and operations. All advertising and media contract agreements with respect to the Scope of Work contained herein shall be between the Contractor and the advertisers.

The Port Authority is willing to consider traditional and non-traditional compensation proposals in keeping with the innovative and cutting edge nature of the work to be performed under the Scope of Work. Compensation proposals could include revenue shares of all gross advertising agreements executed under this contract, standard fee tables for pre-determined activities, sliding revenue share scale based on the value of individual advertising agreements or a Minimum Annual Guarantee (MAG) with a percentage of gross revenues over and above the MAG. The Contractor shall undertake all development responsibilities required to fulfill the conditions of this Contract, including, but not limited to, site assessment and all clearances, construction, staffing, marketing, sales, and any other related work in connection with this Contract.

C. Duration of Contract:

The Duration of this Contract is dependent upon the Proposers solution and recommendations. Contract Duration and renewal options are subject to final negotiation with the Port Authority and Proposer. Duration recommendations should include a contract base period and renewable option periods.

D. Deadline for Receipt of Proposals

Proposals must be received in accordance with the instructions on the cover page of this Request for Proposal (RFP) and sent to the attention of the Manager, Purchasing Services Division, at the address specified herein. Closing of due date is 2:00 P.M., Daylight Saving Time (DST) on June 8, 2005.

The Port Authority assumes no responsibility for delays caused by any delivery service.

E. Submission of Proposals

One reproducible original (containing original signatures and clearly designated as such) and fifteen (15) copies of the proposal must be submitted on or before the Proposal Due Date and time in accordance with the information on the cover page of this RFP and sent or delivered to the address specified on the cover page. Each copy of the proposal as well as the parcel(s) used for shipping must be conspicuously marked with the Proposer's name and address along with the title of this RFP, this RFP number and the Proposal Due Date.

F. Communications Regarding this RFP

All communications concerning this RFP should be directed to the Buyer listed on the cover page. All questions regarding this RFP should be submitted in writing to the Buyer at the address or facsimile number listed on the cover page as soon as possible.

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

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

G. Proposal Acceptance or Rejection

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

H. Pre-Proposal Meeting(s)/Site Inspection(s)

One Pre-Proposal meeting for all interested parties will be held at One Madison Avenue, New York, NY Conference Room 151A, on Thursday, May 26, 2005, at 10:00 AM. (DST). Any questions subsequent to the site visit shall be submitted via facsimile to (212) 435-3959 to the attention of the T. J. Storch on the cover page of this RFP. Questions may also be submitted by e-mail to T. J. Storch at tstorch@panynj.gov Questions may be permitted at the meeting; however, responses may be deferred and provided at a later date by written Addenda.

A site inspection of the facilities will immediately follow the Pre-Proposal meeting. A site inspection allows Proposers to tour and physically inspect the actual sites of work prior to the submission of proposals. If Proposers choose to visit, they should not ask questions of the Port Authority staff at each of the facilities where the tour will take place.

Attendance is strongly recommended. Information conveyed may be useful to Proposers in preparing their proposals and Proposers not attending assume all risks which may ensue from non-attendance.

Attendees interested in attending shall RSVP to Mr. Roy Bickley by phone at 212-435-4972 or by e-mail at rbickley@panynj.gov to no later than 12:00 Noon (DST) of the business day preceding the scheduled date to confirm their attendance and/or receive traveling directions. **For security reasons, any attendees must have photo identification available to attend any site/facility meeting.**

I. Union Jurisdiction

Proposers are advised to ascertain whether any union now represented or not represented at the facility will claim jurisdiction over any aspect of the operations to be performed hereunder and their attention is directed to the Section of this RFP entitled "Harmony" included in, Part II of Attachment B entitled, "Contract Terms and Conditions For Facility Services."

J. Proposer Presentation

During the proposal evaluation process, the Port Authority may conduct discussions with one or more Proposers. A proposal may be selected with or without such discussion; however, the holding of such discussions shall not constitute the selection of a Proposer. Proposers may be asked to make a presentation of their proposals, and demonstrate prototypes, drawings, and/or designs. The Proposer's Project Manager and key technical staff assigned to the project should make any requested presentation, and Key Project Team members may also be asked to attend. Selected Proposer(s) will be notified in writing with specific additional information to be provided as applicable.

K. Multiple Awards

It is the intent of the Port Authority to select one (1) Contractor that proposes a total solution to maximize revenue to the Port Authority. However, the Port Authority reserves the right to award multiple Contracts for the products, work and/or services that are the subject matter of this RFP and Proposers are hereby given notice that they may not be the Port Authority's only contractor for such products, work and/or services, and segmented solutions may be considered within the Scope of Work of this RFP.

2. SCOPE OF WORK

Objective

The Port Authority of NY & NJ is soliciting proposals for the broadest possible range of Advertising, New Media, Specialty Media, and any other related Out-of-Home Advertising concepts to generate maximum revenue for the Port Authority from non-toll and fare sources.

Background

The Port Authority which operates bistate transportation and trade facilities and services (See Facilities List in Attachment D) is seeking to develop the broadest possible range of Outdoor and In-Home Advertising, New Media, Specialty Media, and any other related Out-of-Home Advertising concepts that will provide the Port Authority new non-toll and fare revenues without negatively impacting facility operations, customer safety or the image of the Port Authority. The successful Proposer will be responsible for all tasks required to develop and implement the full range of Outdoor advertising concepts and any other related Out-of-Home Advertising accepted by the Port Authority under this Contract in accordance with the Port Authority's content guidelines. The Proposer should consider including the broadest possible range of Outdoor Advertising in the proposal, such as outdoor advertising spectaculars, wallscapes, electronic media, public information displays, billboards, "new" and "specialty" media, banners, posters, and other Out-of-Home and non-traditional advertising media, including media formats not yet developed.

The Scope of Work includes, but is not limited to the following tasks:

1. Evaluate property for Outdoor and Indoor Advertising and any other related Out-of-Home Advertising development opportunities, including existing advertising inventory and Port Authority assets (facilities, property and services) that are not currently developed as advertising venues;
2. Provide a detailed marketing plan for developing and implementing all advertising products, programs and packages included in the Proposer's proposal, including a breakout by program, category of advertising product, proposed timetable for design, approval, installation and maintenance of the advertising locations proposed and estimated revenues to be derived from the respective advertising products, programs, and packages;

3. Design, implement and manage a comprehensive Advertising program at no cost to the Port Authority;
4. Prepare a business plan to:
   a. Develop and implement Indoor/Outdoor Advertising sales ideas;
   b. Develop new, creative Indoor/Outdoor Advertising development opportunities using new and non-traditional technologies, as well as traditional Indoor/Outdoor Advertising venues in new locations;
   c. Provide financial information for the development of Indoor/Outdoor Advertising, and any other related Out-of-Home Advertising revenue opportunities;
   d. Provide designs for installations that achieve aesthetic excellence, and that are compatible within the physical and operational context of the Port Authority's facilities and operations; and
   e. Install and provide materials for any infrastructure associated with the development of Outdoor Advertising, and any other related Out-of-Home Advertising at no cost to the Port Authority.
   f. The quality of the submitted M/WBE Plan in accordance with the section of this RFP entitled "M/WBE Subcontracting Provisions."

In connection with the above Scope of Work, the Contractor shall secure all necessary clearances, permits, zoning approvals and permissions required for the production of new advertising revenue under this Contract, whether for physical construction and installation, intellectual property, legal and usage rights, or any other related approvals necessary for the execution of work under this Contract.

5. During the Contract Term, the ownership of the Advertising Display Devices that have been provided and installed by the Contractor will remain with the Contractor. However at the end of the Contract Term, ownership of all the Advertising Display Devices will pass to the Authority. Should it become necessary during the Contract Term to remove any location(s) from the program at the direction of the Authority, the Contractor shall waive any right to the relocation or removal payments. The Contractor will be required to remove the Advertising Display Device unit at its own expense; however, the Contractor shall be entitled to retain ownership of the removed structure. Any existing Advertising Display Devices that have been replaced and are now in place at the end of the Contract Term or the option period shall pass to the Port Authority.

3. *(NOT USED)*

4. FINANCIAL INFORMATION

The Proposer will be required to demonstrate that it is financially capable of performing the Contract resulting from this RFP ("Contract"). The determination of the Proposer's

financial qualifications and ability to perform this Contract will be in the sole discretion of the Port Authority. The Proposer shall submit, with its proposal, the following:

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

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

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

B. Where the statements submitted pursuant to subparagraphs (1) and (2) aforementioned do not cover a period which includes a date not more than forty-five days prior to the Proposal Due Date, then the Proposer shall also submit a statement in writing, signed by an executive officer or his/her designee, that the present financial condition of the Proposer is at least as good as that shown on the statements submitted.

C. A statement of work which the Proposer has on hand, including any work on which a bid has been submitted, containing a description of the work, the annual dollar value, the location by City and State, the current percentage of completion, the expected date for completion, and the name of an individual most familiar with the Proposer's work on these jobs.

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

E. If the Proposer is submitting as a common law joint venture or a partnership, the financial information detailed in this Section 4, above, must be provided by all members.

The successful Proposer(s) may be required as a condition to contract award, or at any time during the term of the awarded contract, submit either a refundable security deposit or a refundable security deposit in the form of a Letter of Credit, per the format shown in Attachment J or in the form or in the form of a Performance and Payment Bond per the format shown in Attachment K.

5. EVALUATION CRITERIA AND RANKING

The following evaluation criteria are listed in order of importance and will be used to evaluate proposals during this process:

A. Revenue to the Port Authority:

(1) The Port Authority is willing to consider traditional and non-traditional compensation proposals in keeping with the innovative and cutting edge nature of the work to be performed under the Scope of Work. Compensation proposals could include revenue shares of all gross advertising agreements executed under this contract, standard fee tables for pre-determined activities, and a sliding revenue share scale based on the value of individual advertising agreements.

(2) Maximum amount of revenue generated for the Port Authority, which may include the Minimum Annual Guarantee (MAG) and a percentage of gross revenues, over and above the MAG, from gross sales generated from advertisements placed at Port Authority facilities and/or on Port Authority property.
(3)The Proposer shall undertake all development responsibilities required to fulfill the conditions of this Contract, including, but not limited to, site assessment and all clearances, construction, staffing, marketing, sales, and any other related work in connection with this Contract. The Port Authority will not incur any direct costs in connection with this Contract.

B Marketing Strategy and Approach:

(1)The quality, creativity and responsiveness evidenced in the Proposer's marketing strategy and approach to the Scope of Work including the methodology of: evaluating market potential, asset opportunities, property and plans for Outdoor Advertising, and any other Out-of-Home Advertising opportunities for the Port Authority.

(2)The demonstrated capability to develop and implement a detailed marketing plan for delivering all advertising products, programs and packages included in the Proposer's proposal, including a breakout by program, category of advertising product, proposed timetable for design, approval, installation and maintenance of the advertising locations proposed, and estimated revenues to be derived from the respective advertising products, programs, and packages. In addition, the demonstrated ability to set and achieve and performance standards is an important part of the marketing strategy and approach.

C. Overall Experience Including Financial Capability:

(1) The extent and quality of the Proposer's relevant and successful experience, demonstrated by past and existing contracts for similar work and services to those to be provided under this Contract, and the extent to which the Proposer (and any and all partners, or a joint venture, if included as part of the proposal) is financially capable of providing such services under this Contract.

(2) Proposers who demonstrate a comprehensive, creative approach to the full Scope of Work under this Contract, and whose background, experience, demonstrated results, and financial capacity support their proposal.

(3) The experience, qualifications and availability of the management, technical, and sales staff, and field personnel, proposed to be assigned to provide the services (including partners, and subcontractors, if any) shall be considered as key elements under this Contract.

(4) The Proposer should demonstrate strong qualifications in the successful implementation of existing designs and operations for Indoor and Outdoor Out-of-Home Advertising and any other related information displays, and new media, with emphasis on aesthetic excellence, functionality, durability, quality of advertisements solicited and secured, responsive management of physical property and installations, and a solid understanding of working in the New York/New Jersey metropolitan market and in the context of high-volume transportation facilities. An understanding of achieving maximum revenue return, without compromising the safety, comfort or efficient movement of the Port Authority's customers and the public, or the Authority's image, is critical to the successful execution of the Contract, as outlined in the Scope of Work of this RFP. The Proposer is expected, for the duration of this Contract, to commit to improving the design, technology, services, operations, and any other related work required for performance under this Contract.

The selection of a Proposer will be based on the proposal that, in the sole discretion of the Port Authority, best meets its needs. The evaluation process may involve several interim review steps. The Port Authority in its sole and complete discretion will determine which proposals advance from one review state to the next based on its evaluation of the proposal using the criteria set forth herein.

6. M/WBE SUBCONTRACTING PROVISIONS

The Port Authority of NY & NJ has a long-standing practice of making its business opportunities available to Minority Business Enterprises (MBE's) and Women-owned Businesses (WBE's) and has taken affirmative steps to encourage such firms to seek business opportunities with the Port Authority. The Contractor will be required to submit an M/WBE program, subject to approval by the Port Authority, before implementation of the Contract. The successful Proposer will use every good faith effort to provide for meaningful participation by Port Authority-certified M/WBE's as defined in this document, in all purchasing, subcontracting and ancillary service opportunities associated with this Contract, including purchase of equipment, supplies and labor services. Good faith efforts include: 1) dividing the services and materials to be procured into small portions where feasible, 2) giving reasonable advance notice of specific subcontracting and purchasing opportunities to such firms as may be appropriate, 3) soliciting services and materials from M/WBE's, which may be certified by the Port Authority, and 4) insuring that provision is made for timely progress payments to the M/WBE's.

The Port Authority has a list of certified M/WBE firms, which are available to Proposers at their request. The Port Authority makes no representation as to the qualifications and ability of these firms to perform under this Contract. The Proposer may use firms that are not on the list but will be required to submit, to the Port Authority's Business and Job Opportunity unit (BJO) for certification, the names of M/WBE firms it proposes to use. Only Port Authority certified M/WBE firms may be considered to meet the goals. For inquiries and assistance, please contact BJO at (212) 435-7819 or email jgrossgold@panynj.gov.

To the maximum extent feasible and consistent with the Proposer's exercise of good business judgment, the Proposer shall make a good faith effort to include 12% participation by MBE's and 5% participation by WBE's in all procurement, subcontracting and ancillary service opportunities associated with this Contract. The Proposer shall submit an M/WBE Participation Plan (Plan) as part of the Business Plan which shall consist of the following:

- Scope of Work: Describe the specific Scope of Work the M/WBE's will perform.
- Identification of M/WBE's: Provide the name and address of any M/WBE included in the Plan. If none are identified, describe the process for selecting participant firms.
- Level of Participation: Indicate the percentage of M/WBE participation expected to be achieved with the arrangement described in the Plan.

7. PROPOSAL SUBMISSION REQUIREMENTS

In order to expedite the evaluation of proposals, the Proposer's response to this RFP must follow the format and order of items, using the same paragraph identifiers, as set forth below.

A. Letter of Transmittal

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

The Letter of Transmittal shall contain:

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

(2) Name(s), title(s) and telephone number(s) of the individual(s) who are authorized to negotiate and execute the Contract;

(3) Name, title and telephone number of a contact person to which the Port Authority can address questions or issues related to this RFP;

(4) Name and address of proposed subcontractors, if any;

(5) If a corporation: (a) a statement of the names and residences of its officers, and (b) a copy of its Certificate of Incorporation, with a written declaration signed by the secretary of the corporation, with the corporate seal affixed thereto, that the copy furnished is a true copy of the Certificate of Incorporation as of the date of the opening of the Proposals;
If a partnership: a statement of the names and residences of its principal officers, indicating which are general and which are special partners;
If an individual: a statement of residence;
If a joint venture: information on each of the parties consistent with the information requested above; and

(6) Any exceptions to the General Contract Provisions attached hereto.

B. Executive Summary

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

C. Agreement on Terms of Discussion

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

D. Certifications With Respect to the Contractor's Integrity Provisions

The Proposer, by signing the Letter of Transmittal, makes the certifications in the **"Contractor's Integrity Provisions,"** included as *Attachment B, Part III* of this RFP. If the Proposer cannot make any such certifications, it shall enclose an explanation of that inability.

E. (Not Used)

F. Proposer's Organization Chart

A current organization chart should be provided for each firm participating in the proposal.

G. Business Plan

Proposers should submit and include a complete business plan which details, but is not limited to how the Proposer intends to effect the following:

a. Develop and implement Indoor/Outdoor Advertising sales ideas;
b. Develop new, creative Indoor/Outdoor Advertising development opportunities using new and non-traditional technologies, as well as traditional Indoor/Outdoor Advertising venues in new locations;
c. Provide financial information for the development of Indoor/Outdoor Advertising, and any other related Out-of-Home Advertising revenue opportunities;
d. Provide designs for installations that achieve aesthetic excellence, and that are compatible within the physical and operational context of the Port Authority's facilities and operations; and
e. Install and provide materials for any infrastructure associated with the development of Outdoor Advertising, and any other related Out-of-Home Advertising at no cost to the Port Authority.
f. The quality of the submitted M/WBE Plan in accordance with the section of this RFP entitled "M/WBE Subcontracting Provisions."

H. Proposal

The Proposer must submit a proposal that details and clearly describes its capability to perform the work described in this RFP, its approach to such work and the cost of such work to the Port Authority. At a minimum, the proposal shall address the following:

1) **Revenue to the Port Authority:**

a) The Port Authority is willing to consider traditional and non-traditional compensation proposals in keeping with the innovative and cutting edge nature of the work to be performed under the Scope of Work. Compensation proposals could include revenue shares of all gross advertising agreements executed under this contract, standard fee tables for pre-determined activities, and a sliding revenue share scale based on the value of individual advertising agreements.

b) Maximum amount of revenue generated for the Port Authority, which may include the Minimum Annual Guarantee (MAG) and a percentage of gross revenues, over and above the MAG, from gross sales generated from

advertisements placed at Port Authority facilities and/or on Port Authority property.

c) The Proposer shall undertake all development responsibilities required to fulfill the conditions of this Contract, including, but not limited to, site assessment and all clearances, construction, staffing, marketing, sales, and any other related work in connection with this Contract. The Port Authority will not incur any direct costs in connection with this Contract.

2) **Marketing Strategy and Approach:**
   a) The quality, creativity and responsiveness evidenced in the Proposer's marketing strategy and approach to the Scope of Work including the methodology of: evaluating market potential, asset opportunities, property and plans for Outdoor Advertising, and any other Out-of-Home Advertising opportunities for the Port Authority.
   b) The demonstrated capability to develop and implement a detailed marketing plan for delivering all advertising products, programs and packages included in the Proposer's proposal, including a breakout by program, category of advertising product, proposed timetable for design, approval, installation and maintenance of the advertising locations proposed, and estimated revenues to be derived from the respective advertising products, programs, and packages. In addition, the demonstrated ability to set and achieve and performance standards is an important part of the marketing strategy and approach.

3) **Overall Experience Including Financial Capability:**
   a) The extent and quality of the Proposer's relevant and successful experience, demonstrated by past and existing contracts for similar work and services to those to be provided under this Contract, and the extent to which the Proposer (and any and all partners, or a joint venture, if included as part of the proposal) is financially capable of providing such services under this Contract.
   b) Proposers who demonstrate a comprehensive, creative approach to the full Scope of Work under this Contract, and whose background, experience, demonstrated results, and financial capacity support their proposal.
   c) The experience, qualifications and availability of the management, technical, and sales staff, and field personnel, proposed to be assigned to provide the services (including partners, and subcontractors, if any) shall be considered as key elements under this Contract.
   d) The Proposer should demonstrate strong qualifications in the successful implementation of existing designs and operations for Indoor and Outdoor Out-of-Home Advertising and any other related information displays, and new media, with emphasis on aesthetic excellence, functionality, durability, quality of advertisements solicited and secured, responsive management of physical property and installations, and a solid understanding of working in the New York/New Jersey metropolitan market and in the context of high-volume transportation facilities. An understanding of achieving maximum revenue return, without compromising the safety, comfort or efficient movement of the Port Authority's customers and the public, or the Authority's image, is critical to the successful execution of the Contract, as outlined in the Scope of Work of this

RFP. The Proposer is expected, for the duration of this Contract, to commit to improving the design, technology, services, operations, and any other related work required for performance under this Contract.

I. Acknowledgment of Addenda

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

J. Acceptance of Standard Contract Terms and Conditions

The Port Authority has attached to this **RFP as Attachment B, Part I Contract Specific Terms and Conditions.** The Proposer is expected to agree with these Contract Provisions. However, if the Proposer has any specific exceptions, such exceptions should be set forth in a separate letter included with its response to this RFP. Exceptions not raised with the proposal will not be considered at a later time.

8. CONDITIONS FOR THE SUBMISSION OF A PROPOSAL

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

A. Changes to this RFP

At any time, in its sole discretion, the Port Authority may by written Addenda, modify, correct, amend, cancel and/or reissue this RFP. If an Addendum is issued prior to the date proposals are due, it will be provided to all parties to whom RFPs were mailed. If an Addendum is issued after proposals have been received, the Addendum will be provided only to those whose proposals remain under consideration at such time.

B. Proposal Preparation Costs

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

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

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

D. Ownership of Submitted Materials

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

E. Subcontractors

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

F. Conflict of Interest

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

G. Authorized Signature

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

H. References

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

I. Evaluation Procedures and Negotiation

All Proposers who submit complete proposals in conformance with the direction provided in this RFP may have their proposals evaluated. The Port Authority may use such procedures that it deems appropriate to evaluate such proposals. The Port Authority may elect to initiate contract negotiations with one or more Proposers including negotiation of costs/price(s) and any other term or condition, including modifying any requirement of this RFP. The option of whether or not to initiate contract negotiations rests solely with the Port Authority.

J. Taxes and Costs

Sales to the Port Authority are currently exempt from New York and New Jersey state and local sales and compensating use taxes and generally from federal taxation. All costs associated with the Contract must reflect this exemption and be stated in U.S currency.

K. Acceptance of General Contract Provisions

The Port Authority has attached to this RFP as **Attachment B,** General Contract provisions governing the Contract. The Proposer is expected to agree with these General Contract Provisions. However, if the Proposer has any specific exceptions, such exceptions shall be set forth in a separate letter which shall be identified in the Proposer's Letter of Transmittal.

L. Most Advantageous Proposal/No Obligation to Award

The Port Authority reserves the right to award the Contract to other than the Proposer proposing the highest new revenue. The Contract will be awarded to the Proposer whose proposal the Port Authority believes, in its sole discretion, will be the most advantageous to the Port Authority. Neither the release of this RFP nor the acceptance of any response thereto shall compel the Port Authority to accept any proposal. The Port Authority shall not be obligated in any manner whatsoever to any Proposer until an agreement is entered into between the Port Authority and the Proposer as more fully described elsewhere herein.

M. Multiple Contract Awards

It is the intent of the Port Authority to select one (1) Contractor that proposes a total solution to maximize revenue to the Port Authority. However, the Port Authority reserves the right to award multiple Contracts for the products, work and/or services that are the subject matter of this RFP and Proposers are hereby given notice that they may not be the Port Authority's only contractor for such products, work and/or services, and segmented solutions may be considered

within the Scope of Work of this RFP. Any Contract awarded will be a non-exclusive agreement.

N. Right to Extend Contract

The Port Authority reserves the right to extend the Contract term for an additional 120 days, upon the same terms and conditions of the original Contract negotiated between the Port Authority and the successful Proposer, either at the end of the base Contract or any Option period(s).

O. Rights of the Port Authority

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

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

effect of the warranties of the Proposer required by this RFP or Contract and the Proposer agrees that it shall not hold the Port Authority liable or responsible therefor in any manner whatsoever.

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

P. No Personal Liability

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

9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

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

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

_____
(Company)

_____
(Signature)

_____
(Title)

_____
(Date)

Freedom of Information – Port Authority Policy and Procedure

In 1977, the Committee adopted a policy for access by the public to records maintained by the Port Authority. While based on the policy therefore declared by the States of New York and New Jersey, with respect to access by the public to public records, inasmuch as the respective New York and New Jersey statutes differed (and continue to differ) as to certain policy particulars and provide for different procedures for implementation of the policy, it was deemed desirable for the Committee to adopt a separate Port Authority Policy and Procedure. In light of action new being taken by the Board with respect to open public meetings, it is appropriate at this time to restate the basic principles and reflect necessary procedural changes.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Burgos, Hellmuth, Henderson and Kaltenbacher voting in favor, none against:

RESOLVED, that government, including the activities and decisions of The Port Authority of New York and New Jersey (and its wholly-owned subsidiary corporations) is the public's business and therefore the public should have access to the records of the Port Authority (and its subsidiaries) as herein provided for; and it is further

RESOLVED, that the resolution of the Committee on Operations adopted on September 28, 1977, regarding Freedom of Information (which resolution appears at pages 12 et seq. Of the Committee Minutes for that date) shall be, and it hereby is rescinded; and it is further

RESOLVED, that all records of the Port Authority (and its subsidiaries), including records stored electronically such as on computer tapes or disks, shall be made available for public inspection and copying, except that such access may be denied as to records or portions of thereof which:

(1) are rendered confidential or privileged or are exempted from disclosure by Federal or state law or regulations or rules of the court;

(2) if disclosed, would constitute an unwarranted invasion of personal privacy (including personnel, medical, or disciplinary records, and any lists of names and address to be used for profit or financial gain);

(3) if disclosed, would impair present or future awards or negotiations, including collective bargaining or negotiations, of leases, permits, zoning approvals, contracts, or other agreements;

(4) are trade secrets or are maintained for the regulation or supervision of commercial enterprise which, if disclosed, would cause injury to the competitive position of the enterprise;

(5) are compiled for public safety, law enforcement, or official investigative purposes (internal or external) when their disclosure may affect public safety, interfere with internal investigations, audits, law enforcement investigations, or judicial or disciplinary proceedings, or deny or prejudice a right to a fair trial or impartial adjudication, or identify a confidential source or disclose confidential information relating to an audit or a civil, criminal, or internal or external disciplinary investigation.

(6) if disclosed, would endanger the life and safety of any person;

(7) are inter-agency or intra-agency materials other than statistical or factual tabulations of data, provided that instructions to staff that affect public or final agency policy or determinations are not exempted;

(8) are examination questions or answers which are requested prior to final administration of such questions; or

(9) could affect or impact the competitive economic position of the Port District, the Port Authority, or specific business entities with which the Port Authority deals;

and it is further

RESOLVED, that the Secretary of the Port Authority shall maintain a current list of subject nature and category of all records in the possession of the Port Authority (and its subsidiaries) whether or not they are available for public copying and inspection, and the Secretary shall, under the direction of the Executive Director, administer the following rules and regulations with respect to public inspection and copying are available records:

Procedures

1. Requests for inspection or copying of public records of the Port Authority shall be made to the Secretary of the Port Authority upon a form prescribed by the Port Authority and shall contain sufficient information to identify the particular record sought. Such requests shall be made either:
   (1) In person during regular business hours at the Port Authority's main office or
   (2) By mailing such request, postage prepaid to said Secretary, The Port Authority of New York and New Jersey, at the aforesaid address, Attention: FOI Administrator.
2. Upon receipt of a request, the Secretary of the Port Authority shall promptly determine whether or not the record requested can be made available and will notify the person making the request of such determination. If the request is granted, such person shall also be notified where and when the record will be made available. The Port Authority will provide an opportunity for inspection and copying of the record.
3. The record may be inspected only under the supervision of the Secretary of the Port Authority or such other officer or employee as may be designated by the Secretary in the Office of the Secretary during regular business hours or at such other times or places as the Secretary deems convenient.
4. (1) Documents which are to be copied will be copied by The Port Authority, if practicable,
   and the person requesting a copy will be charged a fee equal to the Port Authority's cost but no less than 25 cents for each page of the first ten, 15 cents for each page of the second ten, and 10 cents for each additional page. If it is not practicable for the Port Authority to copy such documents, they will be copied commercially and the person requesting the copy will be charged a fee equal to the Port Authority's

cost of such commercial reproduction. Documents which have been purchased by the Port Authority commercially (such as stenographic transcripts) may be copied and the person requesting the copy will be charges a fee no less than the amount paid by the Port Authority for such documents.

(2) A fee of no less than two dollars will be charged for certification by the Secretary of the Port Authority as to authenticity of any document, or that a record of which the Port Authority is legal custodian cannot be found.

(3) In the event a search for records requested requires more than one person hour, or in the event a search of computer records requires programming which would take more than one person hour, a fee will be charged at the rate of not less than five dollars per hour, or any part thereof, per person assigned to such search or programming.

(4) All such fees shall be paid by the person making the request in cash, certified check, or cashier's check, in advance or at any time of the delivery of any record for inspection or copies of any records or certificate referred to in this procedure.

5. The Secretary of the Port Authority, or the Secretary's designee, shall respond to each request within ten business days of the receipt thereof. The response shall provide reasons for the denial of access or copying or a statement of the time and place when the record requested will be made available.

Appeals

A. Any person who is denied access to a public record of the Port Authority (or its subsidiaries) by the Secretary of the Port Authority may file an appeal from such denial with the Port Authority's General Counsel (who serves as Counsel to the subsidiaries).

B. Such appeal shall be accompanied by a memorandum in support thereof setting forth the reasons why the appellant is entitled to access to the record requested.

C. Appeals pursuant to this procedure shall be decided by General Counsel or his/her designee. If the appeal is denied, the reasons therefore shall be explained fully in writing within seven business days of the date on which such appeal is received by General Counsel.

ATTACHMENT B - CONTRACT TERMS AND CONDITIONS FOR FACILITY SERVICES

TABLE OF CONTENTS

PART 1 - CONTRACT SPECIFIC TERMS AND CONDITIONS

1. Introduction and Description of Services
2. Duration of Contract
3. Billing and Payment
4. Services
5. General Provisions
6. Intellectual Property
7. Termination of Agreement with Cause
8. Insurance Procured by the Contractor
9. Certain Contractor's Warranties
10. Applicable Law
11. Authority of the Director
12. Authority and Duties of the Manager
13. Parking
14. Holidays
15. Letter of Credit
16. Payment and Performance Bond

PART 2 - STANDARD CONTRACT TERMS AND CONDITIONS

1. Introduction and Description of Services

Subject to the terms and conditions of the Contract, the Contractor hereby offers and agrees to furnish and provide to the Port Authority of New York and New Jersey (" The Port Authority" or "the Authority") all aspects of the broadest possible range of Outdoor Advertising, New Media, Specialty Media, and any other related Out-of-Home Advertising concepts to generate maximum revenue for the Port Authority from non-toll and fare sources. This Contract is a non-exclusive agreement.

The scope of services required in connection with the development and implementation of Outdoor Advertising and any other related Out-of-Home Advertising sales, (hereinafter sometimes referred to as the "Services"), at Port Authority facilities and property covered by the Contract, shall include, but not be limited to, the furnishing, installation and removal of materials and products produced for Out-of-Home advertising sales purposes.

Those facilities and properties covered by this Contract are listed in **Attachment D.** The Contractor will furnish all the necessary research, sales, design, contract drawings, labor, supervision, uniforms, equipment, materials, supplies and do all other things necessary or proper therefore, or incidental thereto, in fulfilling the Scope of Work detailed in this RFP, all in strict accordance with the provisions of the Contract documents and any future changes therein; and the Contractor further agrees to assume and perform all other duties and obligations imposed upon him/her by this Contract. All things not expressly mentioned in the Scope of Work but involved in carrying out its intent are required by the Scope of Work and the Contractor shall perform the same as though they were specifically mentioned, described and delineated.

The Port Authority makes no representation or warranties as to the size, location, adequacy or suitability of any area designated for the Contractor's use pursuant to the provisions of this Contract.

The Contractor shall be responsible for all tasks and associated cost required to construct, maintain and operate all outdoor and out-of-home advertising locations, new media, and other alternative outdoor media installations, and shall be responsible for managing the advertising content, in accordance with the Port Authority's advertising content guidelines. All outdoor advertising/ billboard/new media locations and installations, and content, must be approved in writing by the Port Authority prior to the commencement of any work, or installation of advertising material.

Advertising contracts shall be between the Contractor and the advertisers. The Port Authority shall not be party to such contracts. The enumeration in these contract documents of particular things to be furnished or done at the Contractor's expense, or without cost or expense to the Port Authority, or without additional compensation to the Contractor shall not be deemed to imply that only things of a nature similar to those enumerated shall be furnished and done; but the Contractor shall perform all work as required without compensation, whatsoever changes may be made in the Contract, whatsoever work may be required in addition to that required by the Contract in its present form, and whatsoever obstacles or unforeseen conditions may arise or be encountered.

This Contract and obligations of the Parties shall be subject to the provisions of Attachment G, Advertising Guidelines—Abstract.

2. Duration of Contract

A. The term of the Contract shall be fully negotiated with the Contractor, commencing on or about the Contract Effective Date at 12:01 a.m. (said date and time hereinafter sometimes called "the Commencement Date") and unless sooner terminated or revoked (or extended as provided herein) shall expire on or about the Contract Expiration Date at 11:59 p.m. (said date and time sometimes hereinafter called "the Expiration Date"). The Duration of this Contract is dependent upon the Proposers solution and recommendations. Contract Duration and renewal options are subject to final negotiation with the Port Authority and Proposer. Duration recommendations will include a contract base period and/or renewable option periods. Contract Effective Date and Contract Expiration Date will be stated in the Letter of Acceptance at the time of award.

B. The Port Authority shall have the unilateral right, but not the obligation, to extend this Contract for negotiated option periods as agreed to between the Contractor and Port Authority at the time of award, from the Expiration Date originally fixed herein upon the same terms and conditions subject to the following: not later than six months (120 days) prior to the Expiration Date of this Contract as the same may be extended from time-to-time hereunder, the Port Authority may send a notice of intention to extend the term of this Contract, as aforesaid, and the term of the Contract shall thereupon be extended for the applicable extension period subject only to adjustment of charges as hereinafter provided. However, six (6) months prior to the expiration of the initial period the Contractor must notify the Port Authority in writing of their intent not to continue the Contract for the extension period, in which case the Port Authority shall not have the right to extend.

C. The Port Authority shall have the absolute right to extend this Contract for an additional one hundred twenty (120) day period subsequent to the original base period or the exercised option extension periods hereinbefore established, if applicable, subject to the same terms and conditions of the original Contract term. The Port Authority will advise the Contractor, in writing, at least sixty (60) days prior to the Expiration Date hereinbefore established that the Contract term is so extended. Contract compensation shall not change from that in the previous contract year.

3. Billing and Payment

Proposers shall pay to the Port Authority

A. Gross Receipts Percentage Fee: No later than the twentieth (20th) calendar day of each and every month occurring during each annual period, the

Contractor shall pay the Port Authority without demand or invoice a Percentage Fee of gross revenues, as referenced above in this section. The Percentage Fee portion of the monthly payment will be calculated based on the Contractor's combined advertising and marketing gross receipts received in accordance with this Contract.
The Contractor shall provide the Port Authority a sworn statement showing all of the gross receipts for the preceding month, separately stating the amount of gross receipts arising from each advertising unit and/or display and outdoor advertising product, and showing the cumulative amount of such gross receipts from the date of the commencement of the annual period for which the report is made through the last day of the preceding calendar month.

B. Monthly Sales Accounting and Reporting: The Contractor shall provide a report including the name of the advertiser, gross monthly rate and amount due to the Port Authority detailing total monthly Outdoor Advertising and all other related Out-of-Home Advertising sales for each location and unit in operation. The Port Authority may request, and the Contractor shall provide, copies of the advertising agreements (media sales contracts) executed between the Contractor and the advertisers for each location and unit, on a monthly basis.

A late charge, in the amount equal to point zero eight percent (0.8%) of payments due, is automatically assessed to the Contractor if such payments are made for every fifteen day period (15) beyond the due dates as specified above, and point zero eight percent (0.8%) for each 15-day period thereafter.

The Contractor shall keep accounting records of all such revenues, pursuant to generally accepted accounting principles, which shall be subject to Port Authority audit.

4. Services

The Contractor is expected to handle all aspects of Outdoor and Out-of-Home Advertising, and all other related sales promotion, research, and specialized sales required in relation to the sale of advertising placed on the outdoor advertising units and locations. The Contractor is responsible for the development, production, finishing, installation, removal and all other aspects of Outdoor Advertising sales under this Contract. The Contractor will obtain all applicable permits and zoning approvals, prepare and or construct, install and maintain all Outdoor Advertising, and all other related Out-of-Home Advertising sales products, market data, product specifications, and all Outdoor Advertising contract agreements, at no cost to the Port Authority. The Contractor shall pay all applicable taxes, imposts and fees. Contracts shall be between the Contractor and the advertisers for all aspects of Outdoor Advertising sales.

No advertising material of any kind nor any announcement shall be displayed, shown, exhibited, or disseminated by the Contractor unless the Port Authority has given prior written approval as to the type, quality, kind, form, substance, character and content thereof. All such content and the operation and maintenance thereof shall meet the

written approval of the Port Authority, in accordance with the Authority's advertising guidelines. Advertisements disapproved by the Port Authority shall be immediately discontinued and removed from the site by the Contractor within forty-eight (48) hours on notice of the Port Authority.

The Contractor must ensure that all outdoor advertising and related promotional signage placements are in full compliance with the general rules, Advertising Guidelines Abstract, Attachment G and regulations of the Port Authority and all requirements of applicable law. The Contractor must indemnify the Port Authority against all claims of intellectual property infringement, libel, slander, or other defamation arising out of the Contractor's performance of this Contract.

The Port Authority reserves the right to reject any suggestions or recommendations from the Contractor. The Contractor shall have no claim against the Port Authority nor shall the Port Authority be legally obligated to the Contractor for any such rejection. The Port Authority shall not be responsible to the Contractor for any anticipated revenues and/or any associated costs associated with rejected suggestions/recommendations.

5. General Provisions

A. No certificate, acceptance of payment, (final or otherwise), acceptance of any work nor any other act or omission of the Port Authority shall operate to release Contractor from any obligations under or in connection with this Agreement, or to stop the Port Authority from showing at any time, that such certificate, payment, acceptance, act or omission was incorrect or to preclude the Port Authority from recovering any unpaid monies paid other than that lawfully due, whether under mistake of law or fact or to prevent the recovery of any damages sustained by the Port Authority.

B. The Contractor shall not issue or permit to be issued any press release, advertisement, or literature of any kind, which refers to the Port Authority or the services to be performed in connection with this Agreement unless it first obtains the written approval of the Port Authority. Such approval may be withheld if for any reason the Port Authority believes that the publication of such information would be harmful to the public interest or is in any way undesirable. Any use of the Port Authority's logo for any purpose in connection with this Contract is subject to the Authority's prior written approval.

C. Under no circumstances shall the Contractor or the Contractor's subcontractors or partners, if any, communicate in any way with any department, board, agency, commission, or other organization or any person whether governmental or private in connection with the services to be performed hereunder except upon prior written approval and instructions of the Port Authority, provided, however, that data from manufacturers and suppliers of materials, devices, equipment and potential advertisers shall be obtained by the Contractor when the Contractor finds such data necessary unless otherwise instructed by the Port Authority.

D. Any services performed for the benefit of the Port Authority at any time by the Contractor or on the Contractor's behalf, even if expressly and duly authorized

by the Port Authority, shall be deemed to be rendered under and subject to this Agreement (unless referable to another expressly written, duly executed agreement by the same parties), whether such additional services are performed prior to, during or subsequent to the services described herein, and no rights or obligations shall arise out of such additional services except as provided under this Agreement.

E. The Contractor shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations of the Port Authority now in effect, and such further rules and regulations which may from time to time during the effective period of this Contract, be promulgated by the Port Authority for reasons of safety, health, preservation of property, or maintenance of a good and orderly appearance of the Facilities, or for the safe and efficient operation of the Facilities. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Contractor of every rule and regulation hereafter adopted by it. You shall comply with all applicable provisions of law as if the Port Authority were a private corporation.

F. This Contract does not constitute the Contractor as an agent or representative of the Port Authority for any purpose whatsoever. The Contractor shall perform all services hereunder as an independent Contractor and the Contractor, its officers, and employees shall not be deemed to be agents, servants, or employees of the Port Authority.

6. Intellectual Property

The right of the Port Authority as well as the Contractor to use all patented material, compositions of matter, manufactures, apparatus, appliances, processes of manufacture or types of construction as well as any copyrightable matter, trade secrets or other proprietary matters, shall be obtained by the Contractor without compensation from the Port Authority whether the same is patented or created before, during or after the performance of the Work.

7. Termination of Agreement for Cause

The Port Authority may at any time for cause terminate this Agreement or any portion of the Agreement as to any services not yet rendered upon thirty (30) days written notice to the Contractor. The Contractor shall have no right of termination as to any services under this Agreement without just cause. Termination by either party shall be by certified letter addressed to the other at its address herein after set forth. Should this Agreement be terminated by either party as above provided, the Port Authority shall be entitled to all payments under this Agreement as pro-rated to the date of termination.

Upon such revocation, all installations, equipment, and facilities installed by the Contractor pursuant to the permission granted hereunder, including, without limitation, any advertising displays, billboards, signage, and equipment, but excluding the structural grid, and the electrical and operational equipment installed

by the Contractor to operate the displays, billboards, outdoor advertising and signage installed pursuant to the terms of this Agreement shall be removed by the Contractor from the areas of the Facilities as directed by the Port Authority.

8. Insurance Procured by the Contractor

The Contractor shall take out, maintain, and pay the premiums on Commercial General Liability Insurance, including but not limited to premises-operations, products-completed operations, and independent contractors coverage, advertising injury, with contractual liability language covering the obligations assumed by the Contractor under this Contract and, if vehicles are to be used to carry out the performance of this Contract, then the Contractor shall also take out, maintain, and pay the premiums on Automobile Liability Insurance covering owned, non-owned, and hired autos in the following minimum limits:

Commercial General Liability Insurance - $ 5 million combined single limit per occurrence for bodily injury and property damage liability.

Automobile Liability Insurance - $ 2 million combined single limit per accident for bodily injury and property damage liability.

In addition, the liability policy (ies) shall name The Port Authority of NY and NJ as additional insured, including but not limited to premise-operations, products-completed operations on the Commercial General Liability Policy. Moreover, the Commercial General Liability Policy shall not contain any provisions for exclusions from liability other than provisions for exclusion from liability forming part of the most up to date ISO form or its equivalent unendorsed Commercial General Liability Policy. The liability policy (ies) and certificate of insurance shall contain cross-liability language providing severability of interests so that coverage will respond as if separate policies were in force for each insured. These insurance requirements shall be in effect for the duration of the Contract to include any warrantee/guarantee period.

The certificate of insurance and liability policy (ies) must contain the following endorsement for the above liability coverages:

"The insurer(s) shall not, without obtaining the express advance written permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the Tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority."

The Contractor shall also take out, maintain, and pay premiums on Workers' Compensation Insurance in accordance with the requirements of law in the state(s) where work will take place, and Employer's Liability Insurance with limits of not less than $1 million for each accident.

Each policy above shall contain a provision that the policy may not be canceled, terminated, or modified without thirty (30) days prior written notice to the Port Authority of NY and NJ, Att: Facility Contract Administrator, at the location where the work will take place and to the General Manager, Risk Management.

The Port Authority may at any time during the term of this Agreement change or modify the limits and coverages of insurance.

Within five (5) days after the award of this Agreement or Contract and prior to the start of work, the Contractor must submit an original certificate of insurance, to the Port Authority of NY and NJ, Facility Contract Administrator, at the location where the work will take place. This certificate of insurance MUST show evidence of the above insurance policy (ies), stating the agreement/contract number prior to the start of work. The General Manager, Risk Management must approve the certificate(s) of insurance before any work can begin. Upon request by the Port Authority, the Contractor shall furnish to the General Manager, Risk Management, a certified copy of each policy, including the premiums.

If at any time the above liability insurance should be canceled, terminated, or modified so that the insurance is not in effect as above required, then, if the Manager shall so direct, the Contractor shall suspend performance of the Contract at the premises. If the Contract is so suspended, no extension of time shall be due on account thereof. If the Contract is not suspended (whether or not because of omission of the Manager to order suspension), then the Authority may, at its option, obtain insurance affording coverage equal to the above required, the cost of such insurance to be payable by the Contractor to the Port Authority.

Renewal certificates of insurance or policies shall be delivered to the Facility Contractor Administrator, Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. The General Manager, Risk Management must approve the renewal certificate(s) of insurance before work can resume on the facility. If at any time any of the certificates or policies shall become unsatisfactory to the Port Authority, the Contractor shall promptly obtain a new and satisfactory certificate and policy.

The requirements for insurance procured by the Contractor shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Contractor under this Contract. The insurance requirements are not a representation by the Authority as to the adequacy of the insurance to protect the Contractor against the obligations imposed on them by law or by this or any other Contract. **(CITS #2461N – OUTDOOR RFP).**

9. Certain Contractor's Warranties

The Contractor represents and warrants:

A. That he/she is financially responsible and experienced in, and competent to perform this Contract; that no representation, promise or statement, oral or in writing, has induced him/her to submit his Proposal, saving only those contained in the papers expressly made part of this Contract; that the facts stated or shown in any papers submitted or referred to in connection with his/her proposal are true; and, if the Contractor be a corporation, that it is authorized to perform this Contract;

B. That he/she has carefully examined and analyzed the provisions and requirements of this Contract, that from his/her own investigations he/she has satisfied himself as to the nature of all things needed for the performance of this Contract, the general and local conditions and all other matters which in any way affect this Contract or its performance, and that the time available to him/her for such examination, analysis, inspection and investigations was adequate;

C. That the Contract is feasible of performance in accordance with all its provisions and requirements and that he/she can and will perform it in strict accordance with such provisions and requirements;

D. That no Commissioner, Director, officer, agent or employee of the Port Authority is personally interested directly or indirectly in this Contract or the compensation to be paid hereunder;

E. That, except only for those representations, statements or promises expressly contained in this Contract, no representation, statement or promise, oral or in writing, of any kind whatsoever by the Port Authority, its Directors, Commissioners, officers: agents: employees or consultants has induced the Contractor to enter into this Contract or has been relied upon by the Contractor, including any with reference to: (1) the meaning, correctness, suitability or completeness of any provisions or requirements of this Contract; (2) the nature, existence or location of materials, structures, obstructions, utilities or conditions, which may be encountered at the installation sites; (3) the nature, quantity, quality or size of the materials, equipment, labor and other facilities needed for the performance of this Contract; (4) the general or local conditions which may in any way affect this Contract or its performance; (5) the price of the Contract; or (6) any other matters, whether similar to or different from those referred to in (1) through (5) immediately above, affecting or having any connection with this Contract, the bidding thereon, any discussions thereof, the performance thereof or those employed therein or connected or concerned therewith.

F. That, notwithstanding any requirements of this Contract, any inspection or approval of the Contractor's services by the Port Authority, or the existence of any patent or trade name, the Contractor nevertheless warrants and represents that the services and any intellectual property supplied to the Port Authority hereunder shall be of the best quality and shall be fully fit for the purpose for which they are to be used. The Contractor unconditionally guarantees against defects or failures of any kind, including defects or failures in design, workmanship and materials, excepting solely defects or failures which the Contractor demonstrates to the satisfaction of the Port Authority have arisen solely from accident, abuse or fault of the Port Authority and not due to fault on the Contractor's part. In the event of defects or failures in said services, or any part thereof, then upon receipt of

notice thereof from the Port Authority, the Contractor shall correct such defects or failures as may be necessary or desirable, in the sole opinion of the Port Authority, to comply with the above guaranty.

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

Nothing in the Scope of Work or any other part of the Contract is intended as or shall constitute a representation by the Port Authority as to the feasibility of performance of this Contract or any part thereof. Moreover, the Port Authority does not warrant or represent either by issuance of the Scope of Work or by any provision of this Contract as to time for performance or completion or otherwise that the Contract may be performed or completed by the times required herein or by any other times.

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

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

10. Applicable Law

This Contract shall be construed in accordance with the laws of the State of New York. The Contractor hereby consents to the exercise by the courts of the States of New York and New Jersey of jurisdiction in persona over it with respect to any matter arising out of or in connection with this Contract and waives any objection to such jurisdiction which it might otherwise have; and the Contractor agrees that mailing of process by registered mail addressed to it at the address of the Contractor set forth in the Proposal, shall have the same effect as personal service within the States of New York or New Jersey upon a domestic corporation of said State.

All designs for structures to be installed and/or erected on Port Authority property or in or on Port Authority facilities must be signed and stamped by a Professional

Engineer, licensed in the state where the work is to be performed. The Contractor and any partners or joint venture entities and subcontractors must maintain a licensed New York and licensed New Jersey Professional Engineer as applicable.

11. Authority of the Director

Inasmuch as the public interest requires that the Work to which this Contract relates shall be performed in the manner which the Authority, acting through the Director, deems best, the Director shall have absolute authority to determine what is or is not necessary or proper for or incidental to the portion thereof specified in the clause hereof entitled "General Agreement" and the Specifications shall be deemed merely his/her present determination on this point. In the exercise of this authority, he/she shall have power, subject to the provisions governing the work, to alter the Specifications; require the performance of Work not required by them in their present form, even though of a totally different character from that now required; and to vary, increase and diminish the character, quantity and quality of, or to countermand any Work now or hereafter required. Such variation, increase, diminution or countermanding need not be based on necessity but may be based on convenience. As used in this Agreement "Director" shall mean the Director of Real Estate and/or designee.

12. Authority and Duties of the Manager

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

13. Parking

Parking for vehicles of the Contractor's and subcontractor's employees while actually on duty under the Contract may be made available at the Facility by the Manager at his or her discretion, from time to time, and on such terms and conditions as may be specified by the Port Authority, including the payment of charges therefore.

14. Holidays

The following legal holidays are observed at Port Authority offices and facilities:

New Year's Day
Martin Luther King, Jr. Day
President's Day
Memorial Day
Independence Day
Labor Day
Columbus Day
Veteran's Day
Thanksgiving Day
Day After Thanksgiving
Christmas Day

and each general election day in the State in which the work is to be performed, and such other or different days or dates as may be declared holidays or legal holidays by the legislature of the State in which the work is to be performed.

If any such holiday falls on a Sunday then the next day shall be considered the holiday and/or if any such holiday falls on a Saturday then the preceding day shall be considered the holiday.

The Contractor shall obtain clearances from the Manager to work on Port Authority property on any and all days, including holidays, in accordance with the performance of this Contract.

15. Letter of Credit

The Contractor may at any time as a condition of contract award or during the term of this Contract be required by the Authority to delivery to the Port Authority, as security of all obligations of the Contractor under this Agreement, either a security deposit for the faithful performance of the Contractor's obligation under this contract or a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District, in favor of the Port Authority, in an amount t of two months revenue or more of estimated revenue to be paid by the Contractor to the Authority. The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the term of the Contract hereunder and for a period of not less than six (6) months thereafter; such continuance may be by automatic renewal or by substitution of a subsequent satisfactory letter. Upon notice of cancellation of a letter of credit the Contractor agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by substitute security in accordance with the requirements of the Authority or another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security. Failure to provide such a letter of credit at any time during the term of the Contract hereunder, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of this Contract on the part of the Contractor. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Contractor made thereafter, the Port Authority will return the security deposit, if any, theretofore made

under and in accordance with the provisions of this Section or as required by the Authority. The Contractor shall have the same rights to receive such deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the term of the Contract under this agreement and fulfillment of the obligations of the Contractor hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Contractor shall bring this letter of credit back up to its full amount.

At any time and from time to time hereunder, should the Port Authority feel insecure with respect to the amount of the security required under this section, the Port Authority shall have the right, in its sole and absolute discretion, to increase such amount upon notice by the Port Authority to the Contractor to such effect and within two business days hereafter the Contractor shall deposit with the Port Authority such additional cash or bonds or such letter of credit to bring the security under this Section up to the full amount stated by the Port Authority in said notice.

16. Performance and Payment Bond

The Authority may in its sole discretion so elect at the time of accepting the Contractor's Proposal, to require the Contractor to furnish a bond for the faithful performance of all construction obligations imposed upon him/her by the Contract and also for the payment of all lawful claims of subcontractors, materialmen and workmen arising out of the performance of the Contractor's construction obligations under the Contract. Such bond shall be in the form bound herewith entitled, "Performance and Payment Bond", shall be in a penal sum equal to a negotiated amount based upon the Contractor's financial obligations for construction under the Contract and such bond shall be signed by one or more sureties[1] satisfactory to the Authority The bond may be executed on a separate copy of such form not physically attached to this Contract booklet. In any case, both the form of bond bound herewith and any unattached executed copy thereof shall form a part of this Form of Contract as though herein set forth in full.

At any time after the opening of Proposals, the Authority may give notice to one or more Proposers to advise the Authority as to the names of their proposed sureties. Within forty-eight hours thereafter each Proposer so notified shall so advise the Authority. The giving of such notice to a Proposer shall not be construed as an acceptance of his/her Proposal, and omission to give such notice shall not be construed as an election by the Authority not to require a bond.
If the Authority elects to require the Contractor to furnish a bond, he/she shall deliver such bond to the Authority within seven days after receipt by him/her of the acceptance of his/her Proposal, and the sureties thereon shall be as proposed by him/her, provided, that if the Authority has theretofore given notice to him/her that his/her proposed sureties

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1 Sureties must be corporations (commonly known as "surety companies"), authorized to do business as sureties in the state(s) in which the construction site is located, whose names appear on the current list of the Treasury Department of the United States in effect at the time of submission of the Performance and Payment Bond to the Authority as acceptable as sureties to the Treasury Department. In addition, the aggregate underwriting limitations on any one risk as set forth in the aforementioned list of the Treasury Department of the sureties shall equal or exceed the penal sum of the Performance and Payment Bond.

or any of them are not satisfactory, the bond shall be executed by other sureties satisfactory to the Authority.
The Authority shall give notice to the Contractor within ten (10) days after receipt of the Performance and Payment Bond as to whether or not such bond is satisfactory.
In the event of a default by the Contractor in his/her obligation to furnish a satisfactory bond within seven (7) days after he/she received an acceptance of his/her Proposal, such default shall entitle the Authority in its discretion to terminate this Contract at any time within forty-five (45) days after the acceptance of the Proposal, without any liability on the part of the Authority. Inasmuch as the damages to the Authority resulting from a termination by it upon the failure of the Contractor to furnish a satisfactory bond will include items whose accurate amount will be difficult or impossible to compute, such damages shall be liquidated in the sum of the following amounts:
The difference between $ INSERT A CONSERVATIVE ESTIMATE OF TOTAL REVENUES_TO BE EARNED UNDER THIS CONTRACT times the percentage of gross revenues to be paid to the Authority as agreed to by the Contractor and $_SAME AMOUNT times the percentage of gross revenues to be paid to the Authority by the successor contractor; and_____
The expense of such new advertisement of the Contract, if any, as may be deemed necessary by the Authority; and
The sum of $500 for each day after the receipt by the Contractor of the acceptance of his/her Proposal that the performance of the Contract is not commenced by reason of the failure of the Contractor to furnish the required bond.

If the Contractor furnishes a bond in accordance with the requirements of the Authority under this numbered clause, the Authority shall reimburse the Contractor for the net amount actually paid by him/her to the surety or sureties as the premium on such bond. The Contractor shall deliver to the Director receipts from the surety or sureties evidencing such payment and the amount thereof. Within fifteen days after receipt of such evidence satisfactory to the Director, the Authority shall pay to the Contractor by check the amount provided in this numbered clause.
If at any time the Authority shall be or become dissatisfied with any surety or sureties then upon any bond furnished in accordance with the requirements of the Authority, or if for any other reason such bond shall cease to be adequate security to the Authority, the Contractor shall, within five days after notice from the Authority so to do, substitute a new bond in such form and sum and signed by such other sureties as may be necessary in the opinion of the Authority to constitute adequate security.

PART II – STANDARD CONTRACT TERMS AND CONDITIONS

PART A GENERAL DEFINITIONS

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

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

Contract, Document or Agreement - shall mean the RFP in its entirety and, if included, attachments, endorsements, schedules, exhibits, or drawings, the Authority's acceptance and any written Addenda issued over the name of the Authority's Manager, Purchasing Services Division.

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

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

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

Director - shall mean the Director of the Department overseeing the Scope of Work under this Contract, or his/her successor in duties for the purpose of this Contract, acting personally or through one of his/her authorized representatives for the purpose of this Contract.

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

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

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

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

(a) Black persons having origins in any of the Black African racial groups not of Hispanic origin;

(b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race;

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

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

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

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

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

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

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

controlled by one or more women who are citizens or permanent or resident aliens.

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

PART B GENERAL PROVISIONS

1. Facility Rules and Regulations of The Port Authority

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

   b. A copy of the facility Rules and Regulations of the Port Authority shall be available for review by the Contractor at the Office of the Secretary of the Port Authority.

2. Contractor Not An Agent

This Agreement does not constitute the Contractor the agent or representative of the Port Authority for any purpose whatsoever except as may be specifically provided in this Agreement. It is hereby specifically acknowledged and understood that the Contractor, in performing its services hereunder, is and shall be at all times an independent Contractor and the officers, agents and employees of the Contractor shall not be or be deemed to be agents, servants or employees of the Port Authority.

3. Contractor's Warranties

The Contractor represents and warrants:

a. That it is financially solvent, that it is experienced in and competent to perform the requirements of this Contract, that the facts stated or shown in any papers submitted or referred to in connection with its Proposal are true, and, if the Contractor be a corporation, that it is authorized to perform this Contract;

b. That it has carefully examined and analyzed the provisions and requirements of this Contract, and that from its own investigations it has satisfied itself as to the nature of all things needed for the performance of this Contract, the general and local conditions and all other matters which in any way affect this Contract or its performance, and that the time available to it for such examination, analysis, inspection and investigation was adequate;

c. That the Contract is feasible of performance in accordance with all its provisions and requirements and that it can and will perform it in strict accordance with such provisions and requirements;

d. That no Commissioner, officer, agent or employee of the Port Authority is personally interested directly or indirectly in this Contract or the compensation to be paid hereunder;

e. That, except only for those representations, statements or promises expressly contained in this Contract, no representation, statement or promise, oral or in writing, of any kind whatsoever by the Port Authority, its Commissioners, officers, agents, employees or consultants has induced the Contractor to enter into this Contract or has been relied upon by the Contractor, including any with reference to: (1) the meaning, correctness, suitability, or completeness of any provisions or requirements of this Contract; (2) the nature, quantity, quality or size of the materials, equipment, labor and other facilities needed for the performance of this Contract; (3) the general or local conditions which may in any way affect this Contract or its performance; (4) the price of the Contract; or (5) any other matters, whether similar to or different from those referred to in (1) through (4) immediately above, affecting or having any connection with this Contract, the bidding thereon, any discussions thereof, the performance thereof or those employed therein or connected or concerned therewith.

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

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

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

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

4. Personal Non-Liability

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

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

   a. The Contractor is advised to ascertain and comply with all applicable federal, State and local statutes, ordinances, rules and regulations and, federal Executive Orders, pertaining to equal employment opportunity, affirmative action, and non-discrimination in employment.

   b. Without limiting the generality of any other term or provision of this Contract, in the event of the Contractor's non-compliance with the equal opportunity and non-discrimination clause of this Contract, or with any of such statutes, ordinances, rules, regulations or Orders, this Contract may be cancelled, terminated or suspended in whole or in part.

6. Rights and Remedies of the Port Authority

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

a. The right to take over and complete the Work or any part thereof as agent for and at the expense of the Contractor, either directly or through others.

b. The right to cancel this Contract as to any or all of the Work yet to be performed.

c. The right to specific performance, an injunction or any appropriate equitable remedy.

d. The right to money damages.

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

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

7. Rights and Remedies of the Contractor

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

8. Submission To Jurisdiction

The Contractor hereby irrevocably submits itself to the jurisdiction of the Courts of the State of New York and New Jersey, in regard to any controversy

arising out of, connected with, or in any way concerning this Contract.

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

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

9. Harmony

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

The Contractor shall immediately give notice to the Port Authority (to be followed by written notices and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Contractor shall use its best efforts to resolve any such complaint, trouble, dispute or controversy. If any type of strike, boycott, picketing, work stoppage, slowdown or other labor activity is directed against the Contractor at the Facility or against any operations of the Contractor under this Contract, whether or not caused by the employees of the Contractor, and if any of the foregoing, in the opinion of the Port Authority, results or is likely to result in any curtailment or diminution of the services to be performed hereunder or to interfere with or affect the operations of the Port Authority, or to interfere with or affect the operations of lessees, licensees, or other users of the Facility or in the event of any other cessation or stoppage of operations by the Contractor hereunder for any reason whatsoever, the Port Authority shall have the right at any time during the continuance thereof to suspend the operations of the Contractor under this Contract, and during the period of the suspension the Contractor shall not perform its services hereunder and the Port Authority shall have the right during said period to itself or by any third person or persons selected

by it to perform said services of the Contractor using the equipment which is used by the Contractor in its operations hereunder as the Port Authority deems necessary and without cost to the Port Authority. During such time of suspension, the Contractor shall not be entitled to any compensation. Any flat fees, including management fees, shall be prorated. Prior to the exercise of such right by the Port Authority, it shall give the Contractor notice thereof, which notice may be oral. No exercise by the Port Authority of the rights granted to it in the above subparagraph shall be or be deemed to be a waiver of any rights of termination or revocation contained in this Contract or a waiver of any rights or remedies which may be available to the Port Authority under this Contract or otherwise.

b. During the time that the Contractor is performing the contract, other persons may be engaged in other operations on or about the worksite including Facility operations, pedestrian, bus and vehicular traffic and other Contractors performing at the worksite, all of which shall remain uninterrupted.
The Contractor shall so plan and conduct his/her operations as to work in harmony with others engaged at the site and not to delay, endanger or interfere with the operation of others (whether or not specifically mentioned above), all to the best interests of the Port Authority and the public as may be directed by the Port Authority.

10. Claims of Third Persons

The Contractor undertakes to pay all claims lawfully made against it by subcontractors, suppliers and workers, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of this Contract and to cause all subcontractors to pay all such claims lawfully made against them.

11. No Third Party Rights

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

12. Provisions of Law Deemed Inserted

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

13. Costs Assumed By The Contractor

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

14. Default, Revocation or Suspension of Contract

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

1. If fire or other cause shall destroy all or a substantial part of the Facility;

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

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

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

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

1. The Contractor shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or

of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or

2. By order or decree of a court the Contractor shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors, or, if the Contractor is a corporation, by any of the stockholders of the Contractor, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

3. A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Contractor and shall not be dismissed within thirty (30) days after the filing thereof; or

4. The interest of the Contractor under this Contract shall be transferred to, passed to or devolve upon, by operation of law or otherwise, any other person, firm or corporation, or

5. The Contractor, if a corporation, shall, without the prior written approval of the Port Authority, become a surviving or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

6. If the Contractor is a partnership, and the said partnership shall be dissolved as the result of any act or omission of its copartners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

7. By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Contractor and such possession or control of all or substantially all of the property of the Contractor and shall continue in effect for a period of fifteen (15) days;

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

effective date of termination.

c. If any of the following shall occur:

1. The Contractor shall cease, abandon any part of the service, desert, stop or discontinue its services in the premises for any reason whatsoever and regardless of the fault of the Contractor; or

2. The Contractor shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Contract on its part to be kept, performed or observed, within five (5) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligations requires activity over a greater period of time, and the Contractor shall have commenced to perform whatever may be required for fulfillment within five (5) days after receipt of notice and continues such performance without interruption except for causes beyond its control); then upon the occurrence of any such event or during the continuance thereof, the Port Authority shall have the right on twenty four (24) hours notice to the Contractor to terminate this Contract and the rights of the Contractor hereunder, termination to be effective upon the date and time specified in such notice. Termination shall not relieve the Contractor of any liabilities which shall have accrued on or prior to the effective date of termination.

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

e. (Reserved)

f. (Reserved)

g. Any right of termination contained in this paragraph, shall be in addition to and not in lieu of any and all rights and remedies that the Port Authority shall have at law or in equity consequent upon the Contractor's breach of this Contract and shall be without prejudice to any and all such other rights and remedies. It is hereby specifically agreed and understood that the exercise by the Port Authority of any right of termination set forth in this paragraph shall not be or be deemed to be an

exercise by the Port Authority of an election of remedies so as to preclude the Port Authority from any right to money damages it may have for the period prior to the effective date of termination to the original expiration date of the Contract, and this provision shall be deemed to survive the termination of this contract as aforesaid.

h. (Reserved)

i. If The Port Authority has paid any sum or has incurred any obligation or expense which the Contractor has agreed to pay or reimburse the Port Authority, or if the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Contractor to perform or fulfill any one or more of the conditions, covenants, or agreements contained in this Contract, or as a result of an act of omission of the Contractor contrary to the said conditions, covenants and agreements, the Contractor shall pay to the Port Authority the sum or sums so paid or expense so incurred, including all interests, costs and damages, promptly upon the receipt of the Port Authority's statement therefore. The Port Authority may, however, in its discretion, elect to deduct said sum or sums from any payment payable by it to the Contractor.

j. If the Port Authority pays any installment to the Contractor without reducing said installment as provided in this Contract, it may reduce any succeeding installment by the proper amount, or it may bill the Contractor for the amount by which the installment paid should have been reduced and the Contractor shall pay to the Port Authority any such amount promptly upon receipt of the Port Authority's statement therefore.

k. The Port Authority shall also have the rights set forth above in the event the Contractor shall become insolvent or bankrupt or if his/her affairs are placed in the hands of a receiver, trustee or assignee for the benefit of creditors.

15. Sales or Compensating Use Taxes

Sales to the Port Authority are currently exempt from New York and New Jersey State and local sales and compensating use taxes and generally from federal taxation. The Contractor certifies that there are no such taxes included in the prices for this Contract. The Contractor shall retain a copy of this Contract to substantiate the exempt sale.

The compensation set forth in this Agreement is the complete compensation to the Contractor, and the Port Authority will not separately reimburse the

Contractor for any taxes unless specifically set forth in this Agreement.

16. No Estoppel or Waiver

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

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

17. Records and Reports

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

a. The Contractor hereby further agrees to furnish to the Port Authority from time to time such written reports in connection with its operations hereunder as the Port Authority may deem necessary or desirable. The format of all forms, schedules and reports furnished by the Contractor to the Port Authority shall be subject to the continuing approval of the Port Authority.

b. No provision in this Contract giving the Port Authority a right of access to records and documents is intended to impair or affect any right of access to records and documents which they would have in the absence of such provision. Additional record keeping may be required under other sections of this Contract.

18. General Obligations

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

b. The Contractor shall comply with the provisions of all present and future federal, state and municipal laws, rules, regulations, requirements, ordinances, orders and directions which pertain to its operations under this Contract and which affect the Contract or the performance thereof and those engaged therein as if the said Contract were being performed for a private corporation, except where stricter requirements are contained in the Contract in which case the Contract shall control. The Contractor shall procure for itself all licenses, certificates, permits, zoning approvals, or other authorization from all governmental authorities, if any, having jurisdiction over the Contractor's operations hereunder which may be necessary for the Contractor's operations. The Contractor's obligation to comply with governmental requirements are not to be construed as a submission by the Port Authority to the

application to itself of such requirements.

c. The Contractor shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed on its property or operations hereunder or income therefrom, and shall make all applications, reports and returns required in connection therewith.

d. The Contractor shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, standard orders and directions of the American Insurance Association, the Insurance Services Office, National Fire Protection Association, and any other body or organization exercising similar functions which may pertain or apply to the Contractor's operations hereunder. The Contractor shall not do or permit to be done any act which:

1. will invalidate or be in conflict with any fire insurance policies covering the Facility or any part thereof or upon the contents of any building thereon, or

2. will increase the rate of any fire insurance, extended coverage or rental insurance on the Facility or any part thereof or upon the contents of any building thereon, or

3. in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risk normally attendant upon the operations contemplated by this Contract, or

4. may cause or produce in the premises, or upon the Facility any unusual, noxious or objectionable smoke, gases, vapors, odors or

5. may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Facility, or

6. shall constitute a nuisance in or on the Facility or which may result in the creation, commission or maintenance of a nuisance in or on the Facility.

e. If by reason of the Contractor's failure to comply with the provisions of this Section and provided the Port Authority has given the Contractor five (5) days written notice of its failure and the Contractor shall not have cured said failure within said

five (5) days, any fire insurance, extended coverage or rental insurance rate on the Facility or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Contractor shall on demand pay the Port Authority that part of all fire insurance, extended coverage or rental insurance premiums paid or payable by the Port Authority which shall have been charged because of such violations by the Contractor.

f. The Contractor shall conduct its operations hereunder so as not to endanger, unreasonably interfere with, or delay the operations or activities of any tenants or occupants on the premises or the Facility and, moreover, shall use the same degree of care in performance on the premises as would be required by law of the Port Authority and shall conduct operations hereunder in a courteous, efficient and safe manner.

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

19. <u>Subcontracting</u>

a. The Contractor shall not sell, transfer, mortgage, pledge, subcontract or assign this Contract or any part thereof or any of the rights granted hereunder or any moneys due or to become due to it hereunder or enter into any contract requiring or permitting the doing of anything hereunder by an independent Contractor, without the prior written approval of the Port Authority, and any such sale, transfer, mortgage, pledge, subcontract, assignment or contract without such prior written approval shall be void as to the Port Authority.

b. All subcontractors who provide permanent personnel to the Contractor for work under this Contract shall be given written notice to comply with all requirements of the Contract. The Contractor shall be responsible and liable for the performance and acts of each subcontractor.

c. All persons to whom the Contractor sublets services shall be deemed to be its agents and no subletting or approval thereof shall be deemed to release this Contractor from its obligations under this Contract or to impose any obligations on the Port Authority to such subcontractor or to give the subcontractor any rights against the Port Authority.

20. Indemnification and Risks Assumed By The Contractor

A. Risks Assumed By The Contractor

The Contractor assumes the following distinct and several risks:

1. The risk of loss or damage to Port Authority property to the extent arising from the willful or negligent acts or omissions of the Contractor, its subcontractors or others under their control;

2. The risk of fines or penalties assessed by courts or governmental agencies or entities against the Contractor, its subcontractors, or others under their control or the Authority, arising out of the performance of services hereunder; and the risk of claims made by third persons against the Contractor, its subcontractors, or others under the control of the Contractor or its subcontractors, or the Authority, on account of injuries (including wrongful death), loss, damage or liability of any kind whatsoever arising out of or in connection with willful or negligent acts of the Contractor, its subcontractors, or others under their control in the performance of the services hereunder or out of or in connection with the Contractor's operations or presence at or in the vicinity of the construction sites or Authority premise; and the risk of claims against the Contractor, its subcontractors or others under the control of the Contractor or its subcontractors, or the Authority, for the payment of workers' compensation; whether such claims, fines or penalties are made or assessed and whether such injuries, damage, loss and liability are sustained at any time both before and after the termination or expiration of this Contract; and

3. The risk of loss or damage to any property of the Contractor, its subcontractors or others under the control of the Contractor or its subcontractors, and of claims made against the Contractor, its subcontractors or those under their control, or the Authority, for loss or damage to any property of subcontractors, materialmen, workmen and others under the control of the Contractor or its subcontractors, not caused by the willful or negligent acts or omissions of the Authority, occurring at any time prior to completion of removal of such property from the construction sites or Authority premises or the vicinity thereof.

The Contractor shall indemnify the Authority against all claims described above in subparagraphs 1., 2, and 3 as to which the Contractor, its subcontractors or others under their control assumes the risk and for all expense incurred by it in the defense, settlement or satisfaction thereof, including expenses of attorneys, except where indemnity would be precluded by New York State General Obligations Law, Section 5-322.1 or by other applicable law. If so directed, the Contractor shall defend against any claim described in subparagraphs 1, 2 and 3 above in which event it shall not without obtaining express advance permission from the General Counsel of the Authority raise any defense involving in any way jurisdiction of the tribunal, immunity of the Authority, governmental nature of the Authority or the provisions of any statutes respecting suits

against the Authority. Unless a claim is one that the Contractor is not required to indemnify the Authority against as described in the first sentence of this clause, such defense shall be at the Contractor's cost.

The provisions of this numbered clause shall also be for the benefit of the Commissioners, officers, agents and employees of the Authority, so that they shall have all the rights which they would have under this numbered clause if they were named at each place above at which the Authority is named, including a direct right of action against the Contractor to enforce the foregoing indemnity, except, however, that the Authority by action of its Board of Commissioners may at any time in its sole discretion and without liability on its part cancel the benefit conferred on any of them by this numbered clause, whether or not the occasion for invoking such benefit has already arisen at the time of such cancellation.

Neither the issuance of a certificate of completion nor the making of Final Payment shall release the Contractor from his/her obligations under this numbered clause. Moreover, neither the enumeration in this numbered clause nor the enumeration elsewhere in this Contract of particular risks assumed by the Contractor or of particular claims for which he/she is responsible shall be deemed (a) to limit the effect of the provisions of this numbered clause or of any other clause of this Contract relating to such risks or claims, (b) to imply that he/she assumes or is responsible for risks or claims only of the type enumerated in this numbered clause or in any other clause of this Contract, or (c) to limit the risks which he/she would assume or the claims for which he/she would be responsible in the absence of such enumerations.

B.Insurance Procured By Contractor

Pollution Liability Insurance (including lead abatement liability): the Contractor or its subcontractor may be required, on a project-specific basis, for defined periods of time, to procure, maintain, and pay premiums on a Pollution Liability Insurance Policy, including lead abatement liability, on an occurrence basis, providing coverage for bodily injury liability, property damage, or environmental damage caused by pollution conditions, with a limit of liability of not less than $5 million/occurrence and $5 million/aggregate,. The Policy shall name all subcontractors, and the Contractor when applicable, as additional insureds. The policy shall include coverage for environmental cleanup on land, in air, and on water. The policy shall include coverage for completed operations (for 2 years after the completion of the Contract), gradual and sudden and accidental pollution coverage, with a time element of no less than 7 days notice and 30 days reporting. The policy shall not contain a sunset provision, or any other provision, which would prohibit the reporting of a claim and the subsequent defense and indemnity that would normally be provided by the policy. Self-funded, policy fronting, or other non-risk transfer insurance mechanisms are not acceptable to the Authority, unless full disclosure is made to the Port Authority in writing prior to any consideration being given. The policy shall contain a waiver of subrogation in favor of the Port Authority.

The policy shall provide transportation coverage for the hauling of lead based materials, including but not limited to lead paint, from the construction site to the final disposition location. Deductibles are subject to the approval of the Port Authority and shall not reduce the limit of liability. The policy form must "pay on behalf of" rather than

"indemnify the insured". The insurance shall be primary insurance as respects the Port Authority, its representatives, officials, and employees. Any insurance or self-insurance maintained by the Port Authority shall be excess of this insurance and shall not contribute with it. The policy shall provide pollution coverage as respects lead based materials, including but not limited to lead paint for all phases of the abatement process. The policy shall not contain any provisions or definition that would serve to eliminate third party over-claims, including exclusions of the premises owner.
The Authority shall be named as an additional insured in the policy or policies set forth above. The liability policy or policies stated above shall contain coverage for cross-liability/severability of interests, and both shall be stated on the certificate of insurance. Certified copies of the policy or polices described above or a certificate or certificates evidencing the existence thereof, shall be delivered to the General Manager, Risk Management/Treasury, The Port Authority of New York and New Jersey, 225 Park Avenue South, 12th Floor, New York, NY 10003, within ten (10) days after the execution of this Contract by the Contractor. Such policy or policies, certificate or certificates shall state the number of this Contract and shall contain a valid provision or endorsement that the policy or polices may not be canceled, terminated, changed or modified without giving thirty (30) days advance written notice to the Port Authority at the above address. Such liability policy or policies and the certificate of insurance shall contain an additional endorsement stating that, "The insurer shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority." Renewal policies shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. If at any time any of the certificates or polices shall be or become unsatisfactory to the Port Authority as to form or substance, or if the carrier issuing any such certificate or policy shall be or become unsatisfactory to the Port Authority, the Contractor shall promptly obtain a new and satisfactory certificate and policy. The Port Authority may request at any time certified copies of the above policies.

21. Approval of Methods

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

22. Safety and Cleanliness

a. The Contractor shall, in the furnishing of services hereunder, exercise every precaution to prevent injury to person or damage to property and avoid inconvenience to the occupants of or any visitors to the Facility. The Contractor shall, without limiting the generality hereof, place such personnel, erect such

barricades and railings, give such warnings, display such lights, signals or signs, place such cones and exercise precautions as may be necessary, proper or desirable.

b. The Contractor shall in case of unsafe floor conditions due to construction, wetness, spillage, sickness and all other types of hazardous conditions proceed to rope off the unsafe area and place appropriate warnings signs to prevent accidents from occurring. The Contractor shall clean said area to the satisfaction of the Manager.

c. The Contractor shall at all times maintain in a clean and orderly condition and appearance any and all facilities provided by the Port Authority for the Contractor's operations, and all fixtures, sink closets, equipment, and other personal property of the Port Authority which are located in said facilities.

23. Accident Reports

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

24. Trash Removal

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

25. Lost and Found Property

The Contractor shall instruct its personnel that all items of personal property found by the Contractor's employees must be turned in to the Port Authority

and a receipt will be issued therefor.

26. Property of the Contractor

a. All property of the Contractor at the Facility by virtue of this Contract shall be removed on or before the expiration or sooner termination or revocation of this Contract.

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

27. Modification of Contract

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

28. Invalid Clauses

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

29. Approval of Materials, Supplies and Equipment

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

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

30. Intellectual Property

The right to use all patented materials, appliances, processes of manufacture or types of construction, trade and service marks and copyrights, collectively hereinafter referred to as the "Intellectual Property Rights" in the performance of the work shall be obtained by the Contractor without separate or additional compensation. The Contractor shall indemnify the Port Authority against and save it harmless from all loss and expense incurred as a result of any claims in the nature of Intellectual Property Rights infringement arising out of the Port Authority's use, in accordance with the immediately preceding statement, of any protected Intellectual Property Rights. The Contractor, if requested, shall conduct all negotiations with respect to and defend such claims. If the Port Authority be enjoined either temporarily or permanently from the use of any subject matter as to which the Contractor is to indemnify the Port Authority against infringement, then the Port Authority may, without limiting any other rights it may have, require the Contractor to supply temporary or permanent replacement facilities approved by the Manager, and if the Contractor fails to do so the Contractor shall, at its expense, remove all such enjoined facilities and refund the cost thereof to the Port Authority or take such steps as may be necessary to insure compliance by the Port Authority with said injunction, to the satisfaction of the Port Authority.

31A. High Security Areas

a. Services under the Contract may be required in high security areas, as the same may be designated by the Manager from time to time. The Port Authority shall require the observance of certain security procedures with respect to the high security areas, which may include the escort to, at, and/or from said high security areas by security personnel designated by the Contractor or any subcontractor's personnel required to work therein.

b. Twenty-four hours prior to the proposed performance of any work in a high security area, the Contractor shall notify the Manager. The Contractor shall conform to the procedures as may be established by the Manager from time to time and at any time for access to high security areas and the escorting of personnel hereunder. Prior to the start of work, the Contractor shall request a description from the Manager of the high security areas which will be in effect on the commencement

date. The description of high security areas may be changed from time to time and at any time by the Manager during the term of the Contract.

31B. Notification of Security Requirements

The Port Authority operates facilities and systems, at which terrorism or other criminal acts may have a significant impact on life safety and key infrastructures. The Authority reserves the right to impose multiple layers of security requirements on the performance of the Contract work, including on the Contractor, its staff and subcontractors and their staffs depending upon the level of security required, as determined by the Authority. The Contractor shall and shall instruct its subcontractors to cooperate with Authority staff in adopting security requirements. These security requirements may include but may not be limited to the following:

i. Identity Checks and Background Screening

Contractor/subcontractor identity checks and background screening shall include but shall not be limited to: (1) inspection of not less than two forms of valid/current government issued identification (at least one having an official photograph) to verify staff's name and residence; (2) screening of federal, state, and/or local criminal justice agency information databases and files; (3) screening of any terrorist identification files; (4) multi-year check of personal, employment and /or credit history; (5) access identification to include some form of biometric security methodology such as fingerprint, facial or iris scanning.

The Contractor may be required to have its staff, and any subcontractor's staff, authorize the Authority or its designee to perform background checks. Such authorization shall be in a form acceptable to the Authority. If the Authority directs the Contractor to have identity checks and background screening performed by a particular firm designated by the Authority, the Authority will compensate the Contractor for the cost of such screening pursuant to the Extra Work provisions of the Contract.

ii. Issuance of Photo Identification cards:

If the Authority requires facility-specific identification cards for the Contractor's and subcontractors' staff, the Authority will supply such identification cards at no cost to the Contractor.

iii. Access control, inspection, and monitoring by security guards:

The Authority will provide for facility access control, inspection and monitoring by Authority retained security guards. Should the Authority require the Contractor to hire security guards for

the purpose of facility access control and inspection in lieu of or in addition to the Authority retained facility security guards, the Contractor will be reimbursed for the cost of such security guards pursuant to the Extra Work provisions of the Contract. However, this provision shall not relieve the Contractor of its responsibility to secure its equipment and work at the facility at its own expense.

The Authority may impose, increase, and/or upgrade security requirements for the Contractor, subcontractors and their staffs during the term of this Contract to address changing security conditions and/or new governmental regulations.

32. Construction In Progress

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

33. Permit-Required Confined Space Work

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

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

34. Signs

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

35. Vending Machines, Food Preparation

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

as may be specifically designated by the Port Authority for such purpose.

36. Non-Publication

The Contractor shall not issue nor permit to be issued any press release, advertisement, or literature of any kind, which refers to the Port Authority or to the fact that goods have been, are being or will be provided to it and/or that services have been, are being or will be performed for it in connection with this Agreement, nor shall the Contractor use the Port Authority's logo in any way unless the vendor first obtains the written approval of the Port Authority. Such approval may be withheld if for any reason the Port Authority believes that the publication of such information would be harmful to the public interest of is in any way undesirable.

PART III CONTRACTOR'S INTEGRITY PROVISIONS

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

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

a. been indicted or convicted in any jurisdiction;
b. been suspended, debarred, found not responsible or otherwise disqualified from entering into any contract with any governmental agency or been denied a government contract for failure to meet standards related to the integrity of the Bidder;
c. had a contract terminated by any governmental agency for breach of contract or for any cause based in whole or in part on an indictment or conviction;
d. ever used a name, trade name or abbreviated name, or an Employer Identification Number different from those inserted in the Bid;
e. had any business or professional license suspended or revoked or, within the five years prior to bid opening, had any sanction imposed in excess of $50,000 as a result of any judicial or administrative proceeding with respect to any license held or with respect to any violation of a federal, state or local environmental law, rule or regulation;
f. had any sanction imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust regardless of the dollar amount of the sanctions or the date of their imposition; and
g. been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

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

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

a. the prices in its bid have been arrived at independently without collusion, consultation, communication or agreement for the

purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor;

a. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Bidder prior to the official opening of such bid to any other bidder or to any competitor;
b. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Bidder prior to the official opening of such bid to any other bidder or to any competitor;
c. no attempt has been made and none will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition;
d. this organization has not made any offers or agreements or taken any other action with respect to any Authority employee or former employee or immediate family member of either which would constitute a breach of ethical standards under the Code of Ethics dated April 11, 1996 (a copy of which is available upon request to the individual named in the clause hereof entitled "Bidder's Questions"), nor does this organization have any knowledge of any act on the part of an Authority employee or former Authority employee relating either directly or indirectly to this organization which constitutes a breach of the ethical standards set forth in said Code;
e. no person or selling agency other than a bona fide employee or bona fide established commercial or selling agency maintained by the Bidder for the purpose of securing business, has been employed or retained by the Bidder to solicit or secure this Contract on the understanding that a commission, percentage, brokerage, contingent, or other fee would be paid to such person or selling agency; and
f. the bidder has not offered, promised or given, demanded or accepted, any undue advantage, directly or indirectly, to or from a public official or employee, political candidate, party or party official, or any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), in order to obtain, retain or direct business or to secure any other improper advantage in connection with this Contract.

The foregoing certifications shall be deemed to be made by the Bidder as follows:

* if the Bidder is a corporation, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each parent, affiliate, director, and officer of the Bidder, as well as, to the best of the

certifier's knowledge and belief, each stockholder of the Bidder with an ownership interest in excess of 10%;

* if the Bidder is a partnership, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each partner.

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

In any case where the Bidder cannot make the foregoing certifications, the Bidder shall so state and shall furnish with the signed bid a signed statement which sets forth in detail the reasons therefor. If the Bidder is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its bid, setting forth in such statement the reasons for its uncertainty.

Notwithstanding that the Bidder may be able to make the foregoing certifications at the time the bid is submitted, the Bidder shall immediately notify the Authority in writing during the period of irrevocability of bids on this Contract or any extension of such period of any change of circumstances which might under this clause make it unable to make the foregoing certifications or require disclosure. The foregoing certifications or signed statement shall be deemed to have been made by the Bidder with full knowledge that they would become a part of the records of the Authority and that the Authority will rely on their truth and accuracy in awarding this Contract. In the event that the Authority should determine at any time prior or subsequent to the award of this Contract that the Bidder has falsely certified as to any material item in the foregoing certifications or has willfully or fraudulently furnished a signed statement which is false in any material respect, or has not fully and accurately represented any circumstance with respect to any item in the foregoing certifications required to be disclosed, the Authority may determine that the Bidder is not a responsible Bidder with respect to its bid on the Contract or with respect to future bids on Authority contracts and may exercise such other remedies as are provided to it by the Contract with respect to these matters. In addition, Bidders are advised that knowingly providing a false certification or statement pursuant hereto may be the basis for prosecution for offering a false instrument for filing (see e.g. New York Penal Law, Section 175.30 et seq.). Bidders are also advised that the inability to make such certification will not in and of itself disqualify a Bidder, and that in each instance the Authority will evaluate the reasons therefor provided by the Bidder.

3. <u>Bidder Eligibility for Award of Contracts - Determination by an Agency of the State of New York or New Jersey Concerning Eligibility to Receive Public Contracts</u>

Bidders are advised that the Authority has adopted a policy to the effect that in awarding its contracts it will honor any determination by an agency of the State of New York or New Jersey that a Bidder is not eligible to bid on or be awarded public contracts because the Bidder has been determined to have engaged in illegal or dishonest conduct or to have violated prevailing rate of wage legislation.

The policy permits a Bidder whose ineligibility has been so determined by an agency of the State of New York or New Jersey to submit a bid on a Port Authority contract and then to establish that it is eligible to be awarded a contract on which it has bid because (i) the state agency determination relied upon does not apply to the Bidder, or (ii) the state agency determination relied upon was made without affording the Bidder the notice and hearing to which the Bidder was entitled by the requirements of due process of law, or (iii) the state agency determination was clearly erroneous or (iv) the state determination relied upon was not based on a finding of conduct demonstrating a lack of integrity or violation of a prevailing rate of wage law.

The full text of the resolution adopting the policy may be found in the Minutes of the Authority's Board of Commissioners meeting of September 9, 1993.

4. No Gifts, Gratuities, Offers of Employment, Etc.

During the term of this Contract, the Contractor shall not offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Contractor on behalf of the Port Authority, whether or not such duties are related to this Contract or any other Port Authority contract or matter. Any such conduct shall be deemed a material breach of this Contract. As used herein "anything of value" shall include but not be limited to any (a) favors, such as meals, entertainment, transportation (other than that contemplated by the Contract or any other Port Authority contract), etc. which might tend to obligate the Port Authority employee to the Contractor, and (b) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Contract or any other Port Authority contract. Where used herein, the term "Port Authority" shall be deemed to include all subsidiaries of the Port Authority.

The Contractor shall insure that no gratuities of any kind or nature whatsoever shall be solicited or accepted by it and by its personnel for any reason whatsoever from the passengers, tenants, customers or other persons

using the Facility and shall so instruct its personnel.

In addition, during the term of this Contract, the Contractor shall not make an offer of employment or use confidential information in a manner proscribed by the Code of Ethics and Financial Disclosure dated April 11, 1996 (a copy of which is available upon request to the Office of the Secretary of the Port Authority).

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

5. Conflict of Interest

During the term of this Contract, the Contractor shall not participate in any way in the preparation, negotiation or award of any contract (other than a contract for its own services to the Authority) to which it is contemplated the Port Authority may become a party, or participate in any way in the review or resolution of a claim in connection with such a contract if the Contractor has a substantial financial interest in the contractor or potential contractor of the Port Authority or if the Contractor has an arrangement for future employment or for any other business relationship with said contractor or potential contractor, nor shall the Contractor at any time take any other action which might be viewed as or give the appearance of conflict of interest on its part. If the possibility of such an arrangement for future employment or for another business arrangement has been or is the subject of a previous or current discussion, or if the Contractor has reason to believe such an arrangement may be the subject of future discussion, or if the Contractor has any financial interest, substantial or not, in a contractor or potential contractor of the Authority, and the Contractor's participation in the preparation, negotiation or award of any contract with such a contractor or the review or resolution of a claim in connection with such a contract is contemplated or if the Contractor has reason to believe that any other situation exists which might be viewed as or give the appearance of a conflict of interest, the Contractor shall immediately inform the Director in writing of such situation giving the full details thereof. Unless the Contractor receives the specific written approval of the Director, the Contractor shall not take the contemplated action which might be viewed as or give the appearance of a conflict of interest. In the event the Director shall determine that the performance by the Contractor of a portion of its services under this Agreement is precluded by the provisions of this numbered paragraph, or a portion of the Contractor's said services is determined by the Director to be no longer appropriate because of such preclusion, then the Director shall have full authority on behalf of both parties to order that such portion of the Contractor's services not be performed by the Contractor, reserving the right, however, to have the services performed by others and any lump sum compensation payable hereunder which is applicable to the deleted work shall be equitably adjusted by the parties. The Contractor's execution of this document shall constitute a representation by the Contractor that at the time of such execution the Contractor knows of no circumstances, present or anticipated, which come within the provisions of

this paragraph or which might otherwise be viewed as or give the appearance of a conflict of interest on the Contractor's part. The Contractor acknowledges that the Authority may preclude it from involvement in certain disposition/privatization initiatives or transactions that result from the findings of its evaluations hereunder or from participation in any contract which results, directly or indirectly, from the services provided by the Contractor hereunder.

6. Definitions

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

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

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

Investigation - Any inquiries made by any federal, state or local criminal prosecuting agency and any inquiries concerning civil anti-trust investigations made by any federal, state or local governmental agency. Except for inquiries concerning civil anti-trust investigations, the term does not include inquiries made by any civil government agency concerning compliance with any regulation, the nature of which does not carry criminal penalties, nor does it include any background investigations for employment, or Federal, State, and local inquiries into tax returns.

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

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

If the solicitation is a Request for Proposal:

Bid - shall mean Proposal;

Bidder - shall mean Proposer;

Bidding - shall mean submitting a Proposal.

In a Contract resulting from the taking of bids:

Bid - shall mean bid;

Bidder - shall mean Bidder;

Bidding - shall mean executing this Contract.

In a Contract resulting from the taking of Proposals:

Bid - shall mean Proposal;

Bidder - shall mean Proposer;

Bidding - shall mean executing this Contract.

ATTACHMENT C - PROPOSER REFERENCE FORM

Name of Proposer:_____

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name:_____
Address:_____
Contact Name and Title:_____
Phone and Fax Numbers of Contact:_____
Contract date(s):_____
Contract cost:_____
Description of work:

_____
_____
_____

Customer Name:_____
Address:_____
Contact Name and Title:_____
Phone and Fax Numbers of Contact:_____
Contract date(s):_____
Contract cost:_____
Description of Work:

_____
_____
_____

Customer Name:_____
Address:_____
Contact Name and Title:_____
Phone and Fax Numbers of Contact:_____
Contract date (s):_____
Contract cost:_____
Description of work:_____

Customer Name:_____
Address:_____
Contact Name and Title:_____
Phone and Fax Numbers of Contact:_____
Contract date (s):_____
Contract cost:_____
Description of work:_____

Customer Name:_____
Address:_____
Contact Name and Title:_____
Phone and Fax Numbers of Contact:_____
Contract date (s):_____
Contract cost:_____
Description of work:_____

ATTACHMENT D - PORT AUTHORITY FACILITIES

Aviation

John F. Kennedy International Airport
Newark Liberty International Airport
LaGuardia Airport
Downtown Manhattan Heliport
AirTrain Newark
AirTrain JFK
Teterboro (excluded for purposes of this RFP, but listed for information only)

Tunnels, Bridges & Terminals

George Washington Bridge
George Washington Bridge Bus Station
Lincoln Tunnel
Port Authority Bus Terminal
Holland Tunnel
Bayonne Bridge
Goethals Bridge
Outerbridge Crossing

Port Authority Trans-Hudson

PATH Rail Transit System
Journal Square Transportation Center

Port Commerce

Auto Marine Terminal
Brooklyn Port Authority Marine Terminal
Brooklyn Piers
Red Hook Container Terminal
Elizabeth Port Authority Marine Terminal
Port Newark
Howland Hook Marine Terminal

Economic Development

The Legal Center

The Teleport
Essex County Resource Recovery Facility
Bathgate Industrial Park
Industrial Park at Elizabeth

World Trade Center site

World Trade Center Transportation Hub (under development)

Notes Regarding The Above Facilities

Please note the following facilities will be phased into the Scope of Work of this Contract as existing agreements expire or are otherwise terminated:

- the airport terminals at LaGuardia, John F. Kennedy International, and Newark Liberty International airports, inside the AirTrain Newark stations and cars, inside the AirTrain JFK stations, the 3 Van Wyck Sign Bridges, the LGA Garage, the Terminal 4 Garage, and the Newark Liberty Toll Plaza billboard sign, (Current agreements are in effect through 2005.)
- inside the PATH rail transit system cars and station platforms. (Current agreements are in effect through Aug. 2007.)
- Port Authority Bus Terminal (The interior is under agreement until June 30, 2006; exterior is under agreement until June 30, 2016.)

The Port Authority currently generates approximately $25 million in gross advertising revenue sales from the facilities listed in the bullets above, with approximately 80% of the gross sales total generated through the airports.

ATTACHMENT E - Financial Proposal

Your full compensation for all services rendered in connection with this Agreement will be derived from your share of the gross advertising sales. You will not be reimbursed for any out-of-pocket costs incurred in connection with any task related to the performances of the duties contained in the Scope of Work.

The Port Authority to itself may construct or have constructed infrastructure at its facilities that may be also suitable for the placement of advertising. In such a cases the Port Authority reserves the right to negotiate with the Contractor a different arrangement for compensation to the Authority than is set forth in this Contract.

ATTACHMENT F - Contractor's officers and staff

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

ATTACHMENT G - Advertising Guidelines - Abstract

No advertising material shall be permitted to be displayed unless the Port Authority has given prior written approval as to the content of the material stating that it is in compliance with specific advertising guidelines that will be included in the governing agreement. It is expected that those guidelines will (1) permit only advertising promoting the sale or rental of a product (except tobacco), service or property, travel to a travel destination, or attendance at an event, and (2) prohibit advertising that is defamatory, false or deceptive, concerns illegal services or products, violates proprietary rights, includes images of human nudity or is otherwise material inappropriate for general public view as will be specifically described in the agreement. The guidelines will include provisions for internal Port Authority review procedures as to any denial of approval based on content.

ATTACHMENT H - Olympic 2012 Agreement

Note: Contractor's are hereby given notice that the attached agreement shall be in force in the event that New York City is chosen to host the 2012 Olympic Games.

LETTER AGREEMENT

October 19, 2004

The Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003

Ladies and Gentlemen:

In connection with the preparation, for submission to the International Olympic Committee ("IOC"), of a candidature for New York City to host the 2012 Olympic Games, NYC2012 must demonstrate that it will take the necessary steps to protect the value of authorized Olympic sponsorships and the rights of authorized Olympic marketing partners by preventing and confronting ambush marketing. Accordingly, the IOC requires NYC2012 to make advertising space in New York City available only to Olympic sponsors and partners during the 2012 Olympic Games in order to reduce unfair competition in the form of ambush marketing.

This letter, when countersigned by you, will evidence the Port Authority of New York and New Jersey's ("PA") agreement to assist NYC2012 with its efforts to reduce ambush marketing at its facilities. Subject to and in accordance with the terms of this Letter Agreement, the PA hereby agrees that if New York City is chosen to host the 2012 Olympic Games: (1) it will license to NYC2012 the advertising space under the PA's control at its facilities, as set forth in Schedule A (the "Ad Space"), for the period June 26, 2012 through August 21, 2012 inclusive (the "License Period"), and (2) all future agreements which grant rights to the advertising space under the PA's control at its facilities will contain an acknowledgement of the terms of this Letter Agreement and will require all licensees, lessees, permitees, vendors and contractors to comply with the terms of this Letter Agreement.

Notwithstanding the generality of the foregoing or anything to the contrary stated herein, the PA's obligation to make available advertising space to NYC2012 under this Letter Agreement shall be subject to all of the following: (1) with respect to all terminals not under the control of the PA, the rights of third parties with which the PA has entered into agreements as of the date of the execution of this Letter Agreement, including, but not limited to, the rights of terminal airline lessees, (2) the PA's tenant alteration and application process (the "TAA process"), which shall apply, among other things, to the installation, maintenance, and location of any advertising, (3) the PA rules, regulations and policies concerning content of advertising in effect from time to time, and (4) the receipt by the PA of a written notice from NYC2012 not less than sixty (60) days prior to the start of the License Period (the "sixty-day notice") stating (i) that NYC2012 intends to exercise the rights granted to it by this Letter Agreement, and (ii) the information required in paragraph 4 of this Letter Agreement, and (3) receiving the

requisite prior authorization(s) of the Board of Commissioners of the PA.

1. License Fee. The license fee for Ad Space shall be calculated as follows: the average price for various types of advertising (e.g., wall wraps, spectaculars and dioramas) as established by the relevant advertising permittees/lessees then under contract with the PA at its facilities for 2005, 2006, 2007 and 2008 (the "Average Price"), multiplied by the percentage increase projected as of December 31, 2008, for the period 2009 through 2012, by the Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor, plus a twenty percent (20%) premium. Such 20% premium shall be referred to herein as the Olympic Premium.

2. Assignment. The parties acknowledge and agree that should the Games be awarded to New York City, NYC2012 will be succeeded by the New York Committee for the Olympic Games ("NYCOG") that shall receive from NYC2012 an assignment of all rights, and shall assume all obligations concerning, arrangements underlying the bid including all rights pursuant to this Letter Agreement and shall be the organization to conduct the Games and carry out the rights and responsibilities of NYC2012 hereunder.

3. Termination. This Letter Agreement will terminate upon the failure of New York City to be awarded the Olympic Games by the IOC or the failure of the PA to receive the sixty-day notice described herein.

4. Uncommitted Ad Space. The sixty-day notice shall identity all Ad Space contractually committed to by written agreement, between the IOC and any Olympic Advertising Party, for advertising at each PA facility during the period of the Olympic Games and for the period commencing thirty (30) days prior to the start of the Olympic Games. Any advertising space at a PA facility which is not identified in the sixty-day notice shall be deemed to be uncommitted Ad Space and, accordingly, shall not be subject to this Letter Agreement and may be sold, licensed or leased without restriction or condition. In addition, NYC2012 acknowledges and agrees that between the date of this Agreement and the start of the Olympic Games, the Port Authority shall have the right in its sole discretion to eliminate or modify existing advertising space at any its facilities, including but not limited to any of the Ad Space, and convert such space to another purpose.

5. Representations and Warranties of PA.

(a) Upon receipt of the requisite prior authorization(s) from the Board of Commissioners, the PA has all necessary power and authority to enter into this Letter Agreement and to perform its obligations hereunder; the execution of this Agreement by PA and the performance by PA of its obligations hereunder have been duly authorized by all necessary corporate action on the part of PA; and this Letter Agreement has been duly executed and delivered by PA and is a valid and binding obligation of PA enforceable against PA in accordance with its terms.

(b) PA further represents and warrants that it owns or controls all of the Ad Space and that Schedule A is a complete list of the number of locations of advertising space at each of the PA facilities as of the date of the execution of this Letter Agreement by the PA; provided, however, that the failure of any third party to comply with the terms of any agreement between said third party and the PA shall not constitute a breach of this Letter Agreement by the PA and provided, further, this Letter Agreement shall not require the PA or any of its advertising permittees/lessees to breach any existing agreement to which it is a party as of the date of the PA's execution of this Letter Agreement.

(c) PA further represents and warrants that entering into this Letter Agreement will not conflict with any other obligations or agreements to which PA is a party and PA covenants not to enter into any conflicting agreements during the term of this Letter Agreement.

6. Representations and Warranties of NYC2012. NYC2012 has all necessary power and authority to enter into this Letter Agreement and to perform its obligations hereunder; the execution of this Letter Agreement by NYC2012 and the performance by NYC2012 of its obligations hereunder have been duly authorized by all necessary corporate action on the part of NYC2012; and this Letter Agreement has been duly executed and delivered by NYC2012 and is a valid and binding obligation of NYC2012 enforceable against NYC2012 in accordance with its terms.

7. Remedies. Each party acknowledges that monetary damages may not be an adequate remedy for any breach or threatened breach of the provisions of this Letter Agreement by the other party, and that such first party shall be entitled to seek equitable relief, including a temporary restraining order, a preliminary or permanent injunction or specific performance, as a remedy for any such breach or threatened breach. Each party agrees that in the event such equitable relief is granted by a court of competent jurisdiction that the party seeking equitable relief shall not be required to post a bond in connection therewith. Each party further agrees that the remedies of a temporary restraining order, preliminary or permanent injunction or specific performance shall not be deemed to be the exclusive remedies for a breach of this Letter Agreement but shall be in addition to all other remedies available at law or equity. Notwithstanding the foregoing, any lawsuit or other claim against the PA or its Commissioners, officers or employees shall be subject to all prohibitions, limitations, requirements and restrictions for commencement and maintenance of lawsuits and other claims against the PA, its Commissioners, officers or employees set forth in the statutes of the New York law, including but not limited to statutes codified in the New York Unconsolidated Laws and the New York Civil Practice Laws and Rules, and such prohibitions, limitations, requirements and restrictions are not waived by this paragraph.

8. Governing Law. This Letter Agreement is made under, and will be construed in accordance with, the laws of the State of New York, without giving effect to its principles of conflict of laws.

9. No Personal Liability. No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Letter Agreement or of any modification or amendment hereto or because of any breach thereof, or because of its execution or attempted execution.

10. Entire Agreement. This Letter Agreement constitutes the entire agreement between the PA and NYC2012 on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the PA and NYC2012. NYC2012 agrees that no representations or warranties shall be binding upon the PA unless expressed in writing in this Letter Agreement.

Please confirm your agreement to the matters referred to and set forth in this letter by signing, dating and returning a copy of this letter to me.

Very truly yours,

NYC2012

By: Andrew Kimball

Andrew Kimball

Title: Director of Operations

Accepted and Agreed to:

The Port Authority of New York and New Jersey

By: Michael Weiss

for Chief of Public and Government Affairs

Title: Executive Director

Date: 10/28/04

APPROVED	
TERMS	FORM
UB	

Schedule A

LaGuardia Airport Inventory Count		
867-LGA Sellable Faces		
460-LGA Units		
	Breakdown by Unit	
Total	of 4' x 10' Lightbox	3
Total	of Banner	1
Total	of Clock	1
Total	of Diorama	334
Total	of Diorama Other	14
Total	of Display Area	7
Total	of Jet Bridges	250
Total	of Phone Board	146
Total	of Phone Board Service Cost	26
Total	of Spectacular (other)	19
Total	of Take-one/Mtnc Chg	6
Total	of Vertical Displays	12
Total	of Exterior Banners	2
Total	of Wall Wrap	48
	869	Sellable Faces
	460	Units

John F. Kennedy Airport Inventory Count		
1342-JFK Sellable Faces		
728-JFK Units		
	Breakdown by Unit	
Total	of 4' x 10' Lightbox	44
Total	of Banner	19
Total	of Clock	6

ATTACHMENT I - SCHEDULE G—FACILITY TRAFFIC

Schedule G - Facility Traffic*

TUNNELS AND BRIDGES

(Eastbound Traffic)	2004	2003
All Crossings		
Automobiles	115,219,000	112,869,000
Buses	3,123,000	3,041,000
Trucks	8,205,000	7,910,000
Total vehicles	126,547,000	123,820,000
George Washington Bridge		
Automobiles	49,377,000	48,354,000
Buses	606,000	594,000
Trucks	4,219,000	4,023,000
Total vehicles	54,202,000	52,971,000
Lincoln Tunnel		
Automobiles	18,541,000	18,120,000
Buses	2,051,000	1,973,000
Trucks	1,141,000	985,000
Total vehicles	21,733,000	21,078,000
Holland Tunnel		
Automobiles	16,353,000	15,790,000
Buses	221,000	232,000
Trucks	389,000	544,000
Total vehicles	16,963,000	16,566,000
Staten Island Bridges		
Automobiles	30,948,000	30,605,000
Buses	245,000	242,000
Trucks	2,456,000	2,358,000
Total vehicles	33,649,000	33,205,000
Cumulative PA Investment in Tunnels and Bridges (In thousands)	$ 2,877,083	$ 2,633,246

PATH

	2004	2003
Total passengers	57,768,000	47,920,000
Passenger weekday average	194,000	160,000
Cumulative PA Investment in PATH (In thousands)	$ 2,343,740	$ 2,170,285

MARINE TERMINALS

	2004	2003
All Terminals		
Containers	2,401,042	2,231,931
General cargo (a) (Metric tons)	25,474,164	23,538,926
New Jersey Marine Terminals		
Containers	2,084,590	1,903,367
New York Marine Terminals		
Containers	316,452	328,564
Cumulative PA Investment in Marine Terminals (In thousands)	$ 2,338,597	$ 2,078,759

AIR TERMINALS

	2004	2003
Totals at the Three Major Airports		
Plane movements	1,112,800	1,020,000
Passenger traffic	93,823,100	83,669,800
Cargo-tons	2,796,900	2,722,800
Revenue mail-tons	194,200	188,400
John F. Kennedy International Airport		
Plane movements	308,400	268,400
Passenger traffic		
Domestic	20,088,400	16,436,900
International	17,429,700	15,299,600
Cargo-tons	1,787,500	1,734,900
LaGuardia Airport		
Plane movements	383,000	360,000
Passenger traffic		
Domestic	23,119,300	21,435,300
International	1,295,600	1,047,500
Cargo-tons	14,100	12,300
Newark Liberty International Airport		
Plane movements	421,400	391,600
Passenger traffic		
Domestic	23,040,100	21,781,900
International	8,850,000	7,668,600
Cargo-tons	995,300	975,600
Cumulative PA Investment in Air Terminals (In thousands)	$ 9,863,413	$ 9,454,165

TERMINALS

	2004	2003
All Bus Facilities		
Passengers	70,687,400	69,427,600
Bus movements	3,528,800	3,446,700
Port Authority Bus Terminal		
Passengers	56,335,000	55,925,000
Bus movements	2,253,400	2,237,000
***George Washington Bridge* Bus Station**		
Passengers	7,394,400	6,817,600
Bus movements	332,400	303,700
PATH Journal Square Transportation Center Bus Station		
Passengers	6,958,000	6,685,000
Bus movements	943,000	906,000
Cumulative PA Investment in Bus Facilities (In thousands)	$ 735,604	$ 698,449

	2004	2003
Total Port Authority Cumulative Invested in facilities, including the above (In thousands)	$ 21,141,528	$ 19,866,282

(a) International oceanborne general cargo as recorded in the New York - New Jersey Customs District.

* Some 2003 numbers reflect revised data.

ATTACHMENT J - LETTER OF CREDIT FORMAT

LETTER OF CREDIT FORMAT

The Port Authority of New York & New Jersey
225 Park Avenue South, 12th Floor
New York, NY 10003

Date_____

Attn: CREDIT MANAGER

CLEAN IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____(C)_____

At the request of _____(A)_____, we _____(B)_____ hereby open this CLEAN IRREVOCABLE LETTER OF CREDIT NO. _____(C)_____in your favor up to an aggregate of _____(D)_____ U.S. Dollars, available by your draft(s) on us at sight.

We warrant to you that all your drafts under this CLEAN IRREVOCABLE LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION OF YOUR DRAFT(S) drawn on us and presented to us at _____(E)_____ on or before the expiration date set forth below or future expiration date as indicated below. Our obligation under this Letter of Credit is the individual obligation of the Bank, in no way contingent upon reimbursement thereto, or upon our ability to perfect any lien or security interest.

All drafts must be marked "Drawn Under _____(B)_____ Letter of Credit No. ___(C)____ dated _____". Partial drawings under this Letter of Credit are permitted.

This CLEAN IRREVOCABLE LETTER OF CREDIT expires at the close of business on _____(F)_____.
This CLEAN IRREVOCABLE LETTER OF CREDIT shall be automatically extended without amendment for additional periods of one (1) year from the present or each future expiration date unless we have notified you in writing not less than sixty (60) days before such date that we elect not to extend the Letter of Credit for such additional period, such notice to be sent by registered or certified mail to you at the address herein. Upon receipt by you of such notice you may draw on us at sight for the balance remaining in this Letter of Credit within the then applicable expiration date, no statement required.

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

_____
BANK OFFICER/REPRESENTATIVE

LEGEND:
A – INSERT APPLICANT NAME, I.E. TENANT OR LESSEE NAME
B – INSERT NAME OF ISSUING BANK
C – INSERT L/C IDENTIFICATION NUMBER
D – INSERT DOLLAR VALUE OF INSTRUMENT
E – INSERT EXACT ADDRESS OF LOCAL BANK BRANCH
F – INSERT EXPIRATION DATE OF LEASE PLUS 180 DAYS

*** Please instruct your Bank to have the Letter of Credit issued in the above format in "Draft" form and fax to Michael Mayurnik, Credit Manger, at (212) 435-5846 for approval **PRIOR** to issuance in "Original" form. Otherwise, the Letter of Credit can be rejected. If you are in need of further assistance, Mr. Mayurnik can be reached at (212) 435-5838. ****

The successful Proposer(s) may be required to submit a refundable security deposit in the form of a Letter of Credit, issued by an accredited financial institution in an estimated amount of two months of revenue, to demonstrate the proposers financial ability to perform the tasks associated with this Contract.

ATTACHMENT K - PERFORMANCE AND PAYMENT BOND FORMAT

KNOW ALL MEN BY THESE PRESENTS that we, the undersigned[2] Contractor and surety company (or companies), as principal and surety (or sureties), respectively,

Contractor	Surety

[2] Insert names of the Contractor and surety company (or companies) in the appropriate columns. If space is insufficient add rider.
If the Contractor is a corporation, give the state of incorporation, using also the phrase "a corporation organized under the laws of _____".
If the Contractor is a common law joint venture or a partnership, give full names of partners, using the phrase "co-partners doing business under the firm name of _____".
If the Contractor is an individual using a trade name, give individual name, using also the phrase "an individual doing business under the trade name of _____.".

are hereby held and firmly bound unto The Port Authority of New York and New Jersey (herein called the "Authority") in the penal sum of

_____ Dollars

and _____ Cents ($ _____.), for the payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, representatives, executors, administrators, successors and assigns. Each surety, however, if there is more than one, shall be jointly and severally liable for said penal sum.

Signed this _____ day of _____ 20

The condition of the above obligation is that

WHEREAS, the above named principal has entered into a Contract in writing with the Authority, a copy of which is hereby made a part of this bond as though herein set forth in full and which is designated Contract _____ and

WHEREAS, the Authority has required this bond for the faithful performance of all construction obligations imposed by said Contract on the Contractor and also for the payment of all lawful claims of subcontractors, materialmen and workmen arising out of the performance of said construction;

NOW, if the said principal shall well and faithfully do and perform the things agreed by him/her to be done and performed according to the terms and true intent and meaning of said Contract and if all lawful claims of subcontractors, materialmen and workmen arising out of the performance of said Contract are paid, then this obligation shall be void, otherwise the same shall remain in full force and effect; it being expressly understood and agreed that, provided the sureties shall comply with the provisions hereof, the aggregate liability of all sureties for any and all claims hereunder shall in no event exceed the penal amount of this obligation as hereinbefore stated.

This undertaking is for the benefit the Authority and all subcontractors, materialmen and workmen having lawful claims arising out of the performance of said construction obligations of the Contractor under the Contract, and all such subcontractors, materialmen and workmen (as well as the Authority itself) shall have a direct right of action upon this bond; but the rights and equities of such subcontractors, materialmen and workmen shall be subject and subordinate to those of the Authority.

The sureties, for value received, hereby stipulate and agree that the obligations of said sureties and their bond shall be in no way impaired or affected by any extensions of time, modification, omission, addition or change in or to the said Contract or the construction to be performed thereunder by the Contractor, or by any supervision or inspection or omission to supervise or inspect the construction, or by any waiver of any provision or condition thereof (whether precedent or subsequent), or by any assignment, subletting or other transfer thereof or of any part thereof or of any construction to be performed or any moneys due or to become due thereunder; and said sureties do hereby waive notice of any and all of such extensions, modifications, omissions, additions, changes, payments, waivers, assignments, subcontracts and transfers, and hereby expressly stipulate and agree that any and all things done and omitted to be done by and in relation to assignees, subcontractors and other transferees shall have the same effect as to said sureties as though done by or in relation to said principal.

The sureties shall give the General Counsel of the Authority the following notices:
Written notice of an intent to pay any claim of a subcontractor, materialman or workman hereunder;
Written notice within five days of the institution of an action by a subcontractor, materialman or workman hereunder.
The sureties shall not pay the claim of any subcontractor, materialman or workman hereunder until the expiration of thirty days after receipt by said General Counsel of notice under either subparagraph A or B above, describing the claim to be paid.
IN WITNESS WHEREOF, the principal and the sureties have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their proper officers, the day and year first set forth above.

_____
Principal

(Seal) By[3]

_____

_____
Surety

By[4] _____

APPROVED AS TO ACCEPTABILITY OF SURETIES:

_____
Credit Manager

_____20

[3] If bond is signed by an officer or agent, give title; if signed by a corporation, affix corporate seal.
[4] Add signatures of additional sureties, if any.

Response to Request For Proposals No. 0000007920

A Proposal to Provide Advertising Opportunities for Port Authority of NY & NJ and PATH Facilities, including Outdoor and Out-of-Home Locations:

* Transit Facilities/Commuter Rail
* Banner Programs
* Land Lease/Billboard

Submitted June 13, 2005

TITAN
WORLDWIDE

ALL VISION

June 13, 2005

By Hand
Mr. T. J. Storch
The Port Authority of NY & NJ
Purchasing Services Division
One Madison Avenue, 7th Floor
New York, NY 10010

Re: RFP No. 000007920: Advertising Opportunities for Port Authority of New York & New Jersey and Path Facilities, including Outdoor and Out-of-Home Locations
Submission of Titan Outdoor LLC ("Titan Outdoor") and All Vision LLC ("All Vision")

Dear Mr. Storch:

The enclosed documents represent the response and offer by Titan Outdoor and All Vision to the Port Authority of New York & New Jersey (the "Port Authority") Request for Proposals for Advertising Opportunities for the Port Authority and Path Facilities, including Outdoor and Out-of-Home Locations. We are attaching one (1) original and fifteen (15) copies of our response for your consideration. We also acknowledge receipt of the original RFP Addenda 1 through 5 from you.

Titan Outdoor is offering a number of exciting new initiatives as additional means for the Port Authority to realize significant revenue including the upgrade and expansion of your existing commuter rail through new and specialty products, as well as the initiation of banner programs throughout the New York/New Jersey Metropolitan Market. By media form, Titan Outdoor proposes to pay the Authority the greater of a minimum annual guarantee (the "Minimum Annual Guarantee") or a percentage of the Net Annual Billings, after the Standard Advertising Agency Fee of 15% is deducted (the "Percentage Fee") generated from the sale of advertising on the Port Authority's properties for each contract year, whichever is greater.

All Vision estimates that the Port Authority is foregoing substantial and unrealized revenue under the traditional land lease model. All Vision has developed a unique lump sum revenue model that will allow the Port Authority to realize previously untapped and substantial streams of revenue by monetizing existing and future assets on Port Authority properties. All Vision believes that the monetization of the Port Authority properties will generate lump sum payment amounts that could reach $100 million during the term of the Contract, as well as ongoing rental payments that will reach millions of dollars during the Contract term.

Titan Outdoor endorses the All Vision proposal as we believe that they are the superior provider of these services from both a technical and managerial standpoint. All Vision and Titan Outdoor expect that Port Authority would enter into a separate agreement with each organization for the services proposed herein.

540 Madison Avenue, New York, New York 10022 • Tel: 212-644-6200 • Fax: 212-644-2010
www.titanoutdoor.com

The Senior Management Team of Titan Outdoor has over sixty years of experience in the Transit Advertising business with a proven track record in generating significant non-fare box revenue for our Transit Authority Senior Partners. Our Senior Management has successfully operated and sold advertising for a wide variety of out-of-home products throughout the world and including buses, commuter, subway and light rail, billboards, telephone kiosks and banner displays. William M. Apfelbaum, Titan Outdoor's Chairman, and Donald R. Allman, Titan Outdoor's Chief Executive Officer, previously operated the Authority's Out-of-Home Advertising while we were at Transportation Displays Incorporated ("TDI"), in addition to over 150 additional revenue contracts for Transit Authorities in the United States, Canada and Europe.

Titan Outdoor's professionals have also been instrumental in the successful operation of a number of other contracts with municipal authorities in the recent past and form a highly trained and capable nucleus that will guarantee the successful operation and maintenance of the business of the Port Authority. Titan Outdoor has been successful in securing the last five major market Transit Advertising contracts in the United States – all previously operated by Viacom Outdoor. We currently operate the New Jersey Transit Bus and Rail Advertising contract, the King County Metro Transit Advertising contract in Seattle and the Southeastern Pennsylvania Transportation Authority Bus and Rail Advertising Contract in Philadelphia ("SEPTA"). In July, 2005, we will begin operation of the Massachusetts Bay Transportation Authority ("MBTA") System-Wide Advertising Program Contract. In September, 2005, we will begin operation of the Orange County (California) Transportation Authority's ("OCTA") Bus Revenue Generating Advertising Program. Our experienced team ensured that there was absolutely no interruption in sales, administration, and operations during the transition of these franchises. In fact, since taking over the New Jersey Transit contract from the predecessor company on June 1, 2004, Titan Outdoor has achieved a 30% increase in sales revenue over our predecessor's performance during the same period in the previous year. In the first five months of our contract in Seattle, we are 36% ahead of our predecessor's sales in the same period in 2004. We believe the reason for our success is our commitment to transit advertising sales before all other media forms. We anticipate a smooth sales, operational and technical transition for MBTA and OCTA as well. If awarded the right to operate the Port Authority's Advertising Program, we would also anticipate a seamless transition.

The Senior Management of All Vision has over fifty years of collective success in the development and management of outdoor advertising assets across the United States. In 2004, All Vision was awarded the New Jersey Transit Land Lease/Billboard Advertising contract for all billboards on New Jersey Transit property. Further in 2005, All Vision was awarded the South Jersey Transit Authority Land Lease/Billboard Advertising contracts. Both New Jersey contracts had been continuously held by Viacom Outdoor and include a monetization component.

All Vision's sole business is the identification, management and enhancement of transit and municipal authorities' existing and potential outdoor advertising projects. All Vision owns no billboards or other out-of-home properties and thus will be solely focused on the maximization of revenue for the Port Authority. All Vision will bring an innovative management team, which will ensure the proper administration of the contract and will focus on the generation of previously untapped sources of revenue in the traditional land lease business.

Titan Outdoor and All Vision have extremely strong financial support from our Lead Investor, Catterton Partners, and our Banking Partners, Abelco Finance LLC and Wells Fargo Foothill which bring their significant financial resources to the table to provide us with working capital and bonding capabilities for our new and existing projects. These organizations will fully support both companies if awarded the Port Authority's contract.

Pursuant to the requirements of the RFP, by signing this Letter of Transmittal we also hereby certify in respect to the Contractors' Integrity Provisions on Attachment B, Part III of the RFP.

We thank you for inviting us to participate in the second round of your process and we hope to meet with you for further discussions. Please feel free to call us at (212) 909-7645 for Titan Outdoor and (413) 530-9590 for All Vision, if you have any questions or require any further information. We will follow up on this submission. Thank you for your consideration.

Sincerely,

Donald R. Allman
Chief Executive Officer
Titan Outdoor LLC

Peter C. McClary
President
All Vision LLC

Enclosures

TITAN OUTDOOR

Response to Request For Proposals

Table of Contents

A. Letter of Transmittal

B. Titan Outdoor LLC and All Vision LLC - Executive Summary

C. Agreement on Terms of Discussion - Attachment A

D. Certifications With Respect to the Contractors' Integrity Provisions - Attachment B

E. Not Used

F. Organization Charts of Titan Outdoor and All Vision

G./H. Business Plans and Proposals of Titan Outdoor and All Vision

Titan Outdoor - Transit/Commuter Rail Service

Titan Outdoor - Banner Program

All Vision - Land Lease/Billboard Monetization Model

I. Acknowledgment of Addenda

J. Acceptance of Standard Contract Terms and Conditions - Attachment B, Part I

K. Financial Information of Titan Outdoor and All Vision

L. Titan Outdoor and All Vision - Conclusion

TITAN WORLDWIDE

Titan Outdoor LLC
850 Third Avenue
New York, NY 10022

Telephone (212) 644-6200
Fax (212) 644-2010

ALL VISION

All Vision LLC
850 Third Avenue
New York, NY 10022

Telephone (212) 644-6200
Fax (212) 644-2010

B. Titan Outdoor LLC & All Vision--Executive Summary

This Response is submitted by Titan Outdoor LLC ("Titan Outdoor") and All Vision LLC ("All Vision"). Titan Outdoor is a Delaware Limited Liability Company and a wholly-owned subsidiary of Titan Outdoor Holdings, Inc. All Vision is also a Delaware Limited Liability Company that was incorporated by City Vision LLC and Titan Outdoor as its sole members.

The Senior Management of Titan Outdoor and All Vision are uniquely positioned to partner with the Port Authority of New York and New Jersey ("Port Authority" or the "Authority") to provide creative advertising opportunities for Port Authority and PATH facilities, including Transit/Commuter Rail, Outdoor and Out-of-Home locations.

The Senior Management of both Titan Outdoor and All Vision are highly experienced in successfully administering and fulfilling contracts with local and state municipal authorities, including bus advertising, rail/light rail advertising, telephone kiosk advertising, banners, land lease management and billboard monetization models. Together, we operate every phase of a franchise--sales, marketing, operations and administration--and, most importantly, we maximize revenue for our "Senior Partners."

Titan Outdoor and All Vision are offering innovative ways to raise significant streams of new revenue for the Authority.

Titan Outdoor and All Vision are proposing a creative and complete package of non-traditional, out-of-home and outdoor advertising concepts to identify new and significant streams of revenue from the enhancement of advertising from the Port Authority's Transit/Commuter Facilities and Rail Service, Banner Programs and Land Lease/Billboard Advertising.

Titan Outdoor

Titan Outdoor is a full-service, worldwide media company with one of the premier out-of-home advertising sales organizations in the business.

Titan Outdoor's unique combination of "big company" financial resources and management experience coupled with "small company" personal relationships and sales drive delivers unbeatable results for our customers. We're large enough to deliver, yet still able to provide the singular focus and dedication required to be the best in traditional and innovative forms of advertising.

Titan Outdoor has experienced extraordinary growth in our Transit Sales Division.

Titan Outdoor has been awarded the last five major United States transit contracts. Titan Outdoor currently operates New Jersey Transit ("New Jersey Transit") Bus and Rail advertising, King County Metro Bus advertising in Seattle ("King County") and the Southeastern Pennsylvania Transportation Authority Bus and Rail Advertising Contract in Philadelphia ("SEPTA"). In May 2005, we were awarded the contracts for the System-Wide Advertising Program for the Massachusetts Bay Transportation Authority ("MBTA") in Boston and the Bus Revenue-Generating Advertising Agreement for the Orange County Transportation Authority ("OCTA") in California.

Titan Outdoor is focused on selling transit advertising.

Titan Outdoor's success with NJ Transit and Seattle Metro has been achieved through a very strong national, local and regional sales focus. Our unwavering commitment to transit advertising has led to a spectacular increase in sales compared to the previous two years of NJ Transit sales by the former contractor. Titan Outdoor couples our local and regional focus with an extremely strong sales presence in New York City, Los Angeles, Chicago, Dallas, Seattle, Toronto and other national sales markets. Our two largest offices are in New York and New Jersey. If awarded the Contract, we will bring the same dynamic sales energy to the Port Authority in the New York/New Jersey Metropolitan Market--we will hit the ground running!

Over the past three years, Titan Outdoor's Banner Division has experienced extraordinary growth and is recognized as the category leader in street banner advertising.

Titan Outdoor represents municipal and transit authorities, city organizations, special events, and other non-profit organizations. On behalf of these organizations, Titan Outdoor creates, produces, strategically places, and sells sponsorships to advertisers for all banner campaigns in order to promote the transit authority and the community while beautifying the city. Clients include NJ Transit, NYC & Company, LA Inc. (the Convention and Tourism Bureaus of New York City and Los Angeles, respectively), Center City District in Philadelphia, numerous non-profits and various special events. Our banner sales have grown at a Compounded Annual Growth Rate ("CAGR") of almost seventy-five (75%) percent over the past three years. Moreover, there has been no corresponding increase in our banner inventory. Our increases in banner sales are a result of achieving higher rates and increased occupancy.

All Vision

All Vision is solely focused on the Land Lease/Billboard advertising business and owns no billboards or other out-of-home properties.

Formed in late 2002, All Vision's sole business is the identification, management and enhancement of Transit and Municipal Authorities' existing and potential outdoor advertising projects. All Vision owns no billboards or other out-of-home properties and thus will be solely focused on the maximization of revenue for the Port Authority. This obviates the inherent conflict of interest that is prevalent in most Land Lease management contracts, as most Land Lease management companies typically own billboards on the properties that they manage. All Vision offers superior monitoring and auditing to ensure that all revenue is accounted for and that the Authority receives its fair share.

In June 2004, All Vision began operating the contract for Land Lease/Billboard Advertising on all New Jersey Transit properties.

On June 1, 2004, All Vision was awarded the New Jersey Transit Land Lease/ Billboard Advertising contract for all billboards on New Jersey Transit property. The New Jersey Transit contract, which had been continuously held by Viacom Outdoor for more than 20 years (the successor-in-interest to TDI), has a term of five years and includes a monetization component--the provisions of which have been approved and mandated by the New Jersey State Legislature.

In May 2005, All Vision was awarded the contract for Land Lease/ Billboard Advertising on all South Jersey Transportation Authority ("SJTA") Properties.

In May 2005, All Vision was notified that it would be awarded the SJTA Land Lease/Billboard Advertising contract for all billboards on SJTA property.

The Authority is foregoing substantial incremental revenue under the traditional land lease management system.

All Vision estimates that the Authority can realize substantial, unrealized revenue through the monetization of the existing and potential inventory as described in the RFP (the "Inventory"). All Vision will perform standard Land Lease functions for the Authority, but will also focus on innovative approaches that will result in the maximization of revenue for the Port Authority. All Vision will immediately implement a program that will (i) evaluate the existing assets, (ii) identify potential revenue upgrades on existing assets, (iii) identify potential new inventory and (iv) find new sources of revenue for the Port Authority through monetization of assets on Port Authority property. We have developed a unique lump sum revenue model that

will allow the Port Authority to realize previously untapped and substantial streams of revenue by monetizing the Inventory. Our partnership will allow the Port Authority to reap the full value of the revenue that their Inventory can produce, rather than having the majority of the revenue flow to the large billboard companies.

With inventory in Philadelphia, New Jersey, New York and Boston, Titan Outdoor and All Vision will now control the majority of the major transit markets in the Northeast corridor.

This logical geographical progression to the Port Authority will help steer additional revenues to the Authority as advertisers will want to be in each of these connected markets. This presents an unparalleled opportunity to sell the Authority's Transit/Commuter Rail, Banners and Land Lease properties to Titan Outdoor's significant lists of existing advertisers, as well as to many new advertisers we will solicit. All Vision has already monetized millions of dollars in the region for its landords.

Together, Titan Outdoor and All Vision are offering a significant financial package to the Authority.

Titan Outdoor and All Vision are offering the Port Authority a generous financial package (see Business Plans and Proposals). We believe that together, we will generate significant and previously untapped revenue on the Transit/Commuter Facilities and Rail, Banner Programs and traditional Land Lease business and generate additional substantial revenue streams by monetizing existing and future assets on Port Authority properties.

Titan Outdoor - Company History

Titan Outdoor Holdings was formed in 2000 to acquire and operate unique out-of-home properties in New York City. During 2001, Titan Outdoor raised $17 million from investors and closed its first acquisition, Outdoor Concepts LLC, an approved Media Representative for New York City Public Pay Telephone ("PPT") kiosk advertising and a vendor of billboards and construction wrap displays. In 2002, Titan Outdoor raised an additional $20 million, bringing its capitalization to over $37 million, to continue to develop its platform and ultimately create the nucleus of a strong and competitive regional media company. In its first four full years of operation, Titan Outdoor met its goal and established an organizational structure of seasoned professionals, creating one of the strongest sales and operating platforms in the industry.

Catterton Partners, Titan Outdoor's principal investor, is a leading private equity firm with a focus on providing growth equity to consumer products and services companies. The combination of investment capital, industry expertise and value-added contacts uniquely positions Catterton as a leading investor in its targeted industries. Catterton has fully committed its financial support to Titan Outdoor for this project.

The strength of Titan Outdoor's management team, coupled with Catterton Partners' financial backing, has paid dividends. With the creation of a strong, highly experienced sales, marketing and operations team, the company is an effective New York platform to acquire synergistic companies and to take advantage of talent pool and operating efficiencies.

In July 2002, Titan Outdoor acquired Outdoor Media Group USA, Inc. ("OMG"), the premier banner advertising company in the United States. This acquisition made Titan Outdoor the leader in the banner display advertising format in the country. Holding exclusive agreements with NYC & Company, LA Inc., the San Francisco Convention and Visitors Bureau and the Philadelphia Center City District, Titan Outdoor installs double-sided vertical banners on light poles on city streets and sidewalks. Titan Outdoor provides these banners free of charge to our municipal partners and creates valuable advertising opportunities in the body of each banner. Titan Outdoor has the right to install banners on over 200,000 street poles in New York City, as well as significant inventories in Los Angeles, San Francisco and Philadelphia.

In August 2002, Titan Outdoor acquired New York City Telecommunications Company, Inc. ("NYCTC"), one of the largest Public Pay Telephone Franchisees in New York City. Titan Outdoor is now both a Media Representative and a PPT Franchisee of the City of New York. This acquisition provided Titan Outdoor with an improved asset base with more profitable margins and allowed additional control over the care and development of the product.

In January 2003, Titan Outdoor acquired the New York City assets of PNE Media LLC. With over 50 large-format billboard and wall signs throughout the five boroughs of New York City plus over 80 30-sheet poster panels on Staten Island, Titan Outdoor now owns or operates a strong network of strategically placed bulletins. Our bulletins offer high impact and frequency in high visibility locations.

In June 2004, Titan Outdoor was awarded the New Jersey Transit Bus, Rail and Light Rail Advertising contract for all New Jersey Transit media forms. The New Jersey Transit contract, which had been continuously held by Viacom Outdoor (the successor-in-interest to TDI) for over fifty years, has a base term of five years and guarantees New Jersey Transit $29.6 million.

On November 3, 2004, Titan Outdoor signed a five-year contract for the exclusive right to develop and maintain all exterior advertising space for King County (Seattle) Metro Transit. One of the largest, most environmentally conscious public transportation systems in the nation, Metro Transit covers a service area of 2,134 square miles and serves Greater Seattle's annual ridership of 95 million with a fleet of 1,307 vehicles including standard and articulated coaches, dual powered buses, hybrid diesel electric buses, and trolleys. The contract, which was previously held by Viacom Outdoor (the successor-in-interest to TDI), has a base term of five years and guarantees King County $26 million. Titan Outdoor began operation of the King County Contract on January 1, 2005.

In November 2004, Titan Outdoor was awarded the exclusive right to sell commercial advertising on the trains and buses of SEPTA. The contract, which was previously held by Viacom

Outdoor (the successor-in-interest to TDI), has a base term of three years, with two three-year option terms. It guarantees SEPTA $22.5 million over the initial term. Comprised of buses, trolleys, commuter rail, and subway, SEPTA is the United States' fifth largest transit agency. Titan will begin operation of the SEPTA contract on May 1, 2005.

In December 2004, Titan Outdoor entered into a Senior Credit facility with Ableco Finance LLC. The facility provides $34 million of growth capital earmarked for acquisitions and general working capital. Ableco has fully committed its financial support to Titan Outdoor for this project. Ableco Finance LLC is an innovative lending company, formed by the management of Cerberus Capital Management, L.P. and Gabriel Capital Group, investing in leveraged buyouts and "roll-ups," bridge loans, recapitalizations, refinancing, debt restructurings and acquisitions. Ableco Finance LLC and their affiliates have over $4 billion in funds and accounts under management.

On July 1, 2005, Titan Outdoor will commence working for the Massachusetts Bay Transportation Authority ("MBTA"). The MBTA Contract has a base term of ten years with one three-year renewal term and guarantees the MBTA $126.25 million over the initial term.

In May 2005, Titan Outdoor was awarded the Orange County Transportation Authority ("OCTA") Contract. The OCTA Contract has a base term of 3 years and guarantees OCTA $12.7 million over the initial term.

Titan Outdoor's Canadian Expansion

The Senior Executives of Titan Outdoor have a long history of success in Canada. While at TDI, Bill Apfelbaum and Donald Allman won the Toronto Transit Commission contract in 1998 and successfully administered it until their departure in 2001. While at Viacom Outdoor (and its predecessor company, Mediacom), Blair Murdoch, Titan Outdoor's General Manager in Canada, was responsible for acquiring, renewing and managing close to 40 transit and transit shelter franchises in Canada, including renewing and extending the City of Toronto's leading shelter franchise. In addition, Mr. Murdoch was the co-managing director for the joint venture between JC Decaux and Viacom that was awarded a 20-year contract for the management of the street furniture franchise in Vancouver.

Titan has begun its expansion in Canada with the acquisition of all the assets of Cieslok Media and Skye Media in Toronto, Canada. The acquisition added approximately 60 billboards and wallscapes in downtown Toronto. In addition, Titan Outdoor acquired two large spectacular displays at the intersection of Yonge and Bloor and in Dundas Square (see photos below).

This Landmark Spectacular is situated in the heart of Toronto's retail, financial and theater districts, at the southeast corner of Yonge and Bloor.

Located at Yonge and Dundas, Toronto's busiest intersection and number one visitor destination, the revenue-generating signage is highly visible to a large volume of vehicular and pedestrian traffic, offers advertisers a truly innovative format, and as a result, can demand premium rates.

State of New York
Department of State } ss:

I hereby certify, that TITAN OUTDOOR LLC a DELAWARE Limited Liability Company, doing business in the State of New York under the ficticious name of TITAN OUTDOOR, filed an Application for Authority pursuant to the Limited Liability Company Law on 02/13/2001. I further certify that so far as shown by the records of this Department, such Limited Liability Company is still authorized to do business in the State of New York. I further certify the following:

A Biennial Statement was filed 02/10/2003.

A certificate changing name to TITAN OUTDOOR LLC and deleting its fictitious name was filed on 12/22/2004.

I further certify, that no other documents have been filed by such Limited Liability Company.

***

Witness my hand and the official seal of the Department of State at the City of Albany, this 23rd day of May two thousand and five.

Secretary of State

200505240481 * 93

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THAT "TITAN OUTDOOR LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE NOT HAVING BEEN CANCELLED OR REVOKED SO FAR AS THE RECORDS OF THIS OFFICE SHOW AND IS DULY AUTHORIZED TO TRANSACT BUSINESS.

THE FOLLOWING DOCUMENTS HAVE BEEN FILED:

CERTIFICATE OF FORMATION, FILED THE TWENTY-EIGHTH DAY OF OCTOBER, A.D. 1999, AT 9 O'CLOCK A.M.

CERTIFICATE OF MERGER, CHANGING ITS NAME FROM "OC HOLDCO LLC" TO "OUTDOOR CONCEPTS LLC", FILED THE FIFTH DAY OF NOVEMBER, A.D. 1999, AT 9 O'CLOCK A.M.

CERTIFICATE OF AMENDMENT, CHANGING ITS NAME FROM "OUTDOOR CONCEPTS LLC" TO "TITAN OUTDOOR LLC", FILED THE FOURTEENTH DAY OF FEBRUARY, A.D. 2001, AT 9 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID LIMITED LIABILITY COMPANY.

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

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

3118070 8310

AUTHENTICATION: 2832966

030830382

DATE: 12-23-03

C. Agreement on Terms of Discussion - Attachment A

Titan Outdoor and All Vision have executed the Agreement on Terms of Discussion on the following pages.

9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

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

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

Titan Outdoor LLC

(Company)

Donna R Adams

(Signature)

Chief Executive Officer

(Title)

June 8, 2005

(Date)

9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

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

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

All Vision LLC

(Company)

(Signature)

President

(Title)

June 8, 2005

(Date)

D. Certifications With Respect to the Contractor's Integrity Provision

By signing the Letter of Transmittal, Titan Outdoor and All Vision make the certifications in the **Contractor's Integrity Provisions,** included as *Attachment B, Part III* of this RFP.

G./H. Titan Outdoor- Transit/Commuter Rail

At Titan Outdoor, transit advertising is in our blood. It requires a singular focus--it has to be all you do. We believe Titan Outdoor's singular focus will be the most important factor in increasing current billing on the Port Authority Transit/Commuter Facilities and Rail System. The system has suffered from a lack of direction and focus--which is evidenced by lackluster sales and a disorganized and non-uniform advertising display scheme. Titan Outdoor will employ a sales force whose only function is the sale of transit advertising on behalf of the Port Authority.

Introduction

As the winner of the last five major market transit advertising contracts in the United States, Titan Outdoor has become the concessionare-of-choice for transit authorities wishing to increase revenue associated with transit advertising properties. We have achieved a significant increase in revenue for Transit Authorities after taking over an underperforming contract. The reason for our success is our commitment to transit advertising sales before all other media forms. Our winning formula is to pay singular attention to transit sales--thereby outperforming our competitors whose attentions are diverted by other media forms.

The Port Authority would be a significant part of Titan Outdoor's business, and we will treat it as such. We will give the Port Authority the focus and commitment you deserve from your advertising concessionaire.

Titan Outdoor is submitting this proposal to obtain the exclusive right to sell advertising on the following properties of the Port Authority:

Aviation: AirTrain Newark, AirTrain JFK (inside the stations and cars);

Port Authority Trans-Hudson: PATH Rail Transit System (cars and station platforms) and Journal Square Transportation Center; and

Port Authority/George Washington Bridge Bus Terminals: All signage rights inside and outside of the Port Authority and George Washington Bridge Bus Terminals.

Transit/Commuter Rail Proposal and Business Plan

1. Projected Revenues to the Port Authority - 5 Year Plan

Titan Outdoor proposes to offer the Port Authority the Minimum Annual Guarantees listed below (MAG) or Percentage of Net Revenue, whichever is greater, as follows:

PATH COMMUTER RAIL*

	MAG	Percentage	Estimated Payments to Port Authority based on attainable sales estimates
9/1/07-8/31/08	$1,000,000	60%	$1,500,000
9/1/08 - 8/31/09	$1,075,000	60%	$1,750,000
9/1/09-8/31/10	$1,150,000	60%	$2,000,000
9/1/10 - 8/31/11	$1,250,000	60%	$2,150,000
9/1/11 - 8/31/12	$1,350,000	60%	$2,300,000

PORT AUTHORITY BUS TERMINAL AND GEORGE WASHINGTON BRIDGE BUS STATION**

	MAG	Percentage	Estimated Payments to Port Authority based on attainable sales estimates
7/1/06-6/30/07	$600,000	60%	$700,000
7/1/07-6/30/08	$650,000	60%	$775,000
7/1/08-6/30/09	$700,000	60%	$825,000
7/1/09-6/30/10	$750,000	60%	$875,000
7/1/11-6/30/12	$800,000	60%	$950,000

Notes to Projected Revenues:

* For the period 1/1/06 to 9/1/07, Titan Outdoor will pay the Port Authority (i) $1,500,000 or (ii) Sixty (60%) percent of net revenues, whichever is greater, if the Contract is awarded to our organization early.

** For the period 1/1/06 to 6/30/06, Titan Outdoor will pay the Port Authority (i) $900,000 or (ii) Sixty (60%) percent of net revenue, versus whichever is greater, if the Contract is awarded to our organization early.

2. Marketing Strategy and Approach

Led by William Apfelbaum and Donald Allman, Titan Outdoor has the best transit sales and marketing capabilities in the industry. Our singular focus on revenue generation for transit systems was a unique attribute of TDI, and that focus continues today at Titan Outdoor. At Titan Outdoor, we have direct experience with comparable franchises in New Jersey, Seattle and Philadelphia and we will add Boston on July 1, 2005 and Orange County on September 1, 2005. We will approach the sale of the Port Authority's current properties in the same manner in which we approach all of our transit sales--aggressively, creatively and with focused energy.

A. General Approach

We will especially focus on the following goals:

1) Maximize potential non-fare revenue

While at TDI, Titan Outdoor's Senior Management sold and serviced the largest subway and "Commuter Land" rail advertising programs in the world, including most major U.S. markets, the Toronto Transit Commission and the London Underground. The management of Titan Outdoor created the "Commuter Land" sales network for Transit properties by offering, under one umbrella, the full range of consistent Transit Advertising products and sizes to our advertisers. We plan to provide the same multi-media advertising choices for the Port Authority's existing inventory.

It is clear that the many transit advertising programs have recently suffered from a lack of focus and attention, which is now reflected in the current lackluster revenue results and occupancy rates typical in the market. We believe that we can significantly improve existing revenue levels and the current occupancy rates, as we have done in New Jersey and Seattle. Since taking over the New Jersey Transit contract from Viacom Outdoor on June 1, 2004, Titan Outdoor has achieved a Thirty (30%) percent increase in revenue over Viacom's performance during the same period in the previous year. Since taking over the King County Metro contract from Viacom Outdoor on January 1, 2005, Titan Outdoor has achieved a Thirty-Six (36%) percent increase in revenue over Viacom's performance during the first five months of 2004.

Titan Outdoor knows how to package transit properties and sell transit and railroad properties to local, regional and national advertisers. Our infrastructure and the focus of our sales staff will ensure that Titan Outdoor will maximize the revenue generated by the sale of the Port Authority's properties. We will focus on building the Port Authority's business with no other distractions. Our sales team has extensive background with similar media forms in general and specific past experience with Port Authority transit vehicles and properties. We possess the knowledge and negotiating skills necessary to effectively present and sell for the Port Authority.

2) Upgrade existing and add new revenue producing advertising opportunities on its system

Titan Outdoor will be aggressively creative in developing new forms of advertising that will increase revenue to the Port Authority. While at TDI, Bill Apfelbaum and Don Allman developed and implemented a number of advertising forms that the majority of North American Transit Authorities continue to use today. Their pioneering concepts of Station Domination and wrapped vehicles are still widely utilized by transit systems across North America.

3) Improve the overall aesthetic of the Port Authority, leading to an improved rider experience as well as an increase in the value of the advertising property itself.

While Titan Outdoor is aware of the importance of revenue production from the sale of commercial advertising on the Port Authority's properties, we also understand the effort and dedication the Port Authority has expended to maintain its properties and facilities. Titan Outdoor is committed to working with the Port Authority to ensure that advertising will enhance both the environment and the successful brand image that the Port Authority has developed.

We believe that advertising must complement, rather than conflict with, travel and other Port Authority information. We understand that the most effective way to help the Port Authority reach your objectives is to build and maintain a cooperative relationship and to utilize a "co-development" approach. We will honor our commitments to the Port Authority by always keeping the lines of communication open and being responsive to the Port Authority's needs.

Response to Complaints
Titan Outdoor has a policy of immediately responding to any complaints in connection with its administration of contracts with Transit Authorities, as our clients will attest.

Advertising Standards & Restrictions
All advertising matter displayed on or in Port Authority properties shall be of reputable character as determined by the Port Authority and shall be in accordance with the Port Authority's Advertising Policy. Objectionable advertisements shall, upon the request of a responsible officer of the Port Authority, be removed immediately at Titan Outdoor's sole cost. All advertisements will be in accordance with applicable laws, statutes, regulations, by-laws, court orders or judgments in force in New York. Titan Outdoor will strictly adhere to the restrictions and procedures contained in the Contract and will utilize our best efforts to encourage advertisers to use good taste in creating their displays.

B. Titan Outdoor - Marketing

Our marketing plan is designed to effectively compete with all out-of-home advertising in New York and New Jersey. When a buyer meets a Titan Outdoor sales representative, the sole focus of the call will be the Port Authority media. No other media sales company will offer this type of dedication. Our marketing efforts will be designed to educate potential advertisers about the benefits of transit advertising and will speak to the efficiencies of each specific media form. A comprehensive collateral program will be developed and launched, building upon existing materials. A concise media kit will include brochures, maps, photographs, price lists, and information regarding the New York and New Jersey Metropolitan Market. As an integral part of our media sales strategy in New York/New Jersey, we will position the Port Authority transit properties as essential to any advertiser's media plan.

Presently, Titan Outdoor manages traditional products for New Jersey Transit, which is the largest statewide public transportation system in the United States, Bus inventory for King County Metro in Seattle and the Bus, Subway and Commuter Rail business for SEPTA in Philadelphia. We have also been awarded the contracts for the Massachusetts Bay Transportation Authority ("MBTA") System-Wide Advertising Program and Orange Country (California) Transportation Authority ("OCTA") Bus-Revenue Generating Advertising Agreement.

With inventory in Philadelphia, New Jersey, New York and Boston, Titan Outdoor controls the majority of the major transit markets in the Northeast corridor. This logical geographical progression will help steer additional revenues into the Port Authority, as advertisers will want to be in each of these connected markets.

This presents an unparalleled opportunity to sell the Port Authority's transit advertising inventory to Titan Outdoor's significant list of existing advertisers, as well as to many new advertisers we will solicit.

C. Titan Outdoor - Sales Strategy

Titan Outdoor's core philosophy emphasizes focus, experience and energy to execute. It is a mandate for our administrative, sales and marketing teams. Our company's primary goal will be to maximize revenues generated throughout the Port Authority system and, therefore, payments to the Port Authority. The local sales force will be supported by our Northeast and National sales teams. We will focus on building the Port Authority's business with no other distractions.

Staffing

Our sales team is dedicated solely to the sale of our products with an eye toward maximum revenue generation. Reid Schuster, Titan Outdoor's Executive Vice President of Sales, and David Neglio, President of the Transit Division, bring proven leadership and work methods that have resulted in enormous success. In addition, we have recently added a number of talented salespeople with hands-on experience selling Port Authority properties locally and nationally. We have a dedicated sales staff of at least six (6) sales people in New York, as well as over 50 nationwide.

Sales Philosophy

Our sales model embodies this philosophy, as illustrated below:

- Every salesperson is required to make five calls each day;
- All sales calls must be followed with a letter;
- Strict adherence to the "24-hour Rule"--employees are obliged to respond to any question, request or concern within 24 hours;
- Sales people must have a significant amount of direct client calls;
- Every Monday morning at 8:00 a.m. there is a sales team meeting to strategize and plan the week's sales calls; and
- At the end of each week, each sales person must submit a recap of all sales calls during the week, as well as a Pending Business Report. This reporting helps management identify the degree of probability for closing specific pieces of business and help them to make appropriate recommendations.

Sales Offices

Titan Outdoor maintains sales offices/representation in New York, New Jersey, Boston, Los Angeles, Philadelphia, Chicago, Toronto and Seattle, where the majority of national transit advertising buys are made.

Transit/Commuter Rail Proposal and Business Plan

3. Overall Experience and Financial Capability

FOR over a decade at Transportation Displays Incorporated ("TDI") the senior executives of Titan Outdoor developed and managed the top transit advertising business in the world. Representing approximately 150 transit properties in the United States, Canada and Europe, William M. Apfelbaum and Donald R. Allman revolutionized the transit advertising business. Their focus on revenue generation for transit systems was a unique attribute of TDI, and that focus continues today at Titan Outdoor.

Mr. Apfelbaum, Titan Outdoor's Chairman, has over 32 years of experience in the out-of-home advertising community, including long tenures as CEO and Worldwide Chairman of TDI, and the New York Subways Advertising Company. Mr. Apfelbaum's sales, marketing, and business skills are legendary and have been chronicled in four Harvard Business School Case Studies which detail the extraordinary turnaround he orchestrated for TDI when he took over the company in 1989.

Mr. Allman, Titan Outdoor's President and Chief Executive Officer, has been a leader in the out-of-home advertising industry for the past 28 years. Mr. Allman's extensive operational, business development, sales and marketing abilities are well known in the out-of-home industry. During their careers at TDI, Mr. Apfelbaum and Mr. Allman were instrumental in TDI's resurgence, as evidenced by the company's compounded double-digit sales growth in every year of the nineties.

TDI grew from $100 million in sales in 1989 when Mr. Apfelbaum and Mr. Allman joined forces, to over $800 million by the end of 2000. The overwhelming majority of this revenue was transit related. It is this focus and determination that Mr. Apfelbaum, Mr. Allman and Titan Outdoor's senior management bring to the administration of the Port Authority Contract.

While at TDI, Mr. Apfelbaum and Mr. Allman developed and managed contracts for approximately 150 transit authorities. A representative sample follows:

PATH Port Authority Bus Terminal

PATH Commuter Rail

Massachusetts Bay Transportation Authority (Boston)

Regional Transit Authority (New Orleans)

Southeastern Pennsylvania Transportation Authority (Philadelphia)

King County Metro Transit (Seattle)

New Jersey Transit

- **New York MTA**
  - **New York City Transit (Bus/Rail)**
  - **Metro North Railroad**
  - **Long Island Railroad**

Washington Metropolitan Area Transportation Authority (DC)

London Underground

Chicago Transit Authority

Metra (Chicago Commuter Rail)

Metropolitan Atlanta Regional Transportation Authority

Toronto Transit Commission

San Francisco MUNI

Los Angeles County Metropolitan Transportation Authority

Transit at Titan Outdoor

At Titan Outdoor, Mr. Apfelbaum and Mr. Allman have built a senior management team that is highly experienced in successfully administering and fulfilling contracts with transit authorities.

New Jersey: In June 2004, Titan Outdoor was awarded the Bus, Rail and Light Rail advertising contract by New Jersey Transit. This award represented Messrs. Apfelbaum's and Allman's

return to the Transit Advertising business. New Jersey Transit is the third largest, and only statewide public transportation system in the United States with 2,100 buses (interior bus cards, exterior tail and side displays), 845 Rail Cars (4,200 interior frames), 106 Light Rail Vehicles (2,300 interior frames), 2,200 rail station posters and 30 bridges with advertising.

Seattle: In November 2004, Titan Outdoor entered into a contract with King County Metro Transit (Seattle) for the sale, placement and maintenance of advertising on the exterior and interior of Metro Transit's 1,307 vehicle bus fleet in Seattle. This contract commenced on January 1, 2005.

Philadelphia: In November 2004, Titan Outdoor was awarded the exclusive right to sell commercial advertising on and in SEPTA's buses and trains. The contract has a base term of three years, with two three-year extension terms. Comprised of buses, trolleys, commuter rail, and subway, SEPTA is the United States' fifth largest transit agency. Titan began operation of the SEPTA contract on May 1, 2005.

Boston: In May 2005, Titan Outdoor was awarded the contract for the System-Wide Advertising Program for the Massachusetts Bay Transportation Authority ("MBTA") in Boston. The fourth largest public transportation system in the nation, the MBTA covers a service area of 3,244 square miles, reaching 4.7 million people in 175 cities and towns. Commencing July 1, 2005, the term of the MBTA contract is ten years with a three year option. The MBTA, nicknamed the "T", has a daily ridership of almost 1.2 million that is served by an impressive fleet of buses, subway cars and commuter trains. Titan Outdoor is taking over this contract on July 1, 2005 from the incumbent, Viacom Outdoor.

Orange County (California): Also in May 2005, Titan Outdoor was awarded the Orange County Transportation Authority ("OCTA") Bus Revenue-Generating Advertising Contract. Commencing September 1, 2005, the OCTA contract has a base term of three years and guarantees $12.8 million to Orange County over the initial term. More than 210,000 riders per day use OCTA buses. Fixed route transit services provided by OCTA form a countywide network of local, rail connector and express routes with more than 6,500 bus stops along 77 bus routes.

3. Overall Experience and Financial Capability (Cont.)

Titan Outdoor is poised to bring our singular sales focus to the Port Authority. Our unwavering commitment to transit advertising is essential to our success and has been a hallmark of the senior management team at TDI and now at Titan Outdoor. Since taking over the New Jersey Transit contract from Viacom Outdoor on June 1, 2004, Titan Outdoor has achieved a 30% percent increase in revenue over Viacom's performance during the same period in the previous year. Since taking over the King County Metro contract from Viacom Outdoor on January 1, 2005, Titan Outdoor has achieved a 36% percent increase in revenue over Viacom's performance during the first five months of 2004.

The reason for our success is our commitment to transit advertising sales before all other media forms. Our winning formula is to pay singular attention to transit sales--thereby outperforming our competitors whose attentions are diverted by other media forms.

3. Overall Experience and Financial Capability (Cont.)

Titan Outdoor maintains current contracts with the following Transit Authorities. Please feel free to contact the following individuals in the event the Port Authority has any questions in connection with Titan Outdoor's transit advertising capabilities. Please use the following references for the information required by Attachment C - Proposal Reference Form.

New Jersey Transit (New Jersey - Statewide)
Mr. Tom Woods
Manager of Contracts
One Penn Plaza East
Newark, New Jersey 07105-2246
(973) 491-7554
twoods@njtransit.com

King County Metro Transit (Seattle)
Ms. Sharron Shinbo
Contract Administrator
King Street Center
201 South Jackson Street
M.S. KSC-TR-0426
Seattle, WA 98104-3856
(206) 684-1547
sharron.shinbo@metrokc.gov

Southeastern Pennsylvania Transportation Authority (Philadelphia)
Ms. Winifred Huml
1234 Market St.
Philadelphia, PA 19107
(215) 580-7297
whuml@septa.org

Massachusetts Bay Transportation Authroity (Boston - Contract begins July 1, 2005)
Ms. Barbara Moulton
Director of Marketing Communications
Ten Park Plaza, Room 2810
Boston, Massachusetts 02116
(617) 222-3290 or (617) 222-5559
robertjohnson@mbta.com

Orange County Transportation Authority (California - Contract begins September 1, 2005)
Ms. Kathy Peale
550 South Main Street
P.O. Box 14184
Orange, California 92863-1584
(714) 560-6282
kpeale@octa.net

3. Overall Experience and Financial Capability (Cont.)

Titan Outdoor maintains a financial relationship with the following entities. Please feel free to contact the following individuals in the event the Port Authority has any questions in connection with Titan Outdoor's financial backing and capabilities.

Catterton Partners--Principal Investors
599 West Putnam Avenue, Suite 200
Greenwich, Connecticut 06830
Attn: Mr. Marc Cummins
Attn: Mr. Andrew C. Taub
(203) 629-4901

Catterton Partners, Titan Outdoor's principal investor, is a leading private equity firm with a focus on providing growth equity to consumer products and services companies. The combination of investment capital, industry expertise and value-added contacts uniquely positions them as a leading investor in their targeted industries. Catterton has fully committed its financial support to Titan Outdoor for this project.

Abelco Finance LLC
Cerberus Capital Management
299 Park Avenue, 23rd Floor
New York, New York 10171
Attn: Mr. Gerry Daniello
Attn: Mr. Arthur Martini
(212) 284-7810

Ableco Finance LLC is an innovative lending company, formed by the management of Cerberus Capital Management, L.P. and Gabriel Capital Group, investing in leveraged buyouts and "roll-ups," bridge loans, recapitalizations, refinancing, debt restructurings and acquisitions. Ableco Finance LLC and their affiliates have over $4 billion in funds and accounts under management. Titan Outdoor entered into a Senior Credit facility with Ableco on December 18, 2004. The facility provided $34 million of growth capital earmarked for acquisitions and general working capital. Ableco has fully committed its financial support to Titan Outdoor for this project.

Wells Fargo Foothill
2450 Colorado Avenue
Suite 3000 West
Santa Monica, CA 90404
Attn: Mr.. Matthew S. Harbour
(310) 453-7353

Wells Fargo Foothill is a leading provider of asset-based financing to middle-market companies for growth, recapitalizations, rediscount lines and leverage acquisitions. Titan Outdoor entered into a Senior Credit facility with Wells Fargo on December 18, 2004. The facility provided $16 million of available funds earmarked for Letters of Credit.

G/H. Titan Outdoor - Banner Advertising

Titan Outdoor is the worldwide leader in street banner advertising. We represent transit authorities, municipal authorities, city organizations, special events, museums, and other non-profit organizations including Business Improvement Districts. On behalf of these organizations, Titan Outdoor creates, produces, strategically places, and sells sponsorships to advertisers for all banner campaigns in order to promote the community and beautify the City. Clients include NYC & Company, New Jersey Transit, the Massachusetts Bay Transportation Authority, LA Inc. (the Convention and Tourism Bureaus of New York City and Los Angeles, respectively), the Center City District in Philadelphia, the San Francisco Film Festival, museums including the Whitney and Guggenheim, and various special events.

Titan Outdoor and Banners - Introduction
Titan Outdoor is the leading banner advertising company in the world. Banners are a relatively new advertising medium that have become very popular with advertisers and municipalities. They are an innovative form of advertising media that (i) generate significant levels of previously untapped revenue for transit authorities and municipalities, (ii) allow advertisers to make more effective use of their advertising dollars by providing low-cost impressions in a desired market, (iii) beautify city streets and transit facilities and (iv) provide transit authorities and municipalities the opportunity to deliver powerful branding messages that will enhance the aesthetic environment of their facilities and streets. Titan Outdoor believes that light poles on and adjacent to Port Authority properties, especially at the airports, on the train platforms, on bridges and in parking lots, offer high visibility to a targeted demographic, which will generate significant revenue and provide the Port Authority the ability to brand itself in the process.

Banner Advertising Proposal & Business Plan:

1. Revenue to the Port Authority

The Fee: During each year of the Agreement, Titan Outdoor shall pay the Port Authority the greater of (i) a minimum guarantee of Two Hundred and Fifty Thousand ($250,000) Dollars (the "Minimum Guarantee") or (ii) Fifty (50%) percent (the "Percentage Fee") of the Net Revenue (defined hereinafter) received by Titan Outdoor from the sale of the Banners (collectively, the "Fee"). In addition, every fifth (5th) banner installed by Titan Outdoor will be completely dedicated to a Port Authority message (see next page for details). We estimate, however, that payments to the Port Authority could reach $1.5 million or more once the program matures. Titan Outdoor proposes a five (5) year contract term with a five (5) year renewal option (the "Proposed Term").

Calculation of the Fee: Net Revenue shall be defined as:

1. Gross revenues actually received from sponsors ("Gross Revenue"), less
2. any agency fees actually incurred and/or paid by Titan to unrelated third parties (the "Agency"), less
3. any banner costs, which shall be defined as (i) the production cost per Banner listed below and (ii) any additional fees imposed by the City or State of New York on the erection and maintenance of Banners (the "Banner Costs") as defined below.

Production Cost: Production cost per Banner shall be defined as follows:

1. Small Banners (2.5 x 4): $100
2. Traditional Banners (3 x 8): $150
3. Tall Banners (4 x 20): $500

NOTE: There is absolutely no cost to the Port Authority for the proposed Banners. The MAG above is conditioned upon (i) fully commercial messages on the Banners (ii) and at least 500 available high-spot light poles per month.

Banner Proposal and Business Plan:

2. Marketing Strategy and Approach

Titan Outdoor is the leading banner advertising company in the world. Banners are an innovative form of advertising media that generate significant levels of previously untapped revenue for Transit Authorities. Banners allow advertisers to make more effective use of their advertising dollars by providing low-cost impressions in a desired market. In addition, banners enable transit authorities and municipalities to deliver powerful branding messages that enhance the aesthetic environment of their transit facilities and city streets. Titan Outdoor proposes the installation of banners in and around the Port Authority's properties, especially at your airports, commuter rail stations platforms, bridges and parking lots.

Banner Proposal

Titan Outdoor is seeking the exclusive right to design, develop, install and sell advertising banners on the streetlight poles in, on and around facilities owned by the Port Authority. We believe there is a significant opportunity to install banners at the airports, on train platforms and bridges, as well as on other Port Authority properties. Titan Outdoor will be completely responsible for the design, production, installation and maintenance of the advertising banners at no cost to the Port Authority.

The Banner Design

Each banner would be designed to (i) generate revenue from its sale to advertisers and (ii) market and brand the Port Authority to its constituents. Titan Outdoor will work with the Port Authority to develop a banner design that accomplishes the marketing goals of the Port Authority. We will design, manufacture, market and sell each banner program to third party advertisers pursuant to the Contract. Each banner will contain an advertising message which will cover the entire banner.

Port Authority Banner Campaigns

In addition, every fifth banner in each banner program will be completely dedicated to a Port Authority message. The cost of these campaigns will be completely borne by Titan Outdoor. These banners could be used to publicize service changes, alert riders to new programs or to accomplish the Port Authority's general marketing purposes. Please see following page for schematic renderings of proposed Banner Programs.

Sales and Marketing Approach

Revenue Generation

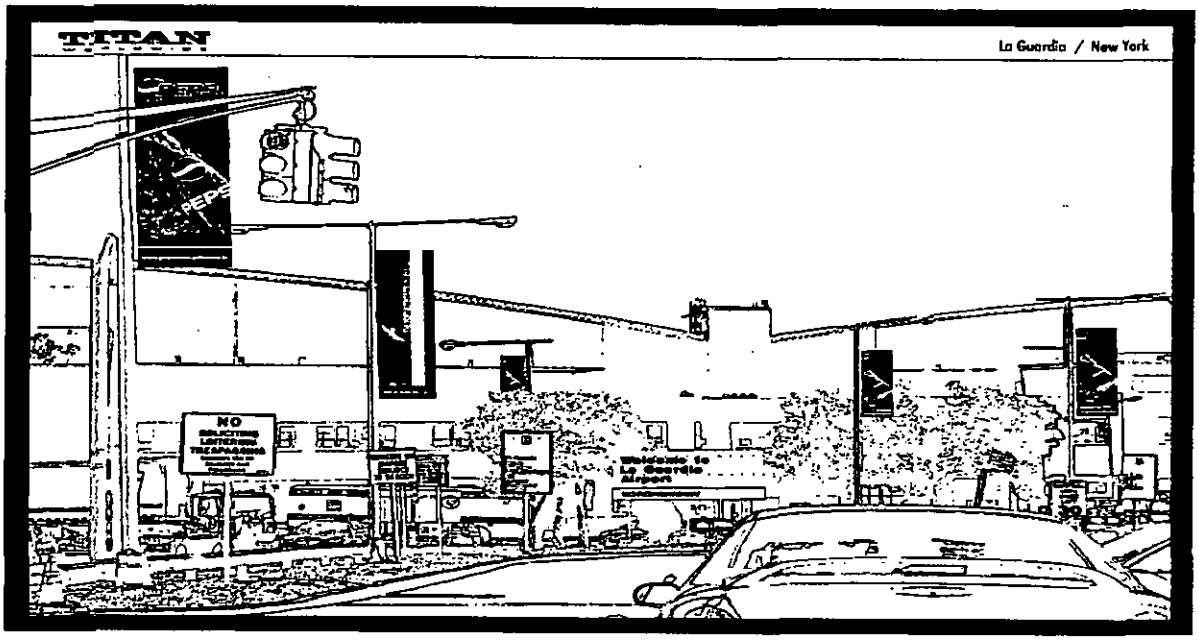
Over the last three years, Titan Outdoor has experienced extraordinary growth in our Banner Division. Our banner sales have grown at a CAGR of almost seventy-five (75%) percent over the past three years. The following are the revenue results for 2002, 2003, 2004 and estimated 2005:

Year	Revenue	% Increase
2002	$1,125,000	N/A
2003	$2,484,000	+121%
2004	$3,766,000	+52%
2005 (E)	$6,045,000	+61%

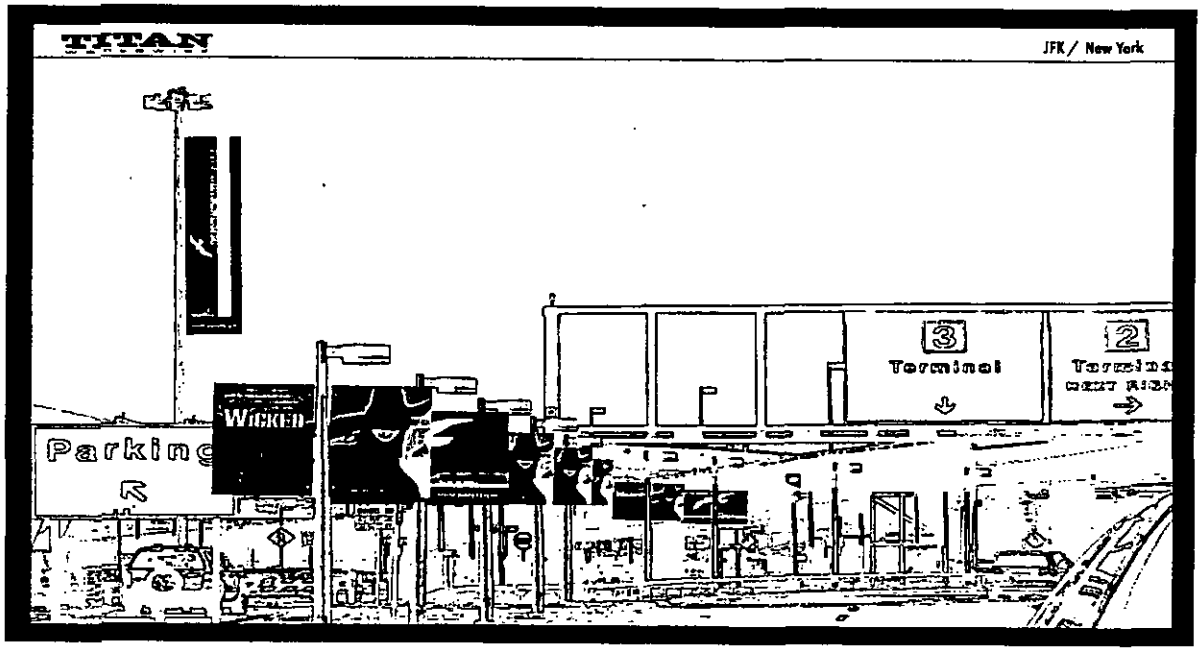
Moreover, there has been no corresponding increase in our banner inventory. The increases detailed above are a result of achieving higher rates and increased occupancy. Increased sales and higher occupancy levels have also resulted in significant increases in payments to our municipal partner, NYC & Company. Our performance has led to a recent five (5) year extension of our agreement with our client.

Banner Proposal and Business Plan

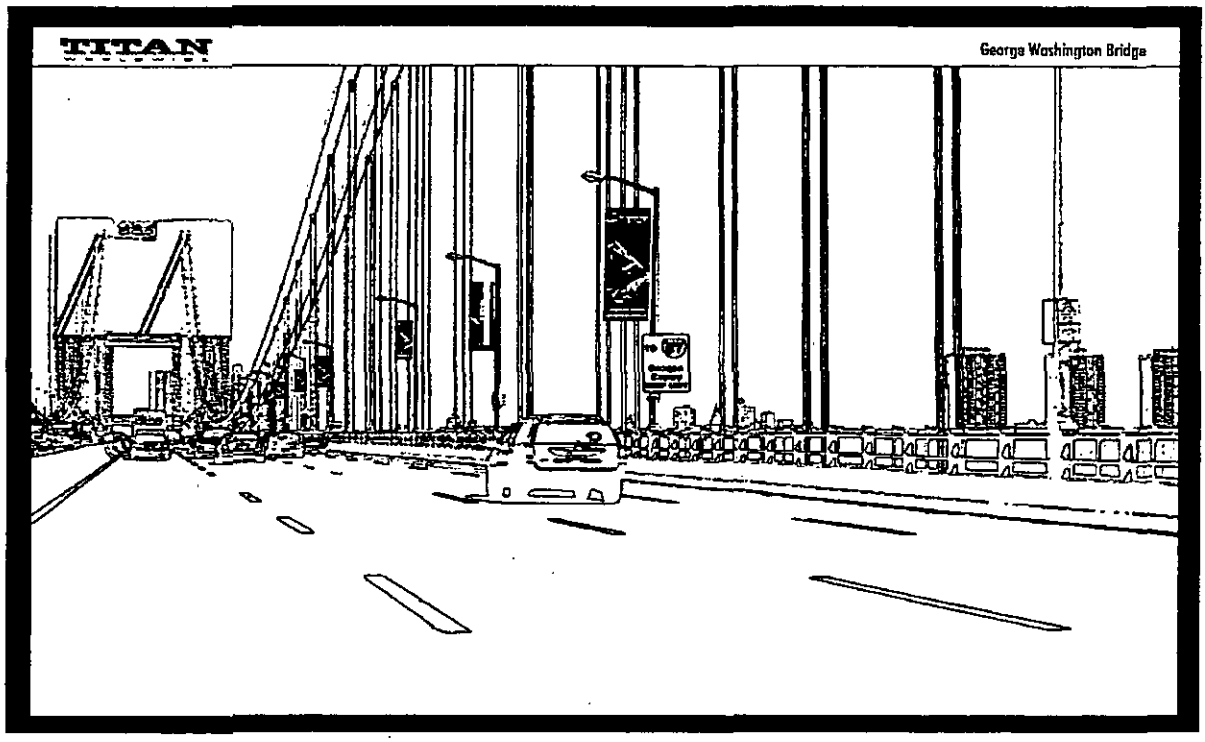
The following pages represent schematic drawings of proposed banner campaigns at various Port Authority properties across the New York/New Jersey Metropolitan Market.



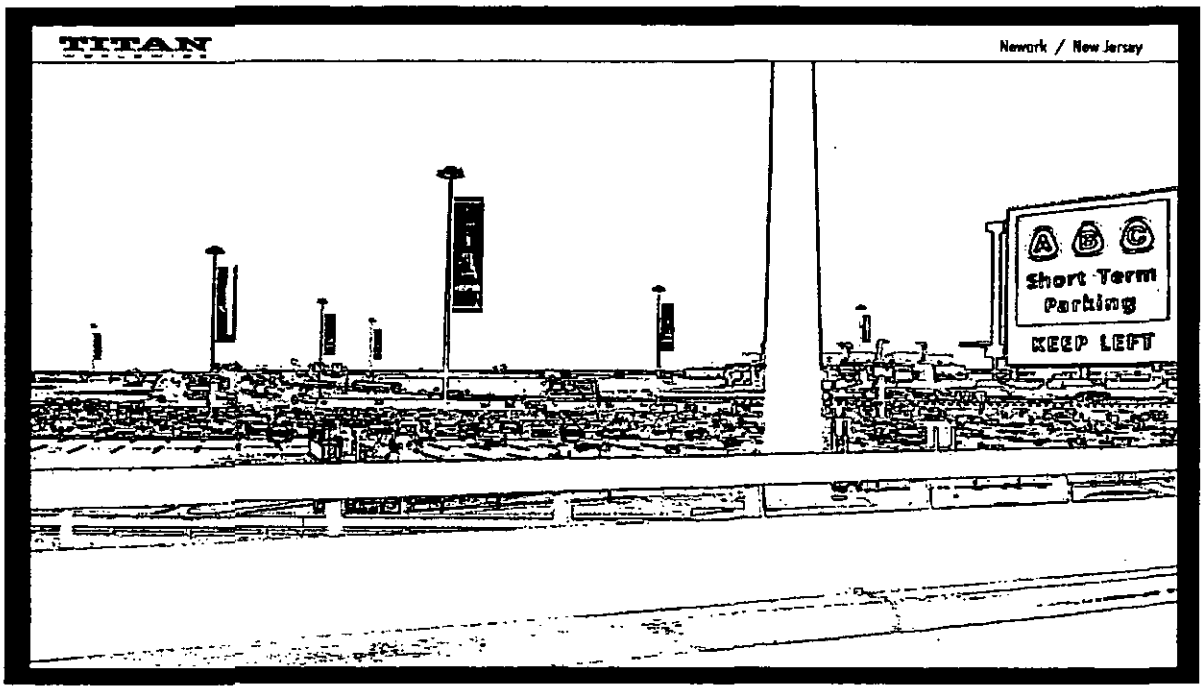
Titan Outdoor proposes to install banners on approximately 75 light poles at La Guardia Airport. The above picture depicts traditional 16' X 22' light poles with 8' X 3' banners installed at the top of each light pole.



Titan Outdoor proposes to install banners on approximately 500 light poles at Kennedy Airport. The above picture is an illustration of smaller pedestrian 12' X 14' light poles with two 4.5' X 2' banners installed at the top of each light pole.



Titan Outdoor proposes to install banners on all light poles on the George Washington Bridge, as well as on the approaches to tunnels and bridges. The above picture depicts traditional 16' X 22' light poles with 8' x 3' banners installed at the top of each light pole.



Titan Outdoor proposes to install banners on light poles in the parking lots, terminals and service roads at Kennedy, Newark and La Guardia Airports. The above picture illustrates traditional 16' X 22' light poles with 8' X 3' banners installed at the top of each light pole at Newark Airport.

Banner Proposal and Business Plan:

3. Overall Experience Including Financial Capability

As an integral part of the Titan Outdoor team, Banner Division President Evan I. Seigerman would bring the necessary focus to the Port Authority banner campaigns and generate new incremental revenue to the Authority in a creative and innovative way.

Evan I. Seigerman, President Banner Division
As President of Titan Outdoor's banner division, Evan I. Seigerman has established himself as a leader in non-traditional forms of outdoor advertising. Formerly Founder and President of Outdoor Media Group USA, Inc. ("OMG"), he pioneered street banner advertising, seeing an opportunity to beautify America's cities while sending powerful branding messages. Now as an integral part of the Titan Outdoor team, Mr. Seigerman utilizes street banners as an advertising medium, offering cities such as New York, San Francisco, Los Angeles and Philadelphia the ability to generate incremental revenue while highlighting their special events and exhibitions.

New Jersey Transit Banner Program
In June 2004, New Jersey Transit awarded Titan Outdoor the right to install, maintain and sell banners in and around their facilities. Our program has proven to be an initial success, providing incremental revenue to New Jersey Transit, as well as providing a powerful branding message for the Transit Authority.

Banners on New Jersey Transit Platforms have provided a new and exciting media form for advertisers and New Jersey Transit.

Banner Proposal and Business Plan: BannerList of References

Titan Outdoor maintains Banner Advertising Contracts with the following Transit Authorities, Convention and Tourism Bureaus and Business Improvement Districts. Please feel free to contact the following individuals in the event the Port Authority any questions in connection with Titan Outdoor's qualifications.

NYC & Company
Ms. Natasha Caba
Vice President Strategic Marketing & Partnerships
810 Seventh Avenue
New York, NY 10019
(212) 484-1249

34th Street Partnership
Mr. Dan Pisarck
500 Fifth Avenue, Suite 1120
New York, NY 10110
(917) 438-5126

Union Square Partnership
Ms. Karen Shaw
4 Irving Place, Room 114-S
New York, NY 10003
(917) 438-5126

New Jersey Transit
Mr. Tom Woods
Manager of Contracts
One Penn Plaza East
Newark, New Jersey 07105-2246
(973) 491-7554

G./H. All Vision - Land Lease/Billboard Monetization

All Vision LLC ("All Vision") was formed in 2002 by Peter C. McClary, Donald R. Allman, Titan Outdoor and Catterton Partners. All Vision was created to respond to transit and municipal authority's requests for proposals for the identification and management of existing and potential outdoor advertising assets. With over 50 years of combined experience in managing, consulting and analyzing outdoor advertising opportunities, the senior management of All Vision is uniquely qualified to ensure the proper administration of outdoor advertising assets, as well as the maximization and generation of previously untapped sources of revenue for the Port Authority.

Mr. McClary is one of the most successful outdoor advertising entrepreneurs in the United States. During his 18-year career he has developed and acquired nearly 1,000 "faces," and over the past decade has transacted over $75 million in outdoor asset sales. Mr. Allman spent 16 years leading Transportation Displays Incorporated's ("TDI") Land Lease, business development and advertising sales effort, eventually serving as President and Chief Executive Officer of TDI North America in 2000. Together with the senior management of All Vision, Mr. Allman and Mr. McClary will ensure that the Port Authority's Land Lease business is properly administered and generates maximum revenue.

G/H. All Vision - Land Lease/Billboard Monetization

All Vision believes that the monetization of existing and future Port Authority Sign inventory will generate lump sum payment amounts that could reach $100 million during the term of the Contract.

All Vision's approach to management is to improve on a system that has good fundamentals but needs to become more responsive to a changing environment. We believe that the Port Authority is foregoing substantial incremental revenue that could be generated from its outdoor advertising assets on its properties. All Vision's plan guarantees the continued stream of revenue generated by the traditional Land Lease business, but also proposes a unique lump sum revenue generation concept that will allow the Port Authority to take full advantage of its properties.

All Vision Proposal and Business Plan:

1./2. Revenue to the Authority & Marketing Strategy and Approach

All Vision will implement the following business and sales/monetization plan. It is designed to maximize the revenue generated by existing or potential out-of-home properties owned or controlled by the Port Authority. We will perform a multi-step evaluation and disposition program as follows:

Initial Inventory Survey
All Vision has completed an extensive survey of the Port Authority's locations in the New York/New Jersey Metropolitan Market. We have determined that there are numerous opportunities which would generate significant new revenue for the Port Authority. We have analyzed these opportunities and separated them into three (3) categories according to their locations:

Category One. New Locations. All Vision believes that permits would be obtainable for these locations;

Category Two. Variance Required. These locations would require a variance from local municipalities or the use of the Port Authority's exemption; and

Category Three. Innovative Ideas. These locations are examples of just a few of some of the "out-of-the-box" developmental opportunities which All Vision will bring to the Port Authority if awarded the Contract.

Inventory Verification
Upon the award of the contract, All Vision will immediately identify and evaluate the existing and potential outoor advertising inventory on Port Authority properties (the "Inventory"). We will then perform an analysis that estimates the locations' potential advertising revenue. The immediate benefit of this review will be to ensure that <u>all</u> revenue is accounted for and that Port Authority receives its optimum share of the revenue generated by the traditional Land Lease business and the billboard monetization model.

Cash Flow Analysis
Once the Inventory verifications have been completed, All Vision will perform a cash flow analysis for each location. This analysis will determine a location's marketability from a revenue generation standpoint, which will be crucial in determining the locations asset value to the Port Authority.

Development & Distribution of Offering Memorandum
Upon the completion of the cash flow analysis, All Vision will develop an Offering Memorandum for the locations that have a significant asset value to the Port Authority. The Offering Memorandum will offer various outdoor companies the right to "purchase" the Inventory along with new, long-term license agreements whose terms are approved by the Port Authority (see License Agreement section on following page). We will then present the marketing materials to the Port Authority for its review and approval. This presentation will include benchmarks that All Vision has set on the value of each of the locations. Once the Port Authority has approved a final set of the materials, they will be distributed to an approved list of interested parties.

All Vision will deliver "micro" brochures to companies which only wish to bid on the purchase of specific sites within the Inventory and their newly created long-term license agreements. Companies with the ability to purchase the entire package of available locations will be offered an "all property" brochure. The brochures will solicit offers from potential purchasers of each location that is approved for

sale by the Port Authority. Each potential purchaser will be asked to respond to All Vision within a stated time frame with an offer to participate in the purchase program.

Evaluation of Interest
All Vision will then evaluate the level of interest of each potential purchaser and will provide a detailed report to the Port Authority. This report will provide recommendations as to the proposed offers. Upon approval of such recommendations, All Vision will move ahead with the one-time capital sale on any location that has been approved for sale by the Port Authority.

Award of New License Agreements
All Vision and the Port Authority will award companies in part, or whole, the ability to negotiate purchase agreements or long term license agreements for the Inventory. All Vision will negotiate the terms of long-term license agreements and negotiate the terms of purchase and sale agreements with those chosen companies. All Vision will then present final documents to the Port Authority for their approval prior to closing and construction. The proceeds of such sale will be distributed to the Port Authority in accordance with Revenue Share section that follows.

All Vision will supervise the construction of the new signboard to ensure compliance with all applicable laws. Once the signboard has been properly constructed, All Vision will continue to manage the property pursuant to its traditional Land Lease agreement with the Port Authority.

New License Agreements
In order for the Port Authority to realize the maximum revenue through the one-time capital events described above, new long term license agreements that contain the following terms are essential:

a. 15-30 year terms;

b. Non-cancelable license agreements, provided that the Port Authority may terminate in the event that the signboard will interfere with future Port Authority development on the property or presents an immediate safety problem;

c. A relocation provision that permits relocation of a particular signboard in the event the Port Authority exercises its development cancellation (described in paragraph b above); and

d. Or any other provision the Port Authority would require in order to facilitate the creation of long-term license agreements.

Revenue Share to the Port Authority
All proceeds derived from the monetization of the assets will be divided between the Port Authority and All Vision. The Port Authority will receive Seventy-Five (75%) percent of the Net Proceeds (as hereinafter defined) generated from such sales. All Vision will receive Twenty-Five (25%) percent of the Net Proceeds. Net Proceeds will be defined as the proceeds of each sale less All Vision's actual costs incurred as a result of the permitting of the signs to include permit fees, reasonable attorneys fees, surveys and engineering costs ("Net Proceeds").

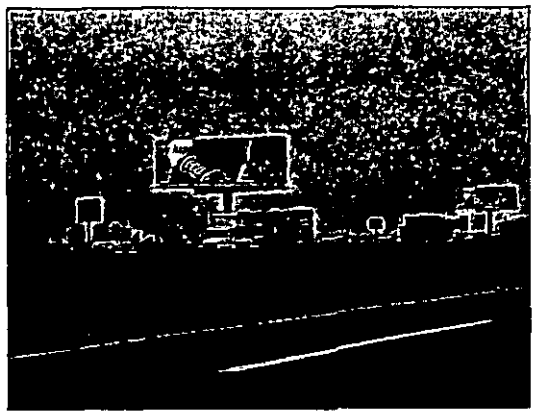
Billboard Monetization Model: Port Authority Examples

The following charts detail a cash flow analysis of potential sites which could be built on Port Authority property. We have analyzed the potential one-time asset value to the Port Authority below. Outdoor companies will typically pay seven to twelve times the annual cash flow when purchasing outdoor advertising assets with long-term license agreements. The examples below exhibit the unexplored and untapped revenue that is available to the Port Authority through the monetization of itspotential Land Lease Inventory.

Bulletins at Newark Airport - ***Category One.***

Example (Based on 16 faces):

Yearly Net Advertising Revenue	$1,658,880
(83% of occupancy 12 months)	
Lease Cost 36%	$597,200
Operational Costs	$165,888
Cash Flow	$895,792
Sale Value	
8x Cash Flow	$7,166,366
10x Cash Flow	$8,957,920



Bulletins on JFK Expressway - ***Category One.***

Example (Based on 4 faces):

Yearly Net Advertising Revenue	$581,400
(83% of occupancy 12 months)	
Lease Cost 36%	$186,624
Operational Costs	$51,840
Cash Flow	$279,936
Sale Value	
8x Cash Flow	$2,239,488
10x Cash Flow	$2,799,360

Bulletins on Port Authority Easement - ***Category One.***

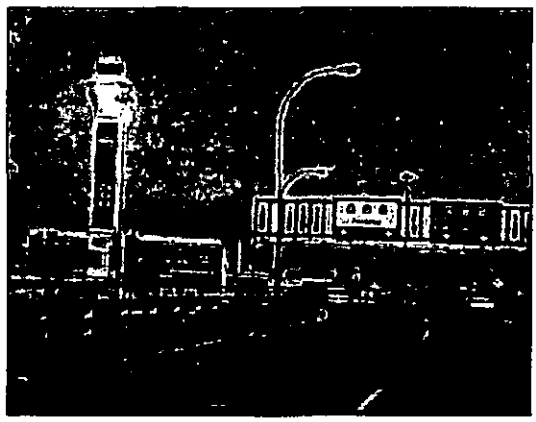
Example (Based on 1 face):

Yearly Net Advertising Revenue	$432,000
(83% of occupancy 12 months)	
Lease Cost 36%	$155,520
Operational Costs	$43,200
Cash Flow	$233,280
Sale Value	
8x Cash Flow	$1,866,240
10x Cash Flow	$2,332,800

Billboard Monetization Model: Port Authority Examples (Continued)

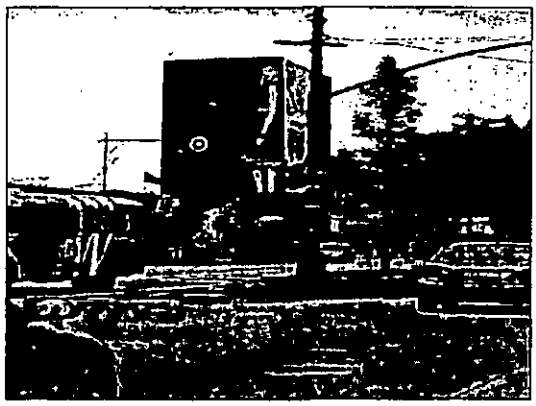
Newark Air Tower - *Category Three.*

Example (Based on one 30' x 100' wallscape):	
Yearly Net Advertising Revenue	$216,000
(83% of occupancy 12 months)	
Lease Cost 36%	$77,760
Operational Costs	$21,600
Cash Flow	$116,640
Sale Value	
8x Cash Flow	$933,120
10x Cash Flow	$1,166,400



Lincoln Tunnel Air Vent - *Category Two.*

Example (Based on two 30' x 90' wallscapes):	
Yearly Net Advertising Revenue	$518,400
(83% of occupancy 12 months)	
Lease Cost 36%	$186,624
Operational Costs	$51,840
Cash Flow	$279,936
Sale Value	
8x Cash Flow	$2,239,488
10x Cash Flow	$2,799,360



3. Overall Experience and Financial Capability

All Vision's senior management is uniquely positioned to administer Outdoor/Land Lease Advertising on behalf of the Port Authority. All Vision's senior managers have over fifty years of combined experience in the outdoor advertising industry, specializing in serving transit and other municipal authorities. We will bring an innovative management team which will ensure the proper administration and development of all Port Authority Outdoor/Land Lease Advertising and focus on the generation of previously untapped sources of revenue. All Vision will focus on (i) monetization of existing billboard locations and (ii) development and monetization of new locations.

All Vision - Actual Monetization Case Study

The following actual case study exhibits how the All Vision lump sum revenue model works. While there may be some minor modifications in connection with the Port Authority properties, the basic model is applicable and replicable for the Port Authority.

In the second half of 2003, All Vision identified 17 existing billboard structures in and around a medium-size, Northeast metropolitan market. Each of these billboard structures had been built by outdoor companies pursuant to license agreements with private property owners or with municipal authorities (the "Landlords"). Each license agreement provided for an absolute 30 day cancellation right by the private property owner or municipality.

All Vision entered into management agreements with each of the Landlords, pursuant to which All Vision would take over the management of each site on behalf of the Landlords. All Vision performed a survey of each site, assessing (i) its potential for upgrade and (ii) the advertising cash flow generated by each billboard and its asset value to the landlord. Once the asset value was determined, All Vision prepared an Offering Memorandum for the entire billboard package and marketed the package to various outdoor companies (*). The Offering Memorandum offered one company the right to enter into long-term license agreements with the Landlords, pursuant to which new billboards could be constructed on each of the properties. Within four weeks of delivery of the Offering Memorandum, Company A agreed to buy the entire package for an amount excess of $5 million , by outbidding another company for the assets.

All Vision entered into a Purchase and Sale Agreement with Company A for the purchase of all 17 billboards. Pursuant to the terms of the license agreements, All Vision sent cancellation notices to each of the incumbent licensees on behalf of each landlord, terminating the existing license agreements. The incumbent licensees removed the exiting billboards, during which time All Vision obtained new permits for the construction of each new billboard. Once the incumbent licensee had removed the existing billboards, the new billboards were constructed pursuant to the newly obtained permits. Upon completion of the new billboards and payment of the purchase price, Company A entered into the new, long-term license agreements with each of the Landlords. Within 24 hours of the payment of the purchase price by Company A, All Vision wired each of the Landlords their share of the purchase price.

The following table details the purchase price for each billboard:

Purchase Prices, per billboard	
Site 1	$456,896
Site 2	427,520
Site 3	182,720
Site 4	404,960
Site 5	554,400
Site 6	368,240
Site 7	464,240
Site 8	464,240
Site 9	267,312
Site 10	404,960
Site 11	318,144
Site 12	318,144
Site 13	318,144
Site 14	249,600
Site 15	89,856
Site 16	89,856
Site 17	168,960
Total Purchase Price	**$5,548,192**

* Each incumbent licensee was offered the right to enter into a new, long-term license agreement, in exchange for a reduced purchase price. No incumbent accepted the offer, choosing to remove their billboards from the property within the 30-day cancellation period.

All Vision - References

All Vision maintains a contractual relationship with the following entities. Please feel free to contact the following individuals in the event the Port Authority has any questions in connection with All Vision's operational capabilities.

New Jersey Transit
Mr. Tom Woods
Manager of Contracts
One Penn Plaza East
Newark, New Jersey 07105-2246
(973) 491-7554

The City of Westfield
The Honorable Mayor Richard Sullivan
Municipal Building
59 Court Street
Westfield, MA 01085
(413) 572-6200

North East Utilities
Mr. Salvatore Giuliano
The Connecticut Light and Power Company
Real Estate Department
P. O. Box 270
Hartford, CT 06141-0270
(860) 665-6173

Southeastern Pennsylvania Transportation Authority
Mr. John McGee
1234 Market Street
9th Floor
Philadelphia, PA
(215) 580-7930

LAZ Parking
Mr. Michael Kuziak
Vice President
15 Lewis Street
Hartford, CT
(860) 522-7641

Squamish Nation
Mr. Toby Baker
Department Head, Business Revenue & Services
415 West Esplanade
North Vancouver, BC
Canada V7M 1A6
toby_baker@squamish.net
(604) 980-4553

I. Acknowledgement of Addenda

Titan Outdoor and All Vision acknowledge receipt of the Port Authority's Addenda forms 1 through 5.

J. Acceptance of Standard Contract Terms and Conditions - Attachment B, Part 1

Titan Outdoor and All Vision have no specific exceptions to the "**Standard Contract Terms and Conditions,**" included as *Attachment B, Part I* of this RFP.

K. Financial Information

Titan Outdoor Holdings, Inc. and All Vision LLC have provided the required financial statements on the following pages.

TITAN OUTDOOR HOLDINGS INC. AND SUBSIDIARIES

Consolidated Proforma Financial Statements

Years ended December 31, 2003, 2004 and Proforma 2005

TITAN OUTDOOR HOLDINGS INC.

Consolidated Balance Sheet
$000, $USD

ASSETS	Audited (A) 2003	Unaudited (B) 2004	Proforma Unaudited (C) 2004	Proforma Unaudited (D) 2005
Current assets:				
Cash and restricted cash	$1,469	$3,378	$3,378	$4,082
Accounts receivable, net of allowances	1,825	4,123	4,123	9,098
Prepaid expenses and other current assets	509	942	942	2,675
Total current assets	3,804	8,443	8,443	15,855
Net Property Plant & Equipment	5,171	11,319	11,319	11,905
Goodwill	5,409	5,409	5,409	5,409
Other intangible assets	11,760	15,648	15,648	17,226
Other assets	888	787	787	515
Total long-term assets	23,228	33,163	33,163	35,055
Total assets	$27,032	$41,606	$41,606	$50,910
LIABILITIES AND MEMBERS' CAPITAL				
Liabilities:				
Current liabilities:				
Accounts payable and accrued expenses	$2,232	$4,055	$4,055	$2,891
Other current liabilities	928	681	681	5,799
Total current liabilities	3,161	4,736	4,736	8,690
Note and interest payable - equity holders	5,142	5,222	5,222	6,452
Note and interest payable - senior lender	2,951	21,933	21,933	21,500
Equity, net	15,778	9,714	9,714	14,268
Total liabilities and members capital	$27,032	$41,606	$41,606	$50,910

(A) Audited financials can be provided upon request.
(B) 2004 Audit will be completed on or before June 15, 2005.
(C) 2004 estimated financial result as if Titan had commenced its NJ Transit contract and Toronto acquisitions as of January 1, 2004.
(D) 2005 Proforma results had Titan's new Boston (MBTA) and Orange County, CA (OCTA) transit contracts commenced January 1, 2005

TITAN OUTDOOR HOLDINGS INC.

Consolidated Statement of Operations
$000, $USD

Year Ended	Audited (A) 2003	Unaudited (B) 2004	Proforma Unaudited (C) 2004	Proforma Unaudited (D) 2005
Net advertising revenues:				
Transit	$0	$6,965	$11,923	$50,253
Billboards (US & Canada)	3,177	3,967	7,433	8,025
Kiosks	2,986	2,975	2,975	3,546
Banners	2,484	3,766	3,766	6,287
Development, land lease proceeds & other	2,619	4,108	4,108	4,879
Total	11,266	21,782	30,206	72,990
Cost of revenues:				
Transit	0	6,250	9,777	41,825
Billboards (US & Canada)	2,483	2,656	4,521	4,479
Kiosks	1,567	1,553	1,553	1,902
Banners	1,454	2,186	2,186	3,772
Development, land lease & other	1,567	2,558	2,558	2,244
Total	7,071	15,204	20,595	54,222
Gross profit	4,196	6,578	9,611	18,768
General and administrative	4,505	5,179	5,479	6,305
Income from operations	($309)	$1,400	$4,132	$12,463

(A) Audited financials can be provided upon request.
(B) 2004 Audit will be completed on or before June 15, 2005.
(C) 2004 estimated financial result as if Titan had commenced its NJ Transit contract and Toronto acquisitions as of January 1, 2004.
(D) *2005 Proforma results had Titan's new Boston (MBTA) and Orange County, CA (OCTA) transit contracts commenced January 1, 2005*

ALL VISION LLC

Consolidated Proforma Financial Statements

Years ended December 31, 2003, 2004 and Proforma 2005

ALL VISION LLC

Consolidated Balance Sheet
$000, $USD

ASSETS	Audited (A) 2003	Unaudited (B) 2004	Budget Unaudited (C) 2005
Current assets:			
Cash and restricted cash	$433	$744	$1,744
Accounts receivable, net of allowances	0	245	490
Prepaid expenses and other current assets	147	332	664
Total current assets	580	1,321	2,899
Net Property Plant & Equipment	0	2	0
Goodwill	0	0	0
Other assets	0	3	0
Total long-term assets	0	5	0
Total assets	$580	$1,326	$2,899
LIABILITIES AND MEMBERS' CAPITAL			
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	$71	$831	$1,247
Other current liabilities	5	82	125
Total current liabilities	76	914	1,372
Note and interest payable - equity holders	544	79	0
Equity, net	(40)	334	1,527
Total liabilities and members capital	$580	$1,326	$2,899
	-	(0.00)	0.00

(A) Audited financials can be provided upon request.
(B) 2004 Audit will be completed on or before June 15, 2005.
(C) 2005 Budget

ALL VISION LLC

Consolidated Statement of Operations
$000, $USD

Year Ended	Audited (A) 2003	Unaudited (B) 2004	Budget Unaudited (C) 2005
Net revenues:			
Development	$1,978	$2,651	$5,926
Land lease proceeds	0	1,457	2,705
Total	1,978	4,108	8,631
Cost of revenues:			
Development	926	1,553	3,814
Land lease proceeds	0	1,005	1,857
Total	926	2,558	5,671
Gross profit	1,052	1,550	2,960
General and administrative	749	901	1,175
Income from operations	$304	$649	$1,785

(A) Audited financials can be provided upon request.
(B) 2004 Audit will be completed on or before June 15, 2005.
(C) 2005 Budget

L. Titan Outdoor - Conclusion

Titan Outdoor and All Vision are media companies that are uniquely positioned to properly administer the Advertising Contract for the Port Authority. Titan Outdoor is an organization that prizes innovation in advertising for transit sales above all other out-of-home properties. This focus will increase the value of the Port Authority media properties because sales will increase over the life of the Contract. The history of the Titan Outdoor management team supports this statement.

All Vision believes that its lump sum revenue model will allow the Port Authority to realize substantial streams of revenue by monetizing existing and future assets on Port Authority properties. Titan Outdoor endorses the All Vision proposal as they are the superior provider of these services both from a technical and managerial standpoint.

Together, Titan Outdoor and All Vision will offer a way for the Port Authority to attain additional significant revenue. Our strong financial backers, Catterton Partners, Ableco Finance LLC and Wells Fargo Foothill will stand behind our offer guaranteeing our performance.

We want to *go to work* for the Port Authority and sincerely hope that you allow us that opportunity.

Interstate Outdoor Advertising, L.P.'s Response to Port Authority of NY & NJ

Request for Proposal

Advertising Opportunities for Port Authority of NY & NJ
and Path Facilities, Including Outdoor and Out-Of-Home Locations
Number: 0000007920 June 13, 2005

INTERSTATE
OUTDOOR ADVERTISING, LP.
905 North Kings Highway
Cherry Hill, NJ 08034

REQUEST FOR PROPOSAL **ORIGINAL**

TITLE: ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS.

NUMBER: 0000007920

DUE DATE: JUNE 13, 2005

INTERSTATE
OUTDOOR ADVERTISING, LP.

June 13, 2005

Via Hand Delivery

Port Authority of NY and NJ
Purchasing Services Division
One Madison Avenue, 7th Fl.
New York, NY 10010

Attn: T.J. Storch

**Re: LETTER OF TRANSMITTAL
IN RESPONSE TO**

REQUEST FOR PROPOSAL

**ADVERTISING OPPORTUNITIES FOR
PORT AUTHORITY OF NY & NJ AND PATH
FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME
LOCATIONS**

Due Date: June 8, 2005

Dear Mr. Storch:

Interstate Outdoor Advertising, L.P. ("Interstate") is pleased to submit this Letter of Transmittal and Proposal in response to the Port Authority of NY & NJ's ("Port Authority") Request for Proposal – Advertising of NY & NJ and Path Facilities, Including Outdoor and Out-of-Home Locations ("RFP"). Interstate's Proposal is divided into three different parts: 1) spectacular and architecturally beautifully designed signage to be placed above the toll plazas at the Hudson River crossings ("Spectaculars"); 2) additional similarly designed smaller signage to be located on both the New York and New Jersey side of the Lincoln and Holland Tunnels and; 3) traditional billboard opportunities (14' x 48' signs) on the Lincoln Tunnel helix. Interstate believes that the Port Authority's interests will best be served by selecting multiple bidders for

905 North Kings Highway • Cherry Hill, NJ 08034 • p 856.667.6620 • f 856.482.6195

the exciting and enormous project encompassed by the RFP. Interstate is limiting its bid to the above-stated areas where we have substantial experience, a successful track record and confidence that we can maximize revenue, improve aesthetics and unify the Hudson River crossings with a common architectural theme. Interstate is not bidding on all the numerous other advertising opportunities contained in the RFP because we believe that there are other companies that have greater expertise and experience in the various opportunities presented. For example, a company that specializes in selling interior airport advertising would have a better understanding of that market than a company that has had success developing and selling Spectaculars.

Interstate intends to do this project on its own in lieu of joint venturing the project with others; however, Interstate has had discussions with its joint venture partner on other similar projects, Foster Media, concerning this RFP. Interstate's Chief Executive Officer Drew A. Katz (7 N Columbus Blvd., Philadelphia, PA 19106) owns fifty percent of Interstate and his sister, Melissa Silver (113 Anderson Avenue, Demarest, NJ 07627) owns the other fifty percent. In addition to Mr. Katz, Interstate's officers are as follows: Jeffrey W. Gerber - Chief Operating Officer, Debra Hilpl - President and Mark Macey - Chief Financial Officer (Exhibit O). Messrs. Katz and Gerber are both authorized to negotiate a contract with the Port Authority should the Port Authority make an award to Interstate. Messrs. Katz and Gerber (856-667-6620) are available to the Port Authority for any questions that the Port Authority may have regarding Interstate's proposal.

Executive Summary

Interstate's focused and multi-pronged proposal is designed to maximize revenue to the Port Authority at prime locations while creating a unifying theme and architecturally beautiful

signage for all of the Hudson River crossings as well as developing other opportunities located near the Lincoln and Holland Tunnels. Interstate is excited to propose building high impact Spectaculars above the toll plazas at the river crossings. Keeping in mind the eclectic and distinct nature of each individual location, the design is an endeavor to coalesce and project a synthesized language for these three gateways into the city. This is evidenced in both the simplistic design of the supporting towers as well as the advertising faces themselves. The illuminated towers of metal derive their design references from the tradional notions of bridges and tunnels. These bright gateways would serve as beacons to the approaching motorists and would be instrumental in emphasizing the entry. They will brighten the surrounding areas thus satiating security concerns in an understated way. Because Interstate has experience designing, developing, owning and selling spectacular signage advertising and because its CEO is also the primary principal of the company and will oversee the project, Interstate is uniquely positioned to successfully implement its design. Having a firm small enough to have its CEO/owner involved in the day to day decisions and implementation of the project but large enough to have the financial resources to undertake this project and the respect of its peers is the best of all worlds that will maximize the results for the Port Authority.

By placing the advertising Spectaculars above the toll plazas where traffic builds up and increases read time, the Spectaculars' value will be tremendous. The Lincoln Tunnel (Exhibit A – Entrance to Lincoln Tunnel, Exhibit B – Back-up to Spectacular) and the George Washington Bridge (Exhibit C – Entrance to George Washington Bridge, Exhibit D – Back-up to Spectacular) Spectaculars have the ability to also have facings reading to NJ bound traffic further enhancing their revenue potential. A rendering of the Holland Tunnel Spectacular is attached as Exhibit E. A Location Plan is attached as Exhibit A.

In addition to the Spectaculars, Interstate is proposing a number of similarly designed signage of various sizes to complement the look and feel of the Spectaculars that will serve to both maximize the revenue potential for the Port Authority and unify the various design features of the proposal. Finally, Interstate proposes to place two traditional billboards in New Jersey – a state where Interstate maintains the majority of its signs and has the expertise to successfully permit, build and sell the signage it develops. As part of this proposal and if we receive an award, Interstate is willing to explore any other outdoor advertising opportunities that the Port Authority would like Interstate to consider, but did not propose, as well as modifications to the sign placement or total number of signs in our proposal.

Spectaculars

Interstate proposes to remit to the Port Authority $1,000,000 annually as a minimum annual guarantee ("MAG") vs. 65% of the Adjusted Gross Revenue received at the sites for the large Spectaculars, whichever is greater. Adjusted Gross Revenue is defined in the proposal section. Depending on the final design and sizes built for Spectaculars, Interstate estimates that the Spectaculars with backups would generate $4,000,000 in their first full year of operation for the Port Authority and increase in subsequent years.

Additional non-traditional signage at the Lincoln and Holland Tunnels

There is also the opportunity to build at least four architecturally interesting signs that would complement the Spectaculars and would be located at the Lincoln and Holland Tunnels. On the NJ side of the Holland Tunnel, just east of the Spectacular, we propose a mini-tubular spectacular that reads to the traffic just entering the Tunnel (Exhibit F). On the New York side of

the Holland Tunnel, we would propose building either a vertical sign to be affixed to the current scaffolding (Exhibit G) or a more traditional horizontal sign above the traffic lights (Exhibit H). At the Lincoln Tunnel, we would propose a sign to be located on Dyer Avenue above the feeder tubes into the Tunnel (Exhibit I) and one to be built above the NY entrance to the Tunnel itself (Exhibit J). The exact sizes of each of these signs would be determined by engineering, permitting and other criteria. All of the signs would be designed to complement the Spectaculars we propose building and would be eye-catching. Interstate proposes to remit to the Port Authority 65% of the Adjusted Gross Revenue received at the sites for these signs. The proposed MAG would be $300,000 for all four signs and is subject to agreement based upon the final design, size and location of each sign. Interstate estimates that that these four signs would generate $1,000,000 in their first full year of operation for the Port Authority and increase in subsequent years.

Lincoln Tunnel Helix

Finally, Interstate proposes to build two traditional 14'h x 48'w billboards on the New Jersey side of the Lincoln Tunnel Helix (Exhibit K). There are few companies who have developed or owned more traditional 14'h x 48'w billboards in New Jersey than Interstate. These signs would generate significant revenue for the Port Authority and Interstate has the expertise to permit, construct and sell the advertising for them. Interstate proposes to remit to the Port Authority 65% of the Adjusted Gross Revenue received at the sites for these signs. The MAG would be $100,000 annually for both signs. Interstate estimates that that these two signs would generate a total of $325,000 in their first full year of operation for the Port Authority and increase in subsequent years.

A summary of the proposed signage and estimated revenues is provided below and contained in Exhibit W.

PROPOSED SIGNAGE AND REVENUE SUMMARY

SPECTACULARS

LINCOLN TUNNEL	2 SPECTACULARS (WITH BACKUP)
GEORGE WASHINGTON BRIDGE	2 SPECTACULARS (WITH BACKUP)
HOLLAND TUNNEL	1 SPECTACULAR
Total	**5 SPECTACULARS**
Estimated Annual Revenue	**$4,000,000**

ADDITIONAL NON-TRADITIONAL SIGNAGE

HOLLAND TUNNEL	(1) MINI-TUBLAR SPECTACULAR (1) VERTACULAR SIGN OR (1) HORIZONTAL SIGN
LINCOLN TUNNEL	(2) HORIZONTAL SIGNS
Total	**4 SIGNS**
Estimated Annual Revenue	**$1,000,000**

LINCOLN TUNNEL HELIX	**2 SIGNS**
Estimated Annual Revenue	**$325,000**
TOTAL PROPOSED SIGNAGE	**11 SIGNS**
TOTAL ESTIMATED ANNUAL REVENUE	**$5,325,000**

Experience

As set forth herein, Interstate has substantial experience and the financial capability to maximize revenue for the Port Authority at the Hudson River crossings. Our focused proposal makes certain that we will be able to generate the highest revenue at these locations where the potential for the greatest advertising dollars exists. Without having the distractions of the myriad of other advertising opportunities in the RFP, Interstate will be able to marshal its highly experienced, talented and skilled personnel as well as its extensive resources to maximize revenue for the Port Authority while creating beautifully designed impactful signage.

Corporate History/Experience

Interstate was founded in 1984 in Cherry Hill, New Jersey. Since its inception, Interstate has been a fast growing and very successful outdoor advertising company. We currently have thirty-six employees. Our Company generates approximately $20,000,000 in annual revenue and has over $200 million in book equity. While we are primarily a billboard company, we are also innovative and have pioneered many different forms of outdoor advertising. We partnered with Foster Media to form a company called Foster Interstate and developed large beautifully designed Spectaculars at the Oakland-Alameda County Coliseum in Oakland, California (Exhibit L). This project was conceived, designed and implemented by Foster Interstate and has completed the entertainment complex with architecturally relevant and significant revenue producing signage. Foster Interstate also won the bid to be the exclusive outdoor advertising partner of the Oakland International Airport (Exhibit V). The Airport selected Foster Interstate over Viacom Outdoor and Clear Channel Outdoor and we are currently building significant revenue producing, architecturally attractive signage that we proposed.

Building impactful, high quality inventory is a niche and it is something that we excel at. Interstate has owned and developed Spectacular signs in Times Square and currently sells a Spectacular in the Square. Interstate developed a "living billboard" Spectacular for Delta Airlines to launch its new business class seats (Exhibit U). Interstate also owns and sells the advertising for a Spectacular neon "History Channel" sign located adjacent to the Triboro Bridge in New York (Exhibit N). In addition, Interstate has developed various forms of outdoor advertising such as vertaculars (vertical signage) along the Garden State Parkway and advertising kiosks (large, cylindrical-shaped displays) at the Wachovia Center in Philadelphia and along the Atlantic City Boardwalk. While we have extensive experience in these alternative out-of-home media, we determined not to include them in our proposal as we want to concentrate our efforts on developing and selling signage that will bring the greatest revenue to the Port Authority.

In the year 2000, Interstate acquired the assets of the R.C. Maxwell Company – one of the oldest outdoor advertising companies in the United States. The combination of the two companies has resulted in Interstate having an outdoor advertising plant with over 800 billboards and hundreds of landlords. Our landlords include or have included private individuals, small/large corporations, railroads, municipalities, churches as well as governmental authorities such as the South Jersey Transportation Authority ("SJTA") and New Jersey Transit.

Given the large number of diverse landlords, we have substantial experience in accommodating landlords and being sensitive to their needs and concerns. For example, with our governmental landlords, advertising copy content is always a primary concern. Since Interstate has a strict internal policy against advertising containing sexual, lewd or other inappropriate messages, we have never received a complaint from our governmental landlords concerning copy content. With respect to our corporate landlords, we have always been careful not to place a

competitor's advertising on our billboards. Where our signs are located on an active portion of a landlord's property, we do not interfere with ongoing activities at the property.

Interstate has the experience and the know-how to erect signage on Port Authority property that will not interfere with the Port Authority's operation, comply with all Port Authority safety concerns and procedures, maximize revenue and create the beacon of light to attract the motoring public traveling between New York and New Jersey.

Financial Capability

As indicated in the financial reports and statement attached as Exhibit O, Interstate has an extremely healthy balance sheet with significant cash assets on hand to meet any financial obligations Interstate may have to the Port Authority if the Port Authority accepts Interstate's Proposal.

Interstate currently has a bid pending with the SJTA to build three billboards on SJTA property that potentially will generate approximately $750,000 in annual advertising sales. Interstate also has a bid pending with New Jersey Transit for two billboards that will generate approximately $500,000 in annual advertising sales. Because the bids are still pending, no work has been performed on these projects.

Interstate's primary bank is Wachovia Bank with an address of 975 S. Federal Highway, Boca Raton, FL 33432. Our main contact at Wachovia is Tandy Robinson (561-620-5701). Our Federal Employer Identification number is

SCOPE OF WORK/FINANCIAL PROPOSAL

Interstate has evaluated many different opportunities in the RFP and determined that it could best maximize the Port Authority's revenues by concentrating its efforts on the Hudson River crossings. Interstate's strategy is to develop three large Spectaculars above the toll plazas at the Lincoln and Holland Tunnels as well as at the George Washington Bridge. As demonstrated herein, the Spectaculars are designed to achieve aesthetic excellence and to complement the current architecture of the Port Authority's facilities.

We have contracted with the premier architecture/urban design firm of Cooper, Robertson & Partners to assist in the designing and implementing of the Spectaculars and other signage. Cooper, Robertson & Partners, located at 311 West 43rd Street, New York, NY 10036, is a ninety-person architecture and urban design firm founded in 1979. Developing plans and designs for public agencies, cultural and academic institutions, entertainment companies and developers of new communities represents a major portion of the firm's practice. Within the firm's portfolio are numerous New York City projects, which include the master plan for Battery Park City, Stuyvesant High School, the "Brookfield Plan" for the redevelopment of the World Trade Center site, Liberty Plaza Park, MoMA QNS, Columbia University School of Social Work, and the Alliance for Downtown New York Streetscape Project which included the design of street lighting and signages. Cooper, Robertson & Partners has received numerous design awards for its work and is the first firm to receive National American Institute of Architects Awards in both architecture and urban design in the same year. This firm will work with us to create and implement the final design should the Port Authority make an award to Interstate.

Although Interstate is proposing Spectaculars to maximize revenue and achieve a unifying architecture theme for each crossing, Interstate is willing to install smaller spectacular

billboards over the Toll Plazas if that is the Port Authority's preference or if it is required to do so. Alternate sign designs are attached as Exhibit P for the Port Authority's consideration.

Interstate's unique approach will provide the Port Authority with a substantial revenue source and creatively unify and improve the appearance of the toll plazas. In addition, Interstate has proposed at least four additional signs designed by Cooper Robertson at the Holland and Lincoln Tunnels as well as two traditional billboards at the Lincoln Tunnel Helix. The specifics of Interstate's proposal are set forth below and all are conditioned upon interstate receiving all approvals and the proposed sign structures being built and illuminated.

Spectaculars

At the Lincoln (Exhibit A) and Holland Tunnels (Exhibit E) and George Washington Bridge (Exhibit C) Toll Plazas in New Jersey, Interstate proposes a large Spectacular that will be located above each plaza. The size of the Spectaculars will be determined with a final design but it is estimated that each panel would be approximately 28' h and 56' w at the Lincoln Tunnel, 28'h x 42'w at the Holland Tunnel and 28'h x 70'w at the center panel and two 28' h x 56'w side panels at the George Washington Bridge. The Spectaculars would be primarily directed to New York bound traffic with an the opportunity for a back up face for the Lincoln Tunnel (Exhibit B) and George Washington Bridge (Exhibit D) signs that would be directed to New Jersey bound traffic exiting the Tunnel and the Bridge on the New Jersey side.

Interstate proposes to remit to the Port Authority 65% of the Adjusted Gross Revenue received at the sites for the Spectaculars. (Adjusted Gross Revenue is defined as all revenue received for the sale of advertising for the signs less any advertising agency commission paid to a third party not to exceed 16.66%, electricity and copy change charges for the signage as well as

any gross receipts or excise taxes, if applicable, paid by Interstate and not passed on to an advertiser.) For the first ten years of the contract, Interstate will also deduct ten percent of the cost to design and construct the Spectaculars each year from revenue received as a further adjustment to the Adjusted Gross Revenue. This deduction will go to reimburse Interstate without interest for its construction costs for the Spectaculars over a ten-year period.

Interstate proposes that the MAG would be $1,000,000 annually for all three of the Spectacular signs including backups at their larger sizes and would be negotiated depending upon the final design, size and location of each Spectacular. Interstate proposes that the term for this arrangement would be for 25 years with two 10-year option periods at the Interstate's election. Thereafter, Interstate proposes a right to match any offer to a third party advertising company to take over the sale of the signage. The MAG would be increased 5% every five years. The Port Authority would own the Spectaculars at the end of term.

The Spectaculars would be designed to have a similar look and feel at each Hudson River crossing and showcase the Port Authority's bridge and Tunnels with interesting, aesthetically pleasing revenue producing architecture. Depending on the final design and sizes built for Spectaculars, Interstate estimates that the Spectaculars would generate $4,000,000 in their first full year of operation for the Port Authority. While we believe that the Port Authority will be exempt from the current NJ DOT size restrictions, Interstate could build the Spectaculars incorporating industry standard sizes into the design. Renderings of these standard sizes are attached as Exhibit Q). If this option was selected, the MAG would be reduced to $500,000 and all other terms would remain the same.

Additional non-traditional signage at the Lincoln and Holland Tunnels

There is also the opportunity to build at least four signs that would complement the architecture of the Spectaculars. These signs, which would also be designed by Cooper Robertson, would generate significant revenue for the Port Authority. On the NJ side of the Holland Tunnel, just past the Spectacular, we would propose a mini-tubular spectacular that reads to the traffic just entering the Tunnel (Exhibit F). On the New York side of the Holland Tunnel, we would propose building either a vertical sign to be affixed to the current scaffolding (Exhibit G) or a more traditional horizontal sign (Exhibit H) above the traffic lights. At the Lincoln Tunnel, we would propose a sign to be located on Dyer Avenue (Exhibit I) above the feeder tubes into the Tunnel as well as a sign at the New York entrance to the tunnel itself (Exhibit J). The exact sizes of each of these signs would be determined by engineering, permitting and other criteria.

All of the signs would be designed to achieve aesthetic excellence and would complement the Spectaculars in unifying the look and feel of the signage at the Hudson River crossings. Interstate proposes to remit to the Port Authority 65% of the Adjusted Gross Revenue received at the sites for these signs. For the first ten years of the contract, Interstate will deduct ten percent of the cost to design and construct these signs each year from revenue received as a further adjustment to the Adjusted Gross Revenue. This deduction will go to reimburse Interstate without interest for its construction costs for the signage over a ten-year period. The MAG is $300,000 for these signs and would be subject to agreement on the final design, size and location of each sign. Interstate proposes that the term for this arrangement would be for 25 years with two 10-year option periods at the Interstate's election. Thereafter, Interstate proposes a right to

match any offer to a third party advertising company to take over the sale of the signage. The MAG would be increased 5% every five years. The Port Authority would own the signage at the end of the term. Interstate estimates that that these four signs would generate $1,000,000 in their first full year of operation for the Port Authority.

Lincoln Tunnel Helix

There is also the opportunity to build two double-sided Bulletins in New Jersey at the Helix on the New York bound traffic side of I-495. Conceptual designs for these two signs that also indicate their approximate placement are attached hereto as Exhibit K. Interstate proposes a $100,000 MAG vs 65% of each signs' Adjusted Gross Revenue, whichever is greater. For the first ten years of the contract, Interstate will deduct ten percent of the cost to design and construct these signs each year from revenue received as a further adjustment to the Adjusted Gross Revenue. This deduction will go to reimburse Interstate without interest for its construction costs for the signage over a ten-year period. Interstate estimates that that these two signs would generate $325,000 in their first full year of operation for the Port Authority. Interstate proposes that the term for this arrangement would be for 25 years with two 10-year option periods at the Interstate's election. The MAG would be increased 5% every five years. Thereafter, Interstate proposes a right to match any offer to a third party advertising company to take over the sale of the signage. The Port Authority would own the bulletins at the end of term.

BUSINESS/SALES PLAN

Interstate's goal is to design and build eye-catching spectacular signage, maximize revenue and integrate the design to unify each of the Hudson River crossings. We have a fantastic twenty-year track record of developing billboards, Spectaculars and other media while driving up rates and occupancy. The sales plan starts with an incredible design that would allow for maximum exposure for the advertiser. By building Spectacular signage located above the toll plazas, these signs will be in high demand. The out-of-home advertising community always wants to be a part of unique and Spectacular opportunities.

Interstate will perform a market analysis and do a survey of the signs that are most comparable to the proposed signage. Next, we will seek "advice" on pricing and target lists from a few select major out-of-home buying services so as to create an emotional investment on the part of the key senior media buyers in the industry. By targeting a few key buyers and speaking with them during the initial development phase, we can create their "buy in" for the project. These buyers will appreciate the early look at the project. Interstate will design brochures and packaging options for the various media forms and complete all the necessary research on demographics and traffic counts.

We would explore designing a public relations campaign around the new Port Authority toll plaza redesign and seek to create a further buzz as we commence the build-out of the signage. We would then begin contracting with advertisers in advance of sign fabrication either with some of the early media buyers we speak to or as part of an RFP that we would submit to all the advertising agencies and buying services. Interstate would do a fantastic job of selling the advertising it proposes to build.

We maintain excellent relationships with each of the major national advertising agencies and media buyers and will sell the available advertising space on its proposed signs at top rates. Interstate will marshal all of its resources and long standing relationships to accomplish this goal. The first step to selling signage for top rates is to build top-flight signage. Interstate believes that these Spectaculars will be the envy of the out-of-home advertising world and will command among the top rates in the industry nationally.

Even though advertisers will line up to be a part of this special opportunity, Interstate has a dynamic Sales Department that will secure advertising contracts for these signs. The Sales Department is headed by our President, Debra Hilpl. Debra has over twenty years experience in the out-of-home industry and has been with Interstate since its inception in 1984. She is primarily responsible for interstate exceeding the national billboard occupancy rate through her highly skilled sales and marketing efforts. Debra will personally oversee and monitor the sales staff that Interstate is dedicating to the Port Authority project (see Organizational Chart, Exhibit R).

Interstate has a long history of successfully maximizing advertising rates on its sign structures. In 1986, Interstate became the manager of the Philadelphia Belt Line Railroad Co.'s right-of-way along I-95 in Philadelphia – a position that Interstate continues to hold today. Our innovative approach to improving the placement of the advertising structures and upgrading them to modern Bulletins as well as improved marketing efforts increased the Belt Line's outdoor advertising net revenue by over 1200% in the first year alone.

In addition, we were the first company to develop signs on the South Jersey Transportation Authority's Atlantic City Expressway property and have been the company that has driven up advertising rates on the roadway. For example, we were the first company to break the advertising market rate of approximately $12,000 a month to over $20,000 a month back in

1996 on the Expressway by introducing the Mirage to the market place. We were also the first company to generate $30,000 a month per structure in advertising when we developed the last four signs east of the fifty-cent toll on the Expressway. To this day, our company is the only company that has sold a bulletin face on the Atlantic City Expressway for $50,000 a month. Our success is a result in part of excellent relationships and in part due to the high quality inventory we develop. In California, Foster Interstate typically achieves extremely high sales rates and this is the reason why the Port of Oakland and the Joint Powers Authority at the Oakland Coliseum decided to work with us.

Moreover, Interstate has always succeeded in achieving good rates with our entire national, regional and local inventory. Recently we have built nine premier signs in the New Jersey Meadowlands District along the eastern and western spurs of the New Jersey Turnpike and on Route 3. The Route 3 sign is on New Jersey Transit property in Rutherford. This sign alone generates almost $250,000 in advertising sales and is one of the best performing signs in New Jersey Transit's inventory.

Interstate has a variety of resources in addition to its successful advertising sales track record to maximize revenue for the Port Authority. Candace Tisdale of our Sales Department will handle the national sales effort. She has ten years experience in out of home advertising sales. The majority of this experience is in national sales where she has developed fantastic relationships with the large advertising agencies that purchase advertising for national accounts.

An additional national sales resource are the two sister companies that Interstate has in New York City – Metrolights, LLC and Intercity, LLC. Although these two entities are not participating in this proposal, Interstate will be able to draw upon them for assistance in national sales. Given that many of the major buying agencies are located in New York City and Metrolights and Intercity

have developed solid relationships with them, Interstate has an additional avenue to secure national sales. Additionally, John Foster, of Foster Interstate, currently enjoys tremendous success in selling spectacular advertising and is available to work with Interstate on any or all parts of the project. Finally, Drew Katz, the Chief Executive Office and principal owner of Interstate will work directly with the advertising agencies and large businesses directly to help ensure that the project is launched successfully and that revenue is maximized.

Interstate also has a strong regional and local sales approach. Interstate's regional sales person is Bobbi Schneider. Bobbi has twenty years experience in selling outdoor in the New Jersey market. Many of her clients are regional advertisers such as insurance companies, real estate firms, car dealers and hospitals. She will be able to draw upon this experience and her numerous clients to add a substantial regional sales effort to the project.

Lastly, Interstate will mount a strong local sales effort. Mike Fratini will direct our local sales effort. Mike has over ten years of advertising sales experience.

All of the above factors give Interstate a strong edge on the sales front and will enable Interstate to maximize revenues for the Port Authority.

INTERSTATE COPY CONTROL

Because Interstate is very concerned about its image, the image of the outdoor advertising industry and the requirements and concerns of our landlords, Interstate has very stringent controls on the type of advertising copy that we will accept and allow to be placed on our advertising signs. No go-go bars, gentlemen's clubs or any other copy with indecent material is permitted on our signs. In its twenty plus year history, Interstate has never had a landlord object to the type of copy on its outdoor advertising signs.

Coliseum Spectaculars to build them on the Port Authority property. Cooper Robertson will help implement the design selected.

All regulatory compliance requirements will be handled by Jeffrey W. Gerber – Interstate's Chief Operating Officer. Jeff has eighteen years experience in the outdoor advertising industry. From 1987-1991, he was a Deputy Attorney General and was counsel to the New Jersey Department of Transportation's Outdoor Advertising Section. To the extent that any permitting is required by the Department of Transportation or any other governmental entity, Interstate is fully prepared to navigate through any applicable regulatory processes.

Interstate will also conduct an aggressive maintenance program. All of our signs will be inspected daily. We have personnel available on a 24-hour basis to immediately address any issues that may arise. If lights need to be replaced, copy changed or the sign faces repaired – we will detect it and respond immediately. Before any maintenance work is performed, however, we will first advise the Port Authority in accordance with whatever notice procedures the Port Authority puts in place. All operations/maintenance activities will be supervised by Stephen Gura – Interstate's Director of Operations. Steve has over twenty-five years experience in the Outdoor Advertising industry.

Interstate will use good faith efforts to hire Minority Business Enterprises ("MBEs") and Women-owned Businesses ("WBE's") to assist Interstate in the construction and maintenance of the proposed signage should the Port Authority make an award to Interstate.

REFERENCES

Phil Tagami
Former President,
Oakland Port Board of Commissioners

California Commercial Investments
300 Frank H. Ogawa Plaza
Suite 340
Oakland, CA 94612
510-268-8500

John Connolly
Senior Vice President/Out of Home Director
MediaCom Worldwide
777 Third Avenue
New York, NY 10017
212-546-2165

James A. Crawford
Former Executive Director,
South Jersey Transportation Authority

E-Z Pass Inter-Agency Group
25 South New York Avenue
Atlantic City, NJ 08401
609-344-4426

Mr. Robert Turner
The Philadelphia Beltline Railroad Co.
226 Walnut Street
Philadelphia, PA 19106
(215) 592-7775

MISCELLANEOUS

Interstate's exceptions to the general contract provisions are contained in a letter dated June 7, 2005 attached as Exhibit S. Other RFP required documents such as Agreement on Terms of Discussion and Acknowledgement of Addenda are attached as Exhibit T.

CONCLUSION

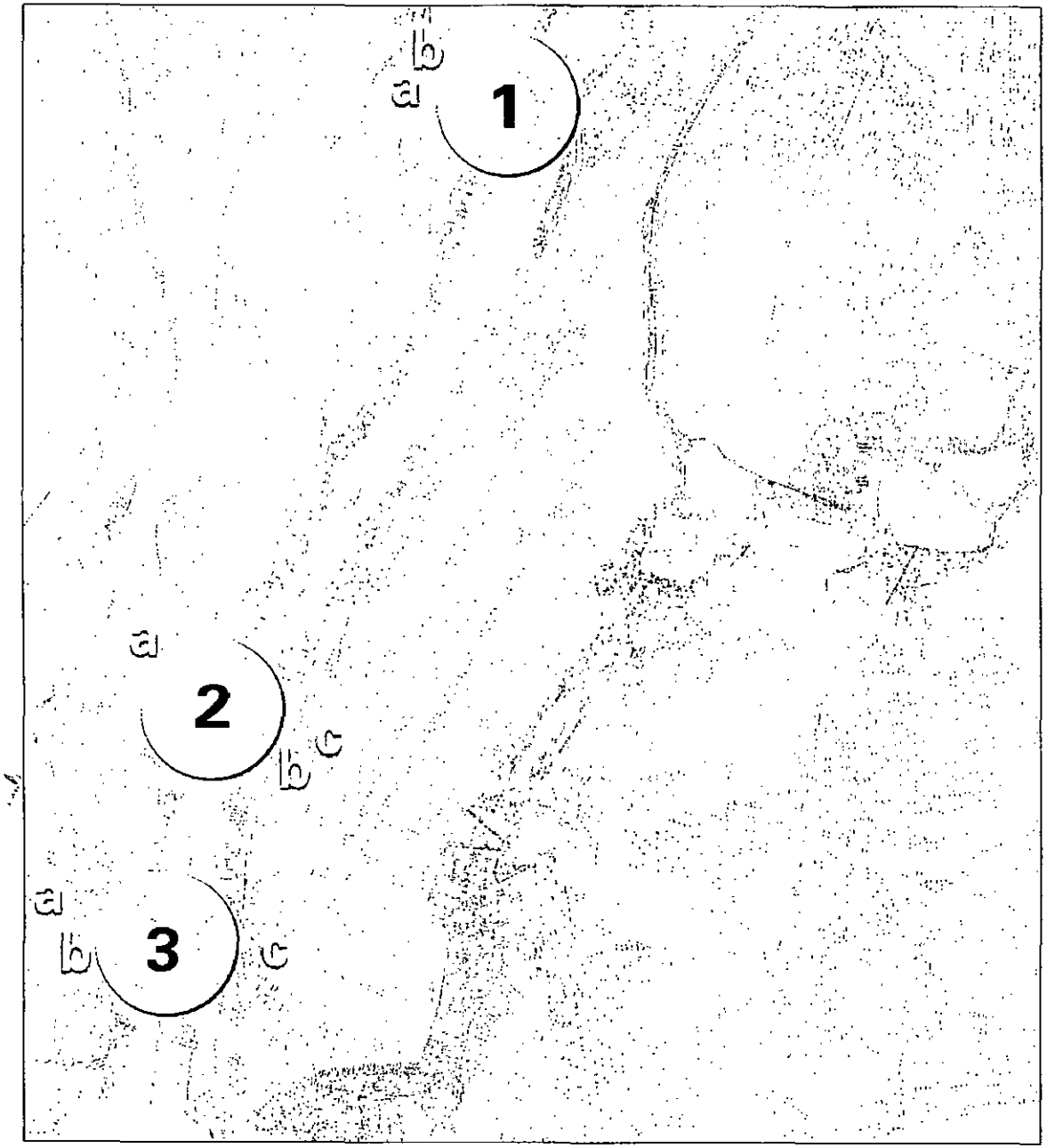
Interstate is very pleased to submit its proposal to the Port Authority. As indicated in the proposal, Interstate has proposed unique and profitable opportunities that we believe no other company can provide to the Port Authority. This, coupled with Interstate's extensive experience, best suits Interstate to maximize advertising revenues for the Port Authority at the locations discussed herein. Interstate looks forward to partnering with the Port Authority on these opportunities.

Respectfully submitted,

Drew Katz

Drew Katz
Chief Executive Officer

A

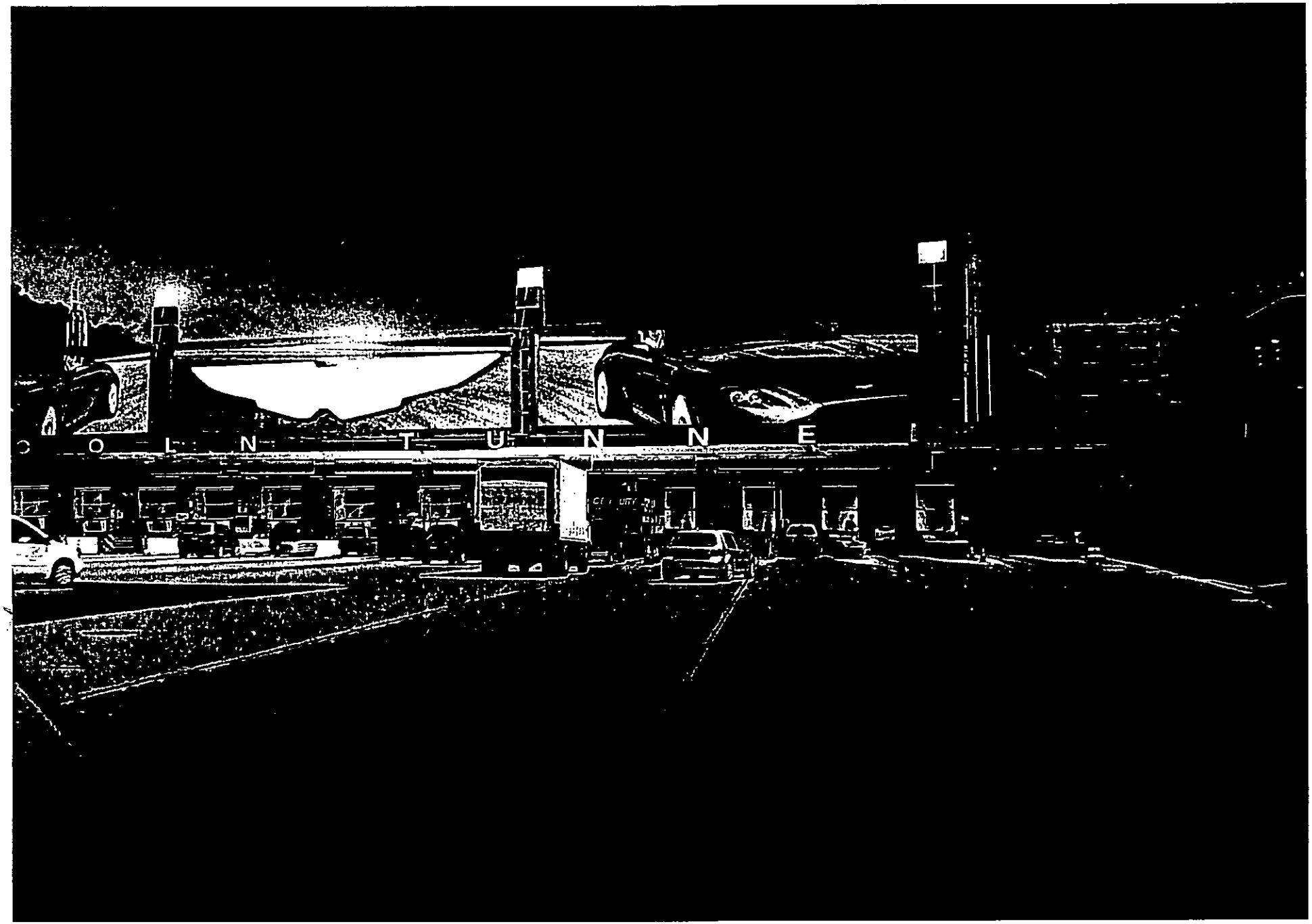


Key Plan:

1 George Washington Bridge
2 Lincoln Tunnel
3 Holland Tunnel

[Location Plan]

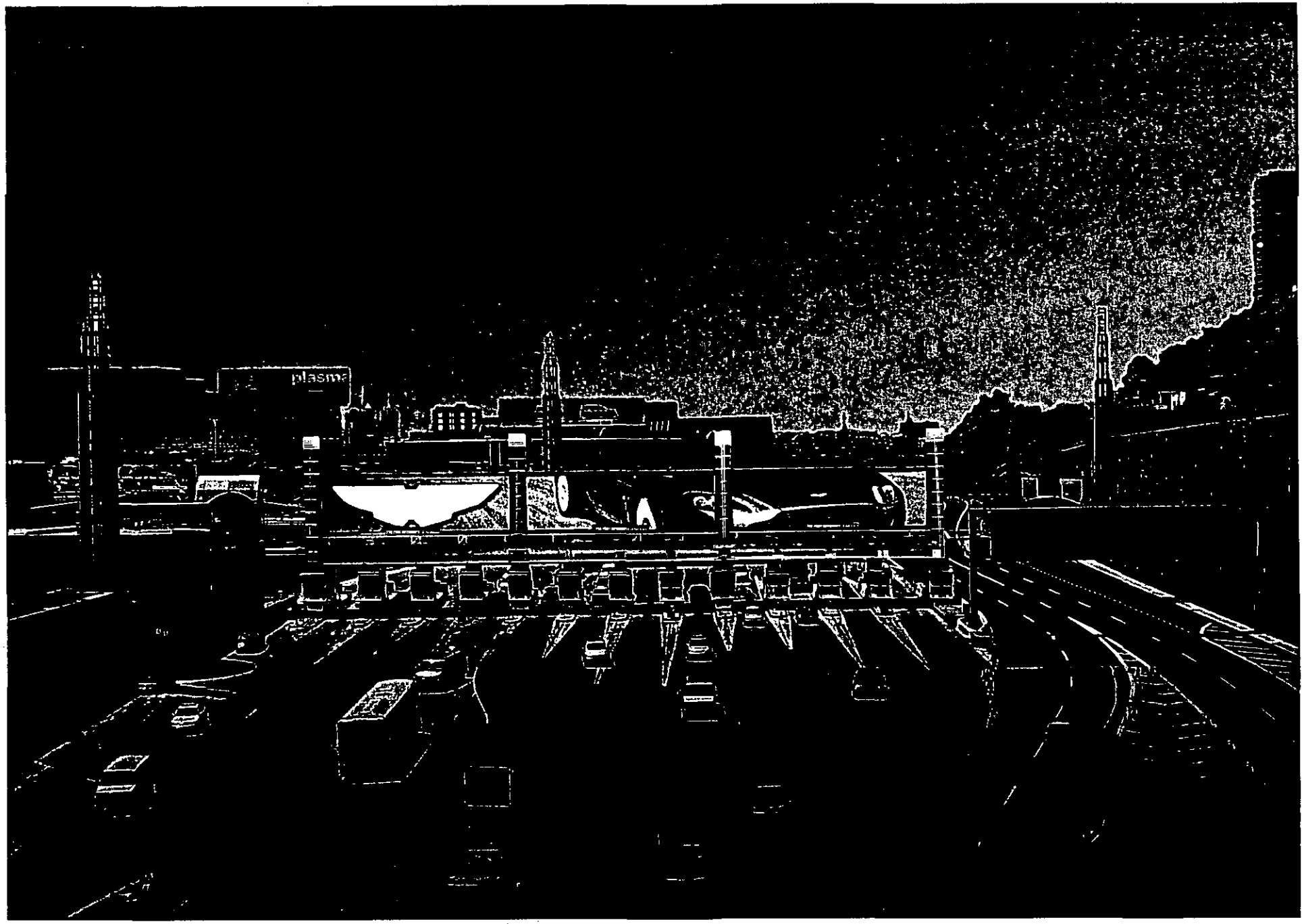
INTERSTATE



[Lincoln Tunnel **2a**]

INTERSTATE

B



[Lincoln Tunnel **2a**]

INTERSTATE
OUTDOOR ADVERTISING, LP.

C

[George Washington Bridge **1a**]

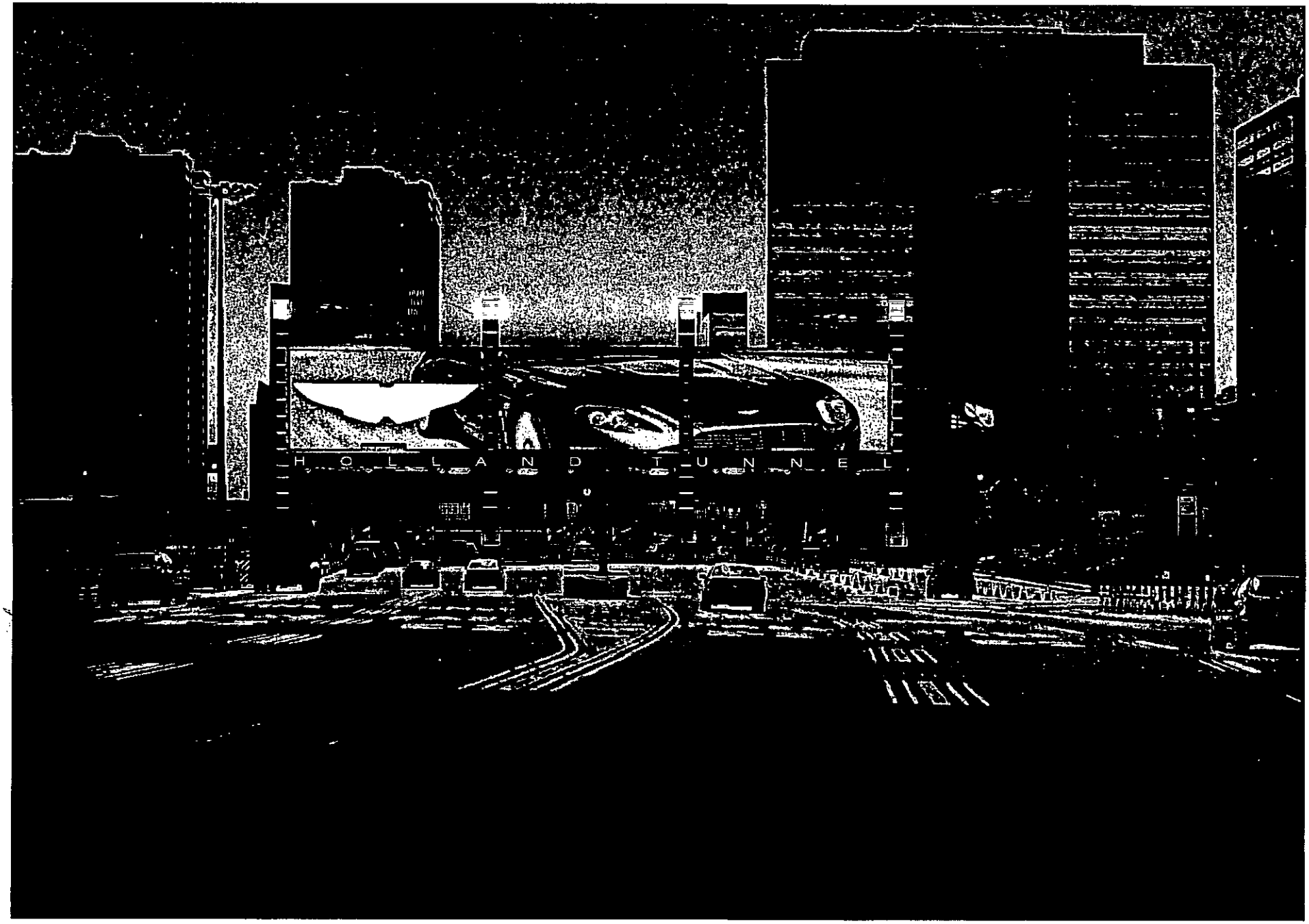
INTERSTATE
OUTDOOR ADVERTISING, LP

D

[George Washington Bridge **1b**]

INTERSTATE

E



[Holland Tunnel **3a**]

INTERSTATE
OUTDOOR ADVERTISING, LP.

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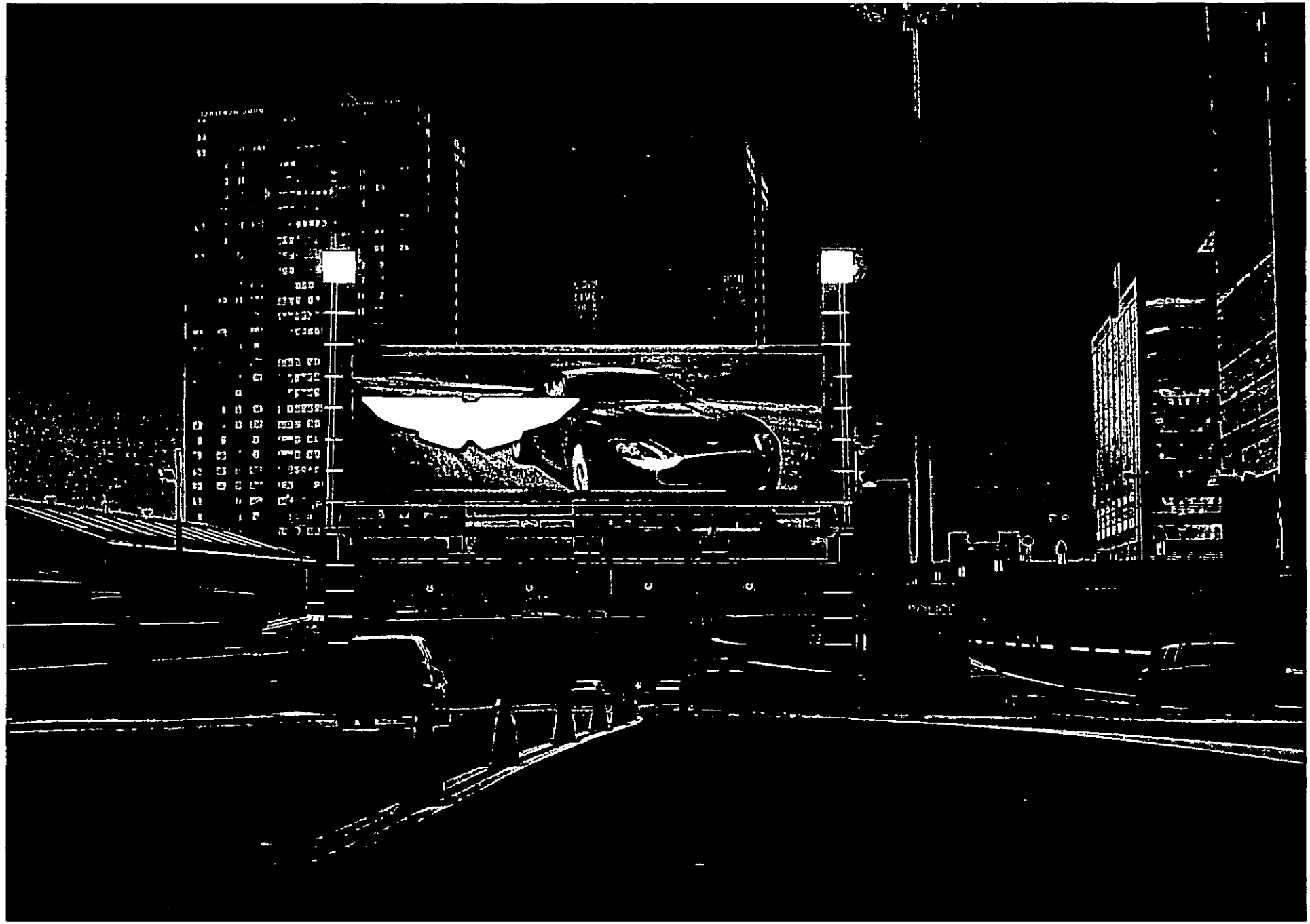


[Hólland Tunnel **3b**]

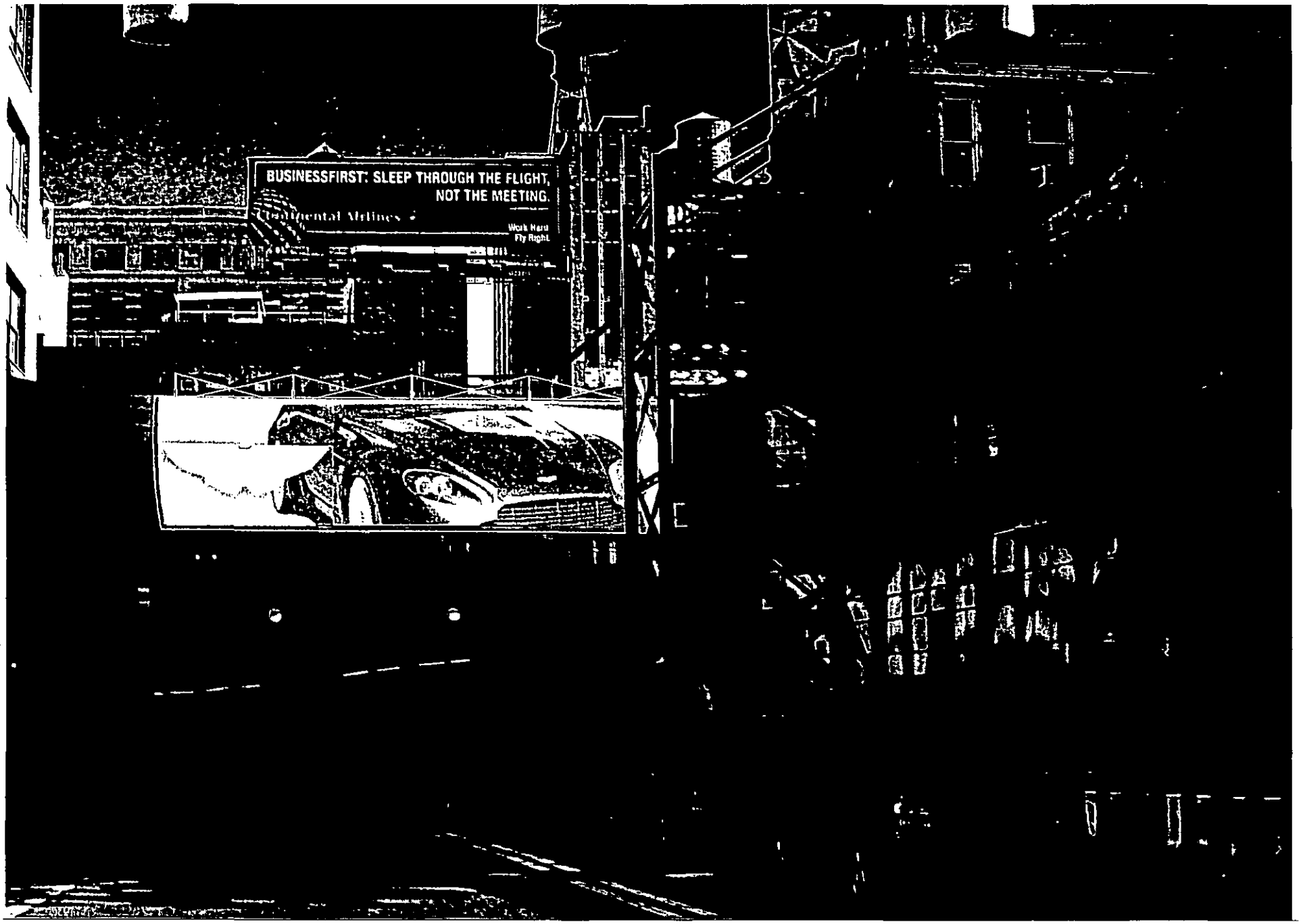
INTERSTATE

G

[Holland Tunnel **3c**]

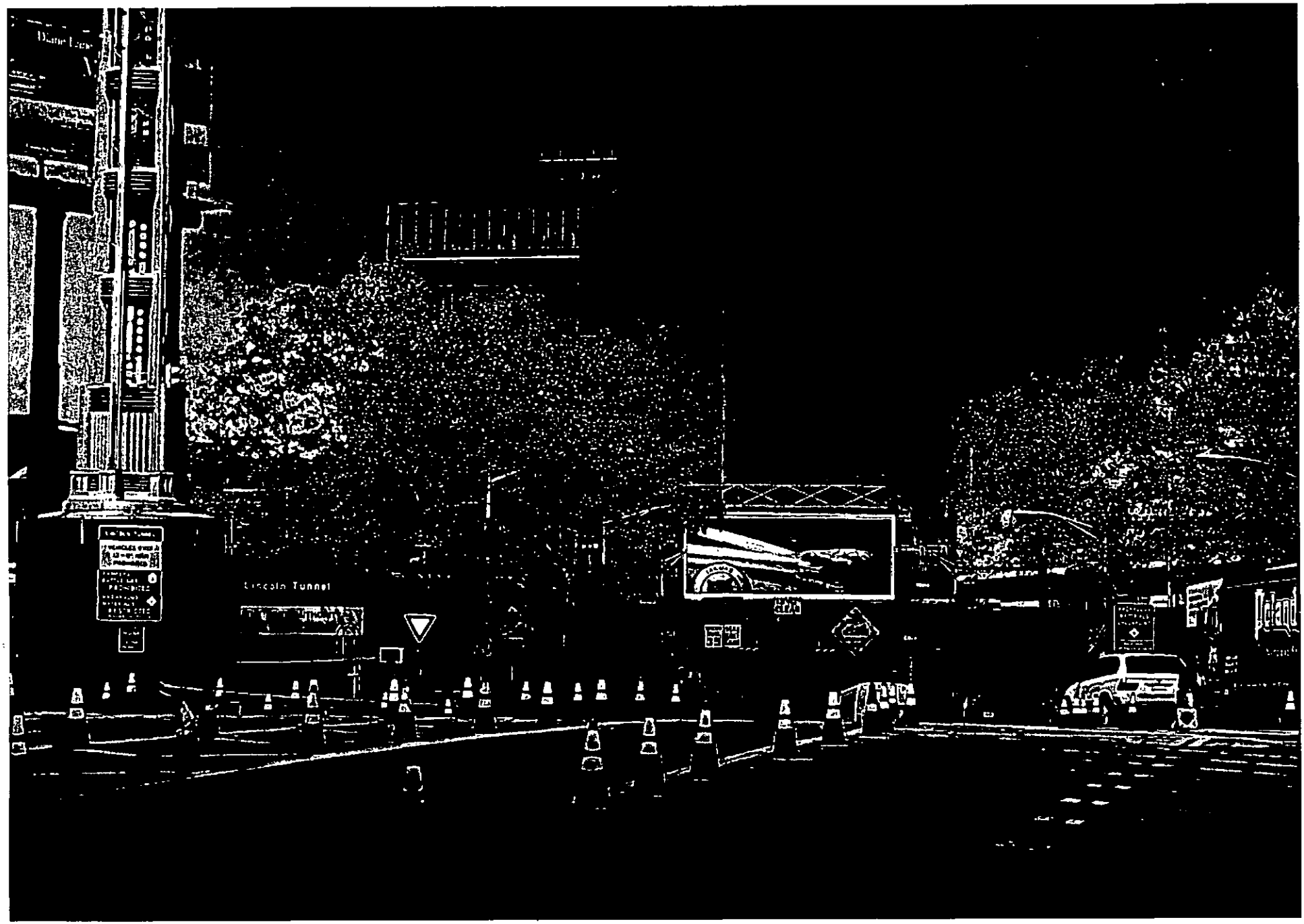
INTERSTATE

H



[Holland Tunnel **3c**]

INTERSTATE



[Lincoln Tunnel **2b**]

INTERSTATE

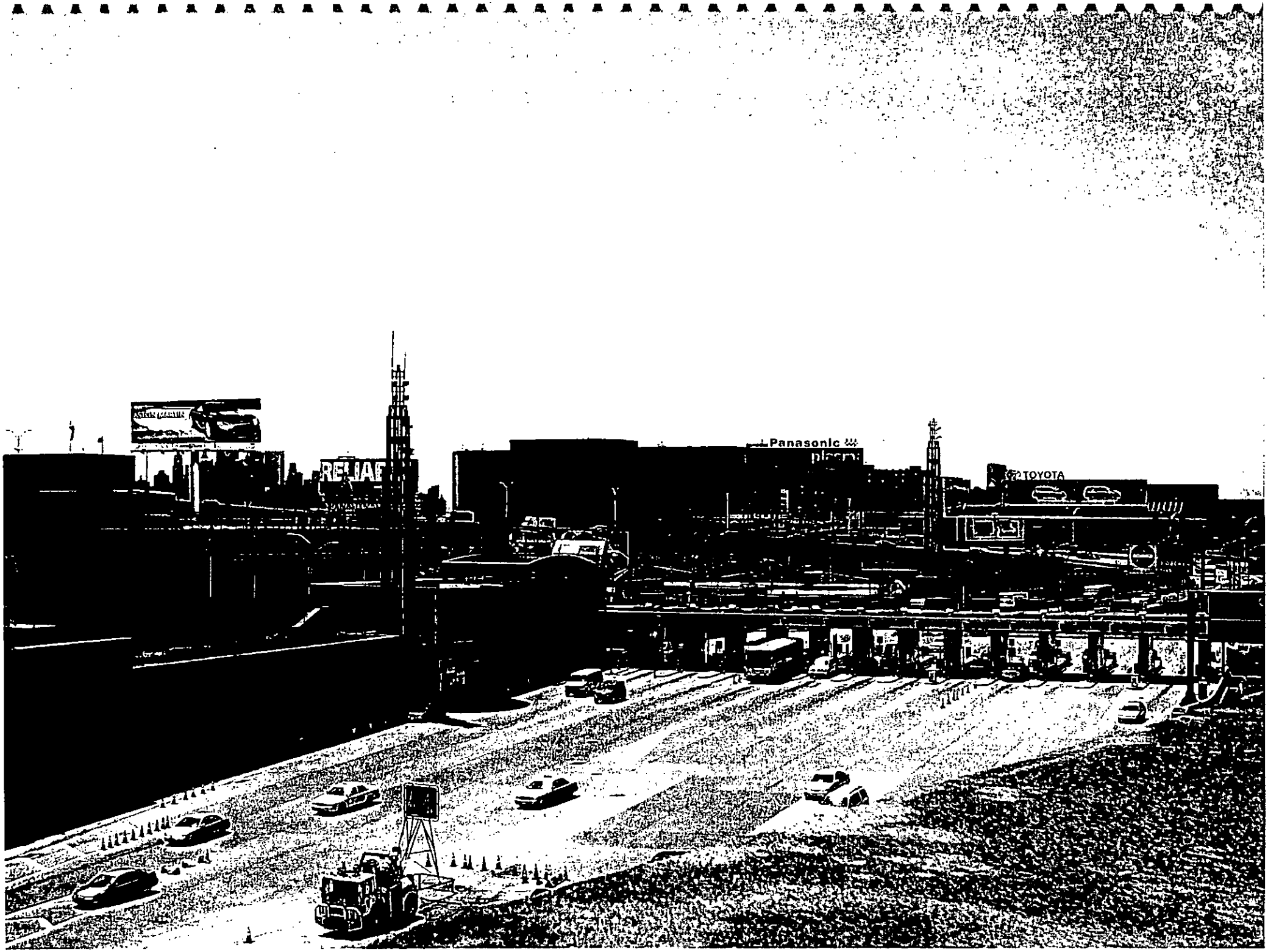
J

[Lincoln Tunnel **2c**]

INTERSTATE

K

BUSES
ONLY
4PM-7PM MON-FRI
OTHER TIMES OPEN


Panasonic
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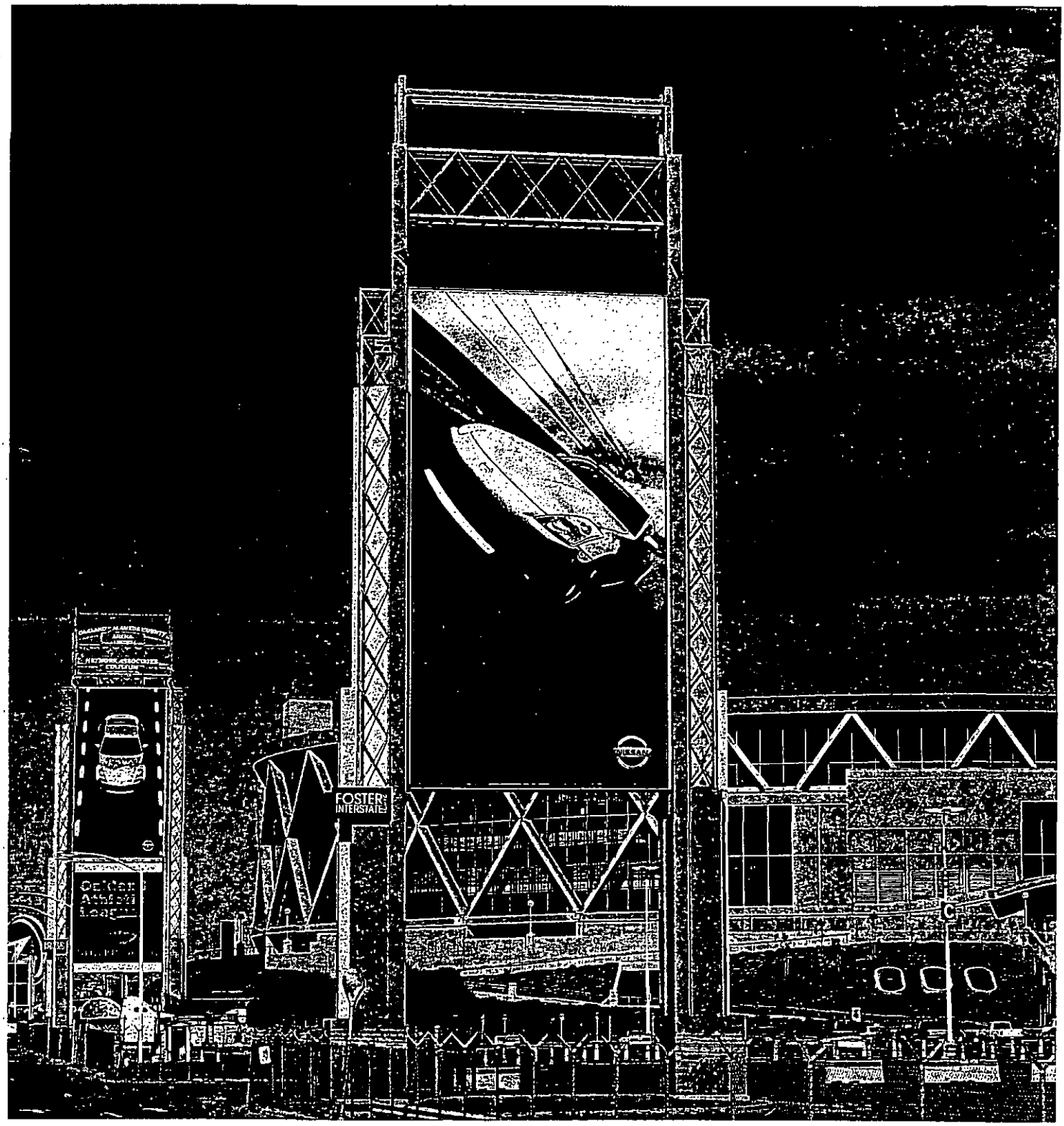

FOSTER
INTERSTATE

FOR INFO
CALL

OAKLAND, CALIF. OUTDOOR

O-Town Takes a Cut of New Arena Outdoor Ad Revenue

BY KATY BACHMAN

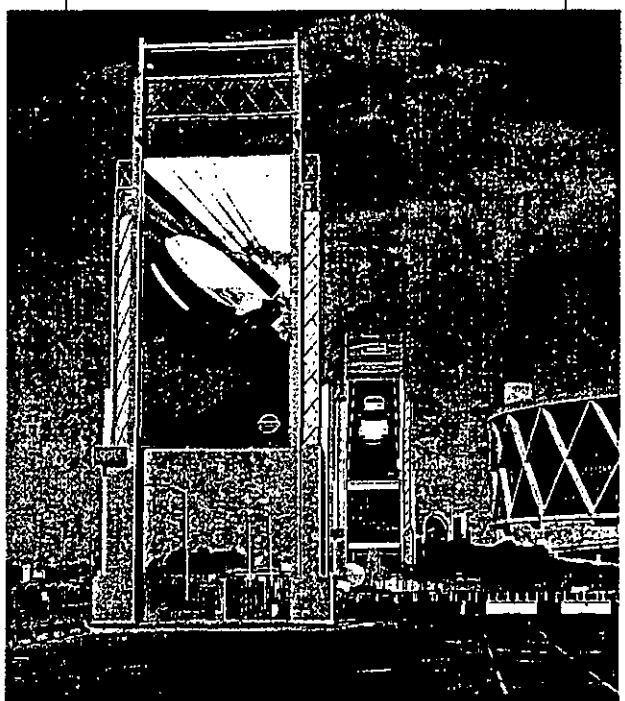
It's not often that city officials embrace new outdoor advertising, but in Oakland, Calif., where Foster Interstate Media is putting the finishing touches on a $7 million outdoor media project at the Oakland-Alameda County Arena and Network Associates Coliseum, that's just what happened.

Both the City of Oakland and Alameda County will share some of the revenue from the project, which is expected to generate an estimated $60 million over the next 20 years. "The revenue stream for the city comes at a time when public funds are in short supply," said Oakland Mayor Jerry Brown in a statement about the new outdoor-stadium signage.

The venue, home to Major League Baseball's Oakland A's, the National Basketball Association's Gold State Warriors and the National Football League's Oakland Raiders, draws more than 3.6 million people annually. FIM has erected a total of 25 outdoor structures, including three vertical billboards about 10 stories high, media kiosks and gateways with rotating signs, all carefully designed by architect Ian Birchall to aesthetically compliment the exterior of the coliseum and the arena.

According to Nancy Fletcher, CEO of the Outdoor Advertising Association of America, the Oakland venue is a prime example of what she calls "the new outdoor," outdoor advertising structures that are designed to enhance a major entertainment and sports arena, and are planned in conjunction with the governing municipality, which shares in the revenue. The business model is more common in Europe.

Even before the construction began on the outdoor structures in December 2001, Stan Nygard, founder of outdoor media agency Outdoor Vision, negotiated space for his major national advertiser clients such as Nissan, Infiniti, Starbucks, Warner Bros. Television and Citibank. Nissan, for example, used the venue to launch its new 2003 Z model in a series of three billboards in succession, with the first two showing different views of the car and the third sporting the big "Z" logo.



Foster Interstate Media's new outdoor towers can't be missed by the 180,000 people who drive past daily on the 880 freeway.

"It's a unique design, and it's in an area and on a route with little or no outdoor opportunities," said Nygard. "The 880 freeway, which these units show to, is heavily traveled, reaching 180,000 people every day."

Until just recently, only New York's Times Square had seen elaborate outdoor projects of this kind. Beyond New York and now Oakland, Clear Channel Outdoor is working on developing outdoor structures in Minneapolis, which meld with a total-entertainment facility that will occupy an entire city block.

"These kinds of projects are a win all the way around. With the improvement in the aesthetics of the outdoor image, they're much less of a local concern because the image the people see is so much better. And advertisers get locations where they wouldn't get otherwise," Fletcher said.

For the past decade, the outdoor industry has been doing business with the same number of billboard faces. "There have always been restrictions and limitations on the building of new structures, although billboards are for the most part where they need to be. So companies have to find different models for outdoor advertising," said Diane Cimine, president of Cimine Enterprises, an outdoor consultant. That approach to outdoor is what led Drew Katz, owner of Interstate Outdoor Advertising, and John Foster, president and owner of Foster Media, to partner in 1999 to focus on developing unique outdoor venues. "For a small, independent outdoor company to succeed in a consolidated outdoor market, we have to be able to build something special and unique that addresses a multitude of concerns for a town or a city," said Katz.

But such projects take time, perhaps years, and lots of persistence. Katz and Foster started working on their idea for Oakland in September 1999. The two say they are actively exploring opportunities in other markets, targeting other sports complexes or airports. "We're confident now we can use this as a model," said Foster. "Cities are more and more restrictive. But we think it will be easier when we can show them quality," added Katz. Not to mention a few extra dollars for the government coffers.

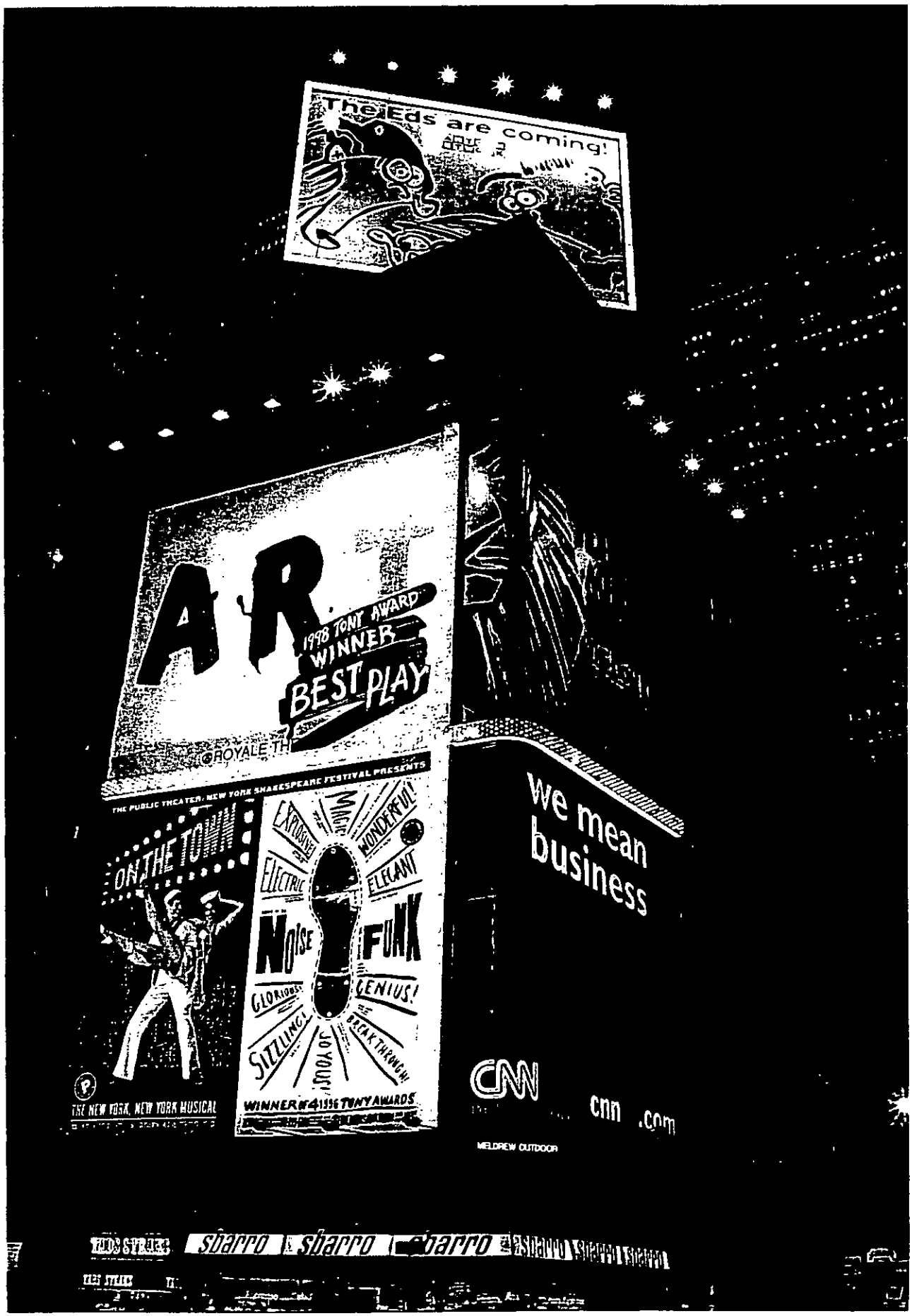
WASHINGTON, D.C. NEWSPAPERS

Internal *Post* Memo: Readership Falling Off

Despite being one of the premier brands in journalism, *The Washington Post*'s circulation is shrinking amid market shifts that make it hard for the paper to recoup losses, according to confidential assessments by *Post* executives.

Memos unveiled in September as part of a lawsuit accusing the paper of unfair business tactics show the newspaper is losing ground with such key groups as recent immigrants,

M


The Eds are coming!
ART
1998 TONY AWARD WINNER
BEST PLAY
ROYALE TH
THE PUBLIC THEATER/NEW YORK SHAKESPEARE FESTIVAL PRESENTS
ON THE TOWN!
THE NEW YORK, NEW YORK MUSICAL
EXPLOSIVE!
WONDERFUL!
ELECTRIC
ELEGANT
NOISE
FUNK
GLORIOUS!
GENIUS!
SIZZLING!
JOYOUS!
BREAKTHROUGH!
WINNER OF 4 1996 TONY AWARDS
we mean business
CNN
cnn.com
MELDREW OUTDOOR
sbarro
sbarro
sbarro

N

THE HISTORY CHANNEL
FOUNDING BROTHERS
THE ORIGINAL GEORGE W.
THE HISTORY CHANNEL

INTERSTATE

OUTDOOR ADVERTISING, LP.

June 7, 2005

To Whom It May Concern:

Please be advised that the financial statements attached to Interstate's Response to Port Authority of NY & NJ's Request for Proposal accurately represents Interstate's current financial condition which is at lease as good as that shown on financial statement for the year ending December 31, 2004.

Jeffrey W. Gerber, Chief Operating Officer

905 North Kings Highway • Cherry Hill, NJ 08034 • p 856.667.6620 • f 856.482.6195

INTERSTATE COMPANIES

COMBINED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

TABLE OF CONTENTS

	Page
Accountants' Report	1
Combined Financial Statements:	
Combined Statements of Assets, Liabilities and Equity - Income Tax Basis	2
Combined Statements of Revenues and Expenses - Income Tax Basis	3
Notes to Combined Financial Statements	4-12
Supplemental Data:	
Statements of Revenues and Expenses - CVS Properties	13
Statements of Revenues and Expenses - 1370 Avenue of Americas	14

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William B. Jones, CPA (NJ, PA)
Bruce R. Mulford, CPA (NJ, PA), ABV*
Steven L. Shapiro, CPA (NJ, PA), PFS**
Raymond Silverstein, CPA (NJ, PA) ▲
R. Dennis Vogt, CPA (NJ, PA)
Harry W. Wilson, CPA (NJ, PA)

Michael L. Engleman, CPA (NJ, PA)
Richard A. Middleton, CPA (NJ)

▲ *Retired*
* *Accredited in Business Valuation*
** *Personal Financial Specialist*

ALLOY, SILVERSTEIN, SHAPIRO, ADAMS, MULFORD, CICALESE, WILSON & CO.

A PROFESSIONAL CORPORATION, CERTIFIED PUBLIC ACCOUNTANTS

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Michael S. Kehoe, CPA (NJ), PFS**
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Lucy L. Lee, CPA (NJ)
David R. DeSorte, CPA (NJ)
Bradley S. Sears, CPA (NJ)

April 21, 2005

To the Stockholders/Partners
Interstate Companies
905 North Kings Highway
Cherry Hill, New Jersey 08034

We have reviewed the accompanying combined statements of assets, liabilities and equity-income tax basis of Interstate Companies as of December 31, 2004, and the related combined statements of revenues and expenses-income tax basis and the supplemental schedules for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these combined financial statements is the representation of the management of Interstate Companies.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the combined financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying combined financial statements in order for them to be in conformity with the income tax basis of accounting, as described in Note 2.

Alloy, Silverstein, Shapiro, Adams, Mulford, Cicalese, Wilson & Co.
ALLOY, SILVERSTEIN, SHAPIRO, ADAMS, MULFORD, CICALESE, WILSON & CO.

Reply to our NJ office
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Land Title Building / Suite 2226 / Broad and Chestnut Street / Philadelphia, Pennsylvania 19110 / 215.563.0276
Fax 856.667.3652 Web Site www.alloysilverstein.com

COMBINED STATEMENTS OF ASSETS, LIABILITIES AND EQUITY
INCOME TAX BASIS
DECEMBER 31, 2004

	INTERSTATE OUTDOOR ADVERTISING, LP	INTERVINE OUTDOOR LP	INTERRAIL INC	MAXWELL INTERSTATE LLC	KIOSK MEDIA LLC	VISUAL EDGE LLC	ELIMINATIONS	TOTAL
ASSETS								
CURRENT ASSETS								
Cash	$ 104,473,895	$ 65,626	$ 586,150	$ 183,595	$ 2,448	$ 17,926	$ -	$ 105,329,640
Escrow Receivable - Current Portion	1,474,016	-	-	-	-	-	-	1,474,016
Investments	70,151,616	-	-	-	-	-	-	70,151,616
Miscellaneous Receivables	-	-	-	75,000	-	-	-	75,000
Loans Receivable - Current Portion	136,250	98,413	-	-	-	-	-	234,663
Loans Receivable - Related Companies	11,756,418	19,687,395	25,915	3,240,008	-	-	(23,598,707)	11,111,029
TOTAL CURRENT ASSETS	187,992,195	19,851,434	612,065	3,498,603	2,448	17,926	(23,598,707)	188,375,964
PROPERTY AND EQUIPMENT, at cost	16,095,584	1,507,295	4,108	1,006,831	4,844	958,726	-	19,577,388
Less: Accumulated Depreciation	5,480,072	464,917	2,116	345,028	3,688	492,889	-	6,788,710
	10,615,512	1,042,378	1,992	661,803	1,156	465,837	-	12,788,678
Land	3,442,158	262,024	-	101,494	-	-	-	3,805,676
Construction in Progress	486,663	-	-	-	-	277,597	-	764,260
TOTAL PROPERTY AND EQUIPMENT	14,544,333	1,304,402	1,992	763,297	1,156	743,434	-	17,358,614
OTHER ASSETS								
Organization Fees (net of amortization)	-	-	-	3,551	-	1,043,137	-	1,046,688
Land Easements, at cost	-	-	5,270,600	-	-	-	-	5,270,600
Railroad Rights (net of amortization)	-	-	1,225,000	-	-	-	-	1,225,000
Goodwill (net of amortization)	-	-	-	974,707	-	-	-	974,707
Escrows Receivable, net of current portion above	9,487,772	-	-	-	-	-	-	9,487,772
Deposit Placed	451,000	-	-	3,000	400	-	-	454,400
Non-Compete Agreement, (net of amortization)	180,800	209,973	32,053	-	-	-	-	422,826
Investment in Partnerships	178,669	1,611,811	-	-	-	-	-	1,790,480
Loans Receivable, net of current portion above	1,807,857	1,434,473	-	-	-	-	-	3,242,330
TOTAL OTHER ASSETS	12,106,098	3,256,257	6,527,653	981,258	400	1,043,137	-	23,914,803
TOTAL ASSETS	$ 214,642,626	$ 24,412,093	$ 7,141,710	$ 5,243,158	$ 4,004	$ 1,804,497	$ (23,598,707)	$ 229,649,381
LIABILITIES AND EQUITY								
CURRENT LIABILITIES								
Line of Credit - Fleet Bank	$ -	$ -	$ -	$ 2,075,000	$ -	$ -	$ -	$ 2,075,000
Current Portion of Long Term Debt	824,018	114,039	14,357	-	-	-	-	952,414
Non-Compete Payable - Current Portion	40,680	47,244	7,212	-	-	-	-	95,136
Miscellaneous Payables	106,100	9,924	-	-	-	-	-	116,024
Deposits Received	-	11,922	-	-	-	-	-	11,922
Loans Payable	24,117	-	-	-	-	-	-	24,117
Deferred Income - Current Portion	-	475,553	-	-	-	-	-	475,553
Loans Payable - Related Companies	24,354,374	274,000	4,010,171	604,886	-	-	(23,598,707)	5,644,724
TOTAL CURRENT LIABILITIES	25,349,289	932,682	4,031,740	2,679,886	-	-	(23,598,707)	9,394,890
LONG TERM DEBT, less current portion above	44,734,195	13,049,504	10,656	-	-	-	-	57,794,355
NON-COMPETE PAYABLE, less current portion above	27,120	31,496	4,808	-	-	-	-	63,424
DEFERRED INCOME, less current portion above	-	1,355,052	-	45,262	-	-	-	1,400,314
TOTAL LIABILITIES	70,110,604	15,368,734	4,047,204	2,725,148	-	-	(23,598,707)	68,652,983
PARTNERS'/ STOCKHOLDERS' EQUITY								
Common Stock	-	-	1,000	-	-	-	-	1,000
Partners' Equity	144,532,022	9,043,359	-	2,518,010	4,004	1,804,497	-	157,901,892
Retained Earnings	-	-	3,114,128	-	-	-	-	3,114,128
	144,532,022	9,043,359	3,115,128	2,518,010	4,004	1,804,497	-	161,017,020
Less: Treasury Stock at Cost			20,622	-	-	-	-	20,622
TOTAL PARTNERS'/STOCKHOLDERS' EQUITY	144,532,022	9,043,359	3,094,506	2,518,010	4,004	1,804,497	-	160,996,398
TOTAL LIABILITIES AND EQUITY	$ 214,642,626	$ 24,412,093	$ 7,141,710	$ 5,243,158	$ 4,004	$ 1,804,497	$ (23,598,707)	$ 229,649,381

See accountants' review report and accompanying notes.

ALLOY, SILVERSTEIN, SHAPIRO, ADAMS,
MULFORD, CICALESE, WILSON & CO.
A PROFESSIONAL CORPORATION, CERTIFIED PUBLIC ACCOUNTANTS

COMBINED STATEMENTS OF REVENUES AND EXPENSES
INCOME TAX BASIS
YEAR ENDED DECEMBER 31, 2004

	INTERSTATE OUTDOOR ADVERTISING LP	INTERVINE OUTDOOR LP	INTERRAIL INC	MAXWELL INTERSTATE LLC	KIOSK MEDIA LLC	VISUAL EDGE LLC	ELIMINATIONS	TOTAL
REVENUES								
Gross Rents	$ 12,743,785	$ 972,820	$ 1,393,353	$ -	$ -	$ 21,500	$ -	$ 15,131,458
Management and Other Fees	1,310,707	87,976	-	690,000	984,547	-	(1,614,111)	1,459,119
Interest Income	3,628,268	176,333	4,763	44	-	-	-	3,809,408
TOTAL REVENUES	17,682,760	1,237,129	1,398,116	690,044	984,547	21,500	(1,614,111)	20,399,985
OPERATING EXPENSES								
Auto	204,905	-	-	-	25,087	-	-	229,992
Commissions	982,130	129,261	8,814	-	-	170	-	1,120,375
Computer	79,078	-	-	-	145	-	-	79,223
Contributions	22,280	-	-	-	-	11,500	-	33,780
Dues and Subscriptions	59,613	-	-	-	-	-	-	59,613
Insurance	501,902	1,502	42,308	-	20,962	1,125	-	567,799
Interest	75,457	27,432	4,158	17,341	-	-	-	124,388
Licenses, Searches, and Permits	170,150	600	1,310	-	-	4,895	-	176,955
Management Fees	3,488,500	924,111	-	-	-	-	(1,614,111)	2,798,500
Office Supplies and Expenses	141,669	13,588	2,117	897	3,076	402	-	161,749
Painting, Posting & Fabrication	884,696	49,487	-	-	-	2,901	-	917,084
Payroll	-	-	-	-	869,750	-	-	869,750
Printing and Photographs	9,490	-	-	-	-	148	-	9,638
Professional Fees	1,291,843	18,549	322,745	3,675	1,325	183,894	-	1,821,831
Rental - Locations	2,605,915	180,725	-	-	-	24,563	-	2,811,203
Rental - Office	57,500	70,800	-	-	25,617	20,000	-	173,917
Repairs and Maintenance	949,747	31,069	-	-	-	1,510	-	982,326
Seminars	5,775	-	-	-	-	-	-	5,775
Shop Supplies	70,817	-	-	-	-	-	-	70,817
Taxes - Other	449,602	8,582	35,048	973	405	495	-	495,105
Taxes - Payroll	-	-	-	-	18,296	-	-	18,296
Taxes - Real Estate	254,481	2,183	-	-	-	-	-	256,664
Telephone	87,093	-	1,217	-	10,328	-	-	98,638
Travel and Entertainment	396,553	-	2,663	-	32,267	34,190	-	465,673
Unsuccessful Site Investigation	98,445	114,088	-	-	-	-	-	212,533
Utilities	228,769	4,742	-	-	3,724	200	-	237,435
TOTAL OPERATING EXPENSES	13,096,210	1,576,719	420,380	22,886	1,010,982	285,993	(1,614,111)	14,799,059
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE OTHER INCOME (EXPENSES)	4,586,550	(339,590)	977,736	667,158	(26,435)	(264,493)	-	5,600,926
OTHER INCOME (EXPENSES)								
Depreciation and Amortization	(2,201,362)	(101,695)	(144,938)	(185,244)	(462)	(653,372)	-	(3,287,073)
Income from Partnerships	33,847	64,685	-	-	-	-	-	98,532
Supplemental Income - CVS Properties	296,746	17,914	-	-	-	-	-	314,660
Supplemental Income - 1370 Ave of Americas	389,961	936,525	-	-	-	-	-	1,326,486
Gain on Sale of Assets	69,071	3,617,150	-	47,860	-	-	-	3,734,081
TOTAL OTHER INCOME (EXPENSES)	(1,411,737)	4,534,579	(144,938)	(137,384)	(462)	(653,372)	-	2,186,686
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	$ 3,174,813	$ 4,194,989	$ 832,798	$ 529,774	$ (26,897)	$ (917,865)	$ -	$ 7,787,612

See accountants' review report and accompanying notes.

ALLOY, SILVERSTEIN, SHAPIRO, ADAMS, MULFORD, CICALESE, WILSON & CO.
A PROFESSIONAL CORPORATION, CERTIFIED PUBLIC ACCOUNTANTS

1. Business Activities

Interstate Outdoor Advertising, Inc., incorporated in the State of New Jersey on January 27, 1984, is involved in the ownership and operation of outdoor advertising signs in New Jersey and Pennsylvania. The entity was liquidated and converted to a Limited Partnership on December 28, 2000. In 2001, Interstate acquired rental properties in New Jersey and Indiana. In 2002, Interstate acquired rental property in New York.

Intervine, Inc., incorporated in the Commonwealth of Pennsylvania on March 21, 1989, acquires, operates and constructs outdoor advertising signs in Pennsylvania, New Jersey and New York State. This entity was liquidated and converted into a Limited Partnership on December 28, 2000. In 2001, Intervine acquired rental properties in New Jersey and Indiana. In 2002, Intervine acquired rental property in New York.

Interrail, Inc., incorporated in the State of New Jersey on May 5, 1988, owns land rights to advertising space along the Illinois Central Rail Line. In 2003, Interrail acquired additional land easements on the Arizona and California Railroad, Connecticut Southern Railroad, Indiana Southern Railroad, South Carolina Central Railroad, Mid-Michigan Railroad and Toledo, Peoria and Western Railroad. Also in 2003, Interrail acquired the rights to collect revenue on outdoor advertising signs along the Wisconsin Central Railroad.

Maxwell Interstate, LLC, formed under the Delaware Limited Liability Act on February 25, 2000. This entity owns and operates outdoor advertising signs in New Jersey and Pennsylvania.

Kiosk Media, LLC, formed under the New Jersey Limited Liability Act on February 9, 2000. This entity is engaged in development of outdoor advertising business for all Interstate related companies.

Visual Edge, LLC, formed under the New Jersey Limited Liability Act on April 16, 2001. This entity owns and operates outdoor advertising signs in Louisiana.

2. Summary of Significant Accounting Policies

Principles of Combination

The accompanying combined financial statements include all related companies of Interstate Companies, except for Interstate Bus Shelters, LLC, Meldrew, LP, Intercity, LLC, Silver Cat, LLC, Voyager, LLC, North Wildwood Holding, LLC, Interbroad, LLC and 416 West 36th Street, LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

Method of Accounting

The accompanying combined financial statements have been prepared on the method of accounting used for federal income tax purposes. Consequently, certain revenues and expenses are recognized in the determination of income in different reporting periods than they would be if the financial statements were prepared in conformity with generally accepted accounting principles. Under this basis, revenues are recognized when collected rather than when earned and expenditures are recognized when paid rather than when incurred. Consequently, accounts receivable due from customers and amounts due vendors and suppliers and the unpaid portion of taxes at December 31, 2004 are not presented. Depreciation on property and equipment is provided using federal depreciable tax rates.

2. **Summary of Significant Accounting Policies** (continued)

Use of Estimates

The preparation of combined financial statements in conformity with the income tax basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided using federally prescribed rates, which are not materially different from normal depreciation methods with estimated useful lives as follows:

	Years
Buildings	15 - 39
Leasehold Improvements	31.5 - 39
Signs and Sign Improvements	5 - 39
Automobiles	5
Furniture, Fixtures and Equipment	5 - 7
Airplanes	5

Property and equipment at December 31, 2004 consisted of the following:

Buildings	$ 9,249,470
Leasehold Improvements	513,276
Signs and Sign Improvements	6,721,153
Automobiles	324,330
Furniture, Fixtures and Equipment	830,934
Airplanes	1,938,225
Total	$ 19,577,388

Non-Compete Agreement

A non-compete agreement between a former stockholder and the companies has been capitalized and is being amortized over a 15 year period.

Land Easements

On September 30, 1997, Interrail, Inc. acquired a perpetual easement along the Illinois Central Rail Line for $3,575,000. This cost, which is non-amortizable because of its perpetual life, is reflected in other assets at full purchase value.

In October 2003 and December 2004, Interrail, Inc. acquired additional perpetual easements on the Illinois Central Rail Line for $30,600 and $315,000, respectively.

In April 2003 Interrail, Inc. acquired perpetual easements on the Arizona & California Railroad, Connecticut Southern Railroad, Indiana Southern Railroad, South Carolina Central Railroad, Mid-Michigan Railroad and Toledo, Peoria and Western Railroad from Rail America, Inc. for $1,350,000. This cost, which is non-amortizable because of its perpetual life, is reflected in other assets at full purchase value.

Railroad Rights

On October 1, 2003 Interrail, Inc. acquired the rights to collect revenue from Outdoor Advertising Signs on railroad property from the Wisconsin Central Railroad for $1,400,000. This agreement gives Interrail, Inc. the rights to collect revenue on the railroads behalf for a period of ten years. This asset is being amortized over this ten year period.

2. **Summary of Significant Accounting Policies** (continued)

Amortized Bond Premium
On April 2, 2003 Interstate Outdoor Advertising, L.P. purchased $69,365,000 Federal Home Loan Mortgage Corp. Debentures dated 6/15/05 at a premium of $3,774,843. The company has elected to amortize this premium, for tax purposes over the remaining period until maturity of this bond of 26 months. The amortized bond premium for the year ended December 31, 2004 was $1,742,235.

Goodwill
Goodwill of $11,510,000 related to the purchase of the R.C. Maxwell Company has been capitalized and is being amortized over a 15 year period. During 2001, $9,833,600 of goodwill was included in a sale of a portion of Maxwell Interstate, LLC's assets. During 2002, goodwill was decreased by $250,000 due to adjustment of the purchase price.

Organization Fees
Organizational fees of $1,203,620 are being amortized over a five year period in Visual Edge, LLC. These fees represent start-up cost from the time of organization until the first income producing assets were placed in service in May 2004.

Organizational fees of $71,024 are being amortized over a five year period for Maxwell Interstate LLC beginning April 2000.

Income Taxes
The stockholders of the various corporations have elected under Section 1362 of the Internal Revenue Code to be taxed individually for the profits of the S corporations. State taxes on corporate income are payable individually or at the corporate level subject to the laws of that state. Any taxes after the conversion of the various corporations as explained in Note 1 are the personal liability of the partners.

3. **Investments**
Investments at December 31, 2004 are recorded at cost less amortized bond premium and consist of the following:

Alliance Bernstein Capital Reserve Money Market	$ 60,685
$69,365,000 Federal Home Loan Mortgage Corp. Debenture 4.25% 6/15/05	73,139,843
Less: Amortized Bond Premium	(3,048,912)
Total Cost	$ 70,151,616

Market value at December 31, 2004 was $69,885,237.

4. **Loans Receivable - Related Companies**

The companies have advanced various amounts from one company to another. These advances are non-interest bearing with no fixed terms of repayment. The combined net due from related companies at December 31, 2004 was as follows:

North Wildwood Holding, LLC	$ 8,086,884
Interstate Bus Shelter, Inc.	235,531
Silver Cat, LLC	436,166
Meldrew, LP	298,407
Carney Enterprises	213,077
Pennington Holdings, LLC	35,757
2612 Arctic Ave, LLC	98,579
Princeton Holdings, LLC	1,309,705
724 E. State Street, LLC	49,374
725 E. State Street, LLC	343,634
Voyager, LLC	835
Interbroad, LLC	3,080
Total	$ 11,111,029

5. **Escrows Receivable**

In accordance with the terms of the sale of assets to Eller Media Company on April 1, 2000, certain funds were required to be placed in escrow against any claims related to the assets which were sold. These escrows are to be distributed to Interstate in accordance with certain terms included in the Asset Purchase Agreement. The terms range from 1 to 10 years at which time, if there are no claims, these amounts will have been completely distributed to Interstate. Distributions began July 1, 2000. Interstate is the beneficiary of all earnings on these escrows. A portion of the escrows held in the following investments are due to Interstate Developers, LLC, a related company, which is reflected in the accompanying financial statements as a partnership investment of Intervine (See Note 7). At December 31, 2004 these escrows consisted of:

Money Market Funds	$ 14,200,767
Less: Current Portion	1,474,016
Subtotal	12,726,751
Less: Escrow Due Interstate Developers, LLC	3,238,979
Total	$ 9,487,772

6. **Loans Receivable**

Loans receivable at December 31, 2004 consisted of the following:

Promissory note, payable to Intervine, LP from the Lewis Katz Irrevocable Indenture of Trust of Melissa Katz and her issue, dated as of February 25, 2000, in equal annual payments of $100,941 including interest at 6.75% through May 1, 2015.	$ 766,443

6. **Loans Receivable** (continued)

Promissory note, payable to Intervine, LP from the Lewis Katz Irrevocalbe Indenture of Trust of Drew Katz and his issue, dated as of February 25, 2000, in equal annual payments of $100,941 including interest at 6.75% through May 1, 2015.	$ 766,443
Settlement agreement, payable to Interstate Outdoor Advertising, L.P. from the Delaware River Port Authority in three equal annual installments of $136,250 including interest at Wall Street prime rate beginning January 2005.	408,750
Drew Katz, non-interest bearing with no fixed terms of repayment.	1,535,357
	3,476,993
Less: Current Portion	234,663
Total	$ 3,242,330

7. **Investment in Partnerships**

Intervine owns a 50% interest in Interstate Developers, L.L.C. and carries its investment at cost, plus its equity in net earnings (losses) since the date of acquisition.

Intervine owns a 70% interest in Intercity, L.L.C. and carries its investment at cost, plus its equity in net earnings (losses) since the date of acquisition.

Intervine owns a 100% interest in Bruckner Sign, L.L.C. For financial statement and income tax reporting purposes, this entity is treated as not separate from its owner. As such, all of its assets, liabilities, revenues and expenses are included in these financial statements.

Interstate Outdoor Advertising, L.P. owns a 10% interest in Interbroad, LLC.

8. **Combined Long Term Debt**

Long term debt for the combined entities at December 31, 2004 consisted of:

Daimler Chrysler Services, installment note, without interest, secured by automobile, payable in monthly principal payments of $491 through December 2008.	$ 23,085
GMAC Credit, installment note, without interest, secured by automobile, payable in equal monthly principal payments of $492 through October 2008.	21,627

8. **Combined Long Term Debt** (continued)

Thomas Glenn, installment note, unsecured, payable to former stockholder (see Note 10) in equal monthly installments of $34,902 including interest at 13% through August 31, 2006. On December 31, 1998 there was a lump sum payment of $1,134,577 made and in conjunction therewith, the note was modified to provide for reduced equal monthly installments of $15,505.	$ 190,053
Thomas Glenn, installment note, unsecured, payable in equal monthly installments of $870 including interest at 8% through August 2006.	16,246
Daimler Chrysler Services, installment note, without interest, secured by automobile, payable in equal monthly principal payments of $459 through September 2008.	20,200
Daimler Chrysler Services, installment note, without interest, secured by automobile, payable in equal monthly principal payments of $519 through March 2009.	26,491
American Honda Finance Corp., installment note, secured by automobile, payable in equal monthly installments of $438 including interest at 4.9% through April 2007.	11,179
GMAC Credit, installment note, secured by automobile, payable in equal monthly installments of $509 including interest at 2.9% through August 2008.	17,996
Promissory note, secured by CVS property in Indianapolis, Indiana, payable in equal monthly installments of $148,783 including interest at 7.53% through January 2024.	18,353,478
Promissory note, secured by CVS property in Lumberton, New Jersey, payable in equal monthly installments of $174,161 including interest at 7.53% through January 2024.	22,845,189
Mortgage note, payable to Morgan Stanley Mortgage Capital, Inc. secured by partnership interests in 1370 Avenue of Americas, interest only payable at a fixed rate of 5.526% through December 2014.	17,221,225
	58,746,769
Less: Current Portion	952,414
Total	$ 57,794,355

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8. **Combined Long Term Debt** (continued)

The aggregate long term debt maturing during the next five years is:

2005	$ 952,414
2006	984,852
2007	960,790
2008	1,022,687
2009	1,082,151

9. **Line of Credit**

Line of credit with Fleet Bank, maturing June 29, 2005 and secured by accounts receivable, equipment and all other assets, consisted of:

	Maxwell Interstate, LLC
Line Available Amount	$ 2,500,000
Outstanding Balance	$ 2,075,000
Interest Rate	LIBOR + 1
Interest Rate at December 31, 2004	3.66%

10. **Stock Redemption Note**

On August 9, 1996, Thomas Glenn sold his 40% ownership interest in the stock of Interstate Outdoor Advertising, Inc., Intervine, Inc., Interstate Bus Shelters, Inc., Interrail, Inc., Intersign, Inc., Interad, Inc., Glenkat, Inc., Carney Enterprises and Interrapp, Inc. for $3,540,000. This amount is to be paid in equal monthly installments of $52,854 over ten years, with interest at 13% beginning September 30, 1996 through August 31, 2006.

Lump sum payments were made on December 31, 1998 and, as a result, the note was modified (see Note 8). Under the modification, the new monthly installments were changed to $33,329.

11. **Non-Compete Agreement Payable**

In addition to the stock redemption agreement of August 9, 1996 described above, the parties entered into a non-compete agreement. The agreement calls for 120 monthly payments of $10,000 beginning September 30, 1996 and ending August 31, 2006. The agreement is non-interest bearing.

12. **Loans Payable - Related Companies**

The companies have advanced various amounts from one company to another. These advances are non-interest bearing with no fixed terms of repayment. The combined net due to related companies at December 31, 2004 was as follows:

Intersign, LP	$ 661,740
416 W. 36th Street, LLC	550,000
Secon Holding, LLC	5,591
Glenkat, Inc.	85,421
Interbroad, LLC	4,222,176
Interad, LP	119,796
Total	$ 5,644,724

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13. **Lease Obligations - Location Rental**
The companies' leasing operations consist primarily of the leasing of land for advertising sites under operating leases which expire over the next one to ninety-seven years. Not included in the minimum payouts below is the $7,000 per month being paid to a partner of the companies for office rental. Location rental expense was $2,811,203.

14. **Lease Obligations - Automobiles**
The companies lease automobiles under long term operating leases with various terms. The following is a schedule by years of future minimum rental payments under the leases as of December 31, 2004:

2005	$ 88,238
2006	59,556
2007	9,772
2008	-
2009	-
Total Minimum Payments Required	$ 157,566

Rent expense for the year ended December 31, 2004 was $100,142.

15. **Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits**
The companies maintain their cash balances in various financial institutions in Cherry Hill, New Jersey and Southampton, Pennsylvania. The balances are insured by the Federal Deposit Insurance Corporation up to $100,000 per bank within each company. At December 31, 2004, the companies' uninsured cash balances totaled $103,882,750.

16. **Like-Kind Exchange - CVS**
On September 10, 2001 Interstate Outdoor Advertising, LP, Intervine Outdoor, LP and North Wildwood Holding, LLC acquired CVS distribution centers in Lumberton, New Jersey and Indianapolis, Indiana for $74,306,671. These assets were purchased by a qualified intermediary under an exchange agreement using proceeds from the sale of billboard assets of these same entities, which were sold on August 1, 2000. This transaction was treated as a like-kind exchange under Internal Revenue Code Section 1031 for financial and tax return purposes.

17. **Like-Kind Exchange - 1370 Avenue of Americas**
On June 5, 2002 Interstate Outdoor Advertising, LP and Intervine Outdoor, LP acquired an interest in a partnership which owns an office building in New York City for $21,948,890. These assets were purchased by a qualified intermediary under an exchange agreement using proceeds from the sale of billboard assets of these same entities, which were sold on April 1, 2002. This transaction was treated as a like kind exchange under Internal Revenue Code Section 1031 for financial and tax return purposes.

18. **CVS Properties Lease Income**

Indianapolis, Indiana - This lease for a CVS distribution center in Indiana is dated September 10, 2001 and expires on January 31, 2024. Fixed monthly payments on this lease are $148,783.

Lumberton, New Jersey - This lease for a CVS distribution center in New Jersey is dated September 10, 2001 and expires on January 31, 2024. Fixed monthly payments on this lease are $174,161.

19. **Management Fee Agreement - Interrail, Inc.**
On November 21, 2001, Interrail, Inc. entered into an agreement with Right Angle Media, Inc. The agreement calls for annual payments totaling $250,000 and includes an incentive fee of 5% of receipts of Interrail, Inc. over the base year of 2001. This agreement has a seven year term and expires November 2008.

20. **Deferred Income**
The gain from the sale of assets to Eller Media Company (see Note 5) will be reported under the installment method of accounting. Income will be recognized as escrow funds are received.

21. **Taxes - Other**
Included in other taxes on the combined statement of revenues and expenses are state corporate tax payments of $506,728 and tax refunds of $11,623, which consist of payments and refunds on prior year income and estimated payments on current year income.

INTERSTATE COMPANIES

SUPPLEMENTAL DATA
STATEMENTS OF REVENUES AND EXPENSES - CVS PROPERTIES
INCOME TAX BASIS
YEAR ENDED DECEMBER 31, 2004

	INTERSTATE OUTDOOR ADVERTISING, LP	INTERVINE OUTDOOR, LP	TOTAL
REVENUES			
Rental Income	$ 3,781,826	$ 93,504	$ 3,875,330
EXPENSES			
Interest Expense	3,057,299	75,590	3,132,889
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER EXPENSES	724,527	17,914	742,441
OTHER EXPENSES			
Depreciation	427,781	-	427,781
EXCESS OF REVENUES OVER EXPENSES	$ 296,746	$ 17,914	$ 314,660

See accountants' review report.

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INTERSTATE COMPANIES
SUPPLEMENTAL DATA
STATEMENTS OF REVENUES AND EXPENSES - 1370 AVENUE OF AMERICAS
INCOME TAX BASIS
YEAR ENDED DECEMBER 31, 2004

	INTERSTATE OUTDOOR ADVERTISING, LP	INTERVINE OUTDOOR, LP	TOTAL
REVENUES			
Rental Income	$ 647,904	$ 1,490,917	$ 2,138,821
EXPENSES			
Interest Expense	226,370	520,906	747,276
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER EXPENSES	421,534	970,011	1,391,545
OTHER EXPENSES			
Depreciation	31,573	33,486	65,059
EXCESS OF REVENUES OVER EXPENSES	$ 389,961	$ 936,525	$ 1,326,486

See accountants' review report.

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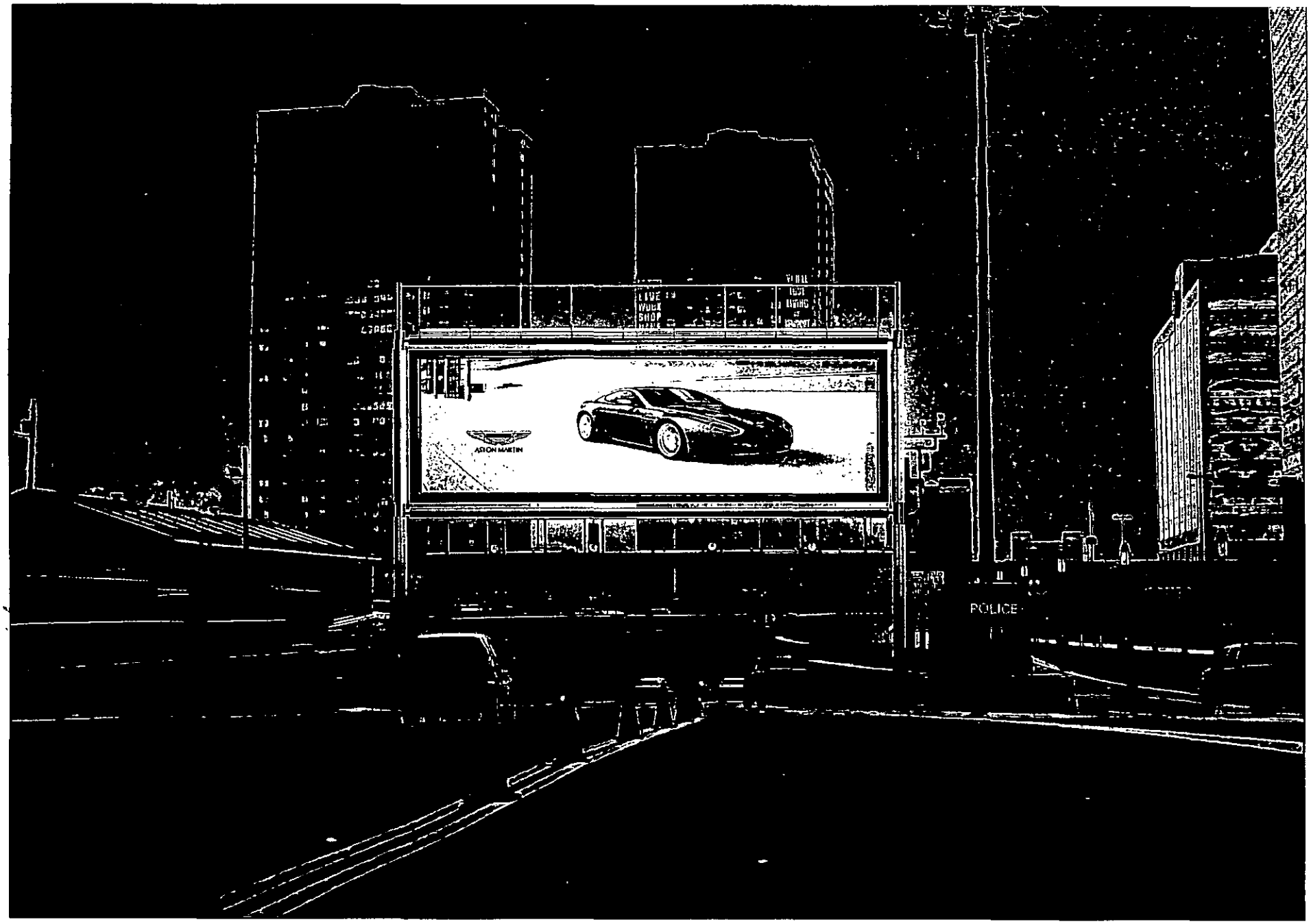
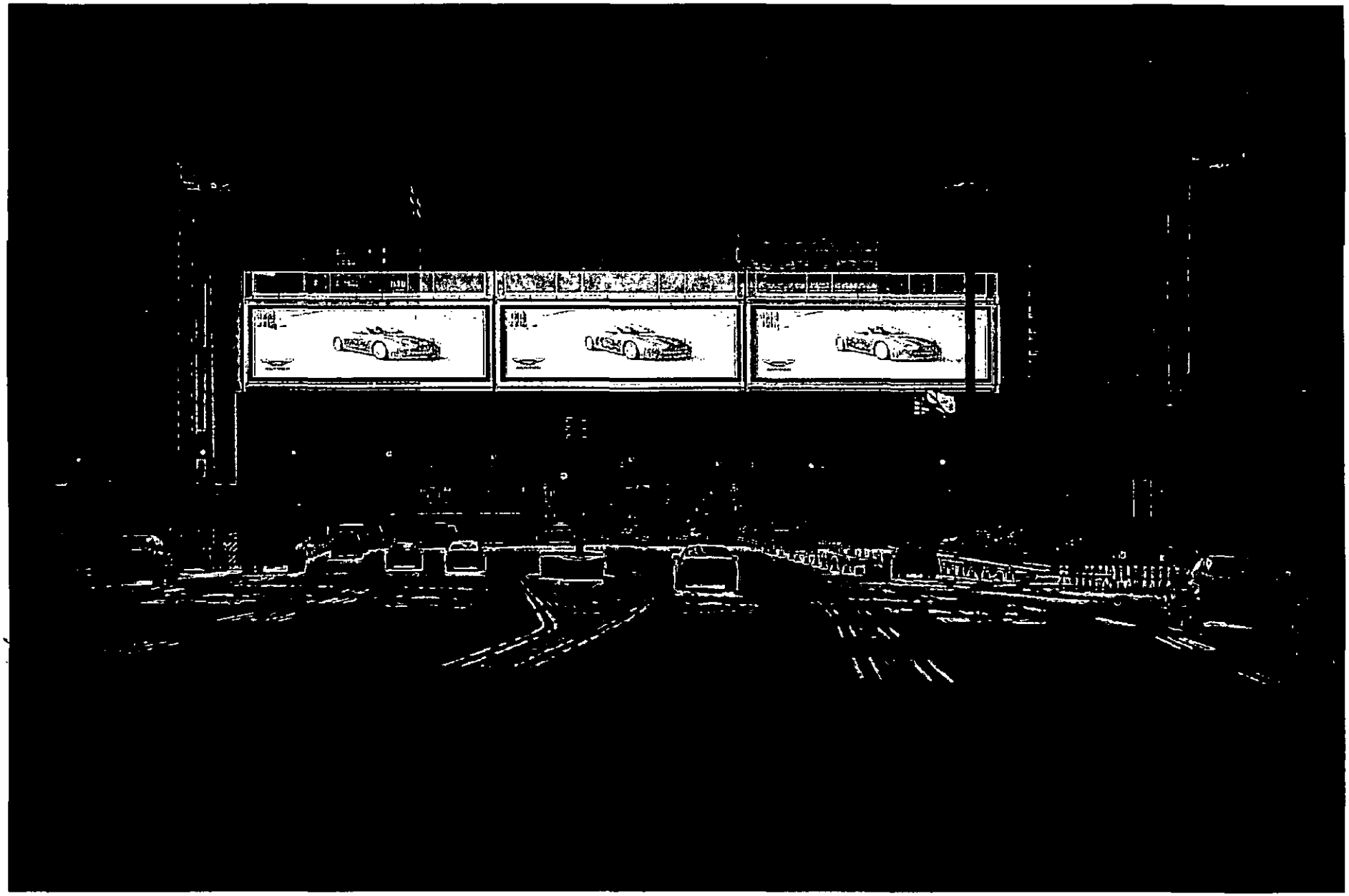


[Holland Tunnel 3b]

INTERSTATE



[Holland Tunnel 3a]

INTERSTATE
OUTDOOR ADVERTISING, LP.

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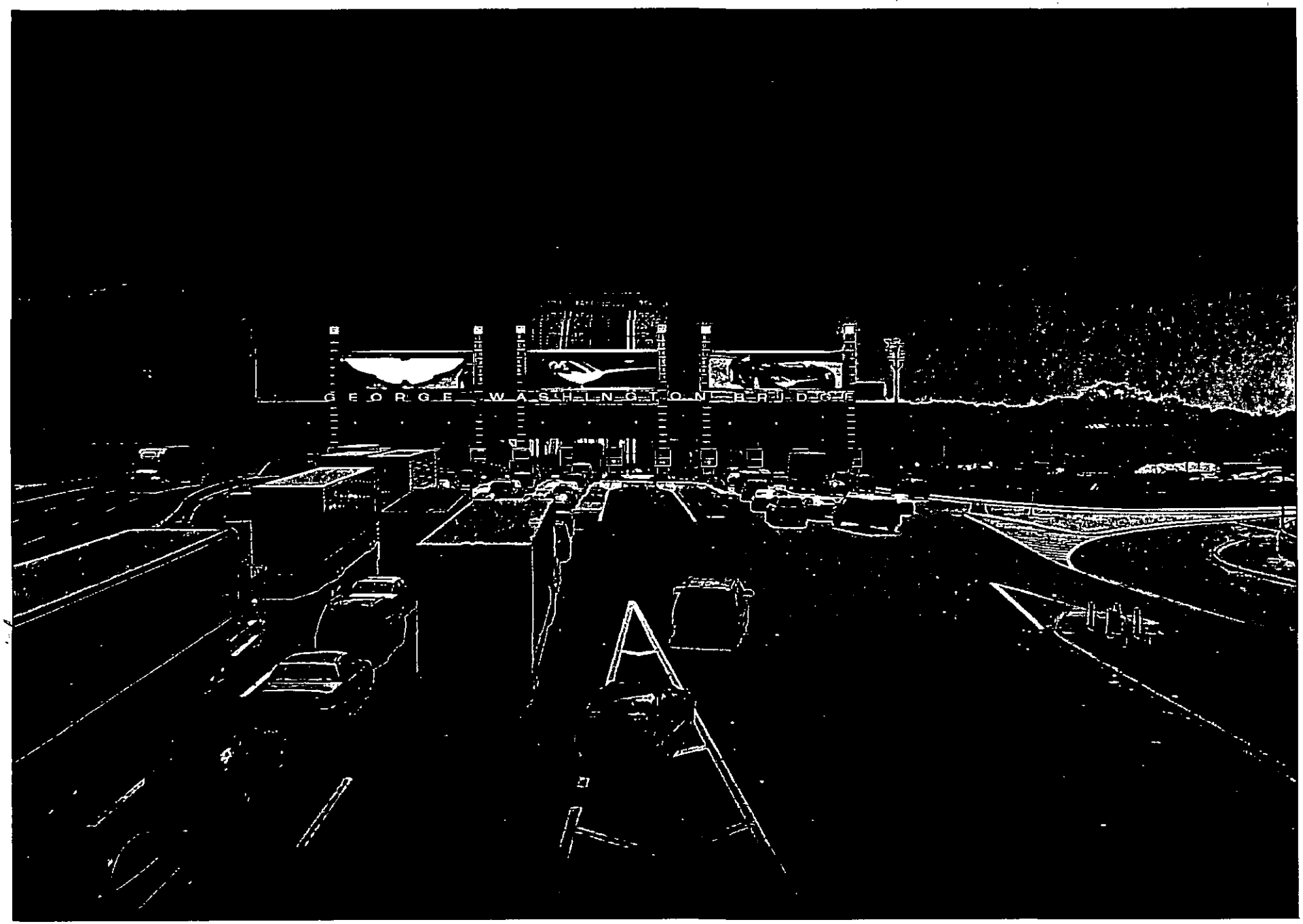
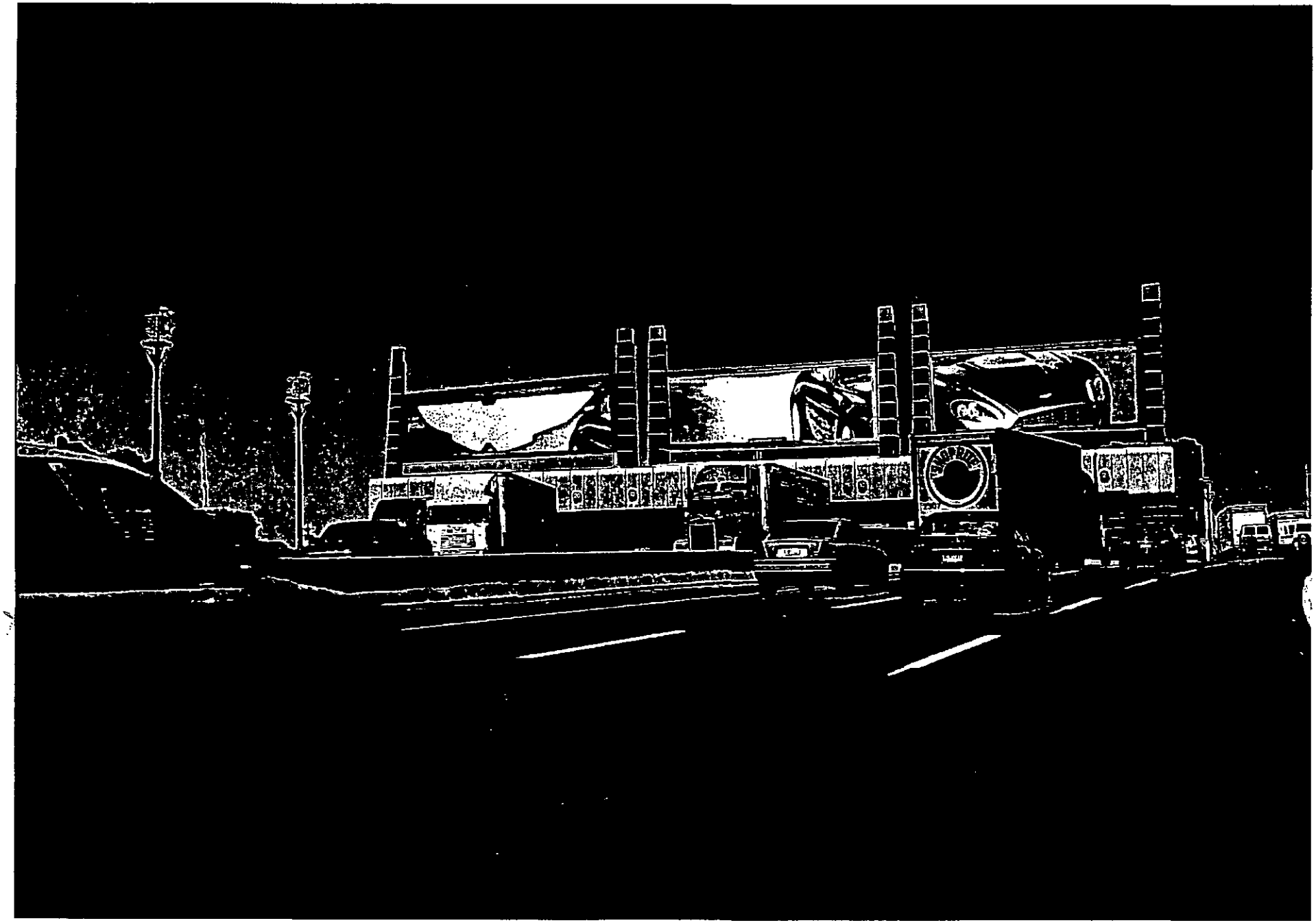


[George Washington Bridge **1a**]

INTERSTATE

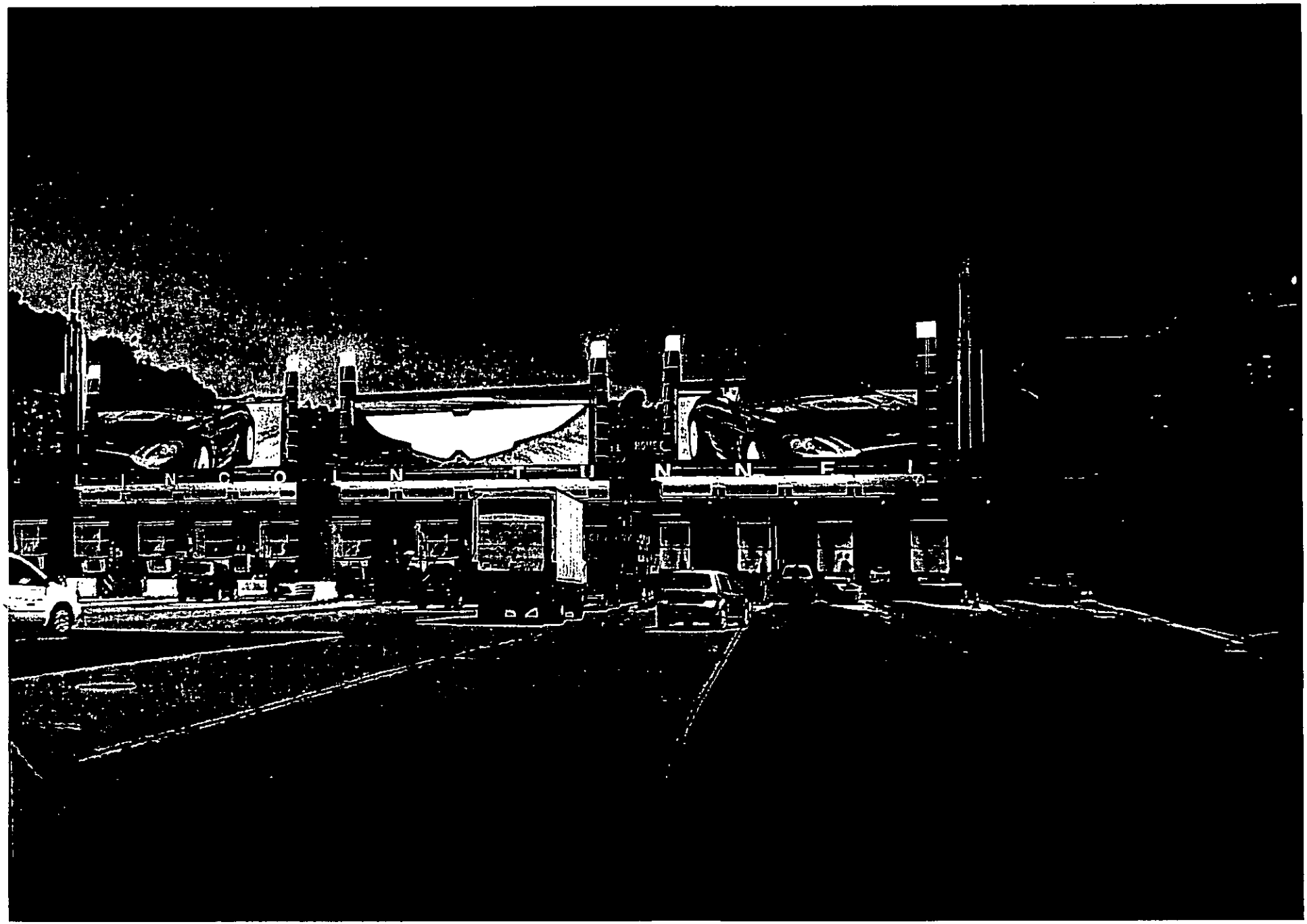


[George Washington Bridge **1b**]

INTERSTATE

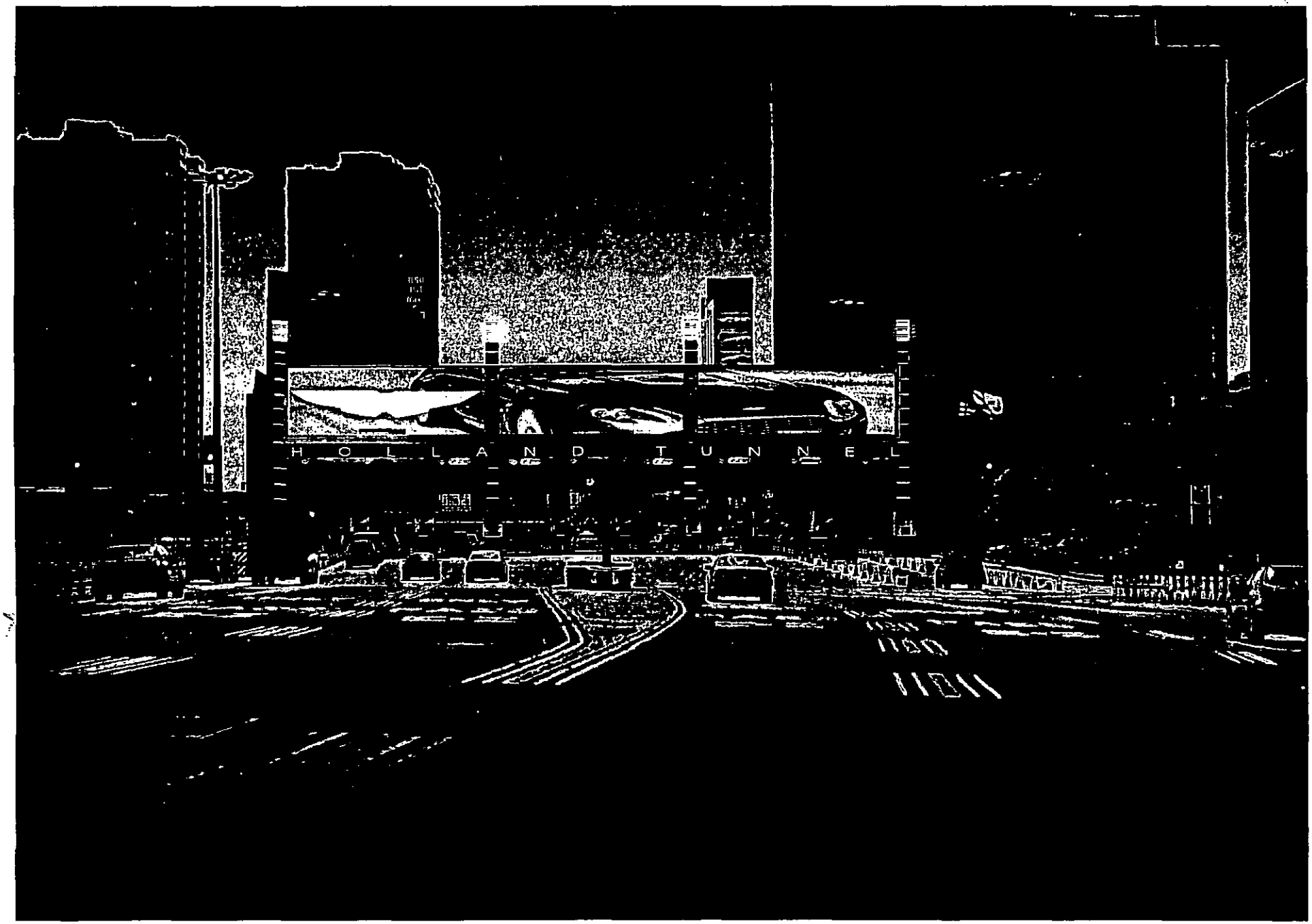
[Lincoln Tunnel **2a**]

INTERSTATE



[Lincoln Tunnel **2a**]

INTERSTATE
OUTDOOR ADVERTISING, LP.



[Holland Tunnel **3a**]

INTERSTATE

ATTACHMENT F - *Contractor's officers and staff*

Name: Drew A. Katz

Title: Chief Executive Officer

Name: Jeffrey W. Gerber

Title: Chief Operating Officer

Name: Debra Hilpl

Title: President

Name: Mark P. Macey

Title: Chief Financial Officer

Name: _____

Title: _____

Name: _____

Title: _____

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INTERSTATE

OUTDOOR ADVERTISING, LP.

June 10, 2005

Port Authority of NY and NJ
Purchasing Services Division
One Madison Avenue, 7th Fl.
New York, NY 10010

Attn: T.J. Storch

Re: EXCEPTIONS TO GENERAL CONTRACT PROVISIONS

ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

Due Date: June 13, 2005

Dear Mr. Storch:

Interstate Outdoor Advertising, L.P. ("Interstate") has reviewed the Port Authority of NY and NJ's ("Port Authority") General Contract Provisions and identified certain provisions that Interstate seeks exceptions to should an award be made to Interstate. The exceptions are as follows:

1. Introduction and Description of Services

This provision indicates that the Contract is non-exclusive. Interstate proposes that no other outdoor signage be permitted at the George Washington Bridge and Holland/Lincoln Tunnel Toll Plazas. In addition, with respect to the other proposed signage, the Port Authority would not allow any outdoor signage within 500' of this signage.

3. Billing and Payment

This provision provides for percentage payments and reporting to be made on a monthly basis. Interstate proposes that percentage payments be made on a quarterly basis. The Minimum Annual Guarantee ("MAG") can be made in equal monthly installments. The MAG payments, however, will be made only after the proposed sign structures are fully constructed, illuminated and ready to accept advertising. The term of the contract shall also commence upon the structures being fully constructed, illuminated and ready to accept advertising.

905 North Kings Highway • Cherry Hill, NJ 08034 • p 856.667.6620 • f 856.482.6195

4. Services

This provision requires that the Contractor receive written approval from the Port Authority prior to the Contractor posting the advertising copy. Interstate proposes that a list of prohibited copy be agreed to and that the Port Authority has the right to require the removal of copy after it is posted – which Interstate shall do within 48 hours. Should the Port Authority require copy to be removed, Interstate's MAG payments shall be suspended until new copy is posted.

7. Rights and Remedies of the Contractor

This provision limits the Contractor to monetary damages only if the Authority defaults or otherwise materially breaches the Contract and that the Contractor is not excused from performance or can cancel/rescind the Contract. Interstate seeks a provision that provides that if the Port Authority materially breaches the Contract by blocking the advertising copy on the signs or otherwise prevents Contractor from displaying/changing copy or servicing the signs, the Contractor would be relieved of any payment obligations to the Port Authority for the affected sign until the situation is remedied. In addition, the Contractor should also be permitted to suspend payments for a particular sign if traffic is rerouted or is otherwise materially diminished on a roadway that the sign shows to. Lastly, the Contractor should be able to suspend all payments for a sign if any governmental entity requires that sign to be removed for any reason.

9. Certain Contractor's Warranties

Interstate's proposal is conditioned on the Port Authority's facilities being able to accommodate Interstate's proposed signage. If Interstate determines that site conditions or other impediments reasonably prevent construction, Interstate is excused from performance notwithstanding any other provisions in this Contract.

Additional Provisions

If the Port Authority terminates this Contract or any portion of the Contract or requires the removal or relocation of any of the signs for any reason other than a default by Interstate during the first 10-year term of the Contract, Interstate shall be entitled to be paid by the Port Authority its unamortized construction/development costs for those signs affected by the termination.

Interstate may, with the Port Authority's consent, not to be unreasonably withheld, assign the Contract (i) to any entity controlling, controlled by or under common control with Interstate, or (ii) in connection with the conveyance of all or substantially all of Interstate's interest in the proposed signage or the conveyance of 50% or more of Interstate's stock or assets, or (iii) in connection with a merger, consolidation, restructuring or public stock offering of stock or if assigned or subletted to a company with greater assets than Interstate and in the outdoor advertising business for 5 years or more, provided that (x) the assignee assumes, in writing, all of Interstate's obligations and liabilities under this Lease and (y) an original counterpart of the signed assignment and assumption is promptly delivered to the Port Authority. (This

paragraph would create an assignment option and would also modify paragraph 14(b)4 of the General Contract provisions.

Lastly, Interstate reserves the right to assert further exceptions to the General Contract Provisions based upon any modifications to its proposal or as the result of discussions/negotiations with the Port Authority.

Sincerely,

Jeffrey W. Gerber
Chief Operating Officer

JWG/gf

905 North Kings Highway • Cherry Hill, NJ 08034

INTERSTATE
OUTDOOR ADVERTISING, LP.

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9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

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

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

INTERSTATE OUTDOOR ADVERTISING, L.P.
(Company)

(Signature)

Jeffrey W. Gerber, Chief Operating Officer
(Title)

6/7/05
(Date)

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: May 27, 2005

ADDENDUM #1

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

Referring to page 76 of Attachment D, the existing advertising agreements will be available for viewing at One Madison Avenue, 7th Floor, NY, NY on June 1, 2005 between the hours of 9:00 AM to 1:00 PM. Contact Roy Bickley at 212-435-4972 to make arrangements for viewing and to obtain access to the building. Photo ID is required.

In Part III, CONTRACTOR'S INTEGRITY PROVISIONS, page 66, labeled "2. Non-Collusive Bidding and Code of Ethics Certification..." and replace with Amendment 1 hereby attached and labeled Amendment 1, "2. Non-Collusive Bidding, and Code of Ethics Certification..."

In Attachment H, titled Olympic 2012 Agreement, delete "Schedule A" in it's entirety and replace with "Schedule A," dated May 16, 2005, hereby attached.

On page 17, 2) Marketing Strategy and Approach, Sub-section b), the next to the last line of that section, delete the second "and" in the line. The line now reads, "...demonstrated ability to set and achieve performance standards is an important..."

In the publicly placed advertisements and general e-mail sent to perspective Proposers, the time for the Pre-proposal meeting was incorrectly noted as beginning at 9:00 AM. The Pre-proposal meeting is scheduled for May 26, 2005 and will begin at 10:00 AM.

For informational purposes only, the slide show presentation is available to your firm on-line by visiting www.panynj.gov/advertisingrfps/

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

1. Question: On Page 16, under Part 7., "Proposal Submission Requirements" Section E. is "Not Used". In planning to make tabbed dividers and section headings, should a Proposer actually have a "Tab E. (Not Used)" and proceed to Section F., or should they disregard, remove "E." and rename the remaining sections to E., F., G., H., and I. from F., G., H, I. and J.?
   Answer: Do not rename.

2. Question: On Page 17, under Part 7., Section 2. "Marketing Strategy and Approach," in the next to last line of sub-section b), there seems to be an additional "and" in the sentence, e.g. "to set and achieve *and* performance standards." The grammar is not correct. Should it be "set and achieve performance standards" instead?
   Answer: Yes. See Addendum 1 above.

3. Question: On Page 73, Attachment C, "Proposer Reference Form" as well as Attachment F, "Contractor's Officers and Staff" are included. Nowhere in the RFP does it state where Attachment C or Attachment F should be placed within the response document. Moreover, is there a limit as to the level of staff which should be listed, or does the Port Authority require a listing of all employees at all levels?
   Answer: Restrict answers to Officers and upper management.

4. Question: On May 26th the Pre-Proposal and Site Inspection is to take place beginning at 9:00 a.m. (as advised via e-mail on May 12, 2005, which shows a change from the 10:00 a.m. start time listed in the RFP. Will all of the facilities listed on Pgs. 75-76 be visited in one day? Will photography be allowed?
   Answer: The pre-proposal RFP meeting begins at 10:00 AM. The Site Inspection of Port Authority facilities is canceled. Photography may be restricted or prohibited at various facilities.

5. Question: Will detailed floor plans of all facilities (including depictions of current advertising locations utilized by current vendors) be provided on the site inspection?
   Answer: No.

6. Question: A numbered Bid Envelope was included in the RFP mailing. Is this envelope to be used in any way, as it would seem unlikely that one (1) reproducible original of such a large response document would fit into the envelope provided?
   Answer: The Bid Envelope should be placed on the outside of your RFP submission and clearly labeled as such. See Letter E., Submission of Proposals, Page 7 of the RFP.

7. Question: A Bid Envelope would suggest that this is a "Bid", which differs significantly from a "Proposal". Please clarify.
   Answer: This is a Request for Proposal—not a bid.

8. Question: On Page 76, the closing paragraph states "the PANYNJ currently generates approximately $25 million in gross advertising revenue sales from the facilities, with approximately 85% of the gross sales total generated through the airports." Can you clarify if the $25 million is revenue derived/paid from a higher sales figure (gross sales of X times the percentage payable to the PANYNJ = Net revenue to PANYNJ)?
   Answer: Yes, you are correct. The Advertising contracts will be available as noted above.

9. Question: At the present time there is another RFP (#7919) for "Sponsorship Marketing Services Program" which is due two days prior to the due date of the Advertising RFP. Please define the rights granted under the Sponsorship Marketing Services Program RFP as how they may or may not conflict with the rights granted in the Advertising RFP? A Proposer under the Advertising RFP would want to have assurances that the Sponsorship Marketing Services RFP does not conflict or duplicate the advertising programs one would put into place and be a competitive program.
   Answer: Each RFP is a separate proposal and the Scope of Work defines the work that will be determined under each contract. Each proposal will be negotiated separately. There may be overlap. The Port Authority cannot give Proposers assurances that there will be no conflict, however each executed contract will stand on its own. The final Scopes of Work will define each program.

10. Question: May we have a copy of the attendance sheet?
    Answer: Yes, the attendance sheet is attached to this Addendum.

11. Question: May we have a copy of the slide show?
    Answer: It is available the Port Authority website listed above.

12. Question: In the Scope of Work the RFP states that, "The contractor shall secure all necessary clearances, permits, zoning approvals, and permissions required for the production of new revenue under this Contract." Please confirm our understanding that the Port Authority, as a government agency, is exempt from zoning. If that understanding is correct, will the Port Authority extend this exemption to the selected contractor?
    Answer: The Port Authority of New York and New Jersey, as a bistate agency, is exempt from local regulations as a matter of law. However, it is the Port Authority's policy to conform, to the fullest extent practicable, to all governmental regulations, which are addressed as part of the Authority's internal review and approval process. If any governmental regulation does apply to the scope of work either now or in the future, it will be the Contractor's sole responsibility for securing approvals needed to satisfy any applicable regulation.

13. Question: Although the Port Authority indicates its intent to select one contractor that proposes a total solution to maximize revenue, it reserves the right to award multiple contracts. What criteria does the Port intend to use in making such a determination if the Port Authority receives widely disparate responses to the RFP?
    Answer: The Port Authority will use the criteria as noted beginning of page 11 of the RFP, labeled 5. Evaluation Criteria and Ranking, to determine whether a single or multiple contract awards is in its best interest.

14. Question: The Port Authority identifies a wide array of potential opportunities which are described in vague terms. Will the Port Authority provide detailed descriptions of the facilities including the exact boundaries of the properties offered and the locations that are available for a potential contractor to utilize?
    Answer: No. At this time detailed descriptions of the facilities exact boundaries are not available to potential Proposers. However, it should be noted that nothing precludes the Proposer from visiting the public areas of each facility property to determine what the Contractor may be able to utilize.

15. Question: Will the Port Authority provide electronic maps of the Port Authority facilities listed in Attachment D, indicating the locations of the current advertising inventory?
    Answer: No. See the answer directly above this question.

16. Question: Will the Port Authority agree to extend the Proposal Due Date by at least 30 days?
    Answer: No. At this time the Port Authority will not extend the due date.

17. Question: Do you have any additional statistics on PATH use?
    Answer: Yes, for informational purposes only, see the attached enclosure dated May 6, 2005, titled Path Demographics.

18. Question: Can prospective bidders take pictures at the facilities?
    Answer: Photography may be restricted or prohibited at various facilities.

19. Question: As a respondent to the RFP can Proposers submit in areas where they are specialist? And, if we propose a partial solution are we considered responsive?
    Answer: The answer to both questions is yes.

20. Question: Historical billing on existing assets is important and would be helpful in the preparation of the proposals. We need a sense of dollars spent in advertising broken down by facility. Can the Port Authority provide that?
    Answer: Billing information is not being made available at this time.

21. Question: Can the Port Authority set aside a time to examine existing advertising contracts?
    Answer: Yes, see above. On page 76 of Attachment D are the contracts that will be available for viewing at One Madison Avenue, 7th Floor, NY, NY, on June 1, between the hours of 9:00 AM to 1:00 PM, Conference Room 154. Contact Roy Bickley at 212-435-4972 to make arrangements for viewing and obtain access to the building.

22. Question: On pages 10 and 11, Section 4, Financial Information, the Port Authority is requesting a list of other work pending and/or bids submitted in anticipation of business. We consider this confidential. Will the Port Authority keep that confidential?
    Answer: The Port Authority will make every attempt to keep this information confidential, however the Port Authority is subject a Freedom of Information Policy as noted on pages 24 to 26 of the RFP.

23. Question: What are the weights assigned to the evaluation criteria on page 11-13?
    Answer: The individual weights assigned to the criteria are confidential.

24. Question: Can more that one Advertising Vendor have a presence at each facility?
    Answer: Yes, that is possible.

25. Question: Can you identify and make available a list of which billboards are currently owned by the Authority?
    Answer: That information is not available at this time.

26. Question: If the Contractor erects a structure on Port Authority property, who will own it at the end of the contract.
    Answer: The Port Authority will own the structure, refer to page 10 of the RFP, Paragraph number 5.

27. Question: Certain permits will be required to erect structures for advertising purposes, who will own the permits at the end of the Contract?
Answer: The Port Authority will issue any permissions which are required.

28. Question: Is Schedule A of the Olympic Letter of Agreement a complete inventory listing? Is this inventory currently owned by the Port Authority?
Answer: This is owned by the Port Authority, however this schedule relates only to the Olympic Letter of Agreement and is not a complete Port Authority Inventory list. In this Addendum a revised Schedule A is attached which also is not a complete Port Authority Inventory list.

29. Question: Should the financial proposal breakout the revenue for each facility?
Answer: That is a business decision your firm must make and submit with their proposal.

30. Question: Suppose the Proposer has huge advertising opportunity that does not conform to local zoning, how will the Port Authority deal with this?
Answer: We do not respond to hypothetical situations, however the Port Authority recognizes local zoning regulations.

31. Question: Will the Port Authority during the evaluation process take into consideration the stringent zoning laws as well as if the proposed programs are permitted? How will this be evaluated?
Answer Yes. See question 12.

32. Question: If we propose a program and the Port Authority accepts the proposal, however the city doesn't accept it or doesn't permit it, are we legally bound?
Answer: The Port Authority expects to interpret the zoning regulation. If the Proposer wishes to seek a ruling from the City, it may do so with Port Authority approval.

33. Question: If a firm comes up with a really creative idea and the firm with the idea is not selected as the Contractor, will the PA hold this idea in confidence or share this idea with the selected firm? The answer to this could stifle my proposal.
Answer: See the Agreement on Terms of Discussion.

34. Question: Will the Port Authority be utilizing its exemption from local zoning?
Answer: See Question 12.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Interstate Outdoor Advertising, L.P.

INITIALED: _____

DATE: 6/6/05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 2, 2005

ADDENDUM #2

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

1. Question: How many rail cars are in the PATH fleet?
   Answer: There are 327 cars active for passenger use. From 2008 to 2011 the Port Authority is scheduled to receive 340 new passenger rail cars and will subsequently gradually retire the current fleet.

2. Question: How many rail cars are there in the AirTrain Newark and AirTrain JFK fleets respectively?

Answer: At the AirTrain JFK, there are 32 rail cars. At the Monorail System at Newark Liberty International Airport, there are 108 rail cars.

3. Question: Do the PATH railcars operate as singles or married pairs?
   Answer: PATH railcars operate as singles.

4. Question: In Section 4, Page 11, what is your definition of "certified financial statements"?
   Answer: Certified Financial Statements are defined as company financial information including but not limited to the Proposer's company assets, liabilities, net worth, revenue, expenses, profit or loss and cash flow including applicable notes for the most recent calendar year reviewed and compiled by an independent accounting firm.

5. Question: The RFP references "subcontractors" in several places. How should we respond if, at this time, we have not selected our subcontractors?
   Answer: At the time of submission of the Proposal, companies do not have to specifically identify subcontractors. If the selection has not been made but the area of subcontractor services is determined, please include.

6. Question: Please list the agreements, and respective subject matter of such agreements, referred to in the second bullet point under "Notes Regarding The Above Facilities" on page 76.
   Answer: There are two agreements and the subject matter of both agreements is for various advertising services. Agreement one is with Black Experience, Inc. for PATHvision for PATH advisory notices, news information and advertising at over 200 television screens located throughout the system at PATH stations. Agreement two is with Submedia, LLC for one illuminated advertising sign at two locations in the PATH train tunnels.

7. Question: Are we allowed to propose an advertising idea for only one structure? If so, is it recommended that we include visuals?
   Answer: Yes, you may propose an advertising idea for only one structure. Proposers may include visuals.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Interstate Outdoor Advertising, L.P.

INITIALED: _____

DATE: 6/6/05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 3, 2005

ADDENDUM #3

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

Question: Does the Port Authority have any historical advertising sales figures?
Answer: Yes, the Port Authority has attached a Ten Year Profile of Advertising Sales at the Authority's Airports. Proposers are cautioned that these figures are estimated only and may not represent each and every sale generated through its advertising agreements. This Profile is for information purposes only. Proposers are reminded that the above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

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PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Interstate Outdoor Advertising, L.P.

INITIALED: _____

DATE: 6/7/05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 6, 2005

ADDENDUM #4

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

Question: Does the Port Authority have any historical gross advertising sales figures for the Bus Terminal, George Washington Bridge Bus Station, PATH and/or Journal Square?
Answer: Yes, the Port Authority has attached Advertisement Sales at those facilities. Proposers are cautioned that these figures are estimated only and may not represent each and every sale generated through its advertising agreements. This Profile is for information purposes only. Vendors should also note that advertising locations within facilities may change from time to time dependent upon facility needs. Proposers are reminded that the

above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

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IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Interstate Outdoor Advertising, L.P.

INITIALED: _____

DATE: 6/7/06

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

1999 - 2004
Gross Advertisement Sales
at Port Authority Bus Terminal, GWB Bus Station,
PATH, JSTC

Facility	YEAR	Advertisement Sales
PABT (T06)		
	1999	$719,195
	2000	$2,454,750
	2001	$1,116,250
	2002	$629,763
	2003	$1,090,053
	2004	$1,095,316
GWBBS (T07)		
	1999	$ 74,628
	2000	114,586
	2001	73,448
	2002	80,458
	2003	81,924
	2004	39,293
PATH (R02)		
	1999	$ 4,537,000
	2000	6,019,497
	2001	3,684,917
	2002	2,512,668
	2003	2,530,342
	2004	2,054,518
JSTC (R21)		
	1999	$ -
	2000	8,000
	2001	161,843
	2002	103,345
	2003	
	2004	

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 7, 2005

ADDENDUM #5

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

THE PROPOSAL DUE DATE HAS BEEN CHANGED TO MONDAY, JUNE 13, 2005 NO LATER THAT 4:00 PM.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Interstate Outdoor Advertising, L.P.

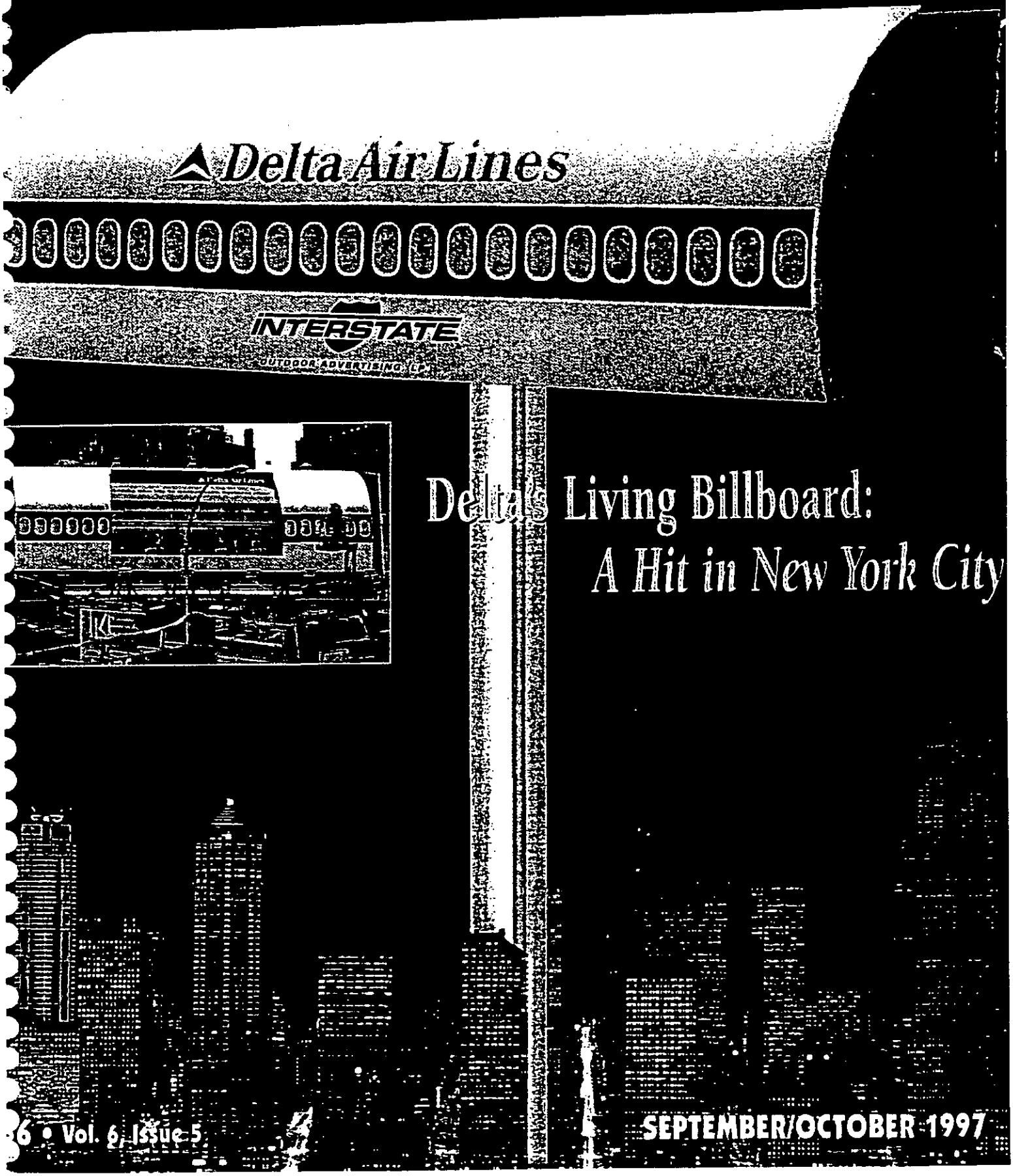
INITIALED: _____

DATE: 6/9/05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

U

ADVERTISING MAGAZINE



Delta's Living Billboard: *A Hit in New York City*

6 • Vol. 6, Issue 5

SEPTEMBER/OCTOBER 1997

V

FOSTER INTERSTATE MEDIA INC.

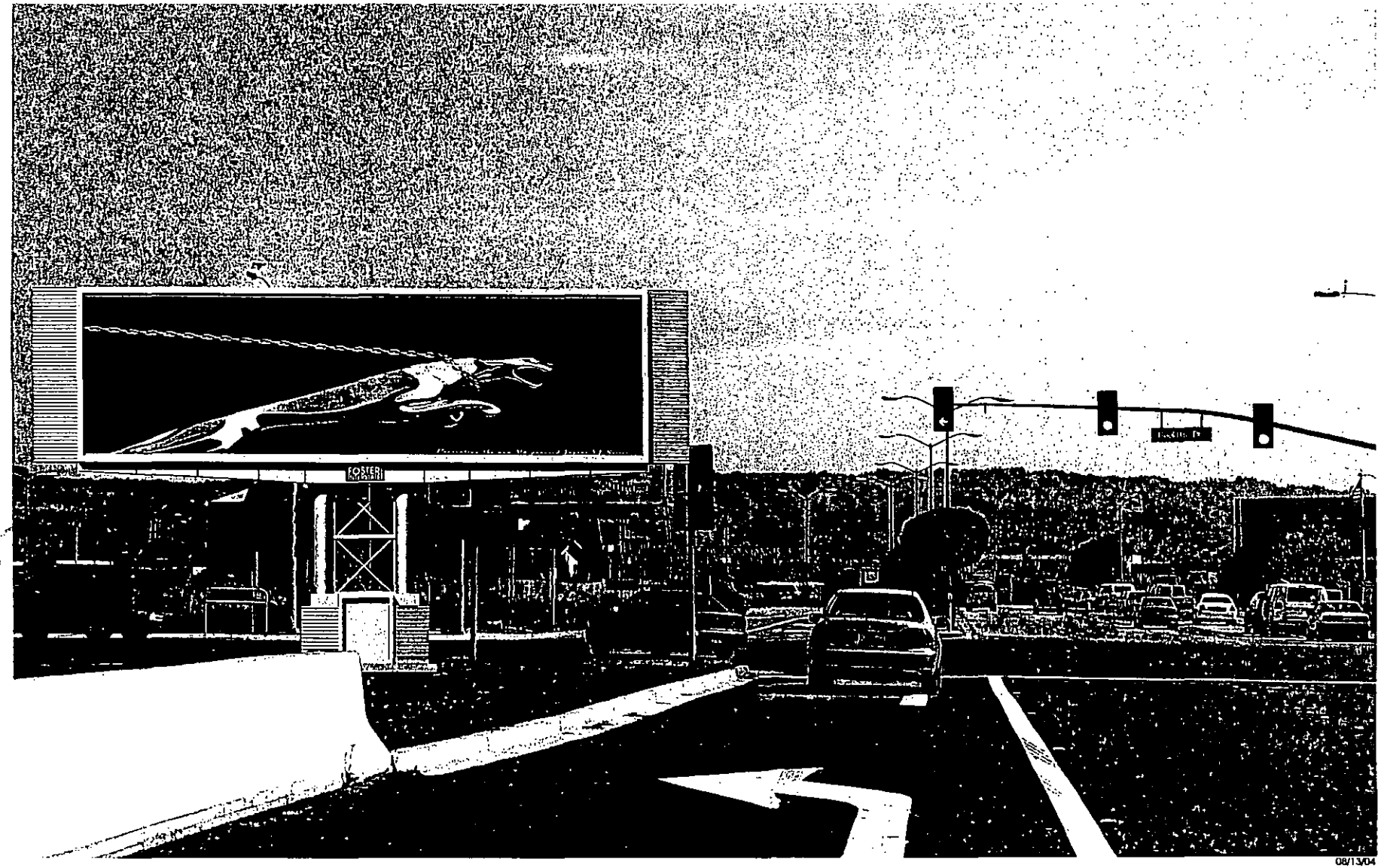
main gate

oakland international airport - outdoor signage program

08/13/04

ib+a

© June 2004



08/13/04

FOSTER INTERSTATE MEDIA INC.

exit bulletin- option 2

oakland international airport - outdoor signage program

© June 2004

ib+a

W

PROPOSED SIGNAGE AND REVENUE SUMMARY

SPECTACULARS

LINCOLN TUNNEL	2 SPECTACULARS (WITH BACKUP)
GEORGE WASHINGTON BRIDGE	2 SPECTACULARS (WITH BACKUP)
HOLLAND TUNNEL	1 SPECTACULAR
Total	**5 SPECTACULARS**
Estimated Annual Revenue	**$4,000,000**

ADDITIONAL NON-TRADITIONAL SIGNAGE

HOLLAND TUNNEL	(1) MINI-TUBLAR SPECTACULAR (1) VERTACULAR SIGN OR (1) HORIZONTAL SIGN
LINCOLN TUNNEL	(2) HORIZONTAL SIGNS
Total	**4 SIGNS**
Estimated Annual Revenue	**$1,000,000**

LINCOLN TUNNEL HELIX	**2 SIGNS**
Estimated Annual Revenue	**$325,000**
TOTAL PROPOSED SIGNAGE	**11 SIGNS**
TOTAL ESTIMATED ANNUAL REVENUE	**$5,325,000**

DIRECT MEDIA

June 7, 2005

The Port Authority of NY & NJ
Purchasing Services Division
One Madison Avenue, 7th FL.
New York, NY 10010

RFP Advertising Opportunities for Port Authority of NY & NJ and Path facilities, including Outdoor and Out of home Locations.

Direct Media Inc. is pleased to submit our proposal for R.F.P.NO. 0000007920

Direct Media Inc. is a Massachusetts corporation located at 53 Plain Street Suite 7 Braintree, MA 02184. Telephone 781-843-2112 Fax 781-843-3629 The E-Mail address is m.geden@verizon.net.

Direct Media's Federal I. D. #

Michael A. Geden, Managing Partner is the authorized representative to negotiate and execute this contract.

We acknowledge receipt of addendum 1,2,3 & 4.

Michael A. Geden will be the project manager and has the authority to bind the proposal.

Sincerely:

Michael A. Geden, Partner

The Commonwealth of Massachusetts

Secretary of the Commonwealth

State House, Boston, Massachusetts 02133

William Francis Galvin
Secretary of the
Commonwealth

June 2, 2005

TO WHOM IT MAY CONCERN:

I hereby certify that according to the records of this office,

DIRECT MEDIA, INC.

is a domestic corporation organized on **January 5, 1996**, under the General Laws of the Commonwealth of Massachusetts.

I further certify that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156D section 14.21 for said corporation's dissolution; that articles of dissolution have not been filed by said corporation; that, said corporation has filed all annual reports, and paid all fees with respect to such reports, and so far as appears of record said corporation has legal existence and is in good standing with this office.

In testimony of which,
I have hereunto affixed the
Great Seal of the Commonwealth
on the date first above written.

William Francis Galvin

Secretary of the Commonwealth

The Commonwealth of Massachusetts
William Francis Galvin

Secretary of the Commonwealth
One Ashburton Place, Boston, Massachusetts 02108-1512
Telephone: (617) 727-9640

DIRECT MEDIA, INC. Summary Screen

Help with this form

Request a Certificate

The exact name of the Domestic Profit Corporation: DIRECT MEDIA, INC.

Entity Type: Domestic Profit Corporation

Identification Number: 043302048

Old Federal Employer Identification Number (Old FEIN):

Date of Organization in Massachusetts: 01/05/1996

Current Fiscal Month / Day: 12 / 31 **Previous Fiscal Month / Day:** 00 / 00

The location of its principal office in Massachusetts:
No. and Street: 53 PLAIN ST., SUITE 7
City or Town: BRAINTREE State: MA Zip: 02184 Country: USA

If the business entity is organized wholly to do business outside Massachusetts, the location of that office:
No. and Street:
City or Town: State: Zip: Country:

The name and address of the Registered Agent:
Name: MARK GEDEN
No. and Street: 53 PLAIN STREET
SUITE 7
City or Town: BRAINTREE State: MA Zip: 02184 Country: USA

The officers and all of the directors of the corporation:

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code	Expiration of Term
PRESIDENT	MARK GEDEN		None
TREASURER	MARK GEDEN		
SECRETARY	MICHAEL GEDEN		

DIRECTOR	PETER BROWN		

business entity stock is publicly traded: __

The total number of shares and par value, if any, of each class of stock which the business entity is authorized to issue:

Class of Stock	Par Value Per Share Enter **0** if no Par	Total Authorized by Articles of Organization or Amendments *Num of Shares*	*Total Par Value*	Total Issued and Outstanding *Num of Shares*
CNP	$0.00000	15,000	$0.00	100

__ Consent __ Manufacturer __ Confidential Data __ Does Not Require Annual Report

__ Partnership X Resident Agent __ For Profit __ Merger Allowed

Select a type of filing from below to view this business entity filings:

ALL FILINGS
Administrative Dissolution
Annual Report
Application for Reinstatement
Application For Revival

View Filings New Search

Comments

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Help

ATTACHMENT F - Contractor's officers and staff

Name: MARK F. Geden

Title: President

Name: Peter R. Brown

Title: Managing Partner

Name: Michael A Geden

Title. Partner / Secretary

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Direct Media Inc

INITIALED: Me.

DATE: 6-6-05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Direct Media Inc.

INITIALED: Ma.

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PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: DIRECT MEDIA INC

INITIALED: MC.

DATE: 6-6-05

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above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

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PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Direct Media Inc.

INITIALED: MC

DATE: 6-6-05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

B. Executive Summary

Direct Media principals have over fifteen year of proven management experience in major market transit, bus rail and airport displays and other large format out of home media projects.

Direct Media is a privately held Massachusetts S Corporation that currently operates out of home advertising contracts in Massachusetts, Rhode Island, Ohio and Maryland.

We are excited by the Port Authorities mandate to "open the box "of opportunities at the Port Authorities properties. We are prepared to invest, develop and expand a brand new revenue stream for the Port Authority.

Major league stadiums, restaurants, and other popular venues utilize restroom promotions via static and digital advertising displays. We are prepared to make the Port Authority's airports the first in the country to have rest room advertising that targets affluent travelers on the go!

We are prepared to utilize the industries top suppliers of displays to make the Port Authority the new showcase of indoor advertising opportunities. Our network of national clients from our interior transit displays will be a natural conduit for new business opportunities for this new media program

The potential revenue stream from this program could be in the millions of dollars based on acquiring key locations within the airport rest room environment.

The executive management team is a partnership between Michael Geden, Peter Brown and Mark Geden. Our principal investor is James Rappaport a well-known Boston entrepreneur and real estate executive a partner in the New Boston Fund, which has over a billion dollars under management agreements and over $300,000,000 in equity.

From 1992 through the year 2000 Direct Media principals managed the MBTA transit-advertising contract in Boston (2000 bus and rail vehicles) where revenues paid to the transit authority increased from $3,500,000 to over $12,000,000 during the term of the contract.

Established in 1992, the company manages transit-advertising contracts for four public and private transportation companies in Massachusetts. We have also created incredible cityscape displays for National clients like Apple Computer, Adidas and American Express in Boston. Early this year we were awarded a seven-year contract with the Massachusetts Port Authority for large format displays to be developed on Port Authority properties. Since 2000 we have increased sales ten fold from $350,000 to a projected $4,000,000 in 2005.

In 2002 Direct Media became the contractor for the Rhode Island Public Transportation Authority managing all of RIPTA'S 250 plus vehicles.

In 2003 Direct Media was awarded the Transit Advertising contract in Cincinnati, Ohio a market with over 400 buses.

In 2004 we were awarded our largest transit advertising agreement with the MTA (Maryland Transit Administration) in Baltimore, Maryland.

The executive team has over 50 years combined experience in the out of home industry. The principals have extensive experience in management, sales, and operations and have multi market experience in new contract start-ups.

Direct Media has offices in the Downtown area of each market that we operate in and will establish an office in the New York area and will perform local sales and operations functions. National sales and administrative aspects including accounts receivable and payables and payments to the Authority will originate in the corporate headquarters for Direct Media in Braintree, Ma.

Direct Media maintains insurance coverage similar or greater to the coverage outlined in the RFP and will provide the necessary coverage for this contract

9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

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

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

Direct Media Inc.
(Company)

(Signature)

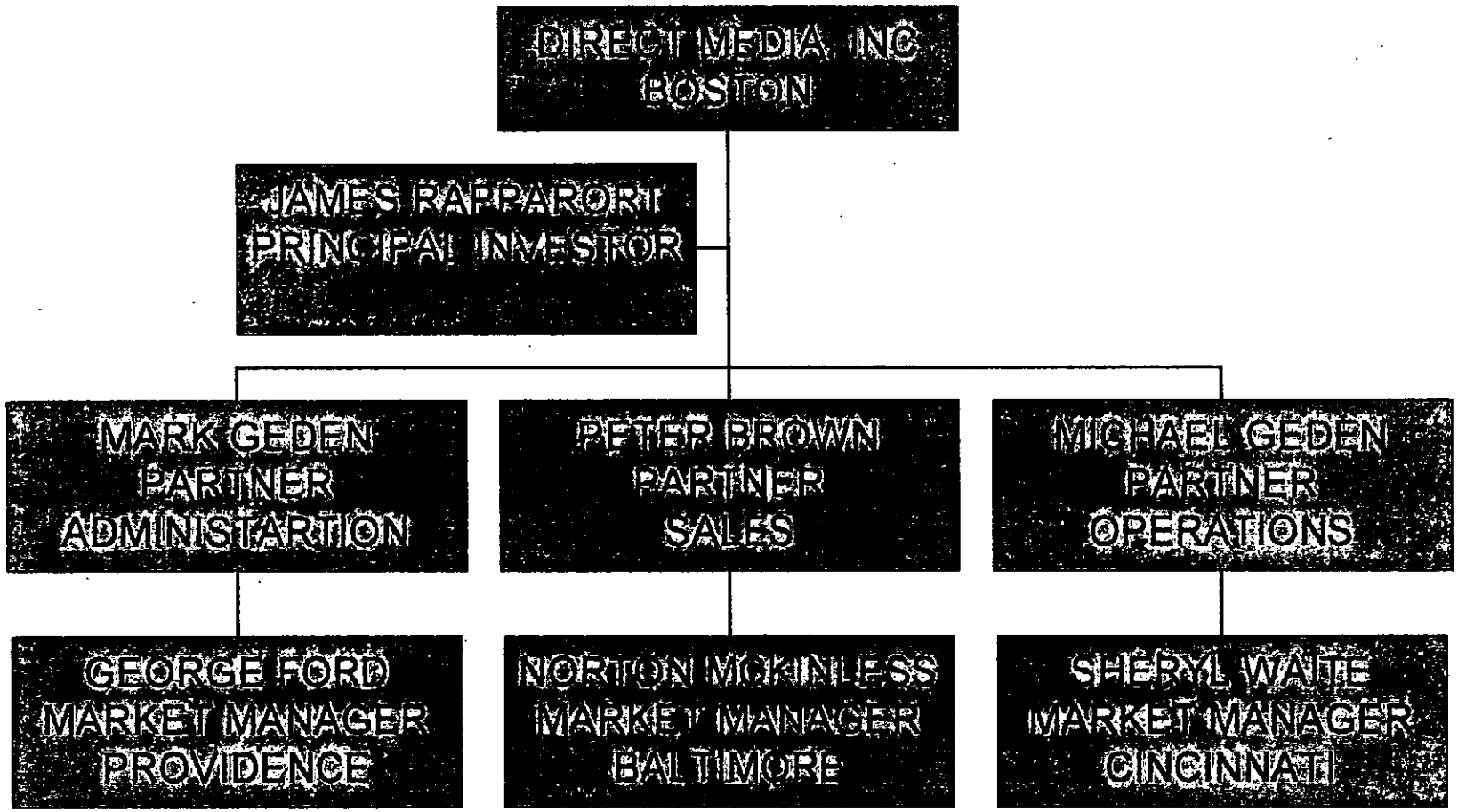
Partner
(Title)

6/6/05
(Date)

D. Certifications With Respect to the Contractor's Integrity Provisions

By signing the Letter of Transmittal Direct Media certifies as outlined in Amendment 1 all provisions in the "Non-Collusive Bidding, and Code of Ethics Certifications, Certification of No Solicitation Based On Commission, Percentage, Brokerage, Contingent or Other Fees".

DIRECT MEDIA, INC



G. Business Plan

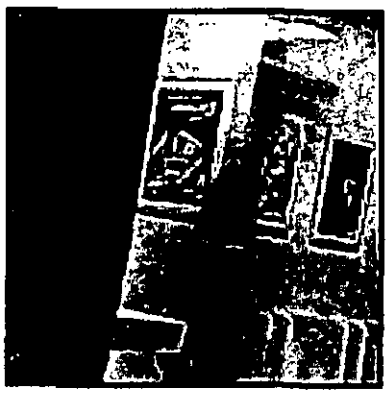
a. It is the intent of Direct Media to create a new revenue stream for the Port Authority at its airport facilities. While most areas of airports have been targeted for advertising, marketing or promotional programs there is an area of the airports, restrooms that have not been targeted.

Indoor advertising, primarily restroom advertising, has become a fast growing segment of the out-of-home advertising media pie. To date, most of the restroom advertising programs have targeted entertainment venues (bars, nightclubs, restaurants and sports venues). Targeting airport restrooms is the next logical step in the evolution of restroom advertising.

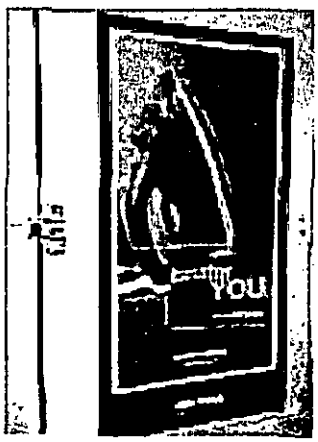
b. Direct Media will install static restroom advertising displays in PANYNJ airport men's and women's bathrooms. The final number of frames will be determined once Direct Media is able to investigate all airport bathrooms for frame placement (Direct Media estimates at least 500 frames could be installed throughout the airports).

Direct Media will submit to PANYNJ various frame designs for Authority approval. All frame designs will be graffiti resistant and made of high quality, aesthetically appealing materials.

The frame sizes will be predominately 17"w x 22"h while some will be 17" w x 33" h. These are standard frame sizes in the industry. Men's room frames will be located above urinals, near sinks and/or near towel dispensers in the men's rooms. Ladies room frames will be located on the back of stall doors, near sinks and/or towel dispensers.



- Typical layout of men's room static ad placement at urinal locations

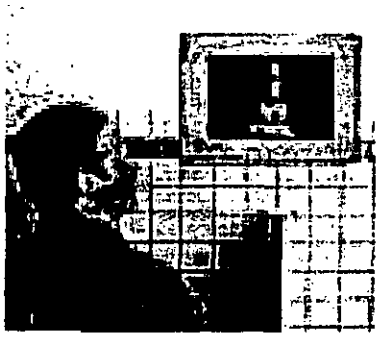


- Typical back of stall door display

Digital Component

Direct Media will also provide a "digital" alternative to the static restroom advertising frames. Placement of digital displays would be above urinals and/or incorporated into towel dispenser systems. These displays will allow for television quality advertising to a captive audience.

- Digital display with audio capability



c. The financial piece of the development of the static board and/or digital display program at PANYNJ airports cannot be determined until Direct Media is able to view all potential locations and determine how many and what type displays will be installed.

Direct Media will also need to view potential sites to determine installation costs and feasibility of digital display installations.

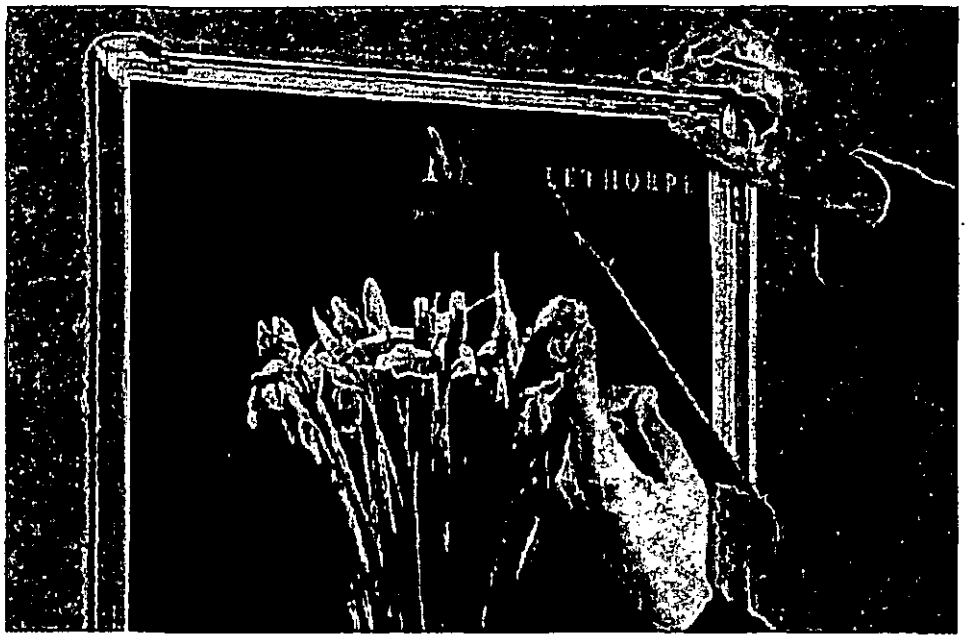
Direct Media has an investment team headed by James W. Rappaport a principal in New Boston Fund a billion dollar real estate Management Company.

The financial implication for the PANYNJ also cannot be determined until Direct Media is able to determine what type and how many displays will be implemented as part of this program.

It is estimated that in it's maturity the program will generate in excess of $1MM annually for the PANYNJ (based on a minimum of 500 displays).

d. It is the intent of Direct Media to utilize the highest quality material for both static boards and digital displays. The static boards will be a tamper resistant brushed aluminum with a plexi-glass protective covering. The final design of the frame including materials and installation procedure will be submitted to the PANYNJ once Direct Media is able to view all potential sites. A sample of a standard restroom frame is outlined below:

Aluminum Snap Frame



An aluminum snap frame provides an aesthetically appealing solution to any application that needs to change posters often and fast. Whether it be in busy retail environments or in restaurants, staff do not have a load of time to change posters – their time can be used far more productively!

Our poster frame has been proven worldwide; fast snap open at the front, remove the poster, slip in the new poster and clip closed. All it takes is a few seconds. And the result is attractive and neat – a aluminum snap frame that complements your poster rather than overwhelms it.

Not all applications are the same – if you need a frame that is a special size, no problem. We make custom sizes and specialize in unusually large sizes. Want a special color to match your corporate image – again, no problem! We offer most colors, yes it does take a little longer and you may have to wait an extra ten to 14 days but the result is worth it.

We can and do make larger snap frames because we have a wide range of aluminum profiles to choose from. So, if your poster is larger or if your application just needs a different appearance, select from our profile range starting at 20mm(that's 3/4") up to 45mm(1.75") in width and in-between we have 25mm(1") 32mm(1¼") and even a slightly smaller 30mm. While mitered corners are most popular (and our miters are properly done 45 degree, even with curved profiles!), we also supply rounded corners with chromed corner fittings.

Snap Frame Security

Of course, there are those applications where security is a problem and the appearance and functionality of an aluminum frame is wanted - but not to be opened by just anyone! We have the solution with our lockable aluminum snap frame. A single screw is locked with a key and prevents unauthorized tampering.

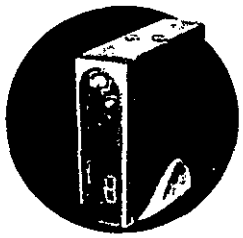
Wide Poster Frame Range

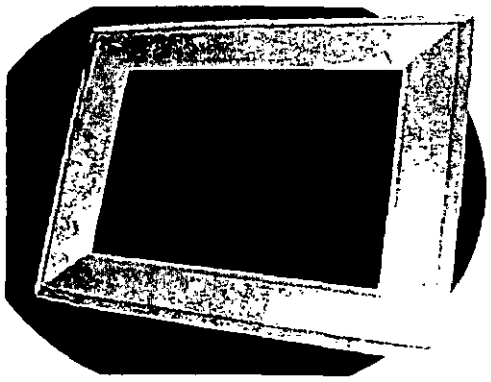
Double sided frames – no problem! We even have A frames with snap frame and customer stoppers, in fact any clip frame application – Menu boards, Info boards even Light snap frames that lights the frames from the sides

Features

Each frame is precision made from strong aluminum, anodized or painted to retain the elegant look and smooth finish. Each frame has a sturdy non-corrosive backing and a clear anti-glare PVC cover. Each comes pre-drilled for wall mounting and includes the screw kit.

The digital units will be state of the art plasma screens supported by the latest software technology available. Again the final design and components for digital displays will be determined once Direct Media is able to view all potential sites.





e. Direct Media will coordinate with PANYNJ for the approval of infrastructure materials once a comprehensive review of locations is taken.

f. Direct Media has experience in meeting and/or exceeding M/WBE goals in all of our public authority contracts. Direct Media will make every good faith effort to meet and or exceed the M/WBE goals outlined as part of this RFP.

Our efforts will include utilizing vendors for supplies, computers, stationary, auto, installation subcontractors etc.

H. **Proposal**

1. **Revenue to the Port Authority**

a. Because this is a brand new program and without being able to determine the exact number of displays we will be able to install at the PANYNJ airport facilities it is impossible to provide a first year Minimum Annual Guarantee. Direct Media will however provide an aggressive revenue share as well as a second year MAG based on first year sales.

b. Direct Media will provide PANYNJ with 60% of all net revenue derived from the sale of the restroom-advertising program. In year one there will not be a minimum annual guarantee.

In year two, and each subsequent year, Direct Media will provide PANYNJ with a MAG equal to 75% of the prior years revenue paid the PANYNJ. Direct Media will the pay the PANYNJ the higher of the MAG or revenue share.

The subsequent years MAG will also be determined by a 75% factor of the prior years payment to PANYNJ.

Direct Media proposes a six month accounting in years 2 through end of contract in order to determine any overages that might be due PANYNJ.

c. Direct Media will be responsible for the build out required for this project. This includes sight assessment, installation of frames and digital units. It also includes all marketing efforts, sales and maintenance of displays.

2. **Marketing Strategy and Approach**

a. One of the fastest growing segments of "Out of Home" advertising is "Indoor Advertising". More specifically "Restroom Advertising". To date most restroom advertising programs have focuses on a media distribution of local restaurants, nightclubs, bars and sporting venues. The result has been a fragmented and very localized sell

It is the intent of Direct Media to develop a restroom advertising program in major airports in order to create a high profile unique sell targeting the sought after business and recreational traveler markets.

As frequent business and recreational travelers the principals of Direct Media realize that virtually all airport travelers make **at least one trip** to the restroom as they await departure and upon landing the first place they go is to the restroom.

An airport restroom-advertising program will provide saturation of all travelers within any airport.

b. Direct Media believes that launching this program in the #1 Market in the world will provide immediate acceptance to the concept to National advertisers.

We will market male programs, female programs or combined programs. Imagine a client like Gillette being able to target a 100% male for their Mach 3 razor and a 100% female audience for their Soft Touch razor with one program inside the PANYNJ airport restrooms.

We will develop "showings" within the PANYNJ airport restrooms which national advertisers are accustomed to buying in the out-of-home market place. Direct Media believes that targeting business travelers with restroom "placards" is not much different than targeting business travelers with "placards" on commuter rail trains. Direct Media has extensive experience in marketing "interior" programs to both national and local advertisers though our experience with the MBTA in Boston and currently with the MTA in Baltimore.

Direct Media will set a rate of $500 gross per sign per month. Our research shows that some restroom signs sell for $100-$300 per month in small local venues. If we have 500 signs in your airports selling at a rate of $500 per month the total media pie for this program is $3,000,000. We also believe these rates may be conservative for the #1 market in the country.

Here are some of the reasons why Direct Media believes that the in airport restroom advertising program has phenomenal potential:

- A captive, highly sought after market
- Ads have a 30 second to two minute "read"
- Male and or female targeted programs
- #1 market in the world
- Accepted medium with high rate of growth

Direct Media will have a very aggressive timetable for the implementation of this program. Immediately upon agreement we will assess all locations and provide a detailed installation plan. We will immediately begin marketing the program to advertisers through our agency relationships. We believe that we will have our first advertisers in place within two months of the launch of the program.

3. Overall Experience Including Financial Capability

Currently Direct Media operates out of home advertising programs for Massport, at Boston's Logan International Airport, a fleet of visitor trolleys in downtown Boston, five transit-advertising franchises in Southeastern Massachusetts, the state of Rhode Island, Cincinnati, Ohio and Baltimore Maryland. We manage regional transit franchises in Massachusetts for the Brockton Area Transit and the Greater Attleboro Transit Authority.

From 1992 until July of 2000 the partners at Direct Media operated the Boston Massachusetts transit advertising contract as President and Vice President of Park Transit Displays. Over the seven plus years the principals of Direct Media managed the transit-advertising contract for the MBTA in Boston we dramatically increased the amount of revenue generated for the MBTA. We quadrupled the annual advertising revenue that the MBTA received, and generated annual revenue increases at a staggering pace - averaging $2 million in increases per year. The rate of revenue increases, averaging 15-20% per year, was fully double the out-of-home industry's national average, and the 1999 revenue increase was a stunning 30%.

In assessing our revenue generation performance over the term of the contract, it is also important to note that we paid the MBTA the highest percentage of revenue paid to any transit system in the country.

Seven-Year MBTA Performance

We consistently generated income to the MBTA that was substantially in excess of the minimum guarantee. The total guaranteed amount to the MBTA over the seven-year contract was $13.8 million, and the total revenue paid to the MBTA during that same period was $33 million. Our performance was 68% better than the minimum.

$52,800,000 Total Gross Sales

$33,000,000 Actual Revenue to MBTA

$13,786,380 Guaranteed Revenue to the MBTA

Providence/Rhode Island Experience

In April of 2002 Direct Media was awarded the contract for all interior and exterior advertising on the RIPTA (Rhode Island Public Transit Authority) buses. This contract includes the entire RIPTA bus fleet of 200 full size buses and 50 Para-transit "RIDE" vehicles.

When Direct Media was awarded the contract there was little or no sales revenue and most of the advertising copy on the buses was old, dated and/or in disrepair. There was also an extreme negative perception in the market regarding transit advertising.

In our first year of operating the contract we invested in inventory improvements, implemented a dedicated sales effort targeting local as well as some national advertisers.

Through this effort we generated revenue to RIPTA **63% over the Minimum Annual Guarantee.** In our second year of operating this contract **we increased sales 28%** from the first year and we are projecting another **20% increase** in year three.

Cincinnati Experience

In January 2003 Direct Media was awarded the contract for all interior and exterior advertising on the SORTA (Southwest Ohio Regional Transit Authority) buses. This contract includes the entire SORTA bus fleet of 400 full size buses and 50 access Para-transit vehicles.

Over the course of the prior contract the value of the contract declined by 50% due to economic conditions and the "commercial advertising only" policy implemented by the transit authority.

Under Direct Media's management in year one, sales have **increased approximately 15%** over the projected last year's sales of the prior contractor. In year two year-to-date sales we are already **15% ahead of year one.**

Baltimore Experience

In March of 2004 Direct Media was awarded the contract for all interior and exterior advertising on MTA (Maryland Transit Administration) fleet of 800 full size buses, 100 Heavy Rail Subway (METRO vehicles), 60 Light Rail Vehicles and 60 MARC Train vehicles. This contract includes advertising on the exterior of the buses as well as platform advertising on the rail lines and interior advertising on the rail vehicles.

Direct Media is taking over a market, which has experienced a tremendous decline in revenue from the prior contractor. We are again like our Rhode Island experience in a market in which the perception of transit advertising is negative.

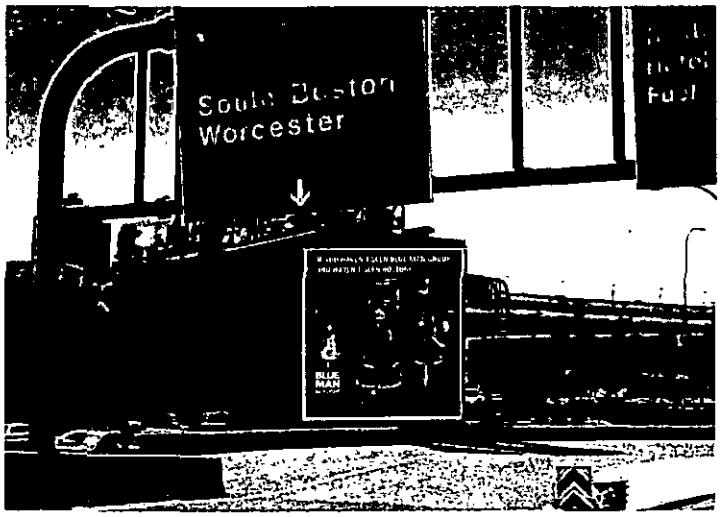
Like Rhode Island we are in the process of turning the negative perception into a positive one. **In 2004 we assumed less than $75,000 in contracts for the entire year. For the same time period in 2005 we have in excess of $500,000 in contracts for our second year. An increase of almost 600%. By the end of the year we expect to double our first year's sales to over $1,500,000**

Airport and Port Authority Experience

Direct Media has recently entered into a new, seven-year agreement with MASSPORT to develop adverting opportunities at Logan Airport (see agreement letter next page).

We have designed and received approval for and sold the first airport roadway wallscape at Logan Airport. We look forward to developing additional opportunities at Logan including the restroom-advertising program we have proposed for the PANYNJ.

New Opportunity-Boston's Logan Airport Exit Road Wallscape



Massachusetts Port Authority
One Harborside Drive, Suite 200S
East Boston, MA 02128-2909
Telephone (617) 428-2800
www.massport.com

April 22, 2005

Direct Media, Inc.
53 Plain Street, Suite 7
Braintree, MA 02184

Attn: Peter R. Brown
Managing Partner

Re: Commercial Advertising Concession Agreement #L-8220

Dear Mr. Brown:

Enclosed for your records is a fully signed original of the above-referenced agreement.

Sincerely,
MASSACHUSETTS PORT AUTHORITY

Pauline Roberts
Contract Administrator

Encl.

Reporting

Direct Media has it's own ARMS (Advertising Resource Management System) which allows us to meet or exceed any and all reporting requirements associated with any of the contracts that we have or are currently entered into.

Reports that are generated for transit authorities from this system include, but are not limited to, the following:

- Monthly Reconciliation Reports by:
  - Mode
  - Showing Type
  - Advertiser
  - Start Date
  - Duration
  - Quantities
  - Inventory Usage
  - Agency Commissions (when applicable)
  - Gross Revenue
  - Net Billing amounts

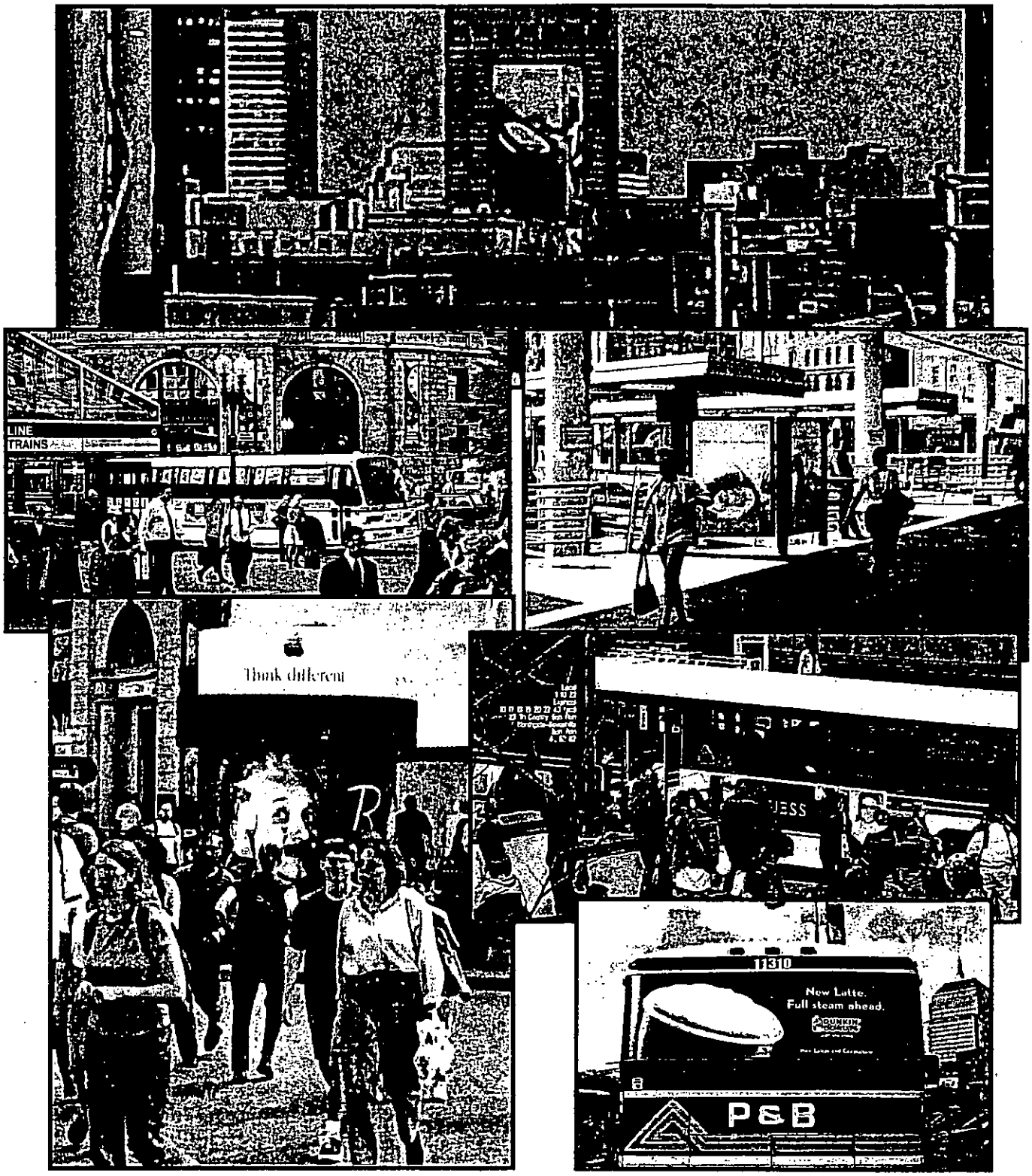
Direct Media will work in partnership with the Port Authority (as we have with all our contracts) to insure that any and all reports required and supplied, as part of this contract will be satisfied.

Financial Capacity

Direct Media is a long time customer of the Bank of America (formerly Fleet Bank). The Bank manages all of our bank accounts, lines of credit, and letters of credit. Our contact at the bank is Mr. Robert A. Kenworthy, Senior Vice President, One Lakeshore Center Suite 102 Bridgewater, MA 02324. Phone: (508) 279-2184.

James Rappaport, our principal investor, is a member of the bank's prestigious private clients group. All of our bonding requirements for performance and payment are provided by the Travelers Insurance Company of Hartford Connecticut. Direct Media has never missed a payment to any public or private entity!

Direct Media, Inc.....



...Creating opportunity for you!

DIRECT MEDIA

June 7, 2005

The Port Authority of NY & NJ
Purchasing Services Division
One Madison Avenue, 7th FL.
New York, NY 10010

RFP Advertising Opportunities for Port Authority of NY & NJ and Path facilities, including Outdoor and Out of home Locations.

Direct Media Inc. is pleased to submit our proposal for R.F.P.NO. 0000007920

Direct Media Inc. is a Massachusetts corporation located at 53 Plain Street Suite 7 Braintree, MA 02184. Telephone 781-843-2112 Fax 781-843-3629 The E-Mail address is m.geden@verizon.net.

Direct Media's Federal I. D. #

Michael A. Geden, Managing Partner is the authorized representative to negotiate and execute this contract.

We acknowledge receipt of addendum 1,2,3 & 4.

Michael A. Geden will be the project manager and has the authority to bind the proposal.

Sincerely:

Michael A. Geden, Partner

The Commonwealth of Massachusetts

Secretary of the Commonwealth

State House, Boston, Massachusetts 02133

William Francis Galvin
Secretary of the
Commonwealth

June 2, 2005

TO WHOM IT MAY CONCERN:

I hereby certify that according to the records of this office,

DIRECT MEDIA, INC.

is a domestic corporation organized on **January 5, 1996**, under the General Laws of the Commonwealth of Massachusetts.

I further certify that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156D section 14.21 for said corporation's dissolution; that articles of dissolution have not been filed by said corporation; that, said corporation has filed all annual reports, and paid all fees with respect to such reports, and so far as appears of record said corporation has legal existence and is in good standing with this office.

In testimony of which,
I have hereunto affixed the
Great Seal of the Commonwealth
on the date first above written.

William Francis Galvin

Secretary of the Commonwealth

The Commonwealth of Massachusetts
William Francis Galvin

Secretary of the Commonwealth
One Ashburton Place, Boston, Massachusetts 02108-1512
Telephone: (617) 727-9640

DIRECT MEDIA, INC. Summary Screen

Help with this form

Request a Certificate

The exact name of the Domestic Profit Corporation: DIRECT MEDIA, INC.

Entity Type: Domestic Profit Corporation

Identification Number: 043302048

Old Federal Employer Identification Number (Old FEIN):

Date of Organization in Massachusetts: 01/05/1996

Current Fiscal Month / Day: 12 / 31 **Previous Fiscal Month / Day:** 00 / 00

The location of its principal office in Massachusetts:
No. and Street: 53 PLAIN ST., SUITE 7
City or Town: BRAINTREE State: MA Zip: 02184 Country: USA

If the business entity is organized wholly to do business outside Massachusetts, the location of that office:
No. and Street:
City or Town: State: Zip: Country:

The name and address of the Registered Agent:
Name: MARK GEDEN
No. and Street: 53 PLAIN STREET
SUITE 7
City or Town: BRAINTREE State: MA Zip: 02184 Country: USA

The officers and all of the directors of the corporation:

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code	Expiration of Term
PRESIDENT	MARK GEDEN		None
TREASURER	MARK GEDEN		
SECRETARY	MICHAEL GEDEN		

DIRECTOR	PETER BROWN		

business entity stock is publicly traded: __

The total number of shares and par value, if any, of each class of stock which the business entity is authorized to issue:

Class of Stock	Par Value Per Share Enter **0** if no Par	Total Authorized by Articles of Organization or Amendments *Num of Shares*	*Total Par Value*	Total Issued and Outstanding *Num of Shares*
CNP	$0.00000	15,000	$0.00	100

__ Consent __ Manufacturer __ Confidential Data __ Does Not Require Annual Report

__ Partnership X Resident Agent __ For Profit __ Merger Allowed

Select a type of filing from below to view this business entity filings:

ALL FILINGS
Administrative Dissolution
Annual Report
Application for Reinstatement
Application For Revival

View Filings New Search

Comments

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All Rights Reserved

Help

ATTACHMENT F - Contractor's officers and staff

Name: MARK F. Geden

Title: President

Name: Peter R. Brown

Title: Managing Partner

Name: Michael A Geden

Title. Partner / Secretary

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Direct Media Inc

INITIALED: Me.

DATE: 6-6-05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

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PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Direct Media Inc.

INITIALED: Ma.

DATE: 6-6-05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

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PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: DIRECT MEDIA INC

INITIALED: MC.

DATE: 6-6-05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

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PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Direct Media Inc.

INITIALED: MC

DATE: 6-6-05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

B. Executive Summary

Direct Media principals have over fifteen year of proven management experience in major market transit, bus rail and airport displays and other large format out of home media projects.

Direct Media is a privately held Massachusetts S Corporation that currently operates out of home advertising contracts in Massachusetts, Rhode Island, Ohio and Maryland.

We are excited by the Port Authorities mandate to "open the box "of opportunities at the Port Authorities properties. We are prepared to invest, develop and expand a brand new revenue stream for the Port Authority.

Major league stadiums, restaurants, and other popular venues utilize restroom promotions via static and digital advertising displays. We are prepared to make the Port Authority's airports the first in the country to have rest room advertising that targets affluent travelers on the go!

We are prepared to utilize the industries top suppliers of displays to make the Port Authority the new showcase of indoor advertising opportunities. Our network of national clients from our interior transit displays will be a natural conduit for new business opportunities for this new media program

The potential revenue stream from this program could be in the millions of dollars based on acquiring key locations within the airport rest room environment.

The executive management team is a partnership between Michael Geden, Peter Brown and Mark Geden. Our principal investor is James Rappaport a well-known Boston entrepreneur and real estate executive a partner in the New Boston Fund, which has over a billion dollars under management agreements and over $300,000,000 in equity.

From 1992 through the year 2000 Direct Media principals managed the MBTA transit-advertising contract in Boston (2000 bus and rail vehicles) where revenues paid to the transit authority increased from $3,500,000 to over $12,000,000 during the term of the contract.

Established in 1992, the company manages transit-advertising contracts for four public and private transportation companies in Massachusetts. We have also created incredible cityscape displays for National clients like Apple Computer, Adidas and American Express in Boston. Early this year we were awarded a seven-year contract with the Massachusetts Port Authority for large format displays to be developed on Port Authority properties. Since 2000 we have increased sales ten fold from $350,000 to a projected $4,000,000 in 2005.

In 2002 Direct Media became the contractor for the Rhode Island Public Transportation Authority managing all of RIPTA'S 250 plus vehicles.

In 2003 Direct Media was awarded the Transit Advertising contract in Cincinnati, Ohio a market with over 400 buses.

In 2004 we were awarded our largest transit advertising agreement with the MTA (Maryland Transit Administration) in Baltimore, Maryland.

The executive team has over 50 years combined experience in the out of home industry. The principals have extensive experience in management, sales, and operations and have multi market experience in new contract start-ups.

Direct Media has offices in the Downtown area of each market that we operate in and will establish an office in the New York area and will perform local sales and operations functions. National sales and administrative aspects including accounts receivable and payables and payments to the Authority will originate in the corporate headquarters for Direct Media in Braintree, Ma.

Direct Media maintains insurance coverage similar or greater to the coverage outlined in the RFP and will provide the necessary coverage for this contract

9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

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

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

DIRECT Media INC.
(Company)

(Signature)

Partner
(Title)

6/6/05
(Date)

D. Certifications With Respect to the Contractor's Integrity Provisions

By signing the Letter of Transmittal Direct Media certifies as outlined in Amendment 1 all provisions in the "Non-Collusive Bidding, and Code of Ethics Certifications, Certification of No Solicitation Based On Commission, Percentage, Brokerage, Contingent or Other Fees".

G. Business Plan

a. It is the intent of Direct Media to create a new revenue stream for the Port Authority at its airport facilities. While most areas of airports have been targeted for advertising, marketing or promotional programs there is an area of the airports, restrooms that have not been targeted.

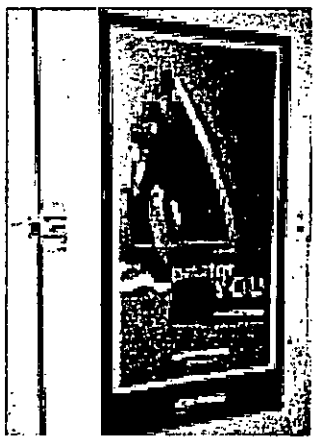
Indoor advertising, primarily restroom advertising, has become a fast growing segment of the out-of-home advertising media pie. To date, most of the restroom advertising programs have targeted entertainment venues (bars, nightclubs, restaurants and sports venues). Targeting airport restrooms is the next logical step in the evolution of restroom advertising.

b. Direct Media will install static restroom advertising displays in PANYNJ airport men's and women's bathrooms. The final number of frames will be determined once Direct Media is able to investigate all airport bathrooms for frame placement (Direct Media estimates at least 500 frames could be installed throughout the airports).

Direct Media will submit to PANYNJ various frame designs for Authority approval. All frame designs will be graffiti resistant and made of high quality, aesthetically appealing materials.

The frame sizes will be predominately 17"w x 22"h while some will be 17" w x 33" h. These are standard frame sizes in the industry. Men's room frames will be located above urinals, near sinks and/or near towel dispensers in the men's rooms. Ladies room frames will be located on the back of stall doors, near sinks and/or towel dispensers.

- Typical layout of men's room static ad placement at urinal locations

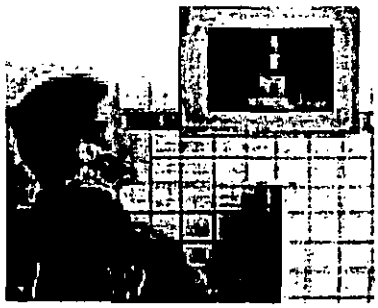


- Typical back of stall door display

Digital Component

Direct Media will also provide a "digital" alternative to the static restroom advertising frames. Placement of digital displays would be above urinals and/or incorporated into towel dispenser systems. These displays will allow for television quality advertising to a captive audience.

- Digital display with audio capability



c. The financial piece of the development of the static board and/or digital display program at PANYNJ airports cannot be determined until Direct Media is able to view all potential locations and determine how many and what type displays will be installed.

Direct Media will also need to view potential sites to determine installation costs and feasibility of digital display installations.

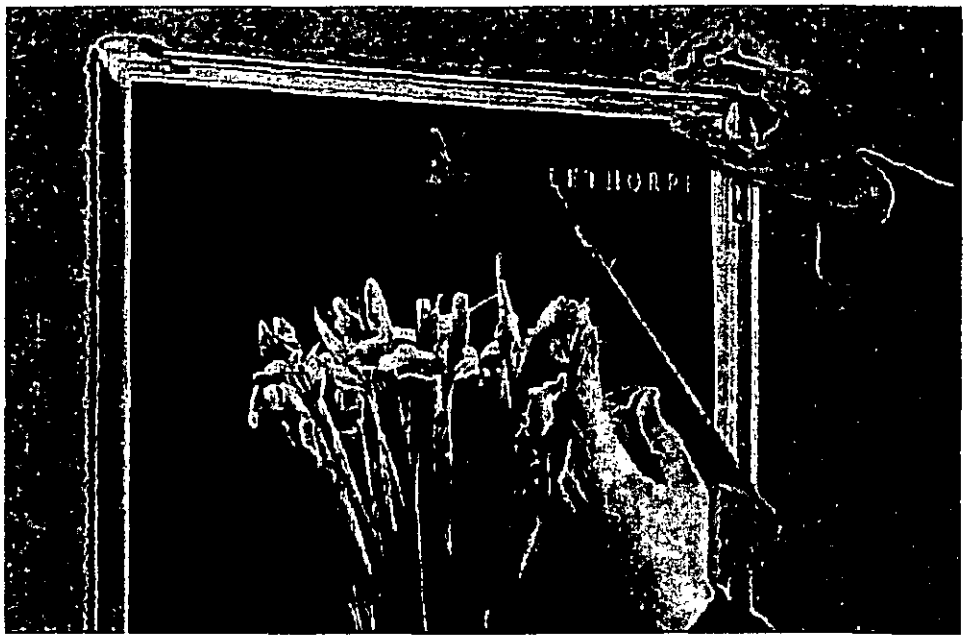
Direct Media has an investment team headed by James W. Rappaport a principal in New Boston Fund a billion dollar real estate Management Company.

The financial implication for the PANYNJ also cannot be determined until Direct Media is able to determine what type and how many displays will be implemented as part of this program.

It is estimated that in it's maturity the program will generate in excess of $1MM annually for the PANYNJ (based on a minimum of 500 displays).

d. It is the intent of Direct Media to utilize the highest quality material for both static boards and digital displays. The static boards will be a tamper resistant brushed aluminum with a plexi-glass protective covering. The final design of the frame including materials and installation procedure will be submitted to the PANYNJ once Direct Media is able to view all potential sites. A sample of a standard restroom frame is outlined below:

Aluminum Snap Frame



An aluminum snap frame provides an aesthetically appealing solution to any application that needs to change posters often and fast. Whether it be in busy retail environments or in restaurants, staff do not have a load of time to change posters – their time can be used far more productively!

Our poster frame has been proven worldwide; fast snap open at the front, remove the poster, slip in the new poster and clip closed. All it takes is a few seconds. And the result is attractive and neat – a aluminum snap frame that complements your poster rather than overwhelms it.

Not all applications are the same – if you need a frame that is a special size, no problem. We make custom sizes and specialize in unusually large sizes. Want a special color to match your corporate image – again, no problem! We offer most colors, yes it does take a little longer and you may have to wait an extra ten to 14 days but the result is worth it.

We can and do make larger snap frames because we have a wide range of aluminum profiles to choose from. So, if your poster is larger or if your application just needs a different appearance, select from our profile range starting at 20mm(that's 3/4") up to 45mm(1.75") in width and in-between we have 25mm(1") 32mm(1¼") and even a slightly smaller 30mm. While mitered corners are most popular (and our miters are properly done 45 degree, even with curved profiles!), we also supply rounded corners with chromed corner fittings.

Snap Frame Security

Of course, there are those applications where security is a problem and the appearance and functionality of an aluminum frame is wanted - but not to be opened by just anyone! We have the solution with our lockable aluminum snap frame. A single screw is locked with a key and prevents unauthorized tampering.

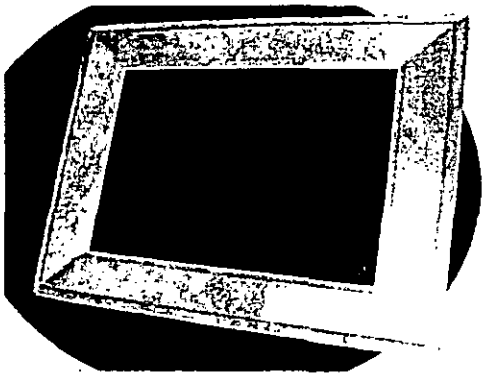
Wide Poster Frame Range

Double sided frames – no problem! We even have A frames with snap frame and customer stoppers, in fact any clip frame application – Menu boards, Info boards even Light snap frames that lights the frames from the sides

Features

Each frame is precision made from strong aluminum, anodized or painted to retain the elegant look and smooth finish. Each frame has a sturdy non-corrosive backing and a clear anti-glare PVC cover. Each comes pre-drilled for wall mounting and includes the screw kit.

The digital units will be state of the art plasma screens supported by the latest software technology available. Again the final design and components for digital displays will be determined once Direct Media is able to view all potential sites.



e. Direct Media will coordinate with PANYNJ for the approval of infrastructure materials once a comprehensive review of locations is taken.

f. Direct Media has experience in meeting and/or exceeding M/WBE goals in all of our public authority contracts. Direct Media will make every good faith effort to meet and or exceed the M/WBE goals outlined as part of this RFP.

Our efforts will include utilizing vendors for supplies, computers, stationary, auto, installation subcontractors etc.

H. **Proposal**

1. **Revenue to the Port Authority**

a. Because this is a brand new program and without being able to determine the exact number of displays we will be able to install at the PANYNJ airport facilities it is impossible to provide a first year Minimum Annual Guarantee. Direct Media will however provide an aggressive revenue share as well as a second year MAG based on first year sales.

b. Direct Media will provide PANYNJ with 60% of all net revenue derived from the sale of the restroom-advertising program. In year one there will not be a minimum annual guarantee.

In year two, and each subsequent year, Direct Media will provide PANYNJ with a MAG equal to 75% of the prior years revenue paid the PANYNJ. Direct Media will the pay the PANYNJ the higher of the MAG or revenue share.

The subsequent years MAG will also be determined by a 75% factor of the prior years payment to PANYNJ.

Direct Media proposes a six month accounting in years 2 through end of contract in order to determine any overages that might be due PANYNJ.

c. Direct Media will be responsible for the build out required for this project. This includes sight assessment, installation of frames and digital units. It also includes all marketing efforts, sales and maintenance of displays.

2. **Marketing Strategy and Approach**

a. One of the fastest growing segments of "Out of Home" advertising is "Indoor Advertising". More specifically "Restroom Advertising". To date most restroom advertising programs have focuses on a media distribution of local restaurants, nightclubs, bars and sporting venues. The result has been a fragmented and very localized sell

It is the intent of Direct Media to develop a restroom advertising program in major airports in order to create a high profile unique sell targeting the sought after business and recreational traveler markets.

As frequent business and recreational travelers the principals of Direct Media realize that virtually all airport travelers make **at least one trip** to the restroom as they await departure and upon landing the first place they go is to the restroom.

An airport restroom-advertising program will provide saturation of all travelers within any airport.

b. Direct Media believes that launching this program in the #1 Market in the world will provide immediate acceptance to the concept to National advertisers.

We will market male programs, female programs or combined programs. Imagine a client like Gillette being able to target a 100% male for their Mach 3 razor and a 100% female audience for their Soft Touch razor with one program inside the PANYNJ airport restrooms.

We will develop "showings" within the PANYNJ airport restrooms which national advertisers are accustomed to buying in the out-of-home market place. Direct Media believes that targeting business travelers with restroom "placards" is not much different than targeting business travelers with "placards" on commuter rail trains. Direct Media has extensive experience in marketing "interior" programs to both national and local advertisers though our experience with the MBTA in Boston and currently with the MTA in Baltimore.

Direct Media will set a rate of $500 gross per sign per month. Our research shows that some restroom signs sell for $100-$300 per month in small local venues. If we have 500 signs in your airports selling at a rate of $500 per month the total media pie for this program is $3,000,000. We also believe these rates may be conservative for the #1 market in the country.

Here are some of the reasons why Direct Media believes that the in airport restroom advertising program has phenomenal potential:

- A captive, highly sought after market
- Ads have a 30 second to two minute "read"
- Male and or female targeted programs
- #1 market in the world
- Accepted medium with high rate of growth

Direct Media will have a very aggressive timetable for the implementation of this program. Immediately upon agreement we will assess all locations and provide a detailed installation plan. We will immediately begin marketing the program to advertisers through our agency relationships. We believe that we will have our first advertisers in place within two months of the launch of the program.

3. Overall Experience Including Financial Capability

Currently Direct Media operates out of home advertising programs for Massport, at Boston's Logan International Airport, a fleet of visitor trolleys in downtown Boston, five transit-advertising franchises in Southeastern Massachusetts, the state of Rhode Island, Cincinnati, Ohio and Baltimore Maryland. We manage regional transit franchises in Massachusetts for the Brockton Area Transit and the Greater Attleboro Transit Authority.

From 1992 until July of 2000 the partners at Direct Media operated the Boston Massachusetts transit advertising contract as President and Vice President of Park Transit Displays. Over the seven plus years the principals of Direct Media managed the transit-advertising contract for the MBTA in Boston we dramatically increased the amount of revenue generated for the MBTA. We quadrupled the annual advertising revenue that the MBTA received, and generated annual revenue increases at a staggering pace - averaging $2 million in increases per year. The rate of revenue increases, averaging 15-20% per year, was fully double the out-of-home industry's national average, and the 1999 revenue increase was a stunning 30%.

In assessing our revenue generation performance over the term of the contract, it is also important to note that we paid the MBTA the highest percentage of revenue paid to any transit system in the country.

Seven-Year MBTA Performance

We consistently generated income to the MBTA that was substantially in excess of the minimum guarantee. The total guaranteed amount to the MBTA over the seven-year contract was $13.8 million, and the total revenue paid to the MBTA during that same period was $33 million. Our performance was 68% better than the minimum.

$52,800,000 Total Gross Sales

$33,000,000 Actual Revenue to MBTA

$13,786,380 Guaranteed Revenue to the MBTA

Providence/Rhode Island Experience

In April of 2002 Direct Media was awarded the contract for all interior and exterior advertising on the RIPTA (Rhode Island Public Transit Authority) buses. This contract includes the entire RIPTA bus fleet of 200 full size buses and 50 Para-transit "RIDE" vehicles.

When Direct Media was awarded the contract there was little or no sales revenue and most of the advertising copy on the buses was old, dated and/or in disrepair. There was also an extreme negative perception in the market regarding transit advertising.

In our first year of operating the contract we invested in inventory improvements, implemented a dedicated sales effort targeting local as well as some national advertisers.

Through this effort we generated revenue to RIPTA **63% over the Minimum Annual Guarantee**. In our second year of operating this contract **we increased sales 28%** from the first year and we are projecting another **20% increase** in year three.

Cincinnati Experience

In January 2003 Direct Media was awarded the contract for all interior and exterior advertising on the SORTA (Southwest Ohio Regional Transit Authority) buses. This contract includes the entire SORTA bus fleet of 400 full size buses and 50 access Para-transit vehicles.

Over the course of the prior contract the value of the contract declined by 50% due to economic conditions and the "commercial advertising only" policy implemented by the transit authority.

Under Direct Media's management in year one, sales have **increased approximately 15%** over the projected last year's sales of the prior contractor. In year two year-to-date sales we are already **15% ahead of year one.**

Baltimore Experience

In March of 2004 Direct Media was awarded the contract for all interior and exterior advertising on MTA (Maryland Transit Administration) fleet of 800 full size buses, 100 Heavy Rail Subway (METRO vehicles), 60 Light Rail Vehicles and 60 MARC Train vehicles. This contract includes advertising on the exterior of the buses as well as platform advertising on the rail lines and interior advertising on the rail vehicles.

Direct Media is taking over a market, which has experienced a tremendous decline in revenue from the prior contractor. We are again like our Rhode Island experience in a market in which the perception of transit advertising is negative.

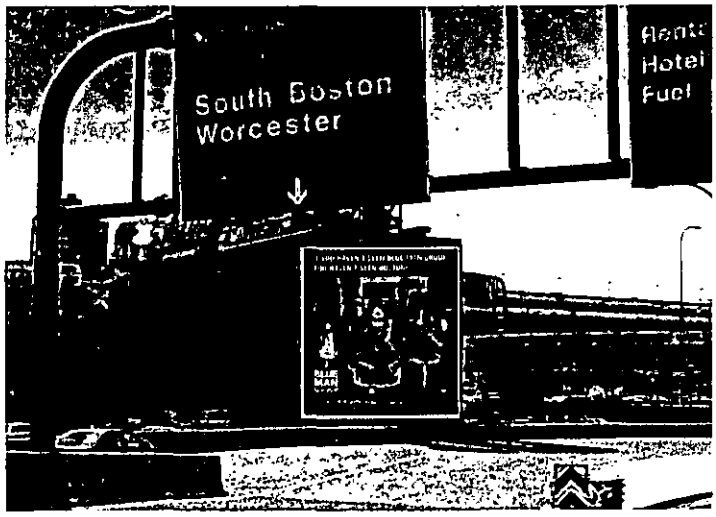
Like Rhode Island we are in the process of turning the negative perception into a positive one. **In 2004 we assumed less than $75,000 in contracts for the entire year. For the same time period in 2005 we have in excess of $500,000 in contracts for our second year. An increase of almost 600%. By the end of the year we expect to double our first year's sales to over $1,500,000**

Airport and Port Authority Experience

Direct Media has recently entered into a new, seven-year agreement with MASSPORT to develop adverting opportunities at Logan Airport (see agreement letter next page).

We have designed and received approval for and sold the first airport roadway wallscape at Logan Airport. We look forward to developing additional opportunities at Logan including the restroom-advertising program we have proposed for the PANYNJ.

New Opportunity-Boston's Logan Airport Exit Road Wallscape



Massachusetts Port Authority
One Harborside Drive, Suite 200S
East Boston, MA 02128-2909
Telephone (617) 428-2800
www.massport.com

April 22, 2005

Direct Media, Inc.
53 Plain Street, Suite 7
Braintree, MA 02184

Attn: Peter R. Brown
Managing Partner

Re: Commercial Advertising Concession Agreement #L-8220

Dear Mr. Brown:

Enclosed for your records is a fully signed original of the above-referenced agreement.

Sincerely,
MASSACHUSETTS PORT AUTHORITY

Pauline Roberts
Contract Administrator

Encl.

Presented to the

PORT AUTHORITY OF NEW YORK & NEW JERSEY

THE PORT AUTHORITY
OF NEW YORK & NEW JERSEY

Request for Proposal #7920

June 13, 2005

Primary Contractor

garrick-aug
Retail Leasing

360 LEXINGTON AVE
NEW YORK, NY 10017
(212) 557 9090

9 Members

RUDER·FINN

WORLDWIDE MARKETING & MEDIA GROUP
W
MMG

cara MARTIN
we get it.

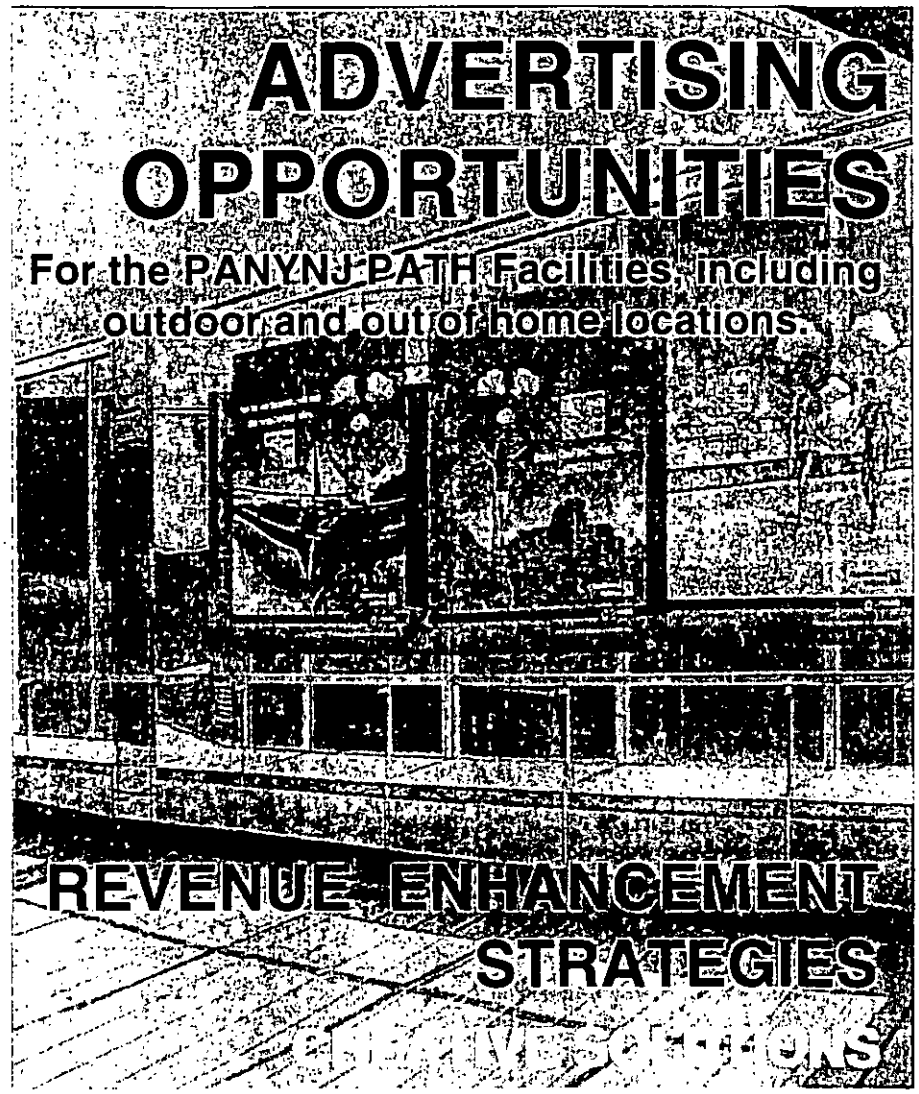
POSITIVE impact

EL TALLER
IVC
COLABORATIVO

commarts @

Buxton
IDentifying Customers

CAM The Center For Airport Management



A: LETTER OF TRANSMITAL

garrick-aug
Retail Leasing

Letter of Transmittal
June 13, 2005

To The Port Authority of New York and New Jersey:

The mission is to assist the Port Authority in their undertaking to optimize all potential advertising revenues of their many facilities in its transportation network.

We have assembled and organized the best team possible in the nation for this undertaking. The nine team members include: Ruder Finn Interactive, Worldwide Marketing and Media Group, Positive Impact, Buxton, Cara Martin, Center for Airport Management, El Taller Colaborativo, and Garrick-Aug.

We have collaboratively developed a range of advertising concepts with the intent to generate the maximum optimal revenue for the Port Authority. We believe the approach taken has created a holistic, creative and innovative process to respond to this RFP. We understand the scope and the nature of the opportunity and are capable of exceeding expectation of deliverables and assuring success of the requested task by assembled a "best of the best" talents.

The enclosed has revolutionary concepts, technology and revenue streams that will set a new paradigm worldwide optimizing TOD (transportation oriented developments) utilizing both tangible and intangible assets and using such to exploit the massive sheer volume of millions of daily impressions of commuters and the movement of business activity. PANYNJ makes the regional economy move; we intend to complete a singular vision and message that promotes PANYNJ growing its revenue and thus branding the opportunities for greater values and revenues.

In addition, unlike some of the billboard advertising agencies our team will not have any conflicts-of-interests. Also, and more important, this team views its role as a financier of ideas, a consultant and as a facilitator while still having the collective client lists that rival any agency to ensure that PANYNJ may surpass its stated goals in the RFP document.

We have been selected by our team members to be the direct contact with you. Mr. Lawrence J. Selevan, Chairman and CEO of Garrick-Aug, will negotiate on behalf of all team members with the Port Authority. I am available at 212.557.9090.

Mr. Michael Kramer, Director of Development Services for Garrick-Aug will be your direct contact person. He can be reached at 212.850.0278.

Sincerely,
Garrick-Aug Associates Store Leasing, Inc.

Lawrence J. Selevan
Chairman and CEO
360 Lexington Avenue
New York, NY 10017

CONTACT LIST

Team Members

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Managing Director of Airport Consultancy
Center for Airport Management (CAM)
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Libertyville, Illinois 60048

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President
Cara Martin
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Mt. Kisco, NY 10549
Phone (914) 241-4747

Gary A. Kushner
Vice President
CommArts
110 Constitution Drive
Menlo Park, CA 94025
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Fax: (650) 326-1648

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Scott Schneider
Executive Vice President/Director of Interactive
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New York, New York 10022
United States
tel: (212) 593-6400
fax: (212) 593-6397
email: rfnewyork@ruderfinn.com

Edward J. Manetta, Jr.
Chief Executive Officer
Worldwide Marketing and Media Group
733 Third Avenue, Suite 1910
New York, NY 10017
(212) 286-1244

Garrick Aug is excluded:
212 557 9090
Mike Kramer or
Lawrence Selevan.

garrick-aug
Retail Leasing

MEMORANDUM

From:	Lawrence J. Selevan
To:	The Port Authority of New York and New Jersey
Date:	June 13, 2005
Re:	A Vision to this Opportunity

In addition to our Letter of Transmittal, we wish to present our collective vision.

First, allow us the opportunity to thank you for your consideration to present a viable alternative to traditional "BIG Three" advertising firms or conglomerated media billboard companies. Some of us have serious concerns regarding potential conflicts of interests of the traditional advertising and billboard companies to push through their own "deals" benefiting their existing clientele or that they may compete with their billboards.

Our vision is to present a completely different alternative. We sought and obtained the most creative industry leaders in their prospective fields. We also garnered their thoughts to create an advertising campaign and program that thinks "outside the box".

As "*arrows in our quiver*', we have collected some of the most advanced technologies in the fields of interactive and direct communication, print, media, interactivity installations, physical kiosks, internet access, LCD displays, electronic wall paper, design concepts for banner ads- sponsorship, all creating a new vibrancy and cash flow for PANYNJ.

As stated earlier, our team members include: Ruder Finn Interactive, Positive Impact, Worldwide Marketing and Media Group, Cara Martin, Buxton, Center for Airport Management, El Taller Colaborativo, and Garrick-Aug.

I am available at the following number (212.557.9090) if any party at PANYNJ seeks a better understanding of our vision.

Sincerely,
Garrick-Aug Associates Store Leasing, Inc.

Lawrence J. Selevan
Chairman and CEO
360 Lexington Avenue
New York, NY 10017

Lawrence J. Selevan – Chairman
Home Address:

Peter Botsaris – Chief Operating Officer
Home Address –

Peter Nelson – Comptroller
Home Address –

Johnathan Krivine – Senior Managing Director/Secretary
Home Address:

USC

A21.8426

March 10, 1975
filed March 12 1975

CERTIFICATE OF INCORPORATION

OF

GARRICK-AUG ASSOCIATES STORE LEASING, INC.

(Under Section 402 of the Business Corporation Law)

The undersigned incorporator, a natural person over age of eighteen years, in order to form a corporation er the Business Corporation Law of the State of New York, tifies as follows:

1. Name. The name of the corporation is GARRICK-AUG ASSOCIATES STORE LEASING, INC. einafter called the "Corporation").

2. Purposes. Subject to any limitations provided in Business Corporation Law or any other statute of the State w York, and except as otherwise specifically provided in Certificate, the purposes for which the Corporation is d are:

2.1 To organize, promote, conduct, engage in, nd/or carry on a general business of a real estate agency, nd as principal, agent, or broker, on commission or otherwise, to buy, sell, exchange, lease, grant, or take licenses n respect of, improve, develop, repair, manage, maintain, nd operate real property of every kind, and every kind of

interest therein; to construct, improve, repair, and wreck buildings and works of all kinds; to buy, sell, and deal in building materials and supplies; to advance loans secured by mortgages or other liens on real estate; to act as loan broker; to do everything proper and conducive to the successful conduct of a real estate and real estate agency and brokerage business.

2.2 To the extent that a corporation formed under the Business Corporation Law of the State of New York may lawfully do so, to engage in, carry on, conduct, and participate in research, experimental, manufacturing, assembling, building, erecting, trading, buying, selling, collecting, distributing, wholesaling, retailing, importing, exporting, processing, compounding, producing, refining, synthesizing, mining, extracting, growing, liquidating, dismantling, demolishing, servicing, promoting, exhibiting and publishing activities, enterprises and businesses; and also any activities, enterprises, ventures and businesses similar or incidental to any of the foregoing.

2.3 To create, acquire, hold, and deal in and with, and dispose of, in any manner, any legal or equitable interest in real property and chattels real, and, without limiting the generality of the foregoing, to purchase, receive, take (by grant, gift, devise, bequest or otherwise),

own, hold, improve, employ, use, operate, manage, repair, control, maintain, sell, assign, transfer, convey, exchange, lease, alter, construct, mortgage or encumber real property, whether improved or unimproved, and structures and improvements on real property, or leaseholds, or any other legal or equitable interests or rights therein.

2.4 To create, acquire, hold, deal in and with, and dispose of, in any manner, any legal or equitable interest in tangible or intangible personal property, and, without limiting the generality of the foregoing, to make, purchase, receive, take (by grant, gift, bequest, lease, exchange or otherwise), own, hold, improve, employ, use, operate, manage, repair, control, maintain, process, import, export, sell, assign, transfer, convey, exchange, lease or otherwise dispose of, mortgage, pledge or otherwise encumber or in any manner to exploit, turn to account, trade or deal in or with, personal property, whether tangible or intangible, or any other legal or equitable interests or rights therein.

2.5 To make, create, apply for, renew, take (by grant, gift, bequest or otherwise), purchase, lease or otherwise acquire, to hold, own, register, use, operate, to sell, assign, license, lease, transfer, exchange or otherwise dispose of, to mortgage, pledge or otherwise encumber, to acquire or grant licenses with respect to,

or in any manner to exploit, turn to account, trade or deal in or with, copyrights, trademarks, service marks, designs, inventions, discoveries, improvements, developments, processes, formulae, patents, trade names, labels, prints, or any interest or right, whether legal or equitable, therein.

2.6 To purchase, take (by grant, gift, bequest or otherwise), receive, subscribe for, invest in or otherwise acquire, own, hold, employ, sell, lend, lease, exchange, transfer, assign, or otherwise dispose of, mortgage, pledge, use, and otherwise deal in and with, or in respect of shares, stock, bonds, debentures, warrants, rights, scrip, notes, evidences of indebtedness, certificates of interest or participation in profit-sharing agreements, collateral trust certificates, preorganization certificates and subscriptions, investment contracts, voting trust certificates, certificates of deposit or other securities or obligations of any kind by whomsoever issued (whether or not engaged in similar or different businesses, governmental or other activities); to exercise in respect thereof all powers and privileges of individual or corporate ownership or interest therein, including the right to vote thereon (by proxy or otherwise) for any and all purposes; to consent or otherwise act with respect thereto, without limitation; and to issue in exchange therefor the Corporation's shares, stock, bonds,

debentures, warrants, rights, scrip, notes, evidences of indebtedness, or other securities or obligations of any kind.

2.7 To make contracts, incur debts and other liabilities, and borrow money on such terms and at such rates of interest as the Corporation may determine; and to mortgage, pledge, convey, assign in trust or otherwise encumber or dispose of, the property, good will, franchises or other assets of the Corporation, including contract rights and including after-acquired property.

2.8 To lend money, with or without security; provided, that the Corporation shall not have the power to engage in the business of banking.

2.9 To issue, reissue, sell assign, exchange, pledge, negotiate or otherwise dispose of, to purchase, receive, take, own, hold or otherwise acquire, to deal in or with, or to cancel shares, stock, bonds, debentures, warrants, rights, scrip, notes, evidences of indebtedness or other securities or obligations of the Corporation of any kind, whether secured or unsecured, and whether or not convertible into or subordinated to any other class of securities.

2.10 In furtherance of its corporate business, to guarantee or assume liability for the payment of the principal of, or dividends or interest on, or sinking fund payments in respect to, shares, stock, bonds, debentures,

warrants, rights, scrip, notes, evidences of indebtedness, certificates of interest or participation in profit-sharing agreements, collateral trust certificates, preorganization certificates and subscriptions, investment contracts, voting trust certificates, certificates of deposit, or other securities or obligations of any kind by whomsoever issued; and to guarantee or assume liability for the performance of any other contract or obligation, made or issued by any domestic or foreign corporation, partnership, association, trustee, group, individual or entity; and, when authorized in any manner provided by law, to give any guaranty although not in furtherance of the Corporation's purposes.

2.11 In furtherance of its corporate business, to be a promoter, partner, co-venturer, member, associate or manager of other business enterprises or ventures, or to be an agent thereof, or to the extent permitted in any jurisdiction to be an incorporator of other corporations of any kind or type.

2.12 To cause to be formed under the laws of any state or country, to control or in any manner participate in the management of, to reorganize, merge, consolidate, and to liquidate or dissolve any corporation, association or organization of any kind.

2.13 To engage in, carry on, conduct and/or participate in any activity, enterprise or business which is

similar or related to any activity, enterprise or business herein set forth, or which is capable of being conveniently carried on incidental to any such activity, enterprise or business or which may directly or indirectly protect or enhance the value of any of the rights or property of the Corporation.

2.14 To engage in, carry on, conduct and/or participate in any general or specific branch or phase of the activities, enterprises, or businesses authorized in this Certificate in the State of New York or in any other state of the United States and in all foreign countries, and in all territories, possessions and other places, and in connection with the same, or any thereof, to be and act either as principal, agent, contractor or otherwise.

2.15 To do everything necessary, suitable, convenient or proper for the accomplishment, attainment or furtherance of, to do every other act or thing incidental to, appurtenant to, growing out of or connected with, the purposes set forth in this Certificate, whether alone or in association with others; to possess all the rights, powers and privileges now or hereafter conferred by the laws of the State of New York upon a corporation organized under the Business Corporation Law of the State of New York (as the same may be amended from time to time) or any statute which may be enacted to supplement or replace it, and, in

general, to carry on any of the activities and to do any of the things herein set forth to the same extent and as fully as a natural person or a partnership, association, corporation or other entity, or any of them, might or could do; provided, that nothing herein set forth shall be construed as authorizing the Corporation to possess any purpose, object, or power, or to do any act or thing forbidden by law to a corporation organized under the Business Corporation Law of the State of New York.

foregoing provisions of this Article shall be construed purposes, objects and powers, and each as an independent pose, object and power, in furtherance, and not in limitation, the purposes, objects and powers granted to the Corporation the laws of the State of New York; and except as otherwise ifically provided in any such provision, no purpose, object ower herein set forth shall be in any way limited or re-cted by reference to, or inference from, any other provision this Certificate.

3. Office. The office of the Corporation is to be ted in the City of New York, County of New York and State ew York.

4. Number of Shares. The aggregate number of shares the Corporation shall have authority to issue is Three ed (300), all of which shall be Common Shares without par

5. Designation of Secretary of State; Mailing Address. Secretary of State is designated as the agent of the Cor-ation upon whom process in any action or proceeding against Corporation may be served, and the address to which the etary of State shall mail a copy of process in any action rocceding against the Corporation which may be served upon is:

Garrick-Aug Associates Store Leasing, Inc.
777 Third Avenue, New York, New York 10017

6. Amendment. An amendment of this certificate of orporation shall be authorized at a meeting of shareholders vote of the holders of eighty percent (80%) of all outstand-shares entitled to vote thereon.

7. Officers. All officers of the Corporation shall elected by the shareholders instead of by the board of ectors.

8. Written Consent in Lieu of Meeting of the Board Directors. Any action required or permitted to be taken by board or any committee thereof may be taken without a ing if all members of the board or the committee consent riting to the adoption of a resolution authorizing the on. The resolution and the written consents thereto by members of the board or committee shall be filed with the tes of the proceedings of the board or committee.

9. Duration. The duration of the Corporation is be perpetual.

IN WITNESS WHEREOF, the undersigned incorporator scribes this Certificate and affirms it as true under the alties of perjury on this 6th day of March, 1975.

Jeanne Drewsen,
Incorporator
345 Park Avenue
New York, N.Y. 10022

E OF NEW YORK)
: ss.:
NTY OF NEW YORK)

On the 6th day of March, 1975 before me personally JEANNE DREWSEN, to me known, and known to me to be the vidual described in, and who executed the foregoing instru-, and she acknowledged to me that she executed the same.

Wayne L. Warnken
Notary Public

WAYNE L. WARNKEN
Notary Public, State of New York
No. 4527189
Qualified in Westchester County
Commission Expires March 30, 1976

N.Y. - Consent to
use of name.

RESOLUTION OF DIRECTORS

OF

AUG & ASSOCIATES CHAIN STORE LEASING, INC.

I, Charles Aug,

President and Secretary, respectively, of Aug & Associates Chain Store Leasing, Inc., a N.Y corporation, do hereby certify that at a meeting of the Board of Directors of said corporation duly held on the 10 day of March, 1975, the following resolutions were placed before the meeting and unanimously adopted:

RESOLVED, that it is the judgment of this Board of Directors that the name of Garrick-Aug Associates Store Leasing, Inc. will in no way interfere or conflict with the name of this corporation, (consenting corporation), and it is our further judgment that said corporate names are sufficiently different and will not tend to confuse or deceive.

RESOLVED, that a certified copy of the foregoing resolution be submitted to the Secretary of State of the State of New York, with the request that the Certificate of Incorporation of Garrick-Aug Associates Store Leasing, Inc. be filed.

IN WITNESS WHEREOF, we have subscribed this instrument this 10th day of March, 1975.

Charles Aug
President

Charles Aug
Secretary

CORPORATE SEAL

STATE OF)
) SS.:
COUNTY OF)

On this 10th day of March, 1975, before me personally came Charles Aug and to me known and known to me to be the persons described in and who executed

CERTIFICATE OF INCORPORATION

OF

GARRICK-AUG ASSOCIATES STORE LEASING, INC.

(Under Section 402 of the Business Corporation Law)

STATE OF NEW YORK
DEPARTMENT OF STATE
TAX $ 15
FILING FEE $ 50
FILED MAR 12 1975
Secretary of State
By

New York
ment of State } ss.:

06538

ertify that I have compared the annexed copy with the original document filed by the Department of State

e same is a correct transcript of said original.

Witness my hand and seal of the Department of State on MAR 12 1975

Secretary of State

N. Y. S. DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS
ALBANY, NY 12231-0001

FILING RECEIPT

ENTITY NAME: GARRICK-AUG ASSOCIATES STORE LEASING, INC.

DOCUMENT TYPE: AMENDMENT (DOMESTIC BUSINESS)
STOCK
COUNTY: NEWY

SERVICE COMPANY: GERALD WEINBERG, INC.
SERVICE CODE: 14

FILED:10/21/2004 DURATION:********* CASH#:041021000661 FILM #:041021000617

ADDRESS FOR PROCESS

REGISTERED AGENT

STOCK: 25000000 PV .05

FEES	757.50	PAYMENTS	757.50
FILING	60.00	CASH	0.00
TAX	622.50	CHECK	0.00
CERT	0.00	CHARGE	0.00
COPIES	0.00	DRAWDOWN	757.50
HANDLING	75.00	BILLED	0.00
		REFUND	0.00

PROHMAN & PRIMOFF, LLP
AVENUE
NY 10022

authorized:

first, by vote of the board of directors and then by unanimous written consent of all the holders of all the outstanding shares entitled to vote thereon.

IN WITNESS WHEREOF, this certificate has been subscribed this 15th day of October, 2004 by the undersigned who affirms that the statements made herein are true under the penalties of perjury.

S/ Peter Botsaris Peter Botsaris, President

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
GARRICK-AUG ASSOCIATES STORE LEASING, INC.

Under Section 805 of the Business Corporation Law

Filed By
ALFIERI, FROHMAN & PRIMOFF, LLP
460 Park Avenue
New York, N.Y. 10022
(212) 751-8899

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
GARRICK-AUG ASSOCIATES STORE LEASING, INC.

Under Section 805 of the Business Corporation Law
IT IS HEREBY CERTIFIED THAT:

1. The name of the corporation is GARRICK-AUG ASSOCIATES STORE LEASING, INC.

2. The certificate of incorporation was filed by the Department of State on the 12th day of March, 1975.

3. The certificate of incorporation of this corporation is hereby amended to effect the following change:

The certificate of incorporation is hereby amended to change and increase the capitalization of this corporation from the presently authorized One Hundred Thousand (100,000) Shares with a par value of ($0.05); of which Seventy Thousand (70,000) shares are Class A common shares with a par value of ($.05) and Thirty Thousand (30,000) shares are Class B common shares with a par value of ($.05); to Twenty Five Million (25,000,000) shares with a par value of ($.05) all of which shall be common and of one Class.

The corporation is presently authorized to issue One Hundred Thousand (100,000) shares with a par value of ($.05) per share, of which Seventy Thousand (70,000) are Class A common shares with a par value of ($.05) and Thirty Thousand (30,000) are Class B common shares with a par value of ($.05), all of which have been issued; said issued Seventy Thousand (70,000) Class A common with a par value of ($.05) shall be changed into Seven Million (7,000,000) shares with a par value of ($.05), of the newly authorized Twenty Five Million (25,000,000) shares with a par value of ($.05), all of one class, at a rate of One Hundred for One and said issued Thirty Thousand (30,000) Class B common shares with a par value of ($.05) shall be changed into Three Million (3,000,000) of the newly authorized Twenty Five million (25,000,000) common shares all of one class at a rate of One Hundred for One. In addition Fifteen Million (15,000,000) shares with a par value of ($.05) all of one class are hereby added.

Paragraph Fourth of the certificate, which sets forth the capitalization of the corporation is hereby amended to read as follows:

FOURTH: The aggregate number of shares which the corporation shall have the authority to issue is Twenty Five Million (25,000,000) shares all of one class of common stock with a par value of ($.05) per share.

4. The amendment to the certificate of incorporation was

E510

159
6,000
INCORPORATED UNDER THE LAWS OF THE STATE OF NEW YORK
GARRICK-AUG
ASSOCIATES STORE LEASING INC.
The Corporation is authorized to issue 25,000,000 Common Shares — Par Value $.05 each
Konrad von Arx
This Certifies that Six thousand
is the owner of
fully paid and
non-assessable Shares of the above Corporation transferable only on the
books of the Corporation by the holder hereof in person or by duly authorized
Attorney upon surrender of this Certificate properly endorsed.
In Witness Whereof, the said Corporation has caused this Certificate to be signed
by its duly authorized officers and to be sealed with the Seal of the Corporation.
Dated December 19, 2001
CHAIRMAN
SECRETARY

ATTACHMENT C - PROPOSER REFERENCE FORM

Name of Proposer: Cara Martin + Garrick-Aug

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name: Advance Realty Group
Address: 1430 State Highway 206
Contact Name and Title: Greg Sankevitch
Phone and Fax Numbers of Contact: (908) 719 3000
Contract date(s):
Contract cost: approximately $500,000
Description of work:
Concept and development of print media, media planning, brochures, direct mail and signage, rebranding, repositioning company multimedia advertising, marketing campaigns

Customer Name: Silverstein properties
Address: 120 Broadway
Contact Name and Title: Roger Silverstein
Phone and Fax Numbers of Contact: Senior Vice President
Contract date(s):
Contract cost: approximately $500,000
Description of Work:
rebranding 140 Broadway, 120 Broadway, 529 Fifth Ave. Recently received the 1 World Trade Center account (development)

Customer Name: SL Green Realty Corp
Address: 420 Lexington Ave.
Contact Name and Title: Chief operating officer
Phone and Fax Numbers of Contact: (212) 594 2700
Contract date (s):
Contract cost: $500 000 (approximately)
Description of work: advertising, concept + development of print media, media planning, direct mail, signage

ATTACHMENT C - PROPOSER REFERENCE FORM

Name of Proposer: COMMARTS + Garrick Aug

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name: Staples Center
Address: 1111 S. Figueroa St, Los Angeles, CA 90015
Contact Name and Title:
Phone and Fax Numbers of Contact:
Contract date(s):
Contract cost:
Description of work:
Participated in the process of obtaining arena sponsorship naming rights, advertisir

Customer Name:
Address:
Contact Name and Title:
Phone and Fax Numbers of Contact:
Contract date(s):
Contract cost:
Description of Work:

Customer Name:
Address:
Contact Name and Title:
Phone and Fax Numbers of Contact:
Contract date (s):
Contract cost:
Description of work:

ATTACHMENT C - PROPOSER REFERENCE FORM

Name of Proposer: The Center for Airport Management + Garrick-Aug

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name: Los Angeles World Airports
Address: P.O Box 92216 / Los Angeles, CA 90009-2216
Contact Name and Title: Karen Tager
Phone and Fax Numbers of Contact:
Contract date(s): 1999 to ongoing
Contract cost:
Description of work:
Develop a marketing Income Implementation Plan which identifies non-traditional means of revenue enhancement including product rights sponsorship: promotions, sponsorships, naming rights and licensing branding opportunit

Customer Name:
Address:
Contact Name and Title:
Phone and Fax Numbers of Contact:
Contract date(s):
Contract cost:
Description of Work:

Customer Name:
Address:
Contact Name and Title:
Phone and Fax Numbers of Contact:
Contract date (s):
Contract cost:
Description of work:

ATTACHMENT C - PROPOSER REFERENCE FORM

Name of Proposer: Positive Impact Garrick-Aug

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name: New York Football Giants
Address: Giants Stadium, East Rutherford, NJ 07073
Contact Name and Title: Rusty Hawley, VP Marketing
Phone and Fax Numbers of Contact: (201) 935-8111 (fax) 201 939 527
Contract date(s): 2002-Current
Contract cost:
Description of work:
Sponsorship services, advertising services

Customer Name: AVP Pro Beach Volley Ball
Address: 6100 Center Drive, 9th floor, LA CA 90045
Contact Name and Title: Dave Klewan, Director of Marketing
Phone and Fax Numbers of Contact: (310) 426 8000 (fax) 310 426 801
Contract date(s): 2002-Current
Contract cost:
Description of Work:
Ticket sales and sponsorship services for annual event

Customer Name: Seton Hall Athletics
Address: SHU, 400 South Orange Ave, South Orange, N 07
Contact Name and Title: Jeff Fogel Sen, Athletic Director
Phone and Fax Numbers of Contact: (973) 761 9498
Contract date (s): 2000 - Current
Contract cost:
Description of work: Ticket sales + sponsorship services for mens basketball team.

ATTACHMENT C

PROPOSER REFERENCE FORM

Name of Proposer: WORLDWIDE MARKETING + MEDIA GROUP

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name: BIG EAST CONFERENCE
Address: 222 RICHMOND STREET, SUITE 110, PROVIDENCE, RI 02903
Contact Name and Title: TOM ODJAKJIAN, ASSOCIATE COMMISSIONER
Phone and Fax Numbers of Contact: 401-272-9108 (P) 401-274-5967 (F)
Contract date(s): JULY 1, 2004-present
Contract cost: $250,000
Description of work:
All sales, production and deliverance of a weekly television show.

Customer Name: HOPE THRU HOOPS FOUNDATION
Address: 245 HILLSIDE AVE. WILLISTON PARK, NEW YORK 11596
Contact Name and Title: SAM ALBANO, EXECUTIVE DIRECTOR
Phone and Fax Numbers of Contact: 516-742-7200 (P) 516-742-4080 (F)
Contract date(s): FEBRUARY 1, 2003-present
Contract cost: $50,000
Description of Work:
All sponsorship sales, event marketing and public relations for a series of fund raising events.

Customer Name: FOOTE CONE BELDING
Address: 100 WEST 33 STREET, NEW YORK, NEW YORK 10001-2400
Contact Name and Title: VITO ELLISON, MEDIA PLANNER
Phone and Fax Numbers of Contact: 212-885-3465 (P) 212-885-3300
Contract date (s): JANUARY 1, 2005 - MARCH 31, 2005
Contract cost: $90,000
Description of work: Creation of advertising program for weekly television show.

Attachment C – Proposer Reference Form

Name of Proposer: Ruder Finn

Please provide a list of references on the form's performance of similar work within the last five years, including all current contracts. Include additional sheets if necessary.

Include the following information for each reference:

Customer Name: International Center of Photography
Address: 1133 Avenue of the Americas, New York, NY, 10036
Contact Name and Title: Evan Kingsley, Director of Marketing
Phone and Fax Numbers of Contact: (212) 857-0000
Contract date(s): 11/05/04 – 11/03/07
Contract Cost: $500,000 for 1st year
Description of Work: The new ICP marketing program is an overhaul of its offline and new media assets, as well as its Customer Relationship Management strategy.

Customer Name: Johnson & Johnson
Address: 199 Grandview Road, N3217, Skillman, NJ 08558-9418
Contact Name and Title: Nancy Lewin, Worldwide Director, Wound Care Franchise
Phone and Fax Numbers of Contact: (908) 874-2834
Contract date(s): 1/01/02 – Current
Contract Cost: $2,000,000
Description of Work: Communications campaign which, increased nursing-degree program enrollment, promoted public awareness of the nursing shortage, create a destination website positioning nursing as a modern, viable profession for students and second-career seekers, and to provide online tools to help potential nursing candidates in their search.

Customer Name: Novartis Corp
Address: 608 5th Ave Fl 10, NEW YORK, NY 10020
Contact Name and Title: Sheldon Jones,
Phone and Fax Numbers of Contact: (212) 307-1122
Contract date(s): 1/01/04 - Current
Contract Cost: $8,000,000
Description of Work: Novartis wanted to enhance its corporate reputation message, and reach its core audience of patients, physicians, and investors. The patient/physician message focused on developing patient profiles that would make an emotional connection with these target audiences. The investor piece of the program focused on placing rich media ad units on major investor interest online publications. The ad unit provided exclusive video of major Novartis executives speaking on issues that resonated with investors. The video content was also surrounded with supporting downloads and links directly within the banner.

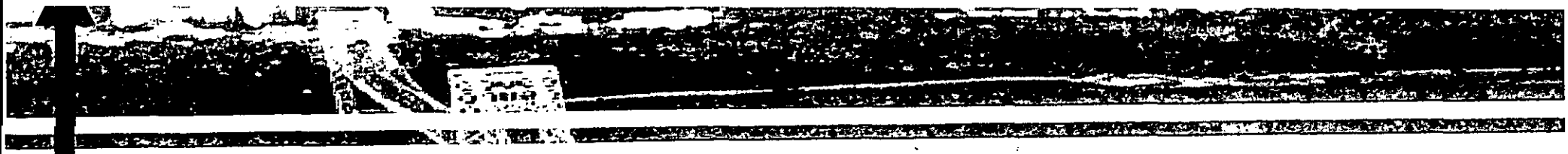
B: EXECUTIVE SUMMARY

Executive Summary

To design, create and implement the broadest possible range of Advertising, New Media, Interactive Media, Specialty Media and any other related Out-of-Home Advertising concepts that will generate maximum revenues for the PANYNJ from non-toll and fare sources.

We have assembled a world class nine-member team of boutique advertising, media, retail branding, interactive media, billboard displays, technology providers, and sponsorship, and advertising firms with all different and unique skill-sets.

- Our Team boasts unparalleled experience and research capability in the transportation specialty marketplace, and most importantly, at the three local airports and the two bus stations. We have a national perspective with local experience in revitalizing JFK Terminals 4 and 5, who are in daily contact with the airline industry. Parent company, SH&E can review undervalued or under utilized PANYNJ assets to identify opportunites (Center for Airport Management).
- Our Team has a NY metro area presence since 1975 concluding thousands of retail leasing transactions and with retail branding experiences intimate with local neighborhood knowledge of surrounding retail of the many PANYNJ sites. Our Team has extensive experience in the Northern New Jersey marketplace specializing in the Meadowlands area, NJ Transit stations and beyond. (Garrick-Aug)
- Our Team will integrate its sports and entertainment experience with solid traditional advertising models, new concepts and interactive solutions to provide access to all potential advertisers utilizing our solid track record of sales and follow-through implementation. (Positive Impact)
- Our Team has the largest most creative interactive and internet advertising companies. (Ruder Finn)
- Our Team has a top sports and entertainment advertising agency with a long roster of advertisers perfectly suited to advertise at PANYNJ assets. (WMMG)
- Our Team has one of the most creative advertising agencies in NYC. (Cara Martin)
- Our Team has the best marketing and consumer databases in the nation. (Buxton)
- Our Team has two of the best designers, one works with airports and the other with bus stations. (ETC and Commarts)



9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

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

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

Garrick Aug Associates Store Leasing I
(Company)

(Signature)

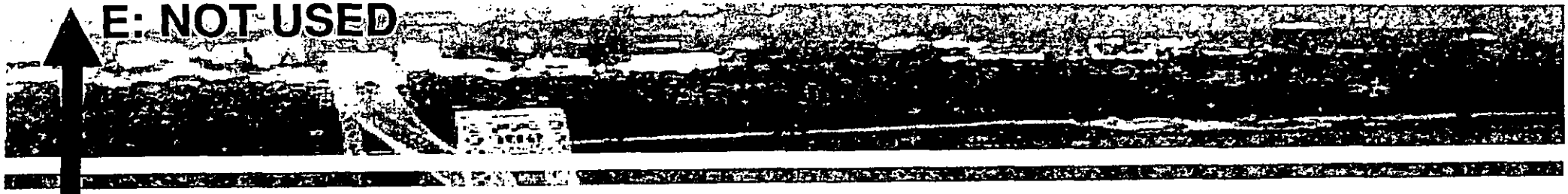
CEO, Chairman
(Title)

6/09/05
(Date)

D: CERTIFICATION OF CONTRACTOR'S INTEGRITY

INTENTIONALLY LEFT BLANK

E: NOT USED



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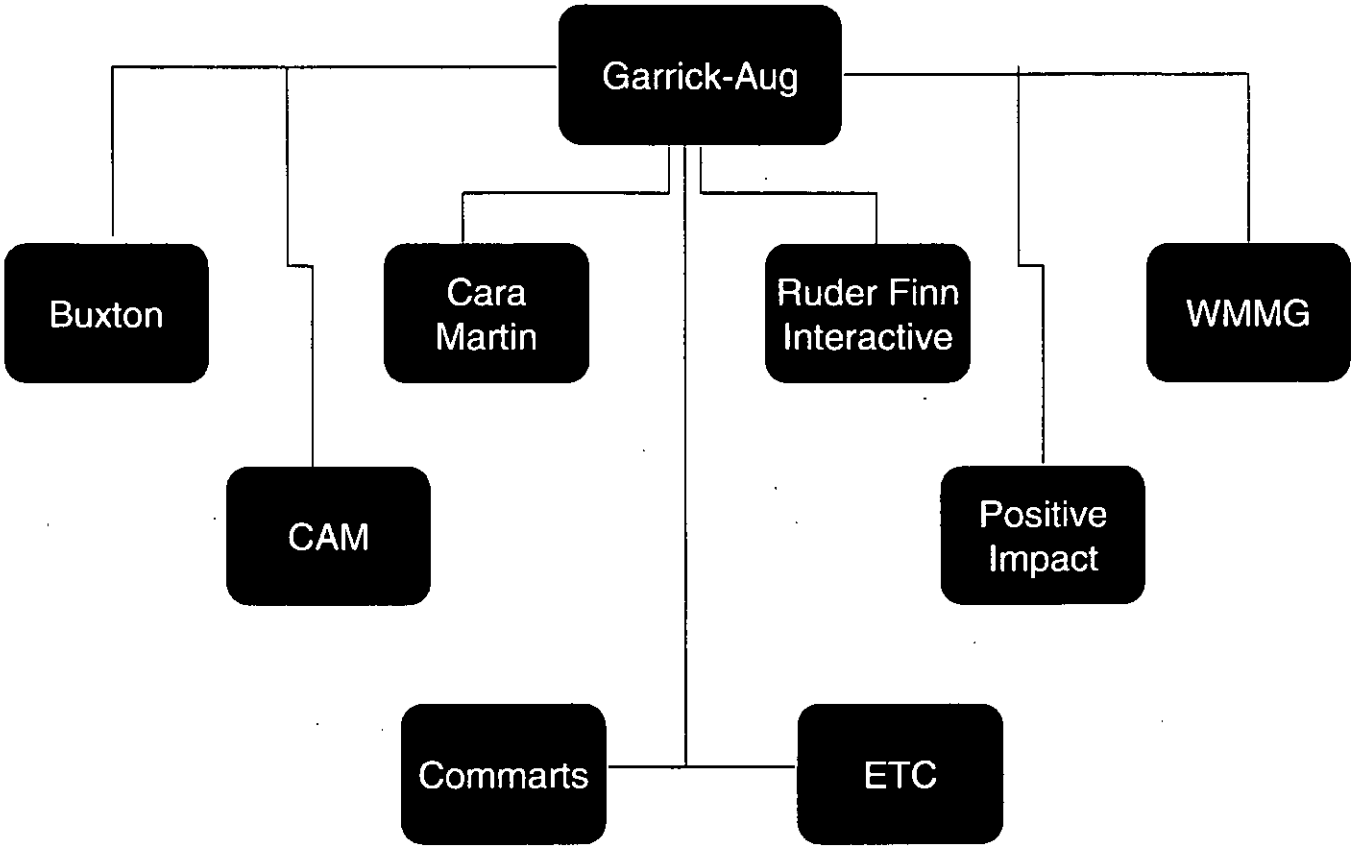
ORGANIZATION CHART FOR ADVERTISING TEAM



Team Summary

commarts @

Commarts is a strategic planning and design firm responsible for retail environments, urban and mixed-use projects that has implemented multi-faceted advertising and sponsorship programs at airports like LAWA

Cara Martin is a fast growing ad agency that has developed campaigns for leading companies in nearly every major marketing category including: ABC, IBM, Hearst, L'Oreal, American Express, Ralph Lauren, Revlon, Mead Paper, Phillip Morris, The Limited, Pzier, Richardson-Vick, Nabisco, Nestles, Neutrogena, Pan Am, Miller Beer, Wrangler, Sony, Bloomingdale's, Kodak, Neutrogena, Lazard Freres, Melon Bank Spain, The Bahamas, Lufthansa, Ideal Toy, Buick, Mexico, Aston-Martin and on and on.

cara MARTIN
we get it.

Ruder Finn interactive provides innovative, cutting-edge kiosks that strategically transform clients' brands

RUDER•FINN

EL TALLER COLABORATIVO ETC

garrick-aug
Retail Leasing

El Taller Colaborativo has studied Lincoln Tunnel traffic and potential opportunities at both bus stations for the PANYNJ

Since 1975 Garrick-Aug has been the leading retail leasing broker in NYC and NJ working with major national and international retailers

Team Summary

POSITIVE impact

Positive Impact is a leading NJ sports and entertainment consulting firm with significant media, sports and corporate advertising experience in larger venues like Giants Stadium.

WORLDWIDE MARKETING & MEDIA GROUP

WMMG

WMMG delivers award-winning advertising solutions, brand consolation, sales, cross-media content development and implementation strategies for clients like MSG.

Buxton®

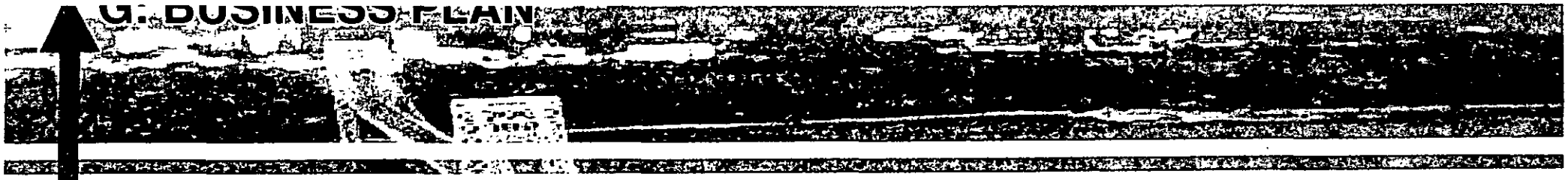
Identifying Customers

Buxton will assess the retail potential/mix based on our proprietary customer profile database, matching specific retail and restaurant concepts to the buying habits and lifestyles of the consumers traveling through the Port Authority facilities. We then provide marketing materials with site selection criteria to attract matched retailers.

CAM The Center For Airport Management

CAM is the leader in analytical concession planning and non-fare based revenue enhancement programs for most major U.S. airports.

G. BUSINESS PLAN



Business Plan
Mission Critical Strategic Objectives

- To exploit the successes of PANYNJ and its record high transit use in 2004 as both air travel and vehicular traffic in bridges and tunnels regionally increased 200% compared to other U.S. regional markets.
- To help PANYNJ accurately quantify and value its impressions and advertising rates to maximize revenues to reflect the over 380 million users of its unique assets and facilities.
- To capture .1% of the $102.4 billion advertising market for PANYNJ over time, approximately $100 million, a 400% increase from PANYNJ's 2004 advertising revenues.

Business Plan
The Market

Predicated on the facts below, we believe that over time at least $100 million in advertising revenue can be generated from PANYNJ assets.

- In 2004, U.S. corporations spent over $102.4 billion on advertising.
- In 2004, total U.S. outdoor advertising revenue was $5.8 billion.
- $345 million was spent in contractual payments to government entities for transit, street furniture and other advertising.
- Billboard advertising costs 86% less than TV, 66% less than newspapers and 44% less than radio advertising.
- 3 out of 4 businesses said they would lose sales if they did not have access to billboards.
- 1 out of every 5 dollars spent by advertisers on billboards is for travel and tourism.
- More than 90 million passengers used PANYNJ airports in 2004. Kennedy International accommodates nearly 38 million travelers a year; LaGuardia more than 24 million; and Newark Liberty International nearly 32 million.
- Advertising at the 42nd Street Port Authority Bus Terminal, the 179th street George Washington Bridge Bus Station and the Journal Square Transportation Center in Jersey City serves more than 69 million customers annually.
- The trans-Hudson rail system carries nearly 58 million people each year, 80% of whom are business professionals, and 75% overall who are between the ages of 25-54, offering 5 million viewer impressions per month.

The Competition's Weaknesses

- They may have existing conflicts of interest with PANYNJ enroute to their facilities.
- The PANYNJ cannot be certain that its advertising and revenue objectives are not in direct competition with other advertising agencies' clients.
- Advertising agencies are not typically early technology adopters. They're financially vested to old technologies and are therefore not inclined to risk the deployment of new advertising technologies which can only increase revenue for PANYNJ.
- They have no incentive to treat PANYNJ advertising contract as a top priority.
- The focus is on retaining PANYNJ existing contracts and not on increasing advertising market share for PANYNJ.
- Larger advertising agencies suffer from a "comfort zone" mentality which discourages innovation in maximizing the PANYNJ's revenue generation goals for its assets and services.
- By definition, an advertising agency will have no expertise in maximizing economic revenue from non-performing assets at airports and bus terminals.
- Their advertising approach is not integrated with sponsorship and retail revenue enhancement so they cannot offer a comprehensive PANYNJ marketing strategy.

Business Plan
Our Team's Strengths

- No existing conflicts of interest with PANYNJ. The PANYNJ can be certain that we are working for and with them.

- Our TEAM is composed of early technology adopters. We're not financially vested to old technologies and are more willing to utilize new advertising technologies found in the sports and entertainment world which can increase revenue for PANYNJ.

- The PANYNJ advertising contract will be a top priority for our TEAM.

- Our TEAM'S focus will be on gaining advertising market share over time for PANYNJ to reach the $100 million advertising revenue goal, a conservative and attainable revenue benchmark.

- Our TEAM believes in fresh conceptualization, high impact development and increased revenue generation in all of its business endeavors.

- Our TEAM will integrate a comprehensive PANYNJ marketing strategy into an advertising sales package that will bring new clients to transit advertising.

Business Plan

PANYNJ Advertising Indoor Opportunities

Interactive Kiosks: Download MTV ring tones, MP3s, Kodak digital images of Manhattan, PANYNJ subway maps, directions to a Broadway theater, even Fandango movie tickets.

Animated Commercials: Imagine experiencing a James Bond escape scene or seeing Spiderman swing past in a hyper speed theater-like videocast experience in a few seconds in a PANYNJ train tunnel.

Surround Sound Satellite Music: Offered by XM or Sirius in specific terminals frequented by college students, retirees going to Atlantic City, business professionals or summer travelers.

Truth Billboards (Static): Truth strikes curiosity enough to prompt viewing image and reading details, e.g., an accepted college application essay advertised by the Princeton Review, a Match.com profile or a Homeland Security alert.

Oversized LCD Screens: Used as multi-user web surfing attraction linked to computers. Timed usage puts searches in queue prompting a playback list ensuring users wait and watch for their info while watching other web pages onscreen.

Large Scale Mirrors: Located at critical points of access like PATH entries and exits with written queries like "Do You Need A New Job?" posed by a firm like Monster.com.

Floor Messaging: Imagine a new cell phone company's logo under your feet as your current cell battery discharges?

PATHVision CCTV: High impact clips of upcoming college sports games advertised by ESPN, MSG, YES or the College Sports Network.

Baggage Carts: Offered free to travelers by paid advertising from Hertz or the Marriott Corp.

Gate Area News Monitors: TV commercials from companies like Bloomberg, Comedy Central's Jon Stewart Show or ABC News.

B2B or B2C Exhibit Space: To advertise a company's history like NYTimes, Disney, Saatchi & Saatchi, Milton Bradley or Callaway Golf.

Business Plan

PANYNJ Advertising Outdoor Opportunities

Digital Billboards: Newly built atop the 42nd St. PANYNJ Bus Terminal advertising the newest CSI TV series, a Discovery Channel promo or Nokia's newest cell phone and its applications.

Vinyl Advertising: On rail car exteriors, escalator handrails or walls. Best for companies that deliver high impact colors like Virgin's red or Apple's white and high impact brands or taglines like Victoria's Secret or Avis.

Organic 2D Sculptural Billboards (Static): Non-traditional shape and size can be used for advertising in the shape of the new VW Bug (length is one block long), 1-800-Flowers sublime rose bouquet for Valentine's Day (5 stories high) or Nike's newest Yao Ming sneaker (18 stories high).

Electronic Wallpapers: Enabled for multiple ad displays that transform into one another. An Absolut vodka ad morphs into an ING Bank ad which then morphs into a Sony ad.

Banners: Thematic and paid for by entities that run campaigns in keeping with the theme. If theme is "Fun", paid ads could come from amusement parks, IMAX, Electronic Arts or MTV.

Posters: Limited edition high quality advertising prints of VIPs that use PANYNJ's transportation services like Robert De Niro, Derek Jeter, Michael Bloomberg, Rudy Guiliani, Kofi Annan, Ron Howard, Bill Clinton, etc. paid for by corporate entities that want affiliation with star power.

Art Installations: Teaser art to advertise current exhibits at MOMA, Guggenheim, Whitney Museum or American Museum of Natural History at airports or 42nd St. Port Authority Bus Terminal.

Business Plan
New Technology

Introduction

Interactive computer kiosks have become increasingly exciting and effective vehicles for marketing, sales and consumer education. Today, customers value the convenience, consistency, and accessibility of automated transactions that kiosks can provide.

Ruder Finn Interactive proposes an interactive kiosk strategy to maximize revenue to the Port Authority of New York, New Jersey, and Pennsylvania. Ruder Finn Interactive recommends creating a multimedia experience that will attract the attention of commuters in airports, bus stations, and train stations. These kiosks will provide a plethora of services and entertainment features to occupy waiting commuters, while simultaneously offering quick information and amenities to those in a rush. These kiosks will also create a captive audience, allowing advertisers to communicate directly to viewers.

Ruder Finn Interactive believes that an Interactive Kiosk Strategy is the ultimate solution to raising advertising revenue for the Port Authority of New York and New Jersey. The kiosks will operate as living advertisements, as well as sources of entertainment and information for commuters both in a hurry and passing time.

Kiosk Description

The new interactive kiosks will be freestanding machines that can be placed anywhere. The kiosk will feature two widescreen HDTVs, one above the other. The bottom screen will be touch-sensitive, while the top screen will not. The kiosks will also include stereo speakers, optional headphone attachments, and a keyboard and touch-sensitive mouse pad. A slot on the side of the kiosk will dispense printed documents, depending on the service being used.

Services

Information

Sponsorship opportunities from news corporations, travel companies, and tourist boards.

- Get the **top news headlines** from any local paper – sponsorship opportunities available, by newspaper or other
- **Local maps** for desired destination – travel sponsors may include Lonely Planet or others
- **Locate map feature** – find hotels, restaurants, retail areas by category search
- **Business Network** – allows executives to leave a message saying how long they're at the terminal, which can then alert other executives of their presence for possible networking
- **Language tutorials and fact sheets** – prints a small sheet with translations of important phrases
- **Flight/bus/train locator** – GPS-style map shows progress of transport is en route)
- **Location tutorials and fact sheets** – a brief summary of interesting history and culture of desired destination
- **Last minute gift finder** – identifies all stores in the airport or station, lists their offerings and prices

Health

Sponsorship opportunities from pharmaceutical companies and national gym chains.

- **Blood pressure monitor**
- **Stress tests**
- **Sedentary exercise programs**
- **Walk counter** (shows a map of airport or bus station, identifies how to walk a mile, mile and a half, etc.)
- **Calorie counter** (user types in a food, computer identifies all nutritional information)

Entertainment

Sponsorship opportunities from amusement parks, movie studios, television channels, cell phone service providers, Internet businesses, and video game companies.

- **Send text messages and instant messages** (useful if the user has no cell phone signal)
- **Download ring tones** to phone (free, sponsored by a phone company)
- **Download MP3s to iPod** (free, from music companies)
- **Take a family photo** (sponsored by camera company)
- **Send a digital or print postcard to a friend** (featuring a photograph)
- **Send a Postcard** – customizable or stock
- **Book and movie reviews from all the top national critics**
- **Find what movies or shows are playing in advance on the bus or plane**
- **Satellite Radio player** (sponsored by Sirius or XM)
- **Online museum** (take a virtual tour of a local museum exhibit)
- **Multimedia interest articles** (sponsoring magazines offer short, minute long segments dealing with subjects in their most recent issue)

Kids

Sponsorship opportunities from toy companies and children's television networks

- **Mini Cartoons** (specially made for the kiosks, featuring children's favorite characters)
- **Dance Dance Revolution** – Kiosk Edition (children can dance on pads to music, sponsored by music companies)
- **Games** (specially created kiosk games sponsored by video game designers)
- **Take a photo, anywhere!** (free photographs – kids take their picture and the kiosk superimposes their face over a selectable background)

Advertising Opportunities

The kiosks will offer manifold ways for advertisers to disseminate their messages. In its very design, the kiosk has an established top screen that acts as an electronic billboard. This screen allows for advertisers to create moving, speaking advertisements that can be seen and heard near the kiosk, targeting commuters who pass by.

Advertisers will also have the chance to sponsor all of the services offered by a kiosk. Each service can provide a different means of advertising. For example, printed fact sheets on language can be branded with the name of the sponsoring travel company. Viral postcards can feature a prominent "brought to you by" when sent over the Internet.

Screen real estate can be parsed out accordingly. Banners and loading screens can change on a weekly or daily basis. Advertising can be sold based on the time of broadcast (higher prices for higher traffic time slots). An advertising sales associate could sell packages including appearance on the top ad screen, along with banners and skyscrapers and printed materials.

The advertising possibilities are virtually endless. For every service included in the kiosk, there are new opportunities for advertising revenue. And, because the kiosk is interactive, services can be added and taken away at any time, changing advertising availability, and giving advertisers the chance to propose their own services that they would like to sponsor.

- An attempt to secure the rights to the exterior signage at the 42nd Street Port Authority Bus Terminal might be a way to "create" a new location with a higher yield.
- After examining the existing twenty-year contract we note that there is a thirty-day "buy-out" option that could be exercised by either party.
- This element of dominant-level signage could be a major hurdle in engaging competing or additional advertisers (and sponsors) in this facility.
- However, securing the exterior rights in addition to having on-site advertising and sponsorship opportunities within the facility could offer some highly lucrative "packages" that may include exclusives.

E Ink Programmable Signage

Interactive Wallpaper

Book-marking Retailers

Holographic Dynamic Digital Signage

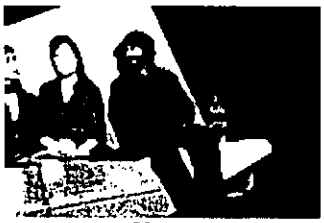
Mobile Wallets

Smart RFID Enabled Cell Phones

E INK: FOR LARGE AREA ELECTRONIC PAPER DISPLAYS

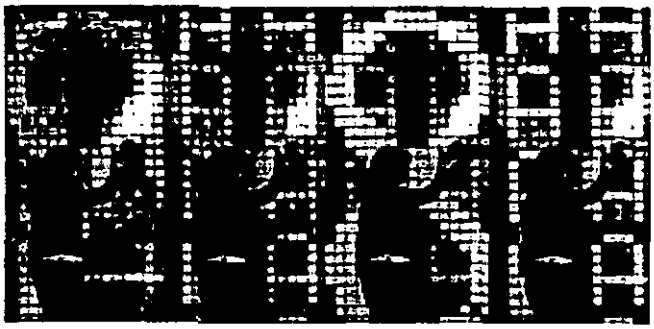
Passengers travelling by rail, local public transport or air will catch a peek of the future as of 2005: display technology using electronic ink – E Ink. Perfectly clear characters and graphics from almost any viewing angle or in any light conditions. Furthermore, information systems utilizing this paper-like technology are attractively economical to run.

In contrast to traditional display technologies on the market today, E Ink's reflective paper-like display technology enables displays that are extremely easy-to-read at virtually any angle and under any lighting condition - including direct sunlight. Ultra-low power consumption and low heat dissipation have the potential to eliminate the need for noisy, power consuming fans; thus making quiet, battery-operation possible for certain applications. The thin, light form of these electronic paper displays offers a wide range of sign installation options for customers which are currently constrained by existing heavy display products. TOPPAN is targeting the sale of these display modules to system integrators of public and transportation signs in fiscal 2005.



Chair-Screen

- "The Chair-Screen establishes a new conception of information based on pesonal communication; in practice, it is a telecommunicator. Life-size images of speakers will be recorded in and projected on the armchairs in order to give images a new dimension, to take them off the screen –the symbol of media indifference- in an attempt to achieve greater involvement, a communication-information based on personal interaction."
  --Index 2005 via We Make Money Not Art



Interactive Wallpaper

The surface of the wallpaper can display text and images according to the input received from a computer. The wallpaper works like a low resolution and low refresh rate display, giving you the possibility to change patterns and contents on your walls.
The surface and patterns of what appears to be ordinary wallpaper are actually interfaces that act as switches or displays. The back of it is covered with a grid of sensors, conductive materials and resistors. The physical interaction allows you to dim lights, turn on home appliances, read email on the wall, or view pictures taken with a camera phone. Another version of the wallpaper acts as a barometer, changing color according to the level of humidity detected in the atmosphere.

Bookmarking Retailers

Tokyo-based company TechFirm is launching a service that connects consumers and small retailers using RFID. Consumers having RFID-enabled phones can "bookmark" their favorite shops by showing their phones to RFID readers installed in stores. Information about the store is automatically transmitted to the phone.
The service allows consumers to easily manage and access information about their favorite stores "anywhere at anytime", while stores can collect lists of potential customers and use the lists to send bargain, information, etc.

Location-based bookmarking is not a new idea. Last year, UK-based Hypertag began offering billboards and posters that beam product-related information to cell phones using infra-red signals.

Holographic Dynamic Digital Signage

Generating Sales Through Holograms: 5-D Vision Technologies, Inc. in a strategic alliance with BARCO, can bring images to life within retail centers and other places where people gather, such as banks, museums and trade shows. Look for its images to be less pretty pictures than interactive commercials designed to jolt passers-by, just long enough for them to become shoppers and spark an impulse purchase or to receive an incentive for a return visit.

" We are a new advertising medium," said Manny Martinez, 5D Vision's, Principal. "Today, people advertise in a predictable manner; from broadcast to print to billboard signage trying to rise above the clutter and competition. What you haven't seen is a floating image in midair, tickling your senses. It's an attention-grabbing "mouse-trap" that's going to make every person stop, view, play, and remember".

Technology has now become affordable enough for businesses to consider using holograms. Martinez says 5-D Vision's approach to holography differs from that of most commercial users by going beyond image. The company integrates the holograms of client advertisers with interactive pitches for their products and services. Customers are directed to websites or phone numbers to call for premiums - discount coupons, for example -intended to generate on-the-spot sales (Point-of-Sale). The company can track for clients the effectiveness of their advertisement by how many customers redeem the coupons and then present them at the check out counter using real time data as well as demographic data, which is crucial for retention.

MOBILE WALLET CELLPHONES

DoCoMo launches mobile wallet cellphones

NTT DoCoMo has finally announced the start of its mobile wallet services, containing Sony's FeliCa contactless IC chip. The addition of FeliCa and the impressive range of partners DoCoMo's assembled means that your phone can now be used to do a whole host of things. In addition to making payments at shops that have e-money terminals installed or using your phone as a train pass, you can buy tickets online and swipe your way through into concerts and cinemas, check in for international flights, and so forth. Most of the major banks and credit card companies are in on the act, too. There's also a real estate company planning to let residents use phones as apartment keys; you will apparently be able to get e-mail notifications telling you who's just got home, and even to e-mail a duplicate key to others.

"Many phones now have chips that turn cell phones into "smart cards" that allow subscribers to pay for tickets, food, etc. In Japan, DoCoMo plans to expand this service so commuters can use phones with special chips as train passes. DoCoMo's new generation of "3G" handsets can even scan 2D bar codes pasted, say, at bus stops, which allows customers to get a bus schedule instantly, and an ETA as well. Once on the bus, they can receive coupons sent to their cellphones from stores along the bus route."

NYTimes 06-06-05

RFID Enabled Cell Phones

Some major cell phone manufacturers are preparing the release communication devices incorporating RFID technology that they hope will change the way consumers buy products, services and use their credit cards. According to a new report from ABI Research, within a few years, users of cell phones and other handheld devices will use near field communication (NFC) to access services and buy products simply by holding their own device close to another one.

NFC technology uses short-range RFID transmissions that provide easy and secure communications between various devices. That means that, for example, making a reservation could be as simple as holding your phone close (less than 20 centimeters) to a poster or advertising billboard. Without ever dialing a number or speaking to anyone on the phone, you'd be able to purchase concert tickets, book hotel rooms and make other types of reservations and have these transactions charged to a credit card using account information stored in the handheld device or phone.

These transactions can be done without user configuration. In other words, the RFID tag inside the device will automatically connect, via the cellular connection or through NFC-enabled Wi-Fi or Bluetooth to the appropriate Web site so you can learn about the product or service, transfer content such as audio or video files, or carry out a commercial transaction.

Manufacturers of the NFC chips would include the same companies that currently make RFID tags, labels or chips, including Philips, TI, Infineon, Sony, ASK and Inside Contactless. ABI Research sees NFC-enabled cell phones as the initial driver in the market. Consumers can expect the first NFC-equipped handsets to come on the market in 2005. By 2009, ABI estimates that up to 50 percent of the cell phones is use will be NFC-enabled.

Kiosk Bank Opportunity

Introduction

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Kiosk Opportunity

Kiosk Description

The new interactive kiosks will be freestanding machines that can be placed anywhere in clusters of 4. Each kiosk will feature a screen with digital displays above the cluster to provide maximum visibility and drive awareness. The kiosk screen will be touch-sensitive. The kiosks will also include stereo speakers, optional headphone attachments, and a keyboard and touch-sensitive mouse pad. A slot on the side of the kiosk will dispense printed documents, depending on the service being used.

Kiosk Opportunity

Services

Information

- Advertising opportunities from news corporations, travel companies, and tourist boards.
  - Get the top news headlines from any local paper – advertising opportunities available, by newspaper or other
  - Local maps for desired destination – travel sponsors may include Lonely Planet or others
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Kiosk Opportunity

Services

Entertainment

- Advertising opportunities from amusement parks, movie studios, television channels, cell phone service providers, Internet businesses, and video game companies.
  - Send text messages and instant messages (useful if the user has no cell phone signal)
  - Download ring tones to phone (free, sponsored by a phone company)
  - Download MP3s to iPod (free, from music companies)
  - Take a family photo (sponsored by camera company)
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Kids

- Advertising opportunities from toy companies and children's television networks
  - Mini Cartoons (specially made for the kiosks, featuring children's favorite characters)
  - Dance Dance Revolution – Kiosk Edition (children can dance on pads to music, sponsored by music companies)
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Kiosk Opportunity

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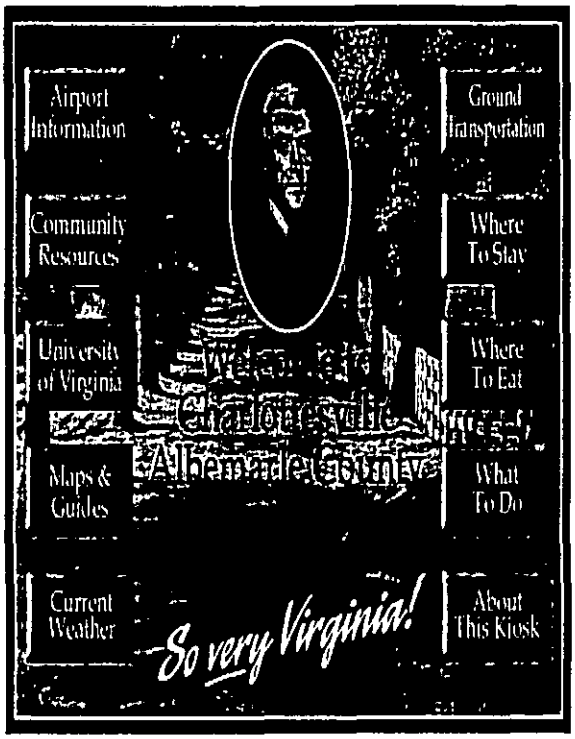
Kiosk Bank Opportunity

Financials

- Kiosk advertising is based on a competitive rate of digital screens but with increased awareness and brand interaction. Advertising is valued at $85,000 - $100,000 per month. Kiosk clusters would be placed in each terminal for maximum exposure.
- Between $6,000,000 – $7,080,000 per PANYNJ asset annually (with an average of 4 - 6 sponsors per month; assuming all months contracted)
- 3 PANYNJ assets: JFK Airport ($6,000,000 – $7,080,000), Newark Liberty International Airport ($6,000,000 – $7,080,000), LaGuardia Airport ($6,000,000 – $7,080,000)
- Annual revenues generated: $18 – $21,240 million

Case Studies

Charlottesville-Albemarle Airport



Visitor Center Information Kiosk

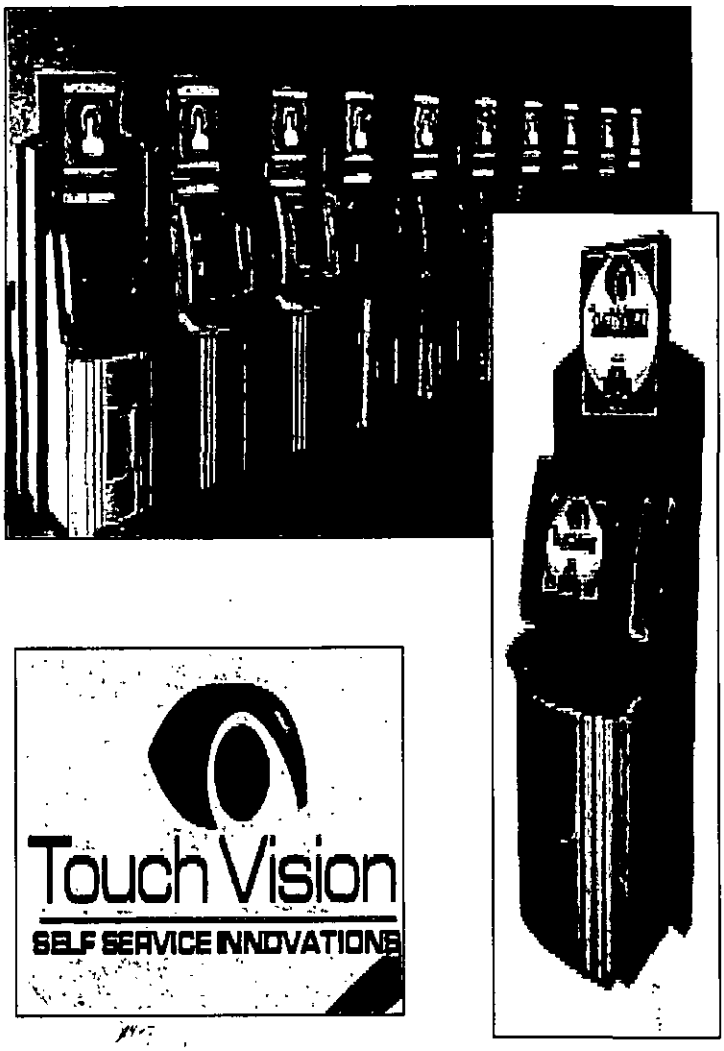
City of Charlottesville, Charlottesville, VA

Charlottesville/Albemarle Airport upgraded their visitor welcoming information with an "Electronic Visitor's Center," using an interactive kiosk. Using live access to the airport's own web site and to third party web sites, the airport was able to provide newly arriving passenger, in the baggage claims lobby, with a wealth of information about the Charlottesville area. By accessing live web sites, the Airport did not have to inherit the overhead and maintenance cost of keeping printed brochures updated and in stock. Kiosks display print information about where to stay, where to eat, and what to see. The kiosk also provides information about the location of various attractions, available ground transportation, airport services, and local civic events. This strategy is excellent for leveraging content development and maintenance efforts expended by others to add value to the project.

Case Studies

Charlottesville-Albemarle Airport, Cont.

- **Key Features – Up Front**
  - Airport Services and Amenities
  - Local Events and Attractions
  - Ground Transportation Information
  - What to See and Do
  - Where to Stay
  - Where to Eat
- **Behind the Scenes**
  - Connects to the City's live web site via dial-up or persistent Internet/Intranet connection.
  - The City's web site loaded on the hard drive, to simulate an Internet session.
  - Hit tracking program allows the City to track which locations get the most usage.
  - Configuration of web browser database allows browsing only Cty-authorized URLs.
- **Financial Opportunity**
  - Developed additional advertising revenues of 3.3 million per year
  - Additional revenue ties between airport web site and online sponsors

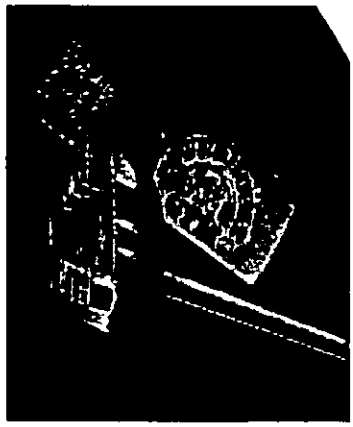


Touch Vision
SELF SERVICE INNOVATIONS

M/WBE Plan

El Taller Colaborativo, PC, founded in 1985, is a mid-sized, full-service Architectural/Engineering/Planning and Construction Management firm with offices in New Jersey, New York, and Pennsylvania. Our services include architecture, landscape architecture, interior design and space planning, civil engineering, traffic engineering and transportation planning, utilities engineering, electrical engineering, mechanical engineering, structural engineering, and construction management. ETC has architects, engineers, landscape architects, and construction managers accredited in US Green Building Council's Leadership in Energy and Environmental Design (LEEDTM, Version 2.0) sustainable design criteria.

In addition, ETC is certified by public agencies throughout the Northeast as a Minority-Owned Business Enterprise (MBE) and Small Business Enterprise (SBE). ETC is one of the largest and fastest-growing Minority-Owned Architectural, Engineering, Planning, Landscape Architecture, and Construction Management firms in the tri-state area.



Empire State Development

July 14, 2003

Mr. Alex Garcia, President
El Taller Colaborative, P.C.
550 Broad Street, 5th Floor
Newark, NJ 07102

Dear Mr. Garcia:

On behalf of New York State, the Department of Economic Development, Division of Minority and Women's Business Development (D/MWBD) has determined that your firm, **El Taller Colaborativo, P.C.** continues to meet the eligibility requirements for re-certification.

Therefore, we are pleased to inform you that your firm has, once again, been granted status as a **Minority-Owned Business Enterprise.** Your business will be listed in the State's Directory of Certified Businesses with the following list of principal products or services:

(23) Architects (113) Engineering – Civil (638) Engineering – Structural
(681) Engineering – Transportation (682) Transportation Planner
(498) Urban and Regional Planning (381) Landscape Architecture

This certification remains in effect for a period of generally two years from the date of this letter or until such time as you are selected again, by this Office for re-certification. Any changes in your company that affect ownership, managerial, and/or operational control must be reported to this Office within 30 days of such changes; including changes of company name, business address, telephone numbers, principal products/services, and bonding capacity.

The Certification status is not intended to imply that New York State guarantees your company's capability to perform on contracts, nor does it imply that your company is guaranteed any State business.

Thank you for your cooperation and on behalf of the State of New York, we wish you success in your business endeavor.

Sincerely,

Brian Ansari
Associate Certification Analyst

BA:fmg
File #01693

New York State Department of Economic Development
30 South Pearl Street Albany New York 12245 Tel 518 292 5100
Website www.empire.state.ny.us

II. PROPOSAL

Proposal

Marketing Concept to Promote PANYNJ Facilities

Create a new media network called "EVERYWHERE" to include all venues.

Enable advertisers to tap into the entire network – reaching (capturing) millions of people every day with one cost-efficient media buy. Capitalize on the fact that advertisers know that the speed of life is accelerating. Let advertisers reach PANYNJ with relative ease.

– the best prospects are moving targets
– in the air or on the road
– **constantly.**

Proposal
Marketing Concept

CREATIVE CONCEPT

To hit zillions of moving targets,
you've got to be...

EVERYWHERE

THE NEW PORT AUTHORITY MEDIA NETWORK
"CATCH THEM WHERE THEY FLY, TRAIN, BUS AND DRIVE"

When your universe is spinning 24/7,
you've got to be...

EVERYWHERE

THE NEW PORT AUTHORITY MEDIA NETWORK
"CATCH THEM WHERE THEY FLY, TRAIN, BUS AND DRIVE"

cara MARTIN
we get it.

Proposal
Marketing Strategy

- We will use a three prong marketing approach based on client affiliation and discount pricing to lure advertisers to PANYNJ assets and services.

- Give first mover advantage one time only 10% discount off of advertising prices to existing PANYNJ advertising clients to enlist early support and revenue.

- Utilize team's client base to enlist second wave of advertisers at a one-time only 5% discount off of PANYNJ advertising prices.

- Expand advertising client base with new clients and offer one-time only 3% discount off of PANYNJ advertising prices.

Proposal
Indoor Advertising Pricing

- Interactive Kiosks: $1.5 million annually.
- Animated Commercials: $400,000 per commercial for one month period, running continuously.
- Surround Sound Satellite Music: $750,000 per terminal or station for one month period.
- Truth Billboards (Static): $180,000 per billboard per month.
- Oversized LCD Screen: $1.5 million per quarter.
- Large Scale Mirror: $750,000 per quarter.
- Floor Messaging: $150,000 per message per week.
- PATHVision CCTV: $1 million per month.
- Baggage Carts: $25,000 per cart per month.
- Gate Area News Monitors: $175,000 per quarter.
- B2B or B2C Exhibit Space: $1 million per month.

Proposal
Outdoor Advertising Pricing

- Digital Billboards: $1 million per billboard atop 42nd St. Port Authority Bus Terminal per month. For other digital billboards, $500,000 per billboard per month.

- Vinyl Advertising: $200,000 per month per train or bus.

- Organic 2D Sculptural Billboards (Static): $350,000 per billboard for one month.

- Electronic Wallpapers: $1.5 million per month.

- Banners: $60,000 per banner for duration of campaign. Timeframe determined by PANYNJ and contractor.

- Posters: $80,000 per poster per month.

- Art Installations: $1 million per exhibit.

Proposal
Tentative Implementation Schedule

Phase I (30 days)
Market Research & Development: Buxton, CAM, Cara Martin

Phase 2 (10 days)
Team decisions rendered for which Indoor & Outdoor Advertising and New Technologies to pursue: GA, Cara Martin, CAM, Buxton, Positive Impact, WMMG, ETC, CommArts and Ruder Finn Interactive.

Phase 3 (80 days)
Prototype Model Creation & Location Mapping: CAM, ETC, CommArts, Ruder Finn Interactive, GA

Phase 4 (30 days)
Prototype Testing: WMMG, Ruder Finn Interactive, GA, Positive Impact, Cara Martin, CAM

Phase 5 (30 days)
Prototype Refinement: CAM, ETC, CommArts, Ruder Finn Interactive, GA, WMMG

Phase 6 (20 days)
Presentation to PANYNJ/PANYNJ Determinations: The Team

Phase 7 (10 days)
PANYNJ Prototype Refinements Incorporated: The Team

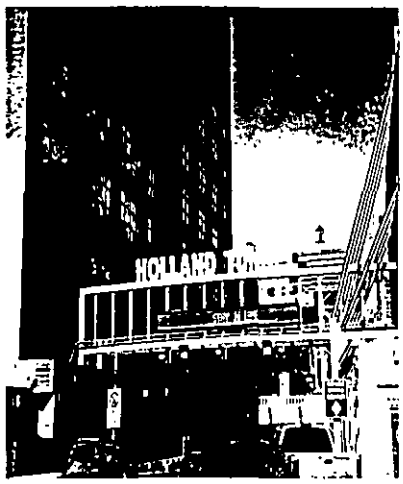
Phase 8 (10 days)
PANYNJ Final Approval: The Team

Phase 9 (30 days)
Production of PANYNJ-approved Advertising: The Team

Phase 10 (30 days)
PANYNJ Approved Location Mapping and Installation Roll-out: The Team

Phase 11 (ongoing)
Maintenance and Testing: Buxton, CAM, Cara Martin, GA, Ruder Finn Interactive, WMMG, Positive Impact

Proposal
Overall Experience



- Relevant Contracts
- Financial Capability
- Sustainable Revenue Models
- Strong Management
- Partners with Designated Expertise
- Integrated Creative Approach
- Staff Qualifications
- Combined, in excess of 313 Clients have worked with Our Team Partners

Proposa
Revenue Share Agreemen

MAG

It is understood that a MAG (Minimum Annual Guarantee) is required to assure the same or greater cash flow to PANYNJ on an annual basis as PANYNJ receives currently. This MAG must be supported with a financial guarantee (the "Guarantee") preferably from a A+ to AAA credit (Moodys, S&P) third party "insurer" or provider so that if the MAG is "called" then PANYNJ will not lose any current or future income. Presently GE Capital, Citibank and Starwood Capital have close relationships with our Team. GE Capital has preliminary interest in providing the Guarantee. Heather Goodrich AVP Corporate Lending may be contacted at GE Capital at 212 371-8006. Any real interest is subject to full disclosure ny PANYNJ of existing revenue sources and their due diligence of same.

The term of our Guarantee shall commence simultaneously with our contract with PANYNJ approximately July, 2005 and ending June, 2010 and the Guarantee will mature during July 2010 or will be renewed each year as required. The MAG Guarantee will be an amount equal to 110.0% in the first year base year revenues, 125% of the second year and thereafter.

SAMPLE

	Year 1	Year 2	Year 3	Year 4	Year 5
Base Revenue	25,000,000	27,500,000	34,375,000	42,968,750	53,710,938
MAG Guarantee Amount	**27,500,000**	**34,375,000**	**42,968,750**	**53,710,938**	**67,138,672**
Increased MAG %	110.0%	125.00%	125.00%	125.00%	125.00%

Participation Above the MAG

In a negotiation with PANYNJ, a MAG will be established for each year and that amount will be paid from the Guarantee if not available from cash flow. After the MAG is paid to PANYNJ, a revenue share will be distributed as follows:

1. Any amount in excess of the preceding year will be paid 100.0% to PANYNJ until PANYNJ receives 115.0% of the preceding year.
2. The next cash flow will be distributed 85:15 Basis (85% to PANYNJ) until PANYNJ receives 125.0% of the previous years net cash flow.
3. Thereafter, the split is 70:30 (70% to PANYNJ).

Existing Advertising Contracts: Port Authority Bus Terminals

PANYNJ Bus Terminals		1996-2016	VIACOM Outdoor Group
Exterior Signage			*30 day termination possible w/o cause at any time*
Deposit	$50,000.00		
			annual percentage fee of 62.5% to PANYNJ
"the structural grid and the electrical and operational equipment become the property of the PANYNJ"			
	Electricity will be metered		
Interior Signage		1996-2006	VIACOM Outdoor Group
Deposit	$250,000.00		
"gross receipts- all monies paid or payable to the Permitee for any advertising matter or other presentations or exhibitions"			annual percentage fee of 60% to PANYNJ

Existing Advertising Contracts: PATH

Tunnels		Apr-02	Submedia,LLC, 552 Broadway, NYC 10012	Joshua Spodek
Deposit	$100,000.00			
Monthly Fee	$4,167.00			
PATHVISION	Broadcasting System	Apr-03	Black Experience, 450 7th Ave., NYC 10123	Melvin Wilson
Deposit	$250,000.00			
Monthly Fee	15% of ad sales	first 6 months		
	$10K + 15% of ads	next 6 months		
	$10K + 20% of ads	Year two		
Estimated PATH Revenues		2003-2004	$260,000.00	
		2004-2005	$684,000.00	
"handles the procurement of all aspects of advertising, sales promotion, events marketing, research and creative sales including production and special events as appropriate"				
PATH Trains		1995-2007	VIACOM Outdoor Group	
Monthly Fee	$55,000.00	2004	plus percentage fee of 60% to PATH	
	$58,000.00	2005	plus percentage fee of 60% to PATH	
	$65,000.00	2006	plus percentage fee of 60% to PATH	
"covering space on and in the properties, facilities and train cars of the interstate railroad system o&o by PATH"				

Existing Assets: Airtrain, Out-of-terminal and Smartcards

PANYNJ Assets	**Airtrain, Out-of-Terminal, and Smartcards**		
	TMI Media, L.P.	1990-1995	$800K escalates to $1.1mil 'Annual Guaranteed Fee Amount'
Deposit	$200,000.00		
		1996-2000	$1.9mil escalates to $2.45mil
		2001-2005	$10 mil escalates to 14 mil
	Universal Outdoor	12/00-12/05	
			plus total annual percentage fee (free utilities)
"Northeast corridor now controls railroad station, components are NEC rail platforms and Airtrain stations and the Airtrain and the monorail cars. No advertising allowed either NJ Transit or AMTRAK."			

Existing Advertising Contracts: Newark-Liberty Airport

Newark Liberty Airport					
PANYNJ & Universal Outdoor, Inc.					
		1990-2005			
Terminal A					
Annual Guaranteed Fees			$800K-$2.45 Mil 1991-2000		
			$10 Mil -$14 Mil 2001-2005		
Percentage Fee		70%	1991-2000		
Distribution			United Airlines	18.70%	
			US Air	6.23%	
			Continental Airlines	14.54%	
			Air Canada	4.15%	
			TWA	2.08%	
			American Airlines	12.46%	
			PANYNJ	14.54%	
				72.70%	2001-2005
"Regional Program requires that 10% of all advertising spaces be provided to the PANYNJ free"					
"Installation, repair and maintenance of free advertising spaces at no cost or expense to the PANYNJ"					

continued next page

Existing Advertising Contracts: Newark-Liberty Airport (continued)

5 Year Projected Sales Based upon Existing Displays					
	SALES		**FEES**		
ANA-490	$16,353,167		$11,888,752.41		Terminal A
ANA-491	$24,529,750		$17,833,128.25		Terminal B
ANA-492	$31,103,082		$22,611,940.61		Terminal C
ANA-493	$8,176,583		$5,944,375.84		PA Assets + AIRTRAIN
Total	$80,162,582		$58,278,197.11		
5 Year Projected Sales based upon Proposed Expansion					
ANA-490	$27,017,707		$19,641,872.99		Terminal A
ANA-491	$40,526,559		$29,462,808.39		Terminal B
ANA-492	$51,386,618		$37,358,071.29		Terminal C
ANA-493	$13,508,854		$9,820,936.86		PA Assets + AIRTRAIN
Total	$132,439,738		$96,283,689.53		
Projected Fees to Airlines and PANYNJ					
	Terminal A	Terminal B	Terminal C	Common Areas	**Total**
United Airlines	$3,057,225				$3,057,225
US Air	$1,358,621				$1,358,621
Continental	$1,698,440		$18,089,552		$19,787,992
Air Canada	$1,018,966				$1,018,966
TWA	$339,655				$339,655
American Airlines	$2,038,095				$2,038,095
Delta		$3,144,469			$3,144,469
Northwest Airlines		$1,861,563			$1,861,563
PANYNJ	$2,377,750	$12,827,097	$4,522,388	$5,944,376	$25,671,611
Total Projected Fees	$11,888,752	$17,833,129	$22,611,940	$5,944,376	$58,278,197
	PANYNJ SHARE of Fees		Existing Displays (5 years)	$25,671,611	
			Expanded Displays (5 years)	$42,413,074	

Existing Advertising Contracts: LaGuardia

LAGUARDIA	contract expires 12/31/05 + 1 year extension opportunity	
	includes terminals: Delta Air Terminal, USAir Shuttle, Delta Shutle, USAir Terminal, Central Terminal, Marine Air Terminal	
insurance coverage	$2mil	bodily injury 1 person
	$2mil	bodily injury > 1 person
	$2mil	property damage
	$2mil	product liability
	$2mil	advertising injury liability
Annual Guaranteed Fee Amount per 12month period		
1/96-12/96	$1.3mil	
1/97-12/97	$1.4mil	
1/98-12/98	$1.6mil	
1/99-12/99	$1.7mil	
1/00-12/00	$1.9mil	
Annual Percentage Fee		
71% of gross receipts	up to $2,499,999.00	
75% of gross receipts	>2,499,999.00 to $3mil	
80% of gross receipts	>$3mil	
HOWEVER, if Annual Guaranteed Fee Amount exceeds Total Annual LGA Fee Amount then incremental fee paid on top of the excess+ a fraction of the excess.		

Existing Advertising Contracts: JFK

JFK Delta

Annual Guaranteed Fee Amount per 12month period

1/01-12/01	$6mil
1/02-12/02	$6.5mil
1/03-12/03	$7mil
1/04-12/04	$7.5mil
1/05-12/05	$8mil

Permittee to Airline (Delta)

Basic fee @20% rate of AGFA or annual Percentage fee equivalent to 14.5% of gross receipts

From *past* agreement in 1991, permittee pays to PA, following percentages of gross receipts

11/91-7/92	13.5%
8/92-10/92	14%
11/92-	14.5%

Existing Advertising Sales: Newark, JFK and LaGuardia

EWR YEAR	ADVERTISING SALES
EWR 1995	$2,576,471
EWR 1996	$2,851,140
EWR 1997	$3,813,334
EWR 1998	$5,169,236
EWR 1999	$7,521,687
EWR 2000	$11,125,693
EWR 2001	$7,699,533
EWR 2002	$6,848,751
EWR 2003	$8,765,370
EWR 2004	$8,592,766

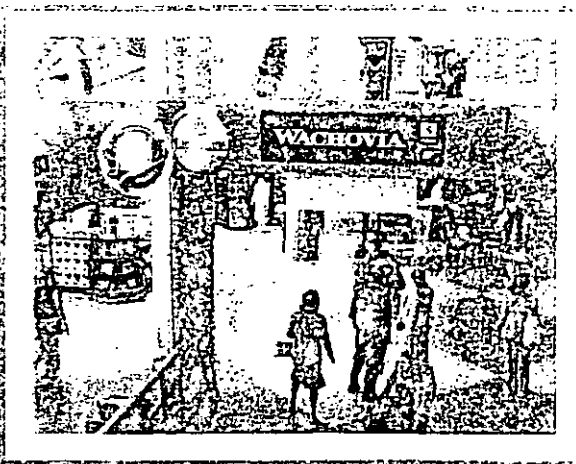
JFK YEAR	ADVERTISING SALES
JFK - 1996	$6,162,518.00
JFK - 1997	$7,927,062.00
JFK - 1998	$11,819,001.71
JFK - 1999	$14,411,834.67
JFK - 2000	$19,937,032.98
JFK - 2001	$14,195,537.18
JFK - 2002	$10,638,425.80
JFK - 2003	$15,308,172.96
JFK -2004	$16,042,602.40

LGA YEAR	ADVERTISING SALES
LGA - 1996	$2,904,725.00
LGA - 1997	$4,451,590.00
LGA - 1998	$5,989,036.93
LGA - 1999	$8,245,371.82
LGA - 2000	$11,478,581.04
LGA - 2001	$9,336,427.13
LGA - 2002	$6,191,737.04
LGA - 2003	$6,789,247.47
LGA - 2004	$7,006,291.82

Existing Advertising Sales: 42nd St., GW Bus, PATH, Journal Square

Facility	YEAR	Advertisement Sales
PABT (T06)		
	1999	$719,195
	2000	$2,454,750
	2001	$1,116,250
	2002	$629,763
	2003	$1,090,053
	2004	$1,095,316
GWBBS (T07)		
	1999	$ 74,628
	2000	114,586
	2001	73,448
	2002	80,458
	2003	81,924
	2004	39,293
PATH (R02)		
	1999	$ 4,537,000
	2000	6,019,497
	2001	3,684,917
	2002	2,512,668
	2003	2,530,342
	2004	2,054,518
JSTC (R21)		
	1999	$ -
	2000	8,000
	2001	161,843
	2002	103,345
	2003	
	2004	

HOW WILL WE MEET AND EXCEED THE PORT AUTHORITY'S EXPECTATIONS?



- NY & NJ DESTINATION MARKETING EXPERIENCE
- DESIGN AND MATERIAL DEVELOPMENT EXCELLENCE
- MAXIMIZING NON-FARE TRANSIT REVENUE MODELS
- CLIENT DEDICATION – NO CONFLICTING AGENDAS!

The WORLDWIDE MARKETING & MEDIA GROUP and BUXTON working with GARRICK AUG, RUDER FINN INTERACTIVE, CARA MARTIN, CAM COMMARTS, ETC and POSITIVE IMPACT (the Team):

will deploy a specialized team of senior-level marketing experts to deliver a world-class advertising program which is unique and requires diverse areas of expertise, ranging from brand strategy, marketing analysis, customer relations, and ground activation.

An agency alternative plan

Too much of the PANYNJ advertising is wasted navigating the old economy operating structures of costly and cumbersome traditional advertising agencies. Our mission is to deliver more effective end-to-end marketing solutions that recognize your customers' priorities driven by a commitment to strong strategic partnerships, not transactions or budgets.

Study Predicts Rise Of Out-Of-Home Media

"In less than five years, consumers will be spending $60 billion annually on DVR-like devices, satellite radio, iPods and mobile technology driving personalized media outside of the home. One-fifth of all consumer spending will be on new content access and distribution technologies now in their early stages of growth, according to Bernstein Research."-- Hollywood Reporter Wednesday, June 08, 2005

Our Capabilities

- Strategic Planning/Analysis
- Research Design
- Media Planning/Buying
- Creative for all Media
- Corporate Identity
- Guerilla Marketing
- Trend Marketing
- Sales Promotion
- Print Design
- Package Design
- Direct Marketing
- New Product Development
- Sales Training
- Online Marketing Strategy
- Web Site Design/Architecture

Methodology

Our ROI-based planning process was developed to deliver maximum quantifiable returns.

We integrate business goals across every marketing initiative from top of mind to bottom line.

Access to New Technologies

The fact that individual screens across a network can be programmed in real time with targeted content to match the audience profile is a huge advantage over traditional advertising methods. “Day parts” allow advertisers to change advertisements throughout the day in any location to better target the demographic profile of the audience. At the same time, the network itself constantly gathers further demographic data, identifying shopping or travel patterns and enabling ever more accurate targeting.

Choice of Platform

Advertisers are no longer confined to one type of screen, which means that they can define and optimize the visual displays based on their target audience and the campaign objectives. The screen options include anything from standard size plasma screens to giant, interactive touch screens such as the “interactive wall”to even larger outdoor LED screens.

IMMERSION ADVERTISING

Digital media services enable advertisers to improve business performance by running integrated and micro-targeted campaigns in highly trafficked areas, the "interactive wall" changes the audience's experience dramatically, creating "immersion" advertising.

CREATING AD SPACES

At Garrick-Aug we strive to be "opportunistic" taking our knowledge of PANYNJ facilities and the neighborhoods in which they are based, to explore the existing landscape to find new advertising surfaces and new leasing solutions. "WE KNOW RETAIL"...

Community Consensus

Sensitivity to community concerns is the holistic promise that we make to ourselves and to our clients. It just isn't worth the time and the expense to impose solutions upon our neighbors. Team members of varying backgrounds, including local Manhattan Community Boards will be of counsel to make the "tough" calls.

Measurement

Increasingly, marketers are being called to account for the value added by their advertising spending. Research shows that effective use of digital media boosts product recall and, more importantly, sales by 20 percent or more.

Subway Tunnel Advertising

Sub Media, co-founded by Spodek and Matthew Gross in 1999, produces 15- to 20-second animated ads that appear on subway tunnel walls. This is accomplished through a series of backlit pictures which Spodek compares to "the frames in a film reel." The pictures, printed by the U.K.'s Photobition Group on Kodak transparencies, spring to life as the train speeds by, creating a fluid film and giving passengers the effect of being inside a giant flip book."

INTERACTIVE WALL

The "interactive wall" alone revolutionizes out-of-home advertising. Imagine, for instance, an automobile manufacturer that can display a life-size image of a new vehicle that the customer can manipulate to see both the interior and exterior and even create a preferred specification to send to the dealer.

garrick-aug
Retail Leasing

Project Manager:

Mr. Michael Kramer

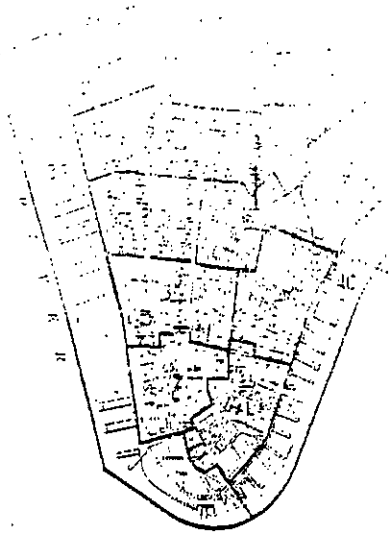
GARRICK-AUG

360 Lexington Avenue 4th Floor

New York, NY 10017

Tel: 212- 557- 9090
Fax: 212- 983- 7129

Experience



Qualifications

GARRICK-AUG

garrick-aug
Retail Leasing

Garrick-Aug is a full-service retail-focused real estate firm. We have a full staff of creative retail-only metro-area and regional brokerage specialists with unparalleled area expertise in the country's most demanding marketplace. The professional achievements and experience of our staff make Garrick-Aug capable and poised to employ our retail talents in many capacities, from traditional retail leasing services for both tenants and landlords, to joint venture development projects, to retail branding and franchise rollouts, from real estate investment banking, to consultancy for municipalities and public agencies.

We offer a fully-integrated suite of retail project services: Concept · Design · Financing · Construction · Leasing.

Many of our **retail brokers** have over thirty years of experience in New York metropolitan area real estate matters. There is an impressive mix of senior managers working in tandem with younger brokers. The Garrick-Aug brand is the most well-known "storefront for rent" company in the largest City in the country.

Our **development services** staff advises municipalities, government agencies and private property owners on land use planning, urban design and capital improvements to create economic value.

Our **marketing experts** assist retailers in defining their brands, analyzing competitors, and rolling out franchises

Our **financial services experts** open our clients to adopting sophisticated and successful real estate strategies. Garrick-Aug Store Leasing, Inc. does not do office or residential leasing. Since 1974, we have specialized in the leasing of retail space in the New York metropolitan area and have earned the moniker that "We Know Retail".

Specifically geared to meet the needs of both real estate owner and tenant in the fast-growing retail sector, our greatest strength lies in the synergistic ability to combine a thorough and intimate knowledge of retailing conditions, previous history and current rents, with a reputation for total real estate professionalism.

Today our office consists of 50 real estate professionals. Many of our real estate experts have previously been retailers and/or have worked as a landlord representative. It is this type of unique experience that enables the firm to understand and to meet the needs of both real estate owners and retailers.

With Garrick-Aug, a successful lease transaction becomes a win-win situation. Landlords are assured that a retailer will add to the financial growth of the entire property. And retailers are assured that they will have a profit center at each newly opened location.

garrick-aug
Retail Leasing

Real estate owners benefit from the association with Garrick-Aug in several ways. After a thorough market analysis, we make our best efforts to secure retailers who will:

* enhance a building's value
* provide the highest and best use of retail space
* complement the neighborhood

In addition to our substantial experience in both retailing and real estate, Garrick-Aug offers clients years of marketing experience which allows us to provide landlords with complete research and marketing services, including the formation of "retail models" to help ensure that the most appropriate retailers are selected for each individual property.

We perform similar complete marketing functions for retail chains whose executives rely upon our knowledge of traffic, retailing trends and population movement to ensure that each location is a good location.

Toward this end, Garrick-Aug maintains a state-of-the-art computer system to match retail space with the requirements of many of our clients, retail chains and individual retailer alike. The computer system tracks and analyzes such factors as rent, traffic counts, ceiling height, depth of store, window height, transportation, front footage and corner or non-corner location in addition to complete information on competitive retailers in the area.

Perhaps our major innovation, though, has been in the area of organization, bringing access to the entire metropolitan marketplace under one roof. Our staff works as a team, pooling knowledge and experience to meet real estate and retailing opportunities with speed and agility and solve their associated challenges. The open and free exchange of information and ideas within the firm, and the cooperative attitude on the part of all Garrick-Aug's brokers and sales personnel truly distinguishes the firm.

It is this team attitude which has enabled Garrick-Aug to become a major retail consultant and broker for municipalities, public agencies, developers, building owners, important chain retailers and financial institutions

garrick-aug
Retail Leasing

To supplement our New York area staff and enable us to provide our clients with domestic and international service, Garrick-Aug has formed affiliations with other leading retail brokerage firms throughout the country and the world.

ACROSS NORTH AMERICA: RETAIL BROKERS NETWORK

Domestically, Garrick Aug is proud to have been the founder of the Retail Brokers Network, an association now celebrating its fifteenth year, of the strongest retail real estate brokerage companies throughout the United States and Canada.

Each of the country's major cities is represented by a Retail Brokers Network member, and each Retail Brokers Network company can help expansion-minded retail businesses grow in their respective marketplaces. Retail Brokers Network members employ more than 300 salespeople working as a team to help quality chain store merchants effectively penetrate America's marketplace.

See: www.retailbrokersnetwork.com/

INTERNATIONAL CONNECTIONS

We have a strategic partnership with Kitchen LeFrenais Morgan in London, U.K. to provide timely expansion opportunities within the United States for their European retail constituencies. For many years Garrick-Aug has assisted international retailers with their site selection in Manhattan. KLM assists us by giving us access to the decision-makers at retail companies in foreign countries.

Kitchen Le Frenais Morgan
1 Tenterden Street
Hanover Square
London
W1S 1TA
Tel: 020 7317 3700
Fax: 020 7317 3701
Website: www.klmproperty.co.uk/

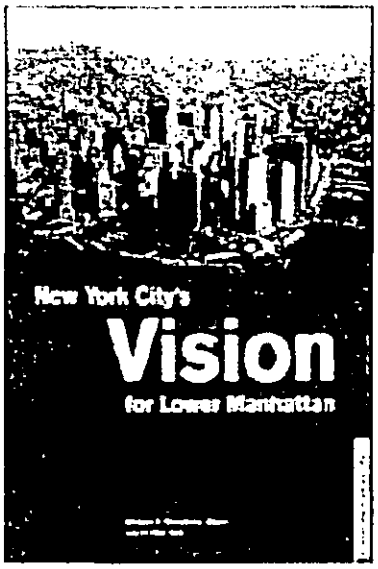
garrick-aug
Retail Leasing

The new investment group at Garrick-Aug is led by Lawrence J. Selevan, the COO of Union Traders Corporation, an investment bank with offices in New York and Geneva.

As part of our new Retail-Focused Investment Banking model, we can proudly offer a unique and more fully integrated suite of financial services to our clients (tenants, landlords, property owners and municipalities) as listed below:

- CAPITAL STRUCTURING
- DEBT-EQUITY ARRANGERS
- CONSTRUCTION FINANCING
- FINANCIAL WORKOUTS
- ASSET MANAGEMENT
- RE-FINANCING PLANS
- MEZZANINE FINANCING
- SEED CAPITAL
- NNN LEASEHOLDS

garrick-aug
Retail Leasing



Garrick-Aug staff members have served as retail leasing brokers and as consultants to a variety of City and State Agencies. These include:

- NYS DEPARTMENT OF TRANSPORTATION: CHELSEA PIERS
- MANHATTAN BOROUGH PRESIDENT'S WATERFRONT TASK FORCE
- NYC CITY PLANNING
- NYC ECONOMIC DEVELOPMENT CORPORATION
- HUDSON RIVER PARK CONSERVANCY ADVISORY BOARD
- PORT AUTHORITY OF NY/NJ: LEASING AT WORLD TRADE CENTER
- NYC ADMINISTRATION FOR CHILDREN'S SERVICES
- TIMES SQUARE DEVELOPMENT CORPORATION
- ALLIANCE FOR DOWNTOWN NEW YORK: RETAIL CONSULTANT
- MAYOR'S SMALL BUSINESS DOWNTOWN TASK FORCE
- PENN STATION RE-DEVELOPMENT: CONSULTANT FOR AMTRAK
- CITY OF JERSEY CITY
- NEW JERSEY CITY UNIVERSITY
- NJ TRANSIT
- JERSEY CITY BOARD OF EDUCATION
- NEWARK REDEVELOPMENT
- HARRISON, NJ REDEVELOPMENT

Garrick-Aug has in-house urban planners, former local community board members, civic leaders, and consultants to public agencies and municipalities. We have focused on entire neighborhoods, actively pursuing landlords and public agencies to redefine urban retail landscapes, from Times Square to Manhattan's "Luxury Walk" and "Golden Mile" to neighborhoods in outer boroughs and beyond. We have participated in and support the restoration and transformation of historic landmark buildings in New York City and the Metropolitan area.

Garrick-Aug locates retail leasing and development opportunities in emerging neighborhoods throughout the New York and New Jersey metropolitan areas. Our urban planning and design principles support development of lively mixed-use neighborhoods. We work as a liason with City and Town governments to facilitate zoning variances and changes as well as economic revitalization programs designed to stimulate business districts. We prepare financing packages to move these planning projects forward to development.

garrick-aug
Retail Leasing

About Ruder Finn Interactive

Ruder Finn Interactive builds best-in-class, customer-focused Web sites, intranets and extranets, supported by interactive marketing, advertising, and public relations campaigns for its U.S. and global clients. As part of Ruder Finn, Inc., Ruder Finn Interactive is in a unique position to offer its clients integrated and strategic communications expertise.

Our work involves innovative design, detailed usability testing, site analytics and technologies, content management and personalization tools. Our focus throughout is on using interactive technology to create strategic communications solutions, delivering the best value to businesses and their customers.

Ruder Finn Interactive Strengths

- Proven track record in brand transformation
- Extensive knowledge in design, interactive development and video
- Creative execution that generates content, buzz, and real value
- An authority on news development and style
- Experts at modernizing a brand through substance, style and content development
- Able to fully exploit a brand's emotional dimension

Capabilities

- Web Development
- Website architecture, design programming, testing
- Interactive Kiosks
- Searchable Online Databases
- Customized Content Management
- User Testing
- Accessibility & 508 Compliance
- Intranets & Extranets
- Online Ordering Systems
- Digital MOA's & Online Animations
- Webcasts/Virtual Press Conference
- Online newsletter, surveys, & invites
- ePR and Intranet Marketing Solutions
- Search Engine Optimization
- Ad Models (Banner Ads, Skyscrapers, Rich Media)
- Viral/Email Marketing
- Sponsorship
- Affiliate Programs
- Emerging Technologies
- Virtual Press Offices
- Digital Press Kits (PDAs)
- Media Contact Manager
- Online Campaign Manager

Worldwide Marketing & Media Group

Worldwide Marketing & Media Group (WMMG) is an integrated marketing and media firm. For over 25 years WMMG team members have delivered award-winning sponsorship solutions across the full spectrum of marketing and media platforms. WMMG has served diverse enterprise, including metropolitan institutions, government agencies, sports teams, travel/lifestyle organizations and Fortune 500 companies.

Our core services include marketing strategy and implementation, sponsorship solutions, brand consultation, and cross-media content development. The WMMG team has extensive experience in developing private-public alliances, non-traditional advertising forms, and revenue generating marketing vehicles. We have created and executed sponsorship campaigns for such high profile clients as Madison Square Garden, St. John's University, the State of Illinois, the Atlantic City Convention & Visitors Authority, Allstate Insurance, and Nike.

WMMG

Worldwide Marketing & Media Group

Our philosophy is to cultivate intellectual talent and team synergy. Our approach is to work closely with clients to formulate a brand that addresses real-world concerns and achieves measurable business objectives, swiftly and cost effectively.

- Maximum revenue via sponsorships and vendors
- New revenue streams through innovative sponsorship opportunities and focused marketing and event vehicles
- Breakthrough brand strategy that boosts sponsorship values
- Comprehensive understanding of the objectives, competition, and market dynamics
- Creative excellence and visual cohesion with all materials
- Measurable results that exceed expectations

WORLDWIDE MARKETING & MEDIA GROUP

MMG

The following top-line briefs showcase WMMG's qualifications, and experience in developing large-scale integrated programs that result in millions of dollars of incremental revenue for clients.

- Launched and negotiated integrated sponsorship deals with Pepsi at St. John's and Oakland (Mich.) University; both included multiple venue signage, a campus-wide concessions program, VIP hospitality, website visibility; and resulted in millions of dollars in cash and marketing support (in-kind) over a 10-year period.

- Negotiated multi-million dollar sponsorship between Nike and St. John's University; created an integrated marketing program with media benefits, events, community relations elements.

- Responsible for the development and implementation of Olympic sponsorship between Allstate and both U.S.A. Hockey and U.S.A Basketball; media coverage included *The Today Show, The CBS Early Show, CNBC, MSNBC, The Tonight Show with Jay Leno, The New York Times, and USA Today.*

- Developed multi-venue sponsorship/hospitality packages for Allstate with the University of Texas, Vanderbilt University, and Purdue University; and between Meijer Supermarkets and both the University of Kentucky's Rupp Arena and Purdue's Ross-Ade Stadium.

- Negotiated numerous integrated sponsorship agreements for clients such as DePaul University, St. John's University, The Allstate Arena, the State of Illinois and World Cup '94

MMG

WMMG is organized as a marketing solutions agency, delivering content and materials across all media, including broadcast television, internet, print, and nontraditional large formats.

WORLDWIDE MARKETING & MEDIA GROUP

MMG

Cara Martin Communications, Inc.

A 2-year old full-service advertising agency specializing in developing and executing marketing strategies and branding campaigns for commercial and residential real estate clients. With offices in Westchester County and Manhattan, the firm is creatively-driven and the fastest-growing agency in its category. Presently Cara Martin has ten full-time employees, as well as senior-level strategic partners with various specialties which the agency organizes into teams for major projects. Partner Martin Shaw also has a successful background in media marketing with The ABC Television Network, Hearst Newspapers and Magazines and other local and national entities. Agency clients include: Advance Realty Group, Boston Properties, CBRE, Cushman & Wakefield, Silverstein Properties (for which it just won the assignment to market 7 World Trade Center), S.L. Green, The Ritz Carlton Residences, Monday Properties, Mack-Cali, Real Estate Weekly, The Gale Company, RFR, The Witkoff Group, The Zucker Organization, The Sunshine Group, The Corcoran Group, and the list, thankfully, goes on.

cara
MARTIN
we get it.

COMPANY DESCRIPTION

Buxton was founded on a unique premise - to assist enterprises in building success by accurately identifying their customers. With more than 400 years of executive level retail and community management experience, no other company in the nation is more qualified to help you answer the question, "Who is my customer?"

Precisely defining and knowing who your customers are applies to virtually any concept imaginable. For businesses, customer knowledge creates revenues, facilitates growth, generates profits, and increases shareholder value. For municipalities, understanding the lifestyle and purchasing characteristics of their residents enables civic leaders to focus clearly on specific economic development strategies. To achieve this level of knowledge, the actual customer household must be the foundation for all research efforts.

Buxton pioneered the use of household level data for research purposes. Millions of customer transactions are analyzed to determine purchasing habits and lifestyles, a process now known as psychographics. Once the lifestyle of a given customer is known, they and others like them can literally be found anywhere in America.
In today's competitive environment, where customer knowledge is the ultimate key to success, you can no longer afford to make decisions on the basis of generalized demographic data. The future of any customer-oriented enterprise will be determined by understanding the psychographic lifestyle of the customer

Buxton®
IDentifying Customers

Positive Impact was founded in 1998 with a single mission -- to be the most effective, most productive sports and entertainment consulting group in the nation. We work to enhance the image, the success, the profitability and the value of the franchises, the leagues, the facilities, the teams and the corporations that we serve. Today, Positive Impact has established itself as a proven force in the sports and entertainment industry. Building upon a proven track record of success in venue management, event production, team organization, sports marketing, and communications, we are well on the way to fulfilling our mission.

To the sports teams and the leagues and the facilities, we bring a comprehensive understanding of best business practices. We launch new leagues and new teams. We develop integrated marketing and sales strategies. We book major events and we sell the sponsorships and the naming rights. We develop the "game plans" to bring in the revenue. Often, we provide the critical difference.

To the corporate client that buys the tickets, sponsors the team, and lends its dollars and its name to facilities and events, we bring an unparalleled, working knowledge of the intricacies of the sports industry. We analyze the client's investment in sports and we streamline and reshape sports portfolios to effect cost savings. We design comprehensive strategies to assure that any investment in sports and entertainment is integrated into the daily operation of the business.

For the corporate client, we believe success can only be a byproduct of both enjoying the game on Sunday and closing the sale or cutting the deal on Monday.

We conceptualize and produce the event that launches the product, strengthens the brand, and drives operational success while invigorating and complementing overall promotion and advertising strategies.

We know that our success can only be measured upon that of our clients; and that our mission can only be fully realized as their goals are achieved. As such, we do justice to our own vision and dreams only insofar as we recommend what is best for them — only insofar as we leave a lasting impact.

In our formative years, clients have often come to us with one need and remained with us as we addressed other challenges and opened the door to unforeseen opportunity. We invite you to do the same.

Michael R. Rowe

Michael Rowe
Partner and Chief Executive Officer

POSITIVE impact

COMPANY PROFILE

The CEnter FOr Airport MANAGEMENT, LLC

The Center for Airport Management, LLC (CAM) is widely recognized as the most creative and rigorously analytical concessions planning research center and consultancy firm in the US today. CAM's principal, while an executive at the Port of Portland, developed, in 1987, the first comprehensive contemporary concession program at a US airport: the Oregon Market.

CAM conducts concession planning and revenue enhancement programs for airports. Many of the concession principles first developed for this project have become the foundation principles of contemporary concession programs across this nation and internationally. These include the emphasis on creating a dense shopping and eating environment, with carefully planned concept adjacencies, the use of specialty retailers and food service vendors, street pricing, the use of strong local and regional "gateway" branding in tandem with national and international branding, the introduction of qualified off-airport retailers and follow-up property management programs, including Store Doctorsm, designed to assist retailers make the transition from the off to the on-airport environment.

We have a detailed understanding of, and experience in, developing vendor selection processes that will meet public policy, airport policy, customer satisfaction and revenue generation needs. We wrote the ACI handbook on concession contracting, and created and directed the ACI/AMAC seminar on the subject.
In the process of carefully studying airport user behavior during management of the Oregon Market, and in subsequent years through research programs at The Center, many analytical principles were first developed here at The Center that advanced the state-of-the-art in understanding airport concessions and airport user requirements. These efforts include the advancement of the importance of the concept of Terminal "dwell" time, passenger segmentation, the sales impact of effective product adjacency, the effect of bringing the passenger into "full-contact" with the merchandise, research in the areas of passenger "gate roam" and a number of other concepts designed to increase the conversion of Terminal users into satisfied purchasers of both concessions and services.

Company Profile – contd.

CAM is the concession consultant for a great percentage of the major US airports undertaking significant contemporary concession program development. Large Hub clients include Dallas-Fort Worth, Chicago, Miami, JFK-New York, Boston, Minneapolis-St. Paul, Seattle, Houston, Los Angeles and Cincinnati. Our Medium Hub experience includes Portland, Norfolk, San Diego, Kansas City, San Jose, Chicago Midway, Jacksonville and others. Each year we take on a project for a small airport, such as Shreveport, Jackson, Mobile and Eugene, in an attempt to further the industry's understanding of how to create low capital investment-high impact concession programs.

The firm offers valuable terminal and facilities planning and design team assistance regarding optimal "public policy versus revenue generating" space allocation. CAM offers expert assistance in the refinement of airport property management systems and procedures in the areas of concession operational and financial performance, tenant development, and marketing programs.

CAM's Principal has presented numerous papers at industry conferences in North America and in Europe. He has co-founded and has chaired airport industry trade association committees on concessions and commercial management, and has served multiple terms on association steering committees. He is the author of the ACI handbook on airport contracting procedures. He is past Chairman of the Board of the ACI Associates.

We understand this business in great depth and detail and with wide ranging perspective. We understand it from the perspectives of airport user, airport management, concession operator and public policy. All we do is concession consulting. We are the specialists. There is simply no other consulting firm in the United States that focuses its resources so intently on airport concessions. We are excited about the opportunity to assist you achieve your goals.

Client Overview

CAM has a client list including more than 16 international hubs, 10 medium hubs, 5 small hubs and 5 non-US airports spanning over the past decade. CAM has led the industry in the passenger amenity development principles and has enjoyed unparalleled success in their implementation. **As testimony to this success, in every year that there has been airport concession industry awards, CAM clients have placed first or second in every major category, and in some years, both first and second.**

commarts @

Firm Description

CommArts is a full service, multi-disciplinary firm that applies design as a strategic service in shaping the client's vision, differentiating a project or product, and attracting patronage to increase the client's market share. Services offered include qualitative research, needs assessment, masterplanning, visioning, design, identity and branding, environmental graphics and placemaking within retail, urban, resort, sports and hospitality environments.

The Boulder, Colorado firm was founded in 1973 by Principals Henry Beer and Richard Foy, both former employees of The Office of Charles Eames. Managing Partner Janet Martin joined the firm in 1977. Today the staff is composed of 55 full-time employees, with backgrounds and education in environmental graphics, print graphics, architecture and interior design. The office is located at 1112 Pearl Street, Boulder, Colorado.

CommArts is typically responsible for the development of overall project character as well as planning and design for retail environments and urban and mixed-use projects. CommArts connects people, places , cultures and markets by weaving project stories that entice peoples' curiosity and invite participation. Project successes include Diagonal Mar in Barcelona; Staples Center in Los Angeles; Park Meadows Mall, Denver; Ontario Mills, Ontario, California; Bugis Junction, Singapore; JFK International Airport Terminal 4; the Downtown Boulder Mall, Prudential Center, Boston, and Madison Square Garden, New York City. As a firm working in many cities, careful attention is paid to the distinguishing market characteristics that lead to unique and memorable solutions.

CommArts' projects have been recognized with awards from the Urban Land Institute, the Department of Housing and Urban Development and the International Council of Shopping Centers. The firm's identity and marketing programs have been honored by the New York Art Directors and The Art Directors Clubs of Denver, Houston and Los Angeles and have been published in Print, and Communication Arts magazines.

EL TALLER COLABORATIVO, PC (ETC), a medium-sized, certified Small Business Enterprise (SBE) and Minority-Owned Business Enterprise (MBE), has been providing comprehensive Architectural, Engineering, Planning, and Construction Management services since its founding in 1985.

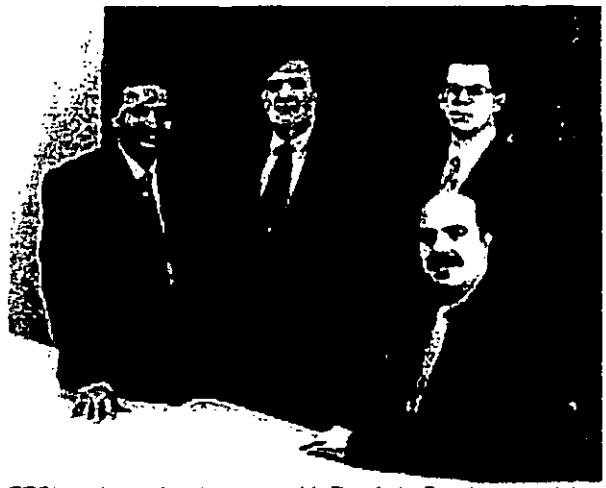
Our staff includes over 75 professionals with extensive experience in architecture, landscape architecture and urban design, interior design and space planning, electrical and mechanical engineering, civil and transportation engineering, infrastructure and structural design, security and safety consulting and design, LEED Consulting, rehabilitation, inspection, and construction management. ETC has planned and designed projects ranging from 50 thousand to 600 million dollars.

ETC's strength and record of success is a result of our unique multidisciplinary structure, commitment to quality, and responsiveness to our clients' needs. With an efficient project management, and full-service computerized capabilities, including Microstation and AutoCAD, we can assemble customized project teams, meet stringent schedules and budgets, and fulfill each client's goals.

The firm's principals: **Alex Garcia, RA, AICP, LEED™**, a registered architect and planner; **Milan Patel, PE, LEED™**, a building systems engineer; **Francisco Ruela, RA, LEED™**, a registered architect; and **Jim Welsh, CLA, LEED™**, a registered landscape architect; are directly involved in the management and development of all projects directly related to their area of expertise. ETC's philosophy encourages an open exchange of ideas and creative problem solving. ETC has built lasting professional relationships with clients and consultants over the years. A measure of our quality and responsiveness is in the high number of our repeat clients.

ETC has teamed up with the top architectural and engineering firms throughout the Northeast. Our assignments have included a wide range of public and private sector clients.

Our clients include:
- Transit Agencies
- Transportation Departments



ETC's principals left to right: M. Patel, A. Garcia, J. Welsh, and F. Ruela (seated).

- Boards of Education
- Public Authorities
- Federal Government Agencies (Civilian & Military)
- Local and County Governments
- Housing Authorities
- Medical Facilities
- Private Sector

Offices

Corporate Headquarters
550 Broad Street, 5th Floor
Newark, NJ 07102-4531
Tel: 973.424.6420
Fax: 973.622.6030

Branch Offices
40 Exchange Place, Suite 1311
New York, NY 10005-2701
Tel: 212.952.1955
Fax: 212.952.1928

1008 West 8th Avenue, Suite C
King of Prussia, PA 19406-1344
Tel: 610.768.0877
Fax: 610.768.0879

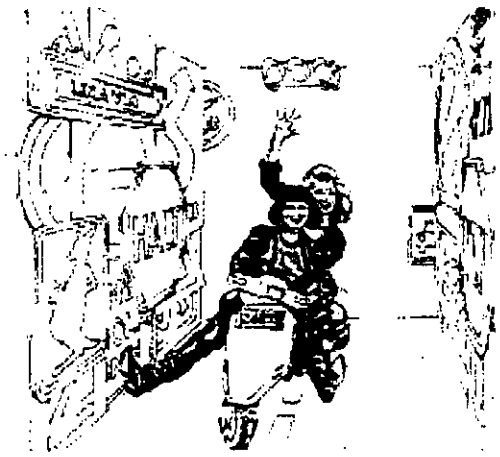
ETC maintains a web site that provides more information about our firm. We invite you to visit it at www.etcpc.com.

Case Studies

Kiosk Case Studies

MTV

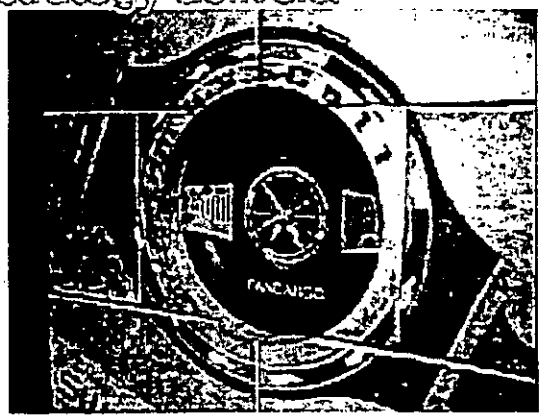
MTV Video Wall created for shopping malls, visitors made their own music video.



LEVI'S

Levi's instore exhibit. Visitors sat over green screen to win a free trip.

JUDELL-FINN INTERACTIVE | Internet strategy delivers.

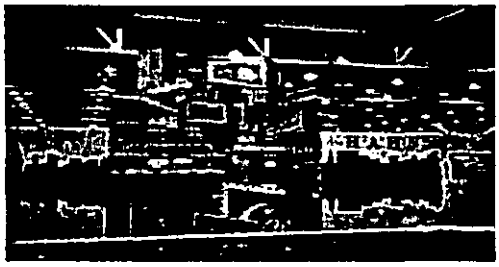


SWATCH

Swatch exhibit at Grammy Awards. Clint Black uses touch screen to design his own watch and compose a tune for the watch to play. Kiosks were then placed in Swatch stores.

JUDELL-FINN INTERACTIVE | Internet strategy delivers

Case Studies



HAHN REAL ESTATE

Display for Times Square press event and Vegas trade show. Built-in camera printed souvenir photo of visitors as if on giant Times Square billboard

Schering-Plough

www.sch-plough.com

Relevancy:
Online Ad-serving Platform

Date:
Launched June 2002, v2 launched March 2004

Key Personnel:
Scott Schneider, Executive Producer; Brad McCormick, Senior Producer; Bonin Bough, Strategy Director; David Nicolaou, Art Director; Joo Yeon Yoo, Senior Designer; Jisoo Lee, Illustrator/Designer; Edward Swonger, Senior HTML Programmer

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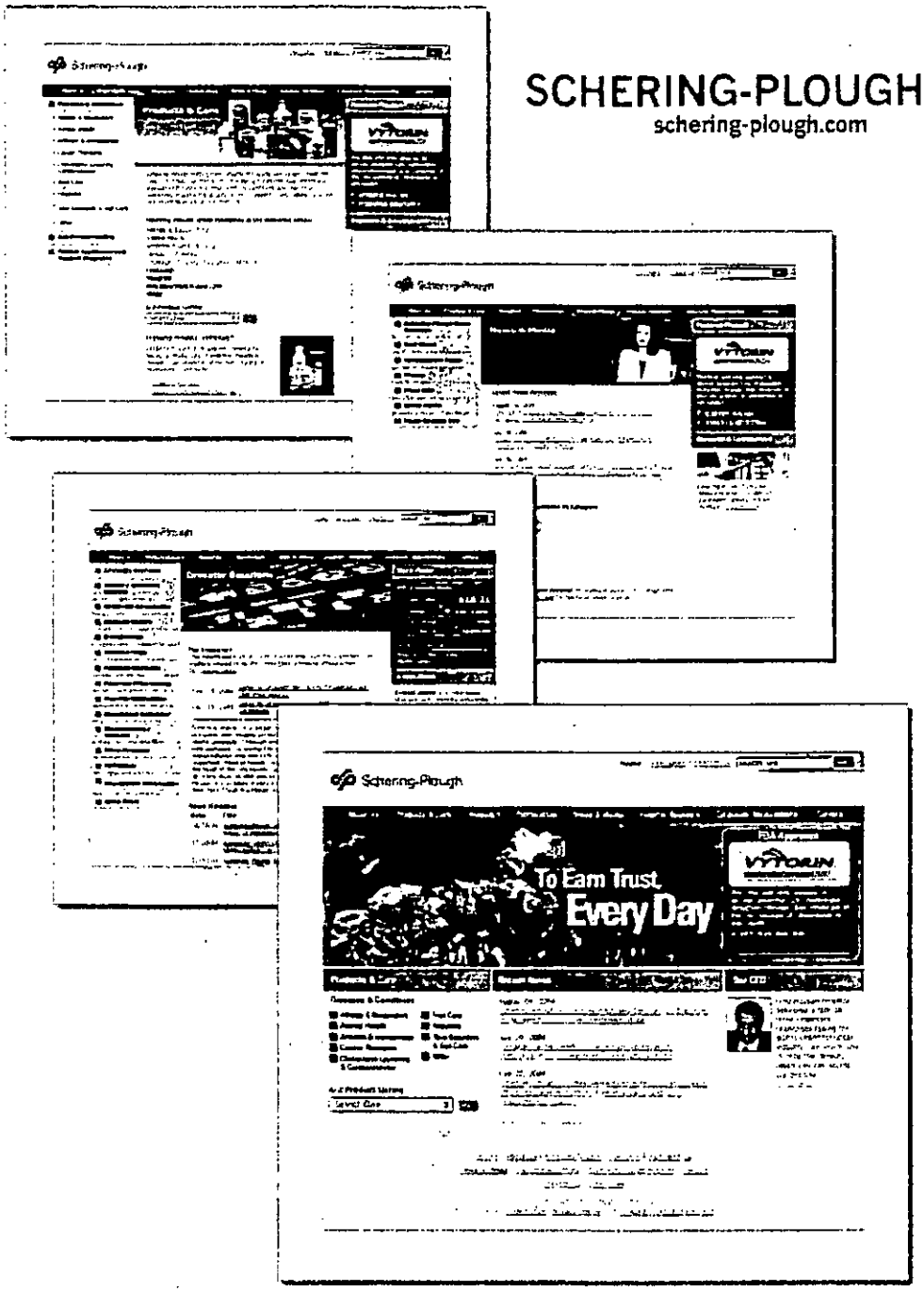
Project Overview:
Schering-Plough was undergoing a transformational change. The new Schering-Plough corporate Web site needed to communicate the innovation, speed, and flexibility with which it was planning to run its business. It was imperative for the new Schering-Plough.com to reflect an innovative approach to addressing user needs, a speed of communication and responsiveness unprecedented by today's pharmaceutical companies, and the flexibility to adapt to the growing demands of its constituents.

Integral to the redesign's success, was the creation of an integrated advertising component for each brand, one that would extend across all of the online properties, including the corporate side. RF created an ad-serving system that pumped brand banners to all public sites that were able to receive the ad-serving platform (VYTORIN banner example shown in case study screens).

Results:

- **2005 Winner, The Stevies, International Business Award – Overall Corporate Website**
- 19% decrease in user drop off rate from home page or single page visits
- 24.5% increase of users downloading product information
- Higher percentage of visitors viewed the sections of the site that show company transparency such as "About Us," Philanthropy, and "Corporate Citizenship."

Case Studies



SCHERING-PLOUGH
schering-plough.com

International Center of Photography

Relevancy:
Integrated Marketing Campaign, Enterprise Database Development

Key Personnel:
Scott Schneider, Executive Producer; Brad McCormick, Senior Producer; Bonin Bough, Strategy Director; David Nicolaou, Art Director; Joo Yeon Yoo, Senior Designer; Jisoo Lee, Illustrator/Designer; Edward Swonger, Senior HTML Programmer

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Project Overview:

The new ICP marketing program is an overhaul of its offline and new media assets, as well as its Customer Relationship Management strategy. The redesigned website offers enhanced sections including a school, museum, store, and an online resource and database for photography. The site redesign features a complete rebuilding of the backend for ICP.org. This new backend enables students to sign up for classes on line and view their professor's portfolios. Ruder Finn Interactive, working together with Ruder Finn Design Studios, is also creating all print and collateral materials for ICP.

Results:

- Created additional product purchase opportunities through a re-marketing program CRM program
- Consolidating customer and patron databases to drive sales at point of purchase
- Incentivized cross-channel sales opportunities by driving online to offline visitation

Case Studies

Johnson & Johnson

www.discovernursing.com

Relevancy:
Design & Content Management System

Date:
Launched June 2002, v2 launched March 2004

Key Personnel:
Scott Schneider, Executive Producer; Brad McCormick, Senior Producer; Bonin Bough, Strategy Director; David Nicolaou, Art Director; Joo Yeon Yoo, Senior Designer; Jisoo Lee, Illustrator/Designer; Edward Swonger, Senior HTML Programmer

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Project Overview:

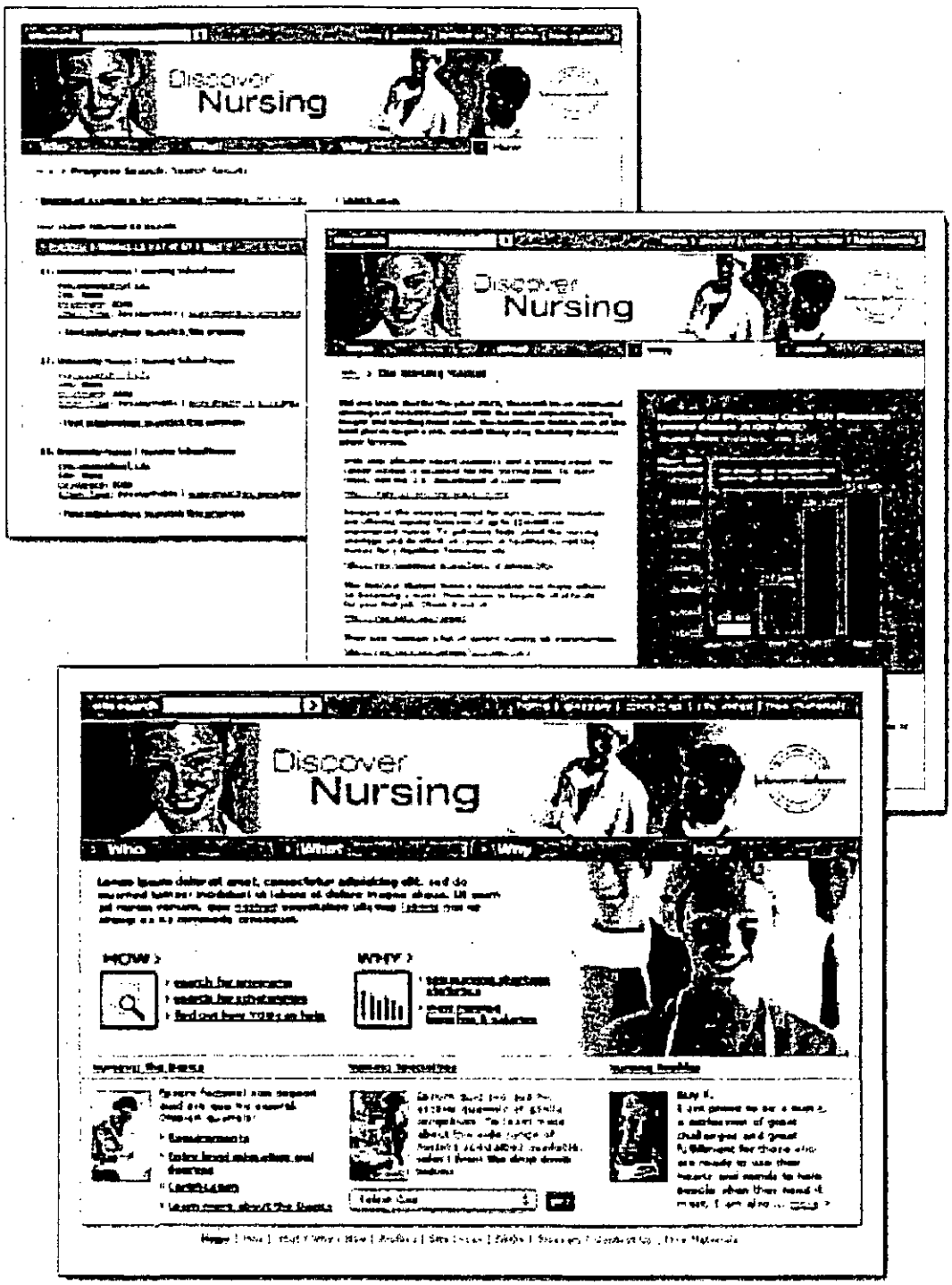
A study fielded in 2001 projected an upcoming shortage of Nurses in America. Discover Nursing campaign was launched to educate students on the benefits of nursing. Ruder Finn was engaged to construct a large-scale communications campaign which, increased nursing-degree program enrollment, promoted public awareness of the nursing shortage, create a destination website positioning nursing as a modern, viable profession for students and second-career seekers, and to provide online tools to help potential nursing candidates in their search.

Results:

- #1 Search result for nursing scholarships
- 3.2 million unique visitors with over and over 50 million pages served to date.
- Site allows search of 1,400 nursing specific scholarships and ordering of promotional materials
- 8% more freshmen enrolled in baccalaureate programs from the prior year*
- 82% of nursing schools contacted saw rising applications and enrollment for the fall.
- Johnson & Johnson witnessed great acclaim from within the nursing community

* Survey performed by the American Association of Colleges of Nursing

Case Studies



Affymetrix

www.affymetrix.com

Relevancy:
Corporate Redesign & Enterprise Database Development

Date:
Launched 2002

Key Personnel:
Scott Schneider, Executive Producer; Brad McCormick, Senior Producer; Bonin Bough, Strategy Director; David Nicolaou, Art Director; Joo Yeon Yoo, Senior Designer; Jisoo Lee, Illustrator/Designer; Edward Swonger, Senior HTML Programmer

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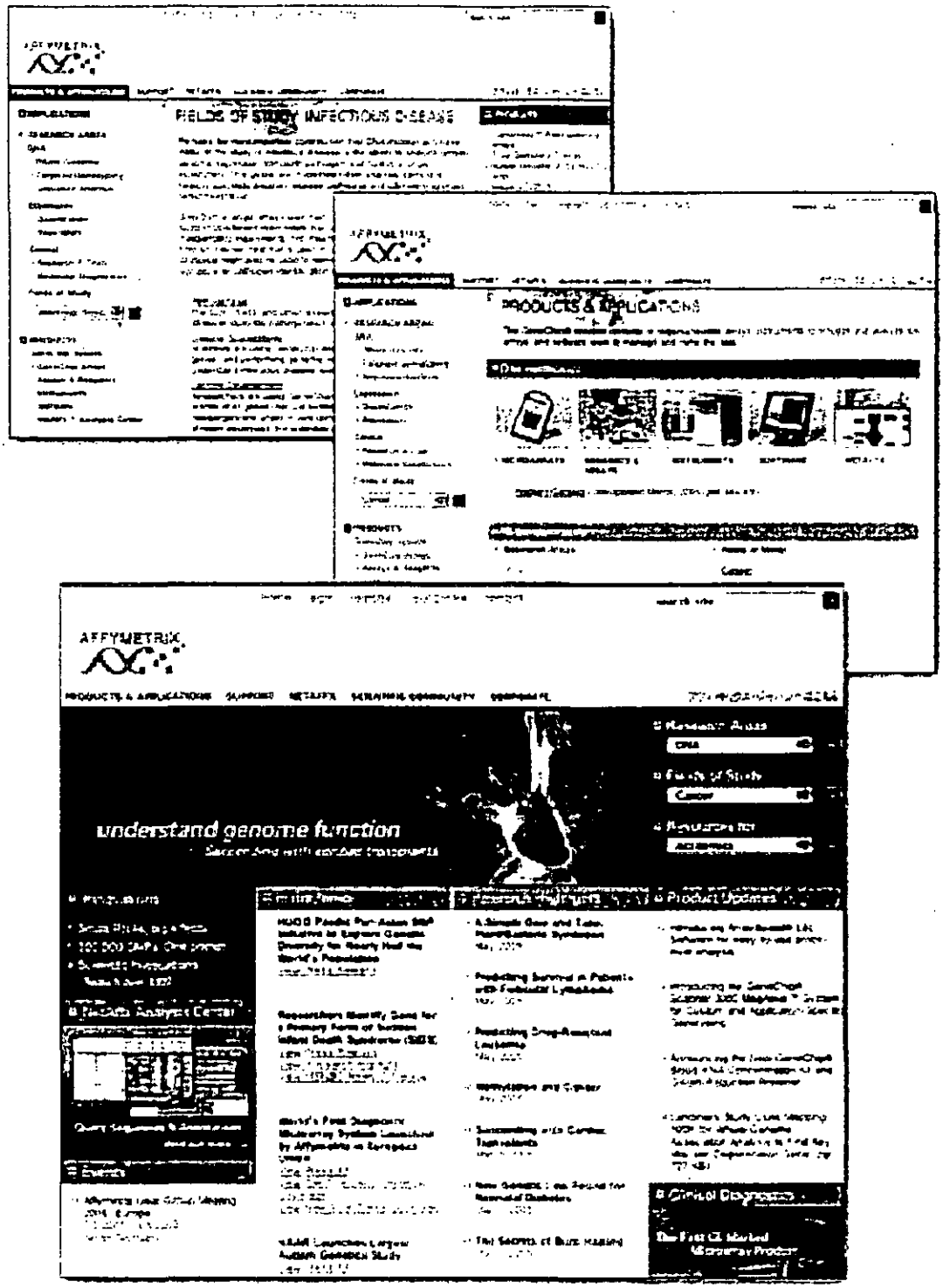
Project Overview:

The communications department of Affymetrix, the leader in developing and commercializing systems to acquire, analyze and manage complex genetic information, found themselves inundated with negative publicity. With major tech players making moves to enter the market, Affymetrix turned to Ruder Finn Interactive to develop a digital presence that portrayed a new, customer-focused strategy.

Results:

- According to a perception survey, favorability, admiration and customer orientation measures have drastically increased and are at 89%, 70%, and 6.46, respectively.
- Before launch, Affymetrix.com saw 17,000 unique visitors a month. For six months after launch they averaged between 27,000 and 30,000 unique visitors a month, and a 48% increase in chip order volume from the previous year.
- "The Way Ahead" is viewed by 23% of all visitors and has helped increase the average visit length from 8:36 min to 15:00 min. Average pages viewed per person also increased from 20 to 36.
- The style guide and image usage strategy is being applied to all international market sites
- Before launch, there were 12,000 membership registrations over a 2-year period, and an average of between 600-700 new members per day. 6 Months after launch, the site had just under 20,000 members, and was averaging about 1,700 new visitors a month.

Case Studies



Case Studies

Ready.gov
www.Ready.gov/Index.html

Relevance:
Engineering

Date:
Launched November 2003, Updated November 2004

Key Personnel:
Scott Schneider, Executive Producer; Brad McCormick, Senior Producer; Bonin Bough, Strategy Director; David Nicolaou, Art Director; Joo Yeon Yoo, Senior Designer; Jisoo Lee, Illustrator/Designer; Edward Swonger, Senior HTML Programmer; Noah Finn, Senior Developer, Lee Semel: Senior Developer;

Project Overview:

The U.S. Department of Homeland Security requested a website as the central component of their nationwide citizen preparedness campaign, "Don't be Afraid, Be Ready," which encouraged Americans to prepare themselves and their homes in the event of a terrorist attack. The website was to visually communicate and educate a wide spectrum of visitors on the actions that one needed to take in case of a terrorism attack.

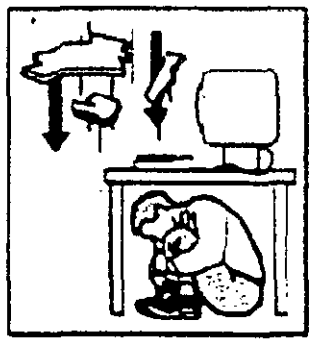
Results:

- Time sensitive project completed in six weeks
- Drove 29 million unique visits to date
- Jacob Neilson, co-founder of Norman Neilson Associates (nngroup.com), described Ready.gov as "a great example of a government U.S. Government Site that is highly usable and that meets, and in some cases exceeds, 508 standards"
- I Can! Online (ican.com), the leading disability online community, named Ready.gov its Web Site of the Week

508 Compliant & Beyond

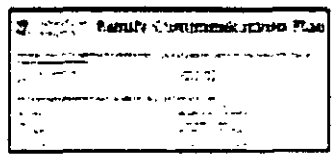
NN/g

Visual Guides



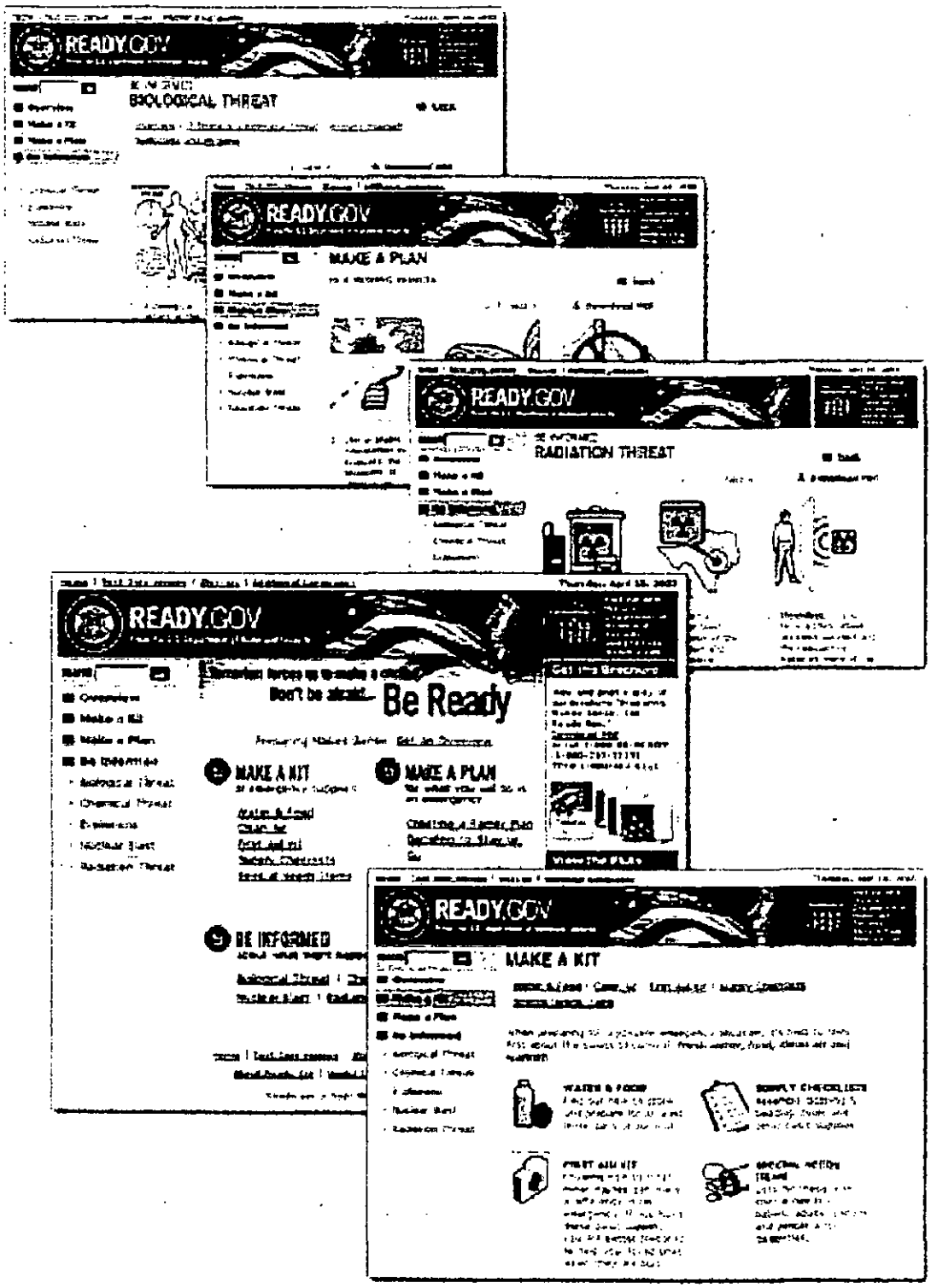
Illustrated instructions for emergency situations

Family Emergency Plan Download



Aids families to create their own communications plan

Case Studies



Novartis Intranet

Relevance:
Engineering, Ad-serving Platform

Date:
Launched 2003, Ongoing Development

Key Personnel:
Ruth Foxe Blader, Senior Producer; Bonin Bough, Strategy Director; David Nicolaou, Art Director; Joo Yeon Yoo, Senior Designer; Edward Swonger, Senior HTML Programmer; Noah Finn, Senior Developer; Lee Semel, Senior Developer

---

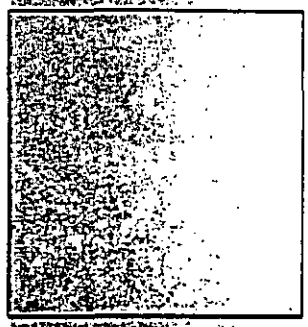
Project Overview:

A redesign was called for because the existing Novartis company-wide pharma intranet serving 70,000 users had issues ranging from architectural and visual to technical and process related.

Ruder Finn redesigned the Global Pharma Intranet, branding it "OneHealthWorld." The intranet was implemented using Interwoven as the content management system. The content entry and approval process were developed using a customized interface based on TeamSite templates and workflows. The site deployment was implemented using OpenDeploy and DataDeploy as well as TeamSite's submit triggers to automate certain elements of content generation.

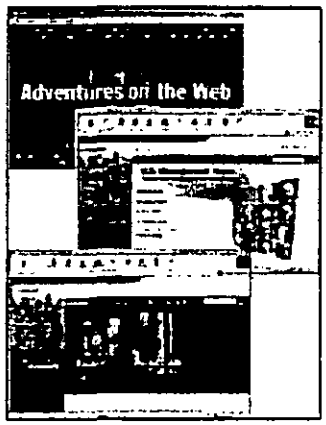
Results:

- Increased traffic to both sites
- The initiative received outstanding qualitative feedback; within the first two days of launch of OneHealthWorld, the Webmaster received over 75 unsolicited, positive emails



Important company announcements made in form of company wide animated emails

Over 80 Complete Division Web Sites



Complete website creation for all global divisions. Each had unique visual identity within the overall Intranet look and feel templates.

Novartis Corporate Reputation

www.US.Novartis.com
http://novartis.com/investors/en/innovation_spotlights.shtml

Relevance:
Multimedia

Date:
Launched June 2004

Key Personnel:
Brad McCormick, Senior Producer; Bonin Bough, Strategy Director; David Nicolaou, Art Director; Joo Yeon Yoo, Senior Designer; Kyung Jong Park, Senior Flash Animator; Yan Shikhavrger, Strategist; Edward Swonger, Senior HTML Programmer; Noah Finn, Senior Developer,

---

Project Overview:

Novartis wanted to enhance its corporate reputation message, and reach its core audience of patients, physicians, and investors. The patient/physician message focused on developing patient profiles that would make an emotional connection with these target audiences. The investor piece of the program focused on placing rich media ad units on major investor interest online publications. The ad unit provided exclusive video of major Novartis executives speaking on issues that resonated with investors. The video content was also surrounded with supporting downloads and links directly within the banner.

Results:

- Investor Program amassed over 20 million impressions
- Investor Program reached 80% of its target market
- 6% of viewers interacted with the ad unit (vs. 02% industry average click through rate)

Case Studies

Selected Case Studies in the Field of Marketing/Sponsorship

Positive Impact and its principals have over 100 years of direct experience in the field of marketing/sponsorship and advertising.

Our executives have constructed and managed public facilities in the New York and New Jersey marketplaces; we have overseen marketing and advertising departments and executed successful sales programs for:

Sports and Entertainment Facilities
Professional Sports Franchises
Colleges and Universities
NCAA Conferences
Commercial Clients
Amateur Athletic Teams
Charitable Organizations
Governmental Organizations

POSITIVE impact

Case Studies

Below are a few brief descriptions of some of our assignments and success stories in the field of marketing/sponsorship and advertising:

- **New Jersey Sports and Exposition Authority (The Meadowlands),**
  East Rutherford, New Jersey
  Successfully executed a thorough upgrade of all institutional advertising and sponsorships for this public organization. Purchased new state-of-the-art advertising message boards, both electronic and static and sold out all positions resulting in an increase of over 300% in sponsorship and advertising revenues. Companies contracted during this time include such names as Coca-Cola, Anheuser-Busch, Sharp Electronics, Continental Airlines, Also secured an agreement with Continental Airlines for the naming rights of the Brendan Byrne Arena (recognized as Meadowlands Arena) in a transaction that was an industry record at that time in terms of cash received from a commercial naming rights sponsor. Dunkin' Donuts, Mrs. Fields, Ford Motor Company, Konica-Minolta, and others

- **New Jersey Nets (NBA),** East Rutherford, New Jersey
  Created a branding, advertising and sponsorship program that resulted in sales increases of over 250% in less than 4 years. Created new advertising locations and upgraded and extended existing advertisers and sponsors through value-added and upgraded sponsorship packages. Worked with such companies as Wachovia Corporation (formally First Union), Sharp Electronics, BMW Auto, McDonald's, Toyota, New Jersey Lottery, Anheuser-Busch, Pepsi-Cola, Ford Motors, Konica-Minolta and United States Postal Service..

POSITIVE impact

Case Studies

National Professional Lacrosse League (NLL), New York, New York

- Represented the New Jersey franchise, **The New Jersey Storm**, and was responsible for selling advertising and sponsorship agreements.

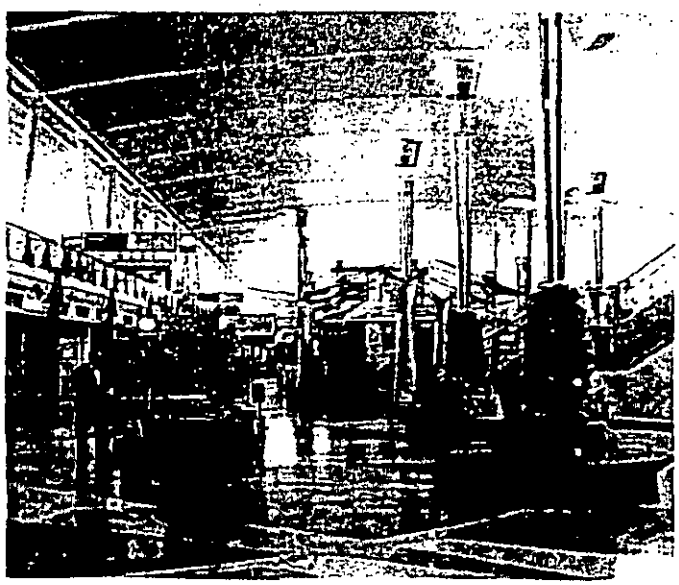
- Lead all NLL Teams in sponsorships obtained each year working with such commercial clients as McDonald's, Anheuser-Busch, Wachovia Corporation, Mazda, Modell's Sporting Goods, New Balance, Pepsi-Cola, Red Bull, Saint Barnabas Healthcare Center, STX Lacrosse, Toyota, Gold's Gym, Konica, Cablevision Lightpath, New Jersey Lottery, Star-Ledger, New York Post and Horizon / Mercy.

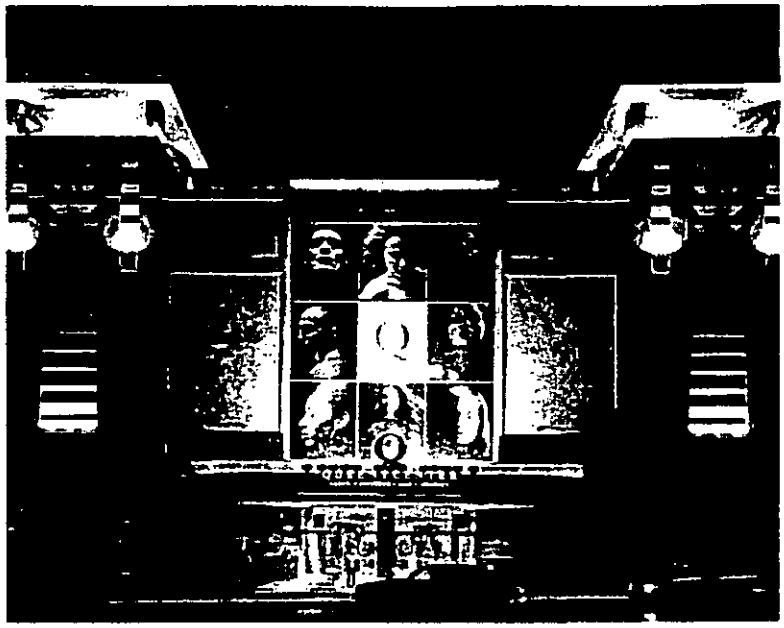
POSITIVE impact

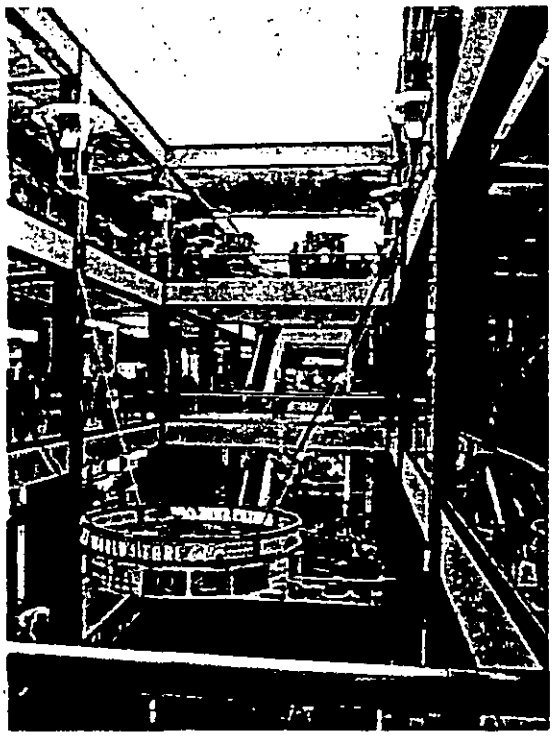
JFK INTERNATIONAL AIR TERMINAL

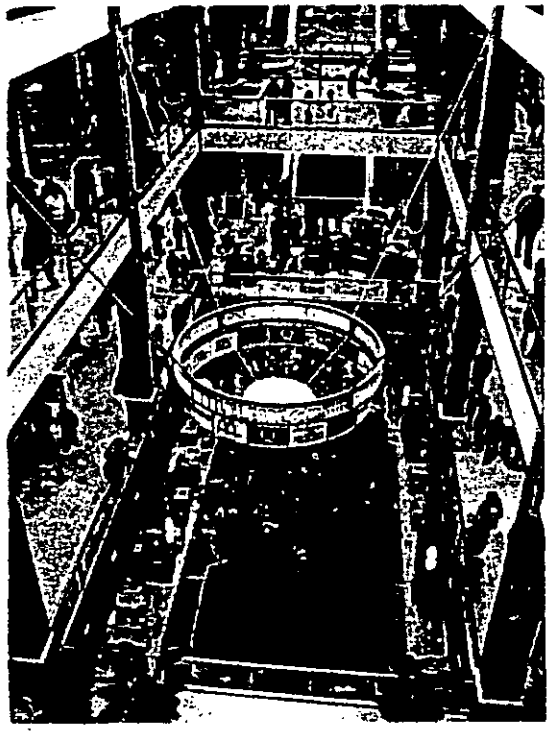
JAMAICA, NEW YORK

For many international travelers, JFK is the primary entry into the United States. CommArts and the development team of Schiphol and LCOR Properties saw the opportunity to speak to these visitors in ways unique to this location, its history and potential. Caring for the international traveler is the focus of the project, with an emphasis on retailing, food service and amenities that set a new standard for the world's traveling public.







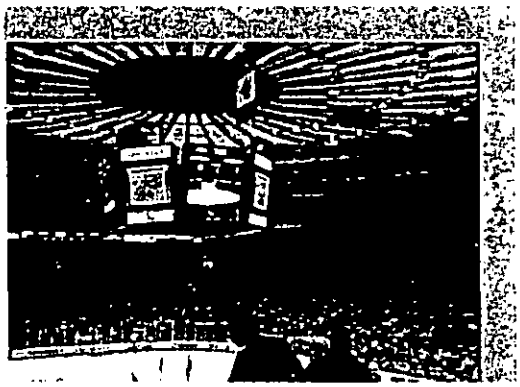


The renovation of Queens Center is a complete strategic repositioning and doubling of the Center. A collaborative team of developers, designers, architects, legal counsel, community participants, political strategists, Burrough members, management and tenants made this vertical urban center into one of the most exciting community centers in the city. CommArts' scope included project character, interior and exterior design, food court design, signage, environmental graphics and sponsorship program development.

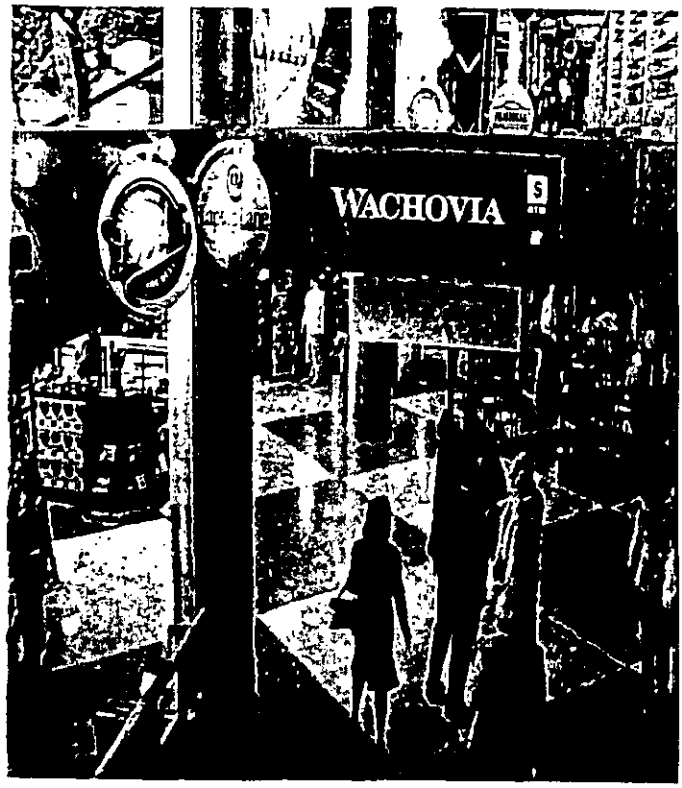
MADISON SQUARE GARDEN

NEW YORK CITY, NEW YORK

CommArts was hired by the Madison Square Garden Corporation to renovate this historic landmark in New York City. The renovation program focused on the modernization of the 1.1 million square foot arena, the new Paramount 5,600-seat theatre, including the design of two new restaurants, new suites, food courts, concession stands, restrooms and a signing and graphics program. CommArts was responsible for the interior and environmental design and worked with the architectural firm, Ellerbe Becker of Kansas City.



Client Lists



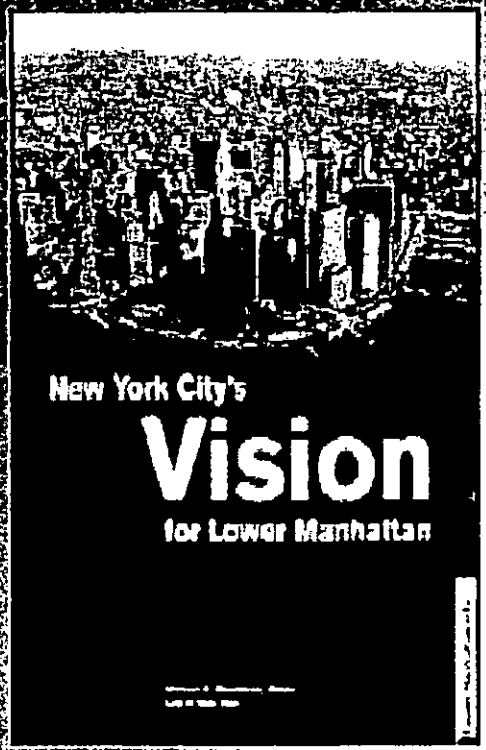
Client List

A&P
Alain Mikli
Ann Taylor
Applebee's
Ashley Stewart
Au Bon Pain
B&H Photo
Banana Republic
Bank of America
Barney's
Bebe
Bedat
Bed, Bath and Beyond
Betsey Johnson
Blockbuster
Bombay
Burger King
Cartier's
Casual Corner
Celine
Chesseburger Restaurants
Circuit City
Citarella Market
Citibank
Clothes Time
Commerce Bank
Cosmetics Plus
CVS
D'Agostino's Supermarket
Daffy's
Dock's
Dollar Tree
Duane Reade
Dunhill
Eckerd Drug
Equinox Gym
Esprit (franchises)
Family Dollar
Famous Brands
Famous Footwear
Ferragamo
Filene's Basement
Footlocker
Gale Shoes
GNC
Gracious Homes
Great Indoors
Gristede's
Guess Kids
H&M
H&R Block
HMV Records
Hold Everything
Home Depot
Hot & Crusty
Huntington Learning
Innovation Luggage
Intershoe
J. Baker
Jean Pierre Hair Salon
Jimmy Jazz
Kinko's
Lens Crafters
Liberty Travel
Loehmans
Loft
Lowes Hardware
Macy's
McDonalds
MedGrile by Bice
Modell's
Modern Women
Mr. K's Restaurant
Mrs. Field's Cookies
New York Sports Club
Nine West Shoes
Office Depot
Old Navy
1 800 Mattress
Panera
Papa John's Pizza
Papyrus
Payless Shoe Source
Pearle Vision
Petland
PETsMART
Pizzeria Uno
Rag Shop
Ranch One
Regal Cinemas
Restoration Hardware
Rite Aid
Rochester Big & Tall
Sam Goody
Searle
Sears
Sephora USA
Sports Club L.A.
Staples
Starbucks
Stop N' Shop
Storage U.S.A.
Strawberry
Subway
Sunglass Hut
Target
The Big Party!
The Bread Factory
The Gap
The Limited
The Sports Authority
TJ Maxx
Tower Records
Toys "R" Us
Treasure Island
Tricon Global
Regal Cinemas
Virgin Records
Wendy's
Williams Sonoma
Yves St. Laurent
Zara's

garrick-aug
Retail Leasing

GARRICK-AUG

URBAN PLANNING AND MUNICIPAL CONSULTANCY



Garrick-Aug staff members have served as retail leasing brokers and as consultants to a variety of City and State Agencies. These include:

- NYS DEPARTMENT OF TRANSPORTATION: CHELSEA PIERS
- MANHATTAN BOROUGH PRESIDENT'S WATERFRONT TASK FORCE
- HUDSON RIVER PARK CONSERVANCY ADVISORY BOARD
- PORT AUTHORITY OF NY/NJ: THE WORLD TRADE CENTER
- NYC ADMINISTRATION FOR CHILDREN'S SERVICES
- TIMES SQUARE DEVELOPMENT CORPORATION
- ALLIANCE FOR DOWNTOWN NEW YORK: RETAIL CONSULTANT
- MAYOR'S SMALL BUSINESS DOWNTOWN TASK FORCE
- PENN STATION RE-DEVELOPMENT: CONSULTANT FOR AMTRAK
- CITY OF JERSEY CITY
- NEW JERSEY CITY UNIVERSITY
- NJ TRANSIT
- JERSEY CITY BOARD OF EDUCATION
- NEWARK REDEVELOPMENT
- HARRISON REDEVELOPMENT

Garrick-Aug has in-house urban planners, former local community board members, civic leaders, and consultants to public agencies and municipalities. We have focused on entire neighborhoods, actively pursuing landlords and public agencies to redefine urban retail landscapes, from Times Square to Manhattan's "Luxury Walk" and "Golden Mile" to neighborhoods in outer boroughs and beyond. We have participated in and support the restoration and transformation of historic landmark buildings in New York City and the Metropolitan area.

Garrick-Aug locates retail leasing and development opportunities in emerging neighborhoods throughout the New York and New Jersey metropolitan areas. Our urban planning and design principles support development of lively mixed-use neighborhoods. We work as a liaison with City and Town governments to facilitate zoning variances and changes as well as economic revitalization programs designed to stimulate business districts. We prepare financing packages to move these planning projects forward to development.

garrick-aug
Retail Leasing

Client List

*Asterisk denotes current project

Ad Council

AFFYMETRIX

BERINGER

CATSKILL REGION

citigroup
Intranet & Extranet Development

COUNCIL ON FOREIGN RELATIONS
* Website Redesign

Forbes
* Online Interactive Game

Interactive Data

Gerber

Johnson & Johnson

Hunterdoughes

International Center of Photography
* Website Redesign

Kellogg's

Kule
www.KuleShop.com

MoMA

Mucinex
* Online Interactive Game

NEC

NOVARTIS

Office DEPOT
* Internal Communications Campaign

PERDUE
* Website Redesign

Pfizer
Environmental, Health & Safety Online Report

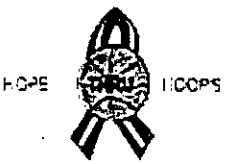
Schering-Plough
* Schering-Plough Global Corporate Intranet

Smithsonian

TYLENOL

INTERACTIVE | Internet strategy deliver

Worldwide Marketing & Media Group Clients



cara MARTIN
we get it.

client list

Cara Martin is a fast growing agency that has developed advertising campaigns for leading companies in nearly every major marketing category, including: ABC, IBM, Hearst, L'Oreal, American Express, Ralph Lauren, Revlon, Mead Paper, Phillip Morris, The Limited, Pzier, Richardson-Vick, Nabisco, Nestles, Neutrogena, Pan Am, Miller Beer, Wrangler, Sony, Bloomingdale's, Kodak, Neutrogena, Lazard Freres, Melon Bank,Spain, The Bahamas, Lufthansa, Ideal Toy, Buick, Mexico, Aston-Martin and on and on.

Today, with 12 offices throughout North America, Buxton is the leading customer research company working with over 1,000 retail and community clients in retail site and marketing decisions. Among its clients are Pier 1 Imports, Bass Pro Shops, FedEx, CompUSA, Dave & Buster's, GameStop and The Container Store.

Buxton
Identifying Customers

Beyond **SH&E's** existing airport expertise in rates and charges, air services marketing, and forecasting, the combined firms deliver management support across a wide variety of airport revenue generators for the best of breed across the United States:

- Food service
- Parking
- Cellular/wireless
- Rental car
- Airport adjacent
- property development
- cargo programs
- Retail
- Advertising
- Telephones
- ATMs and other passenger services
- Airlines commerical terminal planning
- Data infrastructure

comm @

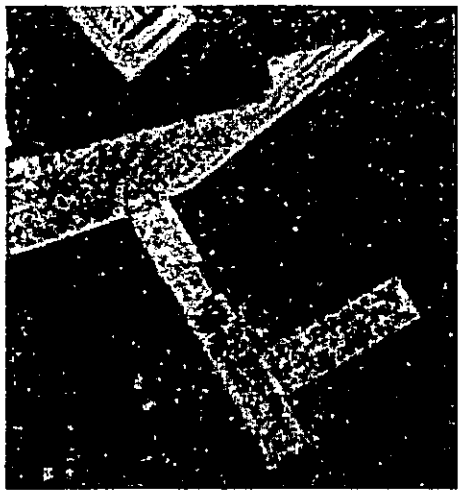
Retail Projects	Diagonal Mar, Barcelona, Spain
	Great Lakes Crossing, Auburn Hills, Michigan
	Frankfurt Urban Entertainment Center, Germany
	Burjuman Centre, Dubai UAE
	JFK/International Airport Terminal, New York, NY
	Opry Mills, Nashville, Tennessee
	The Block, Orange, California
	Bayside Marketplace, Miami, Florida
	Westlake Center, Seattle, Washington
	Rivercenter, San Antonio, Texas
	St. Louis Union Station, St. Louis, Missouri
	Arizona Center, Phoenix, Arizona
	Sportsgirl Centre, Boston, Massachusetts
	Gurnee Mills, Chicago, Illinois
	Prudential Center, Boston, Massachusetts
	Annapolis Mall, Annapolis, Maryland
	The Meadows Mall, Las Vegas, Nevada
	Ontario Mills, Ontario, California
	Park Meadows, Denver, Colorado
	Park Place, Irvine, California
	Perimeter Mall, Atlanta, Georgia
Resorts	Disney's Grand Californian Hotel, Anaheim, California
	Disney's Wilderness Lodge Resort, Orlando, Florida
	Disney Village Marketplace, Orlando, California
	Disneyland/City of Anaheim, Masterplan, California
	Northstar at Tahoe, Truckee, California
	Telluride Mountain Village, Telluride, California
	Colorado River Ranch, Cordillera Properties
	Bachelor Gulch, Avon, Colorado
	Universal City Walk, Hollywood, California
	Vail Resorts, Vail & Beaver Creek, Colorado
Store Design	Brothers Coffee, Denver, Colorado
	National Parks Service Retail
	Celestial Seasonings, Denver, Colorado
	LAX Retail Shops, Los Angeles, California
	Athens International Airport, Athens, Greece
Urban Design	Houston Uptown, Houston, Texas
	16th Street Mall Historic Renovation Program, Denver, Colorado
	Downtown Boulder Mall, Boulder, Colorado
	Keirland Commons, Scottsdale, Arizona
	Port Authority of New York & New Jersey
	Town of Aspen Retail Analysis, Aspen, CO

Recent ETC projects include:

- New School Design and/or Health & Life Safety Improvements Design in East Orange, Newark, Jersey City, Paterson, Passaic, Irvington, Harrison, Phillipsburg, and Orange school districts for the NJSCC;
- The award-winning Newark Liberty International Airport Rail Station, connecting the airport AirTrain to the Northeast Corridor rail line, for which ETC was the Architect/Engineer-of-Record;
- Feasibility Study and Final Design of the Conrail Railroad Bridge Over Avenue P for the City of Newark Department of Engineering;
- Hudson-Bergen Light Rail Transit System's Initial and Subsequent Operating Segments, for which ETC is the architect for 22 stations to date;
- Design and Construction Management Services for the South Jersey Transportation Authority (SJTA) Snow Removal Equipment Building at the Atlantic City Airport;
- Feasibility Study & Design of 1,850-Car Parking Facility in Atlantic City for SJTA; and
- Design of a New Media Center for Newark Public Schools
- Early Childhood Center Design for La Casa de Don Pedro in Newark, NJ

Our Commitment to the Port Authority

- To maximize revenue from current advertisers and under-utilized spaces
- To generate new revenue streams through innovative advertising opportunities and focused marketing vehicles
- To implement breakthrough brand strategy that boosts advertising values, extends brand image beyond the facility, and attracts new advertisers
- To identify sales processes to steward the advertising message and insure continued revenue growth
- To insure creative excellence with all presentation materials



CAM The Center For Airport Management

comm

AUDER-FINN INTERACTIVE | Internet strategy delivers.

EL TALLER ETC COLABORATIVO

cara MARTIN we get it.

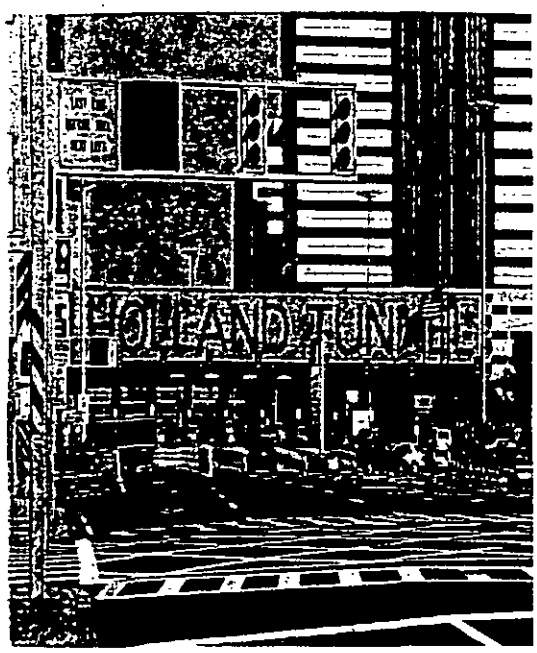
POSITIVE impact

MMG

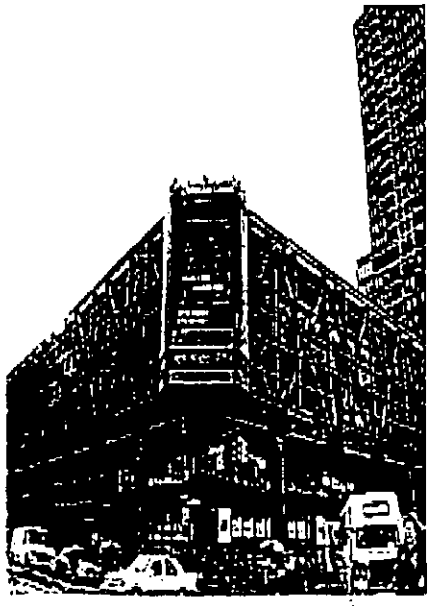
Buxton IDentifying Customers

garrick-aug Retail Leasing

Missior



- Creating a sustainable and recurring income stream from corporate advertisers from both tangible and intangible PANYNJ assets.
- To enhance the overall mission of PANYNJ while providing value-added benefits to its transit consumer base and regional network.
- Branding the entire infrastructure of the PANYNJ transit nodes to synergistically increase usage (impressions) and increasing advertising rates as a result.
- Advise on the conceptualization, adaptation and creation of maximum revenues from new fresh digital technologies, marketing concepts, and branding.
- Exploit the successes of PANYNJ and the remarkable record high transit use in 2004 as both air travel and vehicular traffic in bridges and tunnels regionally increased 200% compared to other US regional markets.
- Using that market data to generate maximum impressions and maximum advertising rates.
- To also successfully integrate both advertising and existing-proposed retail uses and sponsorship services to send one cohesive message.



I: ACKNOWLEDGEMENT OF AGENDA

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J: COMPLIANCE TO STANDARD CONTRACT

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SIDETRACK
Technologies Inc.

RFP No. 0000007920

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

Animated Subway Tunnel Advertising

Animated Pedestrian Displays

ORIGINAL COPY

Table of Contents

A. Letter of Transmittal
B. Executive Summary
C. Agreements on Terms of Discussion
D. Certifications With Respect to the Contractor's Integrity Provisions
E. (Not Used)
F. Organization Chart
G. Business Plan
1. Introduction & Development of a New Advertising Medium
2. Sales Plan
3. Financial Impact of a New Advertising Medium
4. Design, Manufacture & Installation
5. Opportunity for M/WBE Subcontractors
H. Proposal
1. Revenue to the Port Authority
A. Costs and Fees
B. Profit (Revenue Share Model)
C. Proposed Revenue to PATH
2. Marketing Strategy and Approach
3. Experience/Financial Capability
A. History of Firm
B. Experience with Similar or Related Work
C. Engineering Experience and Capability
D. Operating Experience
E. Project Personnel and Key People
F. Subcontractors
G. List of Clients
i. Rail System Operators
ii. Advertisers
Exhibit A – Video Footage
Appendix A – Letters of Commendation from User Systems
Appendix B – Audited Financial Statements
I. Attachments
J. Acceptance of Standard Contract Terms and Conditions

A

A. Letter of Transmittal

SIDETRACK
Technologies Inc.

1980 Main Street
Winnipeg, MB Canada
R2V 2B6
P: 1 (204) 663 4989
F: 1 (204) 334 4023

www.sidetrack.ca
1 (877) 258 3988

June 6, 2005

Port Authority of New York and New Jersey
One Madison Ave, 7th Floor
New York, NY 10010

Reference: RFP Number 000007920

Dear Sir/Madam:

SideTrack Technologies Inc. is pleased to submit our response as a single entity to your request for "Proposal" referenced above.

SideTrack can provide the best, state-of-the-art technology for the purpose of simulating motion pictures in the subway tunnels between underground stations with a system that delivers safety, reliability and proven commercial opportunity. The Company has a business plan focused on "revenue realism" and will deliver quality and price that advertisers will be willing to utilize on a long term basis.

While we do not offer a solution that encompasses ALL of the vast advertising opportunities available, our proposal is a sound opportunity, worth over a $1,000,000 in revenues per year for the Port Authority, that can be put into operation in less than eight weeks and can stand entirely upon its own merits. It does not conflict or cannibalize any other efforts that are to be considered as part of this process and we have a track record of working in a very co-operative manner with other Media vendors.

Time is of the utmost urgency in our proposal. You will see that national advertisers are after a national media footprint right now. To that end we have potential contracts ready to execute that are time sensitive. If we are chosen as part of your evaluation before July 18, 2005, we can immediately pay $100,000 more than if a later decision is taken.

Our solution is to provide PATH with animated tunnel displays that are technologically advanced and superior to the displays presently available. From a commercial perspective, our displays will generate well over one million dollars annually or ten times the expiring/expired arrangements.

Our animated tunnel systems have created demand for animated pedestrian displays which we will include in our product offering.

Individuals who are authorized to negotiate and execute this contract are:

Rob Walker	Michael Swistun
President/CEO	Vice President, Finance
Phone: 204-663-4989	Phone: 204-663-4989
Rob@sidetrack.ca	Swistun@sidetrack.ca

Individual to contact with respect to questions or issues related to this RFP:
Rob Walker
President/CEO

SIDETRACK
Technologies Inc.

1980 Main Street
Winnipeg, MB Canada
R2V 2B6
P: 1 (204) 663 4989
F: 1 (204) 334 4023

www.sidetrack.ca
1 (877) 258 3988

Phone: 204-663-4989

Rob@sidetrack.ca

At time of submission, proposed subcontractors have yet to be determined.

A listing of SideTrack's Primary Officers include:
Rob Walker – President - Winnipeg, MB, Canada
Bradley Caruk – Executive Vice President - Winnipeg, MB, Canada
Michael Swistun – Vice President - Winnipeg, MB, Canada
Dave Filmon – Secretary - Winnipeg, MB, Canada

In submitting this proposal, SideTrack Technologies hereby accepts all Standard Contract Terms and Conditions, stated in Attachment B, Part I.

By signing this letter, we certify to adhere to all provisions set forth in the General Contract as well as Attachment B, Part III Contractor's Integrity Provisions.

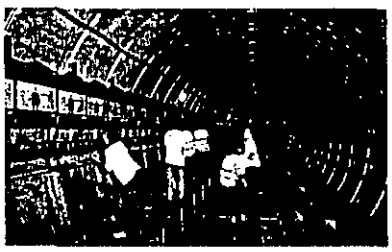
We look forward to a long term, mutually beneficial relationship with PATH.

Sincerely,

Robert Walker
President, CEO

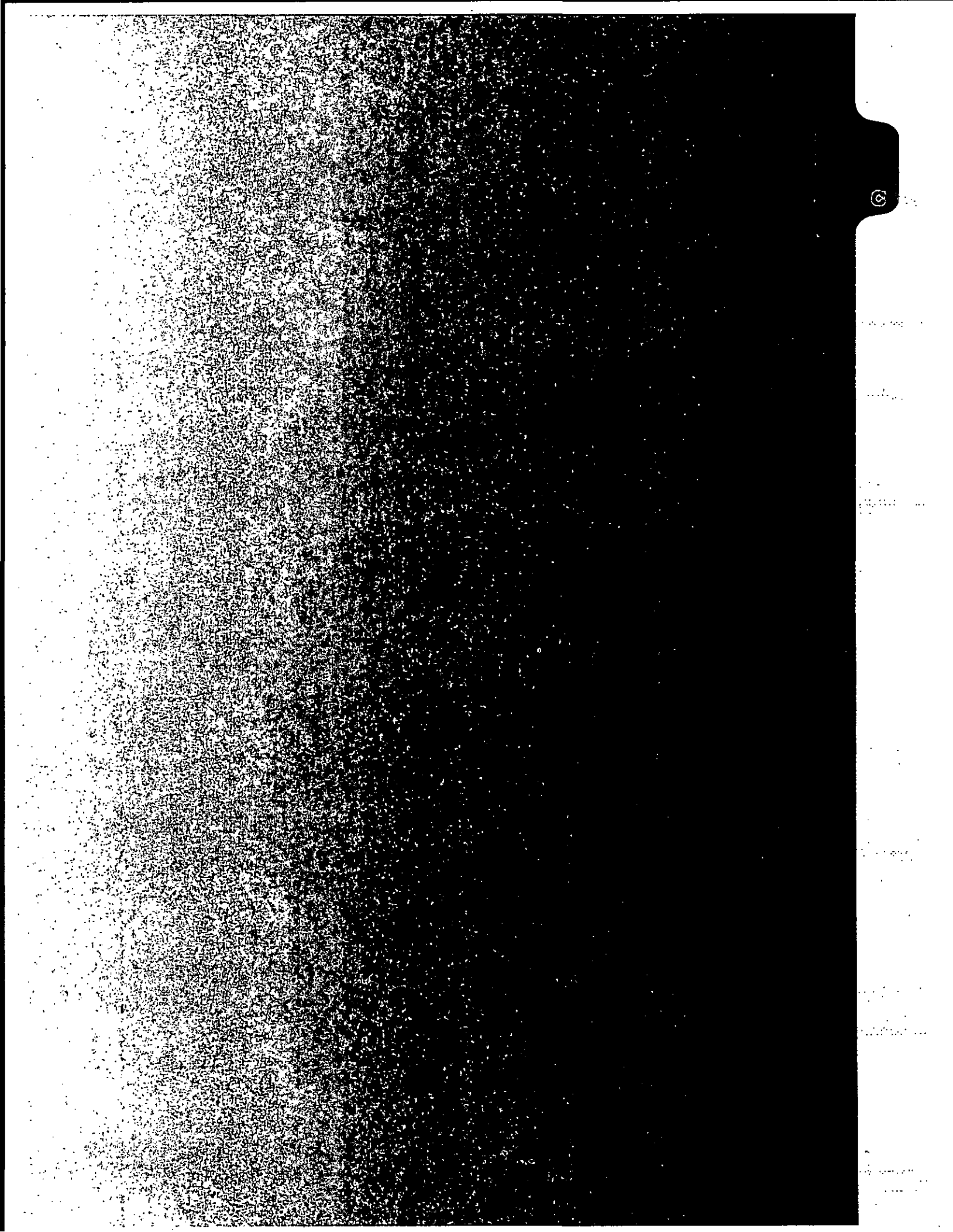
B

B. Executive Summary



- ✓ Upon contract signing, SideTrack will pay a Base License fee of $500,000 to PANYNJ for the right to provide animated tunnel and pedestrian displays in PANYNJ locations. Due to excess Q3 and Q4 demand from current advertisers, SideTrack is able to offer an additional $100,000 for such license if it can be announced on or before July 18, 2005.
- ✓ In addition, SideTrack will pay a Minimum Annual Guarantee for each tunnel advertising installation on the PATH system in the amount of $175,000 per installation. SideTrack will also pay on an annual basis, an amount that represents 35% of net advertising billings for the animated tunnel and pedestrian displays LESS the minimum annual guarantees already paid for that year.
- ✓ SideTrack proposes to install and operate at its own expense, a minimum of four (4) tunnel advertising systems on the PATH system and ten (10) animated pedestrian displays in the various PANYNJ airport, train station and bus terminal locations as *determined in consultation with PANYNJ.*
- ✓ This proposal covers a 5 year term with an option for an additional 5 years.
- ✓ SideTrack recommends a schedule during its first year in which at least 4 tunnel advertising systems will be operational.
- ✓ This proposal represents the potential to generate at least $4,000,000 *and potentially over $8,000,000 in new revenues for* PANYNJ over the first 5 year term of contract.
- ✓ The PATH subway system will be the fourth North American system to be equipped by SideTrack Technologies
  - Boston – MBTA launched in August 2004
  - Toronto – awarded as part of a teaming arrangement with Viacom Outdoor to launch in October 2005 (first 6 months already pre-sold.
  - Monterrey – sole sourced contract to launched in December 2004
  - BART – San Francisco – BART Board of Directors approved a Viacom/SideTrack program for implementation in 4th quarter 2005, a perfect opportunity for a double city launch with New York.
  - MetroRio – Launching July 1, 2005

- ✓ SideTrack provides the highest image quality tunnel advertising product at the most economical price to the advertising industry thereby ensuring long term viability.
- ✓ SideTrack's manufacture team is accredited to the highest levels required for ISO 9001/2.
- ✓ SideTrack was incorporated in 2000. The Company's founders and senior management have collectively, nearly 50 years in sales, marketing and business development and over 20 years in engineering experience.
- ✓ SideTrack has the largest and only national based sales force for animated tunnel display advertising with 8 people based in offices in New York, Chicago, Los Angeles, Detroit, Atlanta and Boston.
- ✓ SideTrack's product has proven its superiority to competing technologies in both appearance and costs to the Advertisers (the key to any tunnel advertising program)
    - o Pictures are brighter and sharper than other systems and images can be viewed from any angle and are not dependant upon the direction of the train or where one is standing.
    - o Price for production of material is lower than competing systems, allowing advertisers to try the system at the lowest costs, and allocate more money to media space costs.
- ✓ SideTrack's system is fast, safe and flexible/adaptable for installation. It is very low profile and completely modular to allow for customizing an installation in a difficult area and allows continuous service access to tunnel wall behind the SideTrack equipment.
- ✓ No moving parts / nothing mounts to or interferes with rolling stock or wayside equipment.
- ✓ SideTrack has performed a complete system safety audit to several related standards including:
    - o MIL-STD-882C, dated 1/19/93 - System Safety Program Requirements (U.S. Dept. of Defense) Reliability Prediction of Electronic Equipment
    - o MIL-STD-1629A - Procedures For Performing FMECA Maintainability Prediction
    - o NFPA 130 Fire Life Safety Handbook. Dated 2002
    - o *FCC CFR47 Part 15 (EMC testing)*
- ✓ SideTrack is emerging as the choice tunnel advertising supplier and has established long term contracts in Boston, Toronto, Rio de Janeiro and Monterrey.
- ✓ SideTrack's animated tunnel displays have created a market demand for animated pedestrian displays which will debut in summer of 2005 and are proposed for inclusion in this proposal
- ✓ A letter of recommendation from the MBTA is attached.



C. Agreements on Terms of Discussion

9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

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

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

SideTrack Technologies Inc
(Company)

(Signature)

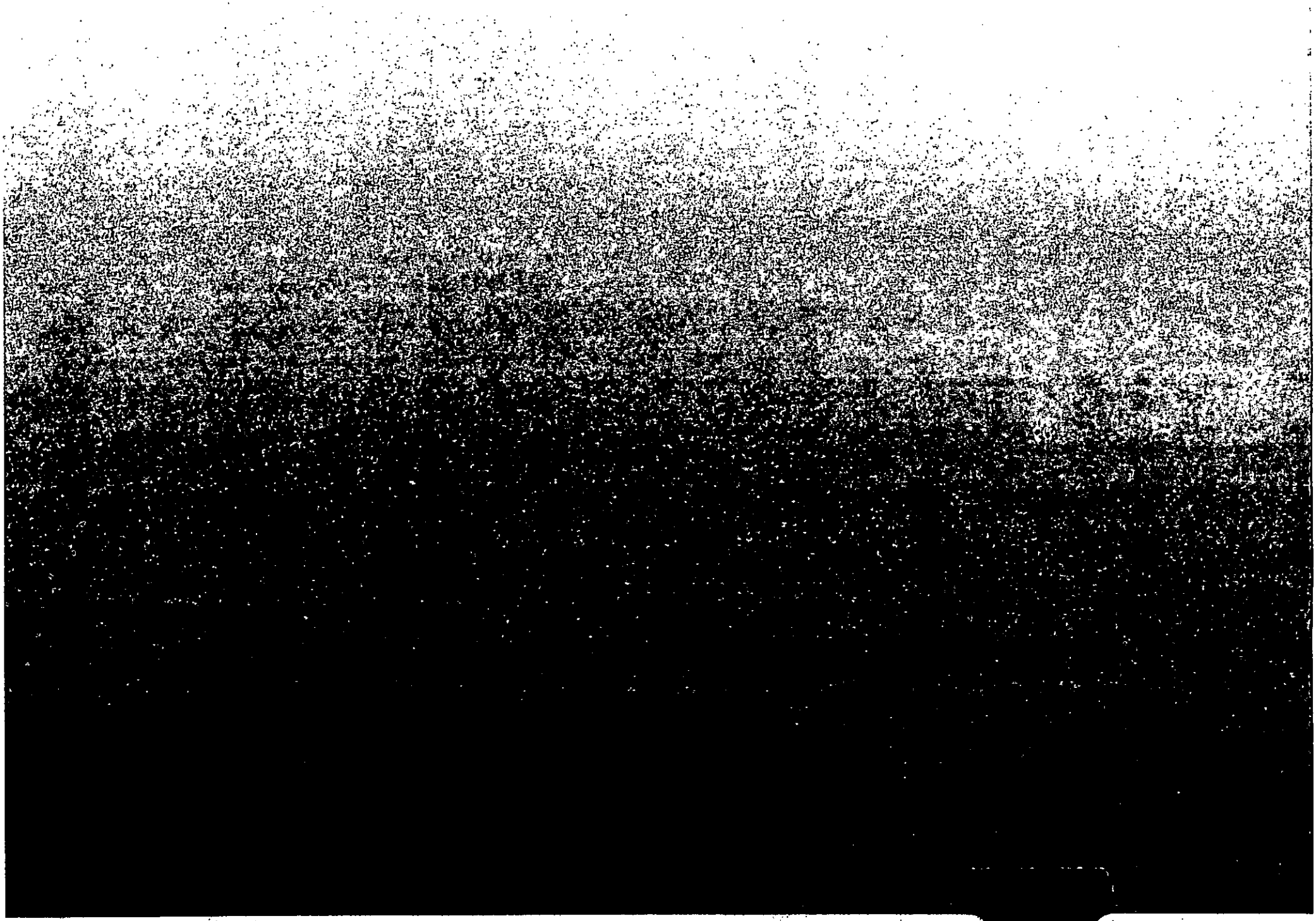
President/CEO
(Title)

June 1, 2005
(Date)

D

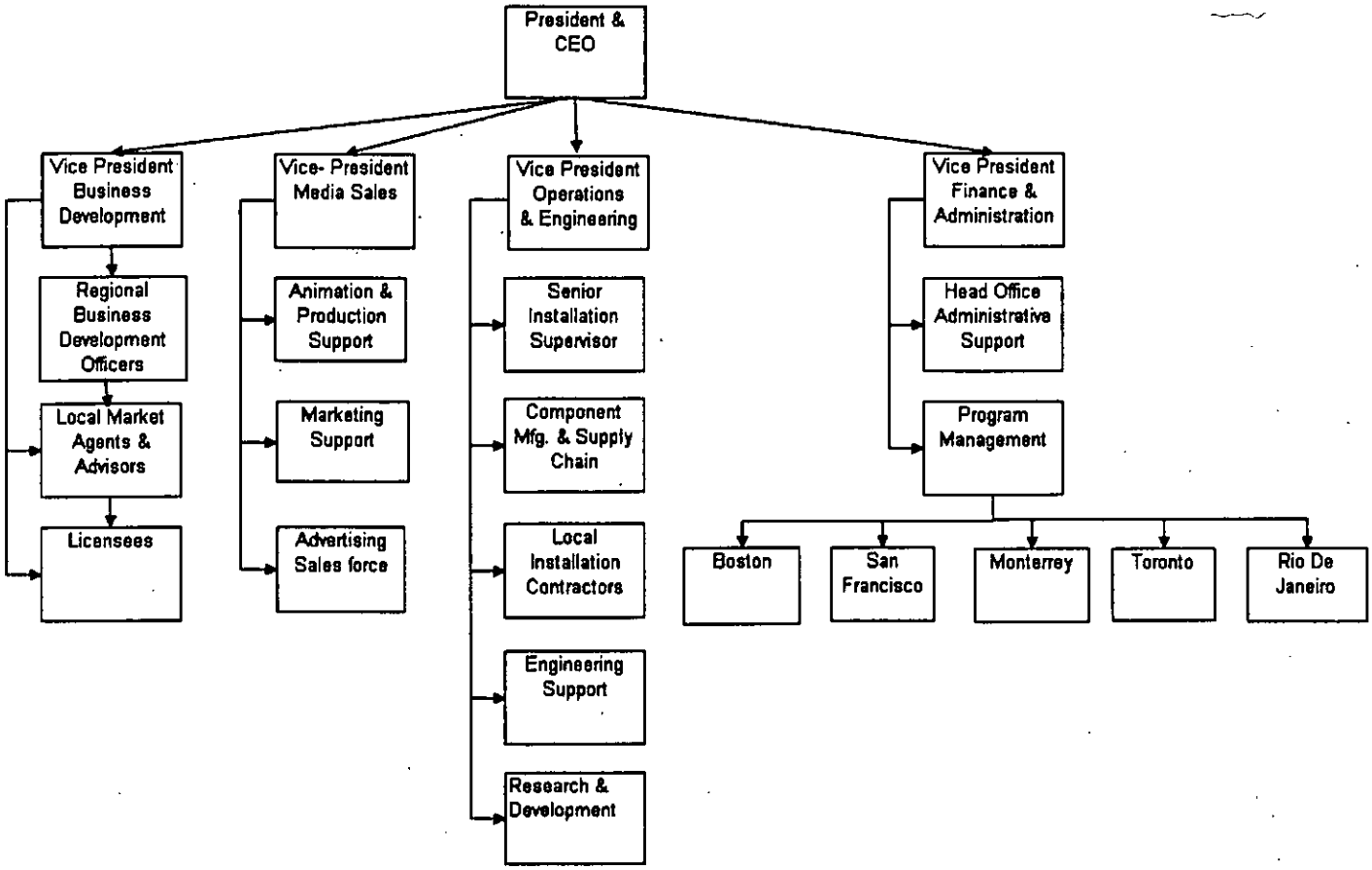
D. Certifications With Respect to the Contractor's Integrity Provisions

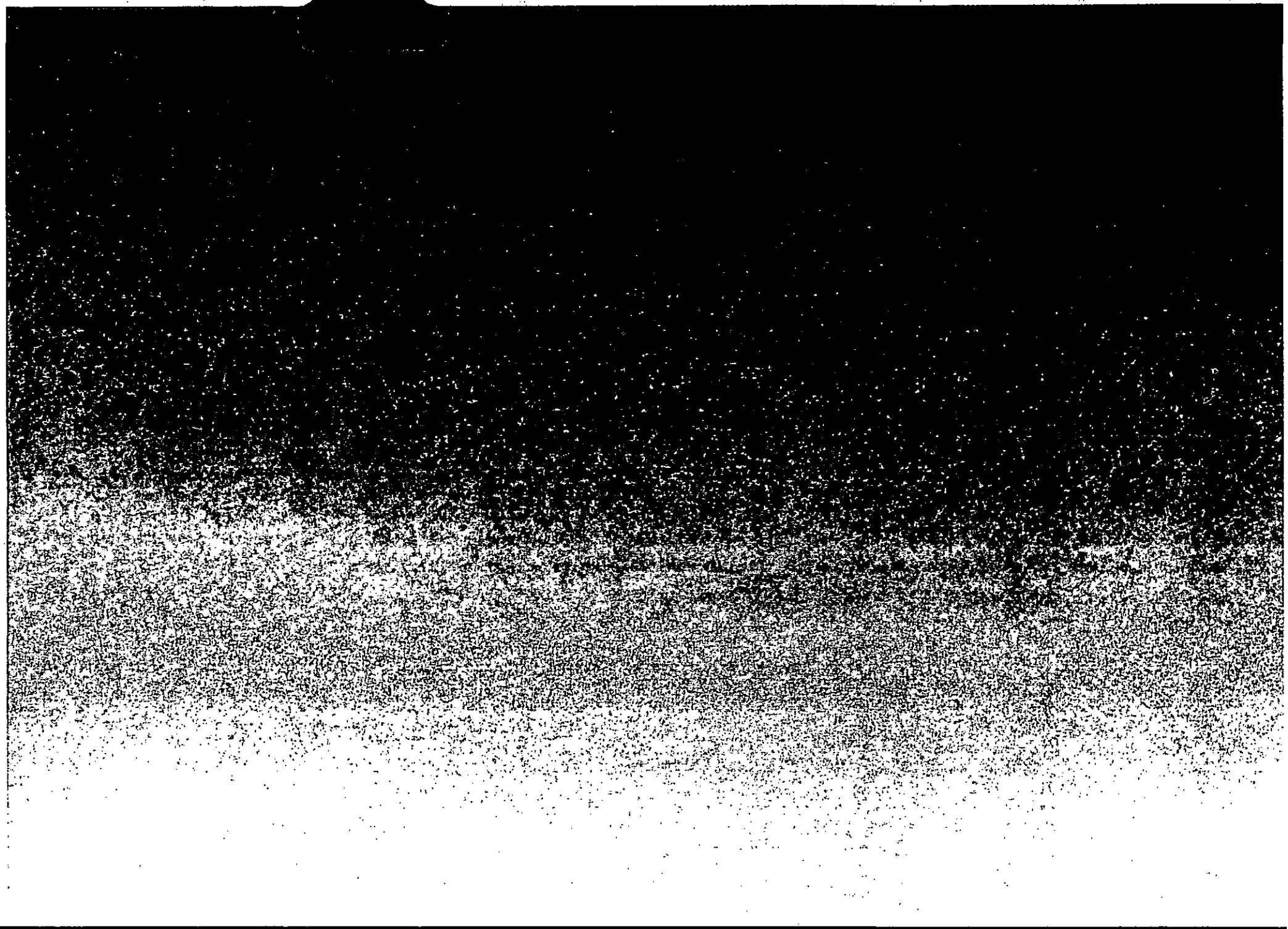
By signing the Letter of Transmittal (TAB A), SideTrack Technologies Inc. certifies to adhere to all provisions set forth in Attachment B, Part III "Contractor's Integrity Provisions" of the outlined RFP number 0000007920.



E. (Not Used)

F. Organization Chart





G. Business Plan

1. Introduction & Development of a New Advertising Medium

Advertising in society today is often referred to as a distraction – an unwelcome "noise" or "interruption". The challenge in developing an effective new advertising medium is to deliver the "distraction" in such a manner as to be welcomed and even invited into the consumers' daily activity. SideTrack achieves this.

One need only observe the large segment of commuters staring out the window at nothing but a dark tunnel wall. Captive audiences search for anything to occupy or entertain themselves – when we disrupt their expectations with brilliant imagery where "black space" is the norm; not only do we capture their attention but we engage their mind and thereby entertain.

Moving Picture Tunnel Advertising

SideTrack Technologies Inc. has developed a proprietary method of delivering motion picture advertising on subway tunnel walls. Simply stated, SideTrack places a series of static printed images on a tunnel wall which are then exposed to the audience in rapid succession, creating animation – like a movie projector, except that the audience moves past the static images rather than a movie where the images move past the static light and audience.

SideTrack's goal is to provide the advertising industry with an effective, entertaining way to reach consumers on the go. Placing images upon previously vacant subway tunnel walls provide an opportunity for SideTrack to reach this goal as well as providing a completely new revenue stream for the individual transit authority with no capital input required.

To date, the body of research completed upon Tunnel Advertising has shown that over 80% of people regard it in a positive manner and wish to see more of it on the tunnel walls (Burke Inc. 2002).

The stage is thus set for a business opportunity that enables ALL partners to prosper:

- Daily commuters welcome and look forward to the entertaining distraction and are therefore open to receive communication from the advertiser,
- Advertisers can take advantage of a new medium that does not face the audience fragmentation of traditional media options or compete for the attention of the consumer with other media during message delivery,

- The real estate owner (PANYNJ) realizes a new revenue stream that is not tied to investment or cost increases and therefore translates directly to the "bottom line"; assisting in the ongoing public transport quest to avoid fare increases
- An excellent, long term business opportunity is created for SideTrack shareholders.

Presently, SideTrack has long term, contractual agreements with Boston's MBTA transit system, Monterrey's Metrorrey transit system, Rio de Janeiro's Metro Rio transit system, San Francisco's BART transit system and Toronto's TTC transit system.

Superior Visual Aesthetics

The technology offered by SideTrack has demonstrated its ability to present a superior image to all competing systems – an incredibly important advantage from an advertiser's point of view in making any long term commitments to using such a medium.

Unlike competing systems, the SideTrack images appear brighter because the pictures are front lit. This allows the image brightness to overcome the "mirror effect" of the train's window that would otherwise fade the picture and diminish its impact.

SideTrack uses a "panoramic" presentation style and does not use vertically placed louvers to create its motion. This creates a clear and unobstructed, undistorted view from ALL sight angles and from ALL directions. The audience does not have to find a "sweet spot" to see the SideTrack images clearly. **(See Exhibit A, Video Footage).**

Image quality and brightness have been identified as key advantages of the SideTrack system by many large national advertisers.

Low Production Costs – Greater Revenue Share

SideTrack is able to use existing videotape content to create a tunnel ad. This is a crucial advantage SideTrack has in introducing a new medium because it reduces the costs to the advertiser to commit to a new concept by eliminating 'creative costs' of designing content exclusively for Tunnel advertising. An advertiser is able to "try" the new tunnel advertising offered by SideTrack without having to invest additional creative dollars. SideTrack's has demonstrated its ability to use advertisers' existing production material – no production expense to create ad material needs to be incurred by the

advertiser to use this technology. SideTrack provides all pre-production graphic and animation services entirely through its own, in-house facilities at no additional costs to its clients. Competing technology providers do not have this facility and must sub-contract and pass the costs on to the advertiser.

Because of low production costs, a greater proportion of the advertisers' dollar is attributed to the media space costs. This is the portion that is shared with PATH. SideTrack is able to offer the advertisers very competitive pricing thereby ensuring the long term commercial attractiveness of the medium.

Low Capital Cost Structure – Greater Revenue Share

With the lowest capital cost structure and easiest installation process of all tunnel advertising companies today; SideTrack can recover its capital investment quicker thereby offering the largest possible revenue share with PATH.

Pedestrian Motion Panels

There has been strong demand from advertisers upon SideTrack to adapt their technology for use in high traffic, busy pedestrian corridors. Airports, shopping malls, train stations, etc. The technology now exists and has completed its prototype phase and enters production this summer. The introduction of this technology must be done in a top market such as presented by PANYNJ through its airports, terminals and stations. SideTrack has included the launch of this technology in this proposal.

2. Sales Plan

SideTrack's sales plan addresses three levels such that marketing and business development initiatives are focused upon global, national and local objectives.

Global

SideTrack's priority objective is to increase awareness of the new medium - tunnel advertising. In order for tunnel advertising to be considered a main stream medium, increased global awareness is key. To this end, the Company is establishing "show rooms" in major consumer markets worldwide, New York is a key world market and must be commercialized in a fast manner. More than one site must be built.

National

The New York market is a key campaign anchor and a key component of the Company's North American roll-out plan. Advertisers are insisting upon having the ability to perform a "National Buy" of tunnel advertising. This will not happen until more cities are online with the technology with more than one location available. A National presence is crucial to the long term survival of the medium.

SideTrack is well on the way to creating this national network and plans to offer at least four locations on the PATH system as part of this network.

To be effective in offering a national platform, the media MUST be supported by a national sales force. *SideTrack is the ONLY tunnel advertising company with a coast to coast team of media reps. Our North* American team consists of eight people in the USA, one in Canada. Collectively, the SideTrack media reps have over 150 years of direct experience in advertising. Our sales offices are strategically located in New York, Chicago, Los Angeles, Detroit, Boston, Atlanta and Toronto.

As *part of the objective to create a national* platform; SideTrack is a member of the Outdoor Advertising Association of America (OAAA) and regularly attends and presents its product at the various national conferences. Because SideTrack is the only tunnel advertising supplier to be a member of the OAAA and address this national body of advertising executives, we have been successful in creating the national demand required to "anchor" tunnel advertising as a medium to include in the advertisers' media plans.

Local

Local focus is upon researching individual market advertising standards, behaviors and pricing on a *market by market basis. SideTrack has dedicated significant resources towards determining the most* sustainable rate which the Company would have credibility and confidence in offering and realizing upon over the duration of a long term commercial contract.

Inflated launch pricing or "stunting" does not garner long term success.

Sidetrack can point to important examples that demonstrate its ability to work cooperatively with the media vendor of record for other advertising opportunities within the same property (Viacom Outdoor in San Francisco and Toronto). The goal: ensure that all efficiencies of combined efforts with other media sales within the PANYNJ system, be achieved. The introduction of a new advertising medium for PANYNJ in conjunction with an already focused effort upon other PANYNJ advertising opportunities ensures a great synergy of effort and can often lead to increased interest in existing opportunities when packaged with new "in-tunnel" opportunities.

This goal sets our local focus and ensures that media sales initiatives in the PANYNJ properties will:

- focus on maximizing all advertising revenue sources,
- maximize occupancy and

- prevent potential rate competition between the new in-tunnel advertising medium and the existing options.

3. Financial Impact of a New Advertising Medium

The most poignant financial impact from initiating SideTrack's tunnel advertising is the generation of a completely new revenue stream from an asset (tunnels) that is currently underperforming - increasing the bottom line revenue available to PATH.

An interesting analogy to the revenue generated from SideTrack's tunnel advertising can be made in comparing the financial impact with that of increased ridership. If one was to calculate operating margin from fare box revenues as 10% (higher than the US average according to APTA figures); the monthly revenues guaranteed in this proposal represent an equivalent monthly ridership increase of nearly half a million people.

A long term partnership with SideTrack will yield the highest benefits to PATH and incur no cost increases or require any investment.

Current revenues created under existing tunnel advertising contracts do not represent the fair market value of the PATH assets and have certainly not been commercialized or maximized as they would be with SideTrack.

More Revenue, Faster

SideTrack will provide more revenue, faster.

- SideTrack can be operational within six weeks from an approval to install.
- SideTrack has advertising contracts conditionally pre-sold.
- SideTrack has lower capital, installation and production costs – can therefore share more revenue

4. Design, Manufacture & Installation

The design of SideTrack's technology consists of high quality materials, a "plug and play" operating philosophy, low interference and accessibility to the tunnel wall behind each system. The basic design premise was to develop an operational system that provides optimal levels of impact, that is viewable from all angles on the train and to produce high quality, eye catching images.

Following a thorough site inspection to determine and plan around unforeseen problems/obstructions, the following are the typical steps in a SideTrack installation after the main power supply from the subway system has been run to the installation center point;

How SideTrack Works

SideTrack is a system designed to present a silent, animated advertisement viewed from the passenger window of a moving train, lasting approximately 15 seconds.

The system is mounted on a tunnel wall adjacent to the track and is comprised of a series of animation poster images, illuminated by frequency-controlled lamps.

The system is triggered by the moving train interrupting two cross track infrared beams. From this interruption, control circuitry measures the speed of the passing train, and activates the operating frequency of the lights appropriately.

SideTrack is entirely self-contained and does not rely on any equipment being attached to the moving trains. There are no moving parts. It has been designed and engineered to minimize the time required in tunnels for both installation and maintenance. All components are modular and have been robustly constructed for a long lifespan. Once installed, cleaning and inspection will normally be carried out during monthly poster changing activities.

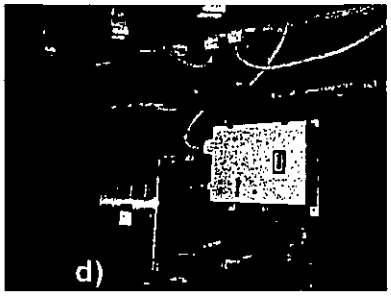
In every stage of SideTrack design, thought was given to the Subway Operator and his requirements to maintain access to the subway walls and to pre-existing hardware/components mounted thereupon. In this respect, SideTrack is exemplary:

- By the extremely simple removal of any poster(s) from the frame(s), total access is

afforded in seconds to the walls, cables, and hardware lying behind any poster frame.

- The frames are multi-adjustable to accommodate tight engineering/safety gages.
- The frames are designed to span over existing wall mounted components.
- Where difficult obstructions are encountered along the tunnel wall, a few frames can be omitted from the span without any perceivable deterioration of the animation when viewed from the traveling train
- The metal components are finished with a baked-on, fluidized epoxy powder coating specified to withstand a rigorous 1,000 hour salt spray corrosion test (automobile industry standards).

The system is comprised of:



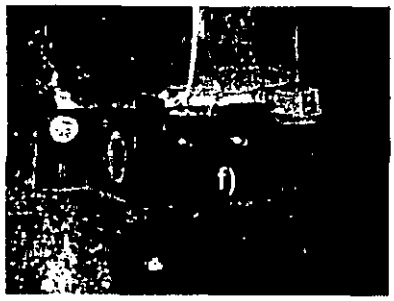
a) Metal, U-channel system - fastened to the tunnel walls by a concrete anchoring system which will be chosen, after site survey, to provide the strongest wall-to-channel interface. There is a top and bottom U-channel, separated by the poster frame height, and each runs the entire length of the SideTrack installation. This material is widely used throughout the building and construction industry with well-understood physical properties. (A Hilti product)

b) Metal poster frames that are attached to the U-channel using special captured bolts, which are proprietary components of the U-channel system. These poster frames have top-mounted lamp enclosures which house the system illuminating lamps. These items are SideTrack proprietary and are fabricated in an ISO 9000 certified plant to nationally approved standards. (Precision Metalcraft)

c) A series of pre-fabricated wire harnesses and junction boxes that distribute (i) power to each individual lamp, and (ii) firing pulses from the control circuitry within the main control panel. These items are SideTrack proprietary, were drawn and specified by a highly respected international engineering company (Wardrop Engineering), and are manufactured from nationally certified components by an ISO 9000 certified plant. (Vansco Electronics)

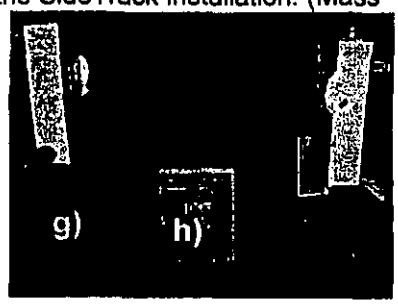
d) A Main Power Control Box that is sited on the tunnel wall at the centre point of the installation and which is fed from the Utility's electrical mains. This box distributes electrical power to the lamps via a series of harnesses and junction boxes; it contains interrupters, for system isolation, and front-mounted status indicators. This component was drawn and specified by a highly respected international engineering company (Wardrop Engineering) and is manufactured by an ISO 9000 certified plant from nationally certified components. (Vansco Electronics)

e) A System Control Box that is sited on the tunnel wall at the center point of the installation. This box contains a programmable logic controller (PLC), which obtains approaching train speed data from down-track IR elapsed-time sensors and converts this data to a pre-programmed poster-illumination frequency. This is fed to each lamp, via the aforementioned harness and junction box network, to fire the lamps at the correct frequency to provide maximum fidelity of animation. This component was drawn and specified by a highly respected international engineering company (Wardrop Engineering), and is manufactured by an ISO 9000 certified plant from nationally certified components. (Tri Star Automation)



f) A set of two accurately spaced, infrared beams, which are sited approximately 10M down track from the first poster frame and spaced one meter apart. (Tri Star Automation)

g) A *site-determined* length of system-compliant power cable to run electrical supply from the nearest suitable system supply point to the power control box which will be situated at the center point of the SideTrack installation. (Mass Electric)



h) *An optional, suitably rated, star-delta isolation transformer,* which will be sited alongside the main power control box. This component is only needed if the system power supply is deemed too noise-contaminated for use by the SideTrack electronics. *(Mass Electric)*

Materials

A typical SideTrack installation Bill of Materials (BOM) would consist of the following:

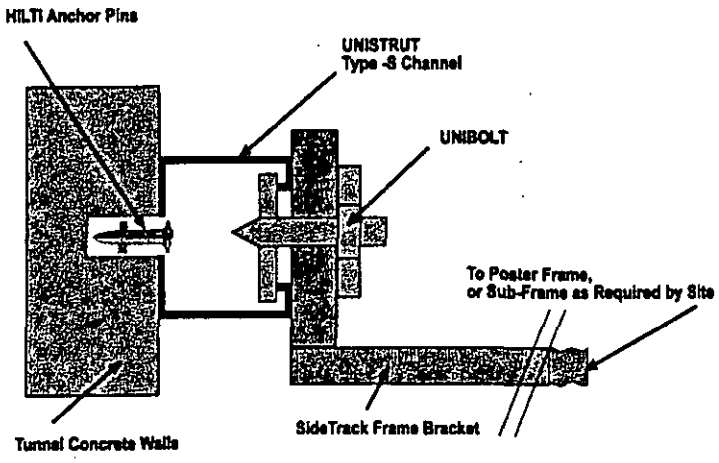
- U-channel in approximately 3m sections, attached to the tunnel wall by concrete anchor fastenings. Two runs of channel extending the entire length of the installation, namely a top and bottom rail separated by the height of the poster frame. (For a fifteen second advertisement installation in a 35 MPH speed section there would be a requirement for approximately 1600 feet of U-channel).
- 187 double-poster frames with integral top-rail light housings to provide front illumination.
- 38 junction boxes mounted above the center of each 10-lamp span to distribute lamp power and lamp frequency information to each individual lamp.
- 40 identical sets of 10-lamp unit harnesses to mate with the junction boxes and the individual lamp boxes.
- 2-pairs of Infrared Sensors (transmitters & receivers) and brackets, mounted down-track just ahead of the installation, to measure the approach speed of the moving trains before it enters the SideTrack installation.

- 500m (approximately, to be measured on site) 3-phase and ground power supply cable, with Low Smoke Zero Halogen (LSOH) jacket to meet local requirements. Size #6 conductor, 50 Amp capability.
- A local disconnecting switch (Isolator) 60A, 208VAC.
- One 40KVA star-delta isolating power transformer.
- One Mains Distribution Box containing:
  - 100Amp 208 VAC Type D Circuit Breaker
  - Six 60A fuses on two sets of individual phases (3) branching left and right to junction boxes
  - A rectified supply to provide 20 VDC to a programmable logic controller (PLC) for firing pulse modulation
  - 24 VDC operating supply for PLC
  - Inputs to PLC from remote IR speed sensors
- 39 lengths of straight harness to interlink the 38 junction boxes
- 200 two-image printed posters

Wall Fastenings

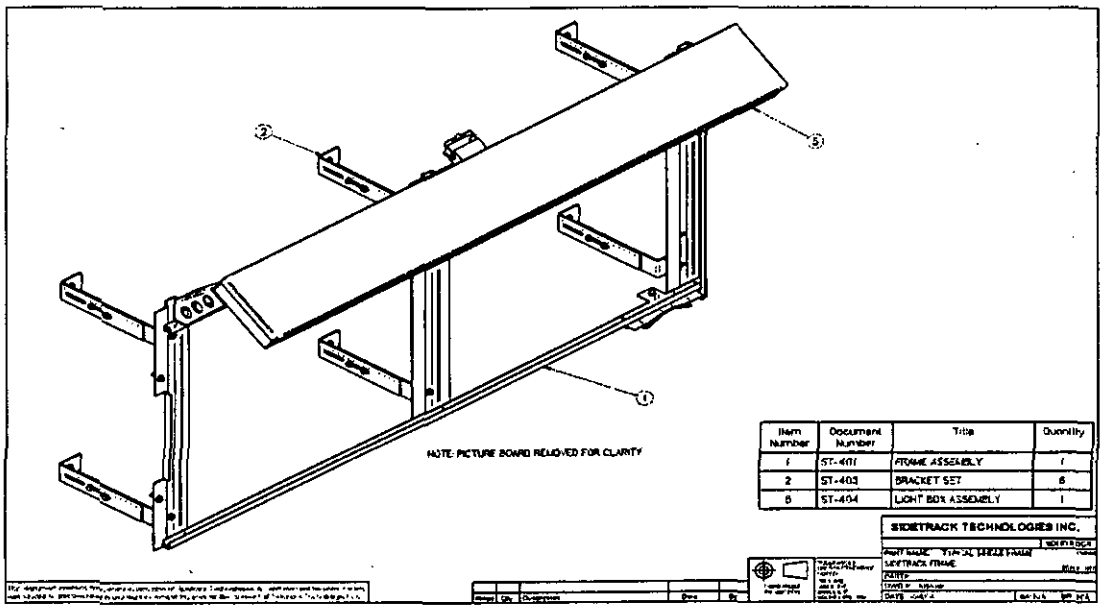
The wall attachment will be made using Unistrut–type channel, which will be fixed to the tunnel walls by Hilti concrete anchors.

The type of anchors to be used, penetration depth, load bearing ability, and number of anchors per frame have all been chosen to provide a factor-of-ten safety margin over the forces exerted on the frame/poster by the moving train. The channel and anchors are corrosion resistant. The engineering department of Hilti International have vetted and concurred with the SideTrack design calculations and rationale.



Wall Frames

The frame units have been designed to have minimum profile so that they stay well outside the tunnel safety gauge. There are no hinged, articulated, or opening parts so it is not possible for any part of the display to open into the tunnel safety gauge in the event of human error (failure to latch securely) or a hinge or latch failure that could occur in opening-type frames.

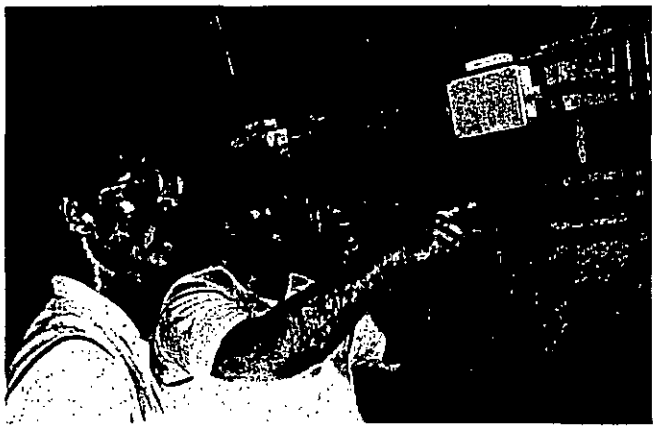


Lamps and Lamp Housings

The lamps used in the SideTrack system are housed in grounded metal enclosures with a front hardened glass pane. The lamp and its circuit are environmentally protected by the enclosure, which is easily removed for bulb replacement and can be quickly cleaned during maintenance /poster-change sessions. The bulbs have been accelerated life tested in a laboratory setting to ensure adequate lifetime between failures and have performed as expected in the tunnels of the PUTRA transit system in Kuala Lumpur, Malaysia.

Wiring and Control Panels/Boxes

The wiring and control panels are made from materials certified by nationally approved testing agencies. The jacketing material of the harnesses is a polyimide conduit providing environmental protection and meeting the fire and smoke regulations of major subway systems.



Speed Sensors and Circuitry

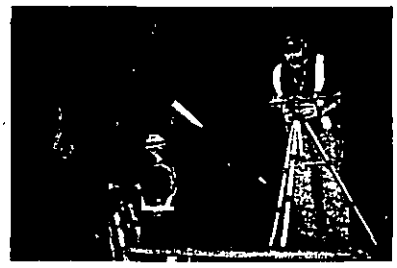
The speed sensors consist of a set of Infra Red transmitter/receiver units, which are environmentally robust and have been chosen to tolerate a high level of optical contamination. The information from this set-up, sited down-track ahead of the first poster frame is fed back to the central control panel using system-approved cabling. All system enclosures are NEMA rated, environmentally robust, and capable of withstanding the tunnel environments of PATH.

Installation Methodology

Following a thorough site inspection to determine and plan around unforeseen problems/obstructions, the following are the typical steps in a SideTrack installation after the main power supply from the subway system has been run to the installation center point;

Unistrut Attachment

This can best be achieved by the utilization of a work train fitted with two vertical beams each carrying two small presentation laser pointer devices. These beams must be separated by a horizontal spacing equal to the length of the Unistrut channel sections minus 1 foot. The heights/vertical separation of the laser pointer beams will be set to "paint the tunnel walls" with the desired position of the channel sections.



By this means, employing two installers, the channels can be picked up (from an on-train supply), positioned fore and aft according to the laser spots on the wall, and attached thereto by the Hilti anchors.

The appropriate number and spacing of the anchors will be as per the mechanical design. At this stage the special captive Unibolts will also be inserted in the channels for subsequent attachment of the frame standoff brackets. This operation can be achieved by working totally from the work-train and may not require the powering-down of the third rail.

A well-lit work-train will greatly simplify installation, improve safety, and permit speedy and thorough workplace clean up at the end of each work-session.

Attachment of the poster frames to the wall channels

From a work-train containing supplies of poster frames the frame brackets and the frames themselves are attached to the wall channels by screwing into the captive Unibolts. There will be approx. 187

double poster frames to be attached along the 800 ft. span. This operation can be achieved by working totally from the work-train and may not require the powering-down of the third rail.

Installation of main control & power panels, junction boxes, and interconnecting harnesses

The power and control panels will be attached to the wall, at the center point of the 187 frames, using concrete anchor bolts. The junction boxes, 38 in total, will be attached to the top Unistrut rail using Unibolts at the center point of every ten posters (i.e. every five frames, starting 2.5 frames in). The wiring harnesses to connect the junction boxes to the lamp enclosures, and to daisy chain connect the junction boxes to each other are brought to the site pre-fabricated. These are clipped to the frame brackets and connected in place using their matched plug/socket connectors. This operation can be achieved by working totally from the work-train and may not require the powering-down of the third rail.

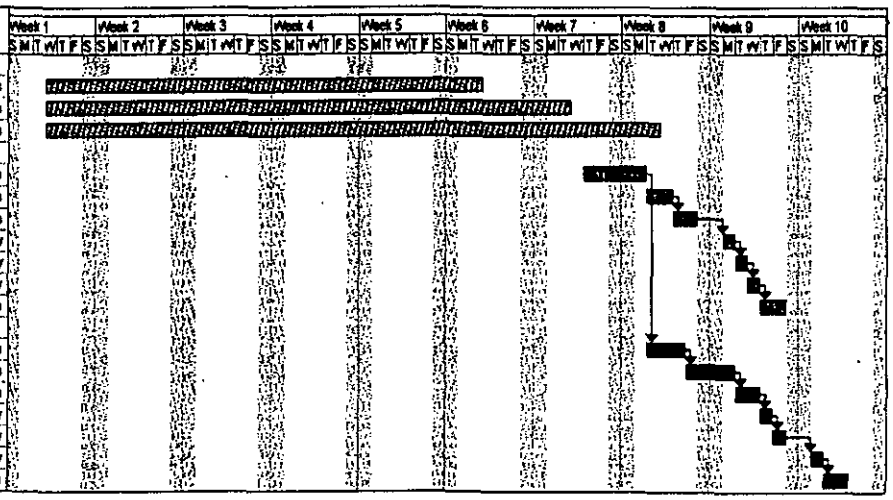
Installation of IR beams, and their connection back to the PLC

At approximately 30 ft before the trains will meet the first poster frame, two IR transmitter /receiver sensors separated horizontally by 10ft will be attached to the tunnel walls. The cable supplying power to these and returning their elapsed time signals will be routed back to the PLC in the main control panel using approved cable.

Based on typical tunnel conditions (as encountered in MBTA, Boston), installation can normally be achieved per the schedule below:

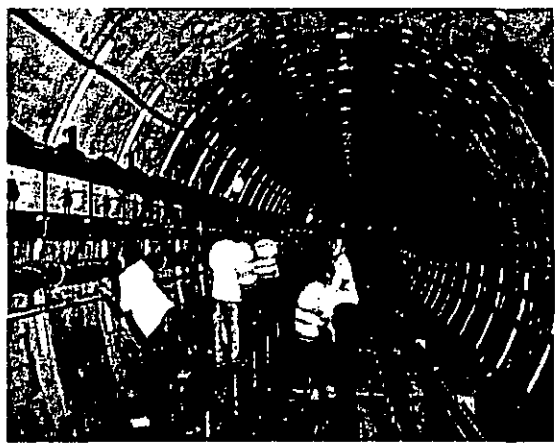
Depending upon the technical approval process, it will take SideTrack 10 weeks to become commercially operational.

ID	Task Name	Duration
1		
2	Order All Poster Frames	25 days
3	Order All System Harnesess	38 days
4	Order All lamps	35 days
5		
6	Connect#1 into tunnel power	3 days
7	Anchor Unistrut	2 days
8	Erect poster frames on walls	2 days
9	Install Harnesses & IR beam system	1 day
10	Install & Connect lampboxes	1 day
11	Install posters	1 day
12	Commission STI system #1	2 days
13		
14	Connect #2 into tunnel power	3 days
15	Anchor Unistrut	2 days
16	Erect poster frames on walls	2 days
17	Install Harnesses & IR beam system	1 day
18	Install & Connect lampboxes	1 day
19	Install posters	1 day
20	Commission STI system #2	2 days



Non-interference with pre-existing equipment

The design of the SideTrack system was undertaken in anticipation of typical subway wall conditions. There is a big difference between the walls of the newer systems (PUTRA in Malaysia, MTR in Hong Kong) and the older systems (MBTA, London Underground). Whereas the new systems have been outfitted with the latest equipment and wiring - designed-in, neat, compact, and tailored with state of the art attachments - the older systems have been extensively retrofitted as new technology evolved. As a consequence their walls have many and various add-ons, which need to be circumvented by the motion picture advertising system.



The SideTrack frames and wiring system have been designed to span most of these pre-existing system components and can be fitted without moving or disturbing them. For maintenance the underlying systems can be very simply accessed /worked on by the simple expediency of sliding out the poster boards. If any relocation is required this will be determined locally and arranged with the Authority.

The Sidetrack installation, as shown here in PUTRA, is mainly above head level (to ensure central positioning in carriage windows) and is less intrusive than the red, water pipe underneath. It does not obstruct the safety walkway, simply spans the safety niches like the existing system water pipes and cable trays, and in no way compromises their effectiveness for personnel refuge.

Power Requirements

The Sidetrack System power requirement is a three phase and neutral armored power cable with a current rating of at least 60 Amps (#6 conductor). This will be run from the best available Subway System tap-in point to the center point of the SideTrack installation. An optional star-delta isolation transformer may be inserted in-line before the cable is attached into the main power control box, but this will be totally dependant on the noise/spikes in the line. The main consumer of power in the Sidetrack System are the lamps which operate for 20 seconds during the passage of each train but are quiescent at all other times.

The lamps have been configured to spread their demand as equally as possible over all three phases to balance the phase loading on the PATH system; in other words 130 lamps will be powered from phases 1-2, 130 from 2-3, and 130 from 1-3.

AC Power Source

SideTrack bases all proposals on the premise that power in some form is available on the property. The Company allows for the costs associated in the provision of a power supply (220VAC, 3-ph and ground) to the main control panel at the mid point of the installation from this source. If it transpires that a suitable power source is unavailable from within the System, then the cost of laying–in *extraneous supplies could be formidable and is a risk that SideTrack's business model will not* support.

For this proposal, SideTrack has assumed the same access / proximity to a 220VAC, 3-phase and ground supply as has been encountered in the tunnels of Boston, Monterrey, and Rio and accordingly have included the same capital allowance made for those cable procurement and installation projects.

Safety Philosophy

The SideTrack system has been designed and engineered with maximum safety in mind, both from an installation/maintenance and from an operation viewpoint. Apart from the standard electrical safety features expected from all electrical equipment, a great deal of consideration has also been given to the maximum protection of passengers, train drivers, and railway staff. All this has been done with the stringent safety requirements of worldwide railway operators in mind. From various meetings/briefings further very specific concerns were known to exist within the SideTrack user-community and SideTrack has set out to address and dispel these, as outlined below.

A full and rigid **Risk and Safety Analysis** has been performed by Parker and Associates, Kingston, Ontario an esteemed international railway and locomotive systems consulting house. The analysis was performed using the guidelines/methodology of MIL-STD 882C and included the derivation of a comprehensive Failure Mechanism, Effects, and Criticality Analysis (FMECA) table and a safety plan and amelioration measures indicated by this.

To ensure that the SideTrack system will cause no interference with in-situ subway electrical systems a SideTrack system was tested for **Electromagnetic Compatibility/Electromagnetic Interference** (EMC/EMI) by a nationally registered testing laboratory. The system was demonstrated to be compliant with the requirements of 47 CFR, Part 2, Part 15 and CISPR PUB.

SideTrack paid particular attention to the body of printed expert opinion on the subject of photon-induced epilepsy when designing the illumination system for SideTrack. The physiological effect of looking at an operating SideTrack system is identical to watching TV or viewing a movie in a cinema. An image is exposed to the eye at a repetition rate of approximately 24 frames per second and at this rate the *persistence of vision* phenomenon makes the images appear perfectly animated. In this respect, concerns over the effect of the Image Repetition Rate on persons who may be susceptible to photo epilepsy are addressed in that SideTrack poses no more of a hazard to viewers than a projected movie or the omnipresent TV monitors.

One of the foremost experts/researchers on the subject is Professor Graham Harding, former Director of the Neurosciences Research Institute at Aston University, UK and world expert on photosensitive epilepsy. Professor Harding and his published guidelines were heavily relied upon when designing the SideTrack system. Some of the measures taken by SideTrack included:

- Chosen repetition frequency places imagery outside the maximum susceptibility range of 10-20cps.
- The system has been programmed to remain dark if called upon to operate at display rates below 23 cycles per second.
- Avoidance of vertical aperture bars/shutters which have "maximum susceptibility" and are inherent in competing systems.
- Using front-lit reflecting panels so that the viewed, reflected light from the graphic posters is partially polarized* in the plane of the poster

  **References on the subject allude to the fact that wearing polarizing sunglasses can be efficacious. Reflective illumination imparts a degree of polarization to the perceived light.*
- Total concealment of the illuminating lamps so that only reflected light from the poster is viewed/visible. The fact the posters are viewed from within a normally illuminated train with its physically imposed separation distance is also a positive mitigating factor.
- All animated displays featured on SideTrack will have been vetted by the TV Industry under the Independent Television Commission (ITC) guidelines originally drawn up with major inputs from Professor Harding. In every respect the SideTrack display is analogous and equivalent to viewing a domestic TV monitor from within the trains.

Fail-Safe Systems

Once a SideTrack system has been installed, the design of the system itself, and the operational software, will ensure that it will only operate under conditions of absolute safety. At no time will passengers, train drivers or any other railway workers be put at risk by inappropriate operation of the SideTrack system which features:

- Low profile design that keeps all hardware well out of the system safety gauge.
- No opening or articulated parts that could swing into the safety gauge if wrongly fastened or due to latch failure.
- No interface with locomotive or tunnel systems.
- System does not activate when trains operate outside normal operating speed profiles.
- Drivers do not get exposed to any direct light source

- System Timer - the system is operated by a timer and after switch-on will run for 20 seconds and switch-off; if a train were to activate the system yet fail to transit past it, the installation will shut off after 20 seconds and the train will not be subject to continuous light exposure.

General

Each 10-lamp unit is fused and all wiring components have circuit breakers or fuses of an appropriate current rating. In the event of general component failures, which would cause an over current or leakage condition, the fuses and/or circuit breakers act automatically to isolate the faulty components or group of light boxes. The electronics and software have been designed to ensure the complete safety of both passengers and train drivers. It will be impossible for any train driver to see a direct lamp from the driver's cab, and passengers are protected from viewing any display, which is outside the recommended limits for normal television or cinema viewing.

Some face-to-face interviews were conducted with passengers who had transited the first Sidetrack installation and most of the respondents thought they had been seeing a long bank of large TV monitors rather than a series of illuminated, animated posters.

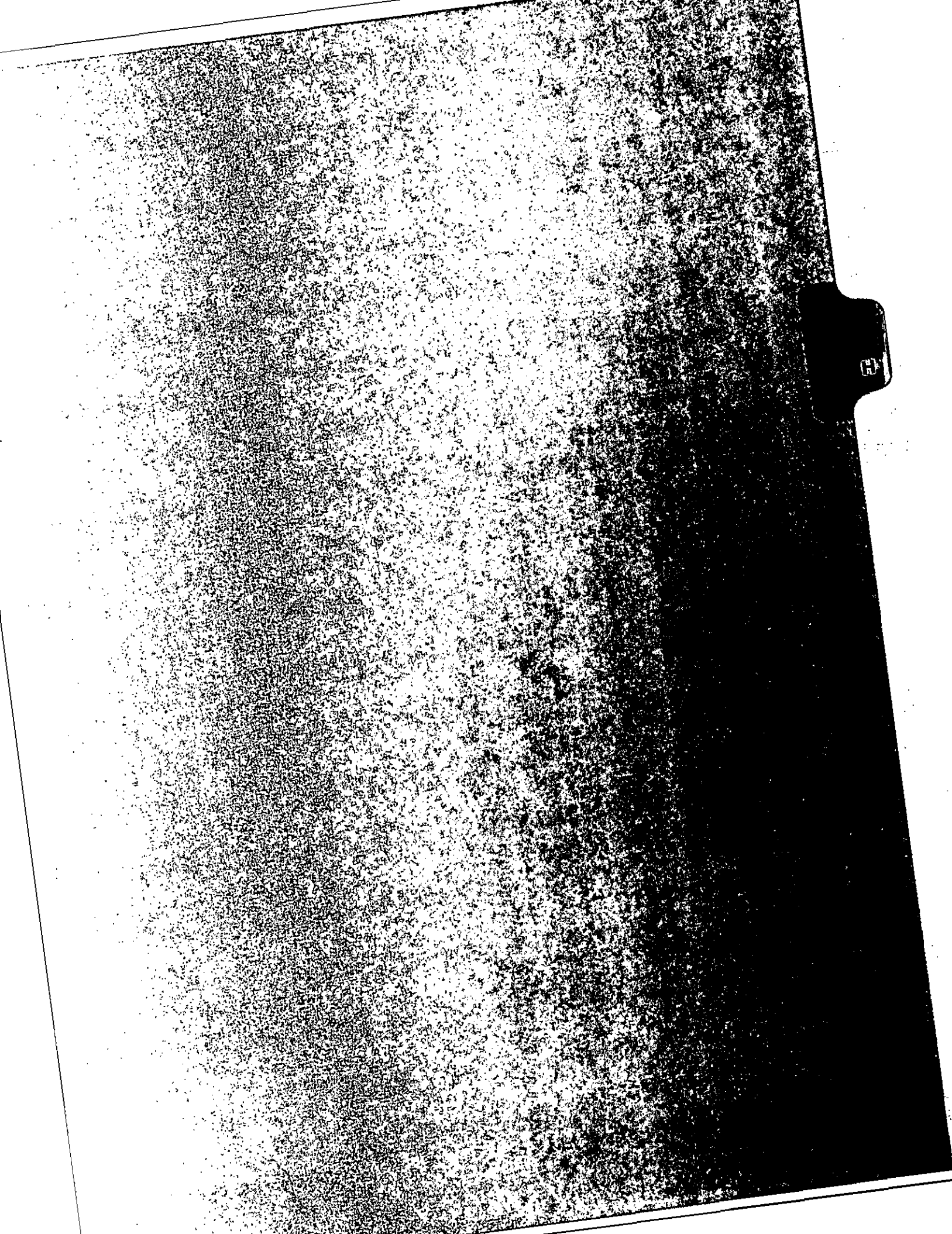
All electrical components have been designed to give ultimate protection to both maintenance and operative staff. System materials have been chosen to meet the strictest regulations for fire and smoke emissions in underground railways.

5. Opportunity for M/WBE Subcontractors

To complete the entire scope of the project, SideTrack must partner with local printing, electrical, sheet metal and installation companies. SideTrack intends to develop partnerships with as many approved M/WBE Subcontractors as possible.

Typical types of companies that we will seek to contract for service include:

- Printing Contractors
- Sign Installation and Maintenance Contractors
- Electrical Contractors
- Market Research Firms
- Publicity Firms



G. Proposal

1. Revenue to the Port Authority

A. Costs and Fees

All revenues proposed in this document are unencumbered with any costs to, or investment from the Port Authority.

Installation Costs

SideTrack will invest approximately $350,000 (based upon our MBTA experience) for each tunnel advertising installation provided in this project and approximately $10,000 for each pedestrian motion panel.

With a proposed minimum of 4 tunnel advertising locations and 10 pedestrian motion panels; SideTrack shall invest a minimum $1.5 million for this project.

The Company will target a recapture of its capital costs in the first 5 years of the contract contemplated by this proposal.

Maintenance Costs

Maintenance is a simple procedure consisting of a periodic visual audit and replacement of light bulbs. The process is simple enough that change-outs and inspections will happen when SideTrack crews are replacing advertiser copy materials. Experience to date suggests that this happens on average about 8 times per year per installation.

PATH Costs

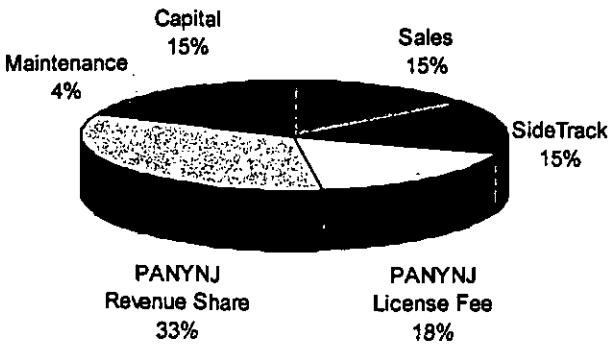
SideTrack shall bear all expenses and costs associated with access fees, permits and clearances, PATH manpower for SideTrack specific projects, etc.

B. Profit / Revenue Share Model

SideTrack pursues a goal that ensures an equitable split of profits is achieved by the main participants in the program. The participants are the PATH who bring the tunnels and real estate and audience to the table; and SideTrack who bring the technology, equipment and sales plan that enables revenue to be generated.

The breakdown of where each advertising dollar goes is represented by the pie charts shown here.

Revenue Share Years 1-5



As time into the contract progresses and SideTrack has recovered its capital or reduces operating costs, the Company may begin to realize a stronger return on its investment. The ultimate goal is an equitable sharing of the profit.

C. Proposed Revenue to PATH

This proposal represents between $4 million and $7 million of new revenue for PANYNJ.

The minimum guaranteed revenue stream for the Authority amounts to $4,100,000 over a 5 year period.

Payments to PANYNJ are based upon the greater total revenues of:

i. Base License Fee plus Minimum Annual Guarantees for each approved display; or

ii. a percentage share of net revenues

If the upper range of our projected rate cards is sustained, an additional $2 million over the guaranteed amount may be generated for PANYNJ through this percentage share.

i. Base License Fee ($600,000)

Upon contract signing, Sidetrack shall pay to PATH, an amount equal to **$500,000** as a license fee for the granting of a license to SideTrack to exclusively provide all animated static poster displays in or on Port Authority properties.

Specifically, this license includes:

- trackside animated motion displays at PATH and AirTrain locations
- animated, pedestrian motion displays at JFK, LaGuardia and Newark airports; bus terminal and PATH stations

Additionally, SideTrack will pay an extra **$100,000** for this base license if an award to SideTrack is announced prior to July 15, 2005. The case for this additional amount comes from a conditional sale that can be realized upon if an award is made by this date.

***plus:* Minimum Annual Guarantees ($175,000 per installation, per year)**

Upon approval to proceed, SideTrack shall place a deposit (Cash or appropriate Letter of Credit) with the Port Authority. Commencing on the first day of the month following the agreed-upon initial date of operation, the Port Authority shall begin to draw from this instrument in the amount of the Minimum Annual Guarantee as described below:

- SideTrack shall pay to PANYNJ, as a Minimum Annual Guarantee, the amount stated for each contract year in which the contract is in force for the quantity of displays installed under the contract.
- Unless otherwise agreed to in writing, the Annual Guarantee payment shall be made from withdrawals by PANYNJ from the initial deposit paid, on the first business day of each month, in advance, without billing by the Authority.

The Minimum Annual Guarantee for each tunnel advertising installation shall be $175,000; *drawn monthly at $14,583.*

ii. **Percentage of Net Billings (35%)**

Should it be greater, SideTrack further agrees to pay to the Authority an amount equal to 35% percent of annual net billings, resulting from the sale of Tunnel or Pedestrian Motion Advertising less the Minimum Annual Guarantees already paid.

Annually, in arrears, the Authority and SideTrack shall calculate and SideTrack shall pay any difference between the guarantee payments made or the percentage payment due, such that the greater amount has been paid.

Any amount due as a result of the percentage basis shall accompany the Reconciliation Report for the 12th month of each year the contract is in force.

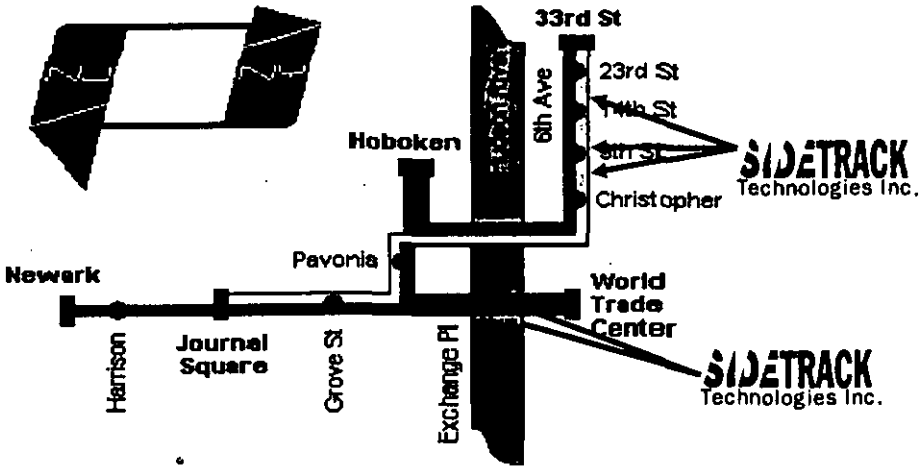
The %age of Net Billings to be used for each advertising installation shall be 35%.

Summary Table – Revenue to PANYNJ

Year	Minimum Annual Guarantee	Percentage of Billings
Contract Award	$500,000	N/A
Prior to July 15th	$100,000	N/A
Year 1	$175,000 per site (x 4)	35%
Year 2	$175,000 per site (x 4)	35%
Year 3	$175,000 per site (x 4)	35%
Year 4	$175,000 per site (x 4)	35%
Year 5	$175,000 per site (x 4)	35%
Total	4,100,000	35%
Option Year 1	$175,000 per site (x 4)	35%
Option Year 2	$175,000 per site (x 4)	35%
Option Year 3	$175,000 per site (x 4)	35%
Option Year 4	$175,000 per site (x 4)	35%
Option Year 5	$175,000 per site (x 4)	35%
Total	3,500,000	35%

Number of Installations

SideTrack plan to install a minimum of four tunnel advertising installations in its initial contract year and has based this proposal upon at least four installations. (This is based upon whatever minor data was available during the RFP process and some of our earlier research as part of an unsolicited proposal in 2004.)



SideTrack expects that a minimum of ten pedestrian motion panel advertising installations will be possible in its initial contract year and shall base the proposed deposit upon ten installations.

Based upon the performance of the sites installed in the first year of the contract; SideTrack will make recommendations to the Authority to add to existing inventory of tunnel and pedestrian panel advertising locations based upon the objective of maximizing revenues for PANYNJ and profitability for SideTrack.

Term of Agreement

SideTrack is proposing a 5 year term with an option to renew a further 5 years.

Financial Capability

Sidetrack has in place a $7,500,000 credit facility with Wellington West Capital Inc. (www.wellingtonwest.com) for the installation and contracting costs of additional Sidetrack sites throughout North America. To date the Company has currently committed only $1,850,000 of the $7,500,000 of available funds leaving $5,650,000 available for new contracts and installations such as PANYNJ.

In addition to the Wellington West facility the company has a standby credit facility in place for $2,600,000 for installation costs and financial guarantees. This facility is also provided through *Wellington West Capital Inc. and its client, Plett Brothers. Plett Brothers have unencumbered financial* assets in excess of $75 million on account at Wellington West Capital.

With the 4 proposed tunnel advertising locations and 10 pedestrian motion panels; SideTrack's capital budget required to install this equipment is approximately $1.5 million.

The financial guarantees to PANYNJ at the start of the contract will be $1.3 million.

2. Marketing Strategy and Approach

SideTrack's introduction of tunnel advertising to North America is being executed by a team of Senior Management and Advisors. The team is cultivating existing relationships with large media buying agencies such as MediaEdge, Starcom, Outdoor Vision, Poster Publicity and MindShare and has identified several advertisers for this program. The SideTrack team consists of senior advertising executives with decades of relevant industry experience including a former CEO of Viacom Outdoor (Canada), and former representatives from the Gannet, Time Warner and US News organizations

A fundamental principle of the marketing plan centers upon marketing the exclusivity of the medium and having an inventory of properties of interest to the advertisers.

Revenue "realism" is very much a theme throughout SideTrack's business planning process. Rather than over stating potential revenue; the Company has very systematically researched the pricing needed in the marketplace to make tunnel advertising a viable medium with an enduring life. SideTrack revenue estimates are based upon sustaining commercial viability of the medium over the long term.

National Platform

The New York market is a key campaign anchor and a key component of the Company's North American roll-out plan. Advertisers are insisting upon having the ability to perform a "National Buy" of tunnel advertising. With multi-year contracts already in place for 2 of the top 10 target cities in the USA (Boston and San Francisco), SideTrack can bring this national network one step closer by installing its technology in the New York market. The Company plans to offer at least four locations on the PATH system as part of this network and has embarked upon efforts to conditionally pre-sell space.

National Sales Force

To be effective in offering a national platform, the media MUST be supported by a national sales force. SideTrack is the ONLY tunnel advertising company with a coast to coast team of media reps. Our North American team consists of eight people in the USA, one in Canada. Collectively, the SideTrack media reps have over 150 years of direct experience in advertising. Our sales offices are strategically located in New York, Chicago, Los Angeles, Detroit, Boston, Atlanta and Toronto.

Competitive, Realistic Rates

Local focus is upon researching individual market advertising standards, behaviors and pricing on a market by market basis. SideTrack has dedicated significant resources towards determining the most sustainable rate which the Company would have credibility and confidence in offering and realizing upon over the duration of a long term commercial contract.

Proposed Advertising Rates

SideTrack has dedicated significant resources towards determining the most sustainable rate which both parties would have credibility and confidence in delivering over the duration of the commercial term.

In an attempt to come up with a revenue model that is realistic and sustainable in the long term, a study of the reported prices paid for advertising space in subway systems was used as a basis for further discussion with some of the major agency media buyers in the USA. The consensus from industry experts is that Tunnel Advertising would undoubtedly attract a "novelty premium" in the short term and an exclusivity premium but would eventually mature into its own particular niche alongside the other forms of subway advertising. Bearing this in mind, SideTrack has, in the derivation of this rate proposal, paid very particular attention to the feedback of senior executives in the media industry.

We believe that New York should be able to command space rates in the $75,000(US) monthly range on a sustainable, long term basis.

Targeted CPM Rate

Much of the research into the rate determination is based upon targeting a CPM (Cost per Thousand Exposures) value for the ad space. While focused upon revenue maximization, SideTrack set the following objectives in rate determination:

- stay within the established context of the market that advertisers currently pay for transit based advertising while achieving a premium that motion can bring to medium pricing
- avoid huge, unsustainable prices for launch customers that will inevitably result in embarrassing future discounting and elevated vacancy rates.
- reward long term and repeat clients to attain and sustain 100% occupancy.

CPM rates targeted at the $17.50 point for New York have received little resistance in initial North American marketing stages and will be the level at which SideTrack strives to keep prices.

Rate Card

The proposed rate card for marketing SideTrack media space in PANYNJ properties is based upon:

- achieving a target CPM;
- establishing a 4 week posting period;
- granting discounts up to 25% for long term space commitment; and
- granting further discounting (usually 5%) for booking more than one installation (nationwide).

The proposed PANYNJ rate card for PATH tunnels:

4 Week	12 Week	24 Week	52 Week	
$95,000	$242,250	$456,000	$926,250	(time discounts applied)

The 4 Week price can range from a full list price of $95,000 to a fully discounted price of $71,250.

Lower Production Costs

Lower costs of producing finished material for use on the SideTrack advertising sites (nearly 50% of the closest competitor costs) ensures that the greatest possible portion of each advertising dollar spent is focused to the purchase of media space. This is an important consideration for PATH as the revenue shares are based upon media space costs, not production costs.

A Superior Performing Product for Advertisers' Impact

The technology offered by SideTrack has demonstrated its ability to present a superior image to all competing systems – an incredibly important advantage from an advertiser's point of view in making any long term commitments to using such a medium.

Unlike competing systems, the SideTrack images appear brighter because the pictures are front lit. This allows the image brightness to overcome the "mirror effect" of the train's window that would otherwise fade the picture and diminish its impact.

SideTrack uses a "panoramic" presentation style and does not use vertical slits to create its motion. This creates a clear and unobstructed, undistorted view from ALL sight angles and from ALL directions. The audience does not have to find a "sweet spot" to see the SideTrack images clearly. ***(See Exhibit A, Video Footage)***. *Image quality, brightness and ease of production have been* identified as key advantages of the SideTrack system by many large national advertisers.

Extending Existing Advertising Content to a new Audience

SideTrack is able to use existing videotape content to create a tunnel ad. This is a crucial advantage SideTrack has in introducing a new medium because it reduces the costs to the advertiser to commit to a new concept by eliminating 'creative costs' of designing content exclusively for Tunnel advertising. An advertiser is able to "try" the new tunnel advertising offered by SideTrack without having to invest additional creative dollars. SideTrack's has demonstrated its ability to use advertisers' existing production material – no production expense to create ad material needs to be incurred by the advertiser to use this technology, thereby freeing up additional funds for space commitment.

As well, SideTrack has complete, in-house animation and design studios to support its advertising clients with "free-of-charge" services. This is a major advantage over other tunnel advertising companies who do not have this capability and must therefore subcontract and charge for the service.

3. Experience/Financial Capability

A. History of Firm

SideTrack Technologies was founded in July 1999 and incorporated on April 4, 2000. The Company has financed all of its operating and capital costs through equity investment in the Company with both private investors and venture capital.

Prior to founding SideTrack, the Company's founding shareholders and executive management had nearly 35 years combined experience in the advertising and public relations industry on both the "buy" and "sell" sides. Clients have included companies such as MGM, Pepsi, Rolls-Royce, Ford, Canon Target, Royal Caribbean Cruise Lines and Coca-Cola.

B. Experience with Similar or Related Work

SideTrack have a successful history in the development and installation of Tunnel Motion Picture Advertising Systems stretching back several years. The Company has operated a tunnel advertising display unit as a prototype and conducted various elements of testing since March 2001 when the first SideTrack prototype was installed and brought into operation in the **PUTRA** system in Kuala Lumpur, Malaysia. The system has also been used commercially since October 2002.

After a period of system refinement and competitive bidding processes in North America, SideTrack was selected as the successful bidder by the **MBTA (Boston)** for the provision of in-tunnel advertising services. The contract was signed in December 2003 and engineering documentation was completed. Construction began in July 2004 and the system was put into service on August 18, 2004. This was the first commercialized, tunnel advertising opportunity in North America. To date, 3 of a potential 12 sites have been put into revenue service in Boston. All sites have sustained 100% occupancy since beginning operation. Michael Mulhern, General Manager, MBTA reported "... the feedback from our ridership and personnel has been overwhelmingly positive toward this new advertising medium". Royal Caribbean, an early, repeat customer of SideTrack, has stated "... even better than expected..."

On March 3, 2005 the **BART** Board of Directors **(San Francisco)** approved a plan for the tunnel ads in which SideTrack shall be the subcontracted supplier of services to **Viacom Outdoor** who, after having carefully examined all of the competing tunnel advertising systems, chose to work co-operatively with SideTrack Technologies. The system is expected to launch in the fall of 2005.

Together, Viacom and SideTrack have also been selected to supply tunnel advertising services in accordance with a seven-year contract with the **Toronto Transit Commission (TTC)**. Site surveys have been completed; engineering reviews are underway; project funding is in place; and two systems are expected to be installed and operating in the final quarter of 2005. Launch advertisers have already been identified and letters of intent have been signed.

SideTrack was recently contacted by **MARTA (Atlanta)** with an eye to install the SideTrack tunnel advertising equipment in its system as an alternate or in addition to the one existing site. SideTrack currently waits for MARTA Board for approval.

Two systems have been installed in the subway system of **Monterrey, Mexico (Metrorrey)** and *began commercial operation in December 2004 and have featured advertisers such as Unilever and* Femsa.

Under contract with the metro system in **Rio de Janeiro, Brazil (MetroRio)**, SideTrack's first installation has been completed and tested and will begin commercial operation on July 1, 2005.

SideTrack is awaiting final engineering approvals (expected July 2005) to proceed with two installations in the **London Heathrow Express** tunnels in London, **England**.

C. Engineering Experience and Capability

The engineering section of SideTrack is headed by Edgar McCullins (see resume in Key personnel section below). McCullins is an experienced and highly qualified Engineer and has worked in the *fields of Missile Systems; Special Cables (including LOSOH formulations and Leaky Feeder Coaxial* development for in-tunnel communications); Composites; Automobiles; Fiber Optics; Plastics; and Defense & Aerospace. Ed has coordinated a team of engineers within various sub-contractors/consultancies to develop, evaluate, refine and final-specify each aspect and component of the SideTrack system. This has included:

- lamp, lamp circuitry, and lamp enclosure design, test & evaluation, and final specification.
- wiring harness/connector design, prototyping, evaluation and final specification.
- wall fastenings for attaching U-channel to various strength wall materials.
- poster frame design, evaluation, and final specification.
- control and junction box design and final specifications.
- train speed–to-lamp frequency converter technology (PLC)
- total system safety analysis to MIL-STD 882C;
- EMC/EMI testing and certification;
- LOSOH compliancy of all materials;
- System Compliancy comparison with published body of knowledge on photon induced epilepsy.

By harnessing the embedded years of engineering experience and expertise of each and every system component supplier, SideTrack has been able to mobilize and take advantage of the best support possible in each stage/component of its development. There is not a single aspect of the system componentry/software where SideTrack is not able to call upon decades of experience/expertise at a moments notice. A full list of the major Sub-Contractors is detailed further herein.

D. Project Personnel and Key Individuals

SideTrack intends to dedicate its entire staff to PATH project. The launch of New York as a SideTrack market following the launch of Boston and concurrent with the launch of San Francisco is a strategic element of the Company's business plan.

Project Manager

Sidetrack' VP, Engineering will act as the Project Manager during the installation phase of the contract. The Company's VP, Finance & Administration will then become the Project Manager for commercial implementation.

The Project Manager will be responsible for both the Sales & Marketing and Operational components of this contract.

Sidetrack shall ensure that all engineering and safety requirements are performed in accordance with the Company engineering manual and specifications and manage and carry out all facets of the construction of advertising installations. During the build-out phase, at least one, senior SideTrack engineer or installation supervisor shall be present at all times that work is underway.

Maintenance shall be scheduled as required but is likely to be upon a quarterly basis, with a basic visual inspection upon ad material changes (expected on 6 week basis)

While response times to system difficulties will depend upon gaining entry to the installation requiring attention in the tunnel from PATH; SideTrack shall be able to respond within 24 hours to non-urgent matters.

Personnel

Robert Walker, BComm (Hons.) (President/CEO)

A founding shareholder of the Company, Rob provides the creative vision in developing and managing SideTrack Technologies Inc. Rob has served as the President and CEO of SideTrack since inception in 2000. Prior to founding the Company, he has several years experience in senior marketing and business development roles with companies such as Rolls-Royce and Dunlop Standard Aerospace and has a strong background in advertising, public relations and business development. Rob is responsible for the overall performance of the Company and providing strategic direction of the business development issues such as "global partnering" with strategic operators, suppliers and buyers. Rob holds a Bachelor of Commerce, Honors Degree from the Asper School of Business at the University of Manitoba.

Brian McLean (Director, Vice Chairman)

Brian McLean is the Past President and CEO of Viacom Outdoor Canada and has over 30 years experience in the outdoor advertising industry in both business operations and sales. Brian has

demonstrable national sales and major account experience and is a recognized spokesperson for the out-of-home advertising industry. He has cultivated strong personal relationships with senior client/agency influencers. Brian has personally overseen mergers and acquisitions in the outdoor industry on transaction values of several hundred million dollars and has achieved annual advertising revenues in excess of $150,000,000.

Edgar McCullins, M.Sc MIEE M. InstP C.Eng. C.Phy. (VP, Engineering)

Edgar is responsible for the R&D, hardware design and manufacture, quality and configuration management. The master schedule and installation plans for new project builds is managed by Edgar.

Edgar holds an M.Sc. degree from the Queens University of Belfast and is a Chartered Engineer and Chartered Physicist. Edgar McCullins has worked in a senior executive role in both engineering and business development functions in global industries such as aerospace, telecommunications and automobiles. Some of his specific previous experience includes:

- Representation on British Standards Committees (BSS) for electrical cables and on a BSS working group for cables specifically designed for safe operation in flammable or explosive atmospheres
- Design and manufacture of revolutionary LOSH cables for London Underground Railway System and "Leaky Feeder" co-axial cables for tunnel communications for British Rail
- Manager of the body factory for the DeLorean sports car plant in N Ireland
- Performed research and published a written thesis on lasers and holography while in the Optoelectronics department of Queens University of Belfast, Northern Ireland.

Bradley Caruk (VP, Production and Creative Services)

Brad is responsible for the overall animation theories, creative concepts and production. He oversees the in house animation and design team along with all the studio work. Additionally, Brad Caruk is responsible for the proprietary design and development of system software and production technologies for the Company and oversees the effective execution of the delivered advertising visuals, interfacing with the production requirements of both the client and global print network.

Brad is a graduate of Design from Red River College, Dean's List and a recipient of the Governor Generals Award. He has been involved in the science and production of animation for over fifteen years.

Paulo Mylla (Director, Business Development)

Paulo joined Sidetrack in 2003. He was formerly the head of business development (Americas) for Motion Posters, Inc. a now defunct direct competitor of SideTrack in tunnel advertising. Paulo's brings strong industry experience in both rail system business operations and has been highly effective at securing SideTrack's current contracts in Mexico and Brazil and Greece.

Jeff Stobbe (Sr. Installations Manager)

Prior to SideTrack, Jeff was employed at Red River College where he was responsible for ordering, configuration, and maintenance of Creative Arts technology; in addition to being an Educational Assistant for the Graphic Design program. Jeff has worked as an Art Director at Palmer Jarvis, a DDB owned company, where he specialized in the design and production of print based advertising. Jeff's mechanical experience comes from Infasco - a world wide fastener manufacturer/distributor and Burroughs Business Machines through roles in Assembly, Refurbishment and Quality Control.

Michael Swistun, CFA, BComm (Hons.) (VP, Finance)

Michael is a Chartered Financial Analyst and was Corporate Finance Associate for Wellington West Capital for 8 years prior to joining SideTrack. Previously, he was the President of Grand Pines Development Corporation, a Manitoba based golf course and recreational development company which he founded in 1994. Mr. Swistun currently serves as a Director of Premium Glacier Inc., and Director and executive committee member of Grand Pines Development Corporation.

Tony Janowski (Director- National Sales)

Tony has over 20 years of advertising experience beginning his career with the well known J. Walter Thompson agency in Detroit on the Ford Truck and Motorsports business. After more than five years on the agency side, Tony translated his experience to publishing with the national magazines Reader's Digest and US News & World Report before becoming part of the launch team for Fast Company –one of the most successful magazine launches of the 1990's. Tony is a part of and oversees SideTrack's 8 person advertising sales team and is based out of our Chicago office.

Bob Garrett (Media Rep – New York)

Bob is the East Coast Ad Director for SideTrack based in our New York office. Bob has several years of experience in the sale of outdoor and internet advertising.

Don Jones (Media Rep – Boston)

Don is a 27 year veteran in the marketing and sales industry, the majority of which was spent at Time Magazine. He has experience working directly upon brands such as Ford and the US Marines.

Mark Hermanson (Media Rep – Los Angeles)

For over 25 years, Mark has represented major magazines like U.S. News & World Report, Fast Company, Rolling Stone and Motor Trend. While at U.S. News he helped with the launch of Family Fun and Fast Company magazines.

Jay Gagen (Media Rep – Detroit)

Jay has spent over fourteen years in Television, radio outdoor, internet and magazine sales with such titles as Country Home, Men's Fitness, Shape and Salt Water Fisherman.

Tim DiCarlo (Media Rep – Atlanta)

Tim has over 20 years of experience in media sales, with prestigious properties such as Week, WIRED, and Food and Wine magazines.

Jim Moorhead (Media Rep – Midwest)

Jim has over 12 years of experience as a publisher and sales executive for eight national trade and association magazines, six sport magazines, one travel magazine and a computer publication. For ten plus years, Jim was the Advertising Director for the Western Open Golf Tournament, the second oldest tournament on the PGA Tour. As a publisher, Jim has created and successfully launched three golf association publications.

Jeff Maier (Media Rep – Chicago)

Jeff has over 20 years of advertising experience in magazine, outdoor and online mediums. After building a magazine company during his college years, Jeff went out to sell for Inc. Magazine along with Business Week for five plus years each. Jeff has spent the last six years dedicated to the outdoor and online advertising.

E. Subcontractors

Diversitronics Inc. (lighting engineers/manufacturing)
www.diversitronics.com
Based in the Chicago suburb, Elmhurst, Illinois, Diversitronics is a privately held company manufacturing special-effects lighting including DMX and Analog lights, ultra high power fixtures and continuous emission Hyperflash systems.

In business since 1967, Diversitronics is known for its excellent service, product support, design flexibility and application consulting. Diversitronics has been supplying SideTrack with lighting solutions from the very beginning of the prototype effort to today.

Precision Metalcraft Inc. (custom sheet metal fabricators)
www.precisionmetalcraft.com
Precision Metalcraft Inc. (PMI) is a world-class precision sheet metal fabrication facility. PMI prides it self on short lead times and consistent on-time delivery. Registered to ISO9002-1994 standards, the Company continually strives to improve on systems through Total Quality Management (TQM).

Precision serves a wide range of OEM customers representing industries such as telecommunications, medical, electronics, transportation, and agricultural and is a one-stop shop for

sheet metal products. Products range from 19" electronic/relay cabinets, chassis, kiosks, enclosures, panels, and brackets to custom engineered, proprietary products.

From the design board to the packaged part, processes include engineering and design, CNC Punching and forming, welding, zinc plating, 900' of fully automated powder coating line complete with 5 stage paint pretreatment, silk screening, assembly and packaging.

J. H. Parker & Associates Inc. (Rail System Engineering Consultants)
www.parker-inc.com
SideTrack's installation plans and system safety audit/review was carried out and critiqued by J. H. Parker & Associates Inc. (PAI), a ground transportation consulting firm with an international clientele. The specific focus of PAI is on meeting the technological challenges of the rail transit industry by applying their extensive experience in virtually every mode of rail transportation. The PAI Team has a full range of experience members in a variety of technologies, including new subsystem and main system technologies.

PAI focuses on applying creative solutions to transportation challenges, ensuring the evaluation and choice of an appropriate technology to meet the characteristics of each particular transportation situation. PAI brings "hands-on" experience to the design, manufacture, development, testing and installation of complete transit systems.

PAI has provided Systems Engineering services to rail transit agencies all over the world. Their skilled Systems Engineering experts bring an operating transit system perspective to fulfilling a variety of roles.

Digital Pictureworks Inc. (Creative/Animation/Digitization Studio)
www.digipicsworks.com
For over fifteen years, Digital Pictureworks have been delivering high-end computer design and animation. Projects include the traditional corporate identity packages, brochures, posters, advertisements, commercials, and videos but the Company truly stands alone in its ability to provide multimedia authoring and leading edge animation, cinematics and special effects.

A preferred supplier of CGI to Canada's advertising agencies, Digital Pictureworks is trusted with key brands. Disney, Pepsi, and Canon are just a few examples of their client roster. Maximizing post-production capabilities on site and using the Internet for constant assessment of work in progress, Pictureworks has proved a reliable and cost effective partner in many ad campaigns.

The Hilti Corporation (Wall Mounting/Fastening System)
www.us.hilti.com
Founded in 1942 in Europe, The Hilti Group is a world leader in developing, manufacturing and marketing top-quality products for the construction industry and building maintenance. Hilti North America, an ISO 9001 certified company, is headquartered in Tulsa, Oklahoma, and employs over

2,000 people from coast-to-coast. The manufacturing plant in Tulsa has received ISO 14001 certification for its environmental program.

Hilti provides a wide variety of products and systems designed for applications in mechanical and electrical industries, telecommunications, civil engineering, building construction, steel and interior finishing. Products offered by Hilti include advanced powder actuated tools, drills, power chisels, electric screw fastening systems, anchoring products, concrete coring and cutting products, fasteners, drill bits & accessories, and laser positioning & installation systems.

Vansco Electronics Ltd. (wire harness and electronics system)
www.vansco.ca
In business since 1978, Vansco employs nearly 800 people in Manitoba, Canada and North Dakota, USA. The Company specializes in custom design and manufacturing of electronic, electro-mechanical, and electro-hydraulic controls and instrumentation for the bus, truck, construction and agricultural equipment Industries.

Vansco's wire harness manufacturing capability; fine pitch surface mount and through-hole circuit board assembly and complete environmental test lab with equipment required to test product to both North American and European electronic standards has been ISO 9002-94 certified since 1995 and ISO9001-2002 since Jan 2003.

Wardrop Engineering Inc. (engineering consultants)
www.wardrop.com
Wardrop Engineering was founded in 1955 and currently employs over 450 people. At its core, Wardrop is an integrated group of experts operating in disciplines that encompass transportation, power, infrastructure, health care, manufacturing and supply chain solutions, mining & mineral processing, nuclear, pulp & paper/forest products, oil & gas, and water & waste.

Wardrop's North American operations have met the requirements of ISO 9001:2000 and have received certification for the company's Quality Management System.

Mass Electric Company (MEC) (Installations Subcontractor)
www.masselec.com
MEC was founded in 1928 in Boston, Massachusetts. With over 75 years of continuous service, MEC has grown to be a national electrical contractor with offices and projects throughout the United States. The MEC Rail division specializes in signaling and communications installation and maintenance and has the crews and equipment in place to ensure safe, fast and cost-effective installation of all types of S&C systems. For decades, Mass Electric Construction Company has helped build many of the nation's rail systems, installing signaling, switching, control and communications equipment, as well as catenary and third-rail traction power systems.

Wellington West Capital Inc. (financial advisory services)
www.wellingtonwest.com

Founded in 1993, Wellington West is one of the largest independent investment dealers in Canada with over 20,000 accounts, $2 Billion under management and annual securities trading in excess of $2.9 Billion. The Company provides full service capabilities to its clients including corporate finance, venture capital, merchant banking and financial advisory services

Wellington West and its executives has been the recipient of a number of business awards. It has been one of Canada's 50 Best Managed Private Companies for five years running. The company is a member of the Canadian Investor Protection Fund and the Canadian Venture Exchange. Wellington acts as lead agent in capital financing efforts for SideTrack.

F. *List of Clients*

Rail System Operators

SideTrack has been installed, to date, in rail systems in:

MBTA (Boston, USA)

Massachusetts Bay Transportation Authority
c/o Transit Realty Associates
20 Winthrop Square, 2nd Floor
Boston, Massachusetts 02110
Lorna Moritz ph 1-617-482-2525

Metrorrey (Monterrey, Mexico)

Sistema de Transporte Colectivo Metrorrey
Ave. Pino Suarez 1123 Nte
Monterrey, Nuevo Leon 64000
Raymundo Flores Elizondo ph 52-81-8374-0199

MetroRio (Rio de Janeiro, Brazil)

Opportrans Concessão Metroviária S.A.
Av. Presidente Vargas 2000 Centro Rio de Janeiro
CEP 20210-031 Brasil
Jose Augusto Tourinho Dantas Jr. ph.: 21-3211-6300

Advertisers

Two previous advertisers that would make credible reference sources are

Royal Caribbean Cruise Lines
(launch advertiser in Boston and a repeat buyer)
c/o MPG/Arnold
Steve Dow
Phone: 617.587.8711
101 Huntington Avenue
Boston, MA 02199
Steve.Dow@mpg.com

Target Stores
(a repeat advertiser that has tried both of the competing tunnel advertising technologies)
c/o Haworth Media
Scott Slater
Phone: 612-677-8900
10th Floor TCF Tower
121 South 8th Street
Minneapolis, MN 55402
SSlater@HaworthMedia.com

Exhibit A

Video Footage

Appendix A

Letters of Commendation from MBTA

SIDETRACK
Technologies Inc.

180 Main Street
Winnipeg, MB Canada
R3V 2B6
1 (204) 663 4989
1 (204) 334 4023

www.sidetrack.ca
(877) 258 3988

Financial Information

Canadian Business Number:

DUN and Bradstreet Number: 202018516

Wellington West Capital Inc.
400-200 Waterfront Dr
Winnipeg, MB, Canada
R3B 3P1
Ph: 204-925-2250
Fax: 204-942-6194
Representative: Kevin Hooke
Director and Vice President of Corporate Finance
Direct Line: 204-925-2268

RBC Royal Bank
220 Portage Ave, 2nd Floor
Winnipeg, MB, Canada
R3C 0A5
1-800-769-2520
Representative: D. F. Ledwos
Direct Line: 204-988-6059
Fax: 204-988-4487

SIDETRACK
Technologies Inc.

1980 Main Street
Winnipeg, MB Canada
R2V 2B6
P: 1 (204) 663 4989
F: 1 (204) 334 4023

www.sidetrack.ca
1 (877) 258 3988

June 6, 2005

To Whom It May Concern::

Re: Statement on the Current Financial condition of Sidetrack Technologies Inc.

The financial condition of Sidetrack Technologies Inc. as of June 6th, 2005 is presently as good, if not superior to, the financial condition as presented in the enclosed Audited Statements dated March 31,2005.

Thank you,

Michael Swistun, CFA
Vice President, Finance

Massachusetts Bay Transportation Authority

Mitt Romney, Governor | *Kerry Healey, Lt. Governor* | *Daniel A. Grabauskas, Secretary and MBTA Chairman* | *Michael H. Mulhern, General Manager*

October 15, 2004

To Whom It May Concern:

Sidetrack Technologies, Inc., of Winnipeg, Canada, has recently completed the construction and launch of the first commercial installation of their Motion Picture Advertising system in North America in the Red Line tunnel of the MBTA.

We are hopeful that this will be the first of a number of sites that will eventually be constructed on the Red Line, providing an exciting and growing new source of non-fare revenue to the MBTA.

I am pleased to say this advertising has been well received by our passengers. To date, the feedback from our ridership and personnel has been overwhelmingly positive toward this new advertising medium.

Throughout the construction process, Sidetrack's engineering and construction staff has worked with our personnel to ensure that our day-to-day operations were not disrupted and that system safety was never compromised. Since the Sidetrack site was first launched, it has operated seamlessly without any interference to our subway operations.

The MBTA is pleased be the first operator in North America to implement a commercial tunnel advertising agreement with Sidetrack. We recommend Sidetrack's technology, and the company, to any other interested transit authorities.

Sincerely,

Michael H. Mulhern
General Manager

Massachusetts Bay Transportation Authority, Ten Park Plaza, Boston, MA 02116-3974

I. Attachments

a. Annexed Addendum

b. Corporation Certification

c. Attachment C – Proposer Reference Form

d. Attachment F – Contractor's Officers and Staff

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: SideTrack Technologies

INITIALED: _____

DATE: June 6, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: SideTrack Technologies

INITIALED: CW

DATE: June 6, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: SideTrack Technologies

INITIALED: CW

DATE: June 6, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: SideTrack Technologies

INITIALED: _____

DATE: June 6, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

SIDETRACK TECHNOLOGIES INC.

CERTIFICATE

The undersigned being the Secretary of Sidetrack Technologies Inc. (the "Corporation") hereby certifies, on behalf of the Corporation and not in his personal capacity, as follows:

(a) attached is a true and correct copy of the certificate and articles of incorporation and amendment of the Corporation (collectively, the "Documents")

(b) there have been no changes made to any of the Documents from their respective effective dates to the date of this certificate other than as noted herein; and

(c) each of the Documents is in full force and effect, unamended otherwise than as noted therein, as at the date of this certificate.

DATED as of the 6th day of June, 2005.

David Filmon, Secretary
Sidetrack Technologies Inc.

Manitoba

Certificate of Status/
Certificat de Status

This is to certify that / *Nous certifions par les présentes que*

SIDETRACK TECHNOLOGIES INC.

Manitoba Corporation No. / *Corporation manitobaine nº*

4156331

incorporated/~~amalgamated~~ / *constituée* / ~~*fusionnée*~~

04APRIL/AVRIL 2000

current jurisdiction / *autorité législative courante*

MANITOBA

is registered under The Corporations Act. According to the information contained on our records, as of this date, the body corporate is still in existence.

est enregistrée sous le régime de la Loi sur les corporations. D'après les renseignements que nous avons, cette personne morale existe toujours aujourd'hui.

Dated: / *Fait le*

This / *Ce* .....08th.....day / *jour*

of / *d*.....SEPT./SEPT..... 20.00.....

Director / *Le directeur*
The Corporations Act /
Loi sur les corporations

MG-3836

SCHEDULE "A"

Manitoba

The Corporations Act/
Loi sur les corporations
ARTICLES OF INCORPORATION (share capital) /
STATUTS CONSTITUTIFS (corporations avec capital-actions)

Corporation No. 4156331
N° de la corporation

Manitoba

The Corporations Act /
Loi sur les corporations

CERTIFICATE / CERTIFICAT

ARTICLES EFFECTIVE /
LES STATUTS PRENNENT EFFET LE
4 APR / AVR. 2000

DIRECTOR, CORPORATIONS BRANCH /
DIRECTEUR, DIRECTION DES CORPORATIONS

1– Name of Corporation / Dénomination sociale

SIDETRACK TECHNOLOGIES INC.

2– The address in full of the registered office (include postal code) /
Adresse complète du bureau enregistré (inclure le code postal)

30th Floor, 360 Main Street, Winnipeg, Manitoba R3C 4G1

3– Number (or minimum and maximum number) of directors /
Nombre (ou nombre minimal et maximal) d'administrateurs

Such number as may be designated from time to time by resolution of the directors provided that the minimum number of directors shall be one, and the maximum number of directors shall be ten.

4– First directors / Premiers administrateurs

Name in full / Mon complet	Address in full (include postal code) / Adresse complète (inclure le code postal)
Tracey D. Deley	30th Floor, 360 Main Street, Winnipeg, Manitoba R3C 4G1

5– The classes and any maximum number of shares that the corporation is authorized to issue /
Catégories et tout nombre maximal d'actions que la corporation est autorisée à émettre

an unlimited number of Class A common shares
an unlimited number of Class B common shares
an unlimited number of Class C common shares
an unlimited number of Class D common shares

an unlimited number of Class A preference shares
an unlimited number of Class B preference shares
an unlimited number of Class C preference shares
an unlimited number of Class D preference shares
an unlimited number of Class E preference shares
an unlimited number of Class F preference shares

ATTACHMENT C - PROPOSER REFERENCE FORM

Name of Proposer: SideTrack Technologies Inc.

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name: Massachusetts Bay Transportation Authority c/o Transit Realty Associates
Address: 20 Winthrop Square, 2nd Floor, Boston, Massachusetts 02110
Contact Name and Title: Lorna Moritz
Phone and Fax Numbers of Contact: 1-617-482-2525
Contract date(s): August 2004 – August 2014 (six month initial term)
Contract cost: $1,153,915 USD
Description of work:
Installation of Three Tunnel Advertising systems on MBTA's Red Line in Boston, MA.

Customer Name: Sistema de Transporte Colectivo Metrorrey
Address: Ave. Pino Suarez 1123 Nte Monterrey, Nuevo Leon 64000
Contact Name and Title: Raymundo Flores Elizondo
Phone and Fax Numbers of Contact: 52-81-8374-0199
Contract date(s): December 2004 - December 2007 (five year renewal option)
Contract cost: $360,000 USD (no MAG)
Description of Work:
Installation of TWO Tunnel advertising systems

Customer Name: MetroRio
Address: Av. Presidente Vargas 2000 Centro Rio de Janeiro CEP 20210-031 Brazil
Contact Name and Title: Jose Augusto Tourinho Dantas Junior
Phone and Fax Numbers of Contact: 21-3211-6300
Contract date (s): March 2005 – March 2010
Contract cost: $734,000 USD
Description of work: Five year exclusive term with a five year renewal option

6– The rights, privileges, restrictions and conditions attaching to the shares, if any / Droits, privilèges, restrictions et conditions dont les actions sont assorties, s'il y a lieu

The annexed Schedule I is incorporated in this form

7– Restrictions, if any, on share transfers / Restrictions au transfert des actions, s'il y a lieu

No share or shares of the Corporation shall be transferred without the unanimous consent of the directors of the Corporation expressed either by resolution or by an instrument or instruments in writing.

8– Restrictions, if any, on business the corporation may carry on / Limites imposées quant à l'entreprise que la corporation peut exercer, s'il y a lieu

None

9– Other provisions, if any / Autres dispositions, s'il y a lieu

The annexed Schedule II is incorporated in this form

10– I have satisfied myself that, the proposed name of the corporation is not the same as or similar to the name of any known body corporate, association, partnership, individual or business so as to be likely to confuse or mislead.
Je me suis assuré que la dénomination sociale projetée n'est ni identique ni semblable à la dénomination d'une personne morale, d'une association d'une société ou d'une entreprise connue ou au nom d'un particulier connu et qu'elle ne saurait prêter à confusion ni induire en erreur.

11– Incorporators / Fondateurs

Name in full / Nom complet	Address in full (include postal code) / Adresse complète (inclure de code postal)	Signature / Signature
Tracey D. Deley	30th Floor, 360 Main Street Winnipeg, Manitoba R3C 4G1	T. Deley

Note: If any First Director named in paragraph 4 is not an incorporator, a Form 3 "Consent to Act as a First Director" must be attached. State the full civic address in paragraphs 2, 4 and 11 – a P.O. box number alone is not acceptable. /
Remarque: Si l'un des premiers administrateurs nommés à la rubrique 4 n'est pas un fondateur, joindre la formule 3 intitulée "Consentement à agir en qualité de premier administrateur". Indiquer l'adresse complète dans les rubriques 2, 4 et 11; un numéro de case postale seul n'est pas suffisant.

Customer Name: Toronto Transit Commission
Address: 1900 Yonge Street, Toronto, ON, Canada M4S 1Z2
Contact Name and Title: M. Piemontese
Phone and Fax Numbers of Contact: 416-393-4000
Contract date (s): January 2005- January 2012
Contract cost: $487,848 Canadian
Description of work: Installation of TWO Tunnel advertising systems

Customer Name:
Address:
Contact Name and Title:
Phone and Fax Numbers of Contact:
Contract date (s):
Contract cost:
Description of work:

ATTACHMENT F - Contractor's officers and staff

Name: Rob Walker

Title: President and CEO

Name: Bradley Caruk

Title: Executive Vice President

Name: Michael Swistun

Title: Vice President

Name: Paulo Mylla

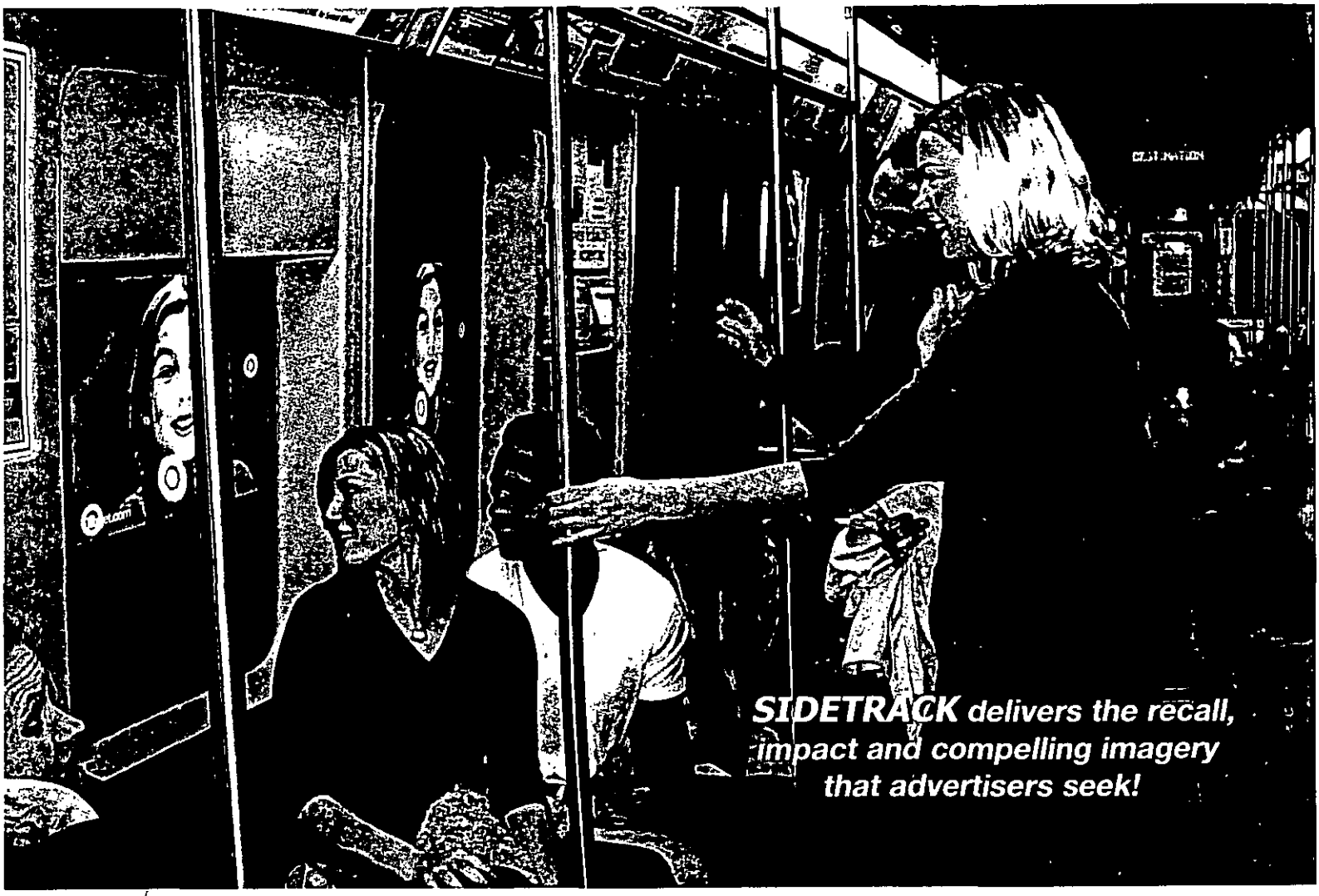
Title: Director of Business Development

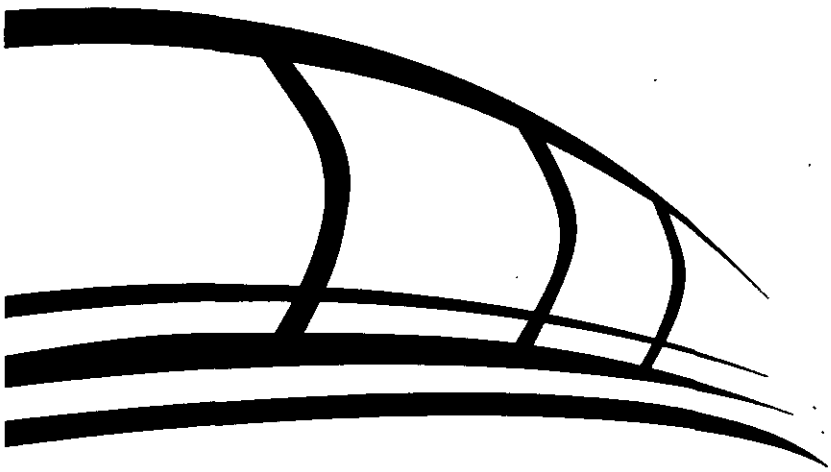
Name: Ed McCullins

Title: VP Engineering

Name: Brian McLean

Title: Director





Moving

SIDETRACK
Technologies Inc.

Research

Four independent research studies have been completed on the effectiveness of motion tunnel advertising. The studies revealed recall rates as high as 92% with product and company recall testing at 100% and 89% respectively, concluding that motion tunnel advertising provides an "effective medium for brand awareness and recall."

Media Plan Compatibility

Exclusivity: Sidetrack captivates and entertains while providing multiple exposures with no outside interference or competition for attention. No other advertising medium can "disrupt expectations" as well as Sidetrack.

Frequency: SideTrack provides high frequency, consistently delivering your message on a daily basis to the selected target commuter audience.

Fit: Sidetrack has the ability to fit a range of media buys - a campaign anchor for a multi media purchase - a focal point of a transit specific buy - delivering enough impact to effectively stand alone in a focused media purchase.

Ease: No need for media specific creative - Sidetrack can utilize TV, film and flash media files as well as produce new, attention grabbing creative from concepts, ideas and even static images. SideTrack has full, in-house animation and creative capabilities and can adapt your existing "static campaigns".

Reach: Sidetrack plans to make this exciting medium available in at least six of the top ten American DMAs by the end of the current planning year. All sites are selected to deliver your message to large daily audiences in strategic locations within the market.

"SideTrack is bringing a new Outdoor Medium to life. Sidetrack's innovation is launching the placement of Billboards with Full Motion upon the dark tunnel walls of the world's rapid mass transit system."

System Description

"Just like children's flip cards with the animated cartoons, the system creates moving pictures by rapidly exposing a series of individual images that flow into each other creating fluid motion."

"Imagine taking a piece of film from a movie projector and placing it horizontally on the wall. By using the same principle, instead of the film moving, the audience is moving past the images using the darkness of the tunnels as the projector's shutter."

How it works

- The motion of the train breaks an infra-red beam and starts the system.
- A series of graphic panels mounted on the tunnel walls are illuminated by lights synchronized with the train - animating the series of images and creating true "motion picture" advertising.

System Advantages

- Use of motion pictures adds appeal for audience.
- Images viewable from all locations and sight angles.
- High impact and visibility.
- Unique placement locations.
- Captive and measurable market.
- Inexpensive production costs with an ability to use "in-house" services or content from existing television or static campaigns.

uestions & Answers

Vhat is SideTrack?

SideTrack is a series of static images mounted to a tunnel wall and lit in synchronization with the train speed so as to rapidly present images to the viewer. The system functions as a movie projector but in the SideTrack case, the people are moving not he film.

low can anyone see it if the train is going so fast?

The images are presented to the viewer at the same rate of television or film. Your eyes simply do not detect the high rate at which multiple images are sequencially displayed. This creates seamless motion.

re the images on the wall like television monitors?

Although it looks like television, No. The images are static prints mounted in frames. 400 in total.

don't have a commercial to supply you. What can you do?

We can take any of your existing material, photos, products, brochures etc. and create a 15 second segment for your approval while maintaining he continuity of your image in the marketplace.

low much space does that take?

Normally, the images will span 800 to 1,000 feet along the tunnel wall.

Vill the train speed affect the image?

Normally, the system is mounted in a typical "cruise speed" area of a tunnel. The system is designed to compensate for the variations in speed and will not be lit in the event the train does not pass within a ange of speeds.

Vhat amount of space do you take up in the tunnel?

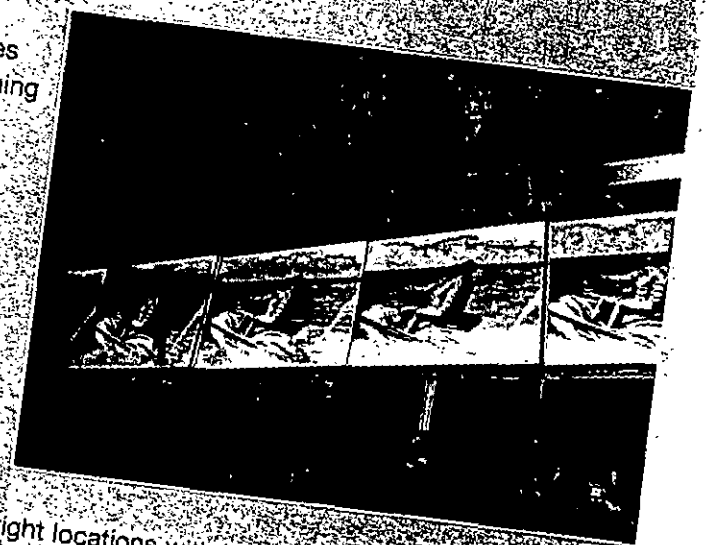
SideTrack is an extremely low profile system and can be mounted in very tight locations with less than eight inches of clearance. The important thing to remember is that it can not enter into the travel profile of the trains or encroach into emergency walkway areas. These are important elements of the system safety audit.

Vhen I look out a window of the train I can often only see reflections, how will I see the SideTrack images?

SideTrack uses a candlepower rating of light to illuminate the images that is stronger than the candlepower given off by raditional fluorescent lights used both in the trains and in typical advertising light boxes. This virtually eliminates the reflective nature of the window glass and makes the image very vibrant and easily seen.

Do I have to face a certain direction in order to see the images?

Unlike other animation technologies, Sidetrack's technology allows ALL passengers, from any viewing angle, anywhere on the rain to see the motion picture without a degradation in quality.



lobal Media Sales Contacts

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b Garrett
rrett@sidetrack.ca
ce: 212-624-9124
: 917-279-5695

West Coast Region
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Cell: 248-705-9634

ago and Midwest Region (including Texas)
Janowski
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SignPost NETWORKS

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Response to The Port Authority of NY & NJ
RFP: Advertising #7920/025
Advertising Opportunities for
Port Authority of NY & NJ and PATH Facilities,
Including Outdoor and Out-Of-Home Locations

June 8, 2005

Original

SignPost NETWORKS

Bid on RFP #7920 – Advertising Opportunities for Port Authority of NY & NJ and PATH Facilities, Including Outdoor and Out-Of-Home Locations

Table of Contents

A. **Letter of Transmittal**

B. **Executive Summary**

C. **Attachment A – Agreement on Terms of Discussion**

D. **Contractor's Integrity Provisions – Exceptions**

E. **Not Used**

F. **Organization Chart; Attachment F – Contractor's Officers and Staff; Resumes of Key Personnel**

G. **Business Plan**

H. **Proposal**

I. **Acknowledgement of Addenda**

J. **Contract Provisions – Exceptions**

K. **Financial Information**

L. **Statement of Work; Attachment C – Proposer Reference Form**

M. **Banking Information**

N. **Sample Structural Drawings**

O. **Timeline for Installation**

P. **Photographs of MARTA installations**

Q. **Proposed Port Authority Content Loop, Sign Region Identification Diagram, Computer-Generated Screen Grabs**

C

9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

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

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

SignPost Networks, LLC
(Company)

(Signature)

CFO
(Title)

6/6/05
(Date)

D

D. Contractor's Integrity Provisions – Exception

Item 1-d of the Contractor's Integrity Provisions states that "the Bidder and each parent and/or affiliate of the Bidder has not...ever used a name, trade name or abbreviated name, or an Employer Identification Number different from those inserted in the bid."

When SignPost Networks was begun in February 2003, the name of the company was The Transit Grapevine, LLC. The company name was changed to SignPost Networks, LLC on January 9, 2004, and the amendment to the LLC was certified by the Delaware Secretary of State on January 21, 2004. A copy of the Secretary of State's certification follows.

The company has always had the FEIN

Please note that given the date of the change in name, both our Cleveland RTA contract and our Atlanta MARTA contract are in the name of The Transit Grapevine, LLC.

Signed:

Jill Brodie
Chief Financial Officer

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "THE TRANSIT GRAPEVINE, LLC", CHANGING ITS NAME FROM "THE TRANSIT GRAPEVINE, LLC" TO "SIGNPOST NETWORKS, LLC", FILED IN THIS OFFICE ON THE TWENTY-FIRST DAY OF JANUARY, A.D. 2004, AT 11:25 O'CLOCK A.M.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

3615742 8100

040042414

AUTHENTICATION: 2882128

DATE: 01-21-04

E

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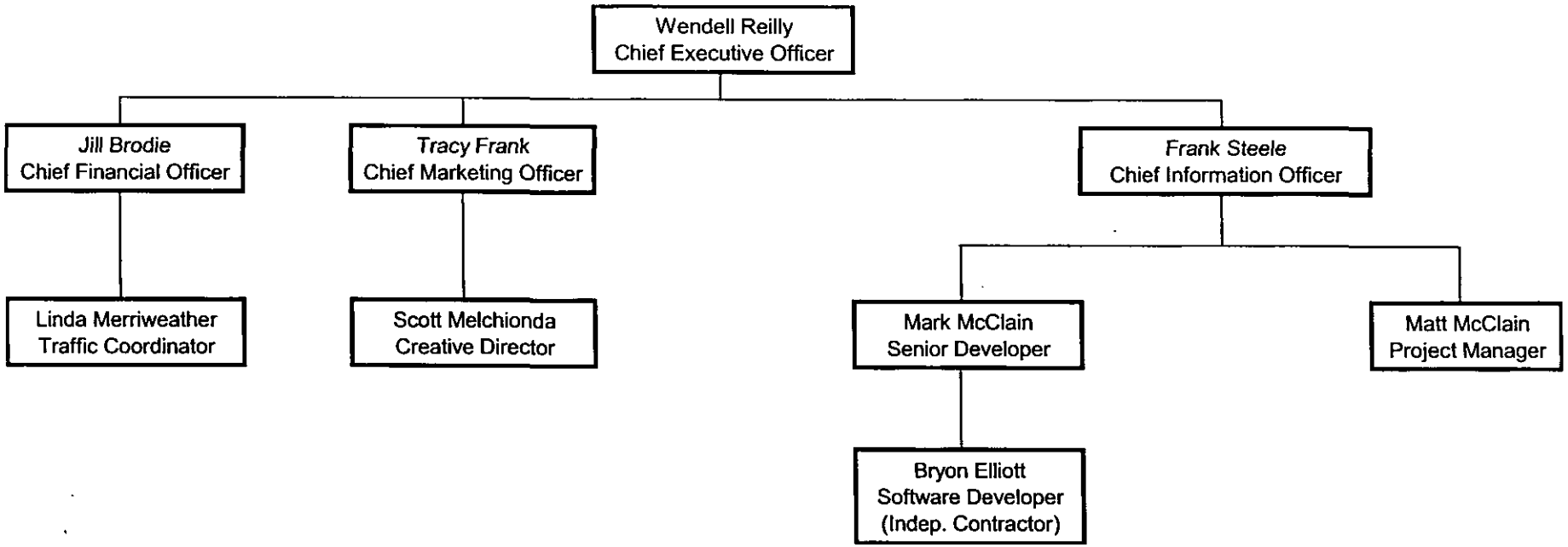
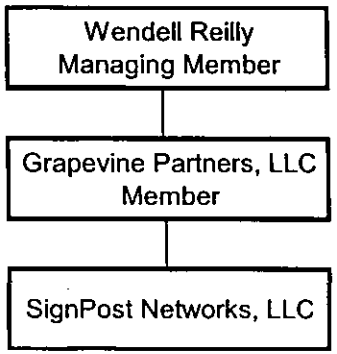
F

F. SignPost Networks, LLC Organization Chart



SignPost Networks, LLC Ownership Chart



F. Contractor's Officers and Staff

Wendell Reilly
Chief Executive Officer

Frank Steele
Chief Information Officer

Jill Brodie
Chief Financial Officer

Tracy Frank
Chief Marketing Officer

Mark McClain
Senior Developer

Matt McClain
Project Manager

Scott Melchionda
Creative Director

Linda Merriweather
Traffic Coordinator

Bryon Elliott
Software Developer (Independent Contractor)

G. Business Plan

SignPost Networks was established in 2003 to meet the growing communication needs of public transportation authorities and their patrons. We offer a network of advertising supported LED displays delivering operational messages from transportation authorities as well as news headlines from leading content providers. Our signs are located where people have time to view them, such as rail station platforms and airport baggage claim areas. We deploy the latest LED display technology, which means that our client's messages are visible from a long distance and their presentation is engaging. Our LED signs are addressable through the internet, displaying text messages, graphics, animation and video.

The displays themselves take a middle ground between the one- or two-line LED signs typically deployed in subways and airports and the LED "spectaculars" utilized in Times Square or Las Vegas. Our displays have the ability to do full-motion video in addition to superior text-handling capabilities. Our standard display is 37" high by 65" wide, and draws about the same power as a hair dryer when every diode on the display is lit.

The proposed displays are the very latest LED technology, with a very high-resolution matrix (6 mm center-to-center) and full RGB (red-green-blue) color capabilities. These displays are a better match to large public spaces than LCD or plasma screens. LED displays offer higher brightness and contrast, longer viewing distances, and longer lifespan than LCD and plasmas, and are not subject to screen burn-in on extended use, as are LCDs and especially plasma displays. The primary disadvantage of LED displays compared to LCDs and plasmas is their relatively high manufacturing cost.

Our manufacturing partner, Daktronics, is the leader in LED displays, providing everything from one-line LED signs to scoreboards and wraparound displays for sports arenas and stadiums.

Commuters look to SignPost Networks for train information and alerts from the transportation authority. Arriving passengers at airport baggage claim, particularly first time visitors, look to our displays as "digital welcome mats" that can provide helpful information about transportation alternatives into the city. SignPost Networks integrates existing messaging systems with a network of addressable LED displays, making commuters and travelers better aware of important transportation developments as they occur. Our software allows transportation authorities to address messages to all displays throughout the system or any combination of signs down to a single display.

Our displays also serve as an element of ADA solutions by providing visual messaging that works in tandem with audio public address systems. SignPost Networks supports repeating messages and emergency interruptions from the transportation authority.

Arriving passengers sometimes feel "out of touch" while standing at the airport baggage claim. We improve the travel experience by displaying content that is relevant, timely and accurate. SignPost Networks displays the latest headlines and leads from around the nation and the world - updated every twenty minutes - along with local news, sports and

weather. Our signs are connected to the internet, so the news appears as stories break. In Cleveland, our content partners are *Cleveland.com* and *Associated Press*. In Atlanta, we display news from *ajc.com* and *Reuters*, and we are in negotiations with *The Weather Channel* and *ESPN*. SignPost Networks also monitors and displays alerts from the Amber Alert program and the Homeland Security Advisory System.

SignPost Networks reaches people while they're waiting on rail platforms or at baggage claim, so advertisers have time to get their message across. We can also target patrons by location or by day part. With SignPost Networks, production costs are low and setup time is short. Advertisers can update their 15 second promotional spot on a weekly basis and receive real-time performance reports at their desk.

How will SPN develop and implement advertising sales ideas?

SignPost Networks was established, first and foremost, to meet the visual paging needs of public transportation authorities. We specialize in displays that simultaneously inform, entertain, and advertise to travelers awaiting their train or baggage. We provide very tight integration with our partner agencies' operational systems to share "must-have" trip information with our viewers. We believe that if people find the displays helpful and they actually have time to read them, then advertisers, both local and national, will support the medium.

SignPost Networks focuses on those large public spaces, interior and exterior, where at least ten thousand people a day assemble for an average wait time of at least five minutes. We customize the SPN content to the particular audience within a particular space during a particular timeframe; and we set the length of the content loop in relation to the average viewing time. SPN displays a variety of text messages, graphics, animations and video, all without any of the disturbing audio feeds that many airport patrons find annoying.

SignPost offers content sponsorships as well as 15 second "spots" to advertisers. In addition to maintaining a local sales office with a dedicated sales staff, SPN has an established marketing agreement with Lamar Advertising Company for national sales referrals. Lamar, which is one of the largest outdoor advertising companies in the U.S. (based on number of displays) currently owns and operates over 150,000 billboard advertising displays in 43 states and provides transit advertising on bus shelters, benches and buses in 34 transit markets.

Because SignPost displays are wired directly to the internet, advertising content is easily changed. Consequently, SPN is very effective for time-sensitive promotions. SignPost displays are also individually addressable, so local advertisers are able to buy smaller, more affordable unit spots segmented by location or by day part. We also offer category exclusivity to content sponsors and long term advertisers, which, we believe, provides additional value to our largest clients. SignPost has engaged Arbitron Outdoor for audience assessment and measurement.

How will SPN develop new and creative advertising opportunities using new and non-traditional technologies?

SignPost Networks has chosen high-quality, high-resolution, full-color (red-green-blue) LED displays as the best technology to visually reach large numbers of people who find themselves waiting in places like airport baggage claim or transit rail platforms. Additionally, we fully integrate our LED display technology with the existing communication and paging systems of the public transportation authority to help improve communications to patrons.

SignPost is a network of full-color, high-resolution LED displays, selectively and appropriately placed, showing helpful information, both operational and promotional, from the transportation authority as well as timely news from branded content providers, such as *Reuters.com*, *Weather.com* and *ESPN.com*. Because our signs are wired to the internet, our content (which typically comes from RSS feeds) is fresh and compelling to viewers. In Section **Q**, we have provided a proposed Port Authority content loop, which shows how content is organized on our displays, and also shows the available opportunities for local content providers, paid content sponsors and paid advertisers. In Section **Q** are also computer-generated pictures of how the signs look with different content on them.

Our LED displays do not rely on an audio feed. Instead, our displays present information clearly and concisely in the form of simple scrolling text messages, static images and graphics, "Flash" animations as well as full motion video. State-of-the-art LED technologies from Daktronics make our medium (and your message) highly visible and easy to read from a distance, particularly in large atrium-type spaces with high ambient light. For this reason, SPN prefers high quality LED over smaller LCD or plasma screens.

Designs for installations that achieve aesthetic excellence, and that are compatible within the physical and operational context

SignPost Networks designs its displays and display placements to fit in to the environments in which they're installed. We often hear that particular displays "look like the station was designed for them," which is our goal. SPN utilizes a number of standard mounting brackets, but we don't hesitate to fabricate custom pieces to ensure the most attractive, finished, and professional installation possible. In addition, we utilize the expertise of structural engineers to ensure that our displays are installed in the safest manner possible.

If awarded a contract with the Port Authority, we would begin a design phase targeting attractive and visible install locations throughout the Port Authority's three airports. Typically, we visit each site multiple times to evaluate traffic patterns and sightlines. From these site visits, we develop a short list of locations with the partner authority. The result of these site visits is a location submission, like the Decatur platform submission in Section **N**, showing a virtual sign photographically dropped in to the proposed locations.

If approved, these locations are then the subjects of in-depth technical walkthroughs to evaluate the best methods of mounting signs in those specific locations, and how to most cleanly deliver power and communications to each location. Deliverables resulting from these walkthroughs include complete electrical and structural drawings, as included in Section N.

Install and provide materials for any infrastructure at no cost to the Port Authority

The estimated capital budget for acquiring, designing and installing 18 to 24 Daktronics LED displays (full-color red-green-blue, 6mm dot pitch, 128 x 256 matrix) in the baggage claim areas of Newark, LaGuardia and JFK ranges from $2 million to $2.5 million. That amount includes a budget for reimbursement to the Port Authority for any direct out-of-pocket expenses associated with the SignPost build out. SignPost has an existing financial commitment from the private equity firm, Grapevine Partners, to fund up to $5 million in Capital Expenditures and other related cost of this RFP. The latest (2003) signed tax returns of Wendell Reilly, owner of Grapevine Partners are included in Section K.

M/WBE Plan

	Job	Company	M/WBE	%
o	Sign Integration contractor	INFAX	NO	5%
o	Sign Manufacturer	Daktronics	NO	45%
o	**Structural and electrical engineers**	**TBD**	**YES**	**5%**
o	Mounting system and bracket fabricator	Dutton & Hall	NO	10%
o	**Sign Installation Subcontractor**	**TBD**	**YES**	**15%**
o	Other Capitalized Costs	SPN	NO	20%
				100%

In accordance with the "M/WBE Subcontracting Provisions" of the RFP, SignPost Networks will make all efforts to utilize M/WBE firms to perform jobs related to the Port Authority installation to provide for 12% participation by MBEs and 5% participation by WBEs. As we did for our MARTA installation, we will get the Port Authority's list of certified firms and request bids for particular sections of the work to be performed.

SignPost pays all vendors on 30-day terms, unless the vendor negotiates better terms for itself; the same consideration will be given to any M/WBE with whom we do business. For example, our MBE sign installation contractor in Atlanta is paid on 15 day terms, with a holdback amount that is paid out when certain milestones are met.

H

H. Proposal

Upon award of a 10-year contract with the Port Authority, SignPost Networks will install LED signs on specially designed mounting brackets, and will also install all necessary communications equipment and cabling, and electronic conduit and cabling at no cost to the Port Authority. This includes the services of electrical and structural engineers to design and draw the installations, and electrical and/or building subcontractors to wire to the sign locations and install the signs. SignPost Networks will also bear any ongoing costs of communications to the signs.

During the course of the installation, pursuant to Port Authority rules and regulations, it may be necessary to have Port Authority personnel on site. Additionally, it will be necessary for Port Authority employees to approve structural and electrical plans for the installation. SignPost Networks will reimburse the Port Authority for such activities related to our installation in an amount mutually agreed with the Port Authority.

1. Revenue to the Port Authority

SignPost Networks will guarantee minimum payments to the Port Authority of $30,000 per month ($10,000 per airport). Given our 12-month timeline from award of the contract to completed installation, we believe that the minimum payments should begin to take effect in month 13 of the contract.

Once advertising sales commence, SignPost Networks will pay the Port Authority the greater of the minimum payment or a percentage of Gross Advertising Revenues based upon the following formula:

Gross advertising revenues $\leq$ $5 million	15%
Incremental revenues > $5 million but $\leq$ $10 million	20%
Incremental revenues > $10 million	25%

Per our analysis, once the LED signs are fully installed in the airport baggage claims, our audience will average 100,000 passengers, daily (see next section for calculation). At a CPM of $10.00, the Monthly Rate for advertisers is estimated to be $30,000.

Port Authority Revenue Share Calculation

Average Spot Rate:	$30,000
Average Number of Advertisers	12
Average Monthly Gross Revenue	$360,000
Average Annual Gross Revenue	$4,320,000
Port Authority Annual Revenue Share	$648,000

2. Marketing Strategy and Approach:

As stated in the "Business Plan" section of this proposal, SignPost provides value to the Port Authority and advertisers by strategically installing full-color LED displays in areas where people congregate and wait. The displays show relevant, timely and accurate information that draw people's attention to Port Authority messages and advertiser spots. We believe that the market potential going through the airport baggage claim areas is approximately 100,000 passengers per day, calculated as follows:

	JFK	Newark	LaGuardia	Total
Last 12 Months Revenue Passengers	38,658,250	32,125,504	25,041,063	95,824,817
Percent Local	81%	78%	96%	
Number Local Passengers	31,313,183	25,057,893	24,039,420	80,410,496
Percent Arriving	50%	50%	50%	
Number Arriving Passengers	15,656,591	12,528,947	12,019,710	40,205,248
Average Monthly Arriving Passengers	1,304,716	1,044,079	1,001,643	3,350,437
Average Daily Arriving Passengers	43,491	34,803	33,388	111,681
Assumed Daily Passengers Going Through Baggage Claim				**100,000**

Sources: March 2005 traffic reports of all three airports and 2003 (most recent) Passenger Traffic by Terminal information

If necessary, SignPost will commission a report from Arbitron Outdoor to verify these numbers and support our pricing model in the Port Authority district.

SignPost Networks will be able to provide advertisers with a full installation of 18-24 LED signs approximately 12 months after the Contract is signed. Given our past experience with the RTA and with MARTA, we believe it will take 4-6 months for design, drafting and approval of all sign locations, and another 4-6 months for the installation to take place. (See timeline, Section **O**.)

Our targeted audience includes the local commuter as well as the business traveler, conventioneer and tourist visiting the New York-New Jersey area. Our targeted advertisers fall into three categories:

Content Sponsors: We look for companies with strong national or international brands that align naturally with SignPost content. (Examples are Coca-Cola with ESPN; The Home Depot with The Weather Channel.) SignPost works particularly well for companies looking for an exclusive platform to differentiate a new product launch or a new promotion.

National and Regional Advertisers: Other national and regional companies that may be seasonal or episodic in their advertising and marketing initiatives value our uniquely addressable medium as well as the exclusivity we offer. The state lottery, movie studios and Apple Computer represent good examples of this type of advertiser.

Local businesses: SignPost displays are individually addressable, so local advertisers can buy smaller, more affordable units as compared to TV or radio. Local restaurants, boutiques and entertainment venues are good examples of these advertisers. SignPost

also offers an excellent promotional option for special events and trade shows taking place in the greater metropolitan area.

3. Experience & Financial Capability:

Pursuant to its contract with the Greater Cleveland RTA, in late 2003 – early 2004, SignPost Networks installed 21 LED signs in eight RTA stations, with an additional sign in RTA headquarters. These signs are integrated with the RTA's internal systems to run the RTA's dynamic timetable, and also run news, sports and entertainment pursuant to a content agreement with *Cleveland.com*, which also gives SPN access to *Associated Press* news.

In November 2003, SPN signed a 10-year agreement with the Metropolitan Atlanta Rapid Transit Authority to install up to 150 LED signs on the rail platforms at MARTA's 38 stations, as well as selected station bus bays and concourse areas. The rail platform installation is scheduled for completion at the end of June 2005.

As the MARTA installation is being completed, SPN is in negotiations with content providers such as *ESPN.com* and *Weather.com*, as well as national advertisers Coca-Cola and The Home Depot to sponsor content "programs" on the signs. Throughout the six weeks from July through mid-August, SPN will engage Arbitron Outdoor to perform rider recall surveys. These surveys will supplement the studies SPN commissioned from Arbitron to verify our viewership assumptions and support our pricing.

In Atlanta, SPN runs a 10-minute content loop, since studies and internal MARTA information show that the trains run an average of 10 minutes apart. Content "programs" run in addition to rider information and include local, national and business news, sports, weather, entertainment and current events, all from respected content partners. SPN is seeking "anchor" advertisers (such as Coca-Cola and The Home Depot) to sponsor these programs. We feel that with big national advertisers, local advertisers will also be drawn to the 15-second spot ads available throughout the content loop.

As the photos in Section **P** show, SPN's LED installations fit seamlessly into the high-volume facilities at MARTA almost as if they were part of the original station design. SPN chooses sign locations based on visibility for our advertisers, utility to the riders, aesthetics, and ease of installation. We pride ourselves on improving the image of the Authority with the integration of our installations as well as the useful information we provide. Our signs constantly communicate with our technical staff, so we are immediately apprised of any malfunction and can address it immediately. In Cleveland, we also have a quality control contractor who rides the trains and reports any irregularities. Once the installation is complete in MARTA, we will have QC staff in Atlanta, and we will provide the same service to the Port Authority throughout the life of the contract.

Our management team has the long-term experience and expertise to achieve installations that serve the needs of all constituents: the Port Authority, advertisers and passengers.

Our CEO, Wendell Reilly, has experience in both outdoor advertising and television, and our CIO, Frank Steele, has been working with LED signs in transportation authorities since 2000. *(Resumes of key personnel are included in Section F.) In addition, our* subcontractor for advertising sales, Lamar Outdoor Advertising, has been selling outdoor and out-of-home advertising for more than one hundred years.

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date 05/25/05

ADDENDUM #1

To prospective proposers on RFP # 7919 for Sponsorship Marketing Services Program at Port Authority of NY and NJ Facilities.

Due back on June 6, 2005, no later than 2:00 PM.

For informational purposes only, the slide show presentation will be made available to your firm on-line by visiting www.panynj.gov/advertisingrfps/

The following changes are hereby made in the documents:

A. Page 64 and 65 of Part III Contractor's Integrity Provisions, Section 2. **Non-Collusive Bidding, and Code of Ethics Certification, Certification of No Solicitation Based On Commission, Percentage, Brokerage, Contingent or Other Fees**, delete this section in its entirety and replace it with the following:

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 or PATH employee or former employee or immediate family member of either which would constitute a breach of ethical standards under the Code of Ethics dated April 11, 1996 (a copy of which is available upon request to the individual named in the clause hereof entitled "Bidder's Questions"), nor does this organization have any knowledge of any act on the part of an Authority or PATH employee or former Authority or PATH employee relating either directly or indirectly to this organization which constitutes a breach of the ethical standards set forth in said Code;

e. no person or selling agency other than a bona fide employee or bona fide established commercial or selling agency maintained by the Bidder for the purpose of securing business, has been employed or retained by the Bidder to solicit or secure this Contract on the understanding that a commission, percentage, brokerage, contingent, or other fee would be paid to such person or selling agency; and

f. the bidder has not offered, promised or given, demanded or accepted, any undue advantage, directly or indirectly, to or from a public official or employee, political candidate, party or party official, or any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), in order to obtain, retain, or direct business or to secure any other improper advantage in connection with this Contract.

The foregoing certifications shall be deemed to be made by the Bidder as follows:

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

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

In any case where the Bidder cannot make the foregoing certifications, the Bidder shall so state and shall furnish with the signed bid a signed statement which sets forth in detail the reasons therefor. If the Bidder is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its bid, setting forth in such statement the reasons for its uncertainty.

Notwithstanding that the Bidder may be able to make the foregoing certifications at the time the bid is submitted, the Bidder shall immediately notify PATH in writing during the period of irrevocability of bids on this Contract of any change of circumstances which might under this clause make it unable to make the foregoing certifications or require disclosure. The foregoing certifications or signed statement shall be deemed to have been made by the Bidder with full knowledge that they would become a part of the records of PATH and that PATH will rely on their truth and accuracy in awarding this Contract. In the event that PATH should determine at

any time prior or subsequent to the award of this Contract that the Bidder has falsely certified as to any material item in the foregoing certifications or has willfully or fraudulently furnished a signed statement which is false in any material respect, or has not fully and accurately represented any circumstance with respect to any item in the foregoing certifications required to be disclosed, PATH 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 PATH 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 PATH 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 PATH, 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 PATH.

QUESTIONS & ANSWERS

The following information is made available in response to questions by Proposers to the Port Authority. It addresses only those questions, which the Port Authority of NY & NJ has deemed to require additional information and /or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the RFP which will be construed without reference to such questions.

Question 1: Are there any examples of existing partnerships that speaks to environment that you wish us to create?

Answer: We are not aware of any partnerships.

Question 2: Banners become a part of this...what is length of time for those permissions to be put into place?

Answer: Length of time should be addressed in your proposal to the Port Authority. Refer to Page 7, Scope of Work.

Question 3: What I have seen happen is that you have a proposal... there is a group of people that can create problems and it could be months ...Is there an outside group that could be involved and cause delay?

Answer: No. The Port Authority will evaluate the proposals. We do not anticipate any interference with this contract.

Question 4: Is there a process to address issues between sponsorship and advertising work?

Answer: Each executed contract will stand on its own. The final scopes of work define each program.

Question 5: What if you pick the proposal and down the road there is an overlap between the Sponsorship Marketing and Advertising Opportunities awards?

Answer: The Port Authority will evaluate the two proposals and most likely opt for the proposals that would give the greater yield to the Port Authority.

Question 6: Can you give an example (guideline) of over the top?

Answer: No, this is an open architectural proposal. Note: Suggested programs that were deemed not acceptable in the past may be acceptable in this RFP. What programs you propose is a business decision that your firm must make.

Question 7: Is there restriction to combining sponsorship and advertising RFP?

Answer: These are two separate proposals. You may propose on both.

Question 8: If there is a way to link the two proposal, can that be done?

Answer: No. You may propose on both.

Question 9: Some of the properties controlled by PA are construed as landmarks. Some of our clients .... Corporate sponsors are lending their names to what were once landmarks. There has been questions as to who has control in getting corporate sponsors. I cannot see the George Washington Bridge renamed XYZ Co. or something like that. How do we get around that?

Answer: The Port Authority is not asking you to rename our facilities. We are asking for sponsorships. Refer to page 7, Scope of Work.

Question 10: But what if $$ dollars are right on changing facility names?

Answer: The Port Authority will not respond to hypothetical situations.

Question 11: Is there a system in place to review and determine acceptance of a sponsorship platform? Are we permitted to sole source?

Answer: There will be a Port Authority staff committee that will evaluate your proposal.

Yes you are permitted to sole-source. How you select your clients and business partners is your business decision. Once we enter into an agreement with the selected firm, that firm is not required to competitively bid. We want you to think out of the box and bring proposals to us.

Question 12: Any target date for oral presentation?

Answer: Estimate date is in mid-June.

Question 13: Define different subcontractors.

Answer: Our intention is to select one firm, however you may propose as a joint venture. Subcontractors are allowable to the prime contractor.

Question 14: Your sign-in list does not have e-mail addresses, can we contact other firms

Answer: Yes. The sign-in list is attached to this addendum.

Question 15: Re: Determination. How will that be accomplished?

Answer: A committee of Port Authority staff will evaluate proposals based on the Evaluation Criteria identified on page 11, Section A. The evaluation process is confidential and no information will be released during that phase.

This communication should be initialed by you and annexed to your proposal upon submission.

In case any proposer fails to conform to these instructions, its proposal will nevertheless be construed as though this communication had been so physically annexed and initialed.

THE PORT AUTHORITY OF NY & NJ

JANE CETERKO, MANAGER
PURCHASING SERVICES DIVISION

PROPOSER'S FIRM NAME: SignPost Networks, LLC

INITIALED: JB

DATE: 6/6/05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO KATHY LESLIE WHELAN, WHO CAN BE REACHED AT (212) 435-3929.

PRE-PROPOSAL MEETING SPONSORSHIP MARKETING SERVICES PROGRAM AT PORT AUTHORITY OF NY & NJ AND PATH FACILITIES -RFP
MAY 24, 2005

NAME	COMPANY	TELEPHONE #
Pamela Harper	The Harper Group	215-592-8741
Mark Donley	Nelligan Sports Mkg	973-822-5900
PAUL R. WISS	CLEAR CHANNEL	212-812-0036
STEVEN A. LUDSIN	ILLUMACOM	917 873 4536
BARRY NEUBERGER	WORLDWIDE MARKETING + MEDIA	212-286-1244
Thomas Eaton	Quinn Fable	212 251-2023
Jessica Rubinfeldberg	QUINN FABLE	212-974-8700
Cheryl Gentry	Glow Media & Marketing	212. 239 2455
Alan Kitty	Linktank/HQ-MMedia	609-219-9339
Cindi Fakker	Peak Business Coach	973 7021168
DAVID COHN	Civic Entertainment Group	212-426-7006
Rodger Bailey	Active Public Enterprises	714-374-3330
Don Schulte	ACTIVE PUBLIC ENTERPRISE GROUP	"
Elliot Klein	RETURNme.com, LLC	646-201-9293
BRYAN KNUST	OCTAGON	212-841-7021
Jed Greenthal	Jed Greenthal Marketing LTD.	203-226-7643.
Bernard Tarisot	JC Decaux NA	646-834 1300
Stacey Ferris	JC Decaux NA	646-834 1327
JASON HEIM	CIVIC ENT. GROUP	212.426.7006
Margaret Hetherington	Parsons Brinckerhoff	203 500 7317
Drew Steinman	Burrs	212-730-8219
RoeAnne Hoffmann	PA	x 6920
CARROL BEMNETT	PA	435-2929
[illegible]	PA-	435-4658
ANGELO PULFO	PRE COMMUNICATIONS INC.	212-686-8044 EXT 12
JEFF PUSNER	PRE COMMUNICATIONS INC	212 686-8044 EXT 11
T.J. Stoch	T.J. STOCH	212-435-3936
[illegible]	RANDSTAD [illegible]	212 599 8400
Kathy Leslie Whelan	PANYNJ	212 435-3929
Charles Geffen	Branding Rights, LLC	610.664.1144
SAM HART	Clear Channel	312 475 1999
MICHAEL KRAMER	GARRICK-AHC	212-850.0278
RANDY ORNDORFF	LANE	917.639.4033
LARRY WAXMAN	PA	212 435-3951

PRE-PROPOSAL MEETING SPONSORSHIP MARKETING SERVICES PROGRAM AT PORT AUTHORITY OF NY & NJ AND PATH FACILITIES -RFP
MAY 24, 2005

NAME	COMPANY	TELEPHONE #
Sung Lee	The Research Associates	212-868-5178
MARK Baldinger	Intransit media	954 462-4032
CHARLES ELSSA	" "	954 445-4445
DAVID BURBEN	OCHAON	212 841 7013
DIDI LOPEZ	AVOLAR, INC.	201.222.0148
Dave Daniels	Dave Daniels Marketing	212 769-4736
Ken Greenberg	LINKMUK / LK-MULTIMEDIA	609-219-9339
Steve Kra	MAXMMC Consulting	310-476-[illegible]1112
CHRIS YOUNG	VISTA MEDIA	718-784-3339
ROSARIO MANETTA	VISTA MEDIA	718-784-3339
Kevin Kirchman	PA / PUBLIC AFFAIRS	212-435-6518
Peter Engel	Posner Advertising	212-867-3900 x 18
Ray Bickley	PA	212-435-4972
Jim Gonin	Shawmut Media	617-333-9399
Julie Lombardo	Public Affairs - PA	212-435-6429
J. DENISE	PA	212 435 2394

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 2, 2005

ADDENDUM #2

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

1. Question: How many rail cars are in the PATH fleet?
   Answer: There are 327 cars active for passenger use. From 2008 to 2011 the Port Authority is scheduled to receive 340 new passenger rail cars and will subsequently gradually retire the current fleet.

2. Question: How many rail cars are there in the AirTrain Newark and AirTrain JFK fleets respectively?

Answer: At the AirTrain JFK, there are 32 rail cars. At the Monorail System at Newark Liberty International Airport, there are 108 rail cars.

3. Question: Do the PATH railcars operate as singles or married pairs?
   Answer: PATH railcars operate as singles.

4. Question: In Section 4, Page 11, what is your definition of "certified financial statements"?
   Answer: Certified Financial Statements are defined as company financial information including but not limited to the Proposer's company assets, liabilities, net worth, revenue, expenses, profit or loss and cash flow including applicable notes for the most recent calendar year reviewed and compiled by an independent accounting firm.

5. Question: The RFP references "subcontractors" in several places. How should we respond if, at this time, we have not selected our subcontractors?
   Answer: At the time of submission of the Proposal, companies do not have to specifically identify subcontractors. If the selection has not been made but the area of subcontractor services is determined, please include.

6. Question: Please list the agreements, and respective subject matter of such agreements, referred to in the second bullet point under "Notes Regarding The Above Facilities" on page 76.
   Answer: There are two agreements and the subject matter of both agreements is for various advertising services. Agreement one is with Black Experience, Inc. for PATHvision for PATH advisory notices, news information and advertising at over 200 television screens located throughout the system at PATH stations. Agreement two is with Submedia, LLC for one illuminated advertising sign at two locations in the PATH train tunnels.

7. Question: Are we allowed to propose an advertising idea for only one structure? If so, is it recommended that we include visuals?
   Answer: Yes, you may propose an advertising idea for only one structure. Proposers may include visuals.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: SignPost Networks, LLC

INITIALED: _____

DATE: 6/6/05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 3, 2005

ADDENDUM #3

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

Question: Does the Port Authority have any historical advertising sales figures?
Answer: Yes, the Port Authority has attached a Ten Year Profile of Advertising Sales at the Authority's Airports. Proposers are cautioned that these figures are estimated only and may not represent each and every sale generated through its advertising agreements. This Profile is for information purposes only. Proposers are reminded that the above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: SignPost Networks, LLC

INITIALED: JB

DATE: 6/6/05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

ADVERTISING PERMIT
TEN YEAR PROFILE - ADVERTISING SALES
NEWARK, KENNEDY, & LAGUARDIA AIRPORT

EWR

YEAR	ADVERTISING SALES
EWR 1995	$2,576,471
EWR 1996	$2,851,140
EWR 1997	$3,813,334
EWR 1998	$5,169,236
EWR 1999	$7,521,687
EWR 2000	$11,125,693
EWR 2001	$7,699,533
EWR 2002	$6,848,751
EWR 2003	$8,765,370
EWR 2004	$8,592,766

JFK

YEAR	ADVERTISING SALES
JFK - 1996	$6,162,518.00
JFK - 1997	$7,927,062.00
JFK - 1998	$11,819,001.71
JFK - 1999	$14,411,834.67
JFK - 2000	$19,937,032.98
JFK - 2001	$14,195,537.18
JFK - 2002	$10,638,425.80
JFK - 2003	$15,308,172.96
JFK -2004	$16,042,602.40

LGA

YEAR	ADVERTISING SALES
LGA - 1996	$2,904,725.00
LGA - 1997	$4,451,590.00
LGA - 1998	$5,989,036.93
LGA - 1999	$8,245,371.82
LGA - 2000	$11,478,581.04

LGA - 2001	$9,336,427.13
LGA - 2002	$6,191,737.04
LGA - 2003	$6,789,247.47
LGA - 2004	$7,006,291.82

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 7, 2005

ADDENDUM #5

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

THE PROPOSAL DUE DATE HAS BEEN CHANGED TO MONDAY, JUNE 13, 2005 NO LATER THAT 4:00 PM.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Sign Post Networks, LLC

INITIALED: _____

DATE: 6/7/05 4:55pm.

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 6, 2005

ADDENDUM #4

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

Question: Does the Port Authority have any historical gross advertising sales figures for the Bus Terminal, George Washington Bridge Bus Station, PATH and/or Journal Square?
Answer: Yes, the Port Authority has attached Advertisement Sales at those facilities. Proposers are cautioned that these figures are estimated only and may not represent each and every sale generated through its advertising agreements. This Profile is for information purposes only. Vendors should also note that advertising locations within facilities may change from time to time dependent upon facility needs. Proposers are reminded that the

above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: SignPost Networks LLC

INITIALED: JB

DATE: 6/6/05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

1999 - 2004
Gross Advertisement Sales
at Port Authority Bus Terminal, GWB Bus Station,
PATH, JSTC

Facility	YEAR	Advertisement Sales
PABT (T06)		
	1999	$719,195
	2000	$2,454,750
	2001	$1,116,250
	2002	$629,763
	2003	$1,090,053
	2004	$1,095,316
GWBBS (T07)		
	1999	$ 74,628
	2000	114,586
	2001	73,448
	2002	80,458
	2003	81,924
	2004	39,293
PATH (R02)		
	1999	$ 4,537,000
	2000	6,019,497
	2001	3,684,917
	2002	2,512,668
	2003	2,530,342
	2004	2,054,518
JSTC (R21)		
	1999	$ -
	2000	8,000
	2001	161,843
	2002	103,345
	2003	
	2004	

J

J. Contract Specific Terms and Conditions – Specific Exceptions

Section 1 paragraph 1: "Subject to the terms…Contractor…agrees to furnish…all aspects of the broadest possible range of …Advertising…"

We are proposing just one component of the Port Authority's overall outdoor/out-of-home advertising package, which we believe is compatible with other advertising media that are outside of our expertise.

Section 4 paragraph 2: "No advertising material…shall be displayed…unless the Port Authority has given prior written approval as to the…content thereof."

We would like a clause added that the Port Authority would be responsible to turn around written approval within 48 hours of submission by the Contractor for such approval. Unlike a poster, our electronic signs are capable of changing a message as soon as we are ready to upload new information. Our advertisers will expect quick turnaround on new material, as this flexibility is one of our major selling points to advertisers.

We would like clarification on Section 5-C: "Under no circumstances shall the Contractor…communicate…with any…other organization or any person whether governmental or private in connection with the services to be performed hereunder except upon prior written approval and instructions of the Port Authority…."

What does this mean? We will need to discuss with many private organizations our services under the contract so that we may secure advertisers and content partners for our signs. May a signed contract with the Port Authority be deemed written approval to hold such discussions?

Section 7 paragraph 2: "Upon such revocation, all installations…but excluding…the electrical and operational equipment installed…and signage installed…shall be removed…"

It is not clear what must be removed, and what must stay, upon such revocation.

Section 15 paragraph 1: "…letter of credit issued by a banking institution…having its main office within the Port of New York District…"

Is it necessary that the bank's main office be within the District? Can the Contractor use its own bank, provided that the bank has an office or a branch located within the Port of New York District?

J. Standard Contract Terms and Conditions – Specific Exceptions

Section 10: Change "...of this Contract and to cause all subcontractors to pay all such claims lawfully made against them." to read:

"...of this Contract and to *make reasonable efforts to* cause all subcontractors to pay all such claims lawfully made against them."

Section 26 – Property of the Contractor states that "All property of the Contractor...shall be removed on or before the expiration...of this Contract." This is at odds with the RFP Scope of Services, paragraph 5, which states that "at the end of the Contract Term, ownership of all the Advertising Display Devices will pass to the Authority."

SignPost Networks is going to make a significant capital outlay to install 18 to 24 LED signs in the Port Authority airports. At the end of a ten-year contract, the LED displays will still be usable, and therefore, SPN believes it should retain ownership of the displays. If SPN is unable to fulfill the Contract or materially breaches the Contract, we will concede ownership of the LED displays to the Port Authority.

K

L

L. Statement of Work

Greater Cleveland RTA, Cleveland, Ohio
SignPost Networks has 100% completed installation in the Greater Cleveland RTA. Later this summer, SPN plans to roll out a second generation of displays in 10 stations. The expected cost of the upgrades is approximately $150,000. The expected completion date is September 30, 2005.

We expect annual gross revenues from the RTA contract to be around $500,000.

The people most familiar with our work in Cleveland are:
Joe Calabrese, CEO & General Manager, RTA, (216) 566-5218,
Steve Bitto, Director of Marketing, RTA, (216) 566-5255, and
Henry Kwee, Engineer, RTA, (216) 771-4194

Metropolitan Atlanta Rapid Transit Authority, Atlanta, Georgia
SignPost Networks is about two-thirds complete with its installation in MARTA. The platform signs are installed in 28 of the 38 stations, and are expected to be completed by June 30, 2005. Bus bay signs will be installed in phase 2 and should be completed by September 15, 2005. Phase 3 in MARTA includes red-green-blue signs for concourse areas, which are currently on order and expected to arrive in mid-September. The installation of these signs should be complete by October 31, 2005. The total cost of all three phases of the MARTA installation is expected to be around $5 million.

We expect annual gross revenues from the MARTA contract to be around $3.6 million.

The people most familiar with our work at MARTA are:
Carlos James, Assistant General Manager, (404) 848-5978,
Tony Griffin, Marketing Manager, (404) 848-5620 and
A.J. Joshi, Acting Project Engineer, (404) 848-4528

Virginia Railway Express, Alexandria, Virginia
SignPost Networks has completed delivery of a rider notification system to the VRE. This service takes operational messages generated by the VRE and e-mails them to some or all passengers, depending on affected stations, lines, and times of day. The VRE took the system live on June 6, 2005 and will send its final installment of the $50,000 initial contract price to SignPost this week. The contract may be extended four times in one-year increments at a price of $15,000 per year.

The person most familiar with our work at the VRE is Wendy Lemieux, Manager of Customer Service, (703) 684-1001 x5415

ATTACHMENT C - PROPOSER REFERENCE FORM

Name of Proposer: SignPost Networks, LLC

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name: Greater Cleveland Regional Transit Authority
Address: 1240 West 6th St. Cleveland, Ohio 44113-1331
Contact Name and Title: Steve Bitta, Director of Marketing
Phone and Fax Numbers of Contact: 216-566-5255 phone; 216-781-4669 fax
Contract date(s): assigned to SPN (The Transit Grapevine) 3/27/03, effective 1/10/03 through 2/10/2012
Contract cost: original installation: approx $200,000; upgrades: approx. $150,000
Description of work:
Install, run and maintain electronic LED displays in RTA stations. Integrate with RTA dynamic timetable; provide news and other content; sell advertising and give RTA 10% revenue share.

Customer Name: Metropolitan Atlanta Rapid Transit Authority
Address: 2424 Piedmont Rd. NE Atlanta, GA 30324-3311
Contact Name and Title: Tony Griffin, Marketing Manager
Phone and Fax Numbers of Contact: 404-848-5620; 404-848-5098 fax
Contract date(s): 11/5/03 – 11/4/2013
Contract cost: approx $5 million
Description of Work:
Install, run and maintain electronic LED displays in MARTA stations. Integrate with MARTA next-train information; provide news and other content, sell advertising and give MARTA revenue share on sliding scale. Provide rider notification system.

Customer Name: Virginia Railway Express
Address: 1500 King St. Suite 202 Alexandria, VA 22314
Contact Name and Title: Wendy Leniewski, Manager - Customer Service
Phone and Fax Numbers of Contact: 703-684-1001 x 5415 phone; 703-684-1313 fax
Contract date (s): 1/20/05 - one year with four one-year extensions
Contract cost: $50,000 year 1; $15,000 years 2-5
Description of work: Provide rider notification system.

M. Banking Information

SignPost Networks, Grapevine Partners and Wendell Reilly all bank with SunTrust Bank, Atlanta, GA.

The chief banking representative for all accounts is Mr. Michael Woocher, Group VP, Wealth Management Services, (404)-588-7430.

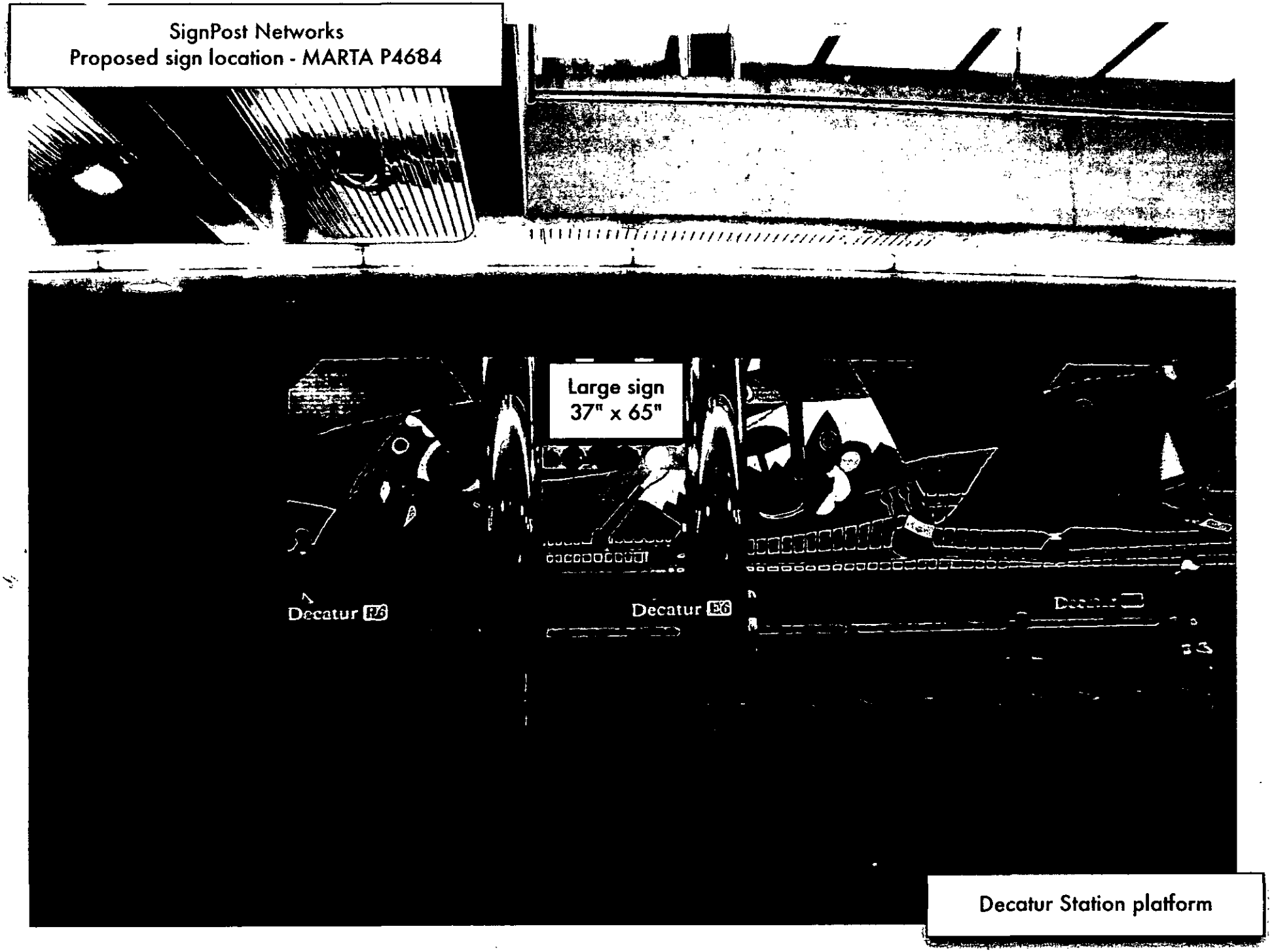
SignPost Networks' EIN is
Grapevine Partners' EIN is

SignPost Networks does not have a Dun & Bradstreet number, and has not furnished information to any other credit service.

Upon award of a contract with the Port Authority, SignPost Networks will be able to submit a letter of credit in favor of the Port Authority within a few days.

N

SignPost Networks
Proposed sign location - MARTA P4684



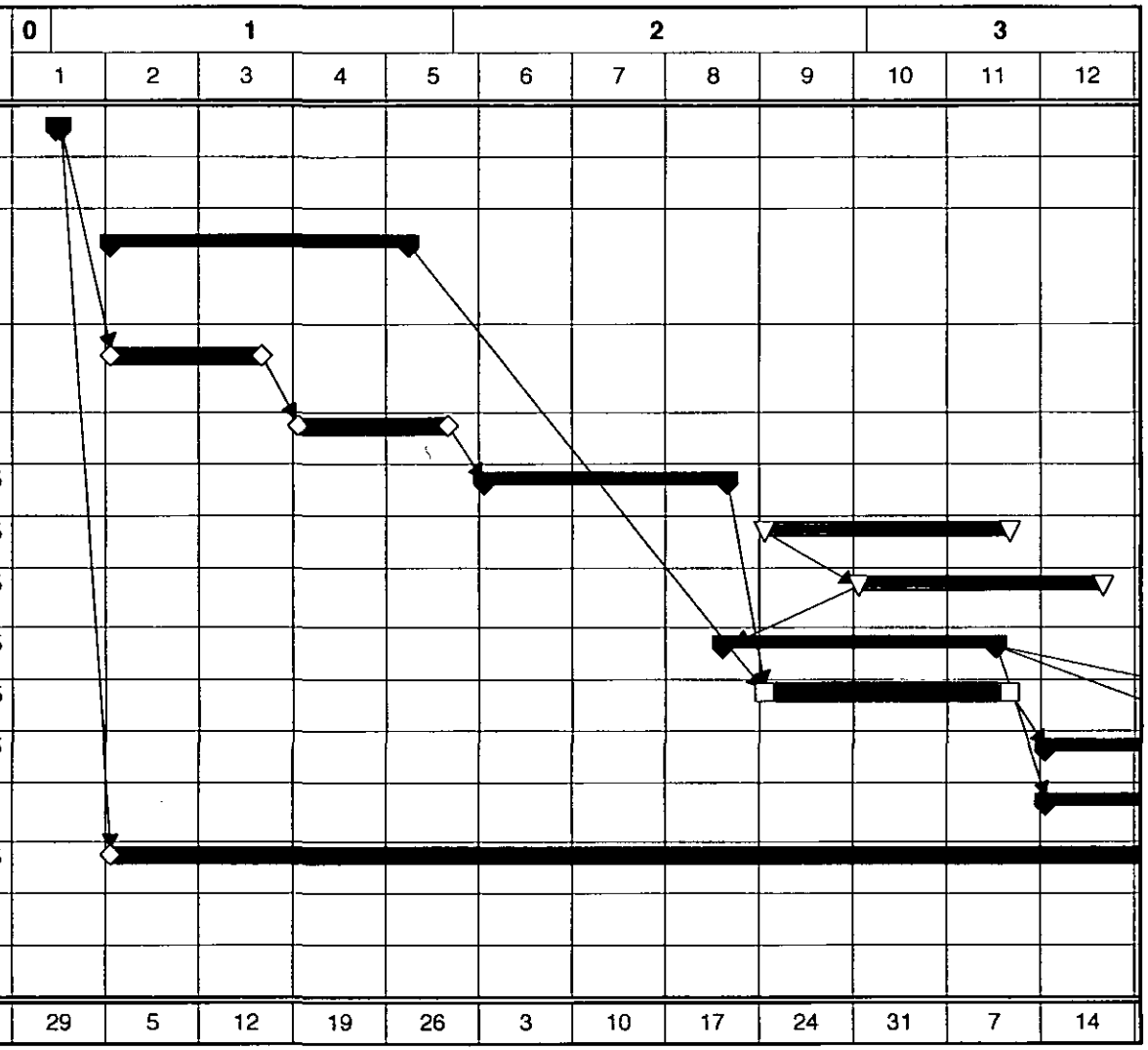
Decatur Station platform

O

SignPost Networks

Proposed Deployment Timeline

	Activity Name	Start Date	Finish Date
1	Contract award	9/1/05	9/1/05
2	Site planning		
3	Site architectural/structural/electrical drawings from Port Authority	9/5/05	9/27/05
4	Walkthrough with PA facilities/architectural personnel	9/5/05	9/16/05
5	Location design submission	9/19/05	9/30/05
6	Location approvals	10/3/05	10/21/05
7	Site structural design	10/24/05	11/11/05
8	Sign structural submission	10/31/05	11/18/05
9	Site structural approval	10/21/05	11/10/05
10	Electrical submission	10/24/05	11/11/05
11	Electrical approvals	11/14/05	11/25/05
12	Bracket and hardware fabrication	11/14/05	1/13/06
13	Sign manufacturing	9/5/05	12/12/05
14	Electrical/data construction	1/2/06	2/28/06
15	Sign installation	3/1/06	4/28/06



SignPost Networks

Proposed Deployment Timeline

	Activity Name	Start Date	Finish Date	3		4				5				6	
				13	14	15	16	17	18	19	20	21	22	23	24
1	*Contract award*	*9/1/05*	*9/1/05*												
2	Site planning														
3	Site architectural/structural/electrical drawings from Port Authority	9/5/05	9/27/05												
4	Walkthrough with PA facilities/architectural personnel	9/5/05	9/16/05												
5	Location design submission	9/19/05	9/30/05												
6	Location approvals	10/3/05	10/21/05												
7	Site structural design	10/24/05	11/11/05												
8	Sign structural submission	10/31/05	11/18/05												
9	Site structural approval	10/21/05	11/10/05												
10	Electrical submission	10/24/05	11/11/05												
11	Electrical approvals	11/14/05	11/25/05												
12	Bracket and hardware fabrication	11/14/05	1/13/06												
13	Sign manufacturing	9/5/05	12/12/05												
14	Electrical/data construction	1/2/06	2/28/06												
15	*Sign installation*	3/1/06	4/28/06												
				21	28	5	12	19	26	2	9	16	23	30	6

SignPost Networks

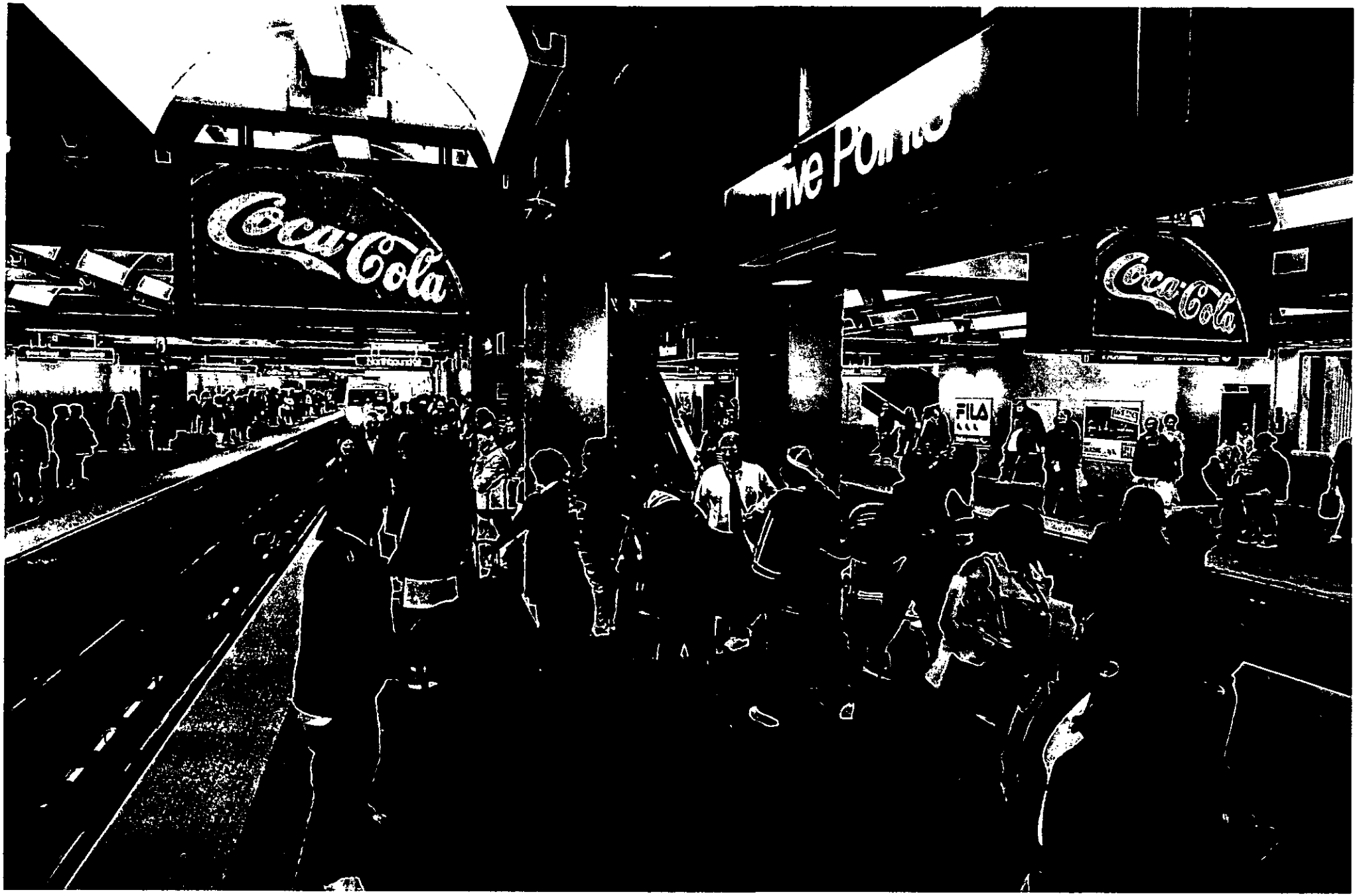
Proposed Deployment Timeline

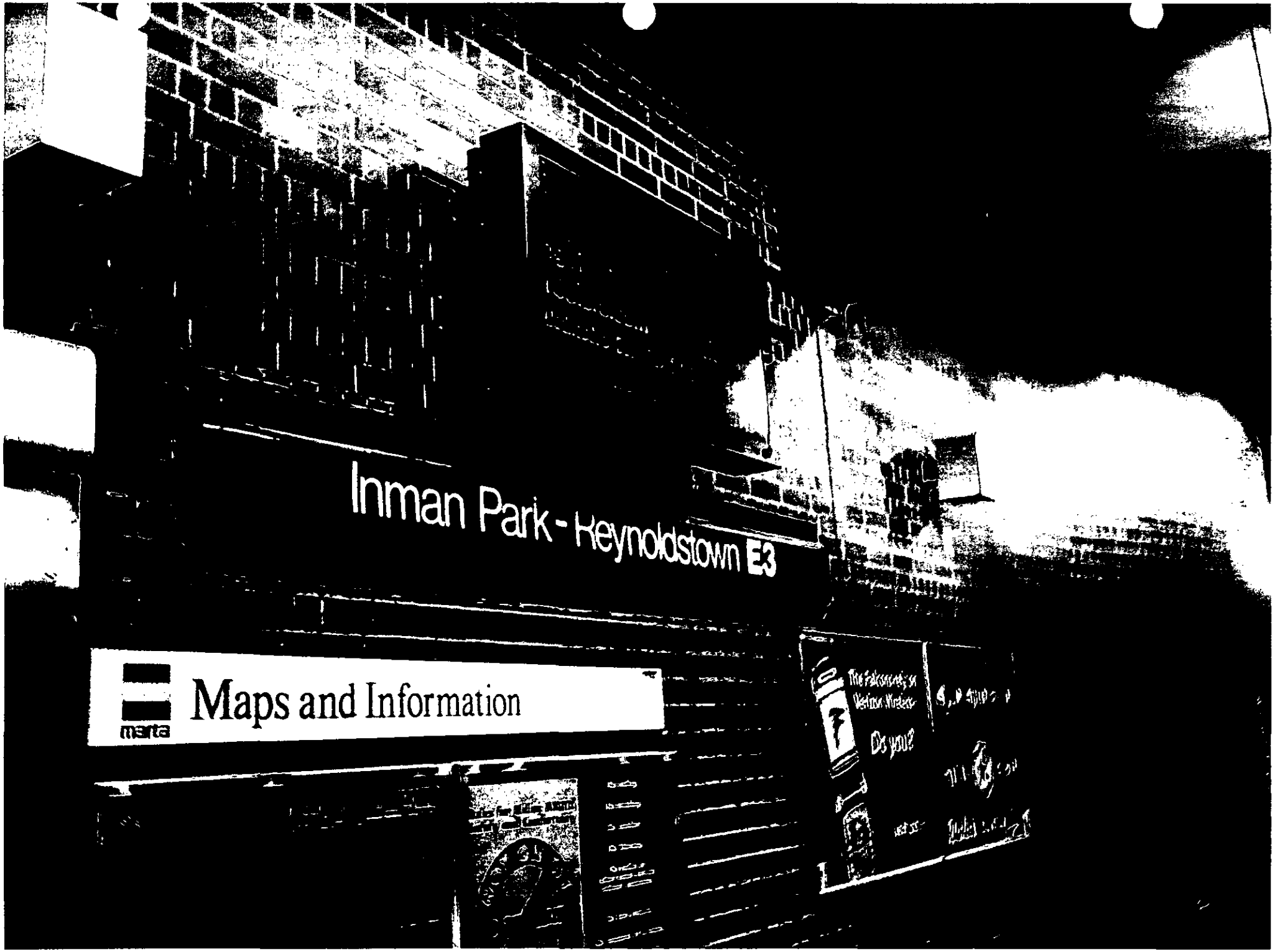
	Activity Name	Start Date	Finish Date	6		7					8			
				25	26	27	28	29	30	31	32	33	34	35
1	Contract award	9/1/05	9/1/05											
2	Site planning													
3	Site architectural/structural/electrical drawings from Port Authority	9/5/05	9/27/05											
4	Walkthrough with PA facilities/architectural personnel	9/5/05	9/16/05											
5	Location design submission	9/19/05	9/30/05											
6	Location approvals	10/3/05	10/21/05											
7	Site structural design	10/24/05	11/11/05											
8	Sign structural submission	10/31/05	11/18/05											
9	Site structural approval	10/21/05	11/10/05											
10	Electrical submission	10/24/05	11/11/05											
11	Electrical approvals	11/14/05	11/25/05											
12	Bracket and hardware fabrication	11/14/05	1/13/06											
13	Sign manufacturing	9/5/05	12/12/05											
14	Electrical/data construction	1/2/06	2/28/06											
15	Sign installation	3/1/06	4/28/06											
				13	20	27	6	13	20	27	3	10	17	24

P

DJIA
77.15
10774.38
reuters.com
Business
Monday
March 14, 2005
8:30 AM
marta
northbound to
No Smoking
Southbound
Northbound
To Five Points ... Airport
To Civic Center ... Doraville or ... N. Springs
Pay the fare to ride buses or trains. Not doing so is against the law. Customers need to
marta
No Smoking

Temp: 55 F
A Few Clouds
and Breezy
Current
Friday March 11, 2005 5:09 PM
eastbound to
Northbound


Coca-Cola
Coca-Cola
FILA


Inman Park - Reynoldstown E3
marta
Maps and Information

Forsyth Street
Forsyth Street
SHUTTLE
Underground Atlanta
Information
Information

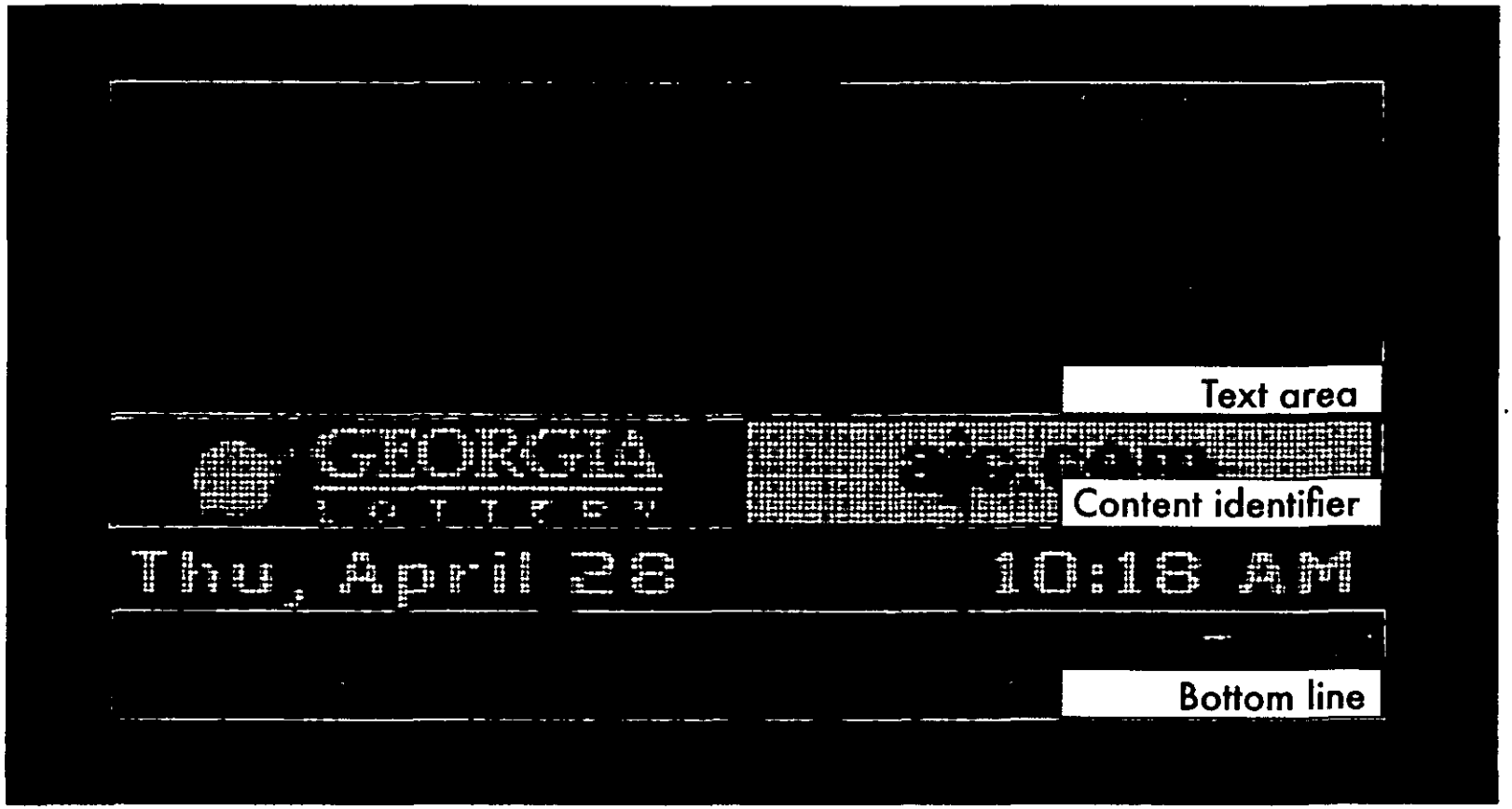
Proposed Port Authority Content loop

	Text area	Content identifier	Bottom line
:00	Local sponsor intro		Operational message(s)
:15	Local News	Local News Provider	
:30	Local News	Local News Provider	
:45	Local News	Local News Provider	
1:00	Local sponsor out		
1:15	Local ad 1		
1:30	Local ad 2		
1:45	National weather sponsor intro		
2:00	Weather.com content	Weather.com	
2:15	Weather.com content	Weather.com	
2:30	Weather.com content	Weather.com	
2:45	National weather sponsor out		
3:00	Fullscreen ad 1		
3:15	Fullscreen ad 2		
3:30	Stocks sponsor intro		Operational message(s)
3:45	Reuters stock market update	Reuters	
4:00	Reuters stock market update	Reuters	
4:15	Reuters stock market update	Reuters	
4:30	Stocks sponsor out		
4:45	Traffic report	Traffic provider	
5:00	Port Authority promo/operational		
5:15	Sports sponsor intro		
5:30	ESPN.com sports	ESPN.com	
5:45	ESPN.com sports	ESPN.com	
6:00	ESPN.com sports	ESPN.com	
6:15	Sports sponsor out		
6:30	Fullscreen ad 3		
6:45	Fullscreen ad 4		
7:00	Local news sponsor intro		Operational message(s)
7:15	Local news	Local News Provider	
7:30	Local news	Local News Provider	
7:45	Local news sponsor out		
8:00	Local ad 5		
8:15	Local ad 6		
8:30	Events sponsor intro		
8:45	Local events	Events provider	
9:00	Local events	Events provider	
9:15	Events sponsor out		
9:30	Full screen ad 5		
9:45	Full screen ad 6		

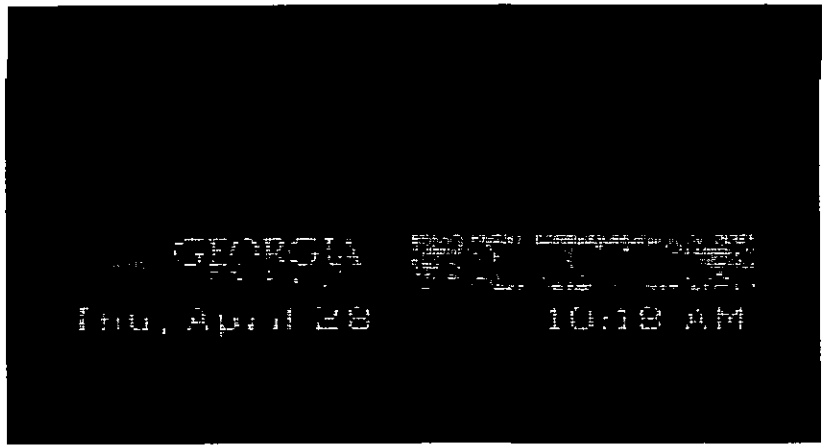
- See marked-up sign diagram, attached, for region identification.
- 10-minute loop is expandable to 20 minutes without repetition.

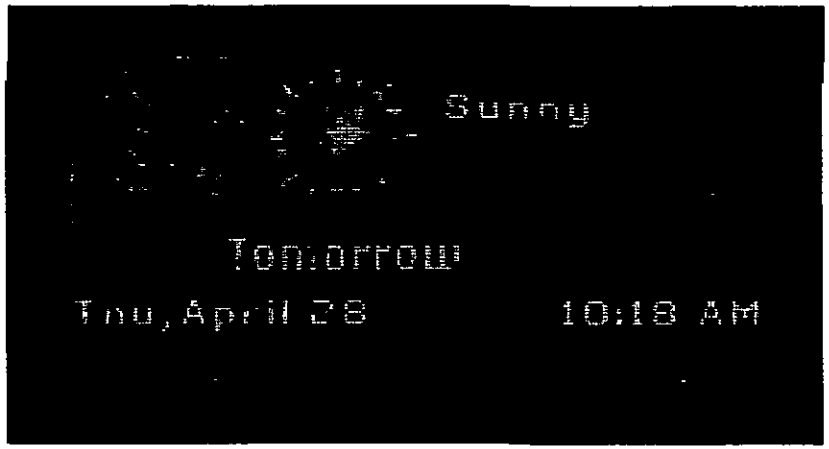
SignPost NETWORKS

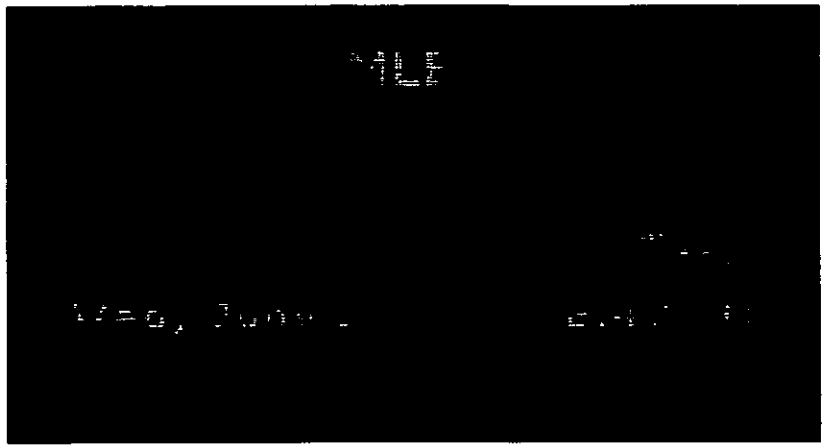
Sign region identification diagram

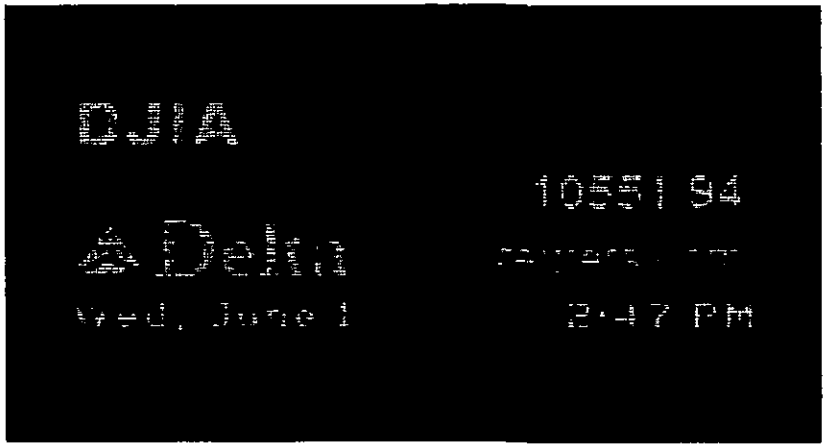


SignPost NETWORKS

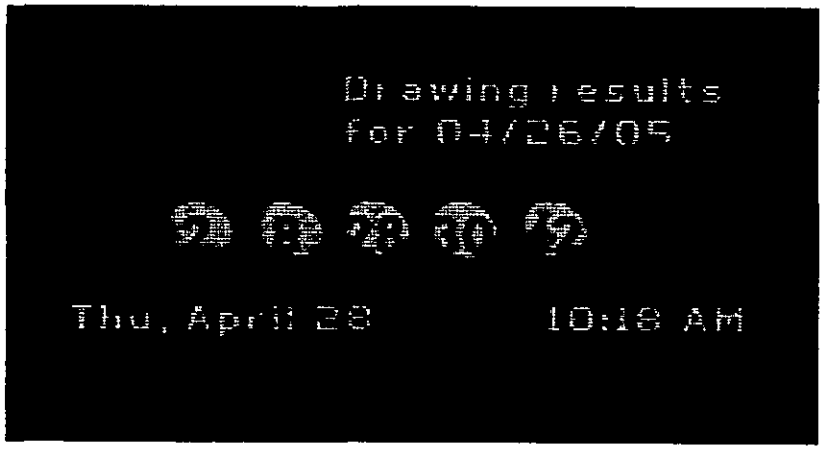


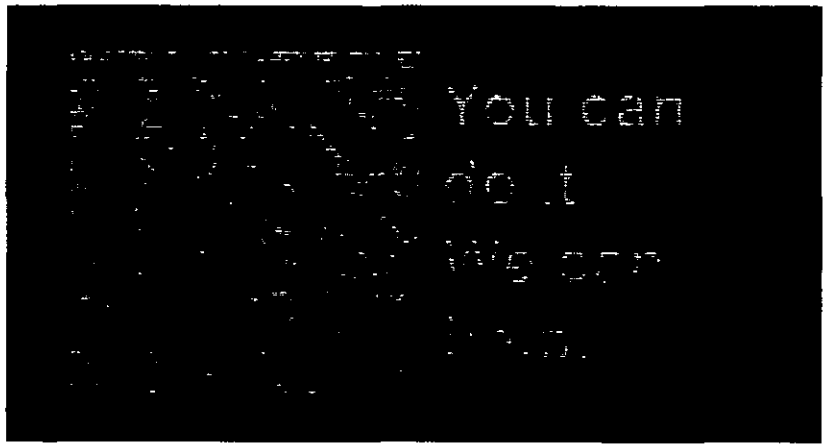


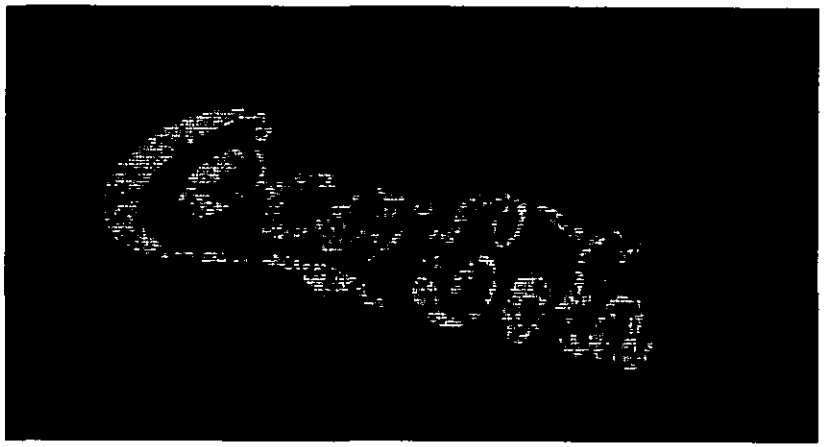


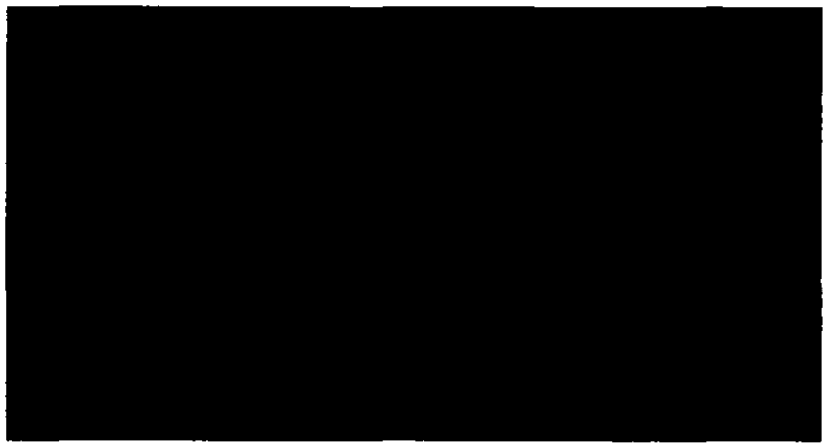


SignPost NETWORKS









Please visit
www.signpostnetworks.com/showcase/panynj
to see examples of content animations.

B. Executive Summary

Benefits of SignPost Networks' proposal to the Port Authority...

- Guaranteed payments to the Port Authority of $3,240,000 over initial ten-year term
- Sliding scale revenue share from 15% to 25% of gross advertising revenues
- Expense reimbursement to the Port Authority for out-of-pocket costs
- $5 million capital commitment from Grapevine Partners, LLC
- Improving the Port Authority's image by
    - Providing helpful information to arriving passengers and visitors to New York and New Jersey (a "Digital Welcome Mat", if you will)
    - Improving service to airport patrons
    - Promoting the use of AirTrain and PATH by arriving air passengers

The **major features** of our proposal...

- SignPost Networks will install and operate an advertiser-supported and addressable network of full-color LED displays in the Port Authority's airport baggage claims.

- SignPost Networks (along with our sub-contractor, Lamar Advertising) will market advertising space on the signs to local and national advertisers.

- SignPost Networks will provide the Port Authority with the means to communicate to passengers using fully tested sign technology with state-of-the-art communications interface.

- Sign Distribution:
    - 6 to 8 full-color LED RGB signs in the baggage claim at Newark
    - 6 to 8 full-color LED RGB signs in the baggage claim at JFK
    - 6 to 8 full-color LED RGB signs in the baggage claim at LaGuardia
    - 6 to 8 LED RGA (red-green-amber) signs in the AirTrain Stations

SignPost Networks' **special competencies and expertise** to meet the RFP requirements...

- State-of-the-art LED signs, utilizing the latest technologies from Daktronics, Inc.
- Strong Content Management and technical management team
- Out-Of-Home & Electronic Media Sales Experience
- Experience in design, planning and implementation of sign installations
- Strong financial partner in Grapevine Partners, LLC

B

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NETWORKS

Our proposed subcontractor is
Lamar Advertising Company
5551 Corporate Boulevard
Baton Rouge, LA 70808,

with an office in New York at
Lamar Outdoor Advertising
380 Lexington Avenue
New York, NY 10017

SPN also plans to utilize subcontractors throughout the installation, and will make every attempt to utilize certified M/WBEs as engineering and installation subcontractors and for materials purchases.

Our LED sign manufacturer is
Daktronics, Inc.
331 32nd Avenue
P.O. Box 5128
Brookings, SD 57006-5128

Our sign integrator is
Infax, Inc.
3400 Corporate Way, Suite D
Duluth, GA 30096

Our bracket/mounting structure fabricator is
Dutton & Hall, Inc.
954 Howell Mill Road
Atlanta, GA 30318

SPN does have some objections to some of the General Contract Provisions, which are detailed in Section **J** of this bid.

Also noted separately is one item that SPN cannot certify under the "Contractor's Integrity Provisions." (Section **D**) This exception is immaterial and will not be an issue for the Port Authority.

Thank you in advance for your consideration of our bid.

Sincerely,

Wendell Reilly
Chief Executive Officer

SignPost
NETWORKS

June 8, 2005

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

RE: RFP #7920, Advertising Opportunities for Port Authority of NY & NJ and PATH Facilities, Including Outdoor and Out-Of-Home Locations

Dear Mr. Storch:

We are pleased to present this bid in response to RFP #7920. SignPost Networks, LLC ("SPN") was established two years ago to address the communication needs of transportation authorities and their patrons, and is currently the only company in the U.S. that specializes in advertising-supported addressable networks of LED signs in public transportation spaces. Our proposal to the Port Authority is to install and operate 18 to 24 full-color (red-green-blue, or "RGB") LED signs in the baggage claim areas of Newark, JFK and LaGuardia Airports, including three AirTrain stations. We respectfully request that when the Port Authority signs a contract for an overall advertising package, there be a specific exception written into that contract for the installation and operation of advertiser-supported LED signs in the airport baggage claim areas.

Last year, SPN installed a network of 20 LED red-green-amber ("RGA") displays in the rail stations of the Greater Cleveland RTA. Currently, we are in the final stages of the installation of 150 LED RGA displays on all rail platforms and select bus bays of Atlanta's MARTA system.

SignPost Networks, LLC is a single-member Delaware LLC which is wholly owned by Grapevine Partners, LLC, also a single-member Delaware LLC. Grapevine Partners is wholly owned by Wendell S. Reilly, Managing Member, who resides in Atlanta, GA. Mr. Reilly is the only individual authorized to execute the Contract. Authorized to negotiate this contract and sign other certifications, etc. are Jill Brodie, CFO of Grapevine Partners and SignPost Networks, and Frank Steele, CIO of SignPost Networks. Questions about the bid may be addressed to Mr. Steele at fsteele@signpostnetworks.com or by telephone at 404-870-8910.

SignPost Networks proposes to maintain a local office in the Port Authority district for sales to local advertisers and for maintenance of the displays; and we propose to engage a subcontractor for national advertising sales.

A

Response
To the
Port Authority of NY & NJ
Request for Proposal
Number 0000007920
Advertising Opportunities for Port Authority of NY & NJ and PATH Facilities, Including Outdoor and Out-of-Home Locations

June, 2005

VIACOM
OUTDOOR

COVER LETTER

VIACOM

Larry H. Levine
President
Displays Division

June 7, 2005

Mr. T. J. Storch
Manager, Purchasing Division
Port Authority of NY & NJ
One Madison Avenue, 7th Floor
New York, NY 10010

Re: Request for Proposal Number: 0000007920
Advertising Opportunities for Port Authority of NY & NJ and PATH Facilities, including Outdoor and Out-of-Home Locations

Dear Mr. Storch:

Viacom Outdoor Group Inc., a Delaware Corporation, is pleased to submit its response to the captioned Request for Proposal. We hereby acknowledge receipt of Addenda Nos. 1, 2, 3, 4 & 5 that have been initialed and are included in our submission. We have also included copies of our Certificates of Incorporation and the required declaration by the Secretary of the Corporation. We also acknowledge the certifications contained in the "Contractor's Integrity Provisions" which are included in the RFP.

Viacom Outdoor has been providing out-of-home advertising services to the Port Authority for many years through our Agreements for PATH, the Port Authority Bus Terminal and the George Washington Bridge Bus Station. We are very proud of our record of having met or exceeded all of our contractual obligations to the Port Authority.

Viacom Outdoor also provides out-of-home advertising services to many of the world's largest transportation organizations. As the leader in outdoor advertising in North America, Viacom Outdoor is uniquely qualified to assist the Port Authority of NY & NJ in maximizing advertising revenues.

Viacom Outdoor is a subsidiary of Viacom Inc., one of the world's largest media companies. We have the financial capacity necessary to implement the aggressive out-of-home advertising plans outlined in our proposal.

405 Lexington Avenue, New York, NY 10174 (212) 297-6520 Fax: (212) 297-6555
E-mail: Larry.Levine@ViacomOutdoor.com

Attached please find a summary page of our comments on the General Contract Provisions that were included in the RFP.

If you have any questions or require any additional information, please call me at (212) 297-6520. Thank you.

Sincerely,

Larry Levine

Comments on RFP and Draft Contract

- Ownership of the structures should pass to the Port Authority at the end of both the base term and the option terms
- Gross Revenue should be defined as Gross Sales less any advertising agency commission and taxes
- Intellectual Property cannot be turned over to the Port Authority due to Patent Protection
- Changes to the "Termination for Convenience" should be agreed to by the Port Authority and its contractor
- Under what circumstances would the Port Authority require an increase or a change in terms to the Letter of Credit?
- Contractor has limited recourse against the Port Authority since no default by the Port Authority is considered a material breach of the Agreement
- The indemnification requirements seem overly broad for a contract of this type

VIACOM OUTDOOR GROUP INC.

SECRETARY'S CERTIFICATE

1. The undersigned, Amy G. Berlin, hereby certifies that:

   a. I am the duly appointed Assistant Secretary of Viacom Outdoor Group Inc.

   b. Attached hereto is a complete and correct copy of the Certificate of Incorporation of Viacom Outdoor Group Inc. and associated Amendments, together with all other documents and instruments.

IN WITNESS WHEREOF, the undersigned has executed this certificate on this 7th day of June, 2005.

Amy G. Berlin
Title: Assistant Secretary

State of Delaware

Office of the Secretary of State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "TRANSPORTATION DISPLAYS INCORPORATED", CHANGING ITS NAME FROM "TRANSPORTATION DISPLAYS INCORPORATED" TO "VIACOM OUTDOOR GROUP INC.", FILED IN THIS OFFICE ON THE SEVENTH DAY OF SEPTEMBER, A.D. 2001, AT 9 O'CLOCK A.M.

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

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

0681120 8100

010447642

AUTHENTICATION: 1335850

DATE: 09-10-01

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 09/07/2001
010447642 - 0681120

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF

Transportation Displays Incorporated

It is hereby certified that:

1. The name of the corporation (hereinafter called the "corporation") is Transportation Displays Incorporated.

2. The certificate of incorporation of the corporation is hereby amended by striking out Article thereof numbered "1." And by substituting in lieu of said Article 1., the following new Article 1.:

"1. The name of the corporation is: **VIACOM OUTDOOR GROUP INC.**"

3. The amendment of the certificate of incorporation herein certified has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

Dated: August 17, 2001

Mina S. Haut
Executive Vice President

State of DELAWARE

Office of SECRETARY OF STATE

I, Michael Harkins, Secretary of State of the State of Delaware, do hereby certify that the attached is a true and correct copy of Certificate of Incorporation filed in this office on June 26, 1968

RECEIVED
DEC 11 1990
T.S.K.

DEPARTMENT OF STATE
OFFICE OF THE SECRETARY OF STATE
1835 1793 1970
DELAWARE

Michael Harkins
Michael Harkins, Secretary of State

BY: J. Fraady

DATE: December 4, 1990

Form 130

STATE OF DELAWARE

OFFICE OF SECRETARY OF STATE

I, MICHAEL HARKINS, Secretary of State of the State of Delaware, do h certify that the Certificate of Incorporation of the "WINSTON NETWORK INC. was received and filed in this office the twenty-sixth day of June, A.D. 1 at 9 o'clock A.M.

And I do hereby further certify that the said "WINSTON NETWORK INC.", filed a Certificate of Change of Agent and Location of Registered Office, the seventeenth day of November, A.D. 1970, at 10 o'clock A.M.

And I do hereby further certify that the said "WINSTON NETWORK INC.", filed a Certificate of Change of Agent and Location of Registered Office, the tenth day of May, A.D. 1972, at 9 o'clock A.M.

And I do hereby further certify that the said "WINSTON NETWORK INC.", filed a Certificate of Change of Agent and Location of Registered Office, the twenty-ninth day of July, A.D. 1985, at 9 o'clock A.M.

And I do hereby further certify that the said "WINSTON NETWORK INC.", filed a Certificate of Merger, on the sixteenth day of August, A.D. 1985, 10:30 o'clock A.M.

And I do hereby further certify that a Certificate of Change of Locat of Registered Office of the companies represented by the "UNITED STATES CORPORATION COMPANY", as it applies to "WINSTON NETWORK INC.", was receive and filed in this office on the fourteenth day of February, A.D. 1986, at 4:30 o'clock P.M.

And I do hereby further certify that the said "WINSTON NETWORK INC.", filed a Certificate of Ownership, on the fourteenth day of April, A.D. 198 at 9 o'clock A.M.

And I do hereby further certify that the said "WINSTON NETWORK INC.", filed a Certificate of Amendment, changing its corporate title to "AMERICA OUT OF HOME MEDIA NETWORK, INC.", on the twentieth day of January, A.D. 19 at 9 o'clock A.M.

And I do hereby further certify that the said "AMERICAN OUT OF HOME M NETWORK, INC.", filed a Certificate of Amendment, changing its corporate t to "AMNI AMERICA, INC.", on the twentieth day of May, A.D. 1988, at 9 o'clock A.M.

And I do hereby further certify that the said "AMNI AMERICA, INC.", f a Certificate of Ownership, on the sixth day of March, A.D. 1989, at 9 o'clock A.M.

And I do hereby further certify that a Certificate of Change of Loca of Registered Office of the companies represented by "United States Corpo Company", as it applies to "AMNI AMERICA, INC.", was received and filed i this office on the twenty-seventh day of October, A.D. 1989, at 4:30 o'cl P.M.

And I do hereby further certify that the said "AMNI AMERICA, INC.", filed a Certificate of Amendment, changing its corporate title to "TRANSP DISPLAYS INCORPORATED", on the twelfth day of April, A.D. 1990, at 10 o'c P.M.

And I do hereby further certify that the aforesaid Certificates are only Certificates on record of the aforesaid Corporation.

And I do hereby further certify that the aforesaid Corporation is duly incorporated under the laws of the State of Delaware and is in good standing and has a legal corporate existence not having been cancelled or dissolved so far as the records of this office show and is duly authorized to transact business.

And I do hereby further certify that the Annual Reports have been filed to date.

And I do hereby further certify that the Franchise Taxes have been paid to date.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Dover this third day of December in the year of our Lord one thousand nine hundred and ninety.

Michael Harkins

Michael Harkins, Secretary of State

CERTIFICATE OF INCORPORATION

OF

WINSTON NETWORK INC.

The undersigned, a natural person, for the purpose of organizing a corporation for conducting the business and promoting the purposes hereinafter stated, under the provisions and subject to the requirements of the laws of the State of Delaware (particularly Chapter 1, Title 8 of the Delaware Code and the acts amendatory thereof and supplemental thereto, and known, identified and referred to as the "General Corporation Law of the State of Delaware"), hereby certifies that:

FIRST: The name of the corporation (hereinafter called the "corporation") is

WINSTON NETWORK INC.

SECOND: The address, including street, number, city, and county, of the registered office of the corporation in the State of Delaware is 229 South State Street, City of Dover, County of Kent; and the name of the registered agent of the corporation in the State of Delaware at such address is The Prentice-Hall Corporation System, Inc.

THIRD: The nature of the business and of the purposes to be conducted and promoted by the corporation, which shall be in addition to the authority of the corporation to conduct any lawful business, to promote any lawful purpose, and to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware, is as follows:

> To design, manufacture, devise, prepare for market, produce, improve, install, exchange, repair, alter, service, maintain, manage, operate, buy, sell, acquire, import, export, hire, rent, license the use of, enter into and negotiate contracts in respect of, grant, receive, and acquire franchises, options, and rights in respect of, distribute, and generally deal in and with, at wholesale and retail, and whether as principal, agent, factor, broker, commission merchant, or otherwise, any and all kinds of advertising, amusement, and novelty display signs, machines, devices,

contrivances, equipment, supplies, whether operated automatically, manually, through coin-devices or otherwise, and, in connection therewith and in furtherance thereof, any and all kinds of goods, wares, articles, and merchandise now or hereafter capable of use in connection with the operations and business of the corporation.

To devise, design, develop, create, manufacture, fabricate, assemble, construct, finish, refinish, plate, re-plate, stamp, mold, produce, improve, import, export, buy, sell, exchange, lease, hire, let, contract in relation to, invest in, mortgage, trade and generally deal in and with, at wholesale and retail, as principal, agent, factor, broker, commission merchant or otherwise, any and all kinds of advertising, entertainment and novelty displays, signs, machines and products, devices, accessories, parts, and appliances fabricated from metals, compounds, alloys, materials, goods, or articles made therefrom in whole or in part, or from glass, wood, plastics, synthetics, and other natural, mineral, chemical, vegetable, and artificial matters and elements, and to do manufacturing and merchandising of any and every kind and nature, and to deal in and with goods, wares, merchandise and property of every kind, class, nature, and description.

To obtain, contract for, operate, buy, sell, lease, and generally deal in and with concessions for space within or about public and other thoroughfares, transportation terminals, places of business and industry, recreation centers, fair grounds, public parks, public transportation, amusement parks, and other public places, whether indoors or outdoors; to sell within such space or elsewhere, goods, wares and merchandise of all kinds; to procure options for contracts, secure contracts for, lease, assign, act as agent for, and generally to carry on and transact any business or transaction carried on or undertaken by agents, promoters, concessionaires, contractors for public and other works, merchants, and others calculated to enhance the value or render profitable any of the corporation's property or rights.

To purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use

and otherwise deal in and with real or personal property, or any interest therein, wherever situated, and to sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, all or any of its property and assets, or any interest therein, wherever situated.

To engage generally in the real estate business as principal, agent, broker, and in any lawful capacity, and generally to take, lease, purchase, or otherwise acquire, and to own, use, hold, sell, convey, exchange, lease, mortgage, work, clear, improve, develop, divide, and otherwise handle, manage, operate, deal in and dispose of real estate, real property, lands, multiple-dwelling structures, houses, buildings and other works and any interest or right therein; to take, lease, purchase or otherwise acquire, and to own, use, hold, sell, convey, exchange, hire, lease, pledge, mortgage, and otherwise handle, and deal in and dispose of, as principal, agent, broker, and in any lawful capacity, such personal property, chattels, chattels real, rights, easements, privileges, choses in action, notes, bonds, mortgages, and securities as may lawfully be acquired, held, or disposed of; and to acquire, purchase, sell, assign, transfer, dispose of, and generally deal in and with, as principal, agent, broker, and in any lawful capacity, mortgages and other interests in real, personal, and mixed properties; to carry on a general construction, contracting, building, and realty management business as principal, agent, representative, contractor, subcontractor, and in any other lawful capacity.

To carry on a general mercantile, industrial, investing, and trading business in all its branches; to devise, invent, manufacture, fabricate, assemble, install, service, maintain, alter, buy, sell, import, export, license as licensor or licensee, lease as lessor or lessee, distribute, job, enter into, negotiate, execute, acquire, and assign contracts in respect of, acquire, receive, grant, and assign licensing arrangements, options, franchises, and other rights

in respect of, and generally deal in and with, at wholesale and retail, as principal, and as sales, business, special, or general agent, representative, broker, factor, merchant, distributor, jobber, advisor, and in any other lawful capacity, goods, wares, merchandise, commodities, and unimproved, improved, finished, processed, and other real, personal, and mixed property of any and all kinds, together with the components, resultants, and by-products thereof.

To apply for, register, obtain, purchase, lease, take licenses in respect of or otherwise acquire, and to hold, own, use, operate, develop, enjoy, turn to account, grant licenses and immunities in respect of, manufacture under and to introduce, sell, assign, mortgage, pledge or otherwise dispose of, and, in any manner deal with and contract with reference to:

(a) inventions, devices, formulae, processes and any improvements and modifications thereof;

(b) letters patent, patent rights, patented processes, copyrights, designs, and similar rights, trade-marks, trade names, trade symbols and other indications of origin and ownership granted by or recognized under the laws of the United States of America, the District of Columbia, any state or subdivision thereof, and any commonwealth, territory, possession, dependency, colony, possession, agency or instrumentality of the United States of America and of any foreign country, and all rights connected therewith or appertaining thereunto;

(c) franchises, licenses, grants and concessions.

To guarantee, purchase, take, receive, subscribe for, and otherwise acquire, own, hold, use, and otherwise employ, sell, lease, exchange, transfer, and otherwise dispose of, mortgage, land, pledge, and otherwise deal in and with, securi-

ties (which term, for the purpose of this Article THIRD, includes, without limitation of the generality thereof, any shares of stock, bonds, debentures, notes, mortgages, other obligations, and any certificates, receipts or other instruments representing rights to receive, purchase or subscribe for the same, or representing any other rights or interests therein or in any property or assets) of any persons, domestic and foreign firms, associations, and corporations, and by any government or agency or instrumentality thereof; to make payment therefor in any lawful manner; and, while owner of any such securities, to exercise any and all rights, powers and privileges in respect thereof, including the right to vote.

To make, enter into, perform and carry out contracts of every kind and description with any person, firm, association, corporation or government or agency or instrumentality thereof.

To acquire by purchase, exchange or otherwise, all, or any part of, or any interest in, the properties, assets, business and good will of any one or more persons, firms, associations or corporations heretofore or hereafter engaged in any business for which a corporation may now or hereafter be organized under the laws of the State of Delaware; to pay for the same in cash, property or its own or other securities; to hold, operate, reorganize, liquidate, sell or in any manner dispose of the whole or any part thereof; and in connection therewith, to assume or guarantee performance of any liabilities, obligations or contracts of such persons, firms, associations or corporations, and to conduct the whole or any part of any business thus acquired.

To lend money in furtherance of its corporate purposes and to invest and reinvest its funds from time to time to such extent, to such persons, firms, associations, corporations, governments or agencies or instrumentalities thereof, and on such terms and on such security, if any, as the Board of Directors of the corporation may determine.

To make contracts of guaranty and suretyship of all kinds and endorse or guarantee the

payment of principal, interest or dividends upon, and to guarantee the performance of sinking fund or other obligations of, any securities, and to guarantee in any way permitted by law the performance of any of the contracts or other undertakings in which the corporation may otherwise be or become interested, of any persons, firm, association, corporation, government or agency or instrumentality thereof, or of any other combination, organization or entity whatsoever.

To borrow money without limit as to amount and at such rates of interest as it may determine; from time to time to issue and sell its own securities, including its shares of stock, notes, bonds, debentures, and other obligations, in such amounts, on such terms and conditions, for such purposes and for such prices, now or hereafter permitted by the laws of the State of Delaware and by this certificate of incorporation, as the Board of Directors of the corporation may determine; and to secure any of its obligations by mortgage, pledge or other encumbrance of all or any of its property, franchises and income.

To be a promoter or manager of other corporations of any type or kind; and to participate with others in any corporation, partnership, limited partnership, joint venture, or other association of any kind, or in any transaction, undertaking or arrangement which the corporation would have power to conduct by itself, whether or not such participation involves sharing or delegation of control with or to others.

To draw, make, accept, endorse, discount, execute, and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures, and other negotiable or transferable instruments and evidences of indebtedness whether secured by mortgage or otherwise, as well as to secure the same by mortgage or otherwise, so far as may be permitted by the laws of the State of Delaware.

To purchase, receive, take, reaquire or otherwise acquire, own and hold, sell, lend, ex-

change, reissue, transfer or otherwise dispose of, pledge, use, cancel, and otherwise deal in and with its own shares and its other securities from time to time to such an extent and in such manner and upon such terms as the Board of Directors of the corporation shall determine; provided that the corporation shall not use its funds or property for the purchase of its own shares of capital stock when its capital is impaired or when such use would cause any impairment of its capital, except to the extent permitted by law.

To organize, as an incorporator, or cause to be organized under the laws of the State of Delaware, or of any other State of the United States of America, or of the District of Columbia, or of any commonwealth, territory, dependency, colony, possession, agency, or instrumentality of the United States of America, or of any foreign country, a corporation or corporations for the purpose of conducting and promoting any business or purpose for which corporations may be organized, and to dissolve, wind up, liquidate, merge or consolidate any such corporation or corporations or to cause the same to be dissolved, wound up, liquidated, merged or consolidated.

To conduct its business, promote its purposes, and carry on its operations in any and all of its branches and maintain offices both within and without the State of Delaware, in any and all States of the United States of America, in the District of Columbia, and in any or all commonwealths, territories, dependencies, colonies, possessions, agencies, or instrumentalities of the United States of America and of foreign governments.

To promote and exercise all or any part of the foregoing purposes and powers in any and all parts of the world, and to conduct its business in all or any of its branches as principal, agent, broker, factor, contractor, and in any other lawful capacity either alone or through or in conjunction with any corporations, associations, partnerships, firms, trustees, syndicates, individuals, organizations, and other entities in any part of the world, and, in conducting its business and promoting any of its purposes, to maintain offices,

branches and agencies in any part of the world, to make and perform any contracts and to do any acts and things, and to carry on any business, and to exercise any powers and privileges suitable, convenient, or proper for the conduct, promotion, and attainment of any of the business and purposes herein specified or which at any time may be incidental thereto or may appear conducive to or expedient for the accomplishment of any of such business and purposes and which might be engaged in or carried on by a corporation incorporated or organized under the General Corporation Law of the State of Delaware, and to have and exercise all of the powers conferred by the laws of the State of Delaware upon corporations incorporated or organized under the General Corporation Law of the State of Delaware.

The foregoing provisions of this Article THIRD shall be construed both as purposes and powers and each as an independent purpose and power. The foregoing enumeration of specific purposes and powers shall not be held to limit or restrict in any manner the purposes and powers of the corporation, and the purposes and powers herein specified shall, except when otherwise provided in this Article THIRD, be in no wise limited or restricted by reference to, or inference from, the terms of any provision of this or any other Article of this certificate of incorporation; provided, that the corporation shall not conduct any business, promote any purpose, or exercise any power or privilege within or without the State of Delaware which, under the laws thereof, the corporation may not lawfully conduct, promote, or exercise.

FOURTH: The total number of shares of stock which the corporation shall have authority to issue is Two Million (2,000,000). The par value of each of such shares is Ten Cents ($.10). All such shares are of one class and are shares of Common Stock.

FIFTH: The name and the mailing address of the incorporator are as follows:

NAME	MAILING ADDRESS
R. G. Dickerson	229 South State Street Dover, Delaware

SIXTH: The corporation is to have perpetual existence.

SEVENTH: Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

EIGHTH: For the management of the business and for the conduct of the affairs of the corporation, and in further definition, limitation and regulation of the powers of the corporation and of its directors and of its stockholders or any class thereof, as the case may be, it is further provided:

1. The management of the business and the conduct of the affairs of the corporation, including the election of the Chairman of the Board of Directors, if any, the President, the Treasurer, the Secretary, and other principal officers of the corporation, shall be vested in its Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed by, or in the manner provided in, the By-Laws. The phrase "whole Board" and the phrase "total number of directors" shall be deemed to have the same

upon any such action shall be by the written consent of the stockholders holding at least the minimum percentage of the votes required to be cast to authorize any such action under the provisions of the General Corporation Law or under the provisions of the certificate of incorporation or the By-Laws as permitted by the provisions of the General Corporation Law; and, provided, that prompt notice be given to all stockholders entitled to vote on any such action of the taking of such action without a meeting and by less than unanimous written consent.

NINTH: No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or a committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

(1) The material facts as to his interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or Committee in good faith authorizes the contract or transaction by a vote sufficient for such purpose without counting the vote of the interested director or directors; or

(2) The material facts as to his interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(3) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders.

(4) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

meaning, to wit, the total number of directors which the corporation would have if there were no vacancies. No election of directors need be by written ballot.

2. The original By-Laws of the corporation shall be adopted by the incorporator unless the certificate of incorporation shall name the initial Board of Directors therein. Thereafter, the power to make, alter, or repeal the By-Laws, and to adopt any new By-Law, except a By-Law classifying directors for election for staggered terms, shall be vested in the Board of Directors.

3. Whenever the corporation shall be authorized to issue only one class of stock, each outstanding share shall entitle the holder thereof to notice of, and the right to vote at, any meeting of stockholders. Whenever the corporation shall be authorized to issue more than one class of stock, no outstanding share of any class of stock which is denied voting power under the provisions of the certificate of incorporation shall entitle the holder thereof to notice of, and the right to vote, at any meeting of stockholders except as the provisions of paragraph (d)(2) of section 242 of the General Corporation Law and of sections 251, 252, and 253 of the General Corporation Law shall otherwise require; provided, that no share of any such class which is otherwise denied voting power shall entitle the holder thereof to vote upon the increase or decrease in the number of authorized shares of said class.

4. In lieu of taking any permissive or requisite action by vote at a meeting of stockholders, any such vote and any such meeting may be dispensed with if either all of the stockholders entitled to vote upon the action at any such meeting shall consent in writing to any such corporate action being taken or if less than all of the stockholders entitled to vote upon the action at any such meeting shall consent in writing to any such corporate action being taken; provided, that any such action taken upon less than the unanimous written consent of all stockholders entitled to vote

TENTH: (a) The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to

indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraphs (a) and (b), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under paragraphs (a) and (b) (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraphs (a) and (b). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders.

(e) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this Article.

(f) The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a di-

rector, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article.

ELEVENTH: From time to time any of the provisions of this certificate of incorporation may be amended, altered or repealed, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted in the manner and at the time prescribed by said laws, and all rights at any time conferred upon the stockholders of the corporation by this certificate of incorporation are granted subject to the provisions of this Article ELEVENTH.

Executed at Dover, Delaware, on June 26, 1968.

R. G. Dickerson
Incorporator

STATE OF DELAWARE
COUNTY OF KENT } SS.:

BE IT REMEMBERED that, on June 26, 1968, before me, a Notary Public duly authorized by law to take acknowledgment of deeds, personally came R. G. Dickerson, the incorporator who duly executed the foregoing certificate of incorporation before me and acknowledged the same to be his act and deed, and that the facts therein stated are true.

GIVEN under my hand on June 26, 1968.

Nancy S. Truax
Notary Public

VIACOM OUTDOOR INC.

SECRETARY'S CERTIFICATE

1. The undersigned, Amy G. Berlin, hereby certifies that:

    a. I am the duly appointed Assistant Secretary of Viacom Outdoor Inc.

    b. Attached hereto is a complete and correct copy of the Certificate of Incorporation of Viacom Outdoor Inc. and associated Amendments, together with all other documents and instruments.

IN WITNESS WHEREOF, the undersigned has executed this certificate on this 7th day of June, 2005.

Amy G. Berlin
Title: Assistant Secretary

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS FILED FROM AND INCLUDING THE RESTATED CERTIFICATE OF "VIACOM OUTDOOR INC." AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

RESTATED CERTIFICATE, FILED THE THIRTIETH DAY OF MAY, A.D. 1997, AT 9:01 O'CLOCK A.M.

CERTIFICATE OF AMENDMENT, FILED THE TWENTY-SECOND DAY OF MAY, A.D. 1998, AT 9 O'CLOCK A.M.

CERTIFICATE OF OWNERSHIP, FILED THE TWENTY-FOURTH DAY OF JUNE, A.D. 1998, AT 9 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF OWNERSHIP IS THE THIRTIETH DAY OF JUNE, A.D. 1998.

CERTIFICATE OF MERGER, FILED THE SEVENTH DAY OF DECEMBER, A.D. 1999, AT 1:45 O'CLOCK P.M.

CERTIFICATE OF AMENDMENT, CHANGING ITS NAME FROM "OUTDOOR SYSTEMS, INC." TO "INFINITY OUTDOOR, INC.", FILED THE TWENTY-THIRD DAY OF FEBRUARY, A.D. 2000, AT 9 O'CLOCK A.M.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

2337422 8100X

020211500

AUTHENTICATION: 1698561

DATE: 04-02-02

Delaware

The First State

CERTIFICATE OF AMENDMENT, CHANGING ITS NAME FROM "INFINITY OUTDOOR, INC." TO "VIACOM OUTDOOR INC.", FILED THE TWENTY-EIGHTH DAY OF AUGUST, A.D. 2001, AT 9 O'CLOCK A.M.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

2337422 8100X

020211500

AUTHENTICATION: 1698561

DATE: 04-02-02

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "INFINITY OUTDOOR, INC.", CHANGING ITS NAME FROM "INFINITY OUTDOOR, INC." TO "VIACOM OUTDOOR INC.", FILED IN THIS OFFICE ON THE TWENTY-EIGHTH DAY OF AUGUST, A.D. 2001, AT 9 O'CLOCK A.M.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

2337422 8100

AUTHENTICATION: 3126977

040377431

DATE: 05-21-04

FOURTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF
OUTDOOR SYSTEMS, INC.
a Delaware corporation

OUTDOOR SYSTEMS, INC., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

1. The name of the corporation (the "Corporation") is Outdoor Systems, Inc. The Corporation was originally incorporated under the same name, and the original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on May 24, 1993. A Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on July 16, 1993, a Second Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on August 17, 1993, a Third Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 17, 1996, and a Certificate Regarding Retirement of Stock is being filed with the Secretary of State of Delaware contemporaneously herewith.

2. The members of the Board of Directors of Outdoor Systems, Inc. adopted and approved the following amendment to the Third Restated Certificate of Incorporation of the Corporation.

3. The stockholders of the Corporation voted in favor of the following amendment at the Annual Meeting of Stockholders held May 29, 1997.

4. This Fourth Amended and Restated Certificate of Incorporation restates and integrates and further amends the provisions of the Third Restated Certificate of Incorporation of this Corporation and incorporates the terms of the Certificate Regarding Retirement of Stock and has been duly adopted pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware.

5. Article IV, Section A, Subsection 1 of the Corporation's Third Amended and Restated Certificate of Incorporation shall be deleted in its entirety and amended to read as follows:

"Subsection 1. Authorized Stock: Designations. The total number of shares of stock which the Corporation shall have authority to issue is 212,000,000 divided into two (2) classes as follows:

(a) 200,000,000 shares shall be Common Stock, $.01 par value each (hereinafter referred to as the "Common Stock"); and

(b) 12,000,000 shares shall be Preferred Stock, $1.00 par value each (hereinafter referred to as "Preferred Stock").

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STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:01 AM 05/30/1997
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The designations, preferences, limitations and relative rights of the classes of stock of the Corporation are as set forth in this Article IV."

6. Article IV, Section A, Subsection 1(c),1(d) and 1(e); Article IV, Section A, Subsection 2; Article IV, Section A, Subsection 3(c); Article IV, Section C, Subsection 2; and Article IV, Sections D, E, F and G of the Third Amended and Restated Certificate of Incorporation of the Corporation are deleted in their entirety in connection with the retirement of Exchangeable Preferred Stock, Class A Preferred Stock and Class B Preferred Stock pursuant to the Certificate Regarding Retirement of Stock and Section 243 of the Delaware General Corporation Law.

7. The text of the Third Amended and Restated Certificate of Incorporation as currently in effect is hereby restated to read in its entirety as attached hereto as Annex A.

EXHIBIT A

ANNEX A

FOURTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF OUTDOOR SYSTEMS, INC.

ARTICLE I.
Name

The name of the Corporation is OUTDOOR SYSTEMS, INC.

ARTICLE II.
Registered Office and Agent

The address of the Corporation's registered office in the State of Delaware is 1013 Centre Road, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

ARTICLE III.
Purposes and Initial Business

The purpose for which this Corporation is organized is to conduct or promote any lawful business or purposes as may be permitted by the laws of the State of Delaware.

ARTICLE IV.
Authorized Capital

Section A. Authorized Stock.

Subsection 1. Authorized Stock; Designations. The total number of shares of stock which the Corporation shall have authority to issue is 212,000,000, divided into two (2) classes as follows:

(a) 200,000,000 shares shall be Common Stock, $.01 par value each (hereinafter referred to as the "Common Stock"); and

(b) 12,000,000 shares shall be Preferred Stock, $1.00 par value each (hereinafter referred to as the "Preferred Stock").

The designations, preferences, limitations and relative rights of the classes of stock of the Corporation are as set forth in this Article IV.

Subsection 2. *[Intentionally omitted]*

Subsection 3. General Terms.

(a) No Preemptive Rights. The holders of the shares of any class of stock shall not have any rights to convert such shares for shares of any other class or any other series of any class of capital stock of the Corporation, nor shall any such class be entitled as a matter of right to subscribe to, purchase, or receive any part of any new or additional shares of any class, whether now or hereafter authorized, or of bonds, debentures or other evidences of indebtedness convertible into or exchangeable for shares, but all such new or additional shares of any class or bonds, debentures, or other evidences of indebtedness convertible into or exchangeable for shares may be issued and disposed of by the Board of Directors on such terms and for such consideration, so far as may be permitted by other provisions set forth herein or as may be permitted by law, and to such person or persons as the Board of Directors in their absolute discretion may deem advisable.

(b) Proof of Status. The Corporation may, in connection with preparing a list of stockholders entitled to vote at any meeting of stockholders or of holders of any class of stock entitled to dividends or redemption payments or as a condition to the registration of a transfer of shares of any given class of stock on the Corporation's books, require the furnishing of such affidavits or other proof from the holders of such class of stock as it deems reasonably necessary to establish that no transfer that is not permitted by the terms of such class of stock has occurred with respect to such class. Each holder of stock shall comply with such requests.

(c) **[Intentionally Omitted]**

(d) Shares of the Preferred Stock need not be issued for consideration of a value equal to their respective Face Amounts per share (if any); rather, to the extent permitted by Delaware law, shares of such stock may be issued for such consideration that is not less than the respective par value thereof, and for such corporate purposes as the Board of Directors of the Corporation may from time to time determine. If any such stock is issued in exchange for non-monetary consideration, the determination of the Board of Directors of the Corporation as to the value of such consideration shall be conclusive to the extent permitted by Delaware law.

(e) Upon any stock split, stock dividend or reclassification, subdividing or combining outstanding shares of any class of the Corporation's capital stock, appropriate adjustment shall be made to any reference to numbers of shares or per share numbers contained herein.

(f) The terms "hereof," "herein," and words of similar import in any section of Article IV shall be deemed to be references to provisions to such section of Article IV and not to the provisions of any other section of Article IV unless the context otherwise requires.

Section B. Common Stock.

Subsection 1. Relative Rights. All shares of Common Stock shall have identical rights and privileges in all respects.

Subsection 2. Voting Rights. Each share of Common Stock shall entitle the holder thereof to one (1) vote on all matters on which holders of Common Stock are entitled to vote. Cumulative voting by holders of shares of Common Stock is hereby denied.

Subsection 3. Dividends. Shares of Common Stock shall be entitled to dividends in cash or other property if, when and as declared by the Board of Directors of the Corporation from funds legally available therefor, subject to the provisions relating to the preferred stock.

Subsection 4. Liquidation. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the shares of common stock shall be entitled, after payment or provision for payment of the debts and other liabilities of the Corporation and the amount to which the holders of any class or series of Preferred Stock shall be entitled, to share ratably in the remaining net assets of the Corporation.

Section C. Preferred Stock.

The Preferred Stock may be created and issued from time to time in one or more series with such distinctive serial designations and:

(1) may have such voting power, full or limited, or may be without such voting powers;

(2) may be subject to redemption at such time or times and at such prices;

(3) may be entitled to receive dividends (which may be cumulative or noncumulative) at such rate or rates, on such conditions, and at such times, and payable in preference to or in such relation to, the dividends payable on any other class or classes or series of stock;

(4) may have such rights upon the dissolution of, or upon any distribution of the assets of, the Corporation;

(5) may be convertible into, or exchangeable for, shares of any other class or classes of stock of the Corporation, at such price or prices or at such rates of exchange, and with such adjustments; and

(6) shall have such other relative, participating, optional or special rights, and preferences, designations, qualifications, limitations or restrictions thereof;

all as shall hereafter be stated and expressed in a resolution or resolutions providing for the issuance of such Preferred Stock from time to time adopted by the Board of Directors pursuant to the authority that is hereby vested in the Board of Directors; provided, however, that notwithstanding anything in this paragraph to the contrary, the Board of Directors shall not issue any shares of Preferred Stock which have rights that would conflict with, or cause the Corporation to violate, the terms applicable to any of the Corporation's shares of capital stock outstanding at the time of such issuance of Preferred Stock.

ARTICLE V.
Number of Directors

A. The number of directors which shall constitute the whole Board of Directors shall be not less than three (3) nor more than ten (10) and shall be fixed from time to time in accordance with the By-laws of the Corporation, as the same may be amended from time to time. The directors shall be divided into three classes, designated Class I, Class II, and Class III (which at all times shall be as nearly equal in number as possible), with the term of office of Class III directors to expire at the 1999 Annual Meeting of Stockholders, the term of office of Class II directors to expire at the 1998 Annual Meeting of Stockholders, and the term of office of Class I directors to expire at the 1997 Annual Meeting of Stockholders. At each annual meeting of stockholders following such initial classification and election, directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election.

B. Subject to the rights of the holders of any class or series of the Corporation's capital stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies on the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause may be filled by a majority vote of the directors then in office, though less than a quorum, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires. No decrease in the number of authorized directors constituting the entire Board of Directors shall shorten the term of any incumbent director.

C. Notwithstanding the foregoing, whenever the holders of any shares of the Corporation's outstanding shares of preferred stock shall have the right to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies, and other features of such directorships shall be governed by the terms hereof applicable thereto, or the resolution or resolutions of the Board of Directors relating to the issuance of such shares of preferred stock, and such directors so elected shall not be divided into classes pursuant to this Article unless expressly provided by such terms or such other resolution or resolutions.

D. Notwithstanding any other provisions hereof or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the

holders of any particular class or series of capital stock required by law or this instrument or the resolution or resolutions of the Board of Directors relating to the issuance thereof, the affirmative vote of the holders of at least sixty percent of the voting power of all of the then-outstanding shares of Common Stock shall be required to alter, amend, repeal, or adopt any provision inconsistent with this Article V.

ARTICLE VI.
Existence

The Corporation is to have perpetual existence.

ARTICLE VII.
Limitation of Liability and Indemnification

A. Directors of the Corporation shall have no personal liability to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except (i) for any breach of a director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violations of law, (iii) under Section 174 of the General Corporation Law of Delaware, or (iv) for any transaction from which a director derived an improper personal benefit.

B. No amendment to or repeal of these provisions shall apply to or have any effect on the liability or alleged liability of any person for or with respect to any acts or omissions of such person occurring prior to such amendments.

ARTICLE VIII.
By-laws

The By-laws may be altered, amended or repealed or new By-laws may be adopted by (1) the holders of at least 66-2/3% of the total voting power of all shares of stock of the Corporation entitled to vote in the election of directors, considered for the purposes of this Article VIII as one class, or (2) the Board of Directors, at any regular meeting of the stockholders or the Board of Directors or at any special meeting of the stockholders or of the Board of Directors if notice of such alteration, amendment, repeal or adoption of new By-laws be contained in the notice of such special meeting.

ARTICLE IX.
Meetings and Books and Records

Meetings of the stockholders may be held within or without the State of Delaware, as the By-laws may provide. The books of the Corporation may be kept (subject to the provisions of any law or regulation) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-laws of the Corporation. Elections of directors need not be by written ballot unless the By-laws of the Corporation shall so provide. The authority contemplated by Section 228 of the Delaware General Corporation Law that permits stockholders to take action by written consent is expressly denied to stockholders of this Corporation. Accordingly, the stockholders shall not have the ability to take any action unless such action is taken at an annual or special meeting of the stockholders.

ARTICLE X.
Amendments

Subject to any express limitations set forth in this Fourth Amended and Restated Certificate, the Corporation reserves the right to amend, alter, change or repeal any provision contained in this Fourth Amended and Restated Certificate, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

IN WITNESS WHEREOF, this Fourth Amended and Restated Certificate of Incorporation of Outdoor Systems, Inc. has been executed by the Chairman of the Board of Directors this 29th day of May, 1997.

William S. Levine
Chairman of the Board

ATTESTED BY:

Bill M. Beverage
Secretary

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 05/22/1998
981200122 - 2337422

CERTIFICATE OF AMENDMENT

OF THE

FOURTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

OUTDOOR SYSTEMS, INC.

OUTDOOR SYSTEMS, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify as follows:

FIRST: That the directors of the Corporation, by written consent, adopted a resolution proposing and declaring advisable an amendment to the Fourth Amended and Restated Certificate of Incorporation of the Corporation to increase the number of shares of Common Stock which the Corporation is authorized to issue from 200,000,000 to 600,000,000 shares.

SECOND: That thereafter, pursuant to resolution of the directors, by majority vote of all outstanding stock entitled to vote thereon at a meeting of stockholders of the Corporation in accordance with Section 222 of the General Corporation Law of the State of Delaware, the stockholders voted in favor of this amendment to the Fourth Amended and Restated Certificate of Incorporation.

THIRD: That Article IV, Section A, Subsection 1 of the Corporation's Fourth Amended and Restated Certificate of Incorporation as amended shall read as follows:

> "Subsection 1. Authorized Stock; Designations. The total number of shares of stock which the Corporation shall have authority to issue is 612,000,000 divided into two (2) classes as follows:
>
> (a) 600,000,000 shares shall be Common Stock, $.01 par value each

(hereinafter referred to as the "Common Stock"); and

(b) 12,000,000 shares shall be Preferred Stock, $1.00 par value each (hereinafter referred to as "Preferred Stock").

The designations, preferences, limitations and relative rights of the classes of stock of the Corporation are as set forth in this Article IV."

FOURTH: This amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed and attested by its duly authorized officers, this 21st day of May, 1998.

OUTDOOR SYSTEMS, INC.

By: _____
William S. Levine
Chairman of the Board

ATTESTED BY:

_____
Bill M. Beverage
Secretary

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STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 06/24/1998
981244183 - 2337422

CERTIFICATE OF OWNERSHIP AND MERGER

OF

OS BASELINE, INC.
(an Arizona corporation),
DECADE COMMUNICATIONS GROUP, INC.
(a Colorado corporation), and
BENCH ADVERTISING COMPANY OF COLORADO, INC.
(a Colorado corporation)

into

OUTDOOR SYSTEMS, INC.
(a Delaware corporation)

Outdoor Systems, Inc. hereby certifies that:

I.

The name and state of incorporation of each of the constitute entities are:

(a) OS Baseline, Inc., an Arizona corporation ("OS Baseline");

(b) Decade Communications Group, Inc., a Colorado corporation ("Decade");

(c) Bench Advertising Company of Colorado, Inc., a Colorado corporation ("Bench"); and

(d) Outdoor Systems, Inc., a Delaware corporation ("OSI").

II.

OSI is the owner of all of the outstanding shares of common stock of OS Baseline and Decade, with Decade being the owner of all of the outstanding shares of common stock of Bench (OS Baseline, Decade and Bench collectively referred to herein as the "Subsidiaries"). None of the Subsidiaries have classes of stock outstanding other than said common stock.

III.

The laws of the respective jurisdiction of organization of each of the Subsidiaries permit the merger of a business corporation of that jurisdiction with a business corporation of another jurisdiction.

IV.

OSI hereby merges each of the Subsidiaries into OSI.

V.

Attached hereto as **Exhibit A** and incorporated by reference is a copy of the resolutions adopted on June 12, 1998 by the Board of Directors of OSI to merge the said Subsidiaries into OSI.

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RESOLUTIONS
OF THE
BOARD OF DIRECTORS OF
OUTDOOR SYSTEMS, INC.

June 12, 1998

WHEREAS, Outdoor Systems, Inc. (the "Company") owns 100% of the outstanding stock of OS Baseline, Inc., an Arizona corporation ("OS Baseline") and Decade Communications Group, Inc., a Colorado corporation ("Decade"), with Decade owning 100% of the outstanding stock of Bench Advertising Company of Colorado, Inc., a Colorado corporation ("Bench") (OS Baseline, Decade and Bench collectively referred to hereinafter as the "Subsidiaries");

WHEREAS, the Board of Directors has determined it to be in the best interest of the Company to merge each of the Subsidiaries into the Company pursuant to Section 253 of the General Corporation Law of the State of Delaware and to be possessed of all the estate, property, rights, privileges and franchises of said Subsidiaries;

WHEREAS, there has been presented and reviewed by the Directors of the Company (a) a form of Plan of Merger and Articles of Merger in accordance with Arizona law, (b) a form of Articles of Merger, including a Plan of Merger, in accordance with Colorado law, and (c) a form of Certificate of Ownership and Merger in accordance with Delaware law (all such documents collectively referred to as the "Merger Documents");

NOW, THEREFORE, BE IT RESOLVED, that each of the Subsidiaries be merged into the Company, and that all of the estate, property, rights, privileges, powers, and franchises of each of the Subsidiaries be vested in and held and enjoyed by the Company as fully and entirely and without change or diminution as the same were before held and enjoyed by the respective Subsidiary in its name.

FURTHER RESOLVED, that the Company assume all of the obligations of each of the Subsidiaries.

FURTHER RESOLVED, that the Company shall cause to be executed and filed and/or recorded the documents prescribed by the laws of the State of Delaware, by the laws of the State of Colorado, by the laws of the State of Arizona, and by the laws of any other appropriate jurisdiction and will cause to be performed all necessary acts within the jurisdiction of organization of the respective Subsidiaries and of the Company and in any other appropriate jurisdiction.

FURTHER RESOLVED, that the Chairman of the Board, the President, and the Secretary of the Company, acting either alone or together, are hereby authorized and directed to execute, in the name and on behalf of the Company and under its corporate seal or otherwise, and to deliver any and all agreements, certificates, applications or other instruments, including, but not limited to, the Merger Documents, and from time to time to take any and all such other actions necessary or desirable to carry out the purposes of the foregoing resolutions.

FURTHER RESOLVED, that the merger of the Subsidiaries shall become effective on and as of the close of business on the 30th day of June, 1998, at which time the separate existence of each of the Subsidiaries shall cease.

* * *

IN WITNESS WHEREOF, OSI has caused this certificate to be executed by its duly authorized officer, this 12th day of June, 1998.

OUTDOOR SYSTEMS, INC.

By: _____
William S. Levine,
Chairman of the Board

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D05031.0001

STATE OF DELAWARE
DIVISION OF CORPORATIONS
FILED 01:45 PM 12/07/1999
991520323 - 2337422

CERTIFICATE OF MERGER
OF
BURMA ACQUISITION CORP.
WITH AND INTO
OUTDOOR SYSTEMS, INC.

In accordance with Section 251(c) of the General Corporation Law of the State of Delaware, the undersigned corporation, organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "DGCL"),

DOES HEREBY CERTIFY THAT:

FIRST: The name and state of incorporation of each of the constituent corporations (the "Constituent Corporations") of the merger (the "Merger") is as follows:

Name	State of Incorporation
Burma Acquisition Corp. ("Burma")	Delaware
Outdoor Systems, Inc. ("Outdoor Systems")	Delaware

SECOND: In accordance with the requirements of Section 251 of the DGCL, the Agreement and Plan of Merger, dated as of May 27, 1999, and amended as of June 16, 1999, by and among Infinity Broadcasting Corporation, a Delaware corporation ("Infinity"), Burma, a direct, wholly-owned subsidiary of Infinity, and Outdoor Systems (as amended, the "Merger Agreement"), has been approved, adopted, certified, executed and acknowledged by each of the Constituent Corporations.

THIRD: Outdoor Systems will be the surviving corporation (the "Surviving Corporation") in the Merger. The name of the Surviving Corporation is Outdoor Systems, Inc.

FOURTH: The Restated Certificate of Incorporation of Outdoor Systems shall be amended so as to read in its entirety as Exhibit A and shall constitute the Certificate of Incorporation of the Surviving Corporation, until duly amended in accordance with applicable law and the terms thereof.

FIFTH: The executed Merger Agreement is on file at an office of the Surviving Corporation. The address of the principal place of business of the Surviving Corporation is 40 West 57th Street, New York, NY 10019.

SIXTH: On request, the Surviving Corporation will furnish without cost a copy of the Merger Agreement to any stockholder of the Constituent Corporations.

SEVENTH: The Merger shall be effective under the DGCL upon the filing of this Certificate of Merger.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned has signed his name, this 7 day of December, 1999, and by such act affirms, under penalties of perjury, that this instrument constitutes the act and deed of Outdoor Systems and that the facts stated herein are true.

OUTDOOR SYSTEMS, INC.

By: _____
Name: William S. Levine
Title: Chairman

EXHIBIT A

RESTATED CERTIFICATE OF INCORPORATION
OF
OUTDOOR SYSTEMS, INC.

FIRST: The name of the Corporation is Outdoor Systems, Inc.

SECOND: The address of the registered office of the Corporation in the State of Delaware is 9 East Loockerman Street, City of Dover, County of Kent, State of Delaware. The name of the registered agent of the Corporation in the State of Delaware at such address is National Corporate Research, Ltd.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware, as from time to time amended.

FOURTH: The total number of shares of capital stock which the Corporation shall have authority to issue is 1,000, all of which shares shall be Common Stock, $0.01 par value per share.

FIFTH: In furtherance and not in limitation of the powers conferred by law, subject to any limitations contained elsewhere in this Restated Certificate of Incorporation, by-laws of the Corporation may be adopted, amended or repealed by a majority of the board of directors of the Corporation, but any by-laws adopted by the board of directors may be amended or repealed by the stockholders entitled to vote thereon. Election of directors need not be by written ballot.

SIXTH:

(a) A director of the Corporation shall not be personally liable either to the Corporation or to any stockholder for monetary damages for breach of fiduciary duty as a director, except (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, or (ii) for acts or omissions which are not in good faith or which involve intentional misconduct or knowing violation of the law, or (iii) for any matter in respect of which such director shall be liable under Section 174 of Title 8 of the General Corporation Law of the State of Delaware or any amendment thereto or successor provision thereto, or (iv) for any transaction from which the director shall have derived an improper personal benefit. Neither amendment nor repeal of this paragraph (a) nor the adoption of any provision of the Restated Certificate of Incorporation inconsistent with this paragraph (a) shall eliminate or reduce the effect of this paragraph (a) in respect of any matter occurring, or any cause of action, suit or claim that, but for this paragraph (a) of this Article, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to, or testifies in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative in nature, by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding to the full extent permitted by law, and the Corporation may adopt By-laws or enter into agreements with any such person for the purpose of providing for such indemnification.

(c) To the extent that a director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraph (b) of this Article, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(d) Expenses incurred by an officer, director, employee or agent in defending or testifying in a civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such director or officer is not entitled to be indemnified by the Corporation against such expenses as authorized by this Article, and the Corporation may adopt By-laws or enter into agreements with such persons for the purpose of providing for such advances.

(e) The indemnification permitted by this Article shall not be deemed exclusive of any other rights to which any person may be entitled under any agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding an office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

(f) The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, employee benefit plan trust or other

enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article or otherwise.

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF

Infinity Outdoor, Inc.

It is hereby certified that:

1. The name of the corporation (hereinafter called the "corporation") is Infinity Outdoor, Inc.

2. The certificate of incorporation of the corporation is hereby amended by striking out Article thereof numbered "1." And by substituting in lieu of said Article 1., the following new Article 1.:

"1. The name of the corporation is: **VIACOM OUTDOOR INC.**"

3. The amendment of the certificate of incorporation herein certified has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

Dated: August 27, 2001

ILENE W. STACK
ASSISTANT SECRETARY

414290(4)

08/27/2001
STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 08/28/2001
010425533 - 2337422

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 02/23/2000
001091421 - 2337422

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF INCORPORATION

OF

OUTDOOR SYSTEMS, INC.

It is hereby certified that:

1. The name of the corporation (hereinafter called the "corporation") is Outdoor Systems, Inc.

2. The certificate of incorporation of the corporation is hereby amended by striking out Article First thereof and by substituting in lieu of said Article the following new Article:

> "The name of the corporation (hereinafter called the "corporation") is Infinity Outdoor, Inc."

3. The amendment of the certificate of incorporation herein certified has been duly adopted and written consent has been given in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

Signed on February 11, 2000

Clare McMorrow-Castro

Clare McMorrow-Castro, Assistant Secretary

EXECUTIVE SUMMARY

Executive Summary

Viacom Outdoor is uniquely qualified to manage the Port Authority's Out-of-Home Advertising program for PATH, the Port Authority Bus Terminal and George Washington Bridge Bus Station and significant outdoor advertising assets at the Port Authority's airports, bridges and tunnels.

Viacom Outdoor has a broad scope and diversity of out-of-home media opportunities in the New York/New Jersey area. On the national side, no company can match our 58 Market US presence and 400 sales and marketing executives nationwide. This translates into increased sales, thereby generating maximum revenues for the Port Authority.

As the premier provider of transit advertising services, Viacom Outdoor is proud to represent many of the worlds largest and most complex transportation organizations including the Port Authority, New York Metropolitan Transportation Authority, the London Underground, the Chicago Transit Authority, Toronto Transit and San Francisco's MUNI. As a subsidiary of Viacom Inc., Viacom Outdoor has the financial wherewithal to meet all contractual obligations that might result from the Port Authority's RFP. We are proud of our record of meeting or exceeding all of our contractual obligations.

Viacom Outdoor is headquartered in New York City and has a significant presence in New Jersey where, in addition to our local and regional sales and marketing office, we maintain the Company's North American Shared Services Group that includes our General Accounting, Billing, Accounts Receivable, Accounts Payable and Human Resources functions. Viacom Outdoor employs 469 people in New York and New Jersey.

Viacom Outdoor is also the area's largest provider of out-of-home advertising services generating more than $200 million in advertising revenue. Our existing relationship with the Port Authority for PATH and the Bus Terminal along with our dominant position in transit advertising with MTA NYC Transit (Bus and Subway), MTA Metro-North Railroad, MTA Long Island Rail Road and our large presence in traditional outdoor solidifies our role as the leader in out-of-home advertising in the New York/New Jersey area. No out-of-home media buy is made in this market that we are not a part of. The Port Authority can be assured of maximum revenues beginning on day one. The strong local presence combined with our national reach has allowed Viacom Outdoor to develop strong, long-term relationships with national, regional and local advertisers that will enable us to immediately generate revenue from all of the various pieces outlined in our proposal.

Our proposal provides ways to expand on the existing opportunities in PATH and at the Bus Terminals through an aggressive approach to new media technologies. Our alliances with some of the top technology companies can provide new and exciting opportunities for advertisers. Our extensive outdoor experience and capabilities translate into new media opportunities at the airports and the Port Authority's bridges and tunnels. Our focus and dedication is to maximize the advertising revenue potential from the Port Authority's assets.

In summary, Viacom Outdoor has the experience, dedication, capability and the financial strength necessary to maximize the Port Authority's advertising revenue. Only Viacom Outdoor can truly accomplish the Port Authority's goal of providing the broadest possible range of advertising to generate maximum revenue for the Port Authority.

AGREEMENT ON TERMS OF DISCUSSION

9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

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

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

Viacom Outdoor Group Inc.
(Company)

(Signature)

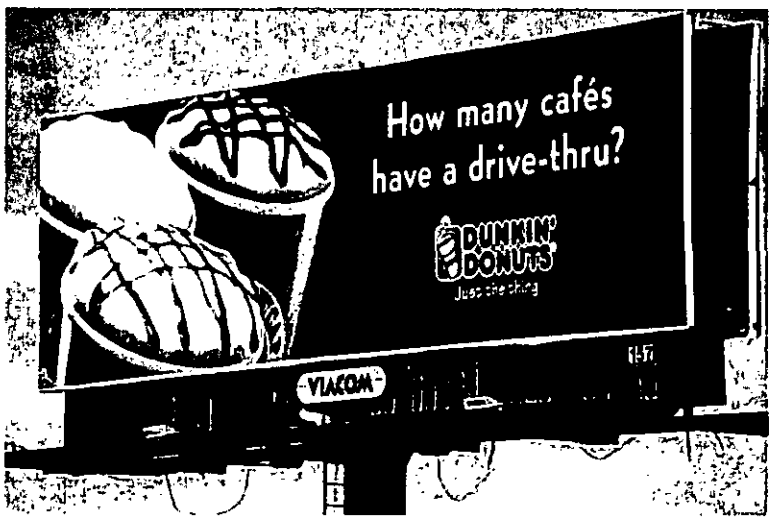
President, Displays Division
(Title)

June 8, 2005
(Date)

Viacom Outdoor: Business Summary

Viacom Outdoor sells advertising space on various media, including billboards, transit shelters, buses, rail systems (in-car, station platform and terminal), mall kiosks and stadium signage. It has outdoor advertising operations in more than 90 markets in North America, including all 50 of the largest metropolitan markets in the U.S., 14 of the 15 largest metropolitan markets in Canada and all of the 45 largest metropolitan markets in Mexico. Additionally, Viacom Outdoor has the exclusive rights to manage advertising space within the London Underground and on more than 90% of the buses in London and the United Kingdom, has the exclusive rights to public transit advertising in the Republic of Ireland and parts of Northern Ireland, and has a variety of outdoor advertising displays in the Netherlands, France, Italy, Spain, Finland and Puerto Rico. The Company offers a diverse portfolio of media opportunities in its markets and provides the opportunity to develop targeted outdoor advertising programs for multinational, national, regional and local advertisers.

The substantial majority of Viacom Outdoor's revenues are generated from the sale of local, regional and national advertising. Advertising rates are based on supply and demand for the particular locations, which are



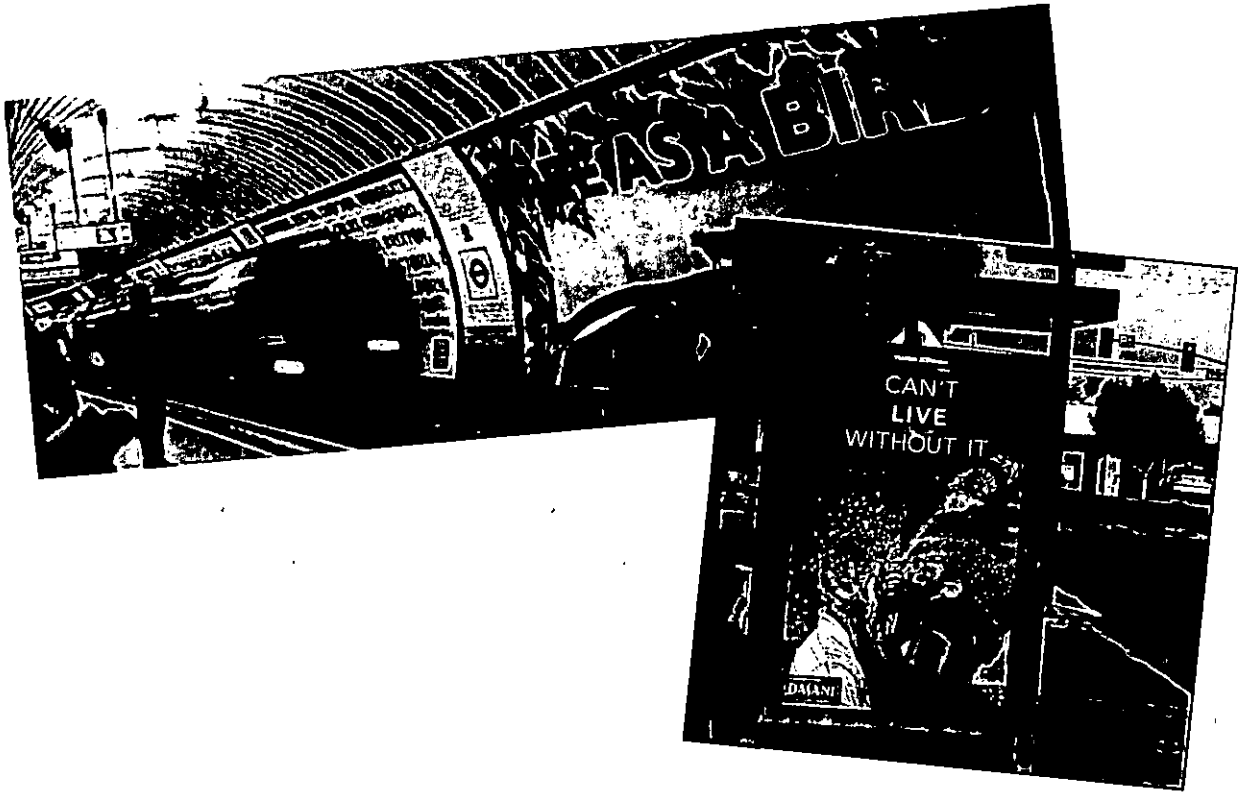
VIACOM
OUTDOOR

influenced by a particular display's exposure, or number of "impressions" delivered in relation to the demographics of the particular market for measuring these impressions. The outdoor advertising business is characterized as out-of home because virtually all viewing of outdoor advertising takes place in automobiles, transit systems, on the street and other locations outside the consumer's home. The major categories of out-of-home advertisers include: automotive, retail, healthcare, telecommunications, fast food, beverage, media, entertainment and services.

Viacom Outdoor generally operates in the billboard, transit and street furniture advertising markets. Transit advertising contracts are negotiated with public transit authorities and private transit operators. Street furniture displays, the most common of which are bus shelters, reach both vehicular and pedestrians audiences. Bus shelters are usually constructed, installed and maintained by Viacom Outdoor. Billboards consist of various sized panel or faces on which advertising copy is displayed. Viacom Outdoor primarily operates two types of billboards advertising displays, commonly referred to as "bulletins" and "poster."

Transit advertising includes advertising on or in transit systems, including the interiors and exteriors of buses, trains, trams and advertising at rail stations.

Viacom Outdoor's business strategy involves expanding its presence in major selected markets to compete with all advertising media, including radio, television, newspaper, direct mail, cable, yellow pages and the Internet. In addition to acquiring outdoor advertising assets in new markets, the Company purchases outdoor advertising assets within its existing markets or in contiguous markets. Viacom Outdoor recently acquired new properties and entered into new markets and ventures, including the acquisition of an outdoor advertising company operating in Puerto Rico and expanded its business in New York and New Jersey with the acquisition of Next Media's local assets. The Company also acquired two new Street Furniture ventures in California and Vancouver, British Columbia.



VIACOM
OUTDOOR

Viacom Outdoor: The Out-of-Home Media Experts

Viacom Outdoor is a diverse, full service; international out-of-home media company headquartered at 405 Lexington Avenue in New York City and is a wholly owned subsidiary of Viacom Inc. Viacom is one of the world's largest media conglomerates with such well known brands as CBS Television, Infinity Broadcasting, Nickelodeon, MTV and Paramount Pictures. Viacom Outdoor sells and services more out-of-home advertising than any other company in North America. We have been providing transit advertising services to many of the world's largest and most complex transportation companies including The Port Authority of NY & NJ, New York City Transit, the London Underground, Toronto Transit Commission, Washington's Metro Bus and Metro Rail, the Chicago Transit Authority and San Francisco's MUNI for more than sixty-five years.

With more than 1,600 U.S. employees located in 58 markets nationwide, Viacom Outdoor is the country's premier transit and outdoor advertising organization. Our transit media presence in the U.S. is unparalleled, encompassing 85 bus systems with nearly 50,000 buses and 9 commuter and light rail franchises. We are also North America's largest provider of Street Furniture advertising with street furniture and bus shelter advertising programs in 17

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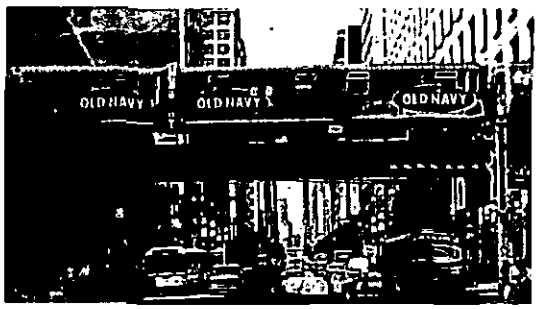
OUTDOOR

markets and our traditional outdoor advertising effort encompasses more than 100,000 billboards and poster panels throughout the United States. Viacom Outdoor, through its Sports Marketing Group is one of the largest suppliers of media and media opportunities at sporting venues in the US. Viacom's Sports Marketing Group has developed, installed and maintains state-of-the-art electronic advertising displays including large format, high definition LED displays seen at various arenas and stadiums nationally.

Because of its focus on innovation, consistency and ever improving sales performance, Viacom Outdoor has clearly established out-of-home advertising as main-stream media. Our dominant position in the industry has enabled us to introduce a wide array of new advertising categories to out-of-home and has brought advertisers who have not traditionally used out-of-home advertising such as Wisk Detergent, Wise Potato Chips and Home Depot onto billboards, the sides of buses and rail station platforms around the country.

With 400 sales and marketing executives located at 58 offices nationwide, Viacom Outdoor has the unique ability to reach out to and establish relationships with virtually 100% of U.S. advertisers. No major out-of-home media buy is made in the U.S. that Viacom Outdoor isn't part of. This extensive coverage and aggressive approach to sales translates into maximum revenues for our transit and municipal senior partners.

Organized for Performance



In May of 2004, Viacom Outdoor underwent a reorganization designed to improve the focus on its core advertising products. This reorganization essentially separated the Company into two distinct operating Divisions, Displays and Traditional Outdoor.

The Displays Division manages all aspects of the Company's transit advertising efforts and other non-traditional out-of-home products such as street furniture and our Mall Advertising business. The Traditional Outdoor Division is exclusively focused on the development, sales and management of our more traditional outdoor bulletin and poster products. This division also encompasses our Landlease Division which develops and manages railroad rights-of-way for outdoor signage. We currently manage 12,500 individual bulletin faces for such transportation companies as Amtrak, CSX, BNSF, Kansas City Southern and Norfolk Southern Corporation.

This reorganization, referred to in several other sections of our proposal, includes the establishment of Senior Management and Regional Teams for each Division and is designed to improve the organization's focus on the Company's core out-of-home and outdoor products.

On the following pages we have provided a brief description of the Senior Management Team and its members.

Viacom Outdoor in New York & New Jersey

Viacom Outdoor is headquartered in New York City and maintains well established sales, marketing and corporate offices at 405 Lexington Avenue in New York City and at 185 US Highway 46 in Fairfield, New Jersey. Our sales, marketing and operations office in Fairfield New Jersey also houses our North American Shared Services Group which includes our Controller's Office, Billing, Accounts Receivable and Accounts Payable functions. Viacom Outdoor's combined New York/New Jersey workforce includes 469 dedicated employees.

Viacom Outdoor's New York and New Jersey out-of-home media properties accounted for 2004 revenue of more than $200 million. We currently provide out-of-home advertising services to the Port Authority of NY & NJ through our Agreements for the interior and exterior advertising at the Port Authority Bus Terminal, interior advertising at the George Washington Bridge Bus Station and through our transit advertising Agreement with PATH. We also provide transit advertising services to MTA New York City Transit for its buses and subways and to MTA Long Island Rail Road and MTA Metro-North Commuter Railroad. In addition, we provide outdoor advertising services to these MTA agencies either directly through our agreement with NYCT for the sale and management of its billboards located on NYC Subway elevated structures or though "landlease"

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OUTDOOR

services to the commuter railroads. Viacom Outdoor also dominates the New York and New Jersey outdoor advertising business by maintaining more than 5,000 traditional billboard locations in the market. **No other company sells and services more outdoor, transit and out-of-home advertising in New York and New Jersey than Viacom Outdoor.**

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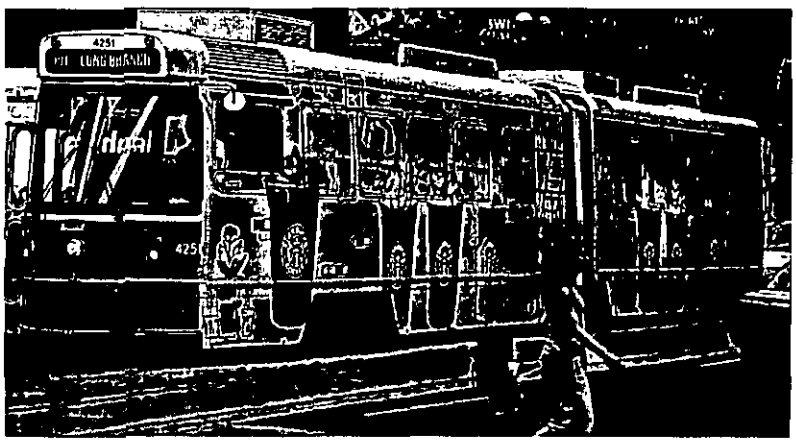
OUTDOOR

Viacom Outdoor: Working on the Railroad

Viacom Outdoor has enjoyed a long and very successful history providing advertising services to the vast majority of North American commuter rail and light rail systems. We also manage rail systems in the United Kingdom, including the London Underground, and in Ireland, the Netherlands and Italy.

Viacom Outdoor currently provides rail system advertising services in North America to the Long Island Rail Road, Metro-North Commuter Railroad, MTA New York City Transit Subways, PATH, the Chicago Transit Authority, Toronto Transit, WMATA's Metro-Rail, MARTA Rail in Atlanta, Miami-Dade Transit's Rail, and BART and MUNI in San Francisco as well as CalTrain, Cleveland's RTA and the MTC in Minneapolis. No other out-of-home media company has the depth of Viacom Outdoor's experience or the ability to create nation-wide packages of rail advertising for the larger national advertisers.



Viacom Outdoor's wide variety of rail properties offers advertisers unique and effective media forms with which to market their products. Our innovative approach to rail advertising, from wrapped trains to station domination, helps our clients take advantage of new and unique opportunities to get their message out.

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OUTDOOR

Information Technology: Reporting and Inventory Control

Viacom Outdoor maintains state-of-the-art billing, inventory control and management information systems. In support of these systems, Viacom Outdoor maintains a fully staffed IT organization under the direction of our Vice President Information Systems, Chris Eidt, a twenty-year IT professional.

Our systems are specifically designed to allow for ad hoc queries and file extracts based on individual user requests and requirements. Viacom's billing system is designed to maximize revenue control and the efficiency with which we invoice our advertising clients. Incorporated into the billing systems are sophisticated accounts receivable and allocations functions that interface easily with our Oracle General Ledger and Accounts Payable system. The inventory control system maintains a thorough database of all Viacom Outdoor display devices and provides real time information relative to current and historic client posting, space availability and work order processing. This system enables us to maintain site-specific information about each individual location including all pertinent advertiser posting and maintenance data.

Viacom Outdoor's inventory control and billing systems are designed to interface easily enabling us to model our performance on the basis of occupancy and rate realization. The resulting yield curves assist us in making pricing and allocation decisions designed to maximize revenue. Viacom Outdoor's inventory control systems also assist us in our efforts to efficiently and effectively manage our maintenance efforts. Through routing and crew assignment, we are able to understand the efficiency with which our cleaning and maintenance crews perform the daily tasks.

All Viacom Outdoor systems are designed to maximize the business controls required of publicly held companies under Sarbanes-Oxley.

Operational Excellence

Viacom Outdoor maintains the highest standards for quality and maintenance in the out-of-home advertising industry. Testament to our ability to "service what we sell" is the high level of credibility we maintain with our advertisers and their agencies.

The Company currently provides transit advertising services to vast majority of bus, rail and subway systems nationwide including the New York City subway system, more than 5000 buses in New York City, the CTA in Chicago and San Francisco's Municipal Railway. Our experience has provided us with valuable insight in creating an operations environment where efficiency and effectiveness go hand in hand.

Because of our vast array of transit advertising programs, Viacom Outdoor has continuously worked with the printing industry and various vinyl and adhesive manufacturers to refine the quality and reliability of transit graphics. Consequently, Viacom Outdoor's production specifications have become the industry standard.

DBE Participation

Viacom Outdoor is committed to the participation of Disadvantaged Business Enterprises. Many of our contracts with transit authorities and municipalities around the Country set participation goals and objectives and we have always made every effort to achieve those goals. Over the years, it has been the policy and the practice of Viacom Outdoor to use and to encourage the use of MBE/WBE firms in all practical aspects of our business. On a national level, Viacom Outdoor spends nearly $10 million annually with DBE firms in various areas including operations, printing, office supplies and services and display device manufacturing.

It is Viacom Outdoor's intent to utilize the services of various DBE firms in the manufacture and installation of the advertising display devices contemplated in our proposal.

A partial listing of the DBE firms we currently utilize includes:

J. Perez Associates
Santa Fe Springs, CA

Bardel, Inc.
Oakland, CA

J & F Manufacturing
Jamaica, NY

Russell Cress Company
Rockland, NY

Other Bridges

- 24 Traditional Billboard Faces on 12 structures

We estimate that upon completion of the build-out of the units identified above that annual revenue could total as much as $21 million. Viacom Outdoor would propose to offer the Port Authority 60% of the revenue generated by all forms of advertising actually installed.

In view of the very significant capital costs associated with this project, Viacom Outdoor proposes a 20 year contract term. Viacom Outdoor would amortize the capital costs over the 20 year period and at the expiration of the agreement, ownership of the structures would vest to the Port Authority.

LaGuardia AIRPORT

- 23 Traditional Billboard Faces on 18 Structures
- 1 LED Spectacular Display
- 75 Back-Lit Advertising Kiosks (Shelter size ads)) – in and along pedestrian walkways and parking lots
- 2 Special Banners – on existing vehicular overpasses
- 10 Wrapped Port Authority Buses

Newark Liberty AIRPORT

- 13 Traditional Billboard Faces on 7 Structures
- 1 LED Spectacular Displays
- 50 Back-Lit Advertising Kiosks (Shelter size ads)) – in and along pedestrian walkways and parking lots
- 4 Back-Lit Poster Panels
- 10 Wrapped Port Authority Buses

Newark AIR TRAIN

- 20 Wrapped Air Train Cars

George Washington Bridge

- 6 Traditional Billboard Faces on 3 Structures
- 20 Back-Lit Advertising Kiosks at Toll Booths (Shelter size ads)
- Toll Booth Banner Display (Configuration to be determined)

Lincoln Tunnel

- 16 Traditional Billboard Faces on 10 Structures
- 20 Back-Lit Advertising Kiosks at Toll Booths (Shelter size ads)
- Toll Booth Banner Display (Configuration to be determined)

Holland Tunnel

- 10 Traditional Billboard Faces on 6 structures
- 20 Back-Lit Advertising Kiosks at Toll Booths (Shelter size ads)
- Toll Booth Banner Display (Configuration to be determined)

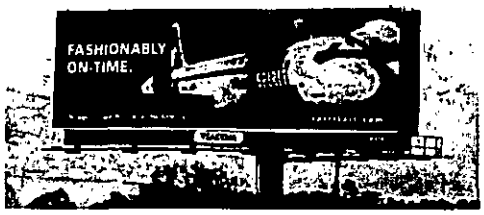
Outdoor Advertising

Viacom Outdoor is one of the country's leading outdoor advertising companies managing more than 100,000 traditional outdoor displays nationwide. As such, we are well qualified to undertake a significant building program intended to capitalize on the Port Authority's vast and highly visible properties. A significant building program is clearly subject to Viacom's ability to obtain the proper clearances and permits that might be required. Accordingly, our proposal simply outlines the potential for outdoor advertising as a revenue source for the Port Authority. We are prepared to make an initial capital investment of approximately $20 million to design and erect the required structures.

A recap of the potential opportunities is outlined below:

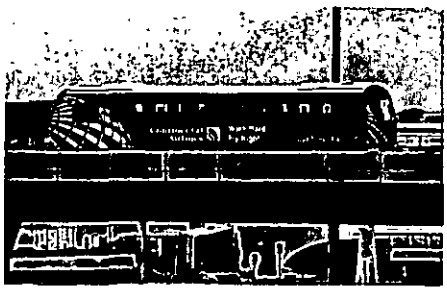
JFK AIRPORT

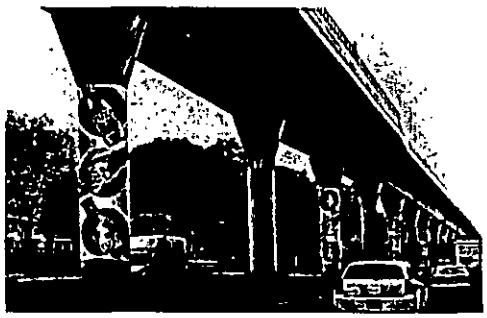
- 19 Traditional Billboard Faces on 11 Structures
- 4 LED Spectacular Displays
- 100 Back-Lit Advertising Kiosks (Shelter size ads) – in and along pedestrian walkways and parking lots
- 20 Wrapped Port Authority Buses



JFK AIR TRAIN

- 8 Trestle Banners to be installed on the Air Train Structures
- 40 Back-lit Spectaculars to be installed on the Air Train Structure Columns along the Van Wyck Expressway
- 16 Wrapped Air Train Cars





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Port Authority Bus Terminal – Interior

Once again, we are proposing a ten year initial term and two five-year options with each option period to be mutually agreed upon:

Contract Year	Minimum Annual Guarantee		Percentage of Net Revenue
1	$200,000	Vs	60%
2	$200,000	Vs	60%
3	$200,000	Vs	60%
4	$200,000	Vs	60%
5	$200,000	Vs	60%
6	$225,000	Vs	60%
7	$225,000	Vs	60%
8	$225,000	Vs	60%
9	$225,000	Vs	60%
10	$225,000	Vs	60%
Option 1	$225,000	Vs	60%
Option 2	$225,000	Vs	60%
Option 3	$225,000	Vs	60%
Option 4	$225,000	Vs	60%
Option 5	$225,000	Vs	60%
Option 6	$225,000	Vs	60%
Option 7	$225,000	Vs	60%
Option 8	$225,000	Vs	60%
Option 9	$225,000	Vs	60%
Option 10	$225,000	Vs	60%

Proposal

Viacom Outdoor is well qualified to manage the Port Authority's Transit and Outdoor advertising opportunities. As the incumbent and long term contractor for both PATH and the Bus Terminal, Viacom Outdoor is well qualified to continue its efforts on behalf of the Port Authority of New York and New Jersey. No other company sells more transit advertising than Viacom Outdoor.

Outlined below is our financial proposal for the continuation of our agreements for PATH and the interior advertising at the Bus Terminal. Our contract for the Exterior of the Port Authority Bus Terminal does not expire until June 2016.

PATH

Our PATH Proposal calls for a 10 year agreement with two five-year options. Each option period to be mutually agreed to:

Contract Year	Minimum Annual Guarantee		Percentage of Net Revenue
1	$1,500,000	Vs	60%
2	$1,500,000	Vs	60%
3	$1,500,000	Vs	60%
4	$1,500,000	Vs	60%
5	$1,500,000	Vs	60%
6	$1,800,000	Vs	60%
7	$1,800,000	Vs	60%
8	$1,800,000	Vs	60%
9	$1,800,000	Vs	60%
10	$1,800,000	Vs	60%
Option 1	$2,000,000	Vs	60%
Option 2	$2,000,000	Vs	60%
Option 3	$2,000,000	Vs	60%
Option 4	$2,000,000	Vs	60%
Option 5	$2,000,000	Vs	60%
Option 6	$2,200,000	Vs	60%
Option 7	$2,200,000	Vs	60%
Option 8	$2,200,000	Vs	60%
Option 9	$2,200,000	Vs	60%
Option 10	$2,200,000	Vs	60%

Phoenix, AZ	3150 So. 48th Street Phoenix, AZ 85040	Phone: (602) 246-9569 Fax: (480) 829-9367
San Francisco, CA	2409 17th Street San Francisco, CA 94110	Phone: (415) 882-4949 Fax: (415) 882-7909
Seattle, WA	1601 Fifth Avenue Seattle, WA 98101	Phone: (206) 467-1100 Fax: (206) 467-0331
Toronto, ON	377 Horner Avenue Toronto, ON M8W 1Z6	Phone: (416) 255-1392 Fax: (416) 255-2063
Washington, DC	1625 K Street, NW Washington, DC 20006	Phone: (202) 775-9115 Fax: (202) 872-9264

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Representative Listing of Viacom Outdoor Offices

Headquarters	405 Lexington Avenue New York, NY 10174	Phone: (212) 297-6400 Fax: (212) 297-6555
Atlanta, GA	3745 Atlanta Industrial Dr. Atlanta, GA 30331	Phone: (404) 699-1499 Fax: (404) 699-1934
Berkeley, CA	1695 Eastshore Hwy. Berkeley, CA 94701	Phone: (510) 527-3350 Fax: (510) 527-3350
Boston, MA	50 Braintree Office Park Braintree, MA 02184	Phone: (617) 494-0506 Fax: (617) 225-0117
Chicago, IL	444 N. Michigan Ave. Chicago, IL 60611	Phone: (312) 396-5700 Fax: (312) 527-9019
Dallas, TX	11233 N. Stemmons Fwy. Dallas, TX 75229	Phone: (972) 243-1100 Fax: (972) 243-3906
Detroit, MI	88 Custer Avenue Detroit, MI 48202	Phone: (313) 872-6030 Fax: (313) 872-8066
Los Angeles, CA	1731 Workman St. Los Angeles, CA 90031	Phone: (323) 222-7171 Fax: (323) 225-0247
Minneapolis, MN	4300 Baker Road Minnetonka, MN 55435	Phone: (952) 920-1657 Fax: (952) 920-6298
New Jersey	185 US Highway 46 Fairfield, NJ 07004	Phone: (973) 575-6900 Fax: (973) 808-8316
Philadelphia, PA	12285 McNulty Rd. Philadelphia, PA 19154	Phone: (215) 671-8411 Fax: (215) 671-8438

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12. ***ACCOMPLISH ALL TASKS WITHIN SEVEN DAYS*** – All inquires, assigned tasks, etc. must be attended to within (at most) seven days.

13. ***STAY HUMBLE*** – Be humble on the outside, cocky on the inside.

14. ***TALK UP VIACOM OUTDOOR*** - Talk up the company every chance you get.

15. ***HAVE FUN*** – It doesn't get any better than this. When you enjoy what you do and have passion for your job, your enthusiasm becomes infectious!

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The Viacom Outdoor Formula for Success

The principles outlined below have become part of the Viacom Outdoor Creed. These simple techniques have proven their effectiveness in improving sales performance.

1. ***FIVE SALES CALLS A DAY*** – Make five face-to-face sales calls every day and schedule five more for tomorrow. Multiple sales calls breed success.
2. ***BE THE FIRST IN THE DOOR*** – It's all about enthusiasm and being at the right place at the right time.
3. ***ALL THE MONEY*** – Use your negotiating skills to rationalize and substantiate the reasons why you should get an advertiser's entire budget.
4. ***USE VISUALS*** – Our medium is visual, sell it that way.
5. ***"NO PROBLEM!"*** – Gain the client's confidence and be sure to be responsive to his or her needs. Let them know you are pleased to be at their service.
6. ***FOLLOW-UP LETTERS*** – Follow up each and every call with a note thanking the client for their time and include a call to action.
7. ***ALWAYS ASK FOR THE ORDER*** – Don't be afraid to close the business when the time comes.
8. ***SELL DON'T BE BOUGHT*** – Add value, don't just sell signs – bring new ideas to your clients.
9. ***YOUR BEST PROSPECTS ARE YOUR CURRENT CLIENTS*** – They have already purchased, they have confidence in the media and confidence in you!
10. ***THE 24 HOUR RULE*** – It is crucial to return your client's and co-workers' calls within 24 hours. Maintain effective and efficient communications with your customers and within the company.
11. ***THINK OUTSIDE THE BOX*** – Be creative in your approach.

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Viacom Outdoor's national, regional and local sales efforts are supported by our state-of-the-art Marketing Department through sales collateral materials targeted specifically to the appropriate level media buyers and through the application of our extensive media and demographic research capabilities. Viacom Outdoor continually promotes itself and the awareness of its out-of-home media products through an on-going self promotion campaign created to impact potential advertisers at both the client and agency levels. This campaign includes advertising in national trade publications such as Ad Age and Adweek, in category trade publications like Billboard, Variety and Sportswear International and in local Chambers of Commerce publications and charity ad journals.

By creating increased sales pressure from both our local and national sales efforts, we are able to increase demand for the media, thereby increasing occupancy and consequently increasing rates. Our goal is to generate occupancy levels of approximately 80% on traditional media.

We will continue to expand our successful Station Domination program on PATH and in the Bus Terminal enabling advertisers to "own" particular venues where their message can be presented without competition. We would also propose adding wrapped train advertising to PATH. This concept has worked well with many other transportation organizations including Chicago Transit Authority, WMATA, MARTA and CalTrain to name a few.

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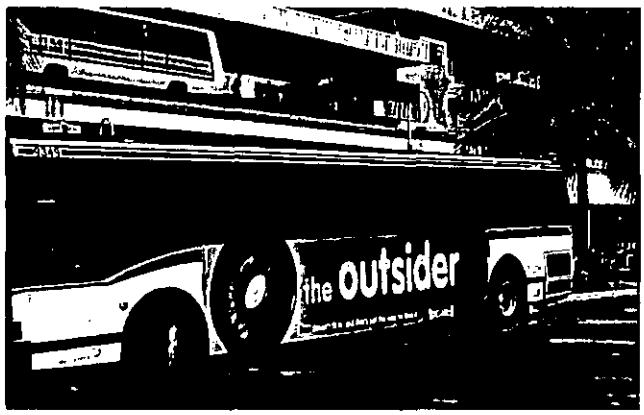
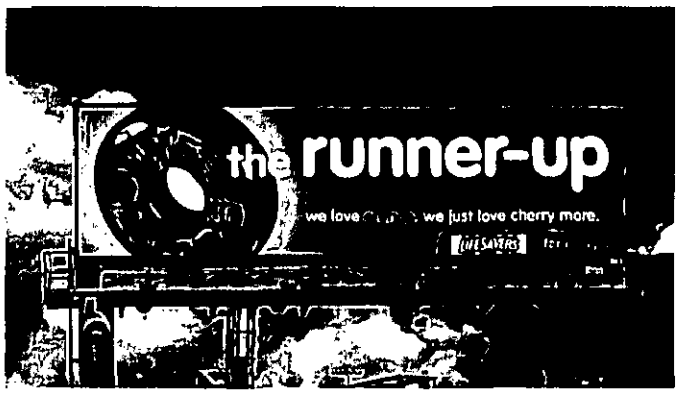
Marketing and Sales Strategy

Occupancy and rate are directly impacted by demand and one clearly impacts the other. Our goal is to maximize both. In order to achieve our goals, we must push demand on two fronts; locally and nationally.

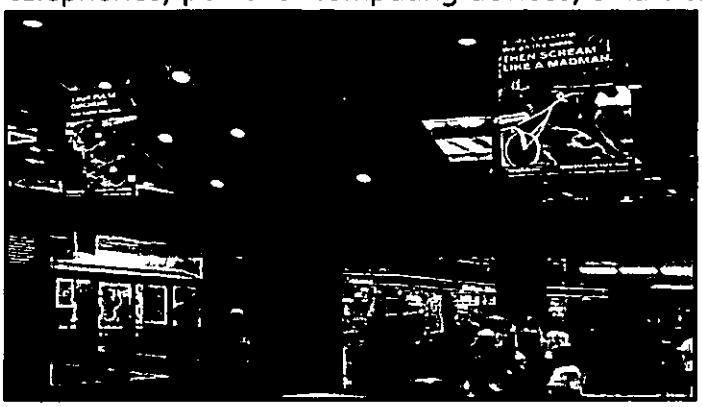


Over the last year, Viacom Outdoor has taken actions designed to improve our focus and revenues. We have divided the organization into two distinct operating divisions, Displays and Traditional Outdoor, with the Displays Division made up primarily of transit advertising. This change in the organization allowed the Displays Division to increase the focus on transit resulting in second half 2004 growth of 12% versus the first half in 2004 and this momentum continues into 2005. Similar results were realized in the Traditional Outdoor Division



Viacom Outdoor's two Divisions each have established local teams of sales executives nationwide that are exclusively charged with the responsibility of selling the particular Division's products. These teams are led by Sales Managers who are all veteran out-of-home advertising executives and specialists in their particular media forms.

We are continuing to experiment with other technologies such as infrared tagging of advertising displays and blue tooth technologies which present advertisers with an opportunity to provide an intimate connection to their audience through cellular telephones, personal computing devices, smart cards, etc. We are committed to continuing to explore the potential of these products and when appropriate will make the investment necessary to introduce them to out-of-home venues nationwide.

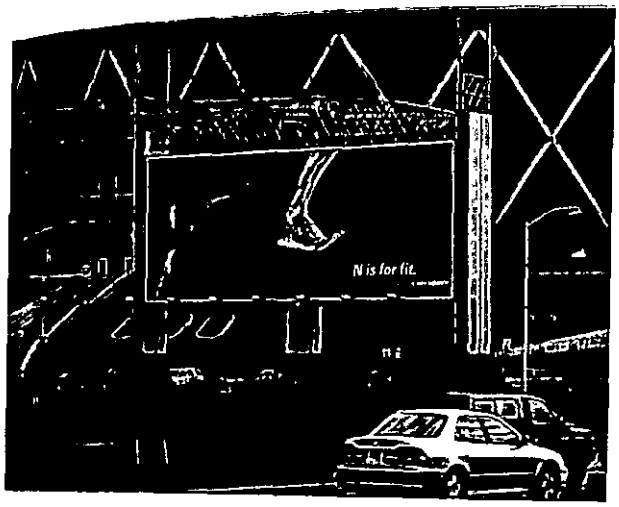


Regardless of the opportunities represented by emerging technologies, we are prepared to make a capital investment of more than $20 million to expand and improve the advertising device inventory at various Port Authority properties. The details of our plan are outlined in our proposal.

We are also working with a number of organizations to develop new technologies for out-of-home advertising including Sony Electronics, Kameleon, Novus and Convergent Media.

The Company already provides large format LED display technology through our Sports Marketing Division and manages sales for the NASDAQ LED Tower in New York's Times Square. The majority of our efforts relative to transit have to do with LCD or Plasma screen content driven electronic media on the interior of commuter and light rail vehicles but we have also worked with station platform and high impact video displays at terminals. As a subsidiary of Viacom, we have no shortage of content providers.

Viacom Outdoor is leading the way in innovative outdoor advertising display design. The structures depicted here, located at the Oakland Coliseum, are examples of Viacom Outdoor's new approach to outdoor media design.



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Domination concept, just like wrapped buses had several years earlier, allowed for the expansion of the existing advertising devices located in the terminal and

enabled a single advertiser to create a venue where it could present its products in a unique environment. Station Domination has grown significantly since that time and many of the venues included in the Port Authority's RFP lend themselves to the same type of expansion of traditional out-of-home media opportunities just as Station Domination did. Whether it be Wrapped trains (both the inside and outside) on PATH, turning the AirTrains into a moving billboards by wrapping the vehicles, or simply wrapping the Port Authority's buses at the three airports or utilizing the AirTrains' structures as advertising venues, all provide new opportunities for new and enhanced revenue. Sometimes the new opportunity is as simple as putting advertising into unexpected places.

Over the past several years, Viacom Outdoor has entered into strategic alliances with a variety of new media providers including Side Track for Tunnel Advertising on San Francisco's BART and Submedia on the development of a pedestrian display, and Fourth Wall an in-car and on-platform video provider we are working with in Toronto.

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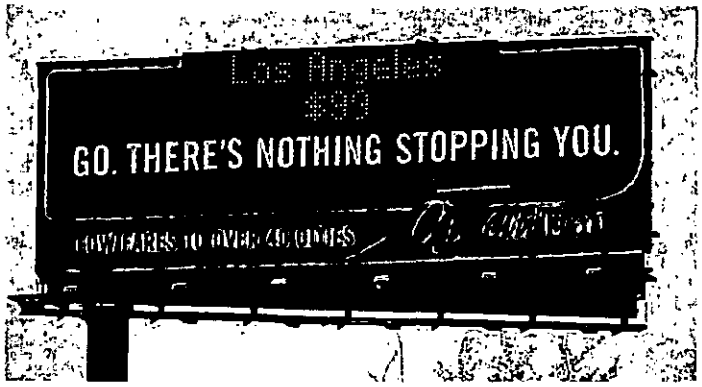
Creative, Innovative, Expansive



With more than six decades of experience managing out-of-home advertising in the United States, Viacom Outdoor has always been on the cutting edge with regard to the design and installation of the various out-of-home advertising displays. Experience tells us that in order to sustain a national sales effort it is essential that we maintain and utilize the existing formats but, this doesn't mean we stop there.

We are constantly reviewing new advertising opportunities that will provide our customers with a more innovative approach to out-of-home advertising. Viacom Outdoor makes every effort to assist our clients in finding the best and newest media forms with which to present their products.

It might be as simple as modifying existing media forms to add interest or a whole new concept but at the end of the day, helping our clients realize their creative efforts for maximum impact is what we strive to do. Viacom Outdoor first introduced the concept of "Station Domination" several years ago at PATH's World Trade Center Terminal. The Station

CHICAGO TRANSIT AUTHORITY Merchandise Mart Plaza P.O. Box 3555 Chicago, IL 60654	Ms. Noelle Gaffney Vice President, Communications (312) 664-7200 x4020	Start Date: 1/01/02 First Year: $18,000,000	2200 Buses 1300 Rail Cars
TRANSIT AUTHORITY OF RIVER CITY 1000 West Broadway Louisville, KY 40203	Mr. Michael Kuzmich Director of Marketing and Planning (502) 561-5118	Start Date: 2/01/02 First Year: $350,000	240 Buses
GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY 1240 West 6th Street Cleveland, Ohio 44113-1331	Mr. Stephen Bitto Director, Marketing and Communications (216) 566-5255	Start Date: 10/01/01 First Year: $1,150,000	808 Buses 100 Rail Cars

SAN FRANCISCO BAY AREA RAPID TRANSIT 800 Madison Street Lake Merritt Station PO Box 12688 Oakland, CA 94604	Mr. Aaron Weinstein Manager, Customer and Performance Research (510) 464-6199	Start Date: 10/1/02 First Year: $3,000,000	670 Rail Cars
SAN FRANCISCO MUNICIPAL RAILWAY 949 Presidio Avenue San Francisco, CA 94115	Ms. Kerstin Magary Senior Project Manager (415) 554-1789	Start Date: 7/1/99 First Year: $2,725,000	445 Buses 361 Trolleys 39 Cable Cars
SANTA CLARA VALLEY TRANSPORTATION AUTHORITY 3331 North First Street San Jose, CA 95134-1906	Mr. David Lopez Manager, Market Development (408) 952-4295	Start Date: 1/1/05 First Year: $1,500,000	470 Buses
SNOHOMISH COUNTY PUBLIC TRANSPORTATION (COMMUNITY TRANSIT) 7100 Hardeson Road Everett, WA 98203-5834	Mr. Jim Kneepkens Director of Marketing and TMS (425) 348-7187	Start Date: 10/01 First Year: $749,980	311 Buses
TORONTO TRANSIT COMMISSION 1138 Bathurst Street Toronto, Ontario M5R 3H2 Canada	Mr. Grant Waddell TTC Materials & Procurement (416) 393-4737	Start Date: 1/1/05 First Year: $10,206,542	2200 Buses, Rail Cars and Trolleys
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY 600 Fifth Street, NW Washington, DC 20001	Mr. Ron Rydstrom Assistant Manager for Marketing Development (202) 962-2767	Start Date: 7/1/00 First Year: $17,000,000	1,285 Buses 764 Rail Cars
WESTCHESTER COUNTY DEPARTMENT OF TRANSPORTATION 100 First Street Mt. Vernon, NY 10550	Mr. Harry Stanton Deputy Commissioner, Transportation (914) 813-7716	Start Date: 10/1/03 First Year: $2,000,000	320 Buses

PORT AUTHORITY TRANS-HUDSON CORPORATION 225 Park Avenue South New York, NY 10003	Ms. Carrol Bennett Manager, Retail Leasing (212) 435-2929	Start Date: 9/1/95 First Year: $975,000	342 Rail Cars
PORT AUTHORITY TRANSIT CORPORATION Administration Offices & Maintenance Facility Lindenwold, NJ 08021	Ms. Marian Darlington Manager of Marketing & Advertising (856) 968-2214	Start Date: 11/1/98 First Year: $125,000	121 Rail Cars
POTOMAC AND RAPPAHANNOCK TRANSPORTATION SYSTEM 14700 Potomac Mills Road Woodbridge, VA 22192	Ms. Sheila A. Larson Director of Marketing & Communications (703) 583-7782	Start Date: 7/1/00 First Year: $200,000	85 Buses
PACE 550 West Algonquin Road Arlington Heights, IL 60005	Ms. Jan Kijowski Supervisor, Marketing and Promotions (847) 228-2465	Start Date: 4/1/01 First Year: $2,700,000	1356 Buses 120 Shelters
SAMTRANS 1250 San Carlos Avenue PO Box 3006 San Carlos, CA 94070-1306	Mr. Michael Scanlon General Manager (650) 508-6200	Start Date: 10/1/00 First Year: $2,000,000	345 Buses

METROPOLITAN TRANSPORTATION AUTHORITY 347 Madison Avenue New York, NY 10017	Mr. Roco Krsulic Director of Real Estate (212) 878-7368	Start Date: 1/1/02 First Year: $34,500,000 Start Date: 1/1/00 First Year: $18,000,000	3,888 Buses 780 Rail Cars 469 Subway Stations 6000 Rail Cars
NEW YORK CITY DEPARTMENT OF TRANSPORTATION 40 Worth Street New York, NY 10013	Ms. Ann Koenig Executive Director Franchises, Concessions & Consents (212) 442-8044	Start Date: 12/1/97 First Year: $115,500	Staten Island Ferry
OMNITRANS 1700 West Fifth Street San Bernardino, CA 92411	Ms. Wendy Williams Director, Marketing (909) 889-0811	Start Date: 1/1/02 First Year: $300,000	154 Buses
ORANGE COUNTY TRANSPORTATION AUTHORITY 550 South Main Street PO Box 14184 Orange, CA 92613-1584	Ms. Jennifer O'Connor Marketing Production Manager (714) 560-5369	Start Date: 9/1/00 First Year: $1,325,000	708 Buses
PIERCE TRANSIT 3701 96TH Street SW PO Box 99070 Tacoma, WA 98499-0070	Mr. Scott Morris Marketing Director (253) 581-8036	Start Date: 7/1/01 First Year: $700,000	156 Buses

LONG BEACH TRANSIT 1300 Gardenia Avenue PO Box 731 Long Beach, CA 90801	Mr. Guy B. Heston Assistant General Manager/ Administration (562) 591-8753	Start Date: 10/1/04 First Year: $675,000	215 Buses
LOS ANGELES COUNTY MTA One Gateway Plaza Los Angeles, CA 90012	Mr. Warren Morse Deputy Executive Officer (213)922-5661	Start Date: 1/1/03 First Year: $13,000,000	2,200 Buses
MASSACHUSETTS BAY TRANSIT AUTHORITY Ten Park Plaza Room 6720 Boston, MA 02116	Ms. Barbara Moulton Director, Marketing & Communications (617) 222-5559	Start Date: 7/1/00 First Year: $13,000,000	1,108 Buses 643 Subways 350 Trolley
METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY 2424 Piedmont Road, NE Atlanta, GA 33024-3330	Mr. Carlos James Director of Marketing (404) 848-5978	Start Date: 1/1/01 First Year: $5,250,000	704 Buses 240 Trains
METRO TRANSIT *560 6th Avenue North* Minneapolis, MN 55411-4398	Mr. Bruce Howard *Manager of Marketing & Graphics* (612) 373-3333	1/1/2002 *First Year: $1,700,000*	893 Buses

Viacom Outdoor Group Inc. Current Transit Agreements			
AC TRANSIT 1600 Franklin Street Oakland, CA 94610	Mr. Jaimie Levin Director of Marketing & Communications (510) 891-7244	Start Date: 1/1/02 First Year: $850,000 (6 months)	750 Buses
AMTRAK 30th Street Station, 5th Floor Philadelphia, PA 19104	Mr. John Kalapos Project Director (215) 349-1238	Start Date: 5/1/98 First Year: $2,300,960	Rail Stations and Terminals
CENTRAL CONTRA COSTA TRANSIT AUTHORITY 2477 Arnold Industrial Way Concord, CA 94520	Ms. Mary Burdick Manager of Marketing & Planning (510) 676-1976	Start Date: 1/1/00 First Year: $650,000	112 Buses
CITY OF WINNIPEG TRANSIT SYSTEM 421 Osborne Street Winnipeg, Manitoba R3L 2A2 Canada	Mr. Nicholas Iafolla Manager Marketing & Customer Services Division (204) 986-6756	Start Date: 1/1/01 First Year: $1,000,000	535 Buses
GOLDEN GATE BRIDGE, HIGHWAY & TRANSPORTATION DISTRICT PO Box 90000/ Presidio Station San Francisco, CA 94129-0601	Ms. Kelly Harper Marketing Director (415) 921-5858	Start Date: 10/22/01 First Year: $900,000	290 Buses
INTERCITY TRANSIT PO Box 659 Olympia, WA 98507-0659	Ms. Meg Kester Director of Marketing and Communications (360) 705-5842	Start Date: 6/1/98 First Year: $192,500	51 Buses

References

No other out-of-home media company has more experience or a better track record than Viacom Outdoor. Our experience and success in maximizing non-farebox revenues for our public agency partners are just two of the many reasons why transit systems and transportation companies such as those listed below have selected Viacom Outdoor.

Metropolitan Transportation Authority
347 Madison Avenue
New York, NY 10017

System-wide Advertising Services
Mr. Roco Krsulic
Director, Real Estate
(212) 878-7380 rkrsulic@mtahq.org

Chicago Transit Authority
567 Westlake Street, 5th Floor
Chicago, IL 60661-1498

System-wide Advertising Services
Ms. Noelle Gaffney
VP, Communications & Marketing
(312) 681-2810

Toronto Transit Commission
1900 Yonge Street
Toronto, Ontario, Canada M4S 1Z2

System-wide Advertising Services
Ms. Alice Smith
Director of Marketing
(416) 393-3766

Washington Metropolitan Area Transit Authority
600 Fifth Street, NW
Washington, D.C. 20002

System-wide Advertising Services
Mr. Ron Rydstrom
Asst. Manager, Marketing
(202) 962-2767

AC Transit
1600 Franklin Street
Oakland, CA 94612

Bus Advertising Services
Mr. Jaimie Levin
Director, Marketing and Communications
(510) 891-7244

Norfolk Southern
1200 Peachtree Street - N.E.
Atlanta, GA. 30309

Ms. Judy Nash
Property Services Manager
(404) 962-5717

Corporate Structure

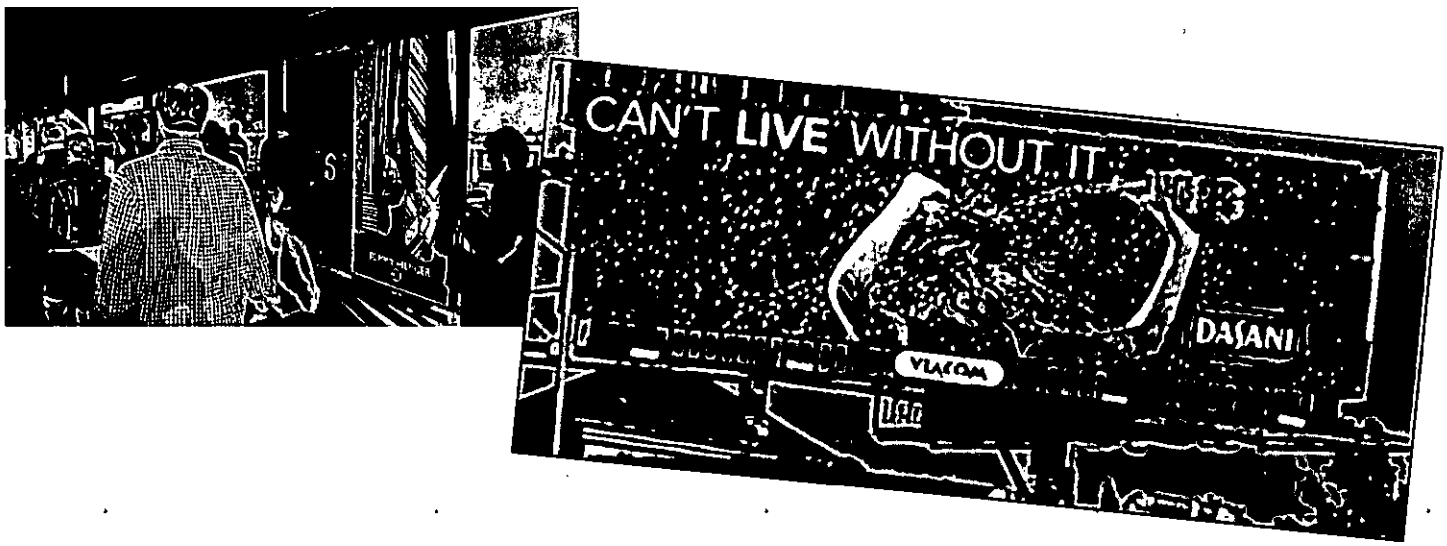
Viacom Outdoor is a subsidiary of Viacom Inc., New York City's sixth largest employer and a publicly held company listed on the New York Stock Exchange under the symbol Via.b. A copy of Viacom's 10-K is included in our proposal. Viacom is one of the world's largest media conglomerates with a market capitalization of approximately $60 Billion and annual revenues in excess of $20 Billion. The Viacom family of companies includes such well known media brands as CBS Television, MTV, Nickelodeon, Infinity Broadcasting and Paramount Pictures.

Viacom Outdoor is organized to maintain the focus that is critical to the successful management of a transit and outdoor advertising franchise by dividing the company into two operating divisions; the Displays Division, is charged with the sales and management of the Company's transit, mall and street furniture properties and the Traditional Outdoor Division responsible for the development, sales and on-going management of the Company's traditional billboard assets.

VIACOM
OUTDOOR

Viacom Outdoor's Qualification Highlights

- The largest out-of-home advertising company in North America and maintains a substantial presence throughout Western Europe
- Provider of transit advertising services to the majority of the world's largest transportation companies since 1938
- Full service sales and marketing offices in 58 U.S. cities; in every market where virtually 100% of all U.S. media buys are made
- Employs a network of 400 highly trained, dedicated and focused sales and marketing executives nationwide
- Maintains an extensive client base consisting of a broad cross-section of advertisers across every advertising category
- A highly experienced, professional marketing department equipped with state-of-the-art research, creative and marketing facilities
- A dynamic, progressive and financially sound organization as a subsidiary of Viacom Inc.
- Senior Management team has more than 200 years of continuous experience in transit, outdoor and out-of-home advertising



VIACOM
OUTDOOR

Acknowledgement of Addenda

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: May 27, 2005

ADDENDUM #1

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

Referring to page 76 of Attachment D, the existing advertising agreements will be available for viewing at One Madison Avenue, 7th Floor, NY, NY on June 1, 2005 between the hours of 9:00 AM to 1:00 PM. Contact Roy Bickley at 212-435-4972 to make arrangements for viewing and to obtain access to the building. Photo ID is required.

In Part III, CONTRACTOR'S INTEGRITY PROVISIONS, page 66, labeled "2. Non-Collusive Bidding and Code of Ethics Certification..." and replace with Amendment 1 hereby attached and labeled Amendment 1, "2. Non-Collusive Bidding, and Code of Ethics Certification..."

In Attachment H, titled Olympic 2012 Agreement, delete "Schedule A" in it's entirety and replace with "Schedule A," dated May 16, 2005, hereby attached.

On page 17, 2) Marketing Strategy and Approach, Sub-section b), the next to the last line of that section, delete the second "and" in the line. The line now reads, "...demonstrated ability to set and achieve performance standards is an important..."

In the publicly placed advertisements and general e-mail sent to perspective Proposers, the time for the Pre-proposal meeting was incorrectly noted as beginning at 9:00 AM. The Pre-proposal meeting is scheduled for May 26, 2005 and will begin at 10:00 AM.

For informational purposes only, the slide show presentation is available to your firm on-line by visiting www.panyni.gov/advertisingrfps/

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

1. Question: On Page 16, under Part 7., "Proposal Submission Requirements" Section E. is "Not Used". In planning to make tabbed dividers and section headings, should a Proposer actually have a "Tab E. (Not Used)" and proceed to Section F., or should they disregard, remove "E." and rename the remaining sections to E., F., G., H., and I. from F., G., H, I. and J.?
   Answer: Do not rename.

2. Question: On Page 17, under Part 7., Section 2. "Marketing Strategy and Approach," in the next to last line of sub-section b), there seems to be an additional "and" in the sentence, e.g. "to set and achieve *and* performance standards." The grammar is not correct. Should it be "set and achieve performance standards" instead?
   Answer: Yes. See Addendum 1 above.

3. Question: On Page 73, Attachment C, "Proposer Reference Form" as well as Attachment F, "Contractor's Officers and Staff" are included. Nowhere in the RFP does it state where Attachment C or Attachment F should be placed within the response document. Moreover, is there a limit as to the level of staff which should be listed, or does the Port Authority require a listing of all employees at all levels?
   Answer: Restrict answers to Officers and upper management.

4. Question: On May 26th the Pre-Proposal and Site Inspection is to take place beginning at 9:00 a.m. (as advised via e-mail on May 12, 2005, which shows a change from the 10:00 a.m. start time listed in the RFP. Will all of the facilities listed on Pgs. 75-76 be visited in one day? Will photography be allowed?
   Answer: The pre-proposal RFP meeting begins at 10:00 AM. The Site Inspection of Port Authority facilities is canceled. Photography may be restricted or prohibited at various facilities.

5. Question: Will detailed floor plans of all facilities (including depictions of current advertising locations utilized by current vendors) be provided on the site inspection?
   Answer: No.

6. Question: A numbered Bid Envelope was included in the RFP mailing. Is this envelope to be used in any way, as it would seem unlikely that one (1) reproducible original of such a large response document would fit into the envelope provided?
   Answer: The Bid Envelope should be placed on the outside of your RFP submission and clearly labeled as such. See Letter E., Submission of Proposals, Page 7 of the RFP.

7. Question: A Bid Envelope would suggest that this is a "Bid", which differs significantly from a "Proposal". Please clarify.
   Answer: This is a Request for Proposal—not a bid.

8. Question: On Page 76, the closing paragraph states "the PANYNJ currently generates approximately $25 million in gross advertising revenue sales from the facilities, with approximately 85% of the gross sales total generated through the airports." Can you clarify if the $25 million is revenue derived/paid from a higher sales figure (gross sales of X times the percentage payable to the PANYNJ = Net revenue to PANYNJ)?
   Answer: Yes, you are correct. The Advertising contracts will be available as noted above.

9. Question: At the present time there is another RFP (#7919) for "Sponsorship Marketing Services Program" which is due two days prior to the due date of the Advertising RFP. Please define the rights granted under the Sponsorship Marketing Services Program RFP as how they may or may not conflict with the rights granted in the Advertising RFP? A Proposer under the Advertising RFP would want to have assurances that the Sponsorship Marketing Services RFP does not conflict or duplicate the advertising programs one would put into place and be a competitive program.
   Answer: Each RFP is a separate proposal and the Scope of Work defines the work that will be determined under each contract. Each proposal will be negotiated separately. There may be overlap. The Port Authority cannot give Proposers assurances that there will be no conflict, however each executed contract will stand on its own. The final Scopes of Work will define each program.

10. Question: May we have a copy of the attendance sheet?
    Answer: Yes, the attendance sheet is attached to this Addendum.

11. Question: May we have a copy of the slide show?
    Answer: It is available the Port Authority website listed above.

12. Question: In the Scope of Work the RFP states that, "The contractor shall secure all necessary clearances, permits, zoning approvals, and permissions required for the production of new revenue under this Contract." Please confirm our understanding that the Port Authority, as a government agency, is exempt from zoning. If that understanding is correct, will the Port Authority extend this exemption to the selected contractor?
    Answer: The Port Authority of New York and New Jersey, as a bistate agency, is exempt from local regulations as a matter of law. However, it is the Port Authority's policy to conform, to the fullest extent practicable, to all governmental regulations, which are addressed as part of the Authority's internal review and approval process. If any governmental regulation does apply to the scope of work either now or in the future, it will be the Contractor's sole responsibility for securing approvals needed to satisfy any applicable regulation.

13. Question: Although the Port Authority indicates its intent to select one contractor that proposes a total solution to maximize revenue, it reserves the right to award multiple contracts. What criteria does the Port intend to use in making such a determination if the Port Authority receives widely disparate responses to the RFP?
    Answer: The Port Authority will use the criteria as noted beginning of page 11 of the RFP, labeled 5. Evaluation Criteria and Ranking, to determine whether a single or multiple contract awards is in its best interest.

14. Question: The Port Authority identifies a wide array of potential opportunities which are described in vague terms. Will the Port Authority provide detailed descriptions of the facilities including the exact boundaries of the properties offered and the locations that are available for a potential contractor to utilize?
    Answer: No. At this time detailed descriptions of the facilities exact boundaries are not available to potential Proposers. However, it should be noted that nothing precludes the Proposer from visiting the public areas of each facility property to determine what the Contractor may be able to utilize.

15. Question: Will the Port Authority provide electronic maps of the Port Authority facilities listed in Attachment D, indicating the locations of the current advertising inventory?
    Answer: No. See the answer directly above this question.

16. Question: Will the Port Authority agree to extend the Proposal Due Date by at least 30 days?
    Answer: No. At this time the Port Authority will not extend the due date.

17. Question: Do you have any additional statistics on PATH use?
    Answer: Yes, for informational purposes only, see the attached enclosure dated May 6, 2005, titled Path Demographics.

18. Question: Can prospective bidders take pictures at the facilities?
    Answer: Photography may be restricted or prohibited at various facilities.

19. Question: As a respondent to the RFP can Proposers submit in areas where they are specialist? And, if we propose a partial solution are we considered responsive?
    Answer: The answer to both questions is yes.

20. Question: Historical billing on existing assets is important and would be helpful in the preparation of the proposals. We need a sense of dollars spent in advertising broken down by facility. Can the Port Authority provide that?
    Answer: Billing information is not being made available at this time.

21. Question: Can the Port Authority set aside a time to examine existing advertising contracts?
    Answer: Yes, see above. On page 76 of Attachment D are the contracts that will be available for viewing at One Madison Avenue, 7th Floor, NY, NY, on June 1, between the hours of 9:00 AM to 1:00 PM, Conference Room 154. Contact Roy Bickley at 212-435-4972 to make arrangements for viewing and obtain access to the building.

22. Question: On pages 10 and 11, Section 4, Financial Information, the Port Authority is requesting a list of other work pending and/or bids submitted in anticipation of business. We consider this confidential. Will the Port Authority keep that confidential?
    Answer: The Port Authority will make every attempt to keep this information confidential, however the Port Authority is subject a Freedom of Information Policy as noted on pages 24 to 26 of the RFP.

23. Question: What are the weights assigned to the evaluation criteria on page 11-13?
    Answer: The individual weights assigned to the criteria are confidential.

24. Question: Can more that one Advertising Vendor have a presence at each facility?
    Answer: Yes, that is possible.

25. Question: Can you identify and make available a list of which billboards are currently owned by the Authority?
    Answer: That information is not available at this time.

26. Question: If the Contractor erects a structure on Port Authority property, who will own it at the end of the contract.
    Answer: The Port Authority will own the structure, refer to page 10 of the RFP, Paragraph number 5.

27. Question: Certain permits will be required to erect structures for advertising purposes, who will own the permits at the end of the Contract?
Answer: The Port Authority will issue any permissions which are required.

28. Question: Is Schedule A of the Olympic Letter of Agreement a complete inventory listing? Is this inventory currently owned by the Port Authority?
Answer: This is owned by the Port Authority, however this schedule relates only to the Olympic Letter of Agreement and is not a complete Port Authority Inventory list. In this Addendum a revised Schedule A is attached which also is not a complete Port Authority Inventory list.

29. Question: Should the financial proposal breakout the revenue for each facility?
Answer: That is a business decision your firm must make and submit with their proposal.

30. Question: Suppose the Proposer has huge advertising opportunity that does not conform to local zoning, how will the Port Authority deal with this?
Answer: We do not respond to hypothetical situations, however the Port Authority recognizes local zoning regulations.

31. Question: Will the Port Authority during the evaluation process take into consideration the stringent zoning laws as well as if the proposed programs are permitted? How will this be evaluated?
Answer Yes. See question 12.

32. Question: If we propose a program and the Port Authority accepts the proposal, however the city doesn't accept it or doesn't permit it, are we legally bound?
Answer: The Port Authority expects to interpret the zoning regulation. If the Proposer wishes to seek a ruling from the City, it may do so with Port Authority approval.

33. Question: If a firm comes up with a really creative idea and the firm with the idea is not selected as the Contractor, will the PA hold this idea in confidence or share this idea with the selected firm? The answer to this could stifle my proposal.
Answer: See the Agreement on Terms of Discussion.

34. Question: Will the Port Authority be utilizing its exemption from local zoning?
Answer: See Question 12.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Viacom Outdoor Group Inc.

INITIALED: _____

DATE: June 7, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

AMENDMENT 1

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

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

a. the prices in its bid have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor;

b. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Bidder prior to the official opening of such bid to any other bidder or to any competitor;

c. no attempt has been made and none will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition;

d. this organization has not made any offers or agreements or taken any other action with respect to any Authority employee or former employee or immediate family member of either which would constitute a breach of ethical standards under the Code of Ethics dated April 11, 1996 (a copy of which is available upon request to the individual named in the clause hereof entitled "Bidder's Questions"), nor does this organization have any knowledge of any act on the part of an Authority employee or former Authority employee relating either directly or indirectly to this organization which constitutes a breach of the ethical standards set forth in said Code;

e. no person or selling agency other than a bona fide employee or bona fide established commercial or selling agency maintained by the Bidder for the purpose of securing business, has been employed or retained by the Bidder to solicit or secure this Contract on the understanding that a commission, percentage, brokerage, contingent, or other fee would be paid to such person or selling agency; and

f. the bidder has not offered, promised or given, demanded or accepted, any undue advantage, directly or indirectly, to or from a public official or employee, political candidate, party or party official, or any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), in order to obtain,/retain, or direct business or to secure any other improper advantage in connection with this Contract.

The foregoing certifications shall be deemed to be made by the Bidder as follows:

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

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

In any case where the Bidder cannot make the foregoing certifications, the Bidder shall so state and shall furnish with the signed bid a signed statement which sets forth in detail the reasons therefor. If the Bidder is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its bid, setting forth in such statement the reasons for its uncertainty.

Notwithstanding that the Bidder may be able to make the foregoing certifications at the time the bid is

submitted, the Bidder shall immediately notify the Authority in writing during the period of irrevocability of bids on this Contract of any change of circumstances which might under this clause make it unable to make the foregoing certifications or require disclosure. The foregoing certifications or signed statement shall be deemed to have been made by the Bidder with full knowledge that they would become a part of the records of the Authority and that the Authority will rely on their truth and accuracy in awarding this Contract. In the event that the Authority should determine at any time prior or subsequent to the award of this Contract that the Bidder has falsely certified as to any material item in the foregoing certifications or has willfully or fraudulently furnished a signed statement which is false in any material respect, or has not fully and accurately represented any circumstance with respect to any item in the foregoing certifications required to be disclosed, the Authority may determine that the Bidder is not a responsible Bidder with respect to its bid on the Contract or with respect to future bids on Authority contracts and may exercise such other remedies as are provided to it by the Contract with respect to these matters. In addition, Bidders are advised that knowingly providing a false certification or statement pursuant hereto may be the basis for prosecution for offering a false instrument for filing (see e.g. New York Penal Law, Section 175.30 et seq.). Bidders are also advised that the inability to make such certification will not in and of itself disqualify a Bidder, and that in each instance the Authority will evaluate the reasons therefor provided by the Bidder. Under certain circumstances the Bidder may be required as a condition of Contract award to enter into a Monitoring Agreement under which it will be required to take certain specified actions, including compensating an independent Monitor to be selected by the Port Authority, said Monitor to be charged with, among other things, auditing the actions of the Bidder to determine whether its business practices and relationships indicate a level of integrity sufficient to permit it to continue business with the Port Authority.

ATTACHMENT H, MAY 16, 2005

LETTER AGREEMENT

October 19, 2004

The Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003

Ladies and Gentlemen:

In connection with the preparation, for submission to the International Olympic Committee ("IOC"), of a candidature for New York City to host the 2012 Olympic Games, NYC2012 must demonstrate that it will take the necessary steps to protect the value of authorized Olympic sponsorships and the rights of authorized Olympic marketing partners by preventing and confronting ambush marketing. Accordingly, the IOC requires NYC2012 to make advertising space in New York City available only to Olympic sponsors and partners during the 2012 Olympic Games in order to reduce unfair competition in the form of ambush marketing.

This letter, when countersigned by you, will evidence the Port Authority of New York and New Jersey's ("PA") agreement to assist NYC2012 with its efforts to reduce ambush marketing at its facilities. Subject to and in accordance with the terms of this Letter Agreement, the PA hereby agrees that if New York City is chosen to host the 2012 Olympic Games: (1) it will license to NYC2012 the advertising space under the PA's control at its facilities, as set forth in Schedule A (the "Ad Space"), for the period June 26, 2012 through August 21, 2012 inclusive (the "License Period"), and (2) all future agreements which grant rights to the advertising space under the PA's control at its facilities will contain an acknowledgement of the terms of this Letter Agreement and will require all licensees, lessees, permitees, vendors and contractors to comply with the terms of this Letter Agreement.

Notwithstanding the generality of the foregoing or anything to the contrary stated herein, the PA's obligation to make available advertising space to NYC2012 under this Letter Agreement shall be subject to all of the following: (1) with respect to all terminals not under the control of the PA, the rights of third parties with which the PA has entered into agreements as of the date of the execution of this Letter Agreement, including, but not limited to, the rights of terminal airline lessees, (2) the PA's tenant alteration and application process (the "TAA process"), which shall apply, among other things, to the installation, maintenance, and location of any advertising, (3) the PA rules, regulations and policies concerning content of advertising in effect from time to time, and (4) the receipt by the PA of a written notice from NYC2012 not less than sixty (60) days prior to the start of the License Period (the "sixty-day notice") stating (i) that NYC2012 intends to exercise the rights granted to it by this Letter Agreement, and (ii) the information required in paragraph 4 of this Letter Agreement, and (3) receiving the

requisite prior authorization(s) of the Board of Commissioners of the PA.

1. License Fee. The license fee for Ad Space shall be calculated as follows: the average price for various types of advertising (e.g., wall wraps, spectaculars and dioramas) as established by the relevant advertising permittees/lessees then under contract with the PA at its facilities for 2005, 2006, 2007 and 2008 (the "Average Price"), multiplied by the percentage increase projected as of December 31, 2008, for the period 2009 through 2012, by the Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor, plus a twenty percent (20%) premium. Such 20% premium shall be referred to herein as the Olympic Premium.

2. Assignment. The parties acknowledge and agree that should the Games be awarded to New York City, NYC2012 will be succeeded by the New York Committee for the Olympic Games ("NYCOG") that shall receive from NYC2012 an assignment of all rights, and shall assume all obligations concerning, arrangements underlying the bid including all rights pursuant to this Letter Agreement and shall be the organization to conduct the Games and carry out the rights and responsibilities of NYC2012 hereunder.

3. Termination. This Letter Agreement will terminate upon the failure of New York City to be awarded the Olympic Games by the IOC or the failure of the PA to receive the sixty-day notice described herein.

4. Uncommitted Ad Space. The sixty-day notice shall identity all Ad Space contractually committed to by written agreement, between the IOC and any Olympic Advertising Party, for advertising at each PA facility during the period of the Olympic Games and for the period commencing thirty (30) days prior to the start of the Olympic Games. Any advertising space at a PA facility which is not identified in the sixty-day notice shall be deemed to be uncommitted Ad Space and, accordingly, shall not be subject to this Letter Agreement and may be sold, licensed or leased without restriction or condition. In addition, NYC2012 acknowledges and agrees that between the date of this Agreement and the start of the Olympic Games, the Port Authority shall have the right in its sole discretion to eliminate or modify existing advertising space at any its facilities, including but not limited to any of the Ad Space, and convert such space to another purpose.

5. Representations and Warranties of PA.

(a) Upon receipt of the requisite prior authorization(s) from the Board of Commissioners, the PA has all necessary power and authority to enter into this Letter Agreement and to perform its obligations hereunder; the execution of this Agreement by PA and the performance by PA of its obligations hereunder have been duly authorized by all necessary corporate action on the part of PA; and this Letter Agreement has been duly executed and delivered by PA and is a valid and binding obligation of PA enforceable against PA in accordance with its terms.

(b) PA further represents and warrants that it owns or controls all of the Ad Space and that Schedule A is a complete list of the number of locations of advertising space at each of the PA facilities as of the date of the execution of this Letter Agreement by the PA; provided, however, that the failure of any third party to comply with the terms of any agreement between said third party and the PA shall not constitute a breach of this Letter Agreement by the PA and provided, further, this Letter Agreement shall not require the PA or any of its advertising permittees/lessees to breach any existing agreement to which it is a party as of the date of the PA's execution of this Letter Agreement.

(c) PA further represents and warrants that entering into this Letter Agreement will not conflict with any other obligations or agreements to which PA is a party and PA covenants not to enter into any conflicting agreements during the term of this Letter Agreement.

6. Representations and Warranties of NYC2012. NYC2012 has all necessary power and authority to enter into this Letter Agreement and to perform its obligations hereunder; the execution of this Letter Agreement by NYC2012 and the performance by NYC2012 of its obligations hereunder have been duly authorized by all necessary corporate action on the part of NYC2012; and this Letter Agreement has been duly executed and delivered by NYC2012 and is a valid and binding obligation of NYC2012 enforceable against NYC2012 in accordance with its terms.

7. Remedies. Each party acknowledges that monetary damages may not be an adequate remedy for any breach or threatened breach of the provisions of this Letter Agreement by the other party, and that such first party shall be entitled to seek equitable relief, including a temporary restraining order, a preliminary or permanent injunction or specific performance, as a remedy for any such breach or threatened breach. Each party agrees that in the event such equitable relief is granted by a court of competent jurisdiction that the party seeking equitable relief shall not be required to post a bond in connection therewith. Each party further agrees that the remedies of a temporary restraining order, preliminary or permanent injunction or specific performance shall not be deemed to be the exclusive remedies for a breach of this Letter Agreement but shall be in addition to all other remedies available at law or equity. Notwithstanding the foregoing, any lawsuit or other claim against the PA or its Commissioners, officers or employees shall be subject to all prohibitions, limitations, requirements and restrictions for commencement and maintenance of lawsuits and other claims against the PA, its Commissioners, officers or employees set forth in the statutes of the New York law, including but not limited to statutes codified in the New York Unconsolidated Laws and the New York Civil Practice Laws and Rules, and such prohibitions, limitations, requirements and restrictions are not waived by this paragraph.

8. Governing Law. This Letter Agreement is made under, and will be construed in accordance with, the laws of the State of New York, without giving effect to its principles of conflict of laws.

9. No Personal Liability. No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Letter Agreement or of any modification or amendment hereto or because of any breach thereof, or because of its execution or attempted execution.

10. Entire Agreement. This Letter Agreement constitutes the entire agreement between the PA and NYC2012 on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the PA and NYC2012. NYC2012 agrees that no representations or warranties shall be binding upon the PA unless expressed in writing in this Letter Agreement.

Please confirm your agreement to the matters referred to and set forth in this letter by signing, dating and returning a copy of this letter to me.

Very truly yours,

NYC2012

By: Andrew Kimball

Andrew Kimball

Title: Director, Operations

Accepted and Agreed to:

The Port Authority of New York and New Jersey

By: Michael Nakamoto

for Chief of Public and Government Affairs

Title: Executive Director

Date: 10/25/04

APPROVED	
TERMS	FORM
UD	

Schedule A

LaGuardia Airport Inventory Count		
867-LGA Sellable Faces		
460-LGA Units		
	Breakdown by Unit	
Total	of 4' x 10' Lightbox	3
Total	of Banner	1
Total	of Clock	1
Total	of Diorama	334
Total	of Diorama Other	14
Total	of Display Area	7
Total	of Jet Bridges	250
Total	of Phone Board	146
Total	of Phone Board Service Cost	26
Total	of Spectacular (other)	19
Total	of Take-one/Mtnc Chg	6
Total	of Vertical Displays	12
Total	of Exterior Banners	2
Total	of Wall Wrap	48
		869 Sellable Faces
		460 Units

John F. Kennedy Airport Inventory Count		
1342-JFK Sellable Faces		
728-JFK Units		
	Breakdown by Unit	
Total	of 4' x 10' Lightbox	44
Total	of Banner	19
Total	of Clock	6
Total	of Digital Diorama	80
Total	of Diorama	346
Total	of Diorama Other	36
Total	of Display Area	12
Total	of Double Diorama Full	6
Total	of Exterior Sites	44
Total	of JCDecaux Displays	35
Total	of Jet Bridges	499
Total	of Showcase	1
Total	of Spectacular (other)	49
Total	of Wall Wrap	165
		1342 Sellable Faces
		728 Units

New York Downtown Heliport
3-JFK Sellable Faces
3-JFK Units

Breakdown by Unit

Total	of Clock	2
Total	of Diorama	1
		3 Sellable Faces
		3 Units

EWR Airport Inventory Count

Total Dioramas = 406

Total Bus Shelter Dioramas = 18
Total Spectaculars = 5
Total Mini Spectaculars = 96
Total Overhead Spectaculars = 22
Total Monorail Carcards = 72
Total Wall Wraps = 46
Total Banners = 6
Total Toll Plaza Booth = 1

PA Control - Bus Shelters, Toll Plaza Booth, Monorail Carcards

PATH System Inventory Count

Total Station Domination Installations = 144 All Controlled by PA

[redacted]

Total Poster Wraps = 3
Total Dioramas = 22
Total Clocks = 26
Total Station Domination Installations = 144 All Controlled by PA

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

FOR THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 28th day of October in the year 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael A. Petralia personally known to me or proved to me on the basis of satisfactory evidence to be the individual(~~s~~) whose name(~~s~~) is (~~are~~) subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument, the individual(~~s~~), or the person upon behalf of which the individual(~~s~~) acted, executed the instrument.

(notarial seal and stamp)

Marie M. Edwards
Notary Public, State of New York
No. 01ED4959693
Qualified in Kings County
Commission Expires 1/6/2006

FOR NYC2012

STATE OF NEW YORK)
) ss
COUNTY OF NEW YORK))

On the 1st day of November in the year 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Andrew H. Kimball personally known to me or proved to me on the basis of satisfactory evidence to be the individual(~~s~~) whose name(~~s~~) is (~~are~~) subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument, the individual(~~s~~), or the person upon behalf of which the individual(~~s~~) acted, executed the instrument.

(notarial seal and stamp)

ASHLEIGH LONSON
Notary Public, State of New York
No. 01LO6101733
Qualified in New York County
Commission Expires November 17, 2007

DATE: May 6, 2005

PATH DEMOGRAPHICS

CURRENT AVERAGE WEEKDAY RIDERSHIP THROUGH 1ST QUARTER 2005 IS ABOUT 195,000. AVERAGE SATURDAY IS 83,000 AND SUNDAY IS 58,000.

2004 PATH SURVEY

	WEEKDAY	WEEKEND (SATURDAY)
GENDER		
MALE	58.2%	55.6%
FEMALE	41.8%	44.4%
TRIP PURPOSE		
WORK COMMUTE	73.1%	20.2%
BUSINESS TRAVEL	7.4%	4.0%
TO/FROM SCHOOL	5.6%	3.8%
SHOPPING	2.6%	19.0%
ENTERTAINMENT or RECREATION	4.8%	31.3%
VISIT FAMILY/FRIENDS	4.2%	19.6%
OTHER	2.2%	1.9%

OTHER LANGUAGES BESIDES ENGLISH

NONE	60%
SPANISH	21%
FRENCH	5%
GERMAN	3%
ITALIAN	2%
HINDU	2%
PORTUGESE	2%
RUSSIAN	1%

AGE: LAST SURVEY REFERENCE – 2001

OCCUPATION: LAST SURVEY REFERENCE - 2001

INCOME: LAST SURVEY REFERENCE - 2001

Listed below are latest ridership figures - February 2005

	Average weekday boarding's	Average weekend boarding's
Pavonia/Newport	13,300	13,200
Grove St.	9,500	7,700
Exchange Pl.	10,000	3,200
Journal Sq.	22,000	22,400
Hoboken	24,500	15,000
Newark	25,000	18,000
Harrison	5,500	3,500
NY - 9th St.	4,300	7,100
NY - 14th St.	7,500	8,400
NY - 23rd St.	7,000	4,900
NY - 33rd St.	24,300	25,100
NY - Christopher	4,000	5,400
NY - WTC	40,000	18,000

PRE-PROPOSAL MEETING
ADVERTISING OPPORTUNITIES FOR PORT AUTORITY OF NY & NJ
AND PATH FACILITIES, RFP #7920
MAY 26, 2005

NAME	COMPANY	TELEPHONE #
STEVEN A. LUDSIN	ILLUMACOM	917 873 4536
Tim Cronin	Shawmut Media	617-333-9399
Harry Ferrari	JCDecaux	646-834-1327
Bernard Pariset	JCDecaux	646-834-1300
PAUL DEN OUDEN	JC DECAUX	714-374-0284
Marty Chavkin	Working Media Group	212-731-2557
Daniel P. Davison Jr.	Adirondack Partners	212-229-2512
Mark Fraser	Ritta & Associates	201-567-4400
Kay Ritta	Ritta & Associates	201-567-4400
MICHAEL KRAMER	GARRICK-AUG	212-850-0278
MARK BALDINGER	INTRANSIT MEDIA	954-691-4032
RICH AMENT	VIACOM OUTDOOR	212 297-6530
Charles FERTONARIO	VIACOM OUTDOOR	718-366-6180
KAY SIPPERLEY	VAN WAGNER COMMUNICATIONS	212 699 8400
Frank Steele	Sign Post Networks	404 870 8910
DAVID RAMIREZ	Daktronics	212 842-0288
DEWAYNE ANDERSON	DAKTRONICS	605-697-4772
Lauren Vargas	Titan Outdoor	212 644-6200
Michael Cawley	ALL VISION	802-272-1309
James Manfredi	Titan Outdoor	212-644-6200
Don Helmx	Titan Outdoor	212 909-7645
Tim Kennedy	Clear Channel	212 812 0037
PAUL WISS	" "	212-812-0036
Jeremy Mergel	Clear Channel	212 812-0048
Peter Corrigan	Submedia	212-849-6979
Chris Cavallo	Interstate	917-359-3283
DENNIS DAY	D-DAY MEDIA GROUP INC	212-222-2942
Evan Borak	TRN	646-728-0266 x 226
David Lane	TRN	646-728-0266 x 227
Mike Gelber	DIRECT MEDIA INC	781-843-2112
Steph Gagnon	Onestop Toronto Inc	416 640 2744
CARROL BENNETT	P.A. - Real Estate	212 435-2929

PRE-PROPOSAL MEETING
ADVERTISING OPPORTUNITIES FOR PORT AUTORITY OF NY & NJ
AND PATH FACILITIES, RFP #7920
MAY 26, 2005

NAME	COMPANY	TELEPHONE #
ROB WALKER	SIDETRACK	204 663 4989
RICHARD GRASSO	Clear Channel Adshel	212-972-0515
Martina Schmidt	Clear Channel	212-972-0515
Bill McLendon	Magic Media	800-732-8261
Ed Wallace	GREENBERG TRAURIG	801-801-9299
Kathleen Whelan	PA	212 435-3929
Joe Olsen	PA	212 435 2290
Roy Bickley	PA	212-435-4972
Michael Shannon	PA	212 435-5209
JULIA E. LOMBA	PA	212 435-6929
Ted Greenthal	Ted Greenthal Marketing	203-226-7643
DIDI LOPEZ	AVOLAB, INC	201.222.0148
ALAN WOLAN	GoGORILLA MEDIA	212.461 7975

PRE-PROPOSAL MEETING
ADVERTISING OPPORTUNITIES FOR PORT AUTORITY OF NY & NJ
AND PATH FACILITIES, RFP #7920
MAY 26, 2005

NAME	COMPANY	TELEPHONE #
ELLIOT KLEIN	RETURNME.com	646-201-9293
MARK GIORDANO	VAC	303-282-1000
SCOTT O'REILLY	VAC	303-282-1000
Ricardo Marquez	FUEL Outdoor	(212) 796-0505 x110
Steven Kern	Access Media	(310) 476-1112
MIKE RILEY	CLEAR CHANNEL AIRPORTS	312-475-3500
SAM HART	" " "	" " "
Sharon Knudsen	New York Telecom Partners	516-294-8604
Vera Steinman	Vera Mkt.	212-330-8219
Alexandra Engel	GoCard	646-358-1035
Anna Fountas	Warner Wolf	646-840-0550
CHRIS YOUNG	VISTA MEDIA	718-784-3339
ROSARIO MANETTA	VISTA MEDIA	718-784-3339
Toby Stuck	Clear Channel	(312) 475-3500
Jeffrey Kim	Garrick-Aug	(212) 856-0273
Perry Allen	Viacom	973-575-6960
Rae Lee Hoffman	PA	X6920
Eric Zemsky	National Sports	212.779.9779
TJ Stock	Port Authority	212-435-3436

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 2, 2005

ADDENDUM #2

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

1. Question: How many rail cars are in the PATH fleet?
   Answer: There are 327 cars active for passenger use. From 2008 to 2011 the Port Authority is scheduled to receive 340 new passenger rail cars and will subsequently gradually retire the current fleet.

2. Question: How many rail cars are there in the AirTrain Newark and AirTrain JFK fleets respectively?

Answer: At the AirTrain JFK, there are 32 rail cars. At the Monorail System at Newark Liberty International Airport, there are 108 rail cars.

3. Question: Do the PATH railcars operate as singles or married pairs?
   Answer: PATH railcars operate as singles.

4. Question: In Section 4, Page 11, what is your definition of "certified financial statements"?
   Answer: Certified Financial Statements are defined as company financial information including but not limited to the Proposer's company assets, liabilities, net worth, revenue, expenses, profit or loss and cash flow including applicable notes for the most recent calendar year reviewed and compiled by an independent accounting firm.

5. Question: The RFP references "subcontractors" in several places. How should we respond if, at this time, we have not selected our subcontractors?
   Answer: At the time of submission of the Proposal, companies do not have to specifically identify subcontractors. If the selection has not been made but the area of subcontractor services is determined, please include.

6. Question: Please list the agreements, and respective subject matter of such agreements, referred to in the second bullet point under "Notes Regarding The Above Facilities" on page 76.
   Answer: There are two agreements and the subject matter of both agreements is for various advertising services. Agreement one is with Black Experience, Inc. for PATHvision for PATH advisory notices, news information and advertising at over 200 television screens located throughout the system at PATH stations. Agreement two is with Submedia, LLC for one illuminated advertising sign at two locations in the PATH train tunnels.

7. Question: Are we allowed to propose an advertising idea for only one structure? If so, is it recommended that we include visuals?
   Answer: Yes, you may propose an advertising idea for only one structure. Proposers may include visuals.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Viacom Outdoor Group Inc.

INITIALED: _____

DATE: June 7, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 3, 2005

ADDENDUM #3

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

Question: Does the Port Authority have any historical advertising sales figures?
Answer: Yes, the Port Authority has attached a Ten Year Profile of Advertising Sales at the Authority's Airports. Proposers are cautioned that these figures are estimated only and may not represent each and every sale generated through its advertising agreements. This Profile is for information purposes only. Proposers are reminded that the above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Viacom Outdoor Group Inc.

INITIALED: _____

DATE: June 7, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

ADVERTISING PERMIT
TEN YEAR PROFILE - ADVERTISING SALES
NEWARK, KENNEDY, & LAGUARDIA AIRPORT

EWR

YEAR	ADVERTISING SALES
EWR 1995	$2,576,471
EWR 1996	$2,851,140
EWR 1997	$3,813,334
EWR 1998	$5,169,236
EWR 1999	$7,521,687
EWR 2000	$11,125,693
EWR 2001	$7,699,533
EWR 2002	$6,848,751
EWR 2003	$8,765,370
EWR 2004	$8,592,766

JFK

YEAR	ADVERTISING SALES
JFK - 1996	$6,162,518.00
JFK - 1997	$7,927,062.00
JFK - 1998	$11,819,001.71
JFK - 1999	$14,411,834.67
JFK - 2000	$19,937,032.98
JFK - 2001	$14,195,537.18
JFK - 2002	$10,638,425.80
JFK - 2003	$15,308,172.96
JFK -2004	$16,042,602.40

LGA

YEAR	ADVERTISING SALES
LGA - 1996	$2,904,725.00
LGA - 1997	$4,451,590.00
LGA - 1998	$5,989,036.93
LGA - 1999	$8,245,371.82
LGA - 2000	$11,478,581.04

LGA - 2001	$9,336,427.13
LGA - 2002	$6,191,737.04
LGA - 2003	$6,789,247.47
LGA - 2004	$7,006,291.82

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 6, 2005

ADDENDUM #4

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

Question: Does the Port Authority have any historical gross advertising sales figures for the Bus Terminal, George Washington Bridge Bus Station, PATH and/or Journal Square?
Answer: Yes, the Port Authority has attached Advertisement Sales at those facilities. Proposers are cautioned that these figures are estimated only and may not represent each and every sale generated through its advertising agreements. This Profile is for information purposes only. Vendors should also note that advertising locations within facilities may change from time to time dependent upon facility needs. Proposers are reminded that the

above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Viacom Outdoor Group Inc.

INITIALED: _____

DATE: June 7, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

1999 - 2004
Gross Advertisement Sales
at Port Authority Bus Terminal, GWB Bus Station,
PATH, JSTC

Facility	YEAR	Advertisement Sales
PABT (T06)		
	1999	$719,195
	2000	$2,454,750
	2001	$1,116,250
	2002	$629,763
	2003	$1,090,053
	2004	$1,095,316
GWBBS (T07)		
	1999	$ 74,628
	2000	114,586
	2001	73,448
	2002	80,458
	2003	81,924
	2004	39,293
PATH (R02)		
	1999	$ 4,537,000
	2000	6,019,497
	2001	3,684,917
	2002	2,512,668
	2003	2,530,342
	2004	2,054,518
JSTC (R21)		
	1999	$ -
	2000	8,000
	2001	161,843
	2002	103,345
	2003	
	2004	

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 7, 2005

ADDENDUM #5

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

THE PROPOSAL DUE DATE HAS BEEN CHANGED TO MONDAY, JUNE 13, 2005 NO LATER THAT 4:00 PM.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Viacom Outdoor Group Inc.

INITIALED: _____

DATE: June 7, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

FINANCIAL INFORMATION

Bank Reference

JP Morgan Chase Account #

Credit Inquiry Department

Norman Schomaker

Telephone: (718) 242-7774

Fax: (718) 242-9216

VIACOM
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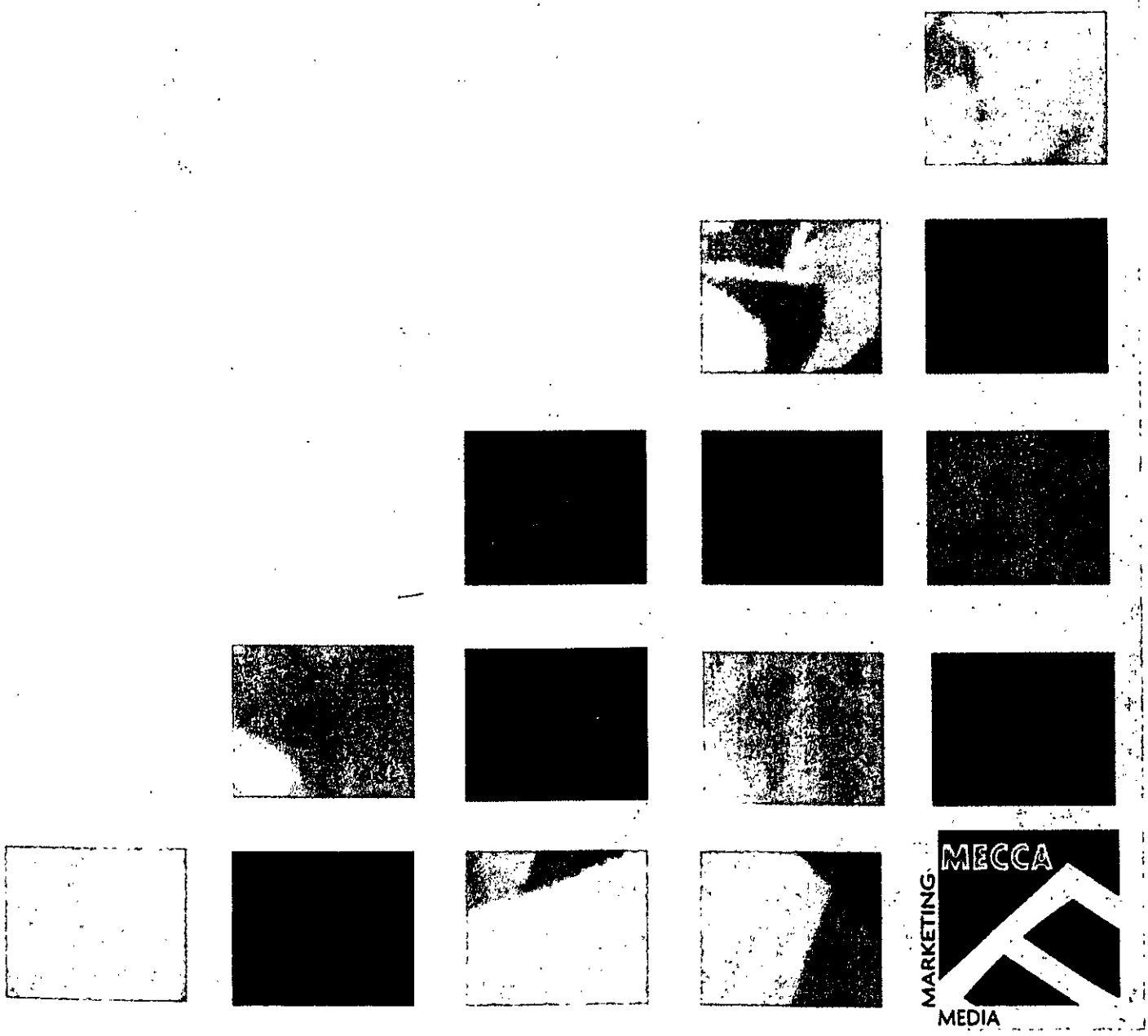
MECCA MARKETING MEDIA

Marketing | Advertising | Public Relations



mecca
MARKETING
MEDIA

June 15th 2005

Port Authority of New York and New Jersey
One Madison Avenue, 7th FL.
New York, NY 10010

To Whom It May Concern,

Mecca Marketing Media LLC is an experienced and qualified multicultural marketing firm capable in the disciplines of research, marketing strategy media buying, and public relations. Our company currently submits itself as a single entity proposer for this RFP, but reserves the right to subcontract select services if awarded. The scope of ideas in this proposal is based on images supplied by the port authority. Therefore the certain tactics may be subject to further investigation of feasible execution. For all questions and comments regarding Mecca Marketing and this RFP, please contact Tiffinay Vaughn, Business Relations Manager, Mecca Marketing LLC, at 215 893 0485 x 112. Also, the authorized executor of the contract, Stacey Alphonso, President, Mecca Marketing LLC at 215 893 0485 x 111 for RFP related inquiries. Thank You.

Sincerely,

Stacey M Alphonso

Stacey Alphonso, President

1616 Walnut Street Suite 1916 ■ Philadelphia, PA 19103 ■ P 215.893.0485 ■ F 215.893.0486 ■ www.meccamarketing.com

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LETTER OF AGREEMENT

June 15th 2005

The Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003

Ladies and Gentlemen:

In connection with the preparation, for the Advertising RFP submission to The Port Authority of New York & New Jersey, MECCA MARKETING MEDIA, LLC must demonstrate that it will take the necessary steps to protect the value of authorized advertising privileges and the rights of authorized marketing partners by abiding by the terms and conditions of the contract.

This letter, when countersigned by you, will evidence the Port Authority of New York and New Jersey's ("PA") agreement to assist Mecca Marketing Media with its efforts to maximize revenue from non toll and fare sources. Subject to and in accordance with the terms of this Letter Agreement (1) it will license to MECCA MARKETING MEDIA, LLC inclusive (the "License Period"), and (2) all future agreements which grant rights to the advertising space under the PA's control at its facilities will contain an acknowledgement of the terms of this Letter Agreement and will require all licensees, permitees, vendors and contractors to comply with the terms of this Letter Agreement.

Notwithstanding the generality of the foregoing or anything to the contrary stated herein, the PA's obligation to make available advertising space to MECCA MARKETING MEDIA, LLC under this Letter Agreement shall be subject to all of the following: (1) with respect to all terminals not under the control of the PA, the rights of third parties with which the PA has entered into agreements as of the date of the execution of this Letter Agreement, including, but not limited to, the rights of terminal airline lessees, (2) the PA's tenant alteration and application process (the "TAA process"), which shall apply, among other things, to the installation, maintenance, and location of any advertising, (3) the PA rules, regulations and policies concerning content of advertising in effect from time to time, and (4) the receipt by the PA of a written notice from MECCA MARKETING MEDIA, LLC not less than sixty (60) days prior to the start of the License Period (the "sixty-day notice") stating (i) that Mecca Marketing Media, LLC intends to exercise the rights granted to it by this Letter Agreement, and (ii) the information required in paragraph 4 of this Letter Agreement, and (3) receiving the requisite prior authorization(s) of the Board of Commissioners of the PA.

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1. License Fee. The license fee for Ad Space shall be calculated as follows: the average price for various types of advertising (e.g., wall wraps, spectaculars and dioramas, music vending machines, car cards, magazine) as established by the relevant advertising permittees/lessees then under contract with the PA at its facilities for 2005, 2006, and 2007 (the "Average Price"), multiplied by the percentage increase projected as of December 31, 2008, for the period 2009 through 2012, by the Consumer Price Index for All Urban Consumers-New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor, plus a twenty percent t(20%) premium. Such 20% premium shall be referred to herein as the Olympic Premium.

2. Assignment. The parties acknowledge and agree that should the contract be awarded , MECCA MARKETING MEDIA, LLC will be succeeded by The Port Authority of New York and New Jersey that shall receive from MECCA MARKETING MEDIA, LLC an assignment of all rights, and shall assume all obligations concerning, arrangements underlying the bid including all rights pursuant to this Letter Agreement and shall be the organization to conduct the advertising program and carry out the rights and responsibilities of MECCA MARKETING MEDIA, LLC hereunder.

3. Termination. This Letter Agreement will terminate upon the failure of Mecca Marketing Media to be awarded the contract by the Port Authority or the failure of the PA to receive the sixty-day notice described herein.

4. Uncommitted Ad Space. The sixty-day notice shall identity all Ad Space contractually committed to by written agreement, between the Port Authority and Mecca Marketing Media, LLC, for advertising at each PA facility during the period of the contract and for the period commenting theory (30) days prior to the start of the services. Any advertising space at a PA facility which is not identified in the sixty-day notice shall be deemed to be uncommitted Ad Space and, accordingly, shall not be subject to this Letter Agreement and may be sold, licensed or leased without restriction or condition. In addition, MECCA MARKETING MEDIA, LLC acknowledge and agrees that between the date of this Agreement and the start of the contract, the Port Authority shall have the right in its sole discretion to eliminate or modify existing advertising space at any its facilitates, including but no limited to any of the Ad Space, and convert such space to another purpose.

5. Representations and Warranties of PA

(a) Upon receipt of the requisite prior authorization(s) from the Board of commissioners, the PA has all necessary power and authority to enter into this Letter Agreement and to perform its obligations hereunder; the execution of this Agreement by PA and the performance by PA of its bligations hereunder have been duly authorized by all necessary corporate action on the party of PA; and this Letter

Agreement has been duly executed and delivered by PA and is valid and binding obligation of PA enforceable against PA in accordance with its terms.

(b) PA further represents and warrants that it owns or controls all of the Ad Space and that Schedule A is a complete list of the number of locations of advertising space at each of the PA facilities as of the date of the execution of this Letter Agreement by the PA; provided, however, that the failure of any third party to comply with the terms of any agreement between said third party and the PA, shall not constitute a breach of this Letter Agreement by the PA and provided, further, this Letter Agreement shall not require the PA or any of its advertising permittees/lessees to breach any existing agreement to which it is a party as of the date of the PA's execution of this Letter Agreement.

(c) PA further represents and warrants that entering into this Letter Agreement will not conflict with any other obligations or agreements to which PA is a party and PA covenants not to enter into any conflicting agreements during the term of this Letter Agreement.

6. Representations and Warranties of Mecca Marketing Media, LLC.
Mecca Marketing Media LLC, has all necessary power and authority to enter into this Letter Agreement by Mecca Marketing Media executives and the performance by hereunder; the execution of this Letter Agreement by MECCA MARKETING MEDIA, LLC of its obligations hereunder have been duly authorized by all necessary corporate action on the part of Mecca Marketing Media, LLC; and this Letter Agreement has been duly executed and delivered by MECCA MARKETING MEDIA, LLC and is a valid binding obligation of MECCA MARKETING MEDIA, LLC enforceable against MECCA MARKETING MEDIA, LLC in accordance with its terms

7. Remedies. Each party acknowledges that monetary damages may not be an adequate remedy for any breach of threatened breach of the provisions of this Letter Agreement by the other party, and that such first party shall be entitled to seek equitable relief, including a temporary restraining order, a preliminary or permanent injunction or specific performance, as a remedy for any such breach or threatened breach. Each party agrees that in the event such equitable relief is granted by a court of competent jurisdiction that the party seeking equitable relief shall not be required to post a bond in connection therewith. Each party further agrees that the remedies of a temporary restraining order, preliminary or permanent injunction or specific performance shall not be deemed to be the exclusive remedies for a breach of this Letter Agreement but shall be in addition to all other remedies available at law or equity. Notwithstanding the foregoing, any lawsuit or other claim against the PA or its Commissioners, officers or employees shall be subject to all prohibitions, limitations, requirements and restrictions for commencement and maintenance of lawsuits and other claims against the PA, its Commissioners, officers or employees set forth in the statues of the New York law, including but not limited to statues

codified in the New York unconsolidated Laws, and requirements and restrictions are not waived by this paragraph.

8. Governing Law. This Letter Agreement is made under, and will be construed in accordance, with the laws of the State of New York, without giving effect to its principles of conflict of laws.

9. No Personal Liability. No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term of provision of this Letter Agreement or of any modification or amendment hereto or because of any breach thereof, or because of its execution or attempted execution.

10. Entire Agreement. This Letter Agreement constitutes the entire agreement between the PA and Mecca Marketing Media on the subject matter and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the PA and Mecca Marketing Media, LLC. Mecca Marketing Media, LLC agrees that no representations or warranties shall be binding upon the PA unless expressed in writing in this Letter Agreement.

Please confirm your agreement to the matters refereed to and set forth in this letter by signing, dating and returning a copy of this letter to me.

Very truly yours,

Mecca Marketing Media, LLC
By: Stacey M Alphonso
Stacey Alphonso

Title: President

Accepted and Agreed to:

The Port Authority of New York and New Jersey

By:_____
Chief of Public and Government Affairs
Title:_____

Date:_____

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Executive Summary

Mecca Marketing Media, LLC is a fully integrated marketing and advertising agency located in Philadelphia, Pennsylvania. Mecca is an award winning agency, and has grown into a recognized brand within the multicultural marketing industry. The company has extensive experience developing and implementing advertising strategies for organizations that have a keen desire to maximize profits from revenue resources, or revitalize stagnant products. Mecca Marketing Media, LLC understands the current need of The Port Authority as well as the scope of work, and is requesting the proper consideration in aiding the company in its quest to generate additional revenue from non toll and fare sources. In this proposal you will find recommended strategy and approach as well as financial forecasts that show the ROI (return on investment) to The Port Authority of New Jersey and New York. Mecca Marketing Media will clearly articulate our ability to satisfy the requirements of the RFP, based on the knowledge and the skill sets of our organization, and previous experience. This proposal will also provide the Port Authority with creative and innovative ideas in regards to out-of-home advertising concepts, new media, and print= programs that our firm will be responsible for, in regards to the development and execution of the recommended strategy. Mecca Marketing Media, LLC is a well suited firm for the job, and will provide the Port Authority with the stability and direction needed in effort to reach optimal revenue success.

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Business Plan

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TABLE OF CONTENTS

1. EXECUTIVE SUMMARY **1**

Description *1*
Mission Statement *1*
Business Operations *2*
Market Analysis *2*
Organization Plan *2*

2. INDUSTRY PROFILE **3**

Current size *3*
Growth potential *3*
Grwoth potential for targetd marketing *3*
Industry trends *4*

3. MARKETING **4**

Customer profile *4*
Competition *4*
Revenue strategies *5*
Competitive analysis 5
Competitive edge *6*

4. MANAGEMENT AND ORGANIZATION **7**

Management team *7*
Organization charts *9*
Licenses and permits *9*
Hours and location *9*
Personnel requirements *9*

5. FINANCIAL PLAN **10**

Current financial outlook *10*
Milestones and expense *11*
Milestone plan 11
Sales strategy *13*
Break even analysis *13*
Inventory requirements *13*
Assumptions *14*
Risk Analysis *14*
Exit strategy *14*
Appendix *15*
Competitive analysis 16
Sales by year 17
Past performance 18

2001Profit and loss....19
Proforma Cashflow....20
2002 Cashflow....21
Proforma balance sheet....22
Proforma profit and loss....23
Salesforecast....24
2001 Balance sheet....25
Related articles....26

1. EXECUTIVE SUMMARY

1.1 The Description of the Company

Mecca Marketing Media, LLC (Mecca) is an advertising and marketing communications firm started in 1999 in the State of Pennsylvania. It was formed to provide company executives a reliable, high quality alternative for creating advertising and marketing campaigns through an integrated marketing approach of media placement, PR, and communications services among targeted and ethnic markets. The key component of Mecca's service is in identifying targeted media channels to reach specific groups. Targeted marketing is more valuable and cost effective than marketing to a general mass. The company's founder, Stacey M. Alphonso, has served as a professional in the marketing and advertising industry for the last 11 years.

1.2 The Company's Mission Statement

The mission of Mecca is to become the premier provider of marketing and advertising services for medium to large company executives and be recognized as the most innovative marketing company in the Greater Philadelphia area. Mecca is dedicated to building long-term relationships with customers through properly uncovering clients needs, ascertaining client-specific industry knowledge and delivering a solid product that will ensure brand awareness and equity.

1.3 Business Operations

Mecca is currently a home-based company in Harleysville, PA (Montgomery County). Mecca's founder, **Stacey M. Alphonso**, having worked with large corporate clients such as Midas, KFC and LA Weightloss Centers began to identify the increasing need for targeted marketing. Since it's inception in 1999, Mecca is already establishing itself as "The" company to turn to for experienced target marketing and has designed both general and ethnic marketing endeavors for clients such as McNeil Consumer Healthcare, Aetna U.S Healthcare, Commonwealth Energy and Regent Shoes. Ms. Alphonso has taken appropriate actions to propel her business forward by completing an entrepreneurial course in 1999 with the Women's Opportunity Resource Center (WORC) and recently concluding an 11-week intensive Fast Trac Planning entrepreneurial studies program offered by the Women's Business Development Center (WBDC).

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1.4 Market Analysis

Mecca targets executives in medium to large enterprises who manage budgets earmarked for product development, marketing and sales of product and services for targeted groups, most notably African Americans. Our direct competition comes from other agencies that provide ethnic marketing services and based in the Greater Philadelphia area: Crawley, Haskins and Rogers, Beach Advertising, Harmelin Media (Intermixx and Mendoza), and Ross & Associates. Our unique positioning is through our "target marketing" approach. Mecca's aim is to service each client's target or core market segment by identifying each nuance of the intended target, research our clients industry and strategically create value. Mecca also positions itself apart from the competition with an unsurpassed client intimacy business model. Apart from being just a vendor, Mecca takes on the role of "partnering" with our clients to provide complete innovative solutions to their needs as well as, customer relationship management, competitive rates, and flexible payment options. We will capitalize on this positioning through use of three "new business strategies" in order to sell seven basic service lines as detailed in our marketing plan.

Mecca will reach its target market through:

- Advertising in trade publications and directories
- Direct sales: opt-in internet emails from our electronic "Mecca-zine" and other acquired list
- Internet website www.meccamarketing.com
- Cold calls to prospective clients
- Association networking
- Client referrals
- Publicity campaigns geared around company activity and founder profiles
- RFPs

1.5 Organization and Financial plan

The company's goal is to grow steadily, becoming profitable in the third year of business. In our first year of operations (August '99 – July '00), Mecca reached $63,000 in gross billings. Sales increased in the second year slightly in Fiscal Year 2000 ending with $68,000. **To date the company has been self-sustaining without any third party financing and is having a banner year at a target pace of $110,000 in gross billings.** In an attempt to continue further growth, support our increasing activity and provide the most innovative services to our clients, Mecca plans to incorporate the following:

Current year- focus efforts on aggressive marketing to increase our clientele through acquiring qualified personnel. The company has recently developed a sales program and employed one employee that will bring qualified sales expertise to generate and service accounts. If selected as a finalist, Mecca will distribute 30% of the awarded sum to support personnel efforts by employing two additional account reps under our commissions/draw structure. An additional 30% will be allocated to equipment such as a Dell computer networking system with terminals ($4,000) and supporting marketing software (Smartplus $2,000) to divulge consumer attitudes, behaviors and desires and predict who tomorrow's consumers will be. This will be essential to tracking marketing campaign progress for our clients and improve our productivity and service output.

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2002 - 2003 year- By reaching our current year goals, Mecca will have generated higher revenue, support personnel and capital to begin initial investigations to relocate into affordable office space (500 sq. ft) in the Plymouth Meeting, Conshohocken or Bala Cynwyd areas and will allocate 25% of the awarded sum to acquire such space. The remaining 15% will be set aside for marketing and promotions to aid in generating new business.

2. INDUSTRY PROFILE

2.1 Current size

The US dominates the advertising industry, accounting for 62% of total ad expenditures (two-thirds of companies are based in the US. Today the biggest buyer of advertising by category is the automotive segment, followed by retail, business and consumer services, entertainment, and food. However, Internet and technology companies have all boosted their advertising budgets as their products become increasingly indispensable in our lives. In fact, the ad industry has nearly tripled its ad spending, from roughly $600 million to $2 billion in about five years.

Latest Hoover reports indicate that major advertisers routinely spend hundreds of thousands of dollars for 30 or 60 seconds of airtime. The people who want consumers to spend money on their products bought over $38 billion worth of airtime from television networks in 1997 to try to convince people that their brand will make breath fresher, clothes brighter, and life better.

The advertising industry is subject to regulation by the Federal Trade Commission (FTC), Food and Drug Administration (FDA), various grass-roots civic groups, and trade organizations such as the National Advertising Division of the Council of Better Business Bureaus. Because of relaxed federal regulations, advertising firms have enjoyed larger contracts with the pharmaceutical industry, highlighted by Bob Dole's TV endorsement of Viagra, made by manufacturers such as Eli Lilly have increased spending by more than 30% since the FDA's loosening of regulations. Outdoor advertising, ranging from giant billboards to subway posters, is one of the smallest segments at just over $2 billion per year in expenditures. Gridlock traffic in cities has led to increased sales for outdoor ads, but the fastest-growing segment is much more high-tech: online and interactive advertising. Current estimates put online ad revenue at about $1.4 billion in 1998 (up from $900 million in 1997).

2.2 Growth potential

The estimated total spending on advertising in the US is about $187 billion a year, including television (the #1 medium by sales), radio, newspapers, magazines, outdoor billboards, telephone directories, direct mail, and the new frontier of Web advertising. That figure is growing at about 7% per year.

2.3 Growth Potential for Targeted Ethnic Marketing

A recent survey revealed the future of ethnic marketing is extremely promising into the 21st century. The survey polled 43 top national opinion leaders about the state of the industry and showed that nearly all

respondents have seen an increased interest in marketing to ethnic populations over the past five years and will continue to increase over the next five years by 10% or more. Most also believe that ad budgets for this segment will increase by 25%.

(See full article in appendix)

2.4 Industry trends

Firms in the advertising and marketing industry prepare advertisements and marketing communications strategy for other companies and organizations and might also arrange to place ads in print, broadcast, interactive, and other media. This industry also includes firms that sell advertising space for publications, radio, television, and the Internet. Divisions of companies that produce and place their own advertising are not considered part of this industry.

Companies often look to advertising and marketing as a way of increasing sales. Most companies do not have the staff with the necessary skills or experience to create effective advertisements; furthermore, many advertising campaigns are temporary, so employers would have difficulty maintaining their own advertising staff. Instead, companies commonly solicit bids from ad agencies to develop marketing campaigns and tactics for them. Next, ad agencies offering their services to the company often make presentations. If an agency wins the account, the real work begins. Various departments within the agency—such as creative, production, media, public relations and research—work together to meet the client's marketing goal of increasing sales.

3. MARKETING

3.1 Customer Profile

Mecca's most important group of potential customers are executives in medium to large enterprises. These are marketing managers, brand managers, and sales managers, charged with the task of handling budgets earmarked for advertising, marketing or sales development. Mecca's ideal customer comes from the industries directly related from our past experiences, Retail and Sports/Entertainment, as well as industries that have increasing economic outlooks and great needs among ethnic audiences such as Healthcare Services. Mecca's target market primarily consists of firms with 100- 499 employees and a sales volume averaging $5,000,000 – 9,999,999. They need one agency to handle everything from marketing analysis, recommendations to promotional execution, and third-party tie-ins. Working with Mecca is a more professional, less risky way to develop new targeted marketing/advertising campaigns and communication strategies than working with inexperienced in-house resources or our competition.

3.2 Competition

The mission of Mecca is to become the premier provider of marketing and advertising services for medium to large enterprise executives and be recognized as the most innovative marketing company in the Greater Philadelphia area. Mecca's competition is based on a few large Philadelphia-based (national) agencies as well as hundreds of smaller participants; many with questionable expertise. Mecca is currently positioned above the majority of these smaller participants with improved expertise, background, branding and presence in the market. Among the larger agencies however, Mecca has many competitive challenges it is actively addressing such as annual billings, personnel power and capabilities, and years of establishment. One area in which Mecca sufficiently competes with such companies is in image branding and collateral. Mecca is dedicated to building long-term relationships with customers through properly uncovering client needs, ascertaining client-specific industry knowledge and delivering a solid product that will ensure brand awareness and equity.

We see our **chief competitors** to be the larger target marketing firms in the Philadelphia area, i.e.,

- Crawley, Haskins and Rogers
- Harmelin Media (Intermixx and Mendoza)
- Beach Advertising
- Ross & Associates

(See appendix for full competitive analysis)

3.3 Revenue Strategies

Mecca will achieve continued revenue growth by **positioning** itself as a full service target marketing educator, innovator and communicator. The industry trend to reaching ethnic markets in ways that diverse consumers will respond is called "acculturation". Businesses need to better capitalize on the cultural differences of different segmented communities as well as ethnic characteristics such as purchase power, household decision

maker, consumption habits and basic interests amongst these markets to best serve their needs. More importantly for our clients, the message their business delivers will tap into previously overlooked revenue sources. With our services, smart businesses will gain larger market shares by targeting these lucrative segments by introducing products specifically for their needs and putting their faces in their advertisements. By means of our "acculturation method" we will educate customers on the business opportunity that target markets represent to their top and bottom lines and develop and implement target marketing strategies that deepen segment penetration, enhance segment loyalty and solidify and strengthen brand relationships. We will capitalize on this positioning through use of three new business strategies in order to sell seven basic service lines as detailed in the table below:

	2002 – 2003 New Business Strategies		
Service Line	Cannibalized Growth	Present Customer Growth	New Customer Growth
Strategic Plans/Consulting	$6,000	$5,760	$7,000
Brand Dev. & Ex.	$3,000	$1,000	$7,500
Creative / Message D&E	$5,000	$3,420	$9,000
Media D&E	$175,000	$140,000	$201,000
Research	$3,000	$8,000	$15,000
Publishing/ Seminars	$1,000	$0	$6,000
Events & Publicity	$9,000	$7,000	$24,000

As Mecca is still in a tremendous growth mode, the prime **source of new business** will continue to come from the newly acquired business won from direct competitors, prospects contacted through our personal network and government contracts. The estimated revenue in the chart above is an estimate over the next year and corresponds with our Sales Forecast.

Price & Distribution Plan

Mecca will price its services on the basis of 3 types of **contractual agreements**:

- **Agency of Record-** This agreement allows for ongoing contracted services with a full array of relationship, services and price structures.
- **Project-based marketing/advertising-** Under this agreement, the engagement has a set start date and end date with an agreed upon total project cost. At the end of the engagement there are no further ties or mutual liabilities unless a new agreement is formalized.
- **Retainer-** This agreement is flexible in that it may or may not have a set time but is based on work performed against time on a set hourly basis. Cost may vary month to month.

Our **standard billing structure** is based on variable hourly rates, marked up charges for materials and outsourced services and media commissions. The mix and structure of these charge types will vary by customer contract. This high level of contractual flexibility is deliberate as a means of reducing price as a barrier to new business acquisition.

3.4 Competitive Edge

We believe that Mecca will be successful in countering competitive pressures. We have already gained a competitive edge over many of the agencies in the smaller firm category that we know of that can claim anywhere near as much specific expertise on developing marketing communications solutions in the market dealing with our target market range. Our positioning on this point is very hard to match, but only if we maintain this focus in our strategy, new business development and service output.

Mecca intends to progress from a local player among the larger agencies into a regional player and ultimately becoming national in scope. Our strategy is to promote a high level of expertise an innovation that is absent among the larger, more rigid "Big Boys". We intend to promote our flexibility as a young and thriving company with innovative concepts. We will continue to build a network of affiliations and maintain a level of visibility that will keep us on the short list and top of mind recognition when deciding on advertising services. We also turn to seminars, forums, speaking opportunities at trade shows, magazine articles and the publishing of our email news letter, "Mecca-zine"

Our unique positioning is through our "target marketing" approach. The biggest pitfall ethnic marketing agencies encounter from potential clients is the tendency to segment services as "only" capable of handling a particular clientele. By branding Mecca as a "Target Marketing" Agency, we extend our capabilities in the client's mind beyond ethnic populations. Targeted marketing is more cost effective, whether the targeted segment is upper income working women or African American men, than blasting a campaign message to a mass audience. Mecca's aim is to service each client's target or core market segment by identifying each nuance of the intended target, research our clients industry and strategically create value. Mecca also positions itself apart from the competition with an unsurpassed client intimacy business model apart from being just a vendor but partnering with our clients to provide complete innovative solutions to their needs as well as, customer relationship management, competitive rates, and flexible payment options. We believe that the relationships we build with our clients is not a sprint but a marathon. We are in it for the long haul to bring equity to their top and bottom line.

4.4 Hours and Location of Operations

Mecca Marketing Media, LLC is currently a home-based, minority and woman owned Limited Liability Company based in Harleysville, (Montgomery County) PA. An additional office has been established at 11631 Caroline Road in Northeast Philadelphia (Philadelphia County). The company began as a partnership and registered as a Limited Liability Company in the State of Pennsylvania in 2001. Mecca Marketing Media, LLC chose to open their initial office in Harleysville, PA because it was most cost effective to run the business home-based without the need to entertain clients on the premises. The location also is close to Philadelphia where many of the targeted businesses operate. The final factor in the location in Montgomery County is the tax breaks that are extended in the area.

4.5 Personnel requirements

In an effort to combat personnel challenges, Mecca has recently developed a sales program and employed one employee that will bring qualified sales expertise to generate and service accounts. This will bolster our capabilities to match our positioning. Our total head count should increase to five by year end of 2002. If selected as a finalist, Mecca will distribute 30% of the awarded sum to support personnel efforts by employing two additional account reps under our commissions/draw structure and eventually fill the open positions as indicated in the organization chart. Below is the average hourly cost for occupations in the advertising agency in which we will based our forecasts.

Median hourly earnings of the largest occupations in advertising, 2001		
Occupation	Advertising	All industries
General managers and top executives	$45.53	$26.05
Marketing, advertising, and public relations managers	26.11	25.61
Writers and editors	18.31	15.69
Artists and related workers	16.74	14.89
Sales agents, advertising	15.68	14.16
First-line supervisors and managers/supervisors-clerical and administrative support workers	15.17	14.26
Secretaries, except legal and medical	11.89	11.00
Bookkeeping, accounting, and auditing clerks	11.54	10.80
General office clerks	9.23	9.10

Demonstrators and promoters	7.95	7.65

5. FINANCIAL

5.1 Current Financial Outlook

Revenues and earnings of the agencies are being significantly impacted by the slow down in advertising in the U.S., as well as in most global markets. In 2001, the industry index was down 20%, versus an 8% decline in the S&P 1500. It is expected to perform in line with the broader averages in the short term but expects the industry to be the first to recover when the econmic outlook improves. Agencies are feeling the bite from on going weakness in most sectors of advertising including technology, financial, telecommunications, retail and auto. Total domestic dollars in advertising were expected to decline 4% in 2001, versus a 7.9% gain estimated in 2000. Domestic advertising gained 6.8% in 1999 and 6.5% gain in 1998. Although advertising has softened each month of 2001, it is expected that the trend will bottom out by the fall.

Gross income in the adverting industry was expected to be relatively flat in 2001 after estimated gains in 1999, and 2000. New business has slowed considerably and current customers have cut back on marketing budgets. Yet the biggest agencies are gaining market share and are also benefiting from gains in a number of important international markets. The long-term outlook for the marketing and advertising industry still remain positive because of new markets, new advertisers and new product introductions. A growing number of media outlets, increasing marketing segmentation, and other factors boost opportunities.

5.2 Milestones and Expense

The company's goal is to grow steadily, becoming profitable in the third year of business. In our first year of operations (August '99 – July '00), Mecca reached $63,000 in gross billings. Sales increased in the second year slightly in Fiscal Year 2000 ending with $68,000. **To date the company has been self-sustaining without any third party financing and is having a banner year at a target pace of $110,000 in gross billings.** In an attempt to continue further growth, support our increasing activity and provide the most innovative services to our clients, Mecca plans to incorporate the following:

Current year- focus efforts on aggressive marketing to increase our clientele through acquiring qualified personnel. The company has recently developed a sales program and employed one employee that will bring qualified sales expertise to generate and service accounts. Our next candidate will be an experienced person in the sales and account servicing profession with a proven track record to bring in accounts. According to the salary averages located in section 4.5, we estimate that the salary for this individual should average $30,000 annually. We assume that in three months the sales employees will generate enough monthly revenue to begin paying for themselves after 90 days. This is estimated at $17,000in revenues for a salary of $30,000 and $9,000 month for a Jr. Account Executive making $18,000 annually in the first year of employment. We target January of 2003 as the milestone date to bring on this Jr. level person. This accounts for our aggressive growth tactics in the sales forecast in the later part of 2002. We expect that sales growth will begin to taper off at a more modest rate by 2004 and beyond. . If selected as a finalist, Mecca will distribute 30% of the awarded sum to support personnel efforts for the two additional account reps under our commissions/draw structure. An additional 30% will be allocated to equipment such as a Dell computer networking system with terminals ($4,000) and supporting marketing software (Smartplus, $2000) to divulge consumer attitudes, behaviors and desires and predict who tomorrow's consumers will be. This will be essential to tracking marketing campaign progress for our clients and improve our productivity and service output

2002 Milestone Plan

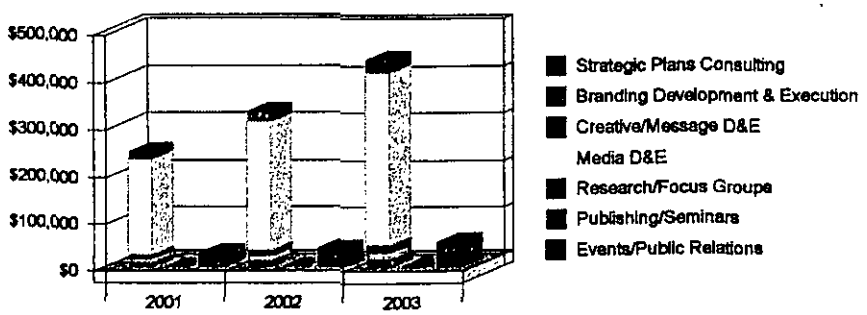
Milestones Milestone	Start Date	End Date	Budget	Manager	Department
Office Location	3/1/2002	12/1/2002	$8,000	SMA	Operations
Office Equipment	12/1/2002	12/31/2002	$8,000	SMA	Admin
Software	6/1/2002	11/1/2002	$5,000	SMA	Admin
Staffing	5/1/2002	7/1/2002	$10,000	SPG	Acct. Services
Web Enhancements	2/15/2002	6/1/2002	$1,500	SPG	Marketing
Business Collateral	7/1/2002	7/31/2002	$600	SPG	Busines Dev.
Advertising	*1/1/2003*	*6/1/2003*	*$5,000*	*SPG*	*Business Dev.*
-					
-					
-					
Totals			**$38,100**		

The above table lists important milestones with details and managers in charge, and proposed budgets for each. The milestone schedule indicates our emphasis on planning for implementation. What the table does not show is the commitment behind it. Our operations strategy includes complete provisions for plan-vs. - actual analysis and we will hold monthly follow-up meetings to discuss variance and course corrections.

2002 - 2003 year- By reaching our current year goals, Mecca will have generated higher revenue, support personnel and various capital resources to begin initial investigations to relocate into affordable office space (500 sq. ft) in the Plymouth Meeting, Conshohocken or Bala Cynwyd areas and will allocate 25% of the awarded sum to acquire such space. The remaining 15% will be set aside for marketing and promotions to aid in generating new business.

5.3 Sales Strategy

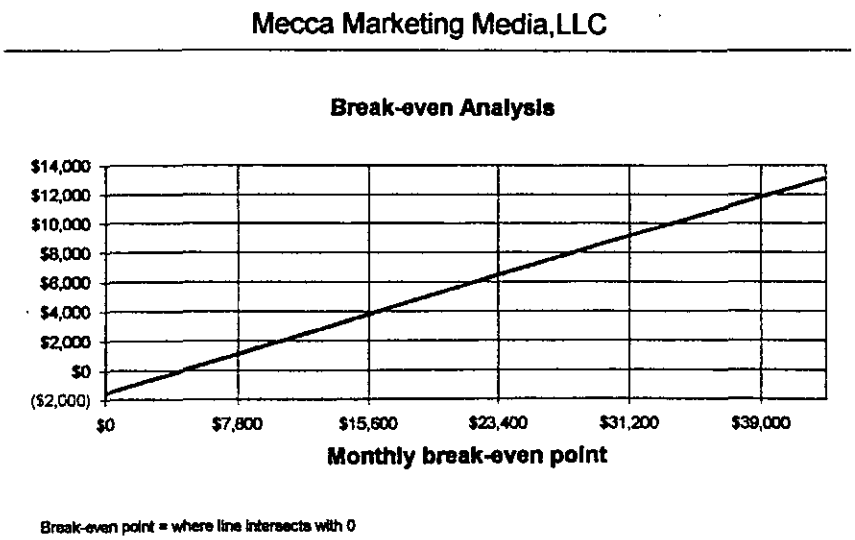
Sales by Year (Planned)



The table and chart above give a run-down on forecasted sales for FY2001-FY2003. We use the rate of 34% in which are growth has been trending in the past because of our aggressive growth mode. We will look at our goals monthly and adjust accordingly. (See appendix for monthly forecast breakout)

Break Even Analysis

Break-even Analysis:	
Monthly Units Break-even	1
Monthly Sales Break-even	$4,569
Assumptions:	
Average Per-Unit Revenue	$3,900.00
Average Per-Unit Variable Cost	$2,560.00
Estimated Monthly Fixed Cost	$1,570



2002 Monthly Cash Flow Statement & Plan

The Cash flow forecast below indicates a high growth rate. This is due to the new staffing milestones for July. If awarded, 30% of the amount will go toward to supporting staffing needs. We estimate that revenues will increase dramatically with the additional personnel. In the fist year and taper off to a more modest gross margin once all staffing positions are filled.

5.4 Inventory Requirements

Mecca will have generated a higher revenue base and capital to acquire more advanced technology geared for the advertising and marketing industry. In order to think "Out of the box", access to the leading technology is essential in the areas of market research and media planning. *Smartplus* is one of the leading media software packages to aid in creating media plans and negotiations. Research being the cornerstone of any successful business venture, Mecca will need to acquire this technology to divulge not only current consumer attitudes, behaviors and desires but to also predict who tomorrow's consumers will be. A leading packaged marketing information system, *Analyst*, is a database tool to help in the marketing decision making process through assembling all secondary and primary company data. *The Survey System* by Creative Research Systems in which we are also seeking to acquire offers a program that permits the user to summarize research data and create tables. The company will also engage in the lease of a CLC printer that will allow for professional in- house printing capabilities for graphic arts work. This will add to our bottom line by cutting out the need for outside printing services such as Kinko's and allow for in-house printing as an added source of revenue.

In it's first year of operations, Mecca reached $63,000 in gross billings. Our second year ended August 2001 with company billings reaching $68,000. In order to perpetuate growth, we are estimating that an additional $10,000 in net profit will be needed to add additional support personnel for a period of three months before they will start paying for themselves, $12,000 for one year office space in either the Conshohocken, Plymouth Meeting or Bala Cynwyd area of Montgomery County and an additional $3,000 for utilities of that space. (See appendix for monthly sales 1999 – 2001)

5.5 Important Assumptions

The financial plan depends on important assumptions, most of which are shown in the following table. The key underlying assumptions are:

- We assume a slow growth economy in general to continue.
- We assume that there are no unforeseen changes in technology to make products and equipment related to our industry immediately obsolete.
- We assume that Mecca's growth will continue to be higher than average over the next few years because of the stage of development in which the company is in. We expect that this will taper off in future years.

5.6 Risk analysis

Sales Projections prove wrong- Mecca will reevaluate the sales forecast and adjust to a more realistic goal that will still enable us to stimulate growth. Other measures to be executed would be reevaluation of the current expenditures and cut additional cost where necessary– fixed versus variable cost analysis needed.

Unfavorable Industry Trends- If the market ad economy slows down, personnel will be cut down and there would be hiring and spending freeze. – outsource to lower this risk

Increase in competition- Our attack will be through aggressive marketing and advertising. Mecca will continue to provide top service and entice new customers to take advantage of our offerings. – what key differentiator will protect you here?

5.7 Exit strategy

Options for exiting this business at any time in the future would most likely involve a merger with or acquisition by a larger or comparably sized communications firm that needs 1) target marketing capabilities and services and/or 2) entrée to our client list. As we grow, we will periodically look to form strategic partnerships that lend themselves to this strategy. Presently, we are so focused on how to grow the business that we dare not speculate on any likely timing for exiting within 10 years.

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Marketing Strategy & Approach

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Financial Proposal Revenue to the Port Authority

Mecca Marketing Media, LLC has explored in accordance with this RFP and industry standards the amounts of anticipated revenue. Mecca Marketing Media will project a gross sales volume of 50,000,000 dollars for the first year of sales. Mecca Marketing Media will further project a MAG of 20,000,000.

Below you will find a breakdown of forecasted sales by category…

OUTDOOR ADVERTISING REVENUE DISTIBUTION

	Forecasted Revenue
Billboard	*20,000,000*
Toll Booth Signage	8,000,000
Coin Basket Displays	1,200,000
Interior Card Cars	1,800,000
Sponsorship Patrol Cars	1,300,000
Wall Scapes	15,000,000
Ticketed Coupon	800,000
Magazine	950,000
Music Vending Machines	950,000
Total	50,000,000

Marketing Strategy and Approach

From the present understanding of the Port Authority of New York and New Jersey's present needs and a review of the facilities Mecca Marketing Media will recommend a range of innovative advertising tactics to generate maximum revenue for the Port Authority and PATH from non-toll and fare sources. Mecca Marketing Media will devise a marketing strategy that will be centrally controlled around the 5P's of marketing.

Mecca will consider what is most appropriate for the PA based on the company's current situation and desired outcomes. The strategy built will serve as a guidepost for a variety of tactical decisions later in the plan. The following is included in the overall marketing services to support the PA.

Positioning- a clear articulation of who you are and how you are different and a way to express this in a large variety of situations

Packaging- A plan for developing the appropriate marketing materials including but not limited to possible enhancements to current marketing collateral

Promotion- A plan for developing and implementing various promotional vehicles

Persuasion- An outline of the sales strategy

Performance- A plan for building in feedback and developing channels of communication with consumers and internal operations

Target Markets-
Businesses and organizations who desire to market and advertise their products or services to the 450 million commuters, tourist, and locals that travel within the PA facilities and locations

Mecca Marketing Media's Media Philosophy is based on three key principles.

1. **Slow down to speed Up-**
   Before the planning process can begin, Mecca will collaborate with the client so that the campaign objectives and performance expectations are specified. This preplanning step ensures that the entire team is working.

2. **Execute with Excellence-**
   Mecca Marketing believes that successful campaigns come from the overall execution of quality work.

3. **Change is Our Friend-**
   Change is the status quo of the 21st century. This means that Mecca Marketing Media, LLC analyzes every given and looks at the new media opportunities before they fully blossom. With traditional media, it means evaluation with a forward look rather than a retrospective one. The past is not a predictor of the future.

Outdoor Advertising Space

Outdoor Marketing is becoming one of the most highly recognized and effective forms of advertisement. For this reason companies are aggressively seeking strategies to employ out of home advertising tactics into their marketing mix. Billions of dollars are spent utilizing this outlet, which makes a good investment for the PA.

In effort to increase the amount of Ad space and revenue generated from outdoor advertising, Mecca Marketing Media, LLC performed a comprehensive situational analysis to consider ways in which the Port Authority could maximize the organizations ROI. In doing such, our team has concluded that The Port Authority of New York and New Jersey should employ an innovative advertising strategy to increase non- selling advertising space at toll booths, interchange buildings, bus, and train locations, as well as space that is not yet being utilized in these areas. Mecca's solution to this problem is to offer unique eye-level advertisements that will be seen in the form of the plaza toll booth window ramp both panorama signage, and coin machine basket displays. Additional promotions could include offering advertiser's sponsorship and naming rights of the Port Authority's courtesy patrol cars. Perforated promotional coupons attached to these receipts are highly visible, actionable, and value yielding demonstrable results for retailers and attractions.

Additionally the PA could also generate revenue by implementing a system that allows advertisers to provide coupons to consumers on the back of the toll receipts.

Categories of Advertising Products

Billboard
Toll Booth Signage
Coin Basket Displays
Interior Card Cars
Sponsorship Patrol Cars
Wall Scapes
Ticketed Coupon
Magazine
Music Vending Machines

Targeted Locations:

Newark Journal-World Trade Center

Journal Square-33rd Street

Hoboken-33rd Street

Tunnels(Holland and Lincoln)

Bus Stations

Bridge Toll Booths

PATH

Airport Locations (music vending machines)

Durations of Contract

Mecca Marketing Media recommends a contract period of 48 months. During this time Mecca will successfully design, implement, and evaluate the overall effectiveness of the program. The timeframe selected will also allow for timetables of design, approvals, installation, and the overall maintenance of the program.

Advertising Strategy

Mecca Marketing Media will exploit all profitable avenues of marketing and advertising Ad Space for the PA. Mecca will develop and implement a sales strategy, that assigns three sales executives to the PA designated locations to sell the Ad space, Mecca will co-market the outdoor advertising space with all other program suggestions(ie music vending machines, magazine). Mecca co marketing initiatives will show the overall profitability to businesses who wish to reach their audience through outdoor advertisement.

Mecca's first year goal of sales will be for 200,000 million dollars.

Program rational

- 450 million people annually pass through the Port Authorities system
- Unused space will generate additional forms of revenue
- Increase the attractiveness of facilities

Print Media-Magazine Publication

MECCA MARKETING MEDIA, LLC recognizes the importance and effectiveness of print media publications, and the profitable source of revenue that it can generate. For this reason our staff recommends the development and implementation of a monthly magazine publication provided by The Port Authority geared towards providing consumers with coupons, enticing advertisements and educational information about the Port Authority. This publication would be available to commuter when passing through interchange stations or on board.

This magazine would generate revenue and support economic growth by offering area businesses another avenue of advertising within the Port Authority, while also satisfying the needs of the riders. This publication would be offered to the riders at no cost, and would be financially supported by advertisers. Studies have shown that riders are more adept to reading, and listening to music while traveling.

Magazine Cost

Printing from digital page layouts

Quantity: 5,000

Page Count: 32 Pages

Trim Size: Newsstand 8 3/8 "x 10 3/4

Printing Specs :5K Additional 1k's

1(16) Page 4/4 60 lb #5 Gloss Book Enamel $2,070 $100

1(16) Page 4/4 60 lb #5 Gloss Book Enamel $2,070 $100

Saddle Stitch $250 $25

5K TOTAL $4,390

ADDITIONAL 1,000's= $225

OPTIONS:

Production: Customer to supply digital format

Distribution: Boxed & Pallet Ship to PA location-(Estimate $220)

OR Labeling: Ink Jet or Cheshire $25 set Up $20 per K

Mailing to database: Bulk rate earned(Estimate .20cents each USA)

Innovative Ideas-Music Vending Machines

The Port Authority of New York and New Jersey oversees some of the most high profile transportation facilities in the world, because of this MECCA MARKETING MEDIA LLC affirms that it is only right to provide the Authority with cutting edge solutions, that will keep the organization at the forefront of the transportation industry, and abreast on on the emerging needs of technological consumers.

Music vending machines are a new and innovative way of supplying consumers with their needs in a non-traditional format. These machines are steadily on the rise, and making their way into the American culture. Music vending machines are touch screen vending machines packed with millions of downloadable songs. Each vending machine will enable riders to download music to a basic mobile phone or digital music player via ports located on the sides of the terminals. These kiosks would certainly be a hit amongst patrons. In today's day and age music downloading has become a commonality, and a necessity for almost everyone.

Looking at The Port Authorities needs, and current situation, MECCA MARKETING MEDIA, LLC recommends strategically placing the music vending machines in interchange buildings, trains, airports, bus stations, and path terminals. Music downloads are sold on average at the rate of $.99 per download.

Music Kiosks also generate another source of revenue by offering advertisers ad space on the sides of the kiosks, as well as on screen. On screen advertisements can be viewed while consumers are waiting for their downloads.

Timetable

Planning	**36 weeks**
Implementation	**120 weeks**
Evaluation	**10 weeks**

Budget

The proposed Marketing & Advertising Campaign will be planned around an anticipated budget of $3,000,000 for full plan execution. The Plan presented does include all components recommended by Mecca Marketing Media, LLC. This plan is eligible for revision, and will be revised if indicated by the PA management team or the Mecca Marketing Media, LLC. The budget will be appropriately distributed amongst the marketing categories listed below. Upon plan finalization Mecca Marketing will provide the PA with a comprehensive spread sheet that will identify the anticipated amount of dollars to be spent on each marketing tactic. The budget plan will also reflect the percent of total budget dollars spent in each category.

Budget components:

1. Construction (Advertising Spectaculars)	250,000
2. Design (Advertising Spectaculars)	200,000
3. Implementation	2,000,000
4. Personal Selling/ Operations	75,000
5. Magazine Costs	120,000
6. Music Vending Machines	200,000
7. Research	10,000
8. Miscellaneous	all other expenditures

Grand Total: 3,000,000 dollars*

*Based on company final approval & tactics delivered

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11:56 AM
06/03/05
Accrual Basis

Mecca Marketing Media, LLC
Profit & Loss
January through March 2005

	Jan - Mar 05
Ordinary Income/Expense	
Income	
Fee Income	2,620.00
Miscellaneous.	-187.93
Postage and Delivery	-67.86
SERVICES	186,223.00
Total Income	188,587.21
Cost of Goods Sold	
Casual Labor	229.75
Cost of Goods Sold	23,996.03
DIRECT MARKETING	132,100.86
EQUIPMENT LEASE	95.46
SUB CONTRACT LABOR	2,740.00
Total COGS	159,162.10
Gross Profit	29,425.11
Expense	
ACCOUNTING	716.00
ADVERTISING	100.00
AUTO EXPENSES	22.76
BANK CHARGES	37.00
BUSINESS PROMOTION	344.32
Dues and Subscriptions	91.43
EQUIPMENT RENTAL	97.80
INSURANCE	
LIFE	112.47
Total INSURANCE	112.47
Meals and Entertainment	188.77
Meals In House	9.42
MEDICAL REIMBURSEMENTS	173.70
OFFICE	1,480.22
PARKING AND TOLLS	635.00
Q-2 WellsFargo	966.67
REPAIRS AND MAINTENANCE	217.94
SEMINARS AND TRAINING	290.53
Supplies	742.59
TELEPHONE	1,181.66
UNIFORMS	12.60

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11:56 AM
06/03/05
Accrual Basis

Mecca Marketing Media, LLC
Profit & Loss
January through March 2005

	Jan - Mar 05
Web Housting	229.85
Total Expense	7,650.73
Net Ordinary Income	21,774.38
Other Income/Expense	
Other Income	
INTEREST INCOME	0.14
Total Other Income	0.14
Net Other Income	0.14
Net Income	21,774.52

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Financial Capability

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12:00 PM
06/03/05
Cash Basis

Mecca Marketing Media, LLC
Balance Sheet
As of March 31, 2005

	Mar 31, 05
ASSETS	
Current Assets	
Checking/Savings	
C-1 COMMERCE CHECKING	8,442.45
C-2 WACHOVIA BANK	13,612.66
Total Checking/Savings	22,055.11
Total Current Assets	22,055.11
Other Assets	
K-1 FIXED ASSETS	8,403.14
Total Other Assets	8,403.14
TOTAL ASSETS	**30,458.25**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
M-1 Capital One	-200.00
Total Credit Cards	-200.00
Total Current Liabilities	-200.00
Long Term Liabilities	
Q-1 L/P DELL FINANCIAL	-376.98
Total Long Term Liabilities	-376.98
Total Liabilities	-576.98
Equity	
Retained Earnings	57,549.11
T-1 CAPITAL	-2,443.43
T-2 DRAWING	-43,224.97
Net Income	19,154.52
Total Equity	31,035.23
TOTAL LIABILITIES & EQUITY	**30,458.25**

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Back Log of Accounts

Current Accounts

Client	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	Monthly Hours
Anita T. Connors*							*$ 3,750*	*$ 3,750*	*$ 3,750*	*$ 3,750*	*$ 3,750*	*$ 3,750*	$ 22,500.00	30.0
Assured Lending*							*$ 3,750*	*$ 3,750*	*$ 3,750*	*$ 3,750*	*$ 3,750*	*$ 3,750*	$ 22,500.00	30.0
Avuanti Mortgage, Inc	$ 1,050	$ 3,621											$ 4,671.00	
Corner Stone Consulting		$ 1,250											$ 1,250.00	
Gov. Conference on AA Bus.			$ 5,000										$ 5,000.00	
PA. Dept. of Health	$ 71,431	$ 71,431	$ 71,431	$ 71,431	$ 71,431	$ 71,431							$ 428,586.00	30.0
PA. Dept. of Insurance					$ 2,000	$ 2,000	$ 2,000						$ 6,000.00	
PA. Dept. of Tourism			$ 13,544	$ 13,544	$ 13,544	$ 13,544	$ 13,544	*$ 10,000*	*$ 10,000*	*$ 10,000*			$ 97,720.00	30.0
Positive Trends, Inc.							$ 1,200	$ 1,200	$ 1,200	$ 1,200	$ 1,200	$ 1,200	$ 7,200.00	10.0
Torch Community Partners*									*$ 5,000*	*$ 5,000*	*$ 5,000*	*$ 5,000*	$ 20,000.00	30.0
													$ 615,427.00	**160.0**

* Contain contracts currently pending

Italized dollar values indicate estimated dollars

MECCA MARKETING MEDIA

Diversity Mark

The faces of your consumers are changing...
ARE YOU EQUIPPED TO ADDRESS THEIR NEEDS?

This is a changing world and having your message communicated and understood among multi-cultural communities is becoming one of the biggest challenges that business professionals face. Diversity marketing is about understanding the cultural differences that divide today's consumers. Your message must target the heart and soul of their needs while also identifying with their uniqueness and character.

Research shows that the buying power of these communities will continue to soar. Mecca has extensive experience marketing and advertising to the African American and Latino. Our expertise has produced skyrocketed results, and has left business & marketing executives extremely satisfied with our ability to reach these overlooked markets. Diversity marketing simply drives results and creates competitive advantages across industry lines.

In today's business arena in order to sustain and maintain your company's competitive edge you must see eye to eye with all of your consumers.

Are you ready for the challenge? Mecca is!

The Mecca team provides multi-cultural marketing & advertising strategies that clearly represent the needs of your new consumers.

Multicultural Quick Facts:

- The African American & Hispanic Markets account for more than 900 billion dollars of the U.S economy.
- The percentage gains in purchasing power in all minority groups have outpaced the general market.
- Asians - 124.8%- African-Americans - 55.9% Native Americans - 81%- Whites -67%
- Communities of color are the mainstream, market leaders of tomorrow.

Marketing | Advertising | Public Relations

MECCA MARKETING MEDIA

Media Planning and Buying

The most innovative advertising can fail if it is presented to the wrong audience

We work to ensure proper messaging to your target market - the first time. Integration is the key to any marketing campaign whether it's B2B or B2C. We provide you with creative marketing that gives you the consistent look and feel throughout your messaging. To the extent that people change, so does the media. The entire spectrum of media outlets changes almost daily and media vehicles tend to follow people's lifestyle shifts in order to address consumers' needs effectively. There are constantly new magazines being published, new radio stations entering the market place, and older radio stations being sold or changing formats, new television programs, and new ways to reach people within each medium. Our approach to media is executed with these points in mind. We will find the mediums that will produce the best overall effect as it relates to the needs of your brand.

Our media planning consist of...

- PLANNING
  Detailed analysis studying the various media vehicles to integrate the clients needs with the most effective marketing approach

- BUYING
  Negotiate, purchase, and airtime for the recommended advertising medium as well as overseeing each campaign for optimal return on investment

Marketing | Advertising | Public Relations

MECCA MARKETING MEDIA

Proven Experience

Mecca Marketing has strategically partnerd **with these clients by** helping them reach their Pinnacle....
Let us help you reach yours!

Our Credentials include:

Marriott

[redacted]

[redacted]

WELCOME AMERICA

McNeil

Avaunti MORTGAGE

Marketing | Advertising | Public Relations

MECCA MARKETING MEDIA

Public Relations

PR is still just as important as advertising because consumers, voters, citizens, etc. trust third-parties more than they trust big companies, politicians and the government. The media gets knocked around a lot, but people still buy newspapers and magazines, watch television, listen to the radio and read publications online to get their information.

PR is getting the advertising message out using a third-party, which is the media, and that sometimes means as the person, company or organization trying to get noticed, PR will often lend credibility to your product or service. People believe what they see on the news and PUBLIC RELATIONS IS THE GLUE IN YOUR MEDIA MIX Marketing Advertising Public Relations

Communicating the right message about your company can increase brand awareness and performance among your consumers.

- Community outreach
- Development of industry related stories
- Disseminate news and information to media, industry and customers in a timely manner.

Marketing | Advertising | Public Relations

MECCA MARKETING MEDIA

Grass Root Promotions...

Providing direct access to consumers for successful marketing

Marketing | Advertising | Public Relations

MECCA MARKETING MEDIA

Mecca Po

Advertising

Media

Marketing | Advertising | Public Relations

MECCA MARKETING MEDIA

Mecca Portfolio

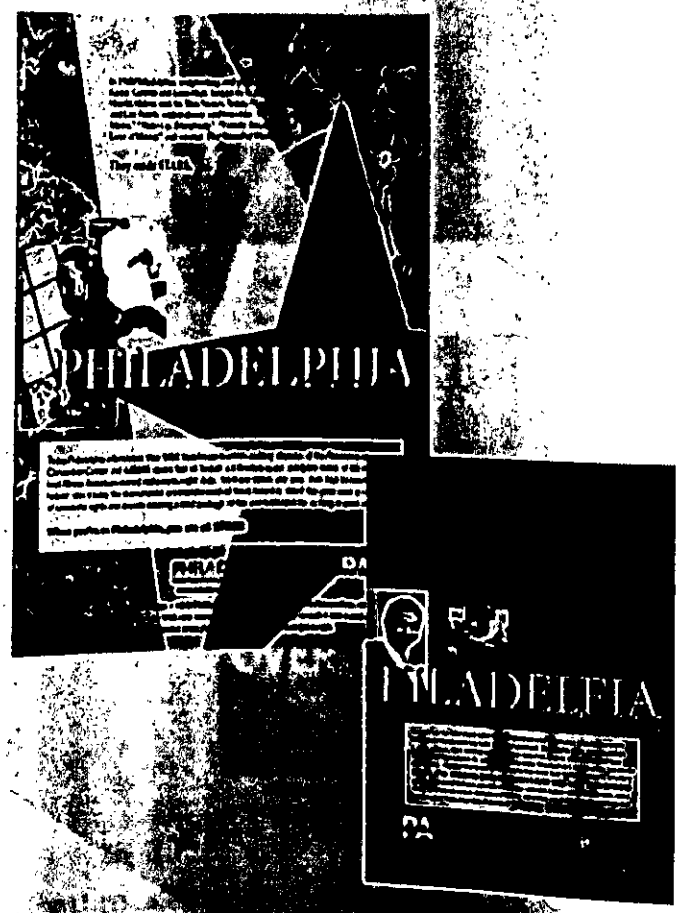
Client: Multicultural Affairs Congress
(A Division of the Pennsylvania Convention and Visitors Bureau)

Goal:
Entice large ethnic corporations and family reunions to plan their events in Philadelphia

Objective:
Brand Philadelphia as a top destination venue

Strategy:
Gain high visibility utilizing national trade publications geared to African American and Latino markets

Tactics:
Media planning and placement.



Marketing | Advertising | Public Relations

MECCA MARKETING MEDIA

Mecca Port

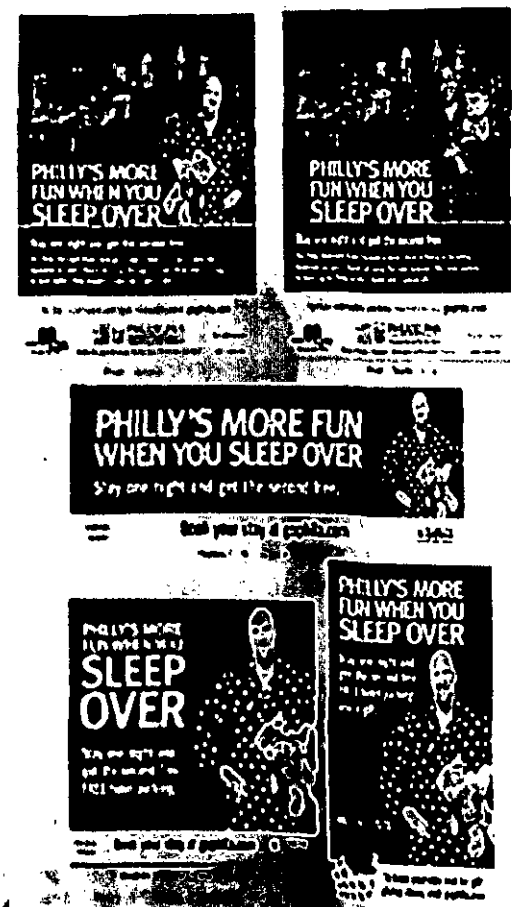
Client: Greater Philadelphia Marketing Tourism Corporation

Goal:
Entice African American tourist to visit Philadelphia and it's surrounding countryside.

Objective:
Test market response of branding Philadelphia as a top destination venue for African American Tourist.

Strategy:
Identify optimal test markets and create marketing strategy to gain high visibility utilizing print publications, television and radio advertising.

Tactics:
Advertising strategy, Media planning and placement.



Evaluation:
Test markets booked online ranked numbers 4 and 5 in the top ten overall markets. (Test markets were geared ONLY toward African American audiences. All other markets were general marketing campaigns).

Marketing | Advertising | Public Relations

MECCA MARKETING MEDIA

Mecca Po

Client: School District of Philadelphia

Goal:
Brand the school district among new applicant interests, community and current staff

Objective:
Recruit the best and the brightest to the Philadelphia public school system

Strategy:
Create a full media blitz of "Nominate Your Favorite Teacher" and "Time out for Teamwork" affiliation with the Philadelphia Eagles

Live Learn & Teach in Philadelphia

Building a Better District.

Tactics:
Strategic planning, Branding

Evaluation:
Campaign produced 70% increase in teacher applications

2004 ADDY winner for the skillful direction, writing and performance of its series of radio ads for the School District of Philadelphia's Live, Learn and Teach? campaign.

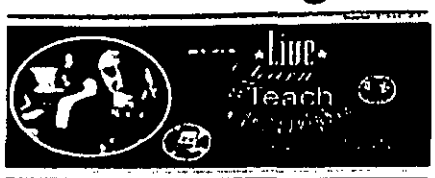
Marketing | Advertising | Public Relations

MECCA MARKETING MEDIA

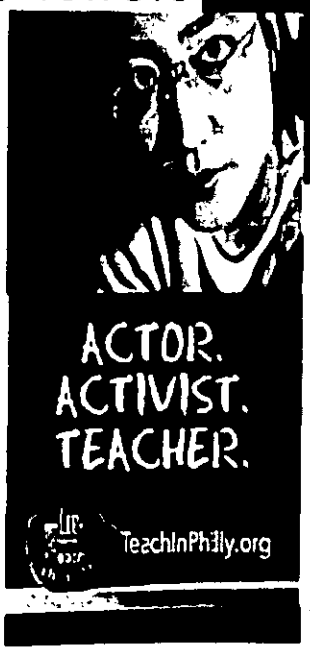
Mecca Port

Client: School District of Philadelphia

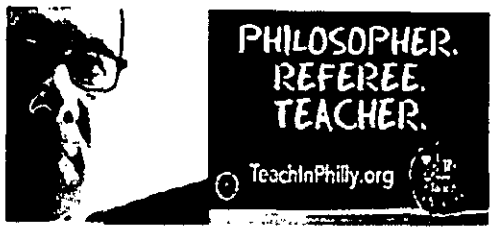
Web Design

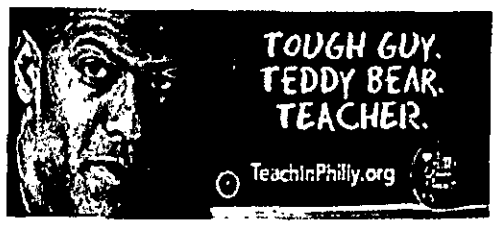


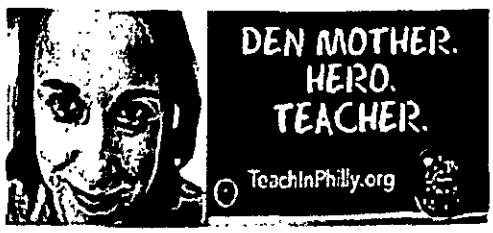
Bus Shelters



Outdoor Billboards







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MECCA MARKETING MEDIA

Mecca Pa

Writing Samples

Script Writing

Press Release

Marketing | Advertising | Public Relations

MECCA MARKETING MEDIA

Mecca Po

Client: McNeil Consumer Health Care

Goal:
Brand Lactaid® products and educate African- American adult consumers on the symptoms of lactose intolerance.

Objective:
Test market the response and monitor the awareness of African-American consumers driving them to an 800#.

Strategy:
Sign on national spokesperson, Sybil Wilkes, co-host of Tom Joyner Morning Show. Developed added value campaign through PSA national radio promotions.

Tactics:
Full creative development, media planning and placement.

Evaluation:
Lactaid® sales increased 25% during the radio campaign. Calls to the 800# increased from 24 to 83 monthly by campaigns end.

Sybil Wilkes for Lactaid® and Lactaid Ultra®
On The Road

Working the "morning show" keeps me traveling and dining out a lot. And although I love the chance to taste the local foods, over the years, my stomach's begun to rebel against long time favorites like macaroni and cheese, ice cream, pizza... Any kind of dairy foods until I finally found a product that worked, LACTAID!
By calling 1-800-Lactaid, I was sent information and a free sample. Lactaid is Real milk! You can actually eat cereal again! And its easy to digest because its Lactose free. But, I prefer the Lactaid Ultra, it's a dietary supplement that naturally makes dairy foods easier to digest! Call 1-800 LACTAID (That's 1- 800-L-A-C-T-A-I-D) for yourself and get the information and the free sample! And now when I'm on the road, I can gladly say "Bring on your cheese steaks Philly, San Antonio how about those tamales and back home in Chicago baby, how about a slice of that deep dish pizza...EXTRA CHEESE!

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MECCA MARKETING MEDIA

Mecca Po

Client: Deborah Heart and Lung Center

Goal:
Position brand among the African American community and educate audience on the importance of preventative health maintenance.

Objective:
Increase the amount of service to African American's by Deborah Heart and Lung Center.

Strategy:
Developed ethnic marketing strategies that enhance community outreach through regional TV and

My Little Heart
(Child and Grandmother reminisce over summer days.)

BOY: I love summer! Every year I get to stay with my grandmother and she shows me all kinds of things like how to patch a quilt, trace our family tree and even how to beat my older brother at Monopoly!
GRANDMOTHER: I also love the times Michael visits. That little boy is my heart!
BOY: But last year I couldn't visit grandma because she was in the hospital. She has a sick heart.
GRANDMOTHER: I found out last year that I suffer from congestive heart failure. I knew I wasn't feeling well with my feet swelling all the time, upset stomach and having a hard time breathing even when I laid down. I just thought it was age catching up to me. My doctor referred me to Deborah Heart and Lung Center for treatment. Deborah is the only hospital in the area that specializes in heart and lung diseases, which affect our community the most. And Deborah participates in many managed care networks including most HMO's and all Medicare and Medicaid. With a little rest, keeping my eye on my diet and guidance from the experts at Deborah heart and lung center, I can look forward to Michael's visit this summer.
BOY: Grandma says I'm her heart, well if that's true, then I'd want the experts at Deborah Héart and Lung Center taking care of me too!

END
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MECCA MARKETING MEDIA

Client: Regent Shoes

Goal:
Brand the retail store among young men while maintaining a presence with their core audience

Objective:
Increase sales among African American men during prom and Graduation season by appealing to men's sense of fashion and personal image

Strategy:
Create a :60 second broadcast commercial that displayed a lifestyle of the target while highlighting the diversified selection of brand name designers

Tactics:
Full creative development, media planning and placement.

Evaluation:
Stores sales increased over last years numbers by 5%

Love At First Shoe

I've seen you before. You're the brother who walks down the street and knows he's on point. Every step you take exudes a confidence reserved for kings. And why not, there's never a hair that's out of place, not a crease unpressed. You're so sharp that others who try to step with you have to cross the street for fear that they might get cut. Fierce on the daily; your always putting your best foot forward. I saw you in church on Easter and even the Pastor had to give you dap on your Giorgio Brutinis. I saw you at the concert and the performer couldn't even out shine the David Eden's on your feet. At the office, I loose focus because I'm studying the power moves that are being made in the impeccable Todd Welsh and Stacy Adams that compliment your dedication and professionalism.

Then suddenly, out of the blue one day you step to me. I've watched you from afar for so long that my throat dries with drought like proportions. What should I do, what should I say..."nice shoes". He smiles at me with a sly, grin as he comes close to my ear and whispers...Regent, I get my shoes from Regent. At that moment it all becomes so clear to me, Regent is the only store in the city that features the largest selection of styles and colors that could match every aspect of his lifestyle. It's so clear to me, love at first shoe.

TAGLINE: Regent Shoes, giving your feet the ROYAL TREATMENT they deserve since 1971! Located at 244 Market St. in scenic Old City or visit us on the web at www.regentshoes.com.
© 2001 Mecca Marketing Media, LLC

MECCA MARKETING MEDIA

Mecca Portfolio

Client: Women's Business Development Center

Goal:
To announce the newly branded conference to women-owned businesses in the tri-state area

Objective:
Promote awareness of the benefits of the conference to both women-owned business as well as potential corporate members to join the Women's Business Enterprise National Council

Strategy:
Create core marketing message that will encourage attendance to the networking event

Tactics:
Disseminate press releases that informed the market of the conference and pitch interviews.
Recruit local personality to me the event

Evaluation:
Generated over $6,000 in free media for event

FOR IMMEDIATE RELEASE

WOMAN'S BUSINESS DEVELOPMENT CENTER PROVIDES ACCESS TO CONTRACTING OPPORTUNITIES FOR WOMEN-OWNED BUSINESSES AND FORTUNE 1000 CORPORATIONS -Women's Business Enterprise Council of PA-NJ-DE

Philadelphia, Pa- On April 10, 2002, 8:00 a.m. at the Union League of Philadelphia, women will be empowered to gain increased access to corporate America. The Women's Business Development Center through it's Women's Business Enterprise Council of PA- NJ- and DE (WBEC) will be hosting its "Navigating the Corporate Marketplace: Strategies for Access, Growth and Success" conference. The conference is an educational and networking event that combines success stories from women-owned businesses with valuable strategies from leading corporate decision-makers such as Astra Zeneca, Exelon Corporation, GPU International, IBM Corporation, Motiva, and United Parcel Service. Women Business Enterprises (WBEs), which makes up a substantial segment of the region, will gain the knowledge needed to leverage their WBE certification and to maintain a competitive advantage.

The conference will be an informative half-day of speakers and workshops packed with great information that will add value to any business. The conference begins with Toni Yates, News Anchor for WB-17, as Mistress of Ceremonies, Susan Bari, President of the Women's Business Enterprise National Council (WBENC), Washington DC, as the Keynote Speaker and an introductory message from Glen Mayer, Corporate Supplier Diversity Coordinator, United Parcel Service (UPS) and gold sponsor for the event.

UPS is a strong supporter of diversity in business and sees this conference as a way to encourage more women owned businesses to create relationships with corporate companies. Conference workshops include: "Marketing to Corporations – A Corporate Perspective", "Strategies for Success – Marketing Your WBE Certification", "Partners for Prosperity – Innovative Business"

For more information, please call the Women's Business Development Center at (215)790-9232

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MECCA MARKETING MEDIA

Client: Booth and Tucker LLP

Goal:
Promote the Law Firm's personal injury services

Objective:
Increase clientele and visibility among communities of color

Strategy:
Create awareness of the personal injury issues geared toward the target audience and position the law firm as the advocates for the disadvantaged

Tactics:
Public Relations

FOR IMMEDIATE RELEASE

HONORABLE LORI A. DUMAS APPOINTED TO THE COURT OF COMMON PLEAS FIRST JUDICIAL DISTRICT PENNSYLAVANIA PHILADELPHIA COUNTY

PHILADELPHIA-February 13, 2003: Hon. Lori A. Dumas was recently announced the temporary appointment of Judge to the Court of Common Pleas of Philadelphia County Family Law Division.
Having received her law degree from North Carolina School of Law, Hon. Dumas began her career opening a community law practice in Mt. Airy and immediately began equipping herself with diverse legal experience and a reputation for helping people.
Over the years, Hon. Dumas has partnered with prominent attorneys to accomplish significant legal milestones including a landmark case against a corrupt police officer in North Philadelphia and the brutal violence of an unarmed man. She was recently Vice President and General Counsel to Wordsworth Academy, a facility providing treatment and educational services to special needs children. She was also of Counsel to the law firm of Booth & Tucker, LLP. Her successful litigation experience is recognized throughout the Philadelphia Municipal Court in addition to Appellate and Federal Court. Along with her years of legal experience, Hon. Dumas possesses a strong commitment to working with community service organizations. She has diligently continued to focus her efforts on issues that impact communities throughout the city. She is currently a board member of the Housing Association of Delaware Valley, and serves as an advocate to people with housing issues. Hon. Dumas' other volunteer positions include her role as a member and past legal representative of the NAACP, Chair of the By-Laws Committee for the National Coalition of 100 Black Women, memberships with the Urban League Guild, Columbia-North YMCA and Alpha Kappa Alpha Sorority, Inc. Hon. Dumas is also an active representative of the Legal Ministry at her church home, Enon Tabernacle Baptist Church.
Hon. Dumas is licensed by the Pennsylvania Supreme Court and the United States District Court of the Eastern District of Pennsylvania. She has also been a member of the Pennsylvania and Philadelphia Bar Associations. The Family Division, sometimes referred to as Family Court, is one of the three major divisions of the Court of Common Pleas. The Family Division is composed of two major divisions or branches: the Juvenile Division and the Domestic Relations Division.

MECCA MARKETING MEDIA

Our team is committed to participating with you as a strategic marketing partner to help ensure synergies between all ongoing communications, advertising, sales, direct, electronic or other. We believe in the importance of a reinforcing consistency of messages, corporate language, presentations and other creative endeavors

- Integrated marketing solutions
- Ethnic marketing initiatives
- Broadcast production
- Media planning/place ment
- Business imaging
- Grass roots promotions
- Promotional event planning
- Public Relations

mecca MARKETING MEDIA

Reaching the Pinnacle of Success!

1616 Walnut Street, Suite 1916
215.893.0485 [P]
215.893.0486 [F]
www.meccamarketing.com

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APPENDIX

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Port Authority of NY & NJ

		Sales	
Laguardia Airport Inventory Count			
867-LGA Sellable Faces		2004	2006
460-LGA Units		$ 7,006,291.82	**$14,429,000.00**
	Unit Breakout		
4x10 Light box	3		$ 24,000.00
Banner	1		$ 5,000.00
Diorama	334		$ 4,008,000.00
Diorama Other	14		TBD
Dsiplay Area	7		TBD
Jet Bridges	250		$ 6,000,000.00
Phone Board	146		$ 912,000.00
Phone Board Service (	26		TBD
Spectaculars	19		$ 288,000.00
Vertical Displays	12		$ 216,000.00
Exterior Banners	2		$ 96,000.00
Wall Wrap	48		$ 2,880,000.00

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Port Authority of NY & NJ

	Quantity	Viewings	Sales 2004	Sales 2006
Goethals Bridge		46,138,000	$8,592,766.00	**$ 3,852,000.00**
Toll Booth	8			$ 192,000.00
(Entrance and Exit Doors & Windows)				
Coin Baskets	8			$ 96,000.00
Sponsorhsip P	TBD			
Ticketed Coup	46,138,000			
Billboards	8	14x48		$ 48,000.00
Holland Tunnel				
Toll Booth	9			$ 216,000.00
(Entrance and Exit Doors & Windows)				
Coin Baskets	9			$ 756,000.00
Sponsorhsip P	TBD			
Ticketed Coupon				
George Washington Bridge		180,809,000		
Toll Booth				
(Entrance and Exit Doors & Windows)				
Coin Baskets				
Sponsorhsip P	TBD			
Ticketed Coup	180,809,000			TBD
Billboards	8	14x48		$ 672,000.00
OuterBridge Crossing		48,857,000		
Toll Booth	8			$ 192,000.00
(Entrance and Exit Doors & Windows)				
Coin Baskets	8			$ 96,000.00
Sponsorhsip P	TBD			
Ticketed Coup	15,687,000			TBD
Billboards	12	14x48		$ 1,008,000.00
Bayonne Bridge		12,559,000		
Toll Booth	6			$ 504,000.00
(Entrance and Exit Doors & Windows)				
Coin Baskets	6			$ 72,000.00
Sponsorhsip Patrol Cars				
Ticketed Coup	12,559,000			TBD

1616 Walnut Street Suite 1916 ▪ Philadelphia, PA 19103 ▪ P 215.893.0485 ▪ F 215.893.0486 ▪ www.meccamarketing.com

JCDecaux

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

June 13, 2005

Out of Home Media

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

RE: Letter of Transmittal

Dear Mr. Storch:

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

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

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

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

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

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

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

JCDecaux

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

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

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

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

Bernard Parisot
co-CEO

Jean-Luc Decaux
President & co-CEO

Laurence Raoult
Secretary & CFO

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

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

JCDecaux

June 6, 2005

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

Laurence Raoult
Secretary

State of Delaware

Office of the Secretary of State PAGE 1

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

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

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

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

Edward J. Freel, Secretary of State

2234090 8300

991417442

AUTHENTICATION: 0006740

DATE: 10-04-99

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

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

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

_____ *President / *Vice President.

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

678509

THE COMMONWEALTH OF MASSACHUSETTS

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

SECRETARY OF THE COMMONWEALTH
99 OCT 27 PM 2:50

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

WILLIAM FRANCIS GALVIN
Secretary of the Commonwealth

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

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

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

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

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

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

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

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

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

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

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

SKY SITES, INC.

By: _____, President
Name: Joseph Evans

ATTEST:

By: _____, Secretary
Name: Jonathan Lapin

Office of the Secretary of State PAGE 1

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

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

GREAT SEAL OF THE STATE OF DELAWARE · 1793 · 1847 · 1907 · LIBERTY AND INDEPENDENCE

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

2234090 8100

010311236

AUTHENTICATION: 1215365

DATE: 06-27-01

State of Delaware

Office of the Secretary of State PAGE 1

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

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

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

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

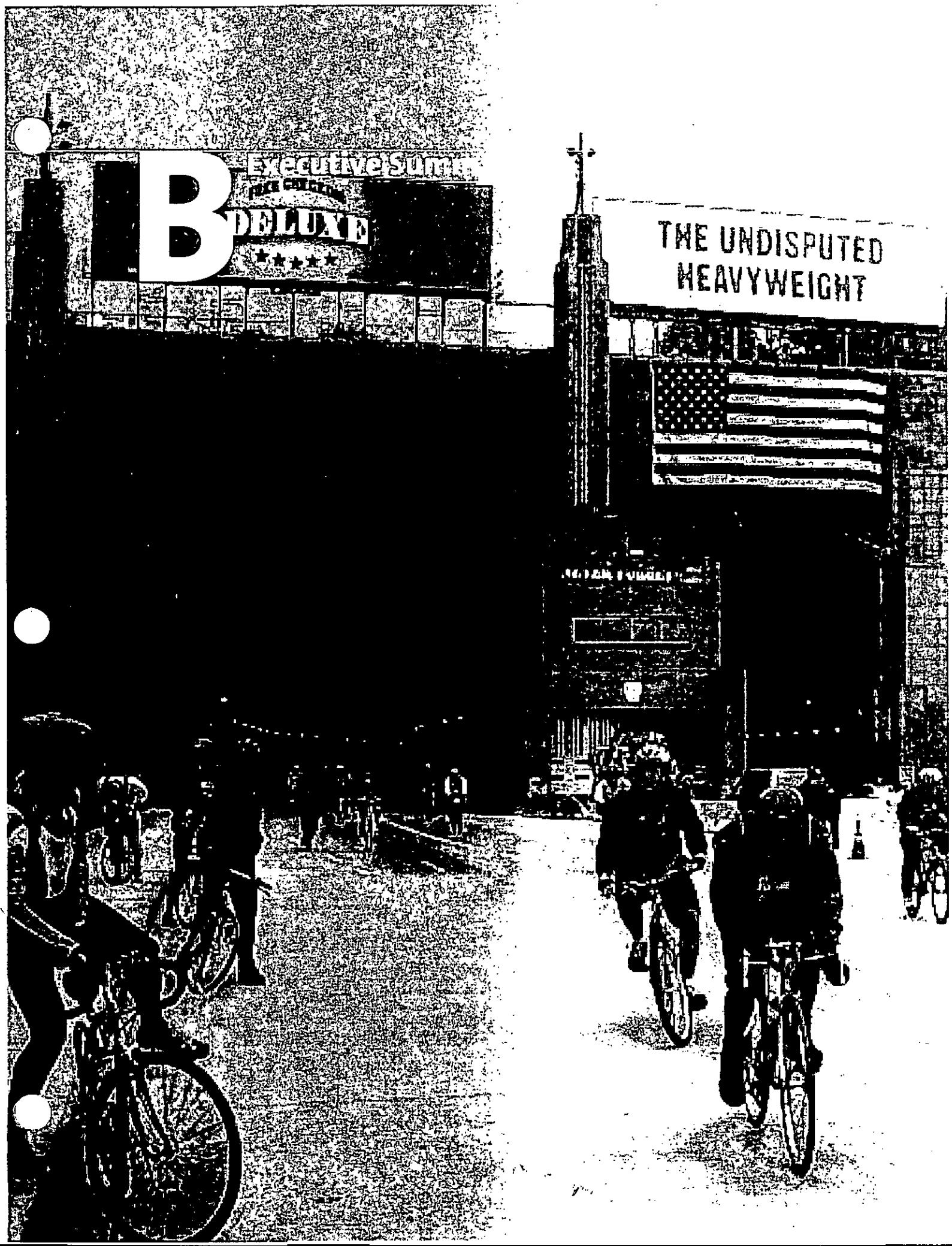
Edward J. Freel, Secretary of State

2234090 8300

001355996

AUTHENTICATION: 0557747

DATE: 07-13-00


B
Executive Suite
DELUXE
THE UNDISPUTED
HEAVYWEIGHT

B. Executive Summary

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

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

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

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

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

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

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

B. Executive Summary

Designing the Plan

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

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

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

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

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

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

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

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

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

- **PATH Trains and Bus Terminals**

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

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

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

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

- **Tunnels, Bridges and Marine Terminals**

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

  - **Giant Digital Displays**

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

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

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

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

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

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

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

B. Executive Summary

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

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

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

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

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

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

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

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

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

B. Executive Summary

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

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

Qualifications

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

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

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

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

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

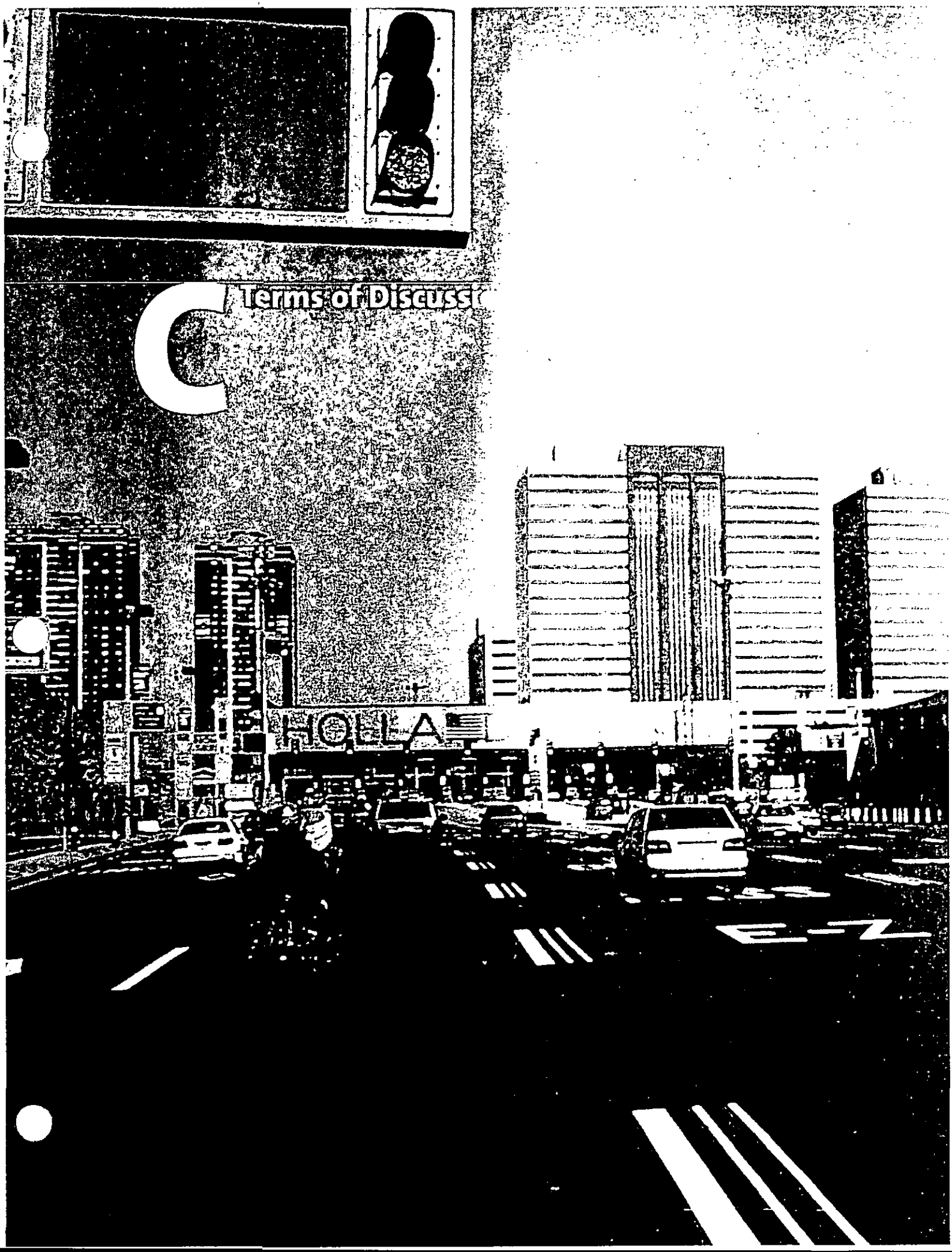
Please refer to Section H3 of this proposal for a detailed presentation of our U.S. and worldwide activities.

B. Executive Summary

Your Partners to Build the Future

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

Your future is our future, and this motivates us to think out-of-the-box to find solutions that match the new thinking that guides the Port Authority in its "Vision for the Region". We hope this will transpire as you read this carefully crafted proposal.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9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

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

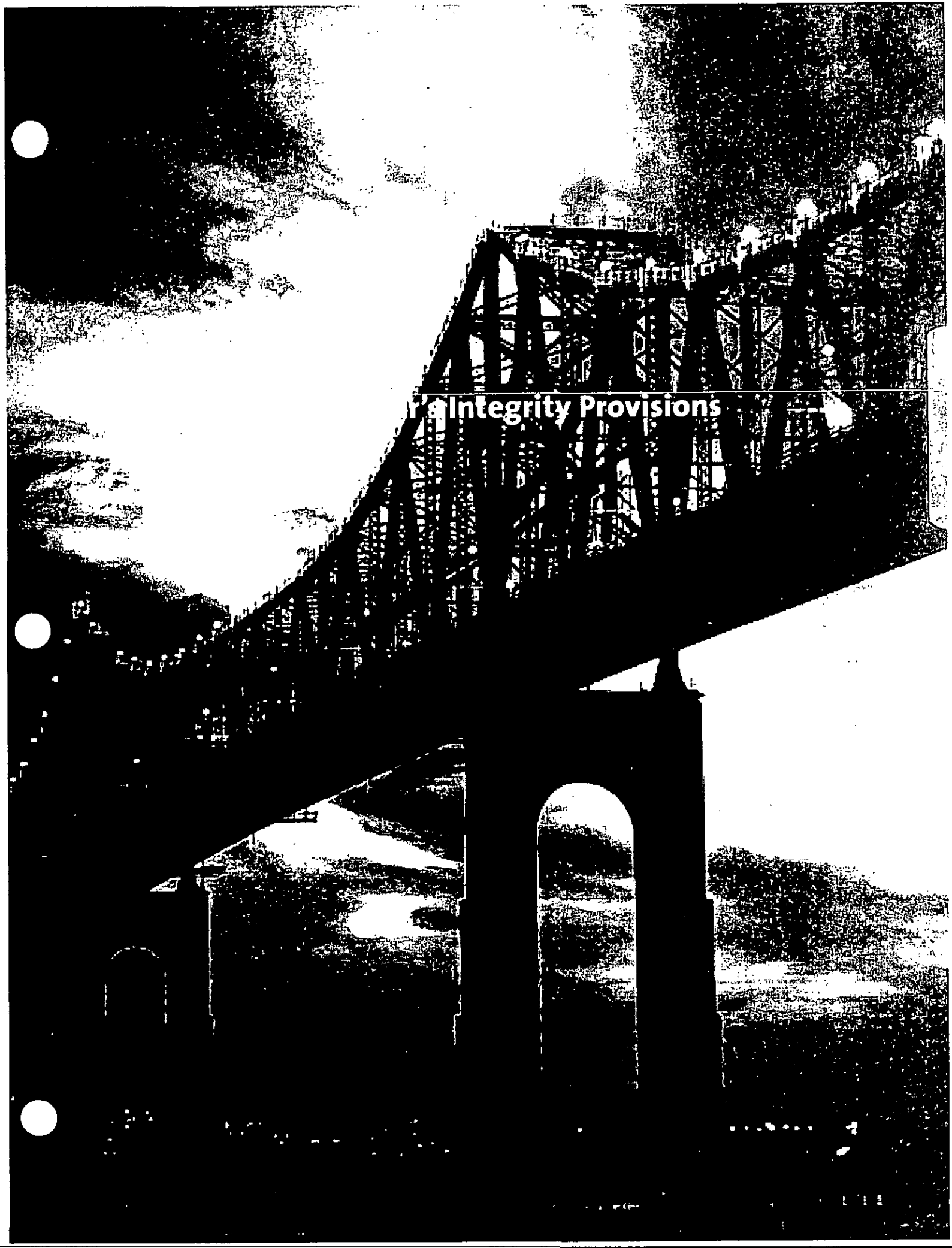
Notwithstanding the above, and without assuming any legal obligation, the Port Authority will employ reasonable efforts, subject to the provisions of the Port Authority's Freedom of Information Resolution adopted by its Committee on Operations on April 11, 1996, not to disclose to any competitor of the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

JCDecaux Airport Inc.
(Company)

(Signature)

co-CEO
(Title)

June 8, 2005
(Date)

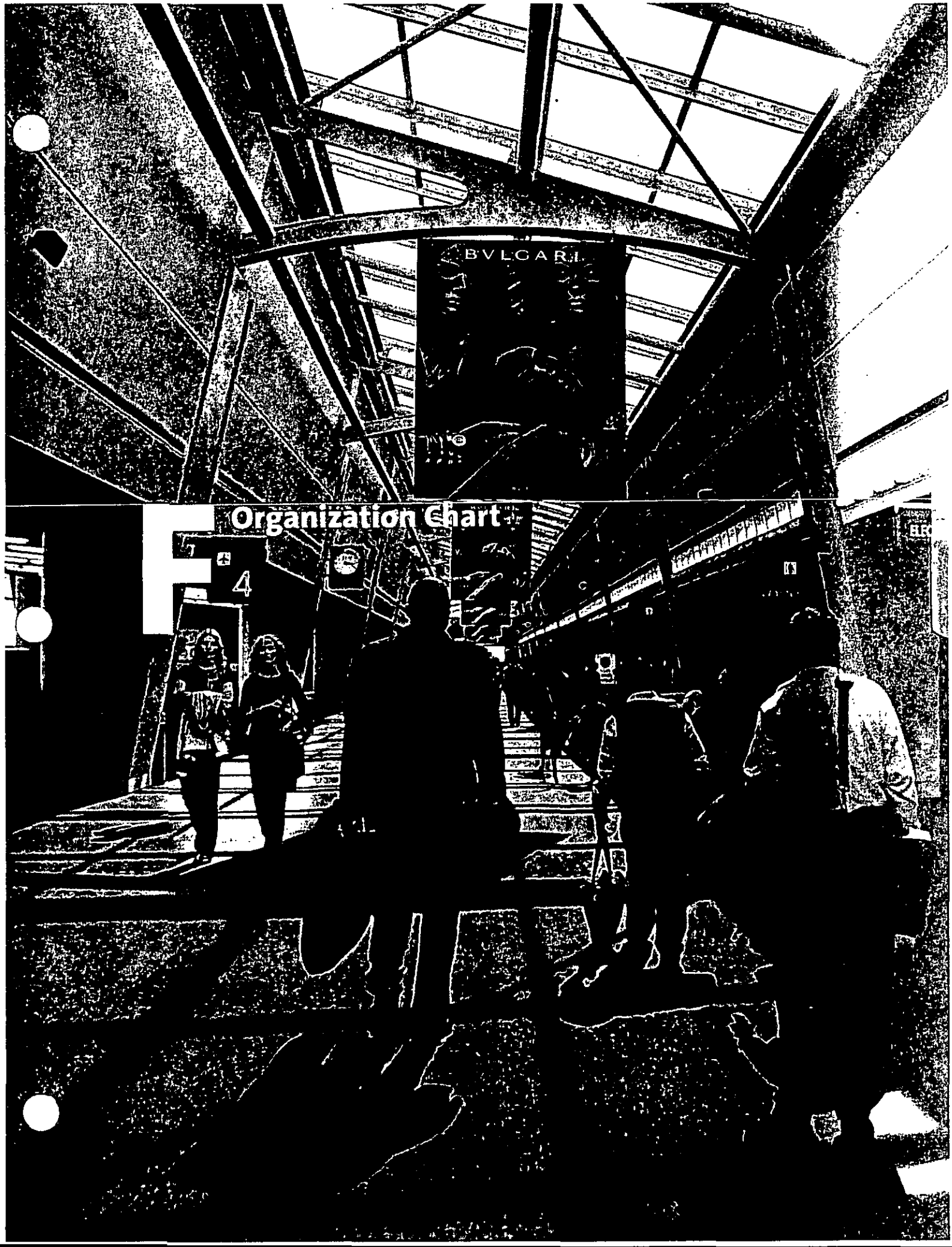


r's Integrity Provisions

D. Contractor's Integrity Provisions

Contractor's Integrity Provisions

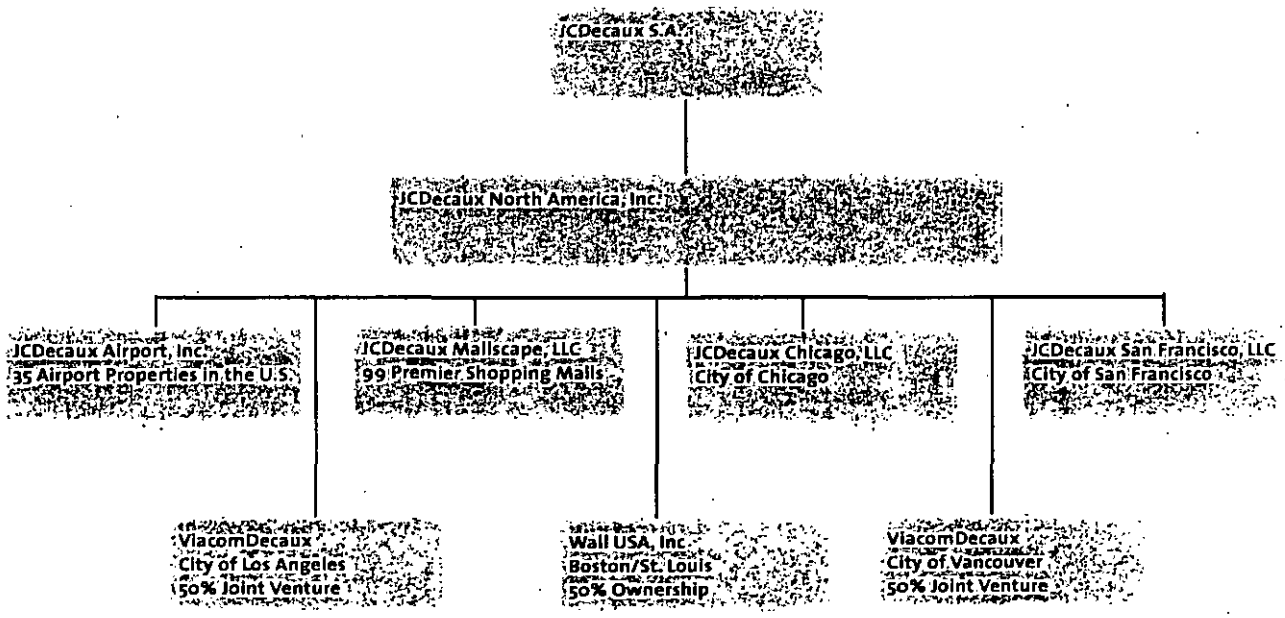
JCDecaux understands that by signing the Letter of Transmittal, we make the certifications in the "Contractor's Integrity Provisions."



F4 Organization Chart

F. Organization Chart

Company Organization Chart



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

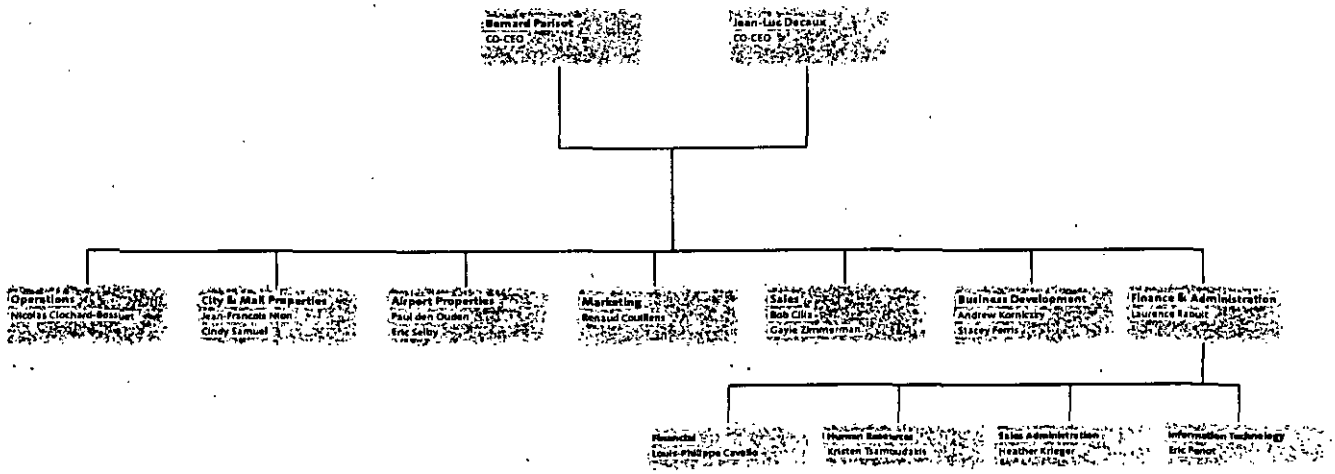
The Port Authority of NY & NJ

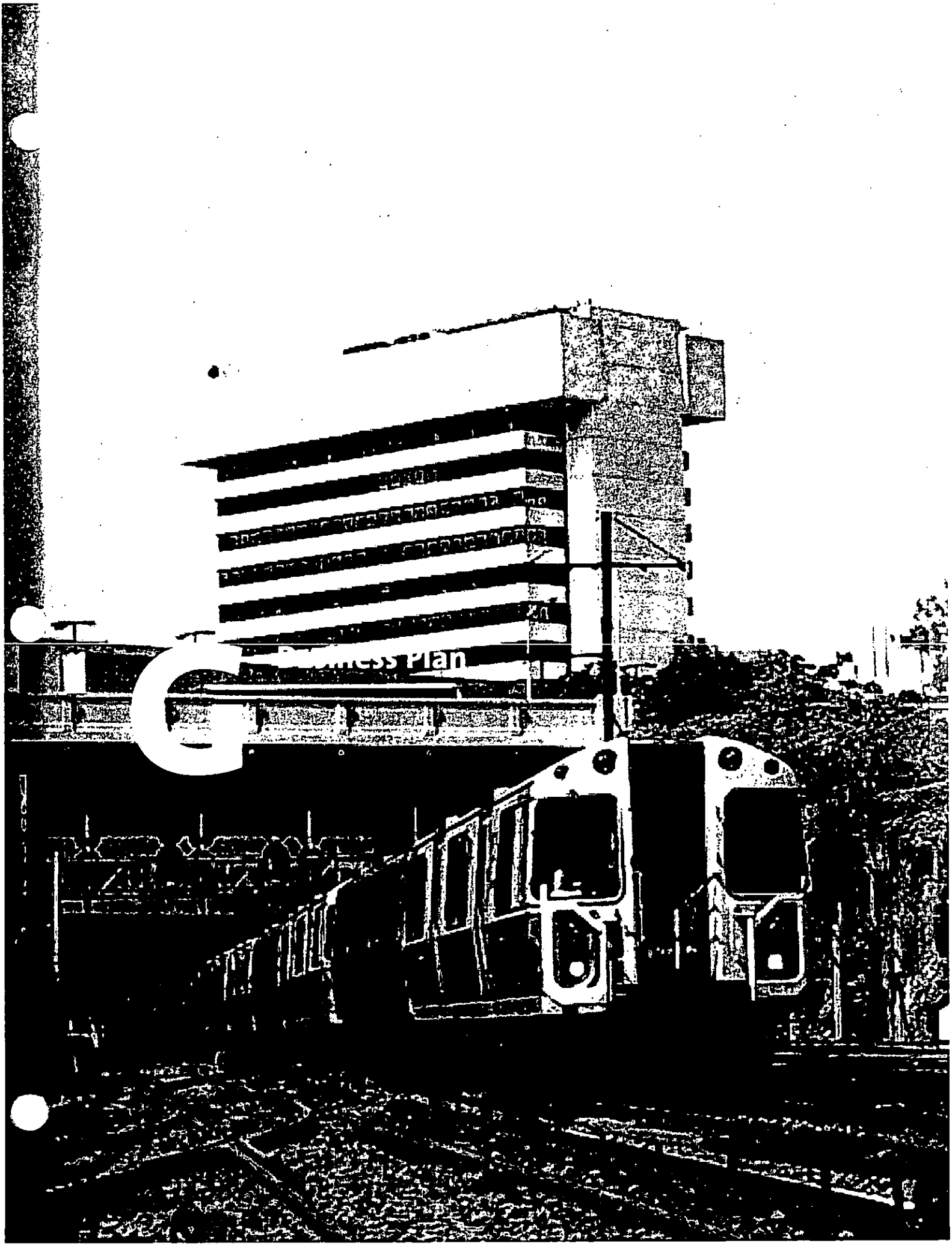
JCDecaux

F. Organization Chart

Corporate Management Organization

JCDecaux North America




G
ness Plan

a. A Vision for Today and the Future

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

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

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

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

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

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

G. Business Plan

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

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

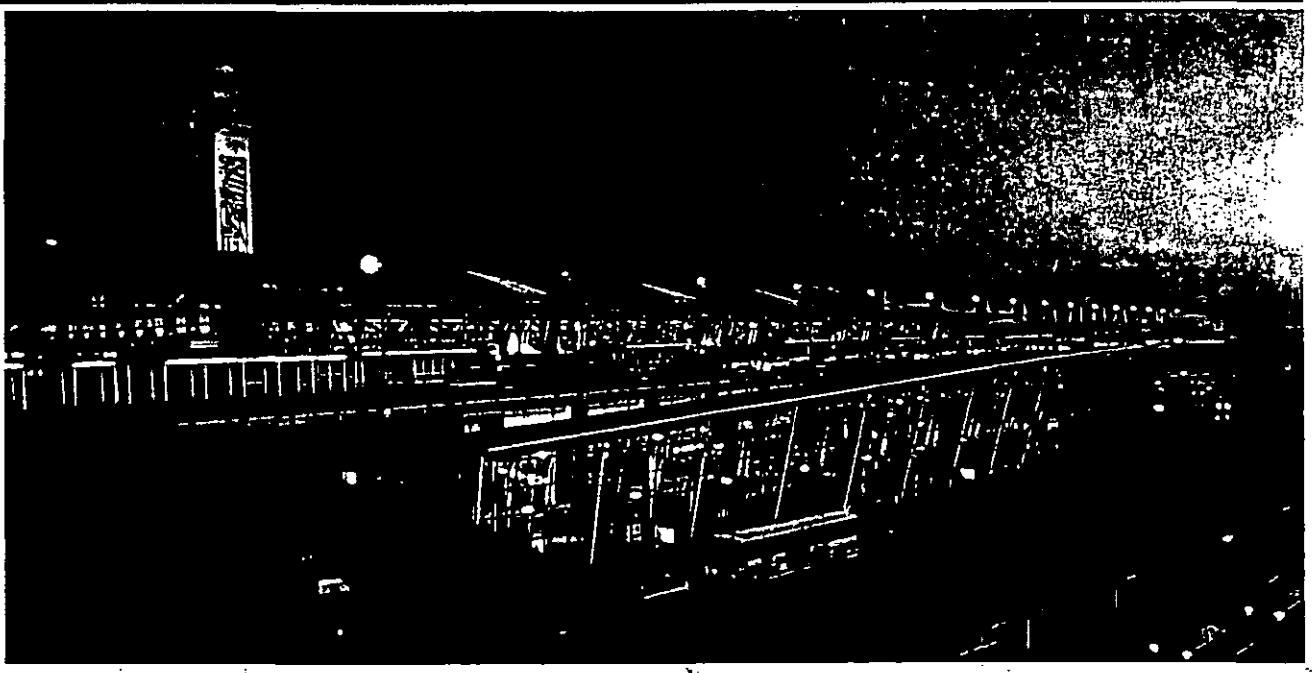
b. Maximizing the Port Authority's Assets and Media Potential

b.1 Aviation

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

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

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



New Interior Products

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

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

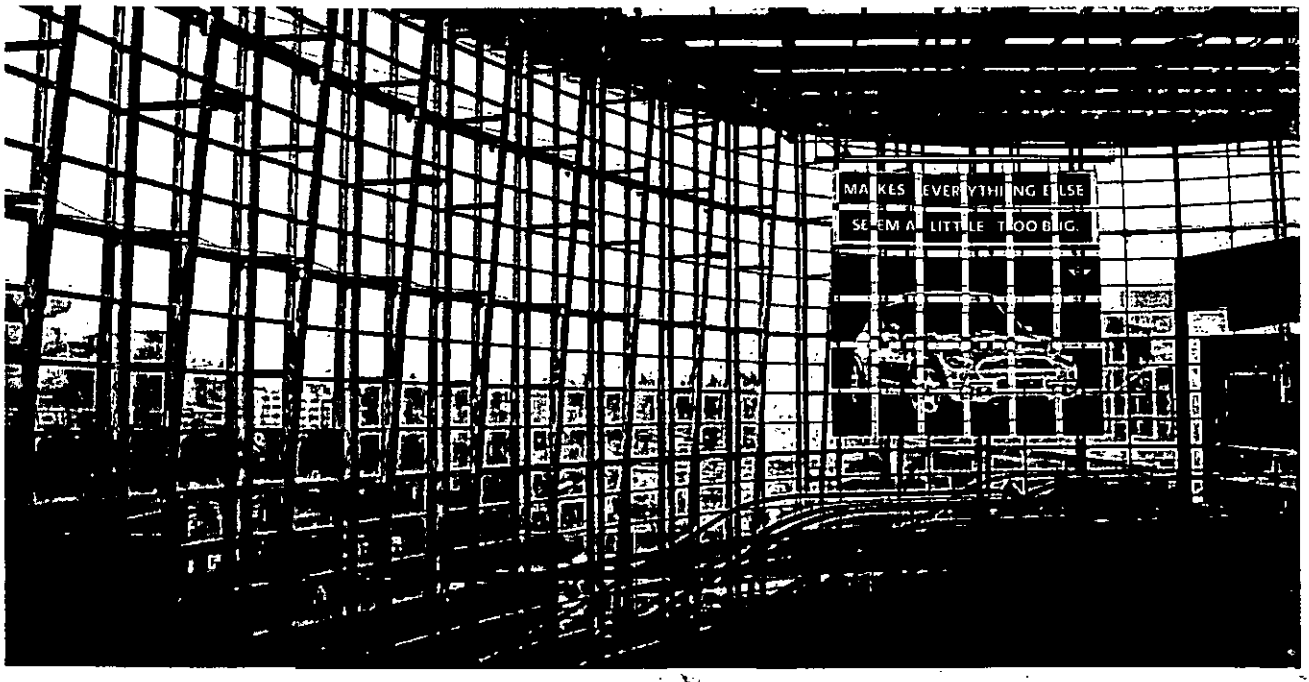
PowerPoles
JCDecaux has designed the first-ever branded recharge station for travelers. These highly attractive kiosks will be located in key dwell areas and near gate hold rooms. They are designed to help the harried traveler by providing them "easy access" to recharge their cell phones, laptops and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

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

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

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

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



New Exterior Products

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

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

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

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

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

The exterior advertising locations we are recommending include:

John F. Kennedy International Airport

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

LaGuardia Airport

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

Newark Liberty International Airport

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

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

b.2 Port Authority Trans-Hudson (PATH)

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

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

Maximize revenue from the existing inventory of displays

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

Implement new Premium Networks throughout the PATH stations

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

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

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

Develop wall wrap locations

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

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

Develop other types of traditional advertising displays

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

Develop alternative media opportunities

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

Deploy digital displays inside cars and on platforms

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

The new World Trade Center Transportation Hub

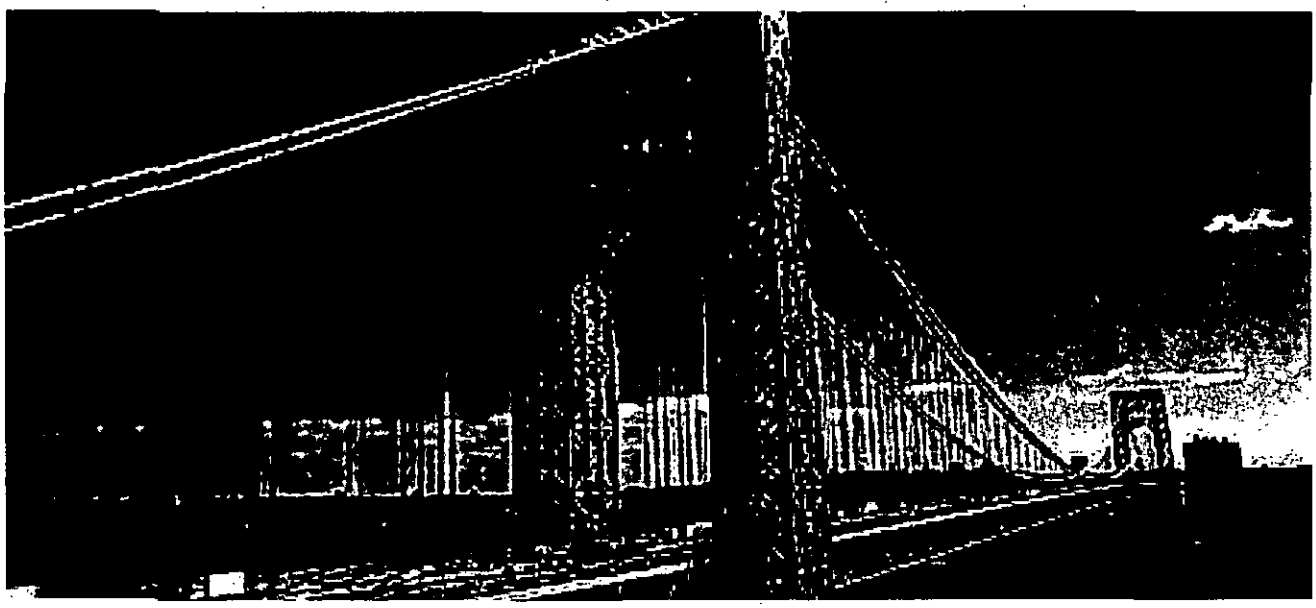
- As the new Santiago Calatrava-designed World Trade Center Transportation Hub is developed, it will become a major attraction visited by millions of commuters and tourists every year. This will make it a very attractive venue for advertisers.
- The symbolic aspect of the location makes it particularly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

b.3 Tunnels, Bridges, Terminals and Port Commerce

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

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

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



Giant Digital Displays

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

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

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

Bulletins

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

Wall Wraps/Stretched Banners

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

Temporary Signage

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

Alternative Media

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

Bus Terminals

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

b.4 Other Opportunities

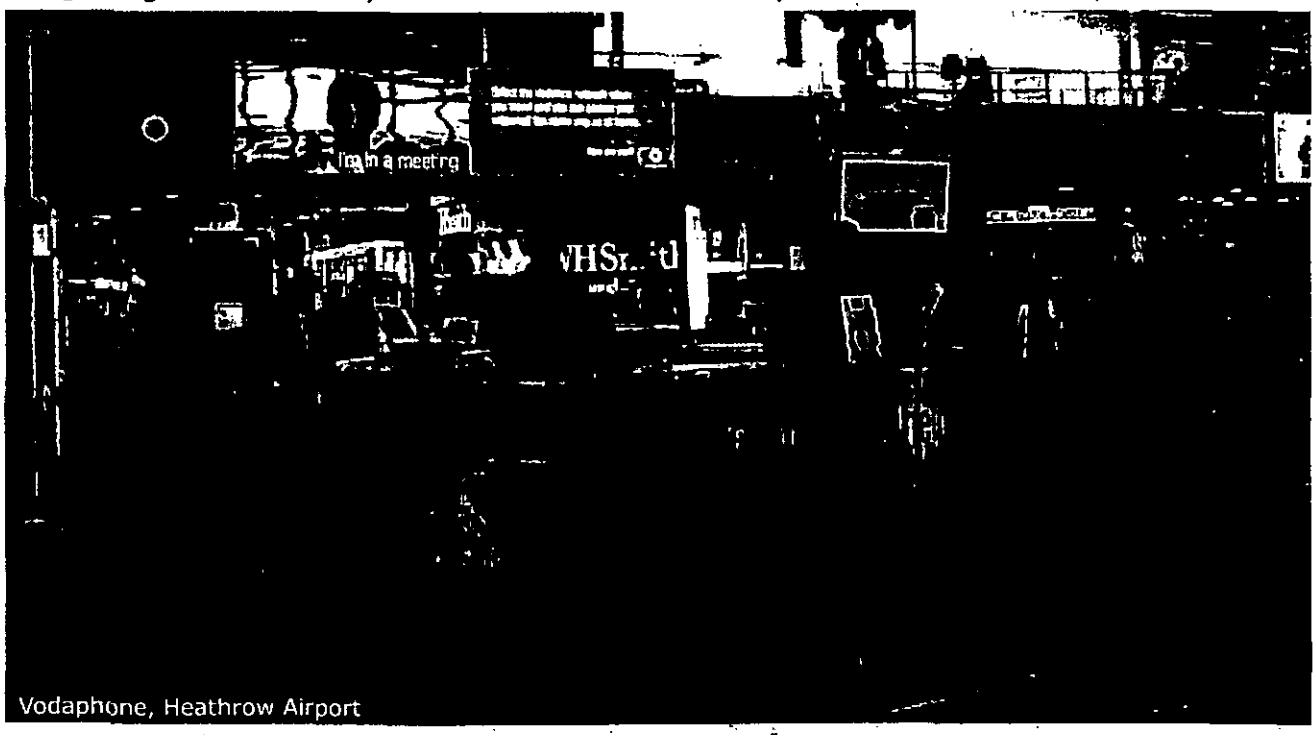
Sponsorships

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

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

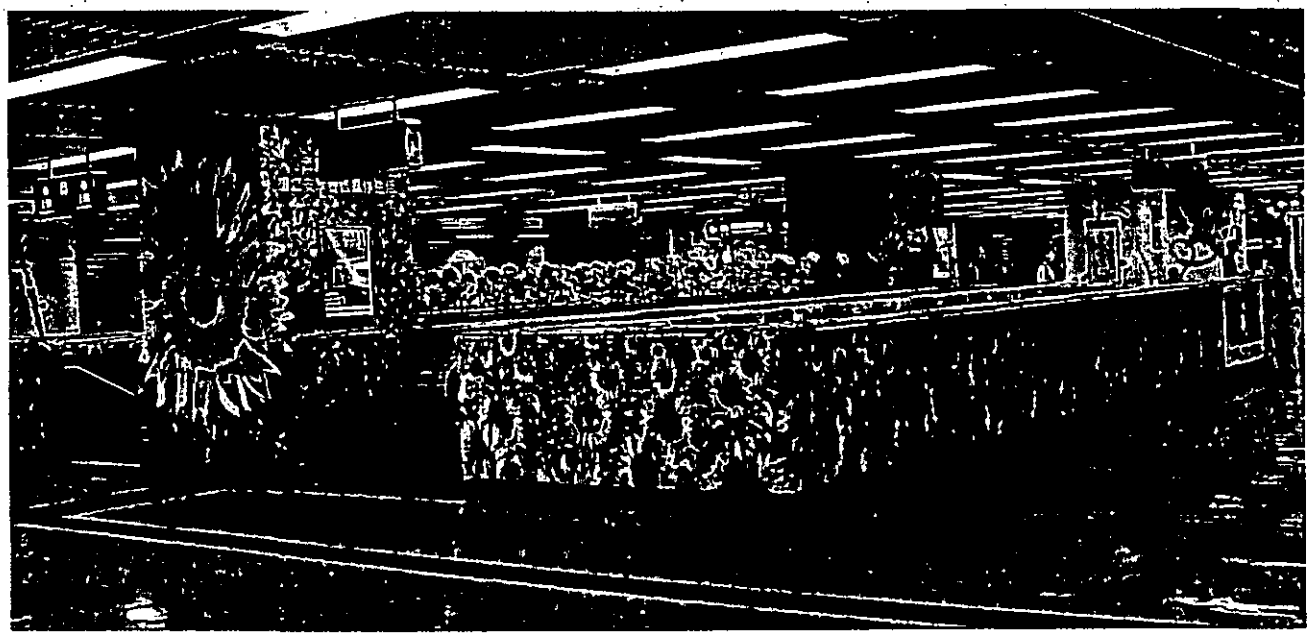
JCDecaux is the only company that has the right combination of advertising signage experience, working knowledge of your key assets, existing advertiser/sponsor relationships and the necessary resources to deliver innovative sponsorship packages.

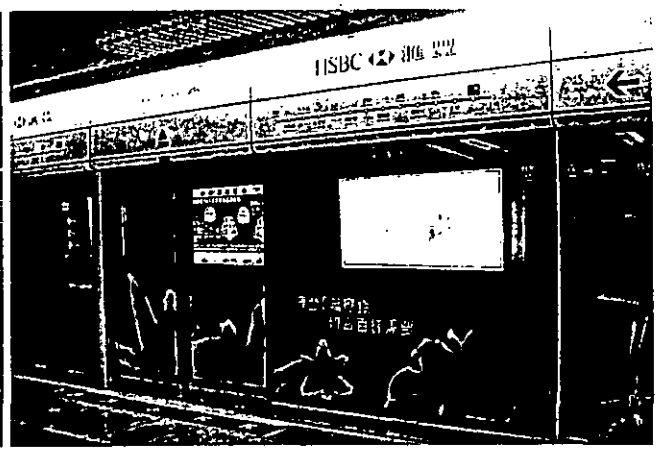
We will draw upon our experiences in sponsorship marketing campaigns throughout the world to implement your program. We have recently developed sponsorship programs at the Hong Kong Mass transit system for HSBC and for Vodaphone at Heathrow Airport.

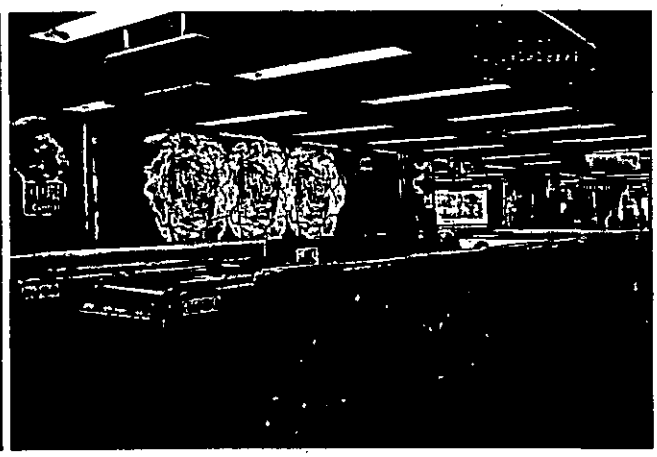


Vodaphone, Heathrow Airport

HSBC Sponsorship Campaign - Hong Kong Mass Transit System







c. Capital Investment and Projected Revenue:

Capital Investment

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

Revenue Projections

(in $million)

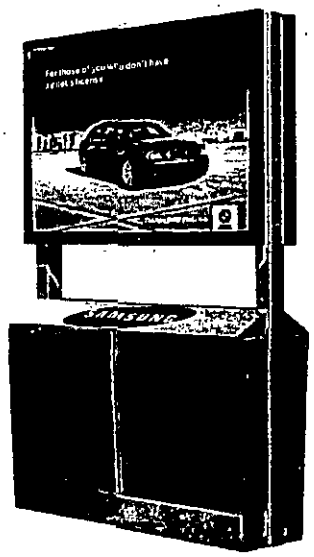
Year	Airports	Path & Bus Terminals	Tunnels, Bridges & Marine Terminals	Total
2006	53.9	0.3	15.1	69.3
2007	63.3	1.1	15.9	80.3
2008	73.5	3.6	16.7	93.8
2009	77.2	4.5	17.5	99.2
2010	81.1	5.0	18.4	104.5
2011	85.1	5.4	19.3	109.9
2012	89.4	5.7	20.3	115.4
2013	93.8	6.0	21.3	121.1
2014	98.5	6.3	22.4	127.2
2015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

d. Designs:

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

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

Prestige Digital Units (PDU)



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

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

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

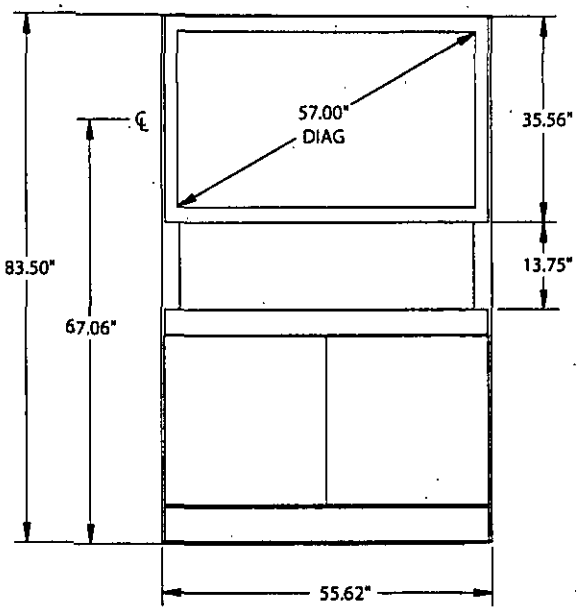
To manage this content, JCDecaux has developed SAMS, a proprietary narrowcasting application. It is a full-blown content creation, scheduling, distribution and playback system including advanced control and monitoring functionalities. SAMS is currently used at JFK T1, John Wayne Airport in Orange County,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

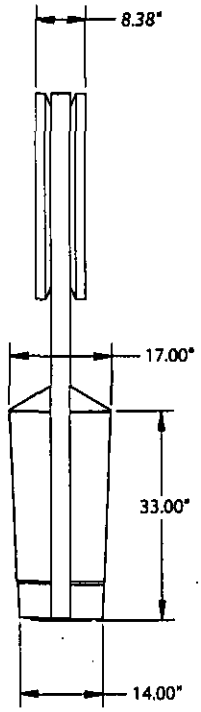
An industrial PC, housed within the structure, controls both screens and the content playback. The system is protected from power surges and short power outages by an uninterruptible power supply.

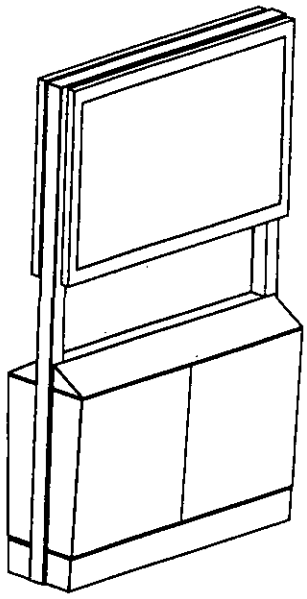
G. Business Plan

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

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







APPROXIMATE MAX. WEIGHT - 650 LBS

ELECTRICAL - 120 VAC 15 AMP DRAW

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

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

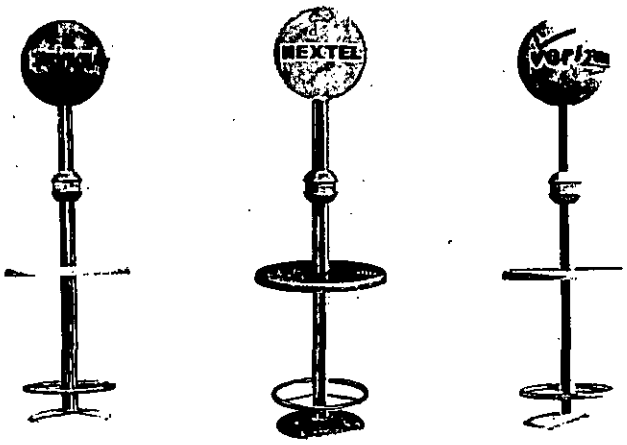
DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux PDN-13

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

REV. 06/01/05

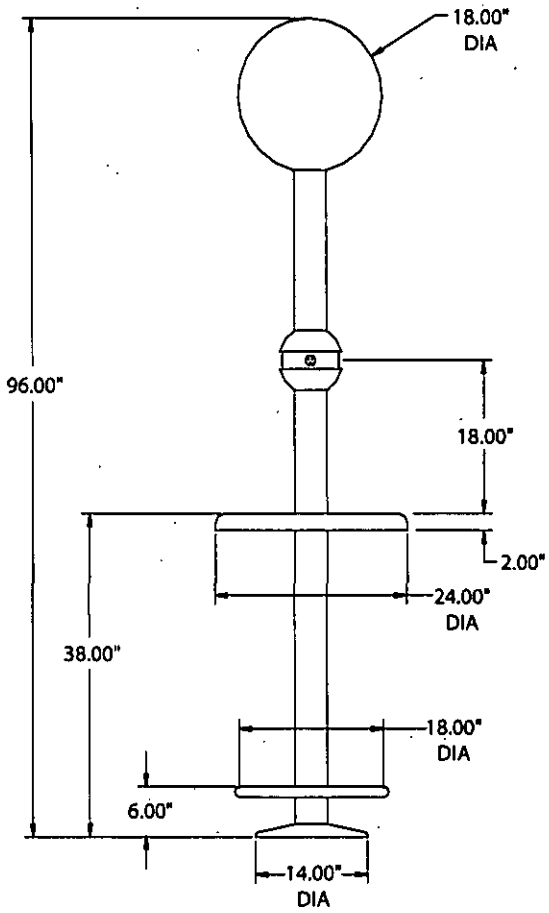
PowerPole Network

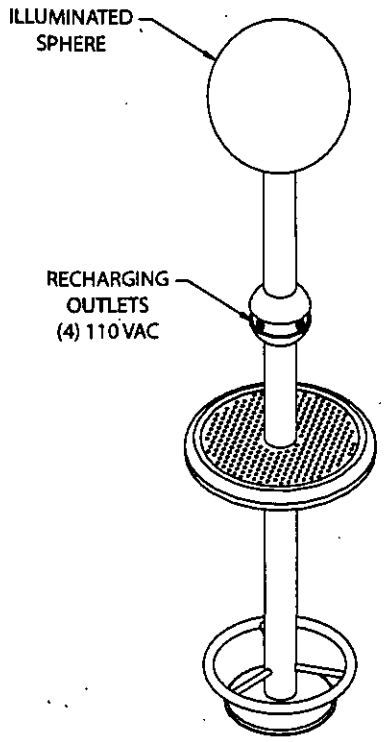


JFK, LaGuardia and Newark will be the first airports in the country to receive this new, innovative product designed with both passengers and advertisers in mind. Most airline passengers have experienced the frustration of being stuck in an airport with their cell phone, laptop or PDA out of power. The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

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

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





APPROXIMATE MAX. WEIGHT - 150 LBS

ELECTRICAL - 120 VAC 5 AMP DRAW

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

FINISH - ARCHITECTURAL GRADE POWDER COAT WHERE APPLICABLE.

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

JCDecaux CD-03

POWER POLE - RECHARGING STATION
DESIGN - CUSTOM

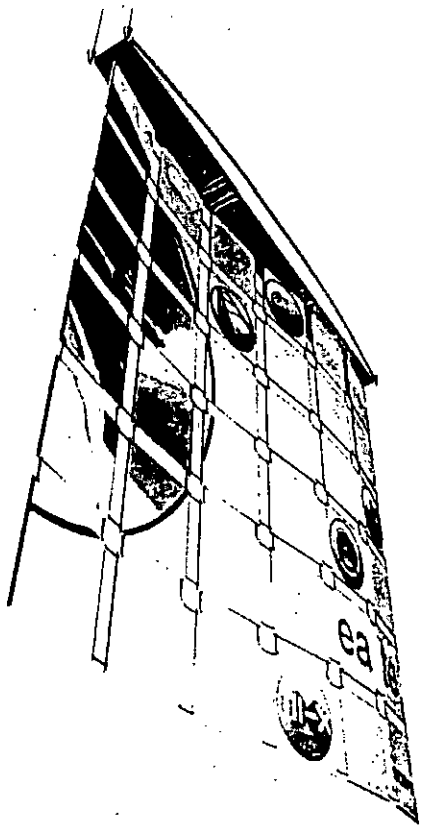
REV. 06/01/05

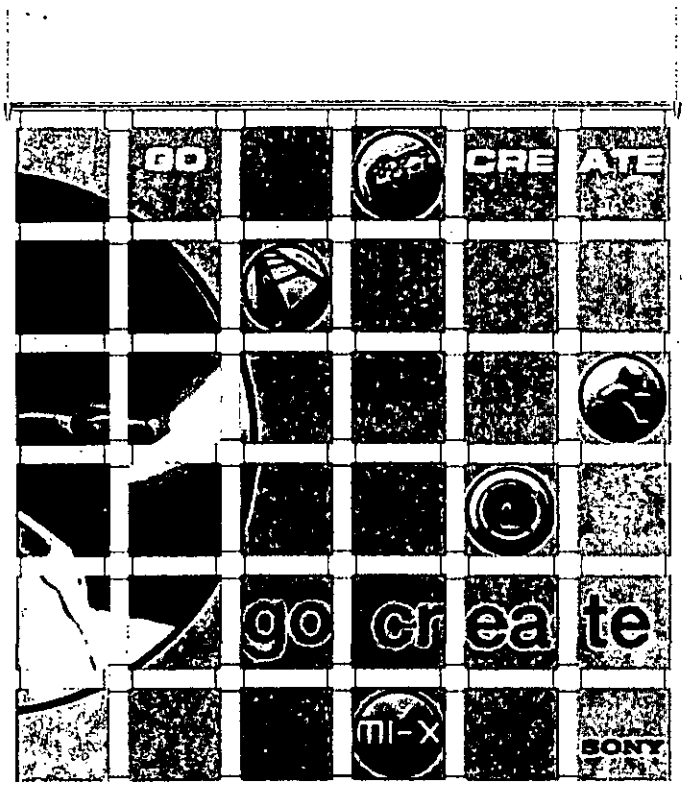
The Wave

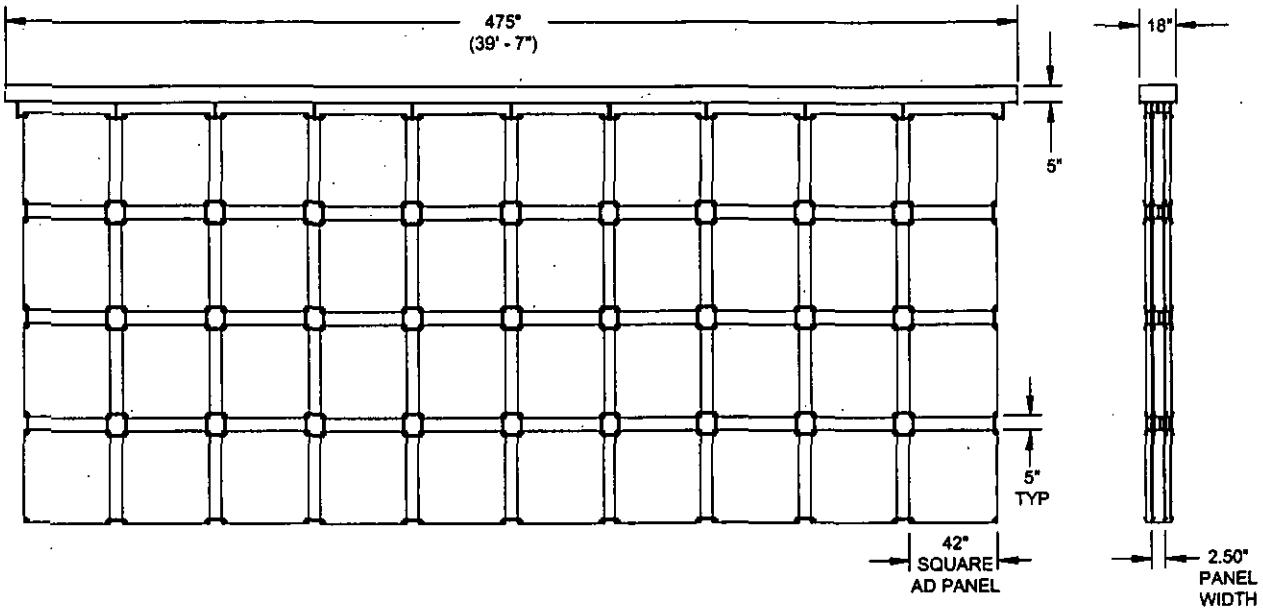
JCDecaux has developed a unique concept for an undulating banner that will become an attraction of iconic proportions. It consists of up to 40 individual squares that combine to form a single large image. A mechanical drive integrated into the suspension system on top of the unit activates the display.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

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

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







APPROXIMATE MAX. WEIGHT - 3000 LBS

ELECTRICAL - 120 VAC 20 AMP DRAW

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

FINISH - ARCHITECTURAL GRADE POWDER COAT WHERE APPLICABLE.

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

JCDecaux CD-01

WAVE - 42" SQ AD SIZE 4 X 10 GRID REV. 06/01/05
DESIGN - CUSTOM

Electronic Art System

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

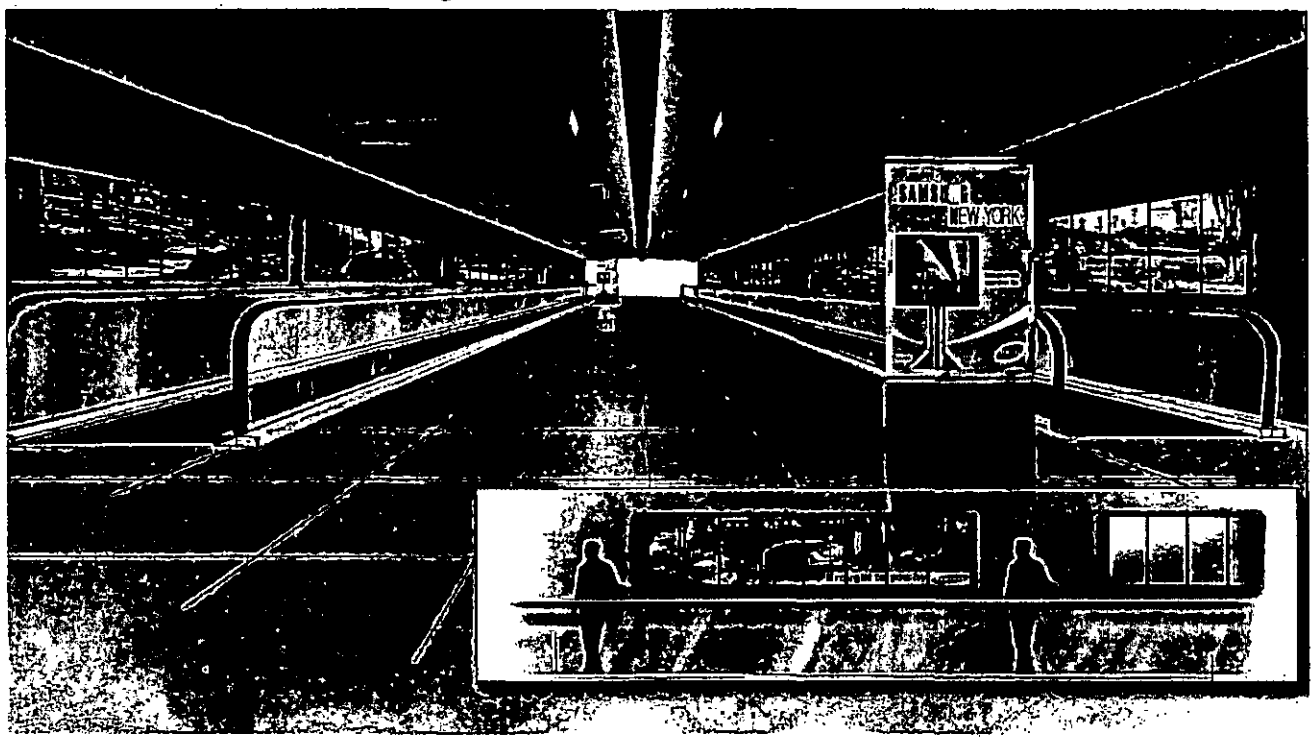
The "Electronic Art System" will combine the latest digital screen technology, cutting edge art and commercial content in a highly stylized groundbreaking combination.

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

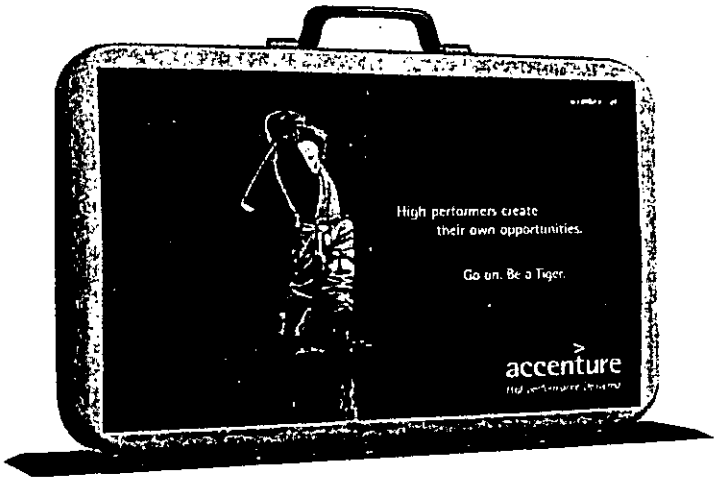
The system will allow for one unique sound source to be played in synchronization with the video content.

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

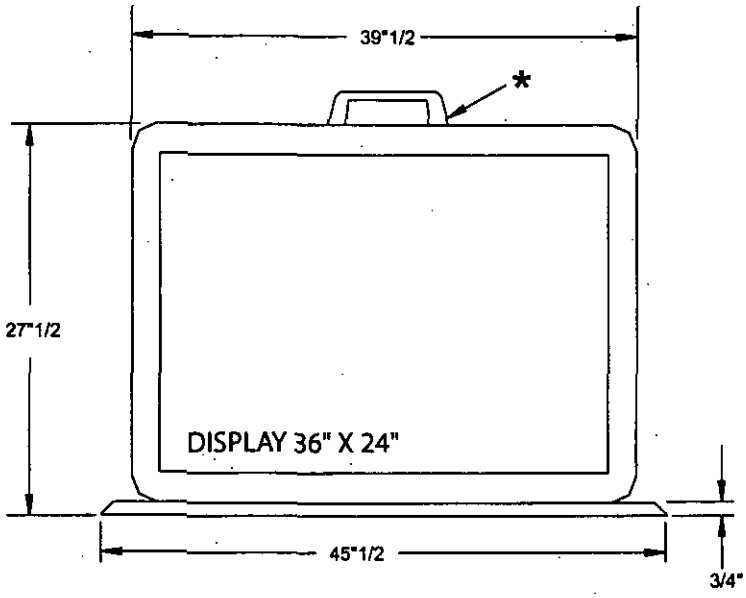
Several major corporations have already expressed interest in sponsoring the "Electronic Art System" thereby ensuring that the operation will not only benefit passengers and staff with beautiful works of art but also generate substantial revenue streams.

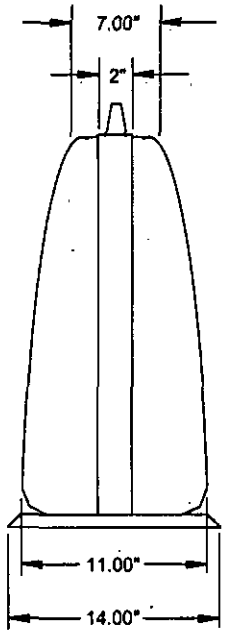


LightBag Displays



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





APPROXIMATE MAX. WEIGHT - 80 LBS

ELECTRICAL - 120 VAC 1 AMP DRAW

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

* HANDLE IS NOT FOR LIFTING

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

JCDecaux CD-04

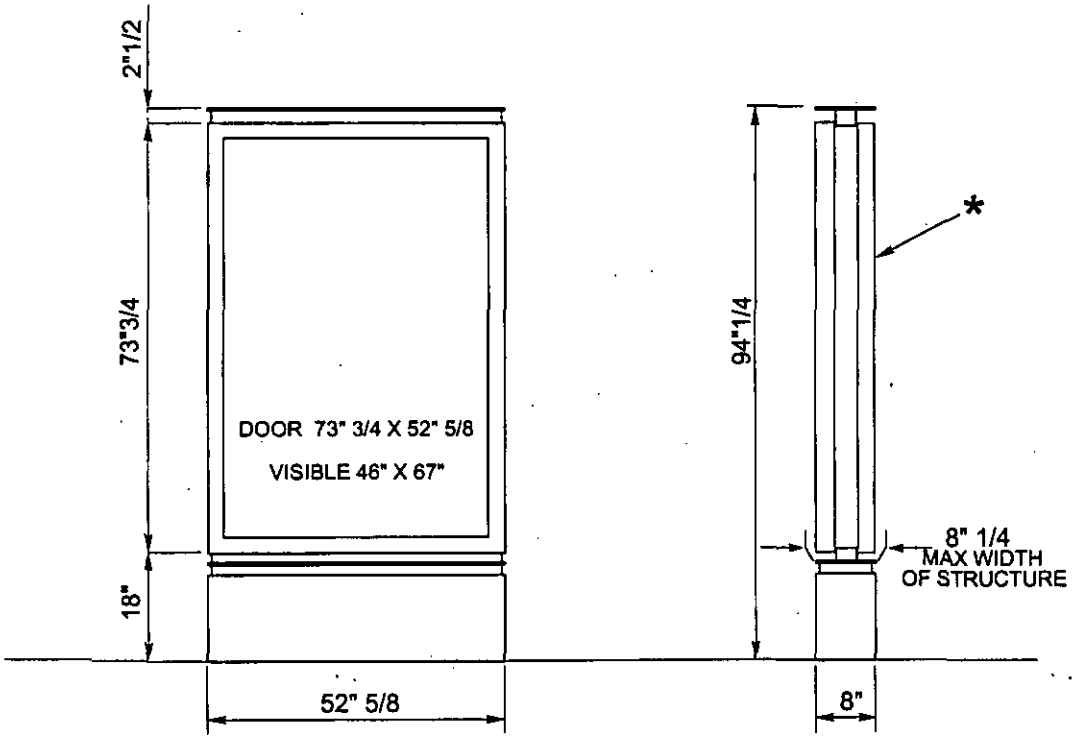
LIGHT BAG - 24" X 36" AD SIZE DOUBLE SIDED DESIGN - CUSTOM

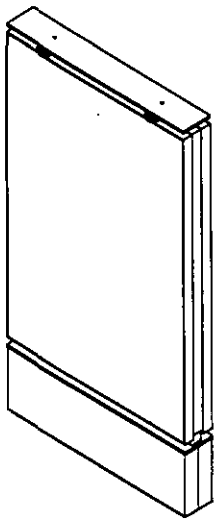
REV. 06/01/05

Vertical Scrolling Displays

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

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





APPROXIMATE MAX. WEIGHT - 725 LBS

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

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

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

SEE FA-01 FOR BASIC ANCHORING.

* - BLANK ON SINGLE SIDED PANEL (SSP)

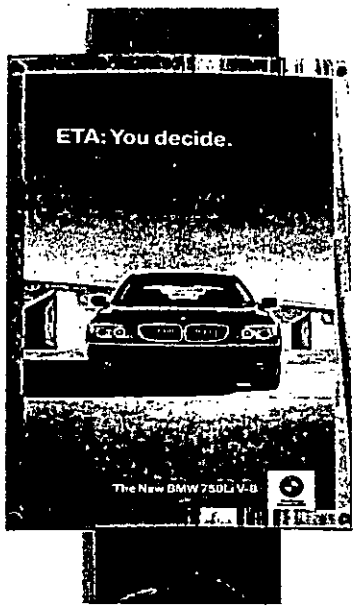
DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux F-01

SSP AND DSP FLAT
DESIGN - CLASSIC

REV. 06/01/05

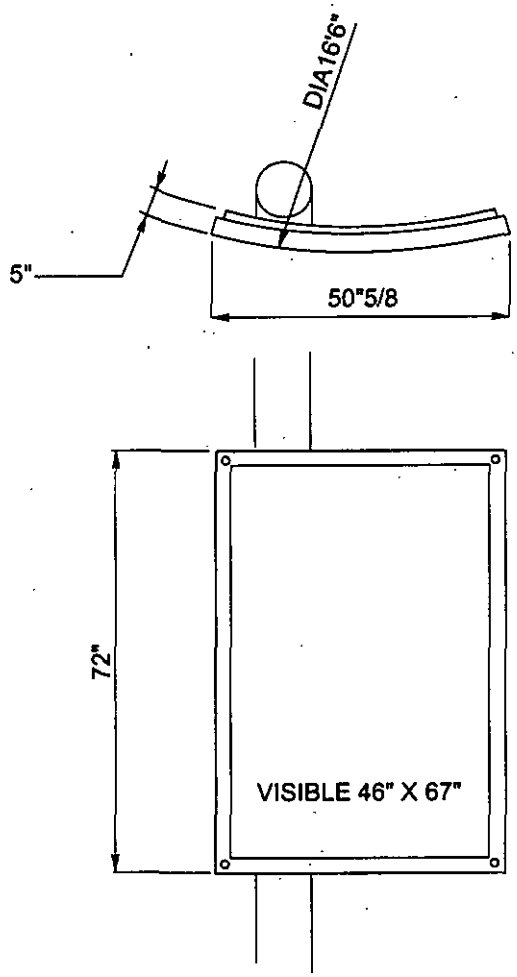
Curved Column Unit

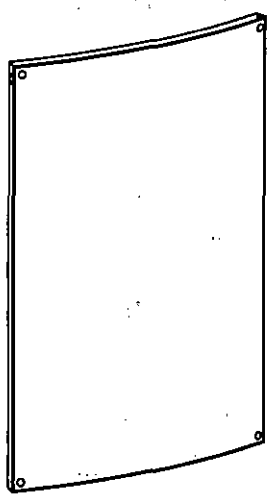


The Curved Column Unit was initially developed by JCDecaux for its mall advertising division. It has proven highly successful both in revenue-producing and aesthetic terms. The display allows placing signs in locations where a freestanding unit might not fit.

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

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





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

ELECTRICAL - 120 VAC 4 AMP DRAW

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

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

SEE FA-10 FOR BASIC ANCHORING.

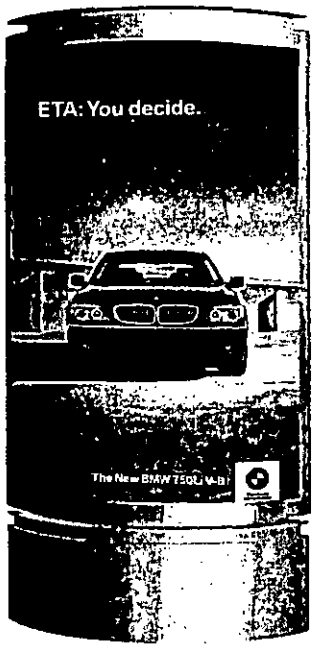
DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux F-10

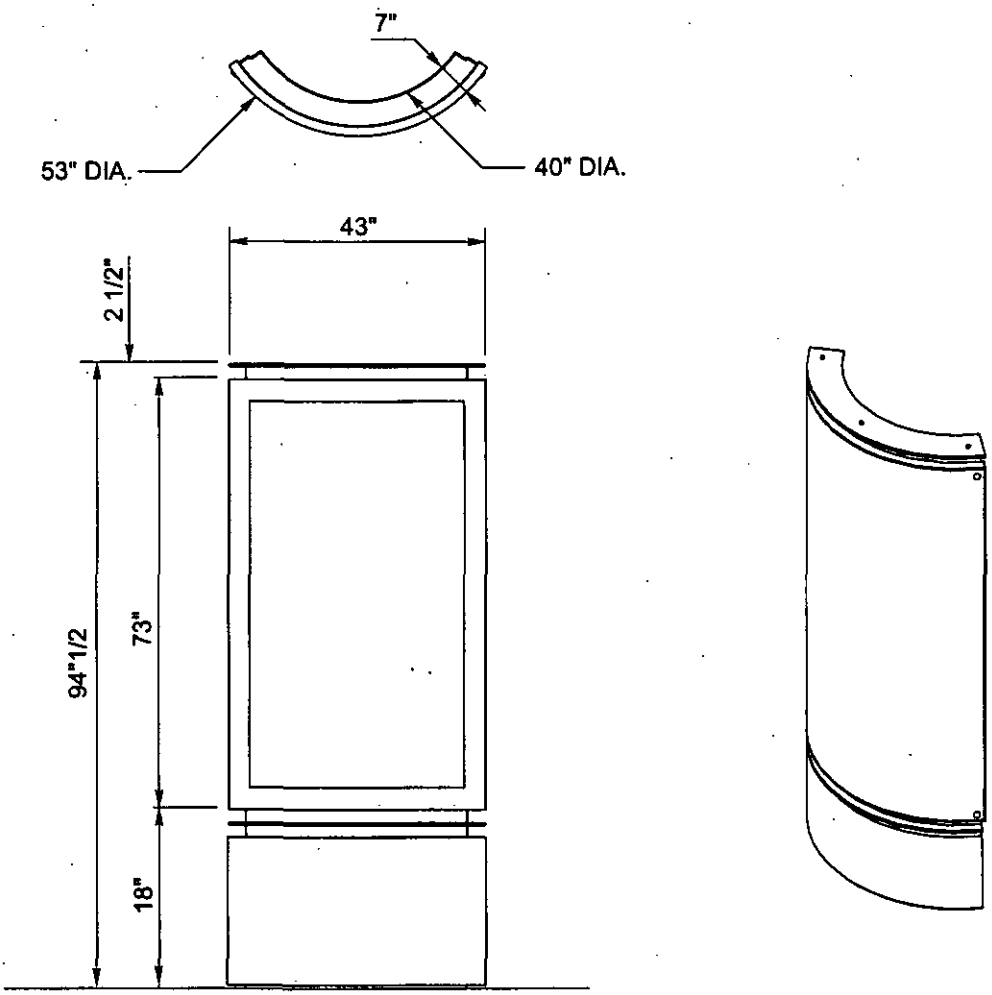
SINGLE SIDED CURVED DESIGN - CLASSIC

REV: 06/01/05

1/3 and 3/3 Kiosk



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



APPROXIMATE MAX. WEIGHT - 575 LBS

ELECTRICAL - 120 VAC 4 AMP DRAW

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

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

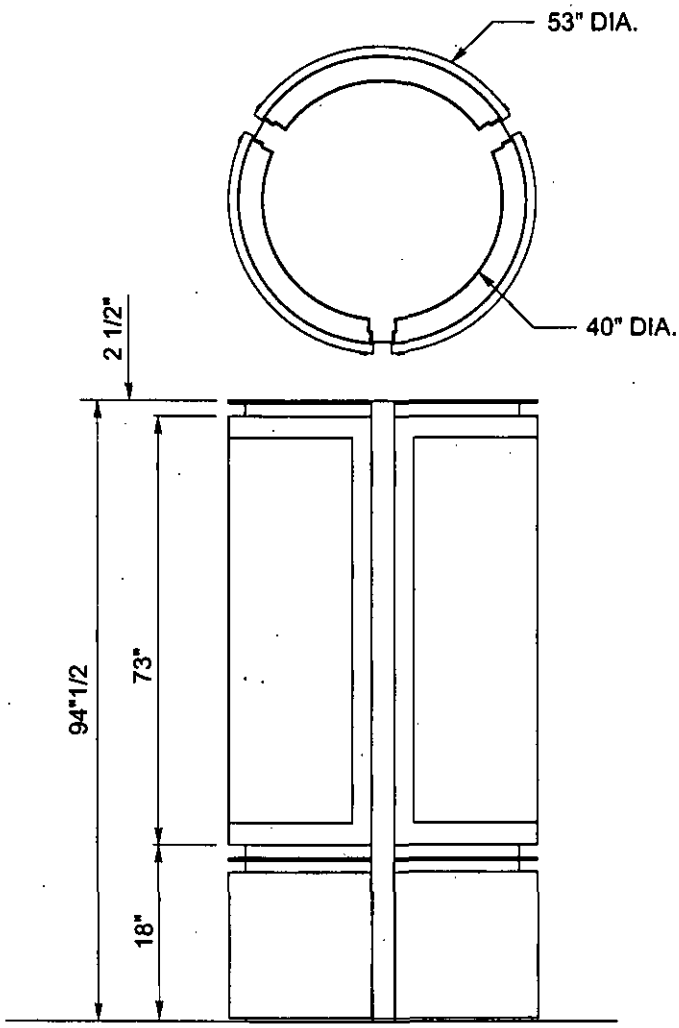
SEE FA-32 FOR BASIC ANCHORING.

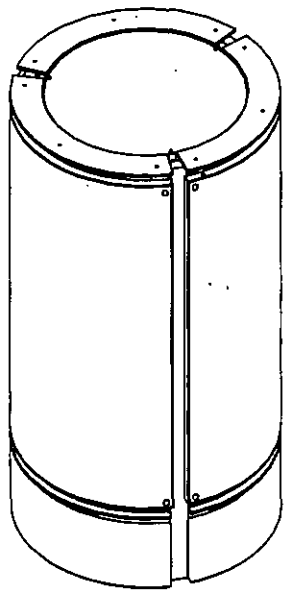
DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux F-32

ONE THIRD KIOSK
DESIGN - CLASSIC

REV. 06/01/05





APPROXIMATE MAX. WEIGHT - 1700 LBS

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

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

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

SEE FA-30 FOR BASIC ANCHORING.

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

JCDecaux F-30

THREE THIRD CYLINDRICAL KIOSK
DESIGN - CLASSIC

REV. 06/01/05

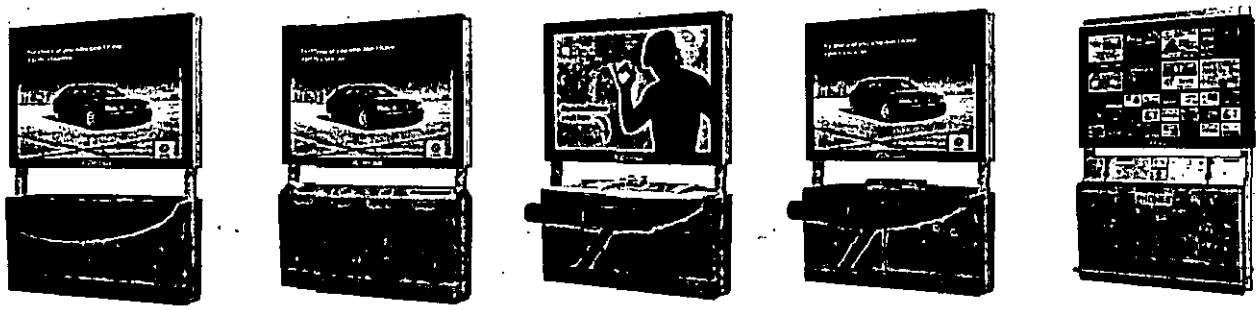
G. Business Plan

Airport Amenity Units

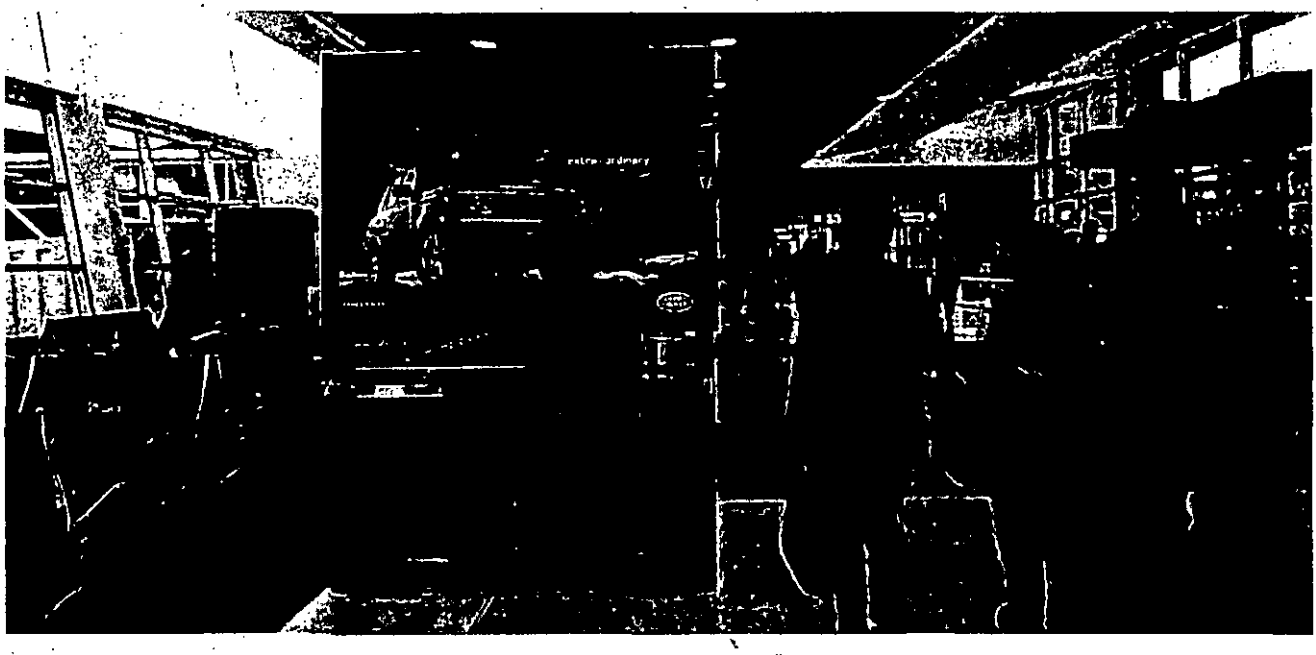
We have developed the Airport Amenity Unit (AAU) with two goals in mind:

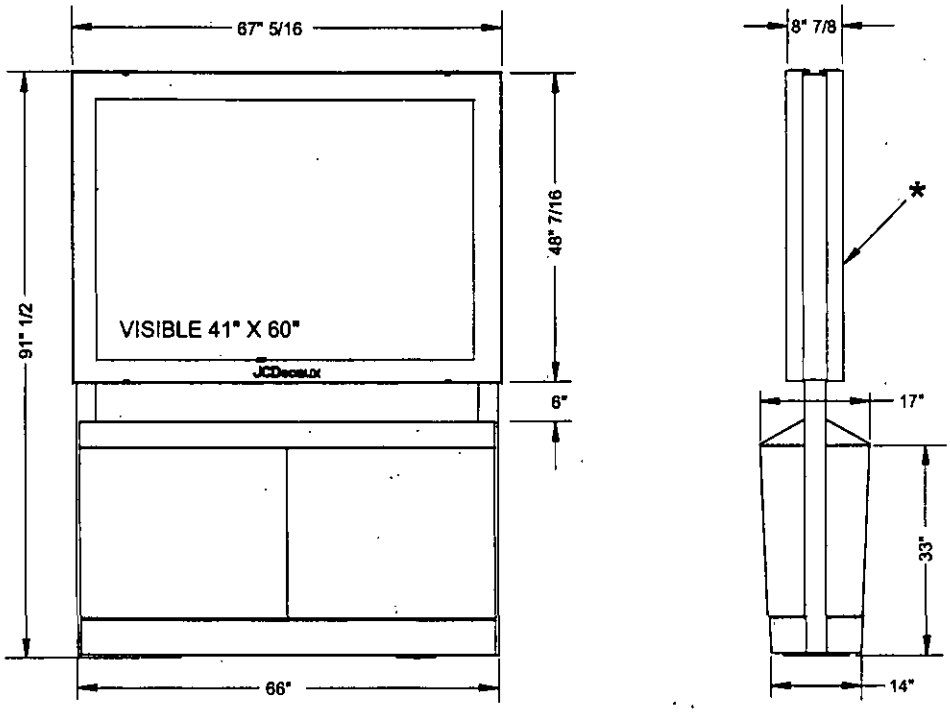
- Provide useful service to passengers where needed
- Position diorama-size advertising panels in high-traffic locations, head-on to the viewing public

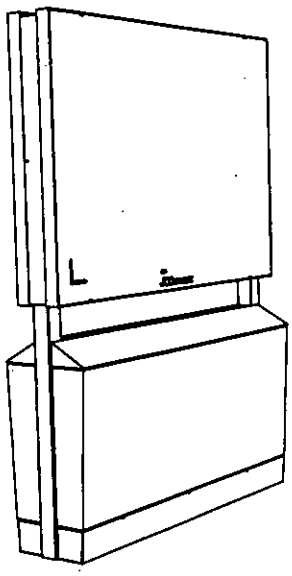
Our AAU's have many functional base alternatives with double sided backlit dioramas mounted on top. One side has a scrolling face that can accommodate up to three advertisers at the same time. The other side is a traditional static poster. Versatile bases can be fitted as desktops with electric plug-ins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



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







APPROXIMATE MAX. WEIGHT - 700 LBS

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

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

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

*BLANK PANEL ON SINGLE SIDED UNIT.

SEE AAU-A-01 FOR BASIC ANCHORING.

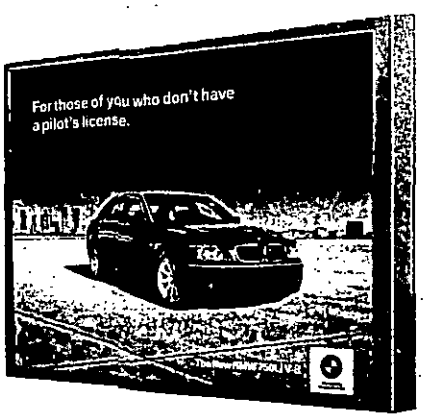
DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux AAU-02

AAU - BASIC
DESIGN - AIRPORT AMENITY UNIT

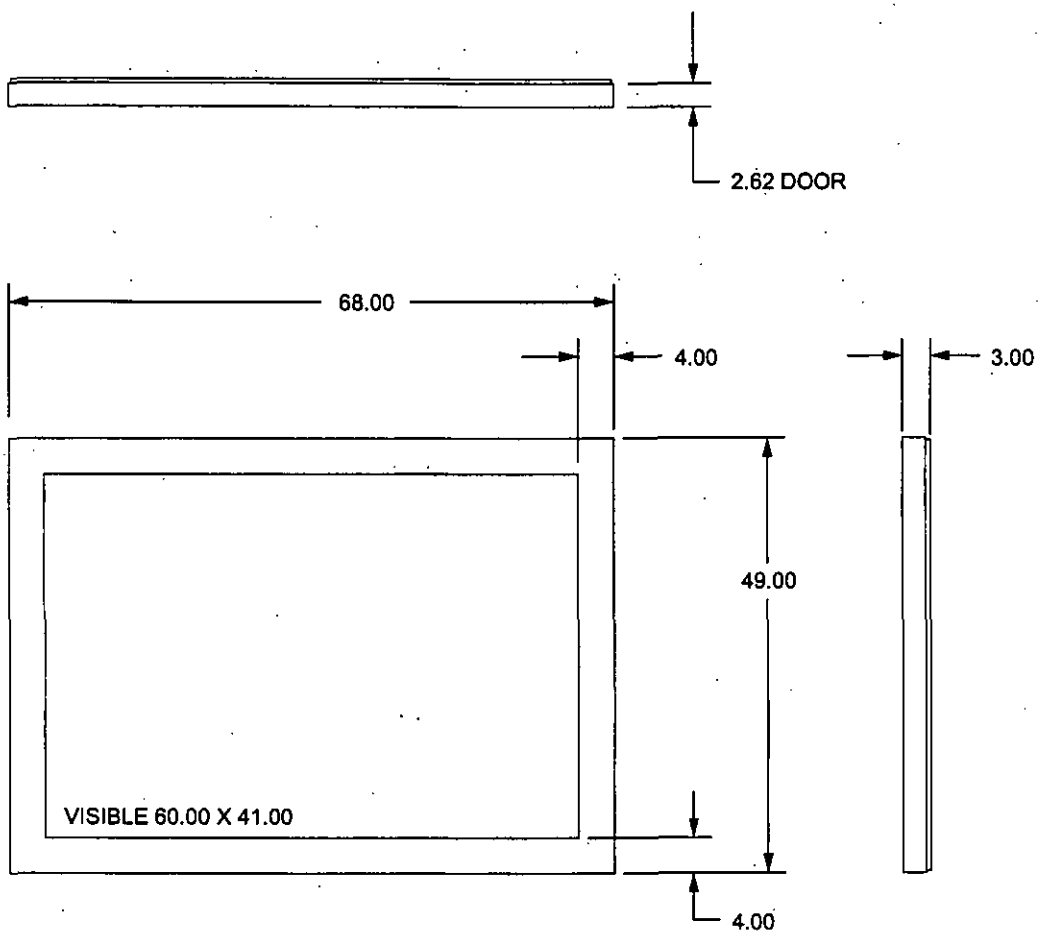
REV. 06/01/05

Diorama



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

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



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

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

JCDecaux SS02

DIORAMA - SINGLE
DESIGN - DIORAMA STANDARD

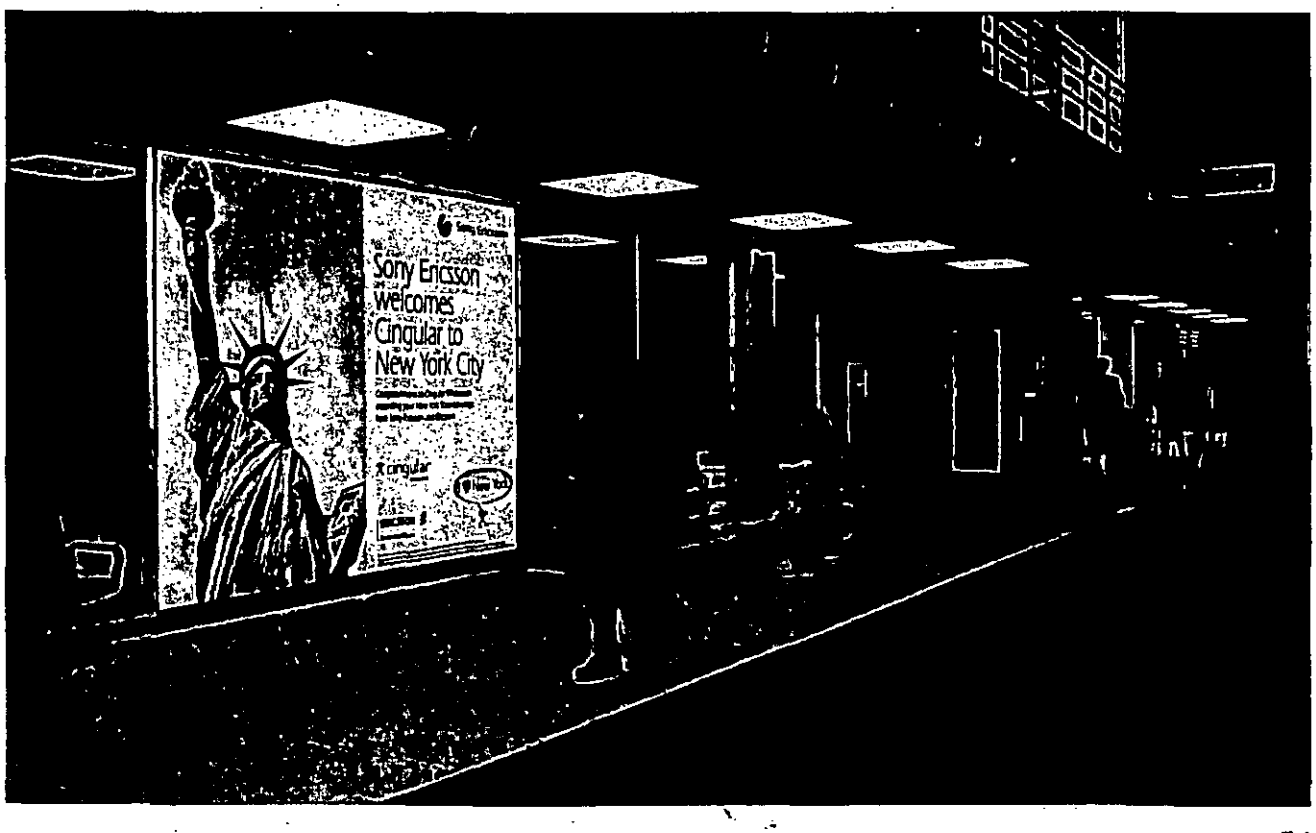
REV. 06/01/05

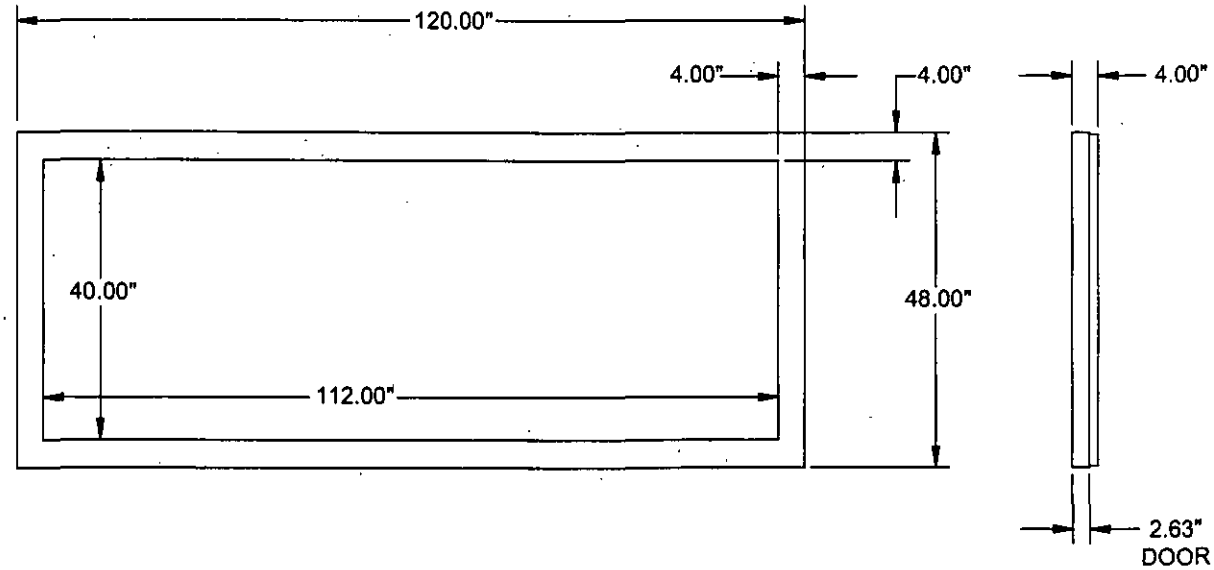
Spectacular Displays

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

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

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





APPROXIMATE MAX. WEIGHT - 350 LBS

ELECTRICAL - 120 VAC 10 AMP DRAW

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

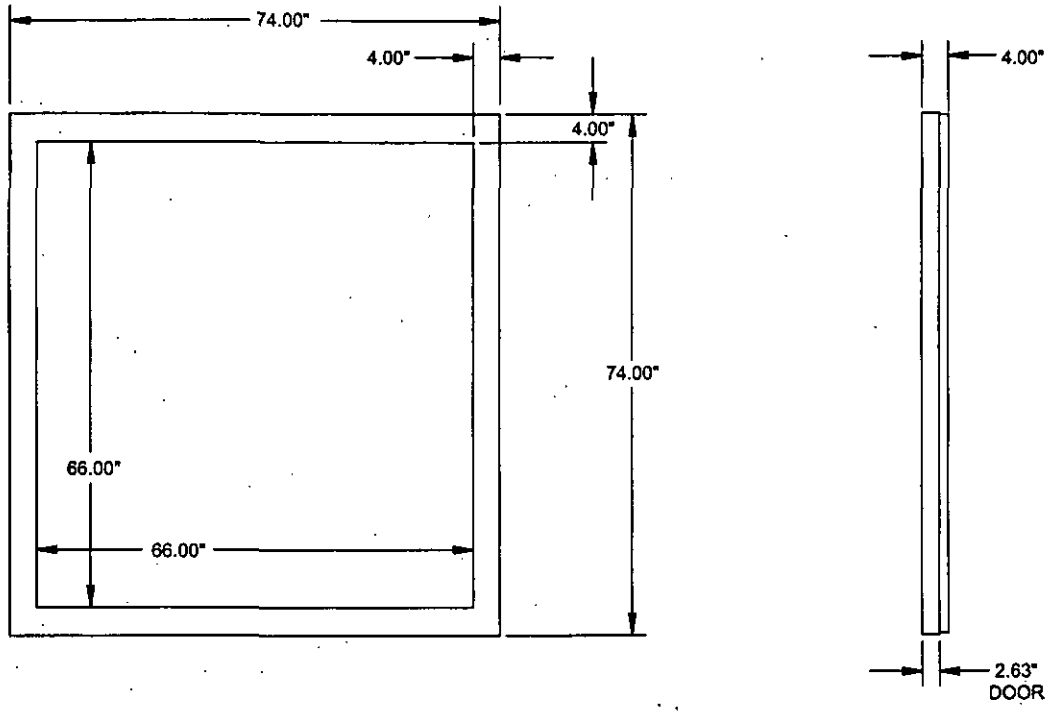
FINISH - ARCHITECTURAL GRADE POWDER COAT WHERE APPLICABLE.

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

JCDecaux SS-19

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

REV. 06/01/05



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

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

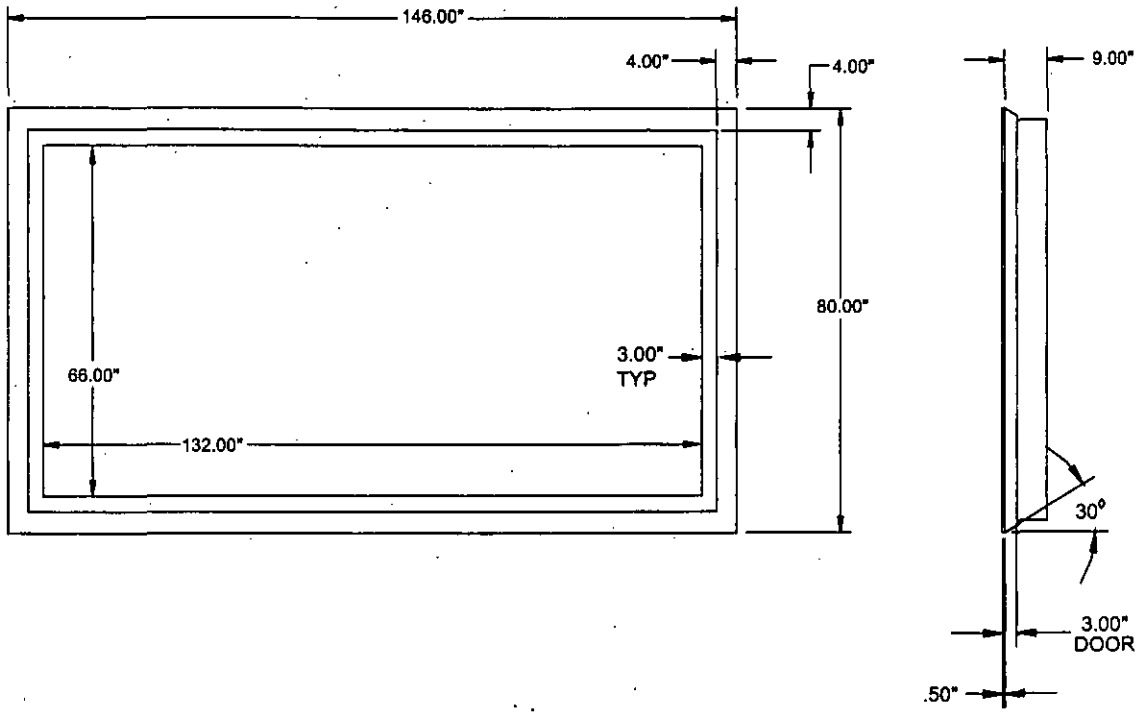
FINISH - ARCHITECTURAL GRADE POWDER COAT WHERE APPLICABLE.

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

JCDecaux SS-15

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

REV. 06/01/05



APPROXIMATE MAX. WEIGHT - 850 LBS

ELECTRICAL - 120 VAC 20 AMP DRAW

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

FINISH - ARCHITECTURAL GRADE POWDER COAT WHERE APPLICABLE.

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

JCDecaux SS-26

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

DESIGN - DIORAMA PICTURE FRAME

G. Business Plan

Wraps

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

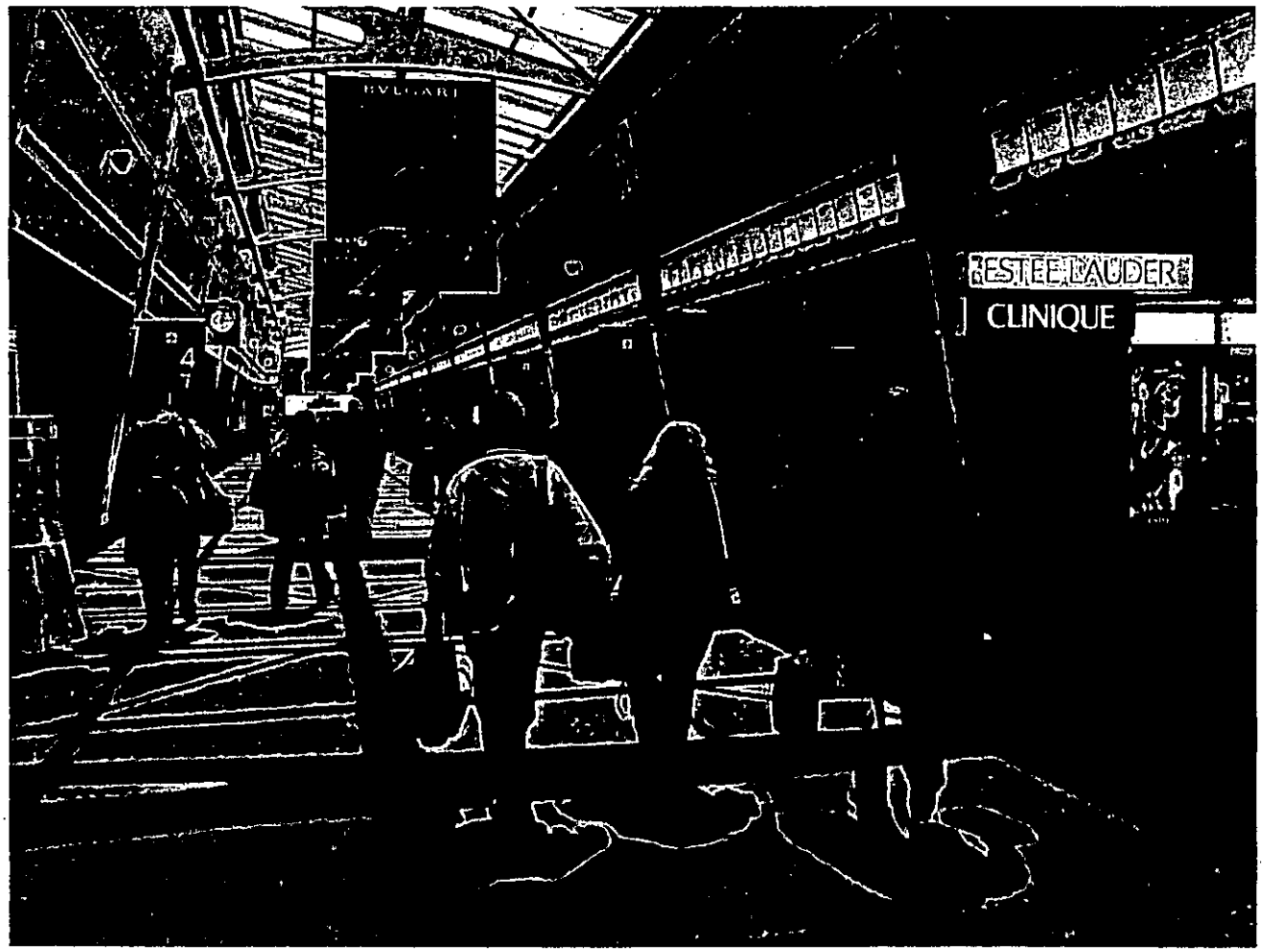
Wall wraps have two additional benefits: they do not create any impediment to traffic, and when the location is not under contract, the wall can be left clean. Exact measurements and advanced posting techniques ensure that the wall facades are free of any "bubbling", to further assure a quality visual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

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

Banners

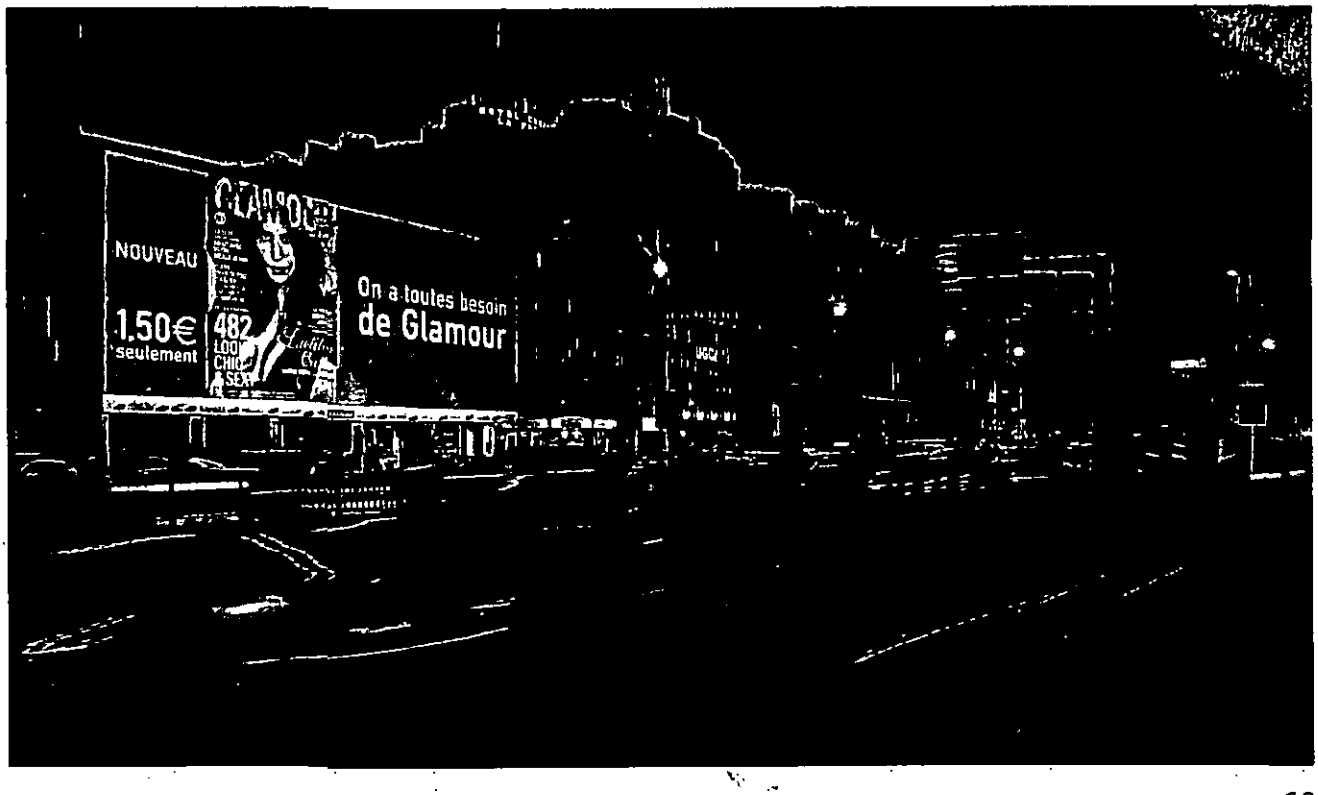
These large format canvases can be placed in high-ceiling atriums and concourses where they provide high-impact without creating an impediment to traffic. Depending on the physical location, they can be installed as one, spectacular unit, or several smaller banners side-by-side or in a row creating a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

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



Stretched banners

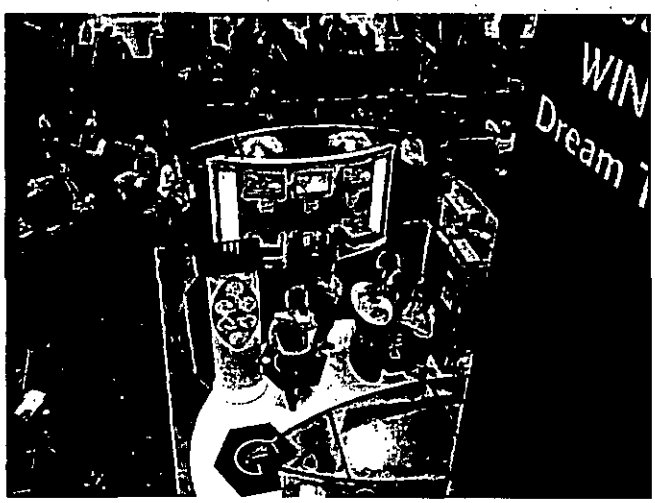
Stretched banners can be placed on outdoor walls, allowing wrapping of any vertical surface for a spectacular effect. We propose to use this technique in particular at the New Jersey entrance of the Lincoln Tunnel.

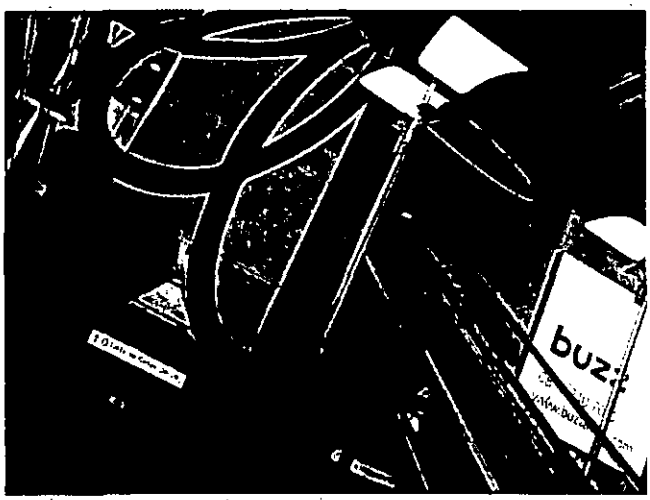


Exhibits

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

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

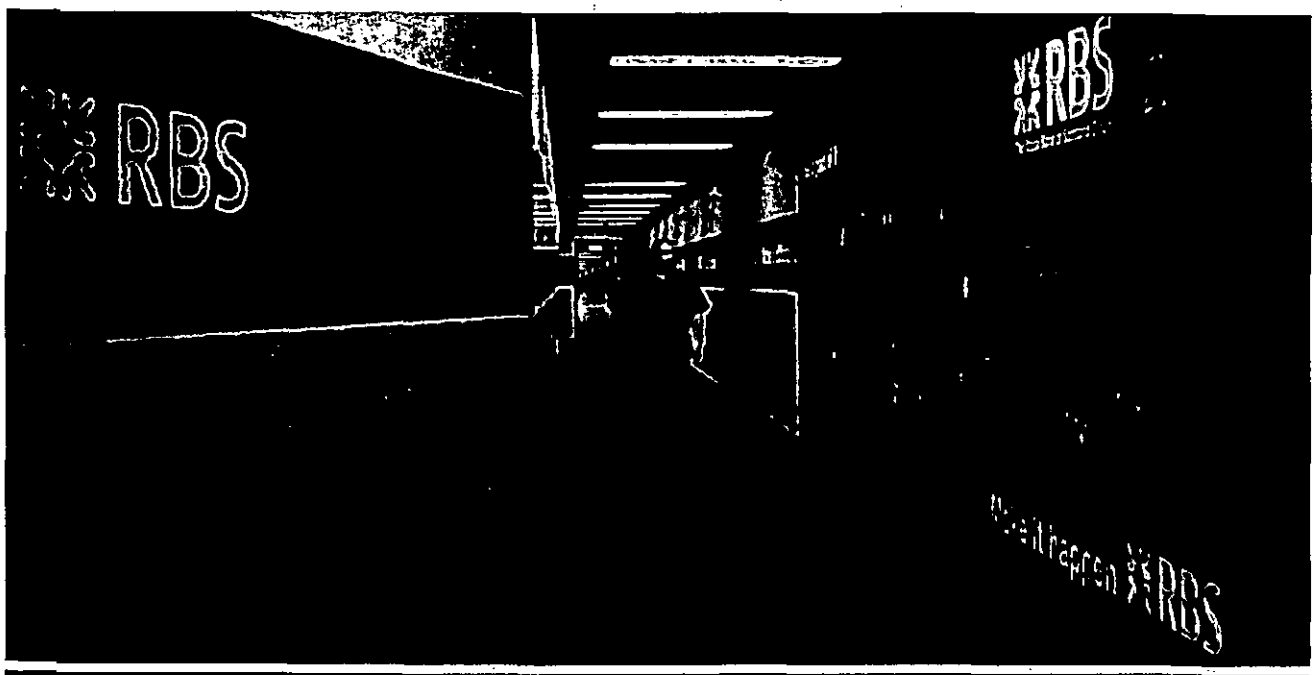




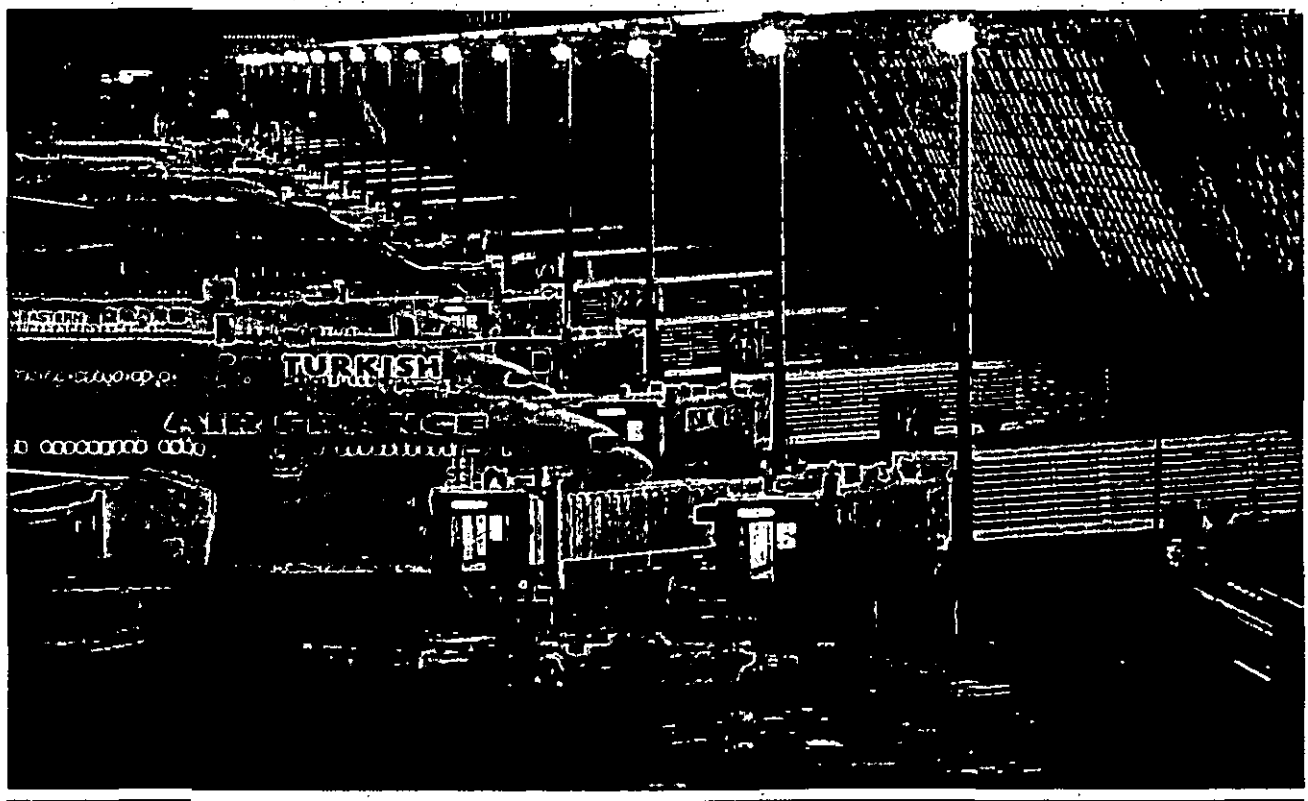
JetBridges

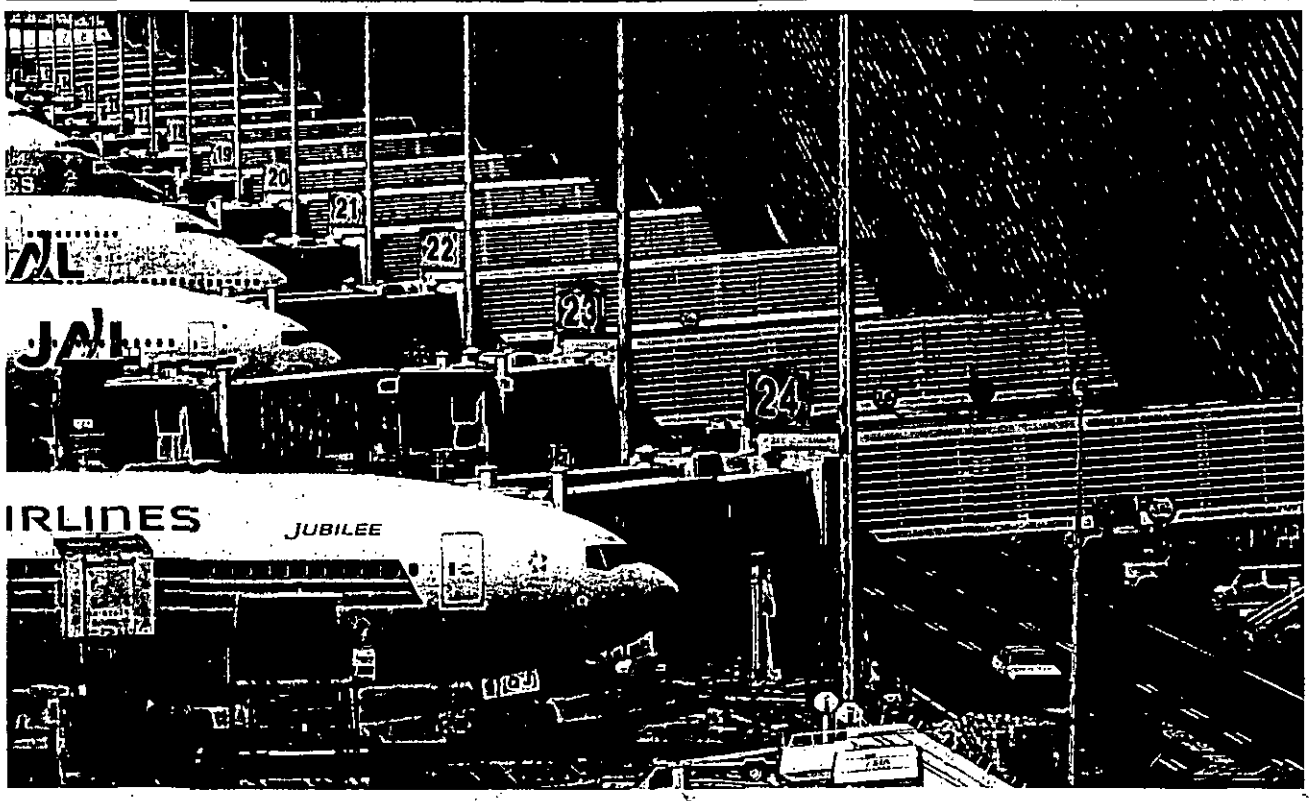
Jetbridges are the newest form of airport advertising and have tremendous visual impact. Wall Wraps located in the Jetbridges from the terminal to/from the airplane allow advertisers to be the first and last messages travelers see. These powerful ads are available in different sizes and formats.

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



HSBC Sponsorship Campaign - Hong Kong Airport





Daktronics Pro Star Video Display Plus

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

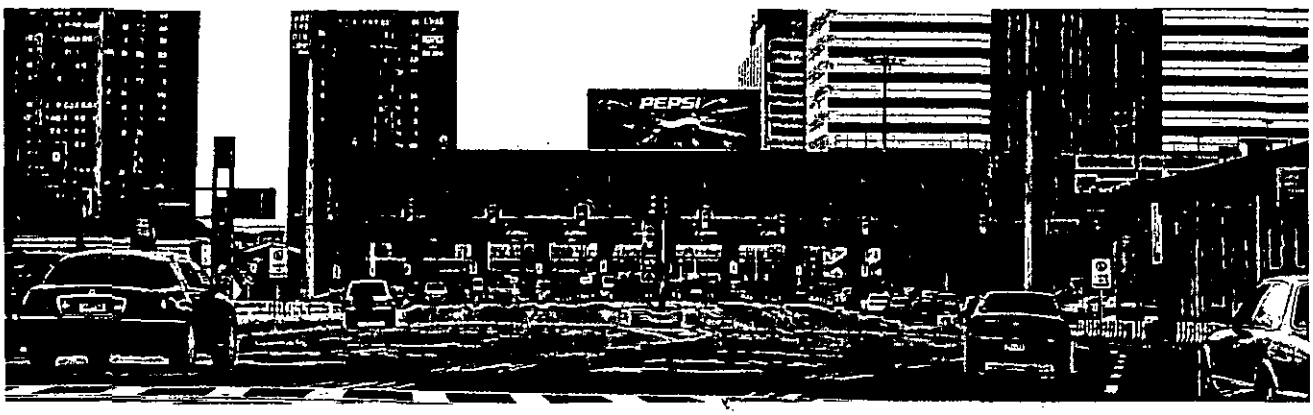
With trillions of different colors to dazzle audiences, outdoor ProStar technology creates unsurpassed crisp, clear imagery at wide viewing angles. Daktronics unique calibration process further enhances displays by adjusting the intensity of individual modules. The module design includes louvers that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

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

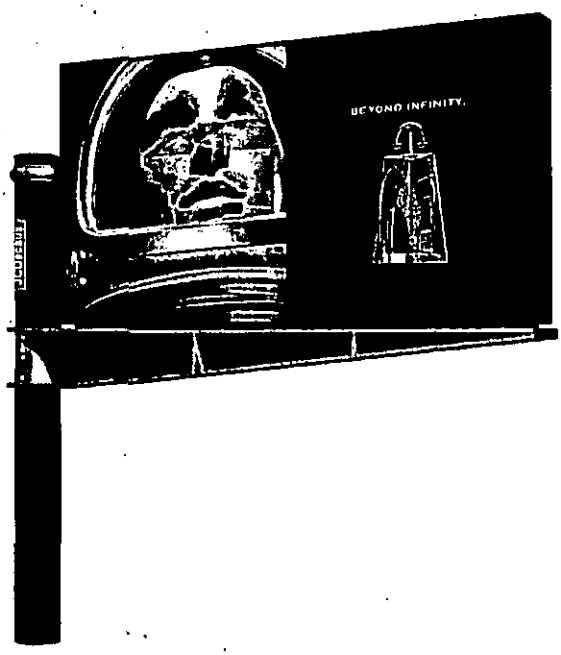
JCDecaux will work with each advertiser to design the most effective creative and make the most of the LED screen characteristics. We will also work with KeyFrame, a division of Daktronics that specializes in video graphic creation.

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

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

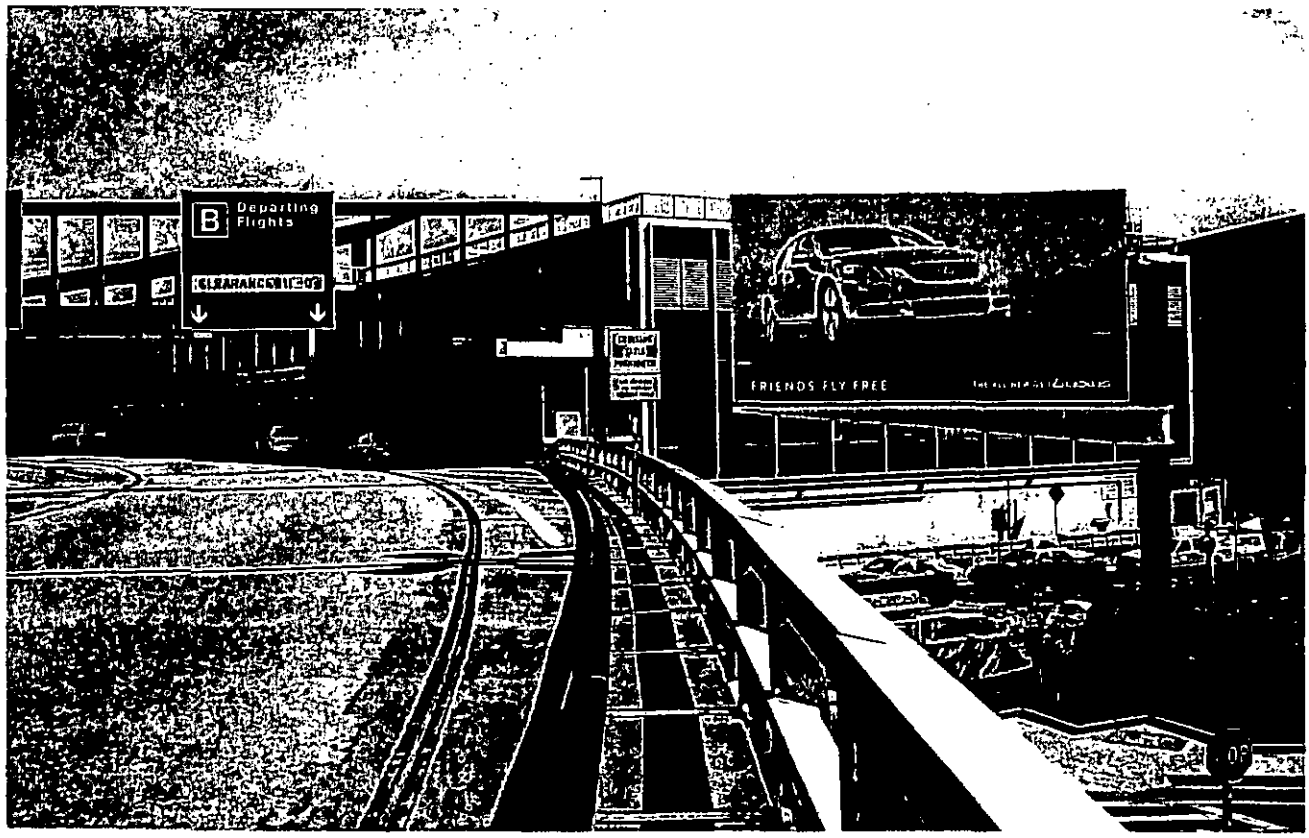


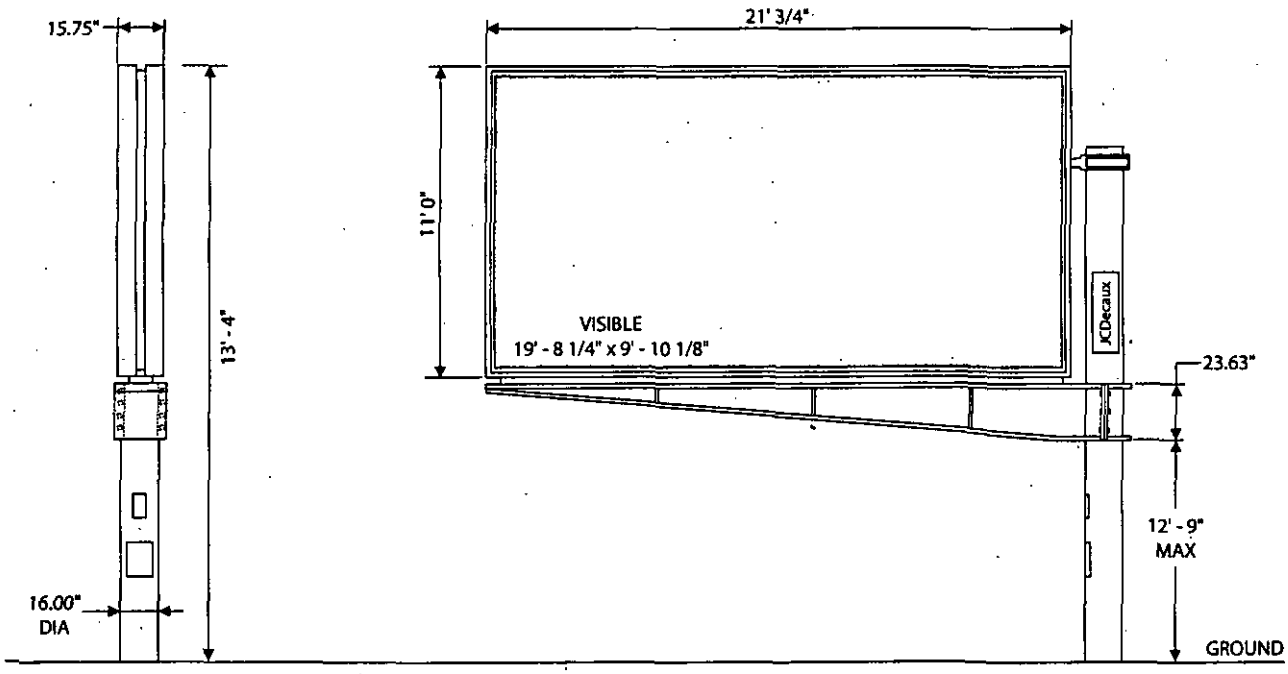
Backlit Wilmotte Display



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

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





APPROXIMATE MAX. WEIGHT - TBD LBS

ELECTRICAL - 120 VAC XX AMP DRAW

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

FINISH - ARCHITECTURAL GRADE POWDER COAT WHERE APPLICABLE

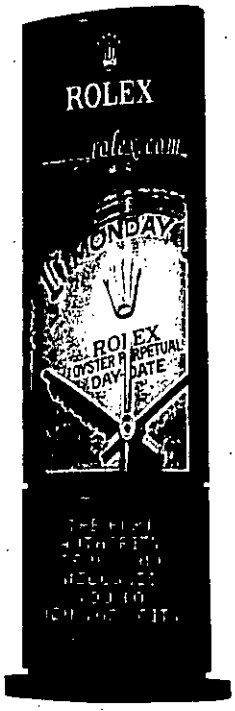
DIMENSIONS ARE FOR REFERENCE ONLY - CONSULT JCD ENGINEERING DEPT. FOR ACTUAL DIMENSIONS

JCDecaux CD-05

BILLBOARD - 10' X 20'
DESIGN - WILMOTTE

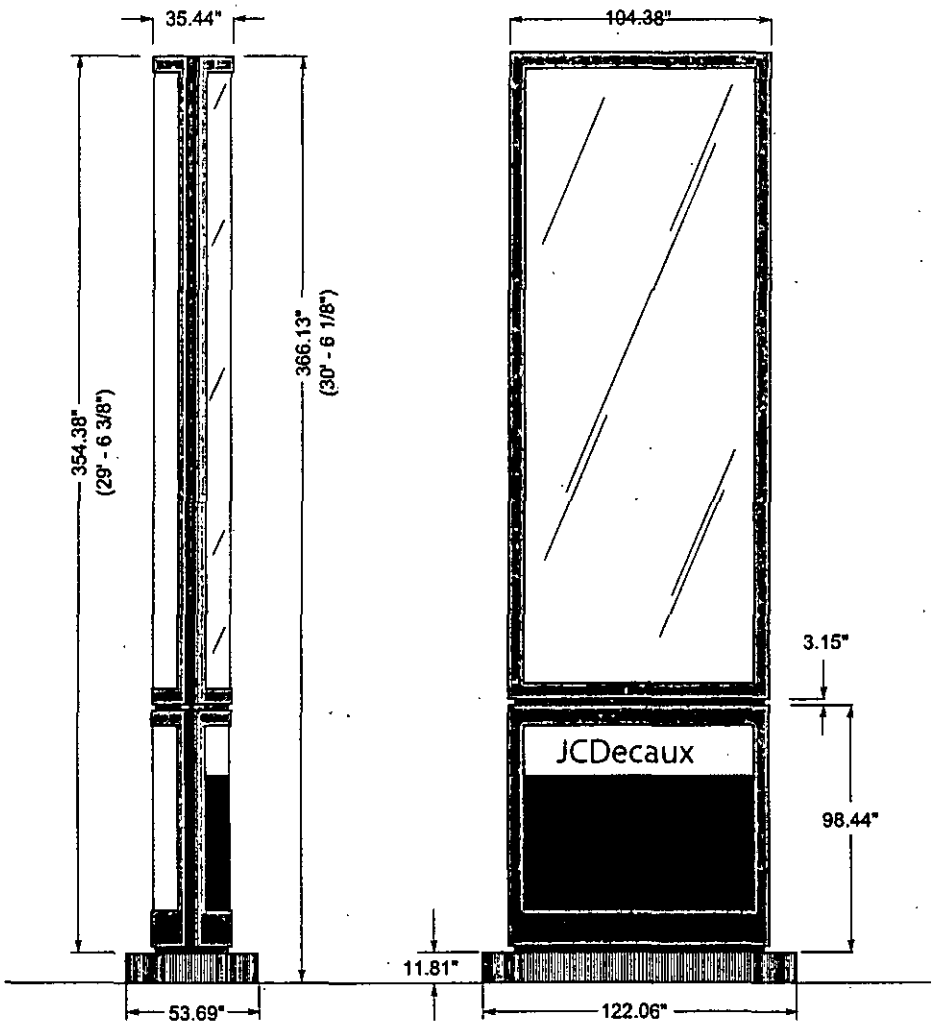
REV. 06/01/05

Foster Ambassadorial Beacon



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

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



APPROXIMATE MAX. WEIGHT - TBD LBS

ELECTRICAL - 120 VAC XX AMP DRAW

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

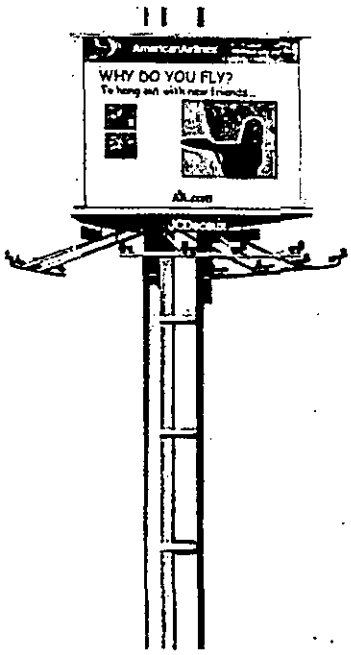
FINISH - ARCHITECTURAL GRADE POWDER COAT WHERE APPLICABLE

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

JCDecaux CD-06

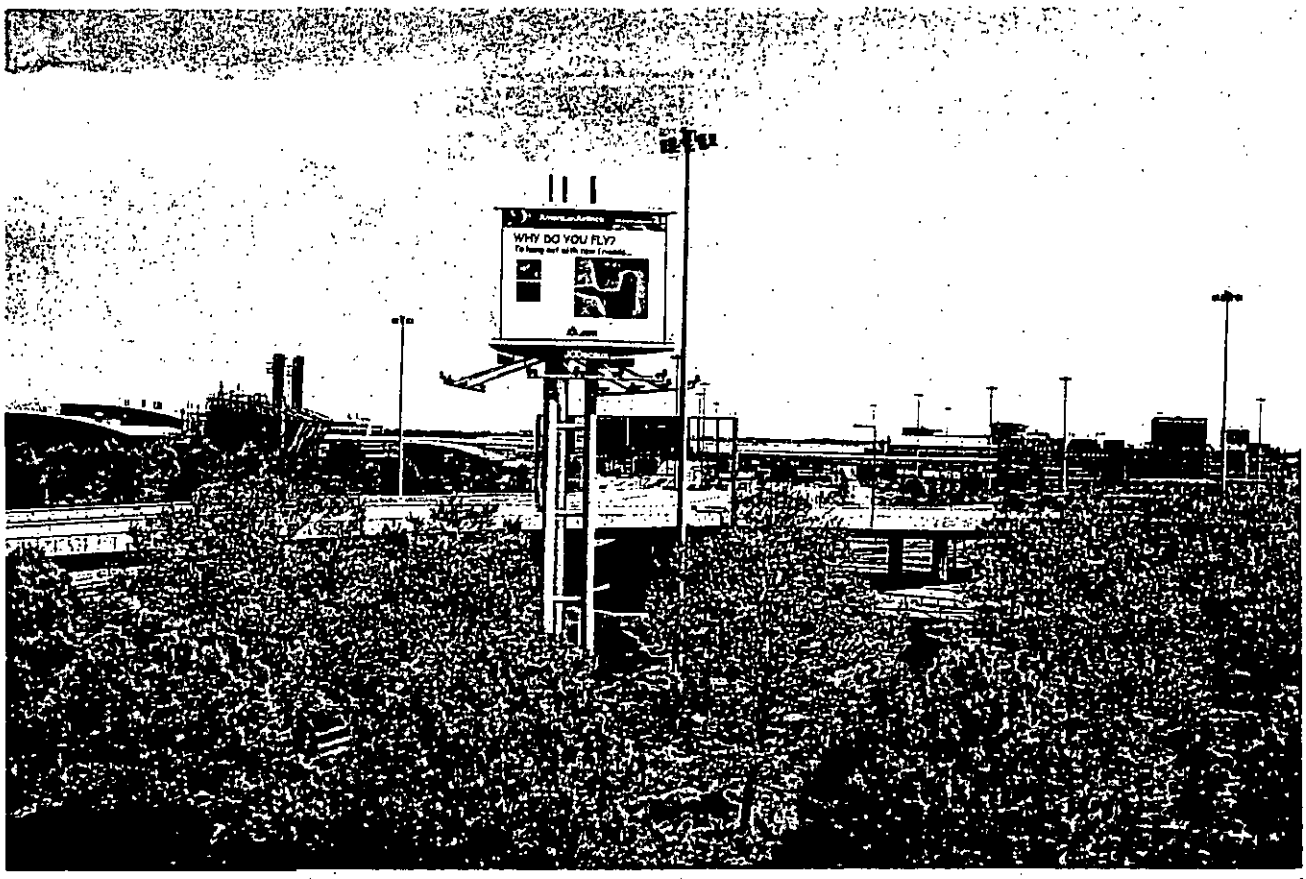
COLUMN - FOSTER AMBASSADORIAL BEACON REV. 06/01/05

Unipole – 3-sided (27'x 36')



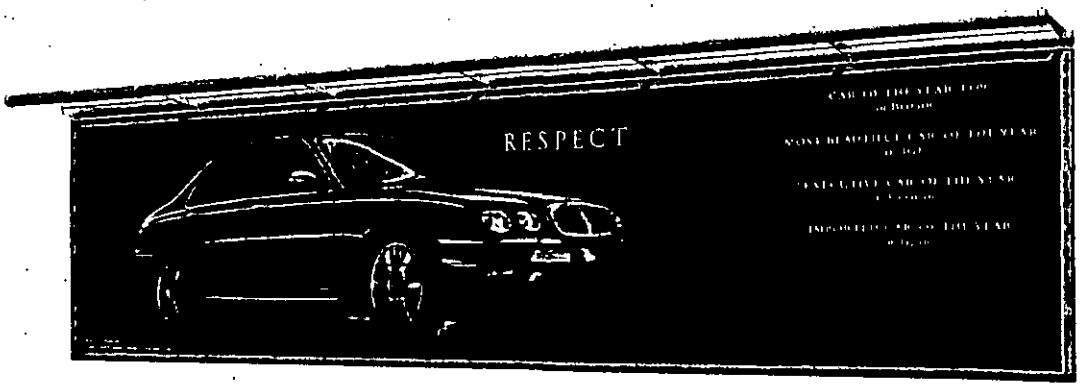
Designed and installed by our offices in Amsterdam, Holland, this unit will be another first in U.S. airports. The unit is a three sided display mounted on a centered pole structure. Illumination is provided by a network of elegant lamps mounted at the bottom of the display.

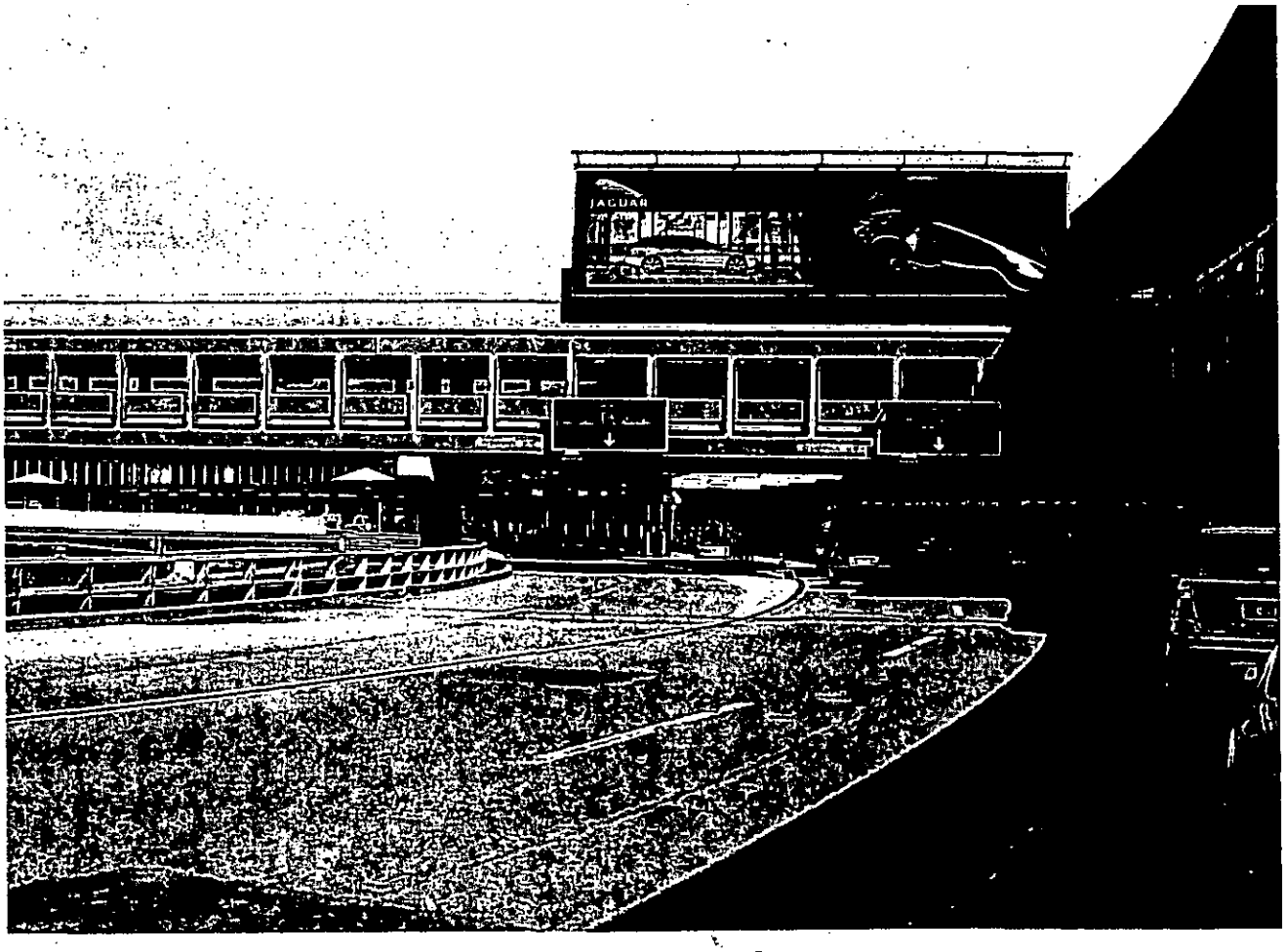
The location of this unit was specifically identified at JFK to ensure 360-degree visibility and therefore enable us to command a high rate policy for the location.



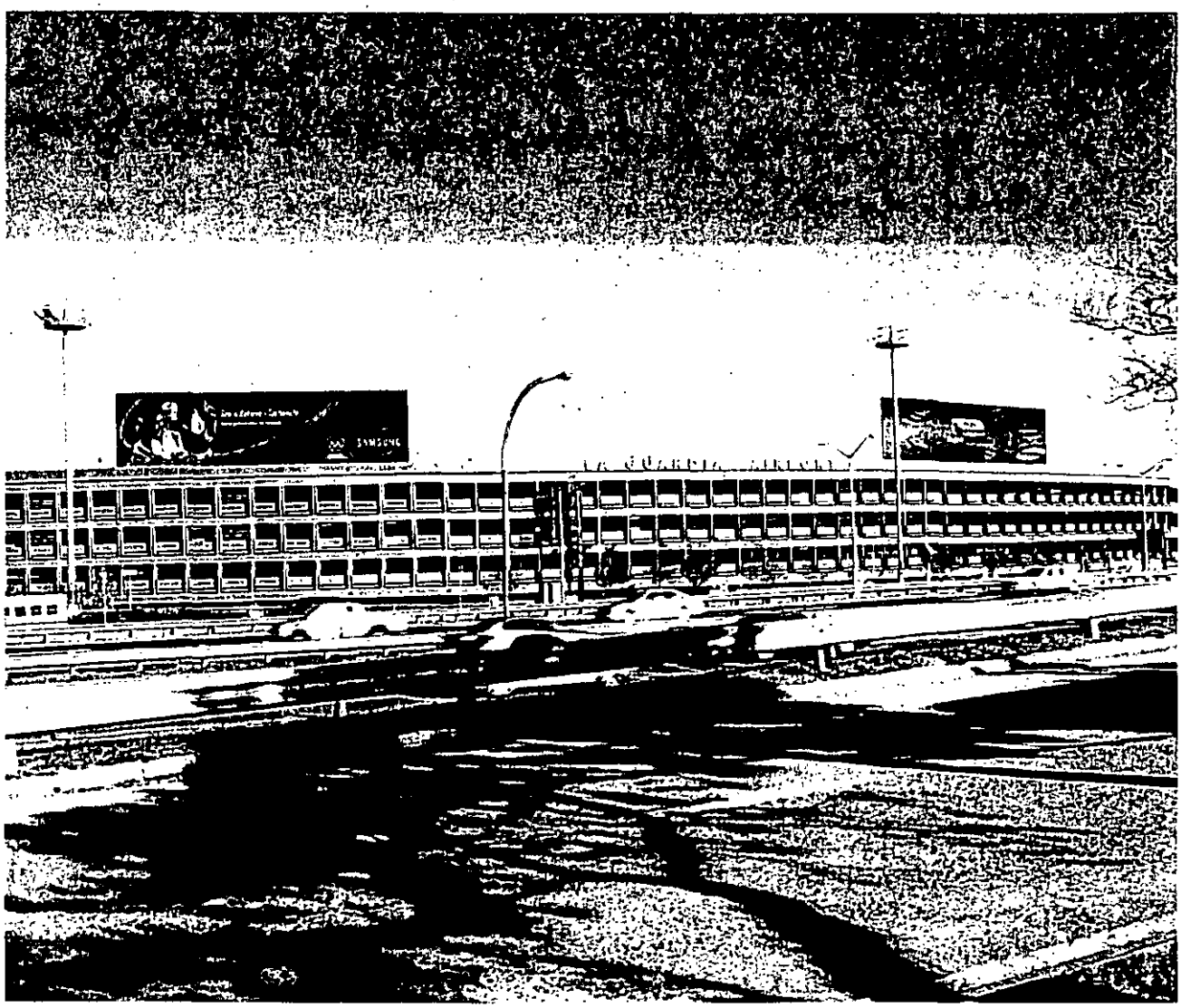
Foster Spectacular (20' x 60')

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





Giant Front-lit Display (20' x 90')
These premier billboards will be located on top of the garage at LaGuardia, highly visible from the expressway as well as passengers arriving and departing the airport.



e. Implementation Plan: Engineering, Production & Installation

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

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

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

Design and Engineering

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

Supplier Sourcing

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

G. Business Plan

Quality Assurance

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

Installation

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

f. MBE/WBE Participation Plan

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

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

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

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

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

G. Business Plan

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

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

May 25, 2005

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

Dear Bill,

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

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

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

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

Sincerely Yours,

Carol Kleinberg

Carol Kleinberg
President

Lic. # 7114

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

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

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

May 25, 2005

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

Dear Bill,

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

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

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

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

We look forward to working with you on the development of this project.

Sincerely yours,

Eduardo Irigaray
President

QUANTUM
ELECTRIC CORPORATION

May 25, 2005

JC Decaux North America
Mr. William Haddock
Director of Materials Management
440 Route 17 North
Suite 10
Hasbrouck Heights, NJ 07604

Re Port Authority of NY & NJ Advertising Project

Dear Bill:

Thank you for including Quantum Electric Corp. as part of the Port Authority of NY &NJ Advertising proposal. After meeting with you at our office to review the scope, scheduling, and expectations required for a job of this magnitude we feel confident in our ability and look forward to partnering with JC Decaux in New York City.

Quantum Electric Corp. is an IBEW Local #3 union shop and a NYC certified MBE. We currently employ between sixty and one hundred highly qualified field personnel with the support of one of New York City's most experienced management teams.

If awarded the project, Quantum Electric Corp. would provide a dedicated team consisting of a project executive, field supervisor, and 3-5 man crew who would work on the New York City project. It has been our experience that by maintaining a set crew, the learning curve and subsequent efficiency in which a particular project is performed is greatly increased.

We are proud to be considered for the Port Authority of NY & NJ Advertising project and welcome the opportunity to work together in the future.

Should you require any additional information, please do not hesitate to contact the undersigned.

Very truly yours,

Richard Sobel, PE

Gary J. Glass

30-30 Northern Blvd. Long Island City, NY 11101 • 718-784-9010 • FAX 718-784-9015 • www.quantumec.com

Sheet Metal Workers' International Association

SIGN MANUFACTURERS AND ERECTORS
LOCAL UNION No. 137

ANTHONY MASTANDUNO
Vice President

RICHARD QUARESIMA
Financial
Secretary-Treasurer

21-42 44th Drive
Long Island City, N.Y. 11101

Phone (718) 937-4514
Fax (718) 937-4113

STEVE DODD
Business Representative
New Jersey

DANTE DANO, JR.
Business Representative
New York

PAUL COLLINS JR.
President &
Business Manager

May 26, 2005

The Port Authority of New York & New Jersey
Purchasing Services Division
One Madison Avenue, 7th Floor
New York, NY 10010

ATTN: T. J. Storch

REF: Advertising Opportunities RFP number 0000007920

Dear Mr. Storch:

We are pleased to submit this letter to confirm our long-term relationship with JCDecaux.

Sheet Metal Workers' International Association Local Union 137 represents the employees that perform the function of the changing of advertising media and the cleaning and maintaining of the advertising structures for JCDecaux at JFK and LGA airports.

We have worked with the management representatives of the company to fairly provide good salaries, healthcare benefits and pensions for our membership through difficult times including the Gulf War and 911, which have had significant impact on airport advertising. We have worked with JCDecaux through the many physical changes that have taken place to secure our New York airports since 1990.

We have found them to be reasonable and fair employers that have taken an interest in the wellbeing of their employees and their families and have demonstrated their civic corporate responsibility.

AFFILIATED WITH
Building and Construction Trades Council of Greater New York • Building and Construction Trades Council of Nassau and Suffolk Counties •
Building and Construction Trades Council of Westchester and Putnam • Essex County Building and Construction Trades Council •
Elizabeth and vicinity Building Trades of Union County • New York State AFL-CIO • New York City General Labor Council • New York Metal Trades District Council
New York State Building and Construction Trade Council, AFL-CIO • New York State Council of the Sheet Metal Workers' International Association
New Jersey State Council of the Sheet Metal Workers' International Association • Union Label and Service Trades Council of Greater New York and Long Island

We are pleased to support JCDecaux's efforts to secure a new contract for advertising on behalf of the PANY&NJ which would be of benefit to our membership.

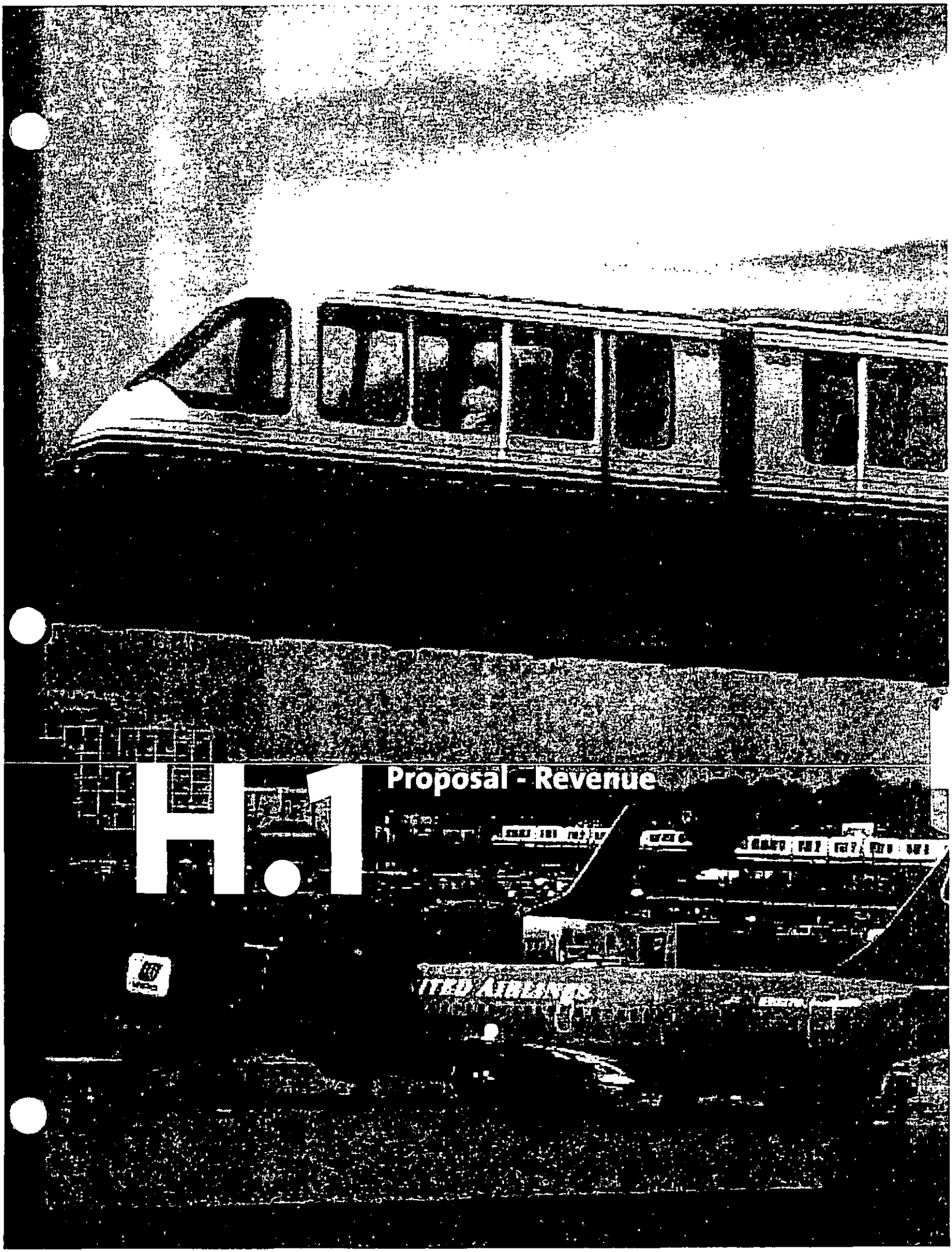
As always, if you should have any questions, please feel free to contact my office.

Sincerely,

Paul Collins, Jr.
President/Business Manager

PCJ:jc

-2-



H.1 Proposal - Revenue

H.1 Revenue to the Port Authority

JCDecaux is pleased to offer a $400 million guaranteed payment plus a revenue sharing formula that will yield unprecedented financial benefits for the Port Authority, which we believe will exceed $680 million over 10 years. We will pay $50 million on the day we sign the contract as an advance against MAG.

Contractual Term

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

Minimum Annual Guarantee -- $400 Million

JCDecaux is offering Minimum Annual Guarantees that will total $400 million over the initial 10-year term, $601 million over 15 years and $802 million over 20 years:

(In $million)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	10-Year TOTAL
Airports	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	350.0
Path & Bus Terminal	0.2	0.6	0.8	1.2	1.2	1.2	1.2	1.2	1.2	1.2	10.0
Tunnels, Bridges and Marine Terminals	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	40.0
Total MAG	**39.2**	**39.6**	**39.8**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**400.0**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	20-Year TOTAL
Airports	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	700.0
Path & Bus Terminal	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	22.0
Tunnels, Bridges and Marine Terminals	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	80.0
Total MAG	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**40.2**	**802.0**

Gross Receipts Percentage Fee

JCDecaux will pay Percentage Fees on Gross Receipts against the Minimum Annual Guarantee, at the following rates:

Airports	**70% ***
Path & Bus Terminal	**65%**
Tunnels, Bridges and Marine Terminals	**50%**

* Except the "Electronic Art System" and "Prestige Digital Network" for which the Percentage Fee shall be 25% of Gross Receipts

H.1 Revenue to the Port Authority

Projected Percentage Fee Payments to the Port Authority

Based on our projected revenues, JCDecaux expects paying the following amounts to the Port Authority

(in $million)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	10-Year TOTAL
Airports	37.7	44.3	50.0	52.5	55.1	57.9	60.8	63.8	67.0	70.4	559.5
Path & Bus Terminal	0.2	0.7	2.4	2.9	3.3	3.5	3.7	3.9	4.1	4.3	28.9
Tunnels, Bridges and Marine Terminals	7.6	7.9	8.3	8.8	9.2	9.7	10.1	10.7	11.2	11.7	95.2
Total Percentage Fee	**45.5**	**52.9**	**60.7**	**64.2**	**67.6**	**71.1**	**74.6**	**78.4**	**82.3**	**86.4**	**683.6**

(in $million)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	20-Year TOTAL
Airports	73.9	77.6	81.4	85.5	89.8	94.3	99.0	103.9	109.1	114.6	1,488.7
Path & Bus Terminal	4.5	4.7	5.0	5.2	5.5	5.7	6.0	6.3	6.7	7.0	85.5
Tunnels, Bridges and Marine Terminals	12.3	12.9	13.6	14.3	15.0	15.7	16.5	17.4	18.2	19.1	250.3
Total Percentage Fee	**90.7**	**95.2**	**100.0**	**105.0**	**110.3**	**115.8**	**121.6**	**127.6**	**134.0**	**140.7**	**1,824.5**

Upfront Payment

JCDecaux will pay $50 million to the Port Authority upon execution of a contract for the full program offered here. This amount shall be recouped from initial MAG payments due to the Port in the first two years of the concession.

Assumptions

JCDecaux's proposal is based on the following assumptions:

1. The advertising displays listed in the charts following this section are authorized and permitted (including airline approvals where required) at the locations shown or described in this proposal, by January 1st, 2006 (except for the PATH: July 1, 2007).
2. The Port Authority will cooperate in good faith with JCDecaux to facilitate the grant of federal, state or municipal permits where needed.
3. For each display installation, the Port Authority will cooperate in good faith with JCDecaux to provide access to the nearest electrical power connection point.
4. The Port Authority will authorize JCDecaux to install the different types of advertising structures proposed, including ad panels with scrolling poster mechanisms, PowerPoles, LCD screens and giant Daktronics LED screens.
5. The Port Authority will not grant rights similar to those granted under this concession to another company for the same properties, nor will the Port Authority compete with JCDecaux by offering competing products or services directly to advertisers.
6. Gross Receipts are assumed to be net of Agency Commissions (which typically are never actually paid but are withheld by the ad agency) and "pass through" production and other ancillary costs which are borne by the advertisers but sometimes billed to the advertisers by the concessionaire.

H.1 Revenue to the Port Authority

7. JCDecaux will pay on a monthly basis the larger of one-twelfth of the MAG or the Percentage Fee calculated by applying the relevant percentage figure to Gross Receipts for each category of properties for the preceding month.
8. There will be an annual true up of payments made so that total payments for the year will be the larger of the MAG or the Percentage Fee calculated by applying the relevant percentage figure to total annual Gross Receipts for each category of properties.
9. Current laws and regulations affecting advertising (permits, taxes, etc.) remain in effect.
10. All amounts shown in this proposal are in nominal U.S. dollars

H.1 Revenue to the Port Authority

John F. Kennedy International Airport

Interior Displays
(Please refer to maps on pages 113 to 133 for locations)

Type of Display	T1	T2	T3	T4	T6	T7	Old T8	New T8	Total
Diorama	23	2	15	9	12	29	13	0	**103**
Airport Amenity Unit	0	4	1	0	1	0	1	7	**14**
Vertical Displays	5	2	8	9	4	17	3	11	**59**
Business First scroller	2	1	3	2	0	3	1	2	**14**
Prestige Digital Network Unit	4	3	3	3	4	3	2	2	**24**
4' x 10' backlit display	13	2	12	0	0	1	7	0	**35**
6' x 6' backlit display	3	5	0	0	0	4	0	6	**18**
6' x 12' backlit display	0	0	0	6	0	2	0	0	**8**
Custom Spectacular backlit	10	0	0	6	1	0	3	3	**23**
Wall Wrap	49	8	18	41	34	46	38	7	**241**
Banner	15	0	0	25	4	3	0	0	**47**
The Wave	1	0	0	0	0	0	0	1	**2**
PowerPole	7	6	8	8	8	5	6	6	**54**
Exhibit	3	1	2	1	2	3	0	2	**14**
Bag Deck Diorama	0	0	0	7	0	0	0	0	**7**
LightBag	5	2	14	7	9	8	9	0	**54**
Jet Bridges interior wrapping	11	10	16	17	20	12	11	17	**114**
Total	**151**	**46**	**100**	**141**	**99**	**136**	**94**	**64**	**831**

H.1 Revenue to the Port Authority

John F. Kennedy International Airport

Exterior Displays

(Please refer to map on page 110 for locations)

Unit #	Location	Display Type	Ad Size
1	Van Wyck expressway	New backlit display	90'W x 20'H
2	Van Wyck expressway	New backlit display	103'W x 6'H
3	Van Wyck expressway	New backlit display	103'W x 6'H
4	T1 exterior glass wall	Cling wrap on glass	
5	T1 AirTrain connector	Cling wrap on glass	
6	Delta AirTrain connector	Cling wrap on glass	
7	T7 BA AirTrain connector	Cling wrap on glass	
8	T4 Garage	Stretched banner	
9	Roadway inner loop	Unipole 3-sided spectacular	36'W x 27'H
10	Van Wyck - arrivals	Foster Ambassadorial Beacon	10'W x 30'H
11	Van Wyck - arrivals	Foster Spectacular	60'W x 20'H
12	Van Wyck - arrivals	Existing backlit display	103'W x 6'H
13	Van Wyck - arrivals	Existing backlit display	103'W x 6'H
14	Van Wyck - arrivals	Existing backlit display	90'W x 20'H
15	Van Wyck - Lawn	3D Installation	
16	114 Jet Bridges	Exterior branding	
17	AirTrain cars	Exterior wraping	

H.1 Revenue to the Port Authority

Newark Liberty International Airport

Interior Displays

(Please refer to maps on pages 136 to 147 for locations)

Type of Display	Terminal A	Terminal B	Terminal C	AirTrain	Total Airport
Diorama	29	57	51	60	197
Double diorama	0	4	0	0	4
Vertical Diorama	0	14	0	0	14
2-sided pedestal Diorama	14	3	0	0	17
Small vestibule diorama	0	0	26	0	26
6 x 6	15	18	55	10	98
7 x 11	3	0	1	0	4
Overhead spectacular	0	0	22	0	22
Wall wraps	3	11	3	0	17
Sofit wraps	9	1	11	2	23
Window cling	7	4	0	0	11
Floor Exhibit	3	3	3	0	9
Interior Banners	0	6	0	0	6
Exterior Banners	0	0	0	1	1
Visitor Information Center	3	3	2	0	8
Interior Banners	3	3	3	0	9
PowerPoles	12	12	16	0	40
PDNU	6	6	11	0	23
Vertical scroller	3	6	3	0	12
Business First	3	3	5	0	11
Light Bags	9	15	13	0	37
Jet Bridges Interior wrapping	26	25	48	n/a	99
Total Displays	**119**	**166**	**222**	**87**	**594**

H.1 Revenue to the Port Authority

Newark Liberty International Airport

Exterior Displays

(Please refer to map on page 134 for locations)

Unit #	Location	Display Type	Ad Size
1	Front of Terminal A building	Backlit Wilmotte Display	20'W x 10'H
2	Front of Terminal B building	Backlit Wilmotte Display	20'W x 10'H
3	Front of Terminal C building	Backlit Wilmotte Display	20'W x 10'H
4	Exit Booth	Banner	
5	All Jet Bridges	Exterior branding	
6	AirTrain cars	Exterior wrapping	

H.1 Revenue to the Port Authority

LaGuardia Airport

Interior Displays

(Please refer to maps on pages 150 to 158 for locations)

Type of Display	Delta Marine Air Terminal	Delta Flight Center	US Airways	Central Terminal Building	Total LaGuardia Airport
Diorama	4	5	11	59	79
Airport Amenity Unit	0	2	4	8	14
Vertical Displays	0	3	7	8	18
Business First scroller	3	1	4	5	13
Prestige Digital Network Unit	2	2	5	9	18
4' x 10' backlit display	0	7	0	4	11
6' x 6' backlit display	7	6	11	11	35
6' x 12' backlit display	6	1	9	8	24
Custom Spectacular backlit display	0	0	1	0	1
Wall Wrap	2	8	15	19	44
Banner	0	0	8	0	8
The Wave	0	0	0	0	0
PowerPole	2	3	8	8	21
Exhibit	1	1	2	5	9
Bag Deck Diorama	2	0	3	7	12
LightBag	2	6	8	15	31
Courtesy Phone Center	1	1	2	4	8
Jet Bridges interior wrapping	6	10	20	33	69
Total	**38**	**56**	**118**	**203**	**415**

H.1 Revenue to the Port Authority

LaGuardia Airport

Exterior Displays

(Please refer to map on page 148 for locations)

Unit #	Location	Display Type	Ad Size
1	US Airways	Backlit Wilmotte Display	20'W x 10'H
2	Central Terminal Building	Backlit Wilmotte Display	20'W x 10'H
3	Central Terminal Building Skybridge	Foster Spectacular	60'W x 20'H
4	Central Terminal Building Garage	Front-lit display	90'W x 20'H
5	Central Terminal Building Garage	Front-lit display	90'W x 20'H
6	Marine Air Terminal access road	Foster Spectacular	60'W x 20'H
7	Marine Air Terminal Parking	Backlit Wilmotte Display	20'W x 10'H
8	Delta Flight Center	Backlit Wilmotte Display	20'W x 10'H
9	Delta Flight Center Parking	Front-lit display	40'W x 13'H
10	69 Jet Bridges	Exterior branding	

H.1 Revenue to the Port Authority

PATH

32nd Street Station

Unit #	Location	Display Type	Ad Size
1	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
2	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
3	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
4	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
5	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
6	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
7	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
8	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
9	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
10	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H

23nd Street Station

Unit #	Location	Display Type	Ad Size
11	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
12	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H

14th Street Station

Unit #	Location	Display Type	Ad Size
13	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
14	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H

9th Street Station

Unit #	Location	Display Type	Ad Size
15	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
16	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H

Christopher Station

Unit #	Location	Display Type	Ad Size
17	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
18	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H

Hoboken Station

Unit #	Location	Display Type	Ad Size
19	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
20	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
21	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
22	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
23	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
24	Track bulkhead	Freestanding Single sided scrolling panel	46"W x 67"H
25	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
26	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
27	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
28	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
29	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
30	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H

H.1 Revenue to the Port Authority

PATH

Pavonia / Newport

Unit #	Location	Display Type	Ad Size
31	Station corridors	Freestanding double-sided scrolling panel	46"W x 67"H
32	Station corridors	Freestanding double-sided scrolling panel	46"W x 67"H
33	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
34	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
35	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
36	Escalator soffit	Wrap	
37	Corridor	Wrap	
38	Corridor	Wrap	
39	Corridor	Wrap	
40	Corridor	Wrap	

Journal Square

Unit #	Location	Display Type	Ad Size
41	Station corridors	Freestanding double-sided scrolling panel	46"W x 67"H
42	Station corridors	Freestanding double-sided scrolling panel	46"W x 67"H
43	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
44	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
45	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
46	Escalator soffit	Wrap	

Exchange Place

Unit #	Location	Display Type	Ad Size
47	Station corridors	Freestanding double-sided scrolling panel	46"W x 67"H
48	Station corridors	Freestanding double-sided scrolling panel	46"W x 67"H
49	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
50	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
51	Station wall	Wall-mounted single-sided scrolling panel	46"W x 67"H
52	Escalator soffit	Wrap	
53	Escalator soffit	Wrap	
54	Station wall	Wrap	
55	Station wall	Wrap	
56	Exterior soffit	Wrap	

World Trade Center

Unit #	Location	Display Type	Ad Size
57	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
58	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
59	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
60	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
61	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
62	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
63	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
64	Station corridors	Freestanding Single sided scrolling panel	46"W x 67"H
65	Escalator soffit	Wrap	
66	Escalator soffit	Wrap	
67	Station wall	Wrap	
68	Station wall	Wrap	
69	Station wall	Wrap	
70	Station wall	Wrap	
71	Station wall	Wrap	

H.1 Revenue to the Port Authority

Holland Tunnel
(Please refer to page 167 for locations)

New Jersey Side

Unit #	Location	Display Type	Ad Size
1	Above tollbooth	Daktronics Pro Star Video Display	38.5'W x 12'H

Lincoln Tunnel
(Please refer to maps on pages 168-169 for locations)

New Jersey Side

Unit #	Location	Display Type	Ad Size
2	Above tollbooth, facing west	Daktronics Pro Star Video Display	38.5'W x 12'H
3	Above tollbooth	Bulletin	40'W x 13'H
4	Above tunnel entrance	Stretched banner	30'W x 20'H
5	Above tunnel entrance	Stretched banner	30'W x 20'H
6	Above tunnel entrance	Stretched banner	30'W x 20'H
7	Wall on right side before tunnel entrance	Stretched banner	60'W x 20'H

Washington Bridge
(Please refer to map on page 170 for locations)

New Jersey Side

Unit #	Location	Display Type	Ad Size
8	Above tollbooth, facing west	Daktronics Pro Star Video Display	38.5'W x 12'H
9	Above tollbooth, facing east	Bulletin	40'W x 13'H
10	On PA technical area between lanes	V-shaped bulletin structure (2 faces)	48'W x 14'H
11	Above lower-level too plaza	2-sided bulletin on pylon	48'W x 14'H

Goethals Bridge
(Please refer to map on page 171 for locations)

New Jersey Side

Unit #	Location	Display Type	Ad Size
12	Interchange north of toll booth	V-shaped bulletin structure (2 faces)	48'W x 14'H
13	Interchange north of toll booth	3-sided bulletin structure	48'W x 14'H

New York Side

Unit #	Location	Display Type	Ad Size
14	Administration building facing NJ	Wrap	40'W x 13'H
15	Administration building facing NY	Wrap	40'W x 13'H
16	Central island west of train tracks	2-sided bulletin	48'W x 14'H
17	North side of highway, west of toll	V-shaped bulletin structure (2 faces)	48'W x 14'H
18	South side of highway, west of toll	V-shaped bulletin structure (2 faces)	48'W x 14'H

H.1 Revenue to the Port Authority

Outerbridge
(Please refer to map on page 172 for locations)

New Jersey Side

Unit #	Location	Display Type	Ad Size
19	North side of highway	V-shaped bulletin structure (2 faces)	48'W x 14'H
20	North side of highway	V-shaped bulletin structure (2 faces)	48'W x 14'H

New York Side

Unit #	Location	Display Type	Ad Size
21	Above tollbooth	2-sided bulletin	48'W x 14'H
22	North of highway between tollbooth and bridge	V-shaped bulletin structure (2 faces)	48'W x 14'H

Bayonne Bridge
(Please refer to map on page 173 for locations)

New Jersey Side

Unit #	Location	Display Type	Ad Size
23	North of highway east of Margareth St. abutement	V-shaped bulletin structure (2 faces)	48'W x 14'H

New York Side

Unit #	Location	Display Type	Ad Size
24	Above tollbooth	2-sided bulletin	48'W x 14'H
25	South of highway east of tollbooth	V-shaped bulletin structure (2 faces)	48'W x 14'H

Marine Terminals

New Jersey Side

Unit #	Location	Display Type	Ad Size
26 - 35	Locations to be determined	2-sided or V-shaped bulletins	48'W x 14'H

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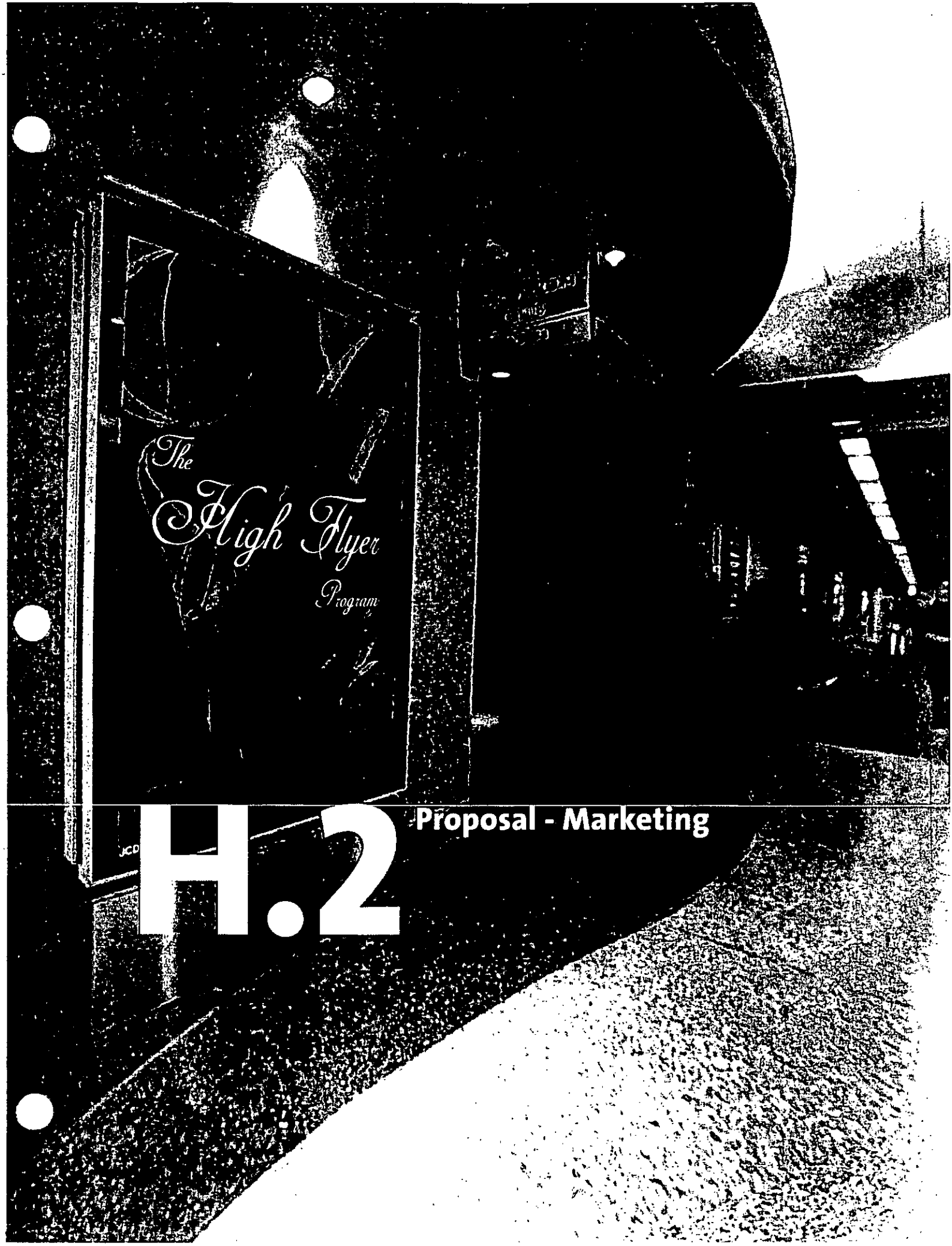
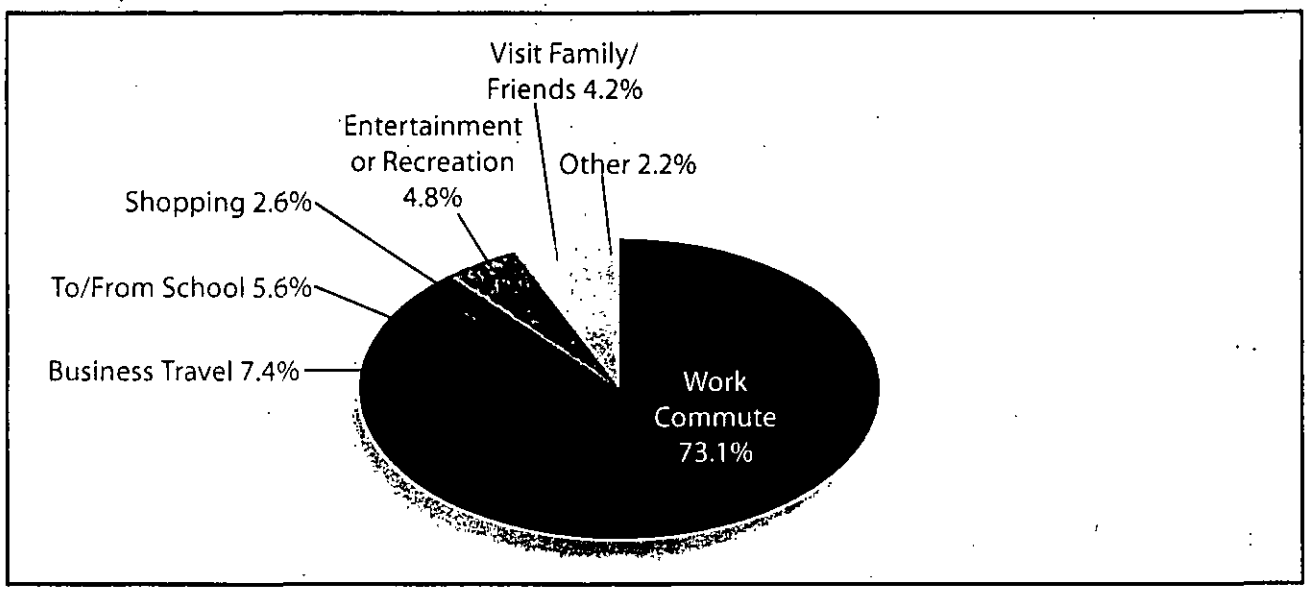


H.2 Proposal - Marketing

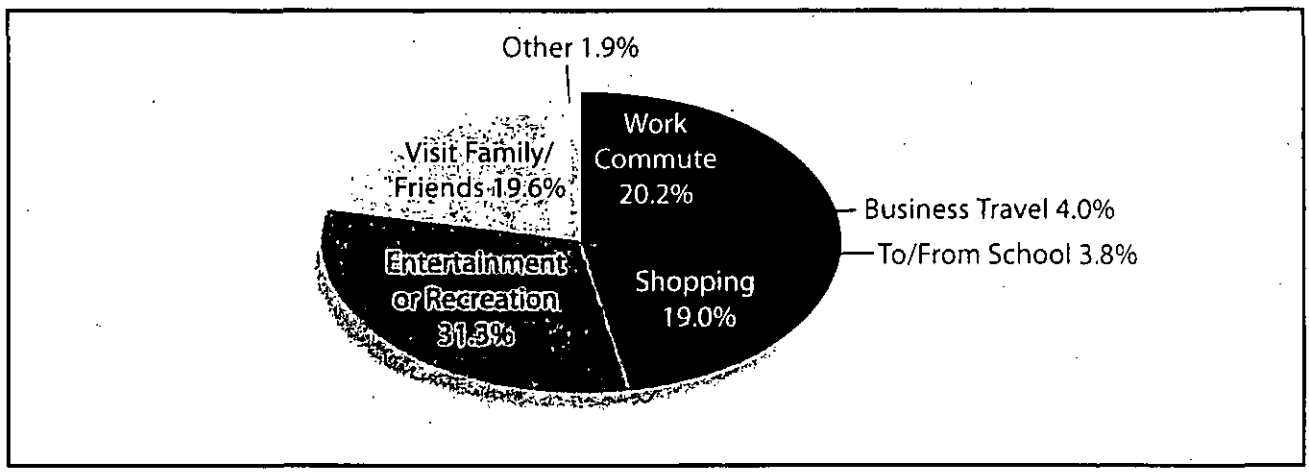
PATH

Where do you advertise when you want to reach everybody? Transit advertising, such as the placement of print ads in train stations, is an important medium for reaching an audience of all ages, backgrounds and incomes. Today, concerns for the environment and the popularity of programs such as Park-and-Ride have caused a wide range of business professionals, teachers, college students, and many other workers to leave their vehicles in parking lots and ride the PATH to and from their jobs.

Weekday travelers



Weekend (Saturday) travelers

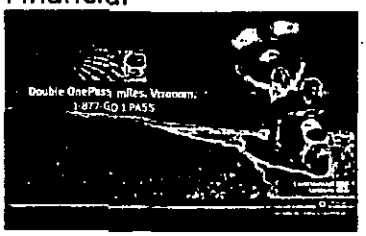


H.2 Marketing Strategy and Approach

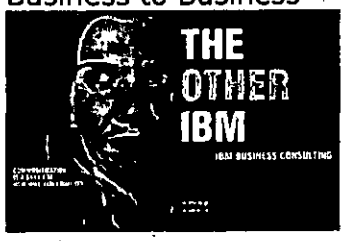
Where the Airport, Mall, Street Furniture and Transit Audiences meet
With the unique demographics that PATH travelers deliver, it is easy to see that advertisers who target airports for their audience will want to have a presence in this venue as well. For the same reason, advertisers who currently advertise in malls and on street furniture through our portfolio will act similarly. Business and consumer advertisers will be attracted to this venue, which has a ridership of about 68 million passengers. The PATH is considered the top rail system in the country by the American Public Transit Association.

Top 5 Airport Advertising Categories:

Financial



Business to Business



Telecommunications

Computers, Software and Internet

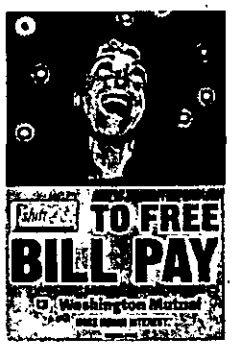
Public Transportation and Travel

Top 5 Mall/Street Furniture Advertising Categories:

Media & Movies

Food and Beverage

Financial



Apparel and Accessories

Cosmetics, Beauty Care and Medical

H.2 Marketing Strategy and Approach

With such a broad spectrum of potential advertisers, the potential for growth of advertising revenues is particularly good. All it takes is the right product and an aggressive marketing approach to reach beyond the traditional categories of clients.

Without cannibalizing the current client base, with product innovation we will increase the current financial performance of this property. We will develop the existing client base and reaching out to new advertisers. The introduction in the PATH of new media formats similar to those already present in our malls and airports (scrollers, wall wraps) will effectively attract mall and airport advertisers to the PATH.

Examples of target advertisers:

Financial
Washington Mutual
Bank of America
Citibank
Fidelity
ING
Geico

Movie, entertainment, media
TNT
CNN
Broadway Shows
Fox News
NY Times
Internet sites

Package goods
P&G
Starbucks
Coke
Unliver

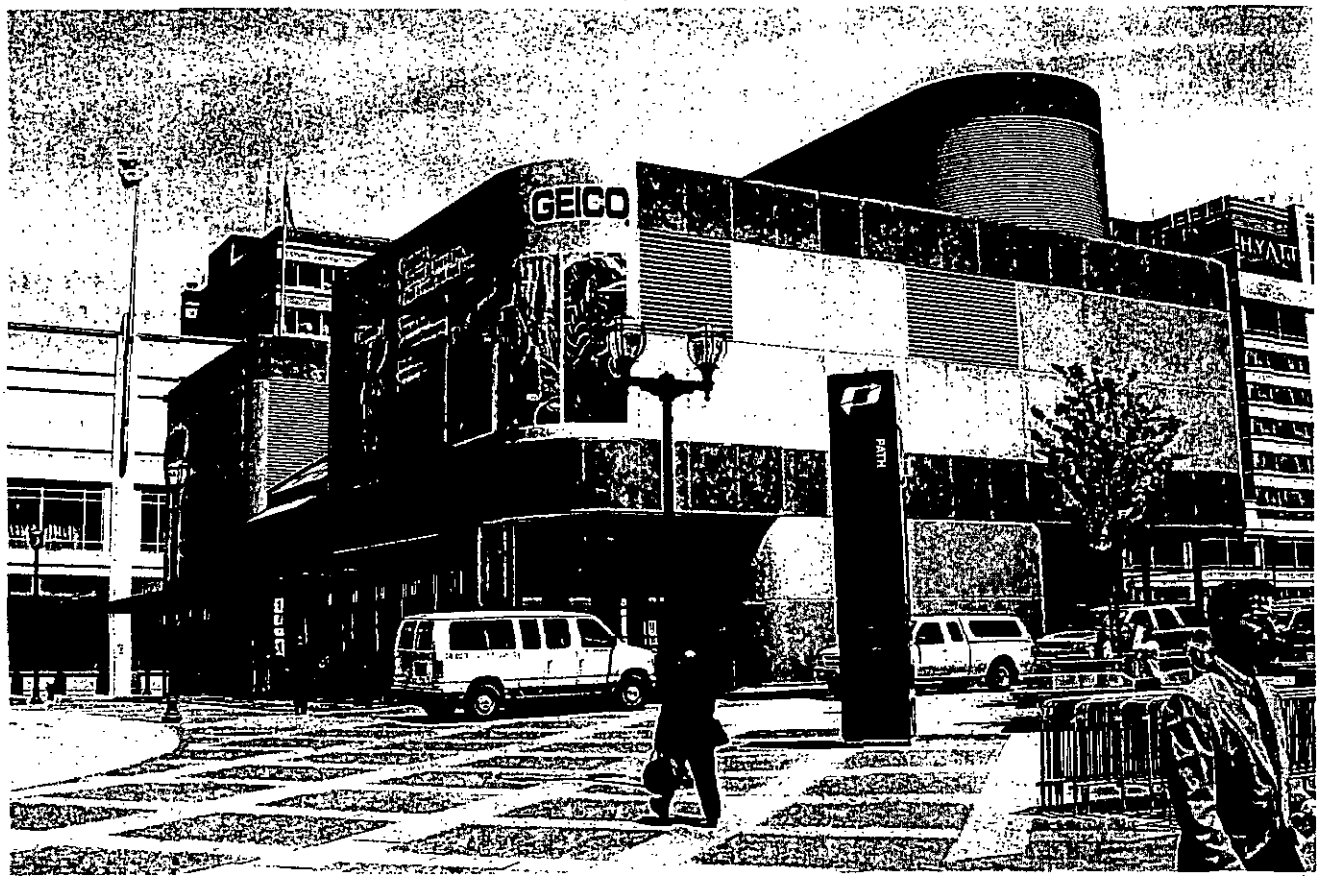
Telecommunications
Nextel
Verizon
Cingular

Airlines
American Airlines
Lufthansa
Jet Blue

Automotive
BMW
GM
Toyota

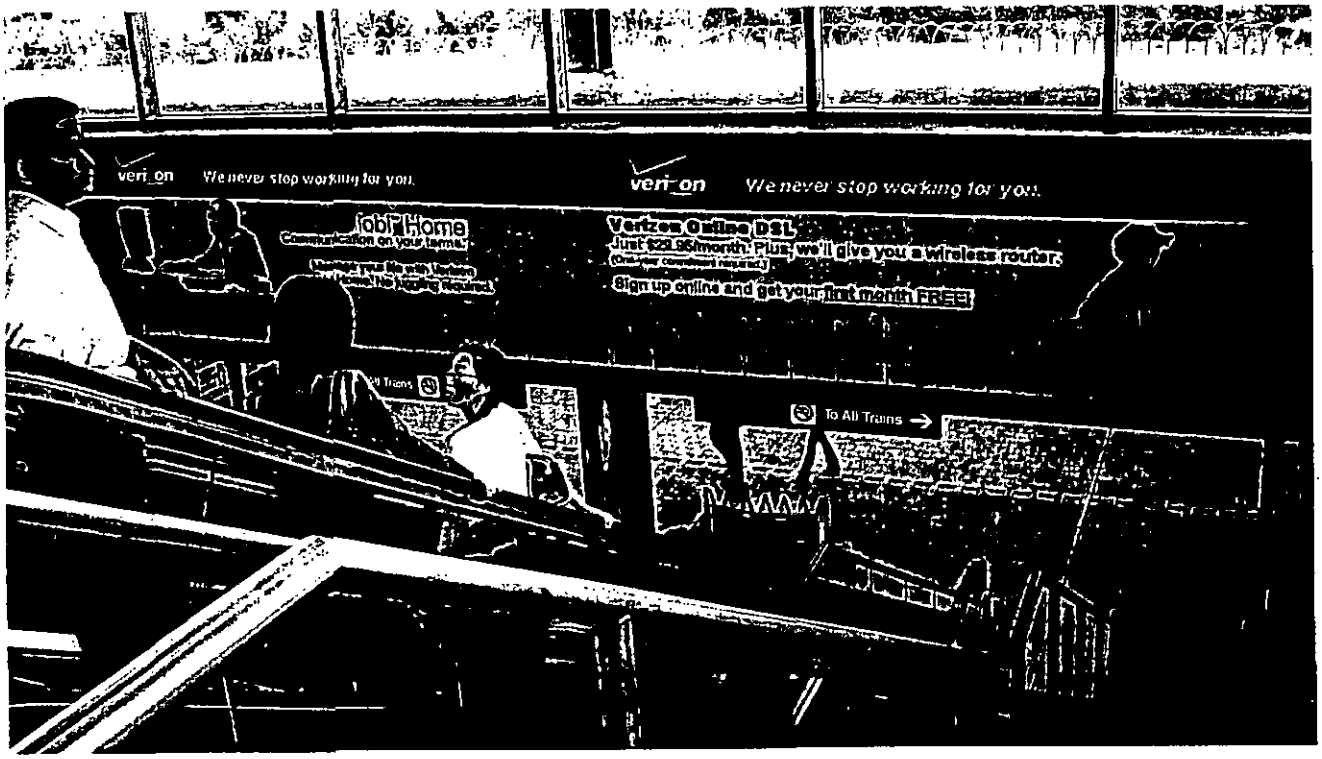
Fashion/Apparal
Nike
bebe
CK
Levis

H.2 Marketing Strategy and Approach



H.2 Marketing Strategy and Approach

H.2 Marketing Strategy and Approach



Bridges, Tunnels and other properties

The George Washington Bridge, the Lincoln Tunnel and the Holland Tunnel all offer exceptional opportunities from a media perspective. Advertisers view Manhattan as the most valuable advertising market or location in the world. These three venues deliver close to 200 million people annually coming in and out of Manhattan. With the right medium, these assets can generate significant advertising revenues.

George Washington Bridge
Crossing between Manhattan and New Jersey (I-95), the GWB has an annual vehicular traffic of about 108 million, making it the world's busiest bridge with 14 lanes.

Lincoln Tunnel
Connecting Routes 1, 9, 3, and the New Jersey Turnpike to Manhattan and West 42nd Street, the Tunnel has an annual vehicular traffic of about 43 million.

Holland Tunnel
The first Hudson River vehicular tunnel with an annual traffic of about 34 million.

Demographics
The demographics of the people crossing the river with these 3 links represents a full cross section of the population, covering the entire socioeconomic spectrum. As a result, the natural candidates for advertising at those locations will be the brands that spend the most in outdoor advertising:

Top Outdoor Brands (2004 annual expenditures):

- Anheuser-Busch $49.3 million
- Walt Disney $33.3 million
- McDonald's $33 million
- Time Warner $31.9 million
- Miller $31.2 million
- General Motors $29.2 million
- Cendant $25.7 million
- Diageo $23.3 million
- Verizon $18.3 million

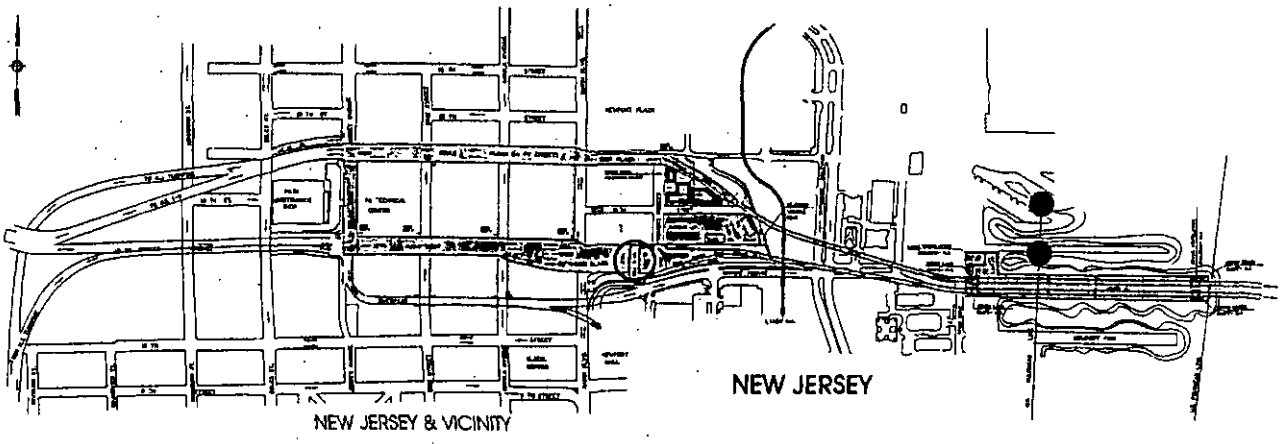
H.2 Marketing Strategy and Approach

Giant Digital Displays

To maximize the advertising potential of these exceptional venues, JCDecaux is proposing exceptional products. Rather than installing more traditional billboards, we propose installing state-of-the-art giant digital displays that will capture the attention of advertisers and viewers alike. These products are particularly well fitted for these locations where cars typically line-up for a few minutes before getting through the tollbooths. This dwell time offers ample opportunity for passengers to view a loop of several advertising messages. Having the same units at the entrance of all three links to Manhattan from New Jersey will provide advertisers 100% coverage.

In addition to offering exceptional value to advertisers, these units will provide the Port Authority with a medium to efficiently communicate with the bridge and tunnels users.

Holland Tunnel



ALL GRAPHICAL REPRESTATIONS ARE APPROXIMATE ; FOR EXTENTS OF PROPERTY AND NATURE OF PROPERTY INTERESTS SEE DRAWING HT-R2 DATED 6-1-65

LEGEND

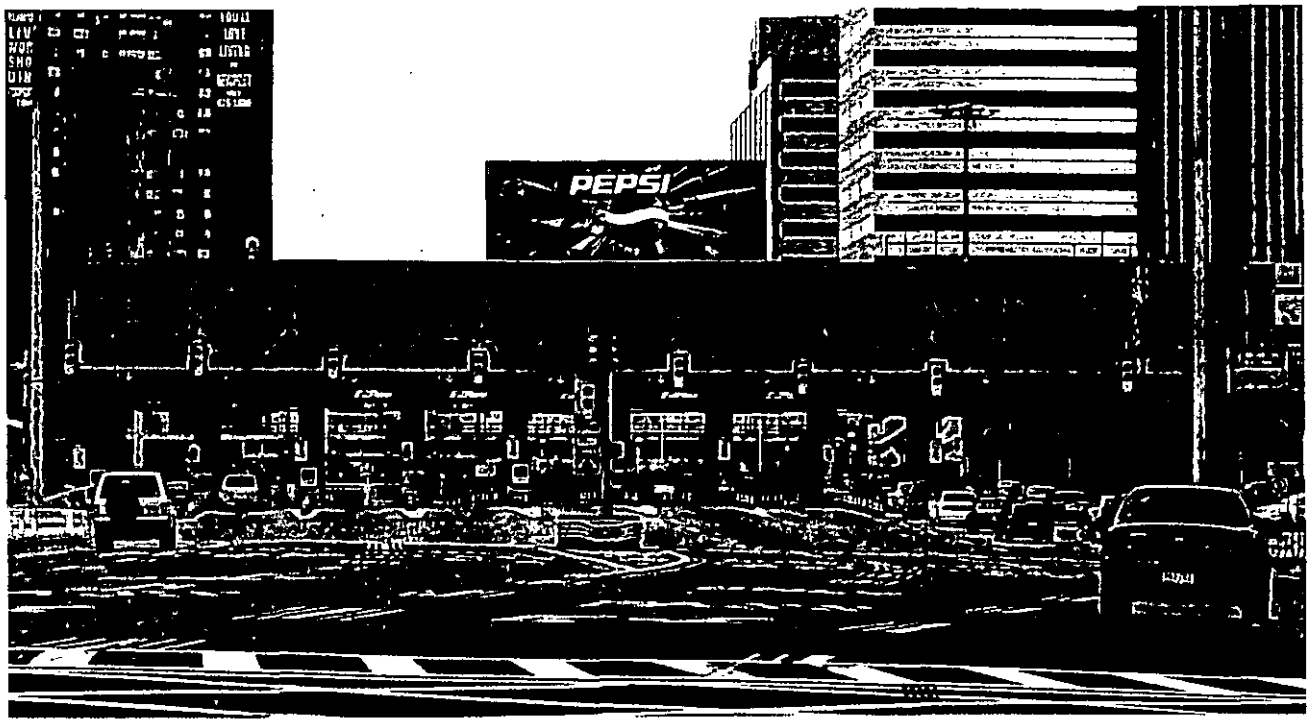
PORT AUTHORITY PROPERTY

PORT AUTHORITY EASEMENT

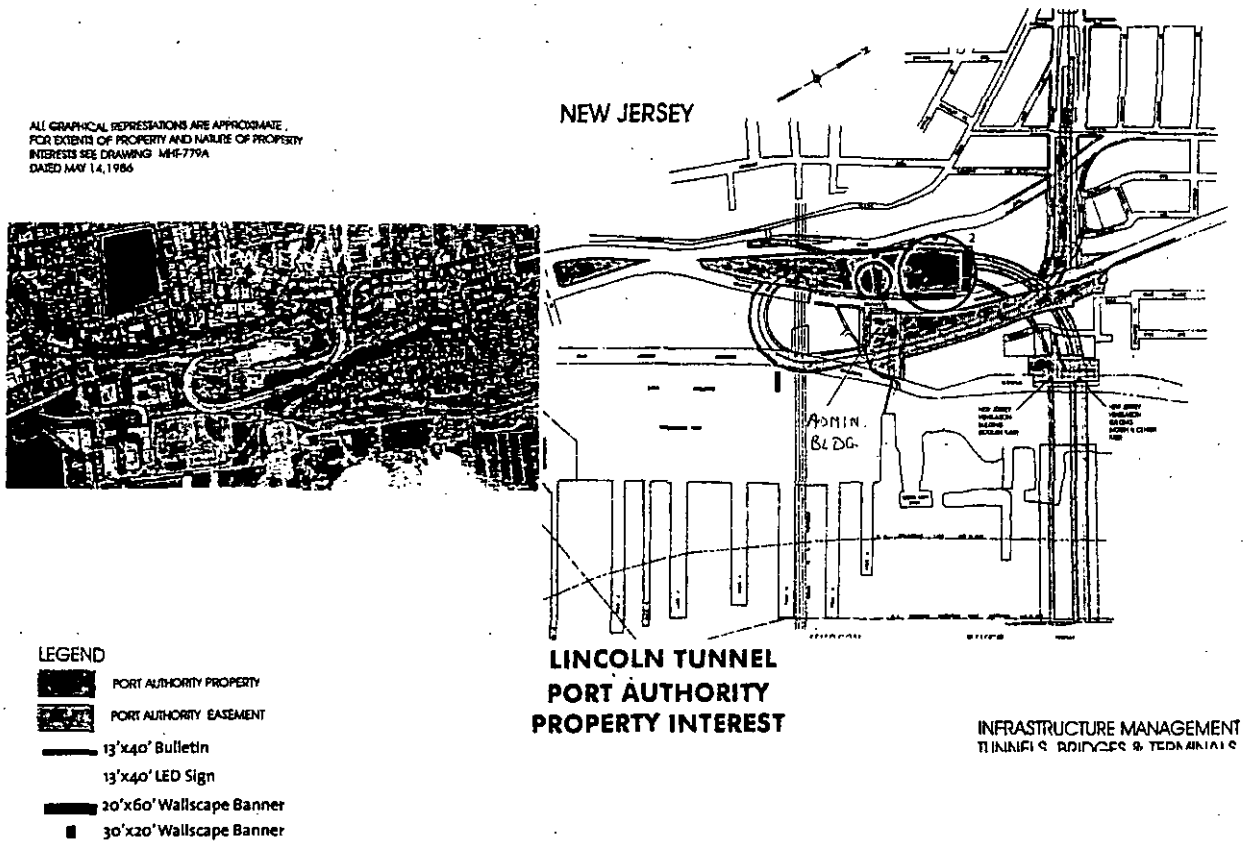
13'x40' LED Sign

HOLLAND TUNNEL PORT AUTHORITY PROPERTY INTEREST

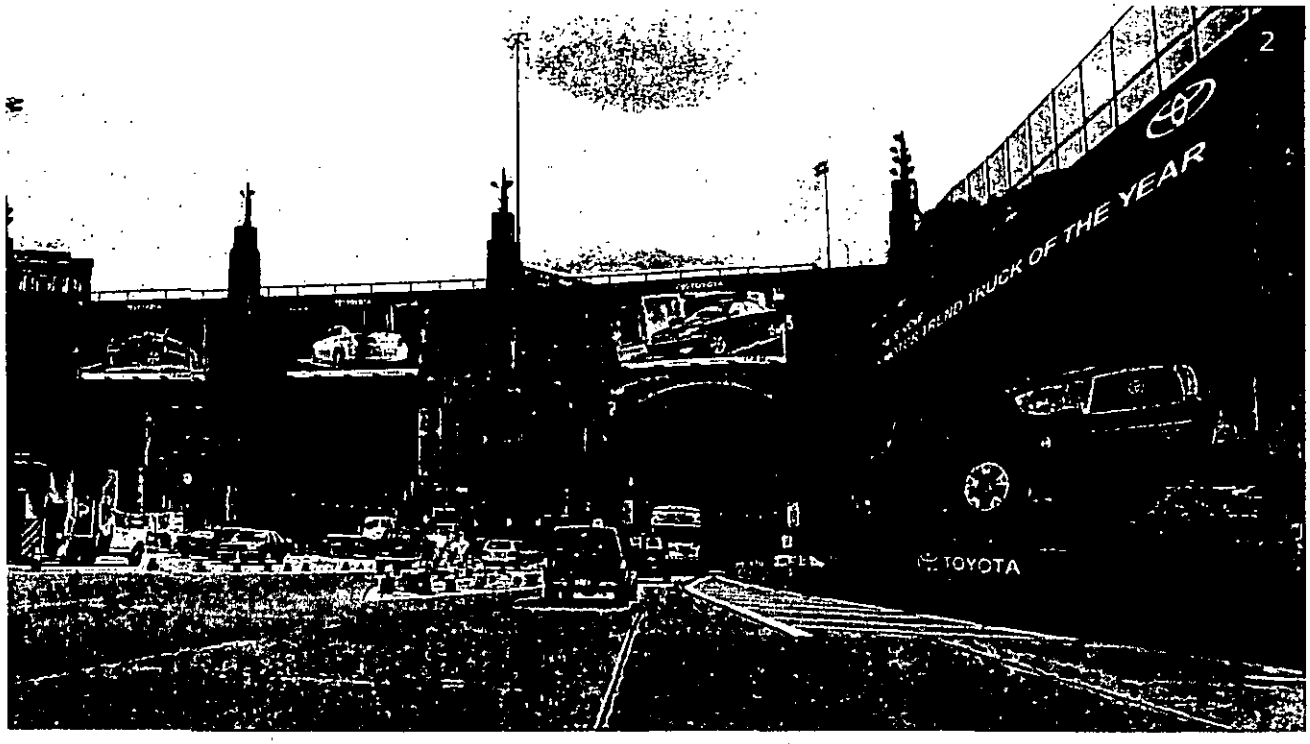
INFRASTRUCTURE MANAGEMENT TUNNELS, BRIDGES & TERMINALS



Lincoln Tunnel

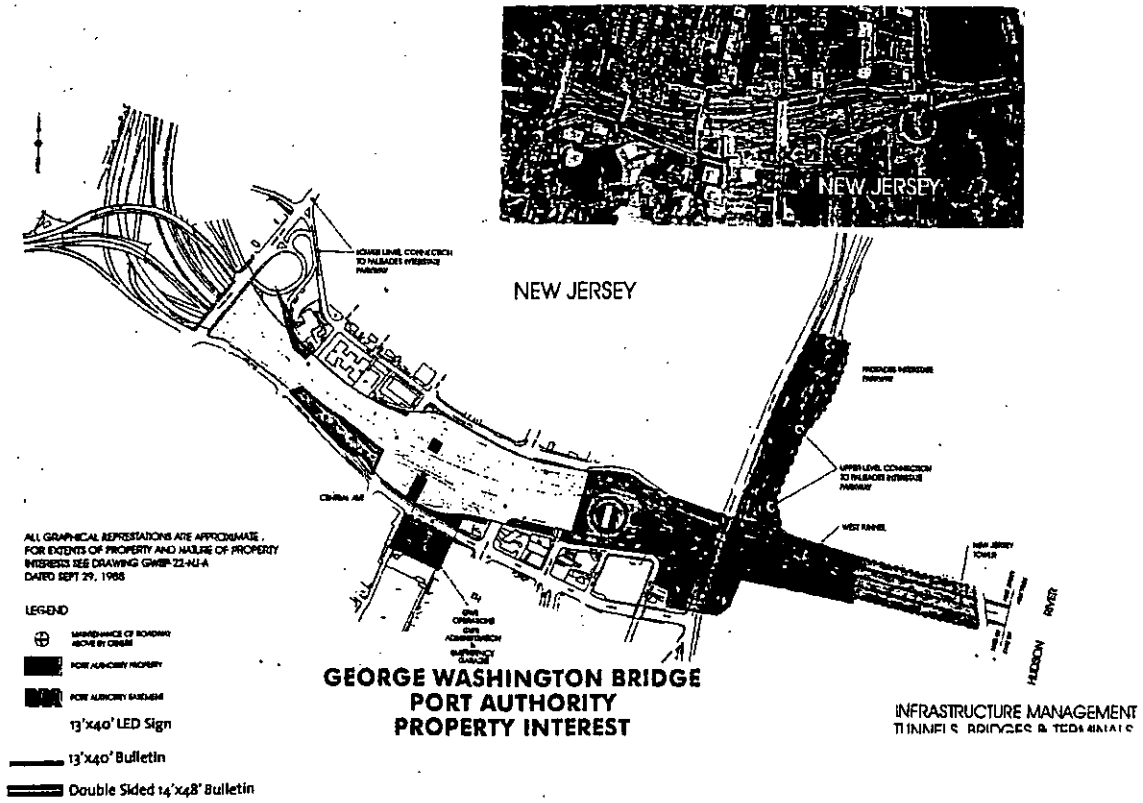


H.2 Marketing Strategy and Approach



H.2 Marketing Strategy and Approach

George Washington Bridge



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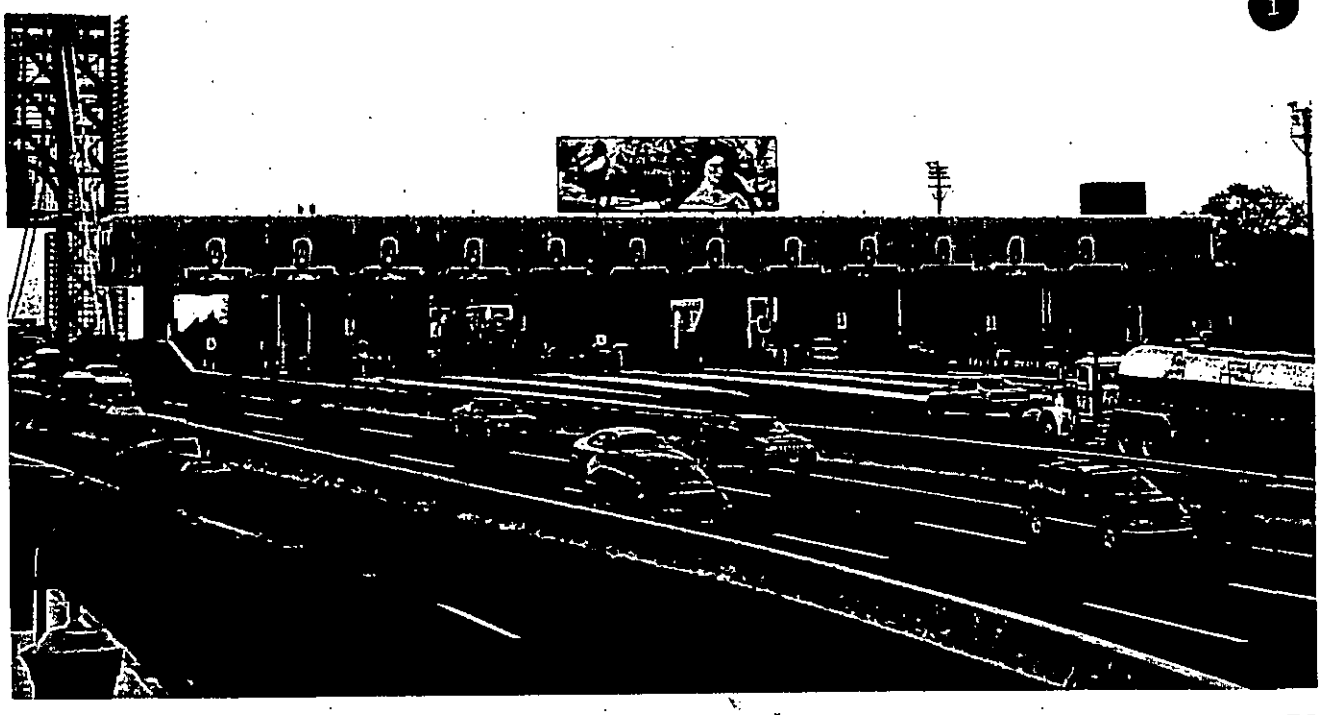
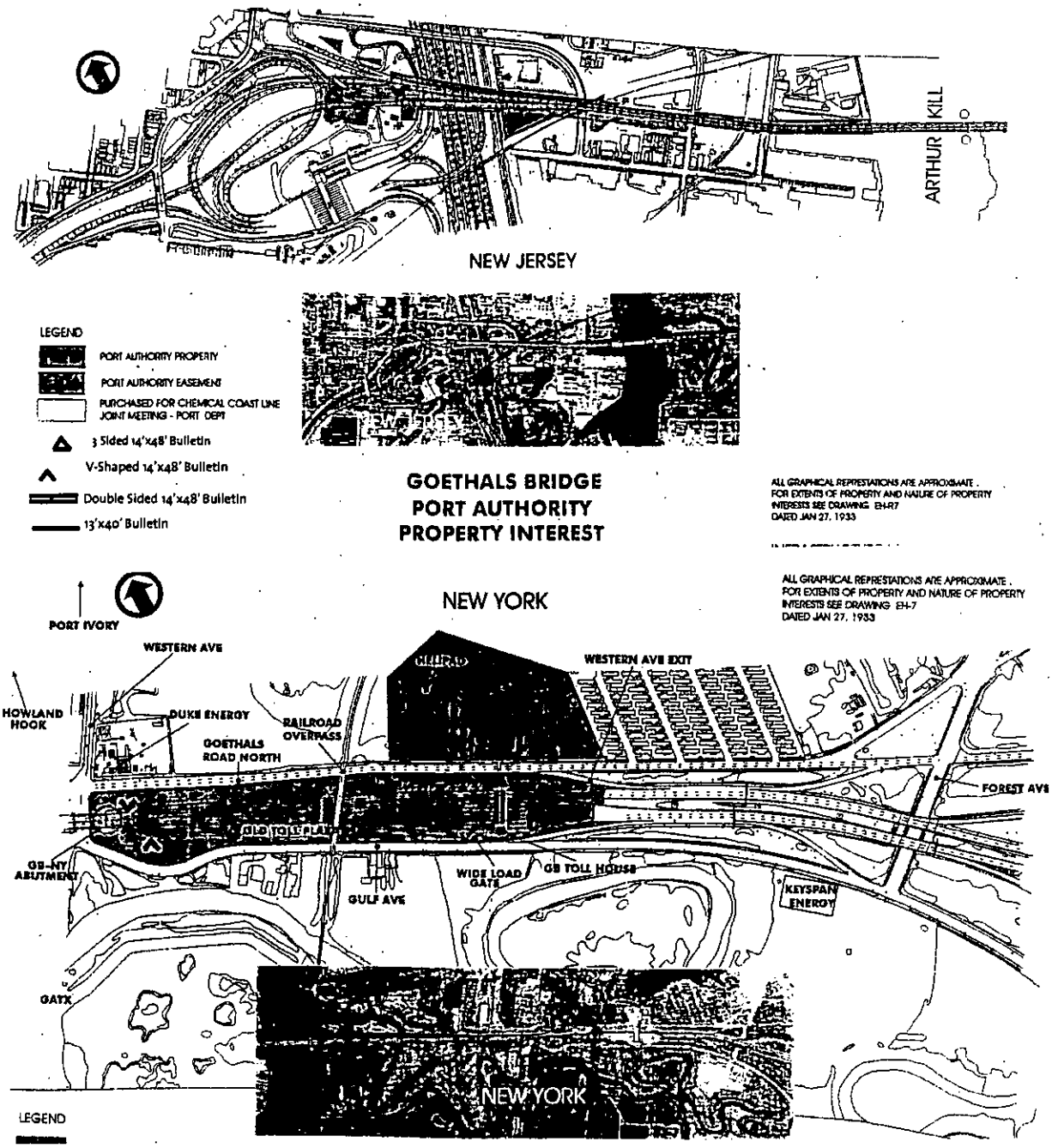


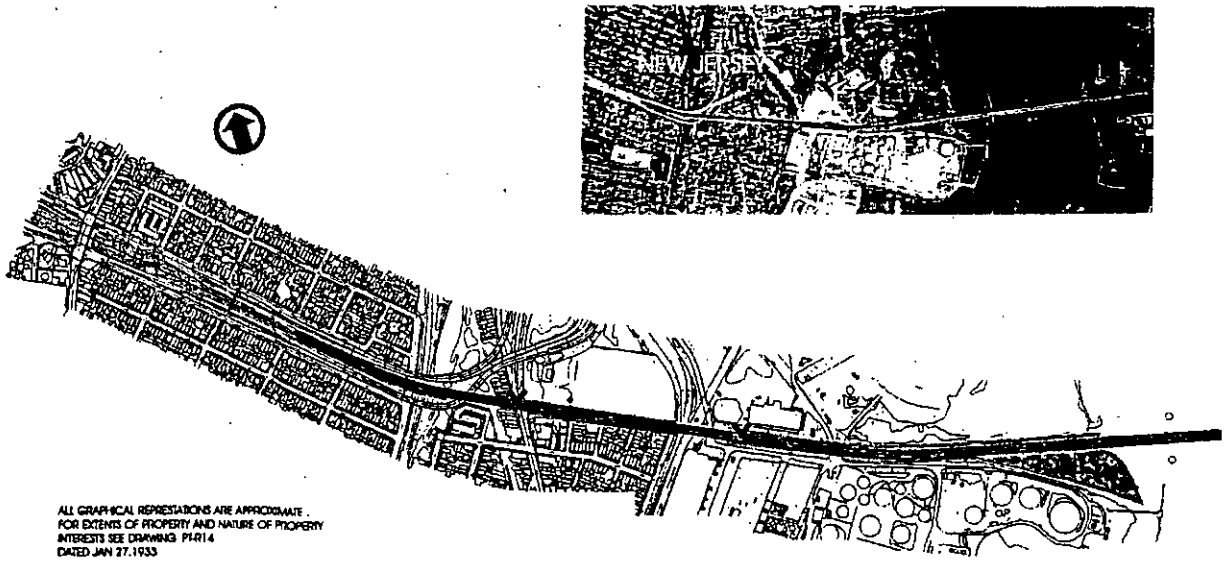
Other Display Opportunities

The other PANYNJ properties offer greater opportunities for signage when they are on or close to major thoroughfares. While not as valuable as the entrance to the Washington Bridge or the two tunnels, these locations are exposed to enough vehicular traffic to justify investing in traditional billboards.

Goethals Bridge



Outerbridge Crossing



ALL GRAPHICAL REPRESTATIONS ARE APPROXIMATE . FOR EXTENTS OF PROPERTY AND NATURE OF PROPERTY INTERESTS SEE DRAWING PI-R14 DATED JAN 27.1933

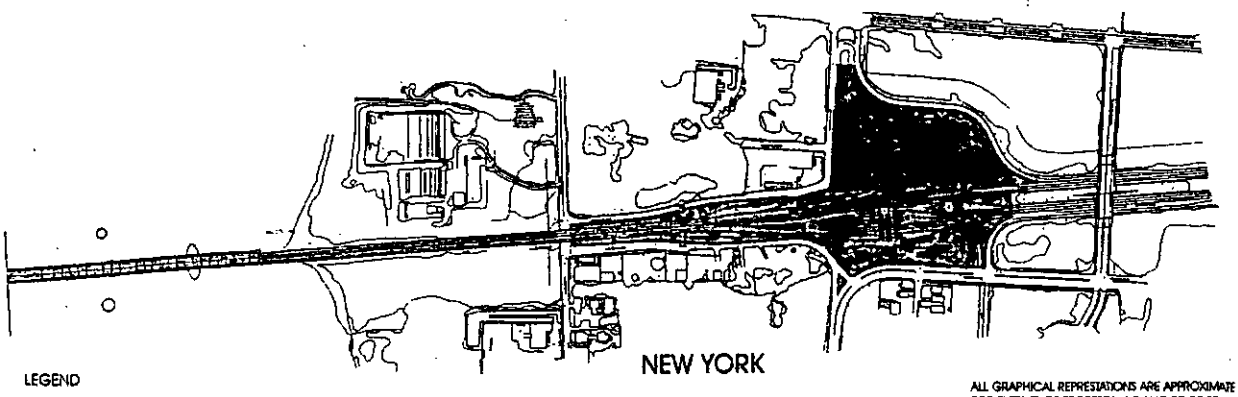
LEGEND

- PORT AUTHORITY PROPERTY
- PORT AUTHORITY EASEMENT
- V-Shaped 14'x48' Bulletin

NEW JERSEY

OUTERBRIDGE CROSSING
PORT AUTHORITY
PROPERTY INTEREST

INFRASTRUCTURE MANAGEMENT
TUNNELS, BRIDGES & TERMINALS



NEW YORK

LEGEND

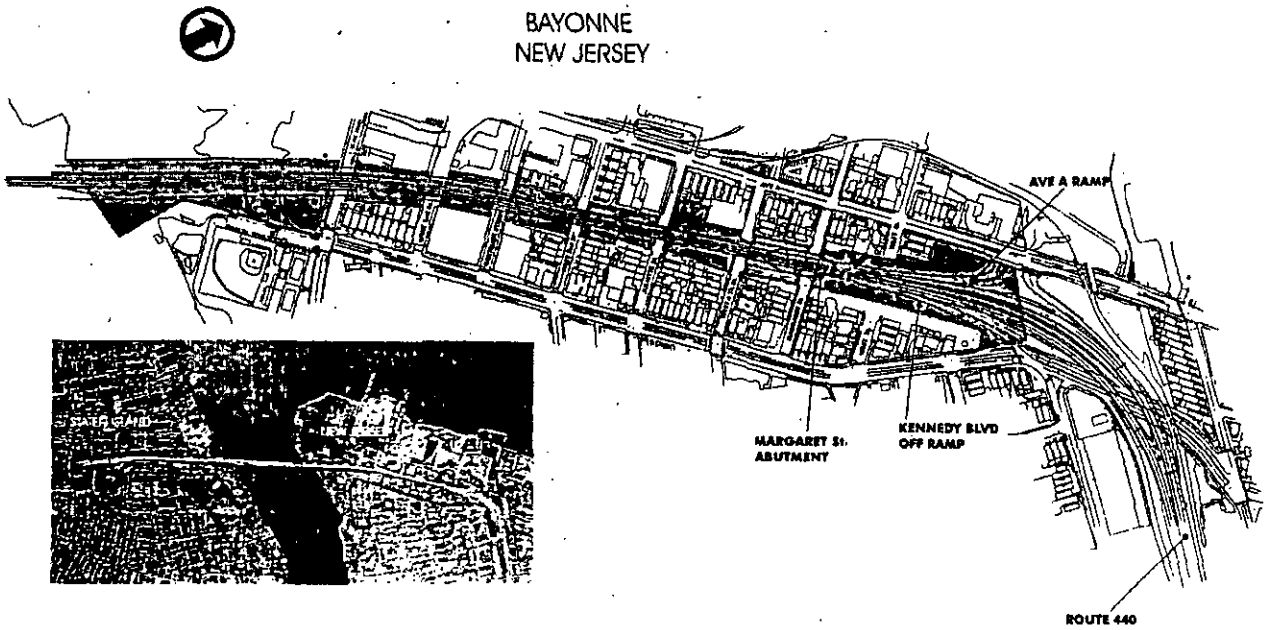
- PORT AUTHORITY PROPERTY
- PORT AUTHORITY EASEMENT
- V-Shaped 14'x48' Bulletin
- Double Sided 14'x48' Bulletin

OUTERBRIDGE CROSSING
PORT AUTHORITY
PROPERTY INTEREST

ALL GRAPHICAL REPRESTATIONS ARE APPROXIMATE . FOR EXTENTS OF PROPERTY AND NATURE OF PROPERTY INTERESTS SEE DRAWING PI-R14 DATED JAN 27.1933

INFRASTRUCTURE MANAGEMENT
TUNNELS, BRIDGES & TERMINALS

Bayonne Bridge



LEGEND

PORT AUTHORITY PROPERTY

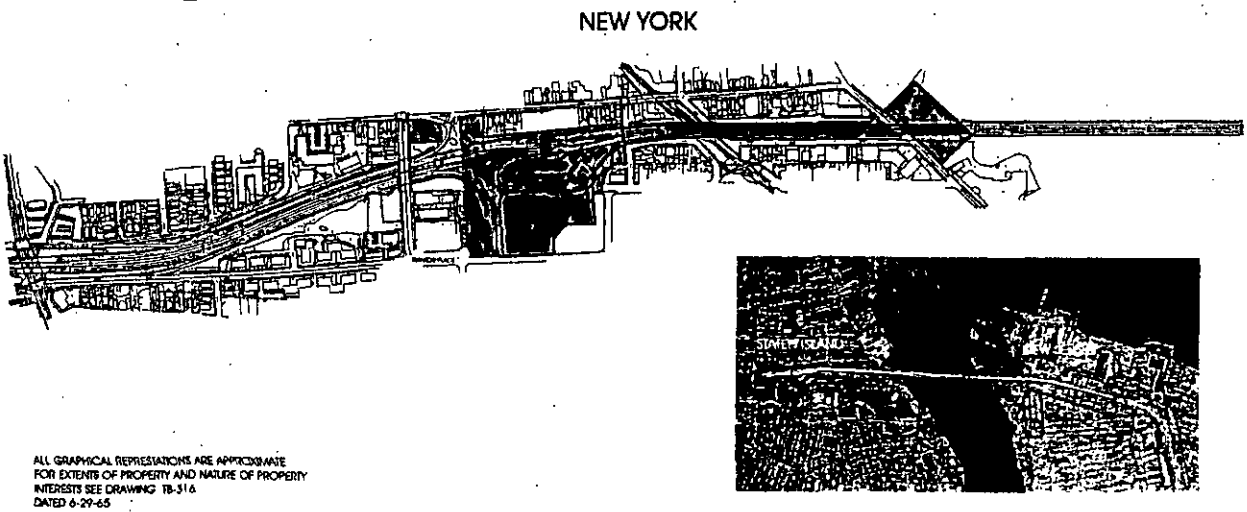
PORT AUTHORITY EASEMENT

V-Shaped 14'x48' Bulletin

BAYONNE BRIDGE
PORT AUTHORITY
PROPERTY INTEREST

ALL GRAPHICAL REPRESTATIONS ARE APPROXIMATE. FOR EXTENTS OF PROPERTY AND NATURE OF PROPERTY INTERESTS SEE DRAWING TB-316 DATED 6-29-65

INFRASTRUCTURE MANAGEMENT
TUNNELS, BRIDGES & TERMINALS



ALL GRAPHICAL REPRESTATIONS ARE APPROXIMATE FOR EXTENTS OF PROPERTY AND NATURE OF PROPERTY INTERESTS SEE DRAWING TB-316 DATED 6-29-65

LEGEND

PORT AUTHORITY PROPERTY

PORT AUTHORITY EASEMENT

V-Shaped 14'x48' Bulletin

Double Sided 14'x48' Bulletin

BAYONNE BRIDGE
PORT AUTHORITY
PROPERTY INTEREST

INFRASTRUCTURE MANAGEMENT
TUNNELS, BRIDGES & TERMINALS

IMPLEMENTING THE PLAN

Design, Production, Installation and Operation

JCDecaux's dedicated team of engineering, manufacturing, procurement and quality assurance professionals have set up and maintained advertising programs throughout North America. This team – working under the leadership of Nicolas Clochard-Bossuet, who managed the creation of advertising furniture for our mall-advertising program as well as for the City of Chicago – can be set into motion to implement the Port Authority program as soon as we are selected. **This will ensure that the first new structures can be installed within months of award.**

As soon as the new concession contract is signed, JCDecaux will initiate the following steps for the smooth and efficient implementation of the advertising program:

Basic Assumptions Planning Sessions with the Port Authority

- Establish meetings with each Port Authority facility manager or line department and appropriate staff
- Review each project under their control to confirm details and general acceptance of process and approach
- Review any specific Port Authority/other facility projects that are proposed by others over the same projected timeframe
- Determine any conflicts
- Propose solutions to conflicts and restructure project process and approach as needed
- Reach general consensuses on projects and set targets points for reevaluation
- Obtain list of appropriate contacts and establish specific project coordinators for the PA and JCDecaux
- *Follow-up meeting and updates as established to meet project targets*

Site Approval, Permit and Installation Process

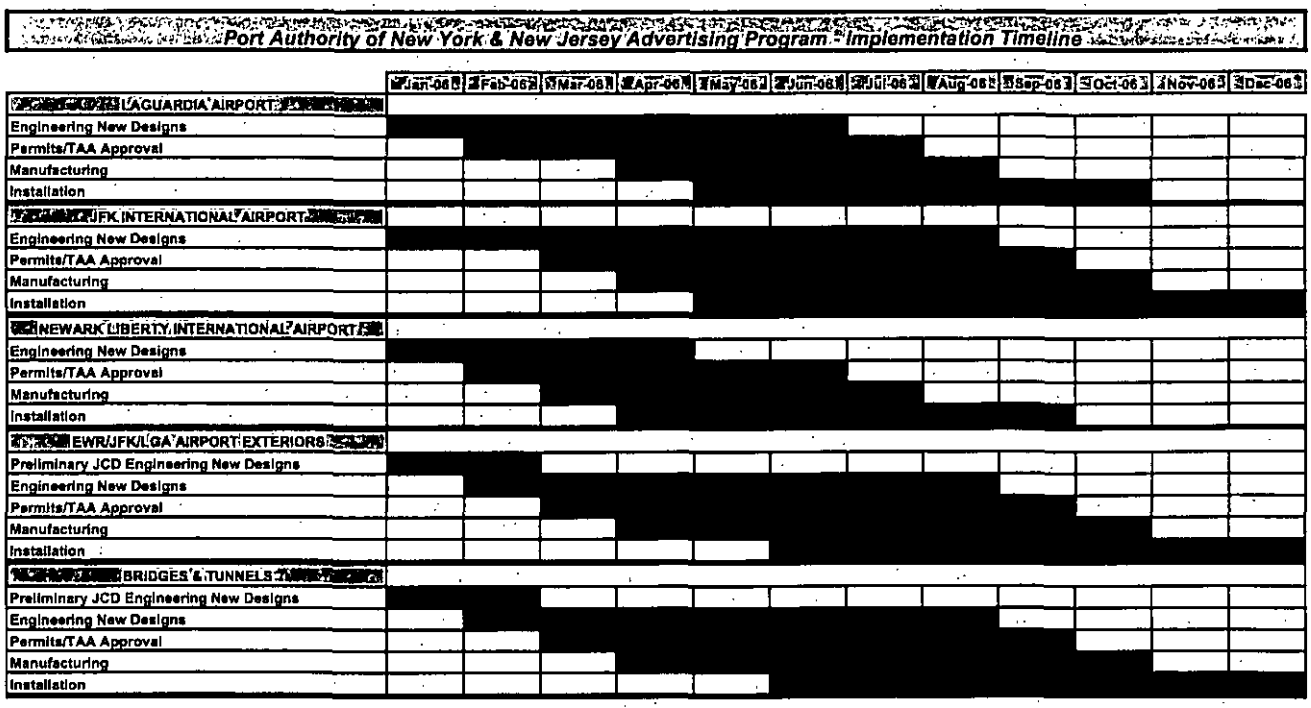
- Tour of all proposed sites by JCDecaux with Port Authority, in order to confirm each location, type of advertising fixture and final placement
- Determination of permitting and TAA process with Port Authority and specification of all supporting documents and materials required
- For each location, upon permit and TAA approval by Port Authority, manufacturing of the corresponding advertising fixture will kick off immediately along with the site preparation and electrical connection work
- All site preparation and electrical work performed maximizing the use of licensed contractors with the appropriate union affiliation, MBE/WBE certified contractors in order to meet our participation goal. Such work will be closely coordinated with the Port Authority in order to minimize the impact on the passengers (off hours work in public areas when required)
- Finalization of the on-site installation schedule based upon the delivery schedule for the fixtures, with validation from the Port Authority in order to minimize the impact on the

passengers and the facilities operations (off hours work in public areas when required)

- Routine meetings both internally and externally with all involved vendors, subcontractors, installers, etc. will be held to monitor (and adjust when necessary) schedules, keeping airport and specified staff updated.
- Final reception of each site with the Port Authority once the installation of the corresponding fixture is fully completed, following a thorough inspection and approval from JCDecaux Quality Assurance professionals

Display Installation

- Overseen by full-time JCDecaux managing supervisors and project managers for each property installation
- Work directly with local unions, including IBEW Local 3 (Electrical), IBEW Local 137 (Sheet Metal & Poster Hangers) and IBEW Local 164 (Electrical)
- Utilize Port Authority-certified M/WBE contractors to exceed the Port's requirements
- Work within security requirements of Port and TSA to ensure safety
- Work at hours to minimize impact on traveling public
- Maximize off-peak hours for preliminary work
- Ensure all Port procedures are followed from TAA submittal to final punch lists
- Communicate installation completion to contact person(s) when finalized



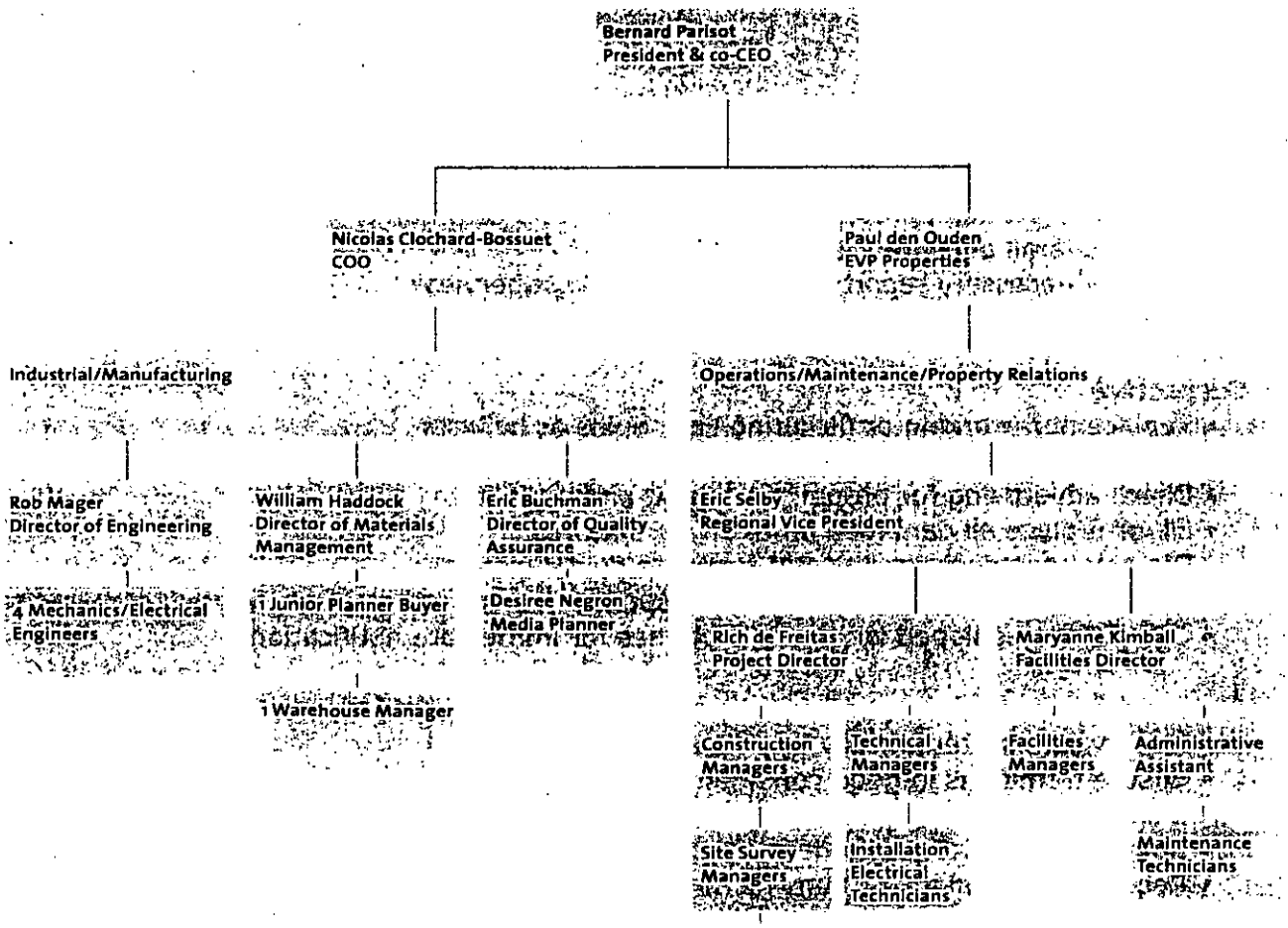
Timing

We will develop detailed schedules in conjunction with the Port Authority of NY & NJ to ensure that permitting, construction, manufacturing, and installations are all synchronized. Manufacturing suppliers will be given a rolling quarterly forecast so they can plan their production and purchase any long lead-time raw materials and components. Installation and prep-work contractors will be provided with contract schedules for grouping of displays that cover two to four months of installation volume. Site-specific weekly schedules will be provided to prep-work teams as well as to the final assembly and installation teams. JCDecaux will oversee weekly production meetings between manufacturers and the final assembly facilities.

The Technical and Field Staff

JCDecaux has a fully dedicated, New York based operations team. Staff members are already in place with experience and dedication to our existing New York and New Jersey Operations. In the airports alone, we propose to double the Operations Department to a full-time staff of, at least, 12 members. These dedicated employees would be provided with 24-hour communication with the appropriate supervisors.

JCDecaux already has a fully dedicated industrial and manufacturing team located in New Jersey. From this location we design all of our advertising products.



H.2 Marketing Strategy and Approach

Display Maintenance
Maintenance Technicians, provided with attractive uniforms, quality tools and safety equipment as well as a well-maintained vehicles, will be fully trained in repairs, maintenance and ad panel posting.

For the airports, given the size of the 3 airports and the volume of displays under this agreement, we will divide operations into 2 regions. We will have the JFK/LGA Team, which will focus on JFK, LGA and JFK AirTrain and the EWR Team, which will focus on EWR, EWR AirTrain, the Downtown Heliport and the PATH. Each team will have it's own supervisor, technicians, vehicles and local warehouse. All Maintenance Technicians will belong to Local 137 (Sheet Metal & Poster Hangers Union).

Maintenance falls into three fundamental categories: preventive, corrective and structural:

Preventive
- Ongoing cleaning of all fixtures
- Ensure proper illumination, ballasts, circuit-breakers
- Remove unauthorized posters, stickers, etc.
- Poster installation for contracted advertisers and community information
- Check overall appearance
- File any necessary reports and report to field supervisor
- Random inspections by supervisors and management team

Corrective
- Replace non-working or flickering light bulbs or ballasts
- Remove unauthorized posters, stickers, etc.
- Check advertising for proper placement and visibility
- Fix or replace all damaged parts on our fixtures
- File any necessary reports and report to field supervisor
- Staff available 24/7 for emergency response
- Technicians equipped with mobile phones for immediate notification

Structural
- Supervisors systematically inspect all fixtures
- Ensure framing is in good condition
- Ensure acrylic/glass face is presentable
- Review mechanical soundness of equipment
- Regular electrical inspections by authorized electricians
- File any necessary reports and report to field supervisor

H.2 Marketing Strategy and Approach

JCDecaux Quality Assurance Program

JCDecaux's commitment to quality shows through in every product we produce. The company-wide policy is based on the globally recognized ISO 9001:2000 Standard. **The focus of this program is to promote quality at every level of the company through all the different departments and develop one goal: A Commitment to Excellence.**

This quality begins at the design phase, where only the finest materials and finishes are integrated into each product, ensuring not only beauty but also long-term durability for the life of the contract.

A strong partnership with each supplier ensures their Quality System meets the stringent ISO based JCDecaux Quality Standards so that Receiving, In-Process, and Final Inspection develop an all-inclusive program.

During the manufacturing stage, work instructions are developed along with inspection checklists for each step of the process. The focus is on continuous improvement and refining each step of manufacturing from in line fixturing to state-of-the-art statistical process control.

Architectural grade powder coating is used to produce U.V. stable, anti-graffiti, long-term finishes. Only certified applicators with the proper pre-treatment system are used. This entitles JCDecaux to a ten-year warranty against fading, blistering, and peeling of the powder coat finish.

An onsite inspection checklist is completed for each installation to ensure proper functionality of the units prior to leaving the site.

Through years of real world maintenance experience, JCDecaux has refined our materials and products to enable quick and efficient on-site restoration and repairs.

All supporting quality documentation is kept on file to ensure traceability throughout the life cycle of our products. This enables us to track and utilize information for the ultimate target of continuous improvement.

JCDecaux sets the standard for quality throughout the Out-Of-Home advertising industry. Our Quality Assurance Program starts at the design phase with material selection, encompasses a stringent supplier selection process, monitors all aspects of manufacturing, oversees the installation phase of the project, and takes pride in our all-embracing streamlined maintenance program.

Through strong partnerships, a comprehensive quality program, and a thorough understanding of our products, JCDecaux has the ability to consistently deliver a world-class product on a timely basis.

H.2 Marketing Strategy and Approach

Sales Administration and Marketing

An Experienced, Dedicated Professional Sales Organization
JCDecaux is unmatched in our sales efforts regionally, nationally and internationally. The Port Authority will capitalize on our sales leadership by enjoying maximum revenue potential and return. JCDecaux's national sales team is positioned in the major markets in the U.S. Headquartered in New York City, with offices in Chicago, Los Angeles, San Francisco, Boston, Miami, Dallas and Atlanta, these sales professionals have established relationships with agencies throughout the country. To focus on this new total advertising opportunity for the Port Authority we will increase our current sales organization with the *addition of dedicated personnel in our New York office an in the major advertising markets.*

New York is the number one advertising market in the world. The Port Authority's assets are the most viable media option in the Out-of-Home arena. The combination of these two forces will give JCDecaux's salespeople the opportunity to offer clients the finest advertising program in the world's top city.

In addition to our national cities, malls and airports sales teams, the regional sales staff based in our offices in New York; Chicago; Los Angeles; Washington D.C.; Seattle; Dallas; Boston; Atlanta; San Francisco and Miami contact local and regional advertisers and advertising agencies to secure additional revenues for key Port Authority campaigns in the top markets.

Team Effort
Our sales process is highly developed and oriented to produce maximum revenues with the highest quality sales, marketing and service organization. JCDecaux's sales teams drive the business. They do this by prospecting and contacting the advertising community, securing appointments and making detailed presentations, customizing proposals to find solutions to the advertisers special needs and securing the contract. However, the sales team cannot ultimately be successful without the combined efforts of the sales support team.

Marketing/Graphics Team
A centralized, New York based marketing team provides the essential pre and post sales tools for the national and regional sales teams. JCDecaux's proficient and efficient marketing, graphics and research staff prepare all selling materials, including but not limited to sales brochures, product information sheets, state-of-the-art CD-ROM based sales presentations, mapping programs with advanced technology, audience databases and a comprehensive library of secondary research.

Marketing Leadership
JCDecaux's' talented marketing department is unmatched in the industry. We make significant investments in our marketing and presentation materials to help clients better understand their advertising options in the Out-Of-Home marketplace. The materials we provide them will allow advertisers to make the most informed decision when it comes to selecting the Port Authority properties as a key component of their advertising plans.

H.2 Marketing Strategy and Approach

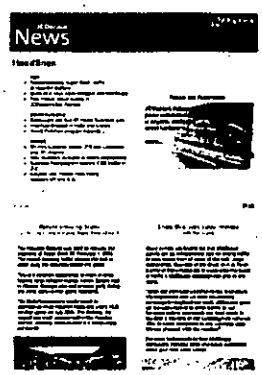
In 2004, JCDecaux launched the first-ever OOH Advertising Upfront for our Airport Division. Over 150 advertising executives from across America and Europe gathered at JFK's Terminal 4 and were presented with our latest product innovations and newly developed locations throughout our portfolio. As a result of this event, JCDecaux secured new advertisers and renewed a significant number of contracts. An estimated $4.2 million was generated from this Upfront sale, of which $2.4 million was booked at LGA and JFK.

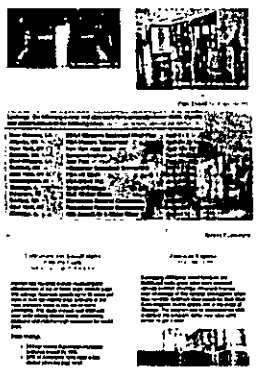
JCDecaux reinforced its leadership position and that of the New York Airports at this event. Awards for the best airport advertising campaigns were delivered to some of our largest advertisers for their spectacular displays at JFK and LGA. This prestigious list of advertisers included American Express, Royal Bank of Scotland and National Insurance.

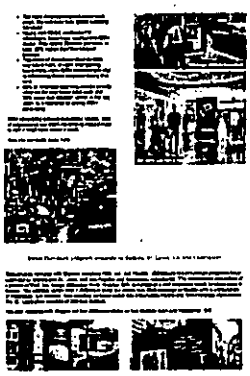
Marketing Materials

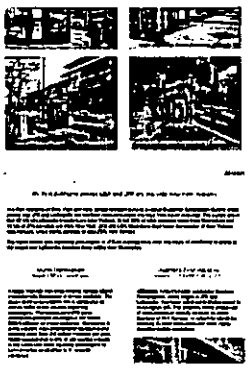
We design eye-catching, in-depth custom brochures for each facility in the JCDecaux Portfolio. These publications give prospective clients insights on the targeted audience, available displays, and advertising rates.

We send the JCDecaux Newsletter via e-mail to existing and prospective clients and advertising agencies, providing important and timely information about the Out-of-Home advertising business. These newsletters highlight the latest successful ad campaigns, newly acquired markets, and new product offerings. Our highly regarded newsletter allows us to continuously brand JCDecaux's various media platforms and remain top-of-mind with clients and advertising agencies.



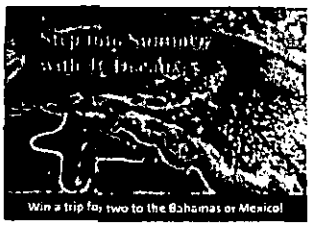


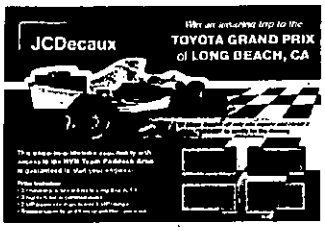


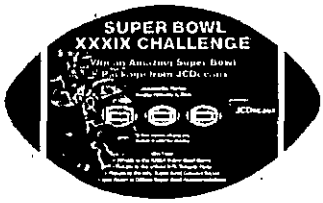


H.2 Marketing Strategy and Approach

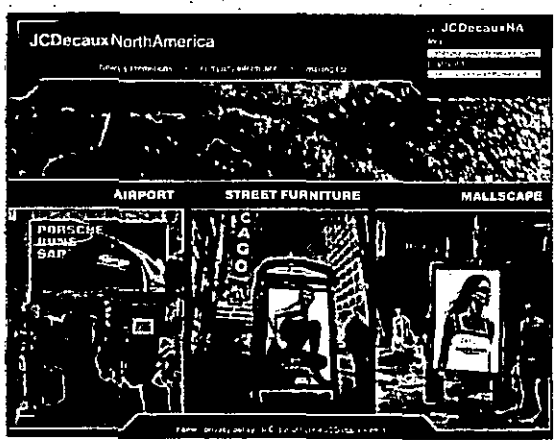
Promotional brochures and literature are regularly sent out to clients, offering give-aways and prizes as incentives in order to remain in the forefront of our clients' thoughts in a very cluttered media world.

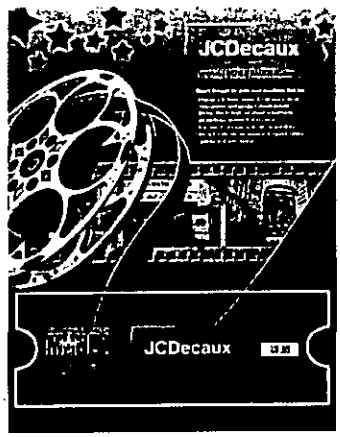




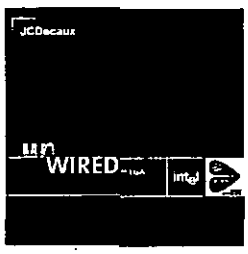


Our state-of the-art Web site: http//www.jcdecauxna.com/, provides an overview of the company, the markets we serve, and the products we offer in an easy to navigate and informative format.





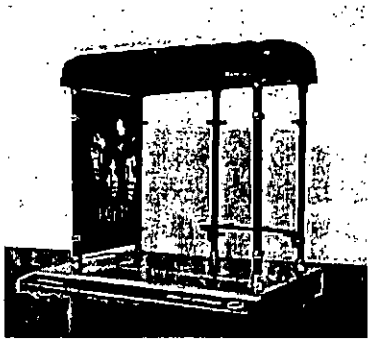
We produce targeted videos and CD ROMs in-house, showcasing outstanding creative campaigns and the reactions of people/passengers viewing them. Our interviews capture the public's views on airport advertising as a medium and how they are influenced by it. Category specific, the videos are used to convince new potential advertisers to explore the effectiveness of airport advertising.

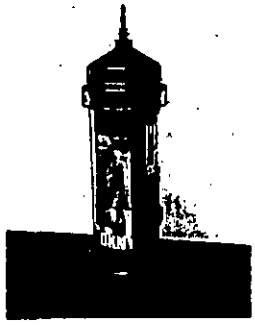


H.2 Marketing Strategy and Approach

Campaign Showcases - JCDecaux's Marketing and in-house Graphic Design team produce framed collages for major advertisers to commemorate their latest advertising programs.

We give small-scale models of our display units, with the client's ad affixed, to advertisers and agencies. Great collectors items, these gifts often are displayed on clients' desks and serve as a constant reminder of JCDecaux's high-quality standards.





H.2 Marketing Strategy and Approach

Sales Administration
Often referred to as "the keepers of the gate," the sales administration team steers the business. They take reservations and book space, manage inventory, execute contracts, instruct the operations department on what is to go where, invoice and provide proof of performance. Utilizing the sophisticated software tools of Indigo, Monitor and Epicore, the sales administration team manages all aspects of the system and is in fact the "conscience" of the department, maintaining integrity throughout the process.

Indigo and Monitor
These powerful software programs were developed exclusively for JCDecaux. They enable us to administer and monitor the sales operation from pre-sale to proof-of-posting photos, streamlining the advertising sales process so we can maximize revenues and ensure that our clients get the posting and billing efficiency they demand.

Indigo Mapping System
A proprietary mapping system developed by JCDecaux, Indigo allows our sales executives to show potential advertisers exactly where their ads would go. Enabling graphical visualization of the location and environment in which the advertising face in question sits, be it on a tunnel, at an airport or on a PATH train. Indigo's powerful search engine gives our sales professionals instant access to availability and competitive sales information. It allows our sales team to build a custom campaign easily, graphically selecting the faces to be displayed in specific locations with a simple click. Each proposed campaign is automatically saved in our booking system, allowing the sales person to follow up with several types of reports, including maps and pictures of the campaign's proposed sites.

Monitor: Management of Advertising Sales
JCDecaux's Monitor software manages all of our advertising sales, including booking and billing, tracking, the shipping and receiving of materials and the posting of ads on the appropriate structures. $300,000 is spent annually for development and maintenance of this vital system.

First our sales and marketing teams research opportunities and present to clients. Once a potential sale of space is agreed upon, the subject network (group of advertising faces) is reserved for that client while awaiting execution of the contract. When JCDecaux receives the signed contract, the commitment is confirmed, and the advertising campaign is scheduled within Monitor for posting on the appropriate date and locations.

Monitor's core activities include:
- Inventory Management – The creation and upkeep of inventory to ensure accuracy for Sales and Operations
  - Number of advertising panels in 2004 – 26,900
- Booking – Selection of faces, assist in sales planning
  - Number of advertising contracts in 2004 – 2,600
- Billing – The preparation of invoices relating to postings within a specific posting period
  - Number of invoices prepared in 2004 – 21,500

- Traffic – Communication regarding contracts and ad copy, to facilitate posting
- Data Processing – Preparation of posting activity with regards to faces and advertising materials
  - Number of faces posted in 2004 – 71,500

Posting and Billing
The JCDecaux Operations Department uses the contract information within the Monitor system to track receipt of the posters at our warehouse. Monitor also provides a detailed posting list with instructions for the specific structures for posting each client's campaign.

Once the ads have been posted, a photographer takes a digital photo of the campaign. We call this Proof-Of-Performance (POP). Our Digital POP provides assurance to our advertisers that we have delivered according to our contractual commitment through an online POP reporting tool. This tool is completely automated and streamlined for client access and is directly interfaced with our Monitor tracking system. Digital POP expedites delivery of materials to advertisers and improves the payment cycle. It provides advertisers 24-hour access to campaign information, photographs, location lists and completion information.

Epicore: Management of Financial Controls
JCDecaux employs Epicore business management software to administer collection of advertising revenues and payment of bills. This system will facilitate our reporting to the Port Authority.

Credit and Collections
No contract is scheduled for posting or reported as revenue until a detailed credit review has been performed. Only upon validation from JCDecaux's credit Department is a booking record updated to Contract status in Monitor, and scheduled for posting. For current customers, we use past payment history as well as credit analysis data. For new customers, we perform a complete credit check, using external credit reporting agencies.

In conjunction with billing, the appropriate accounts receivable data is interfaced from Monitor to JCDecaux's financial/accounting system Epicore, which furnishes data from JCDecaux's Credit and Collection Department. Information on past due or aged receivables is available to allow for follow-up via phone and letter. Client statements are prepared and mailed every month to provide information on outstanding invoices.

Traffic Department
Once a booking is elevated to Contract status in Monitor, the Traffic Department starts gathering the specific posting instructions from the customers. At this time we contact the customer's printing company to be certain that the posters will be printed correctly and will arrive on time at the proper destination. Before production of the poster begins, the Traffic Department acquires approval of the creative designs to be posted from JCDecaux management and, where necessary, from its partner companies who own/operate the properties where the designs are to be posted.

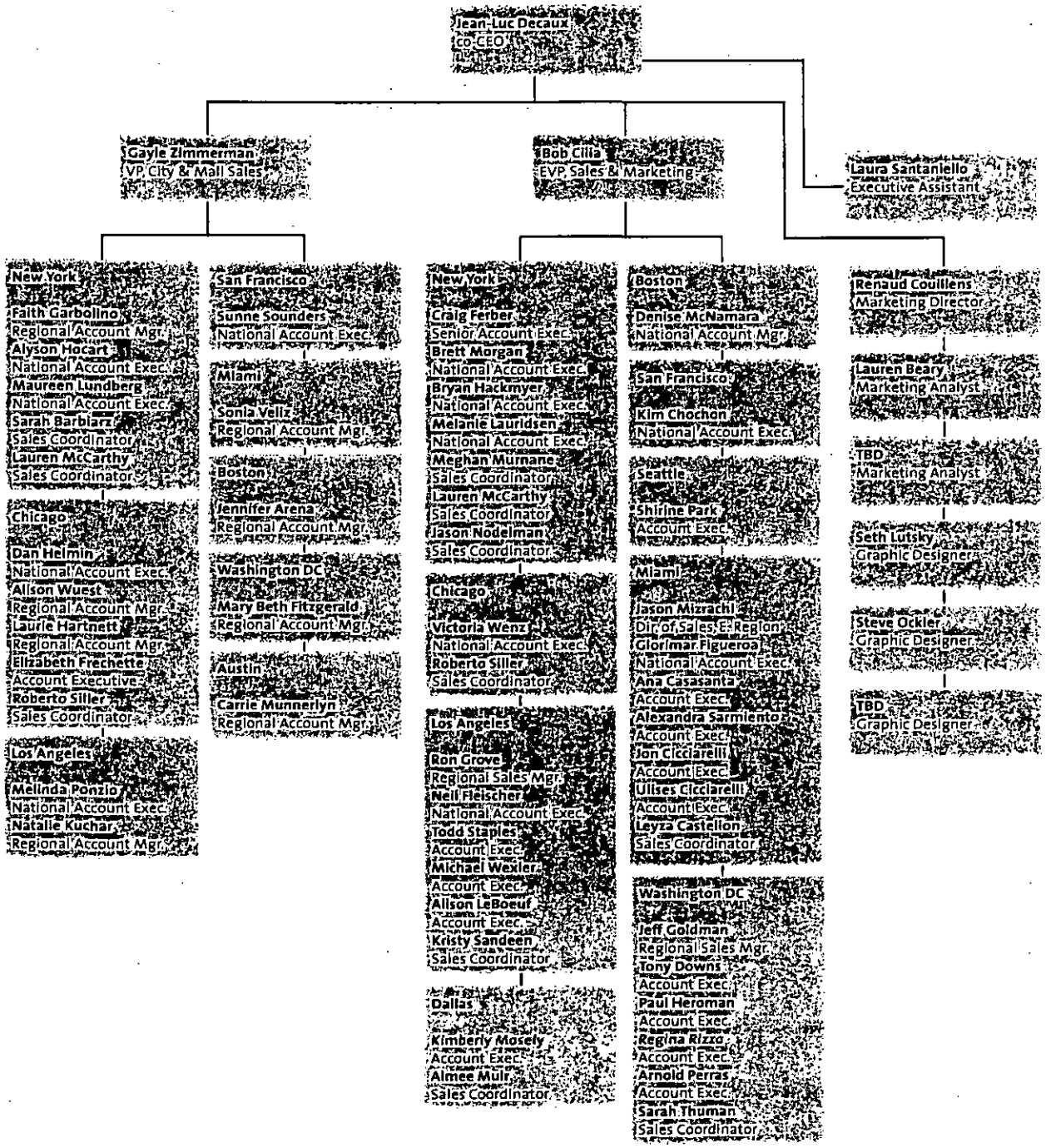
H.2 Marketing Strategy and Approach

By taking this pro-active approach, the Traffic Department is able to ensure that JCDecaux will meet the customer's expectations regarding which creative designs are to be posted and how they will be distributed. At the same time, there will be confirmation that the posters will be printed according to JCDecaux specifications and will be of the proper quantity and design. All of these steps are tracked and logged so that all relevant JCDecaux personnel can view the status and progress of any given campaign at any time.

Management of Advertising Content

JCDecaux sells its advertising to first-class clients. We screen all of the ads for good taste before they are posted. On the rare occasion when a question of taste has been raised, the ads have been promptly removed. Our years of experience in this area have allowed us to develop a great sensitivity regarding what is acceptable in a public facility.

H.2 Marketing Strategy and Approach



H.2 Marketing Strategy and Approach

JCDecaux has an outstanding reputation worldwide for always delivering on its promises. *In fact, we are known for under-promising and over-delivering.*

Over the years, we have proven our dedication to exceeding our sales and operations goals at the Port Authority's airports. From a long-term perspective, that commitment has provided significant advances in operational implementation and revenue growth. Most recently, the installation of our "Business First" project was completed on time, on budget and provided dramatic revenue increases in 2005 and beyond.

This ability to exceed our performance standards is experienced throughout the country by our municipal, airport and mall partners, as well as advertisers.

New York Airports

Since being awarded the concession at John F. Kennedy and LaGuardia airports, JCDecaux and its predecessor, SkySites, have increased revenue at an average annual compounded rate of 16% and 17.7% respectively. Right now, JFK is experiencing one of its strongest sales years ever and LGA sales have increased over 50% vs. last year.

We are proud that year in, year out, both airports lead the country in advertising revenue generated by passenger. At JFK, we continuously rank first in total advertising revenue generated in any U.S. airport.

We are also proud of the excellent working relationship we have established and maintained with the Port Authority and the Airlines. Please read the attached reference letters from American Airlines, Terminal 1 and British Airways.

TERMINAL ONE
JFK INTERNATIONAL AIRPORT

May 27, 2005

Port Authority of New York & New Jersey
Purchasing Services Division
One Madison Avenue, 7th Floor
New York, NY 10010

REF: RFP for Advertising #0000007920

Attention: T. J. Storch

Dear Mr. Storch:

Please allow this letter to serve as a personal recommendation for JCDecaux.

I have had the pleasure of working with the JCDecaux Team for almost six years at Terminal One.

Terminal One has a unique blend of some of the most demanding clientele in the business. As such, our standards and demands are well above the norm, and often present unique challenges for the JCDecaux Team. Advertising within our facility is closely scrutinized by the Carriers for placement and content, and can quickly meet opposition if found to be inappropriate or intrusive. Because of the international exposure of JCDecaux in many of the markets serviced by our Carriers, they thoroughly understand these cultural challenges and have been very successful at tailoring the advertising effort to meet these challenges. It is by and large due to the superb leadership, management abilities, and skills found in the JCDecaux Team that permits Terminal One to meet and exceed each and every goal set forth for advertising revenues.

Concession revenue is an increasing portion of our basic source of incremental income, income that facilities like Terminal One require to offset the ever increasing cost of doing business at JFK, costs that often cannot be passed onto the Carriers or Customers that utilize this facility. The financial condition of many Carriers have resulted in cost cutting efforts that, of course, have a trickle down effect on Terminal Operators. This has forced Terminals to place significant pressure on airport concessionaires for higher levels of revenue generation when they were experiencing their own revenue crises from less passengers, more stringent operating conditions and for some concessions, the airport environment was seen as a less desirable place to advertise or operate. Many of these same concessions became unprofitable yet continued to provide a revenue stream without any contractual alternatives.

TERMINAL ONE MANAGEMENT, INC. TERMINAL ONE JFK INTERNATIONAL AIRPORT JAMAICA, NY 11430 TEL 718.751.1700 FAX 718.751.1720

Port Authority of New York & New Jersey
Purchasing Services Division
Page 2

JCDecaux is one of these concessionaires. We have found that JCDecaux, our advertising partner, has worked with us from before the terminal was opened. JCDecaux worked with the Terminal One design staff to develop advertising programs that were integrated into the fabric of the building. We have worked as partners since the opening of the facility to continue to develop new advertising venues and have found that we embraced difficult opportunities that ultimately paid off for both the Port Authority and us.

As we enter the second half of 2005, I believe our challenges are even greater. We see little chance for new ways to offset higher operating costs including those driven by the Port Authority of New York and New Jersey. Our airlines have experienced unprecedented increases in fuel costs with little improvement in ticket yields. We are facing an unforeseeable future of continuing budgetary constraints with significant operating concerns.

Keeping all these issues in mind, I must recommend that JCDecaux be retained as the advertising provider for JFK. Any change would most certainly result in a learning curve for another company that could be disastrous for us financially. As I mentioned earlier, JCDecaux has worked with us to obtain the highest advertising revenues in the industry and specifically for Terminal One and JFK. They have developed a niche advertising market at JFK that I doubt could be replicated by any other advertising vendor and, therefore, would not deliver the same revenues. Taking such a risk at anytime would be cause for concern but, under our current circumstances, could result in the loss of millions of dollars to Terminal One.

All of this can be avoided by allowing JCDecaux to remain as the advertising permitee at JFK. Additionally, allowing them a sufficient term to permit a redevelopment of a substantially new JFK would serve both The PANY&NJ and Terminal One with enhanced advertising programs. They are a well established, New York City based, company that has shown innovation in developing revenue while being responsive to the airport and Terminals special needs.

I request that you consider this letter as support and a reference for JCDecaux and the great work they have done here at Terminal 1.

Sincerely,

Edward J. Paquette
Executive Director

BRITISH AIRWAYS

June 1, 2005

Port Authority of New York & New Jersey
Purchasing Services Division
One Madison Ave, 7th Floor
New York, NY 10010

REF: RFP for Advertising #0000007920

ATTN: T.J. Storch

British Airways is pleased to write this letter of recommendation on behalf of JCDecaux, Airport Inc.

We have worked with JCDecaux over the past 15 years to develop our in-terminal advertising program in Terminal 7 at JFK. Over this period of time we have formed a partnership that has remained viable because of JCDecaux's unique understanding of the international advertising marketplace and their worldwide presence. They bring to our facility the premium companies that find real value in the high-end passenger traffic we handle and deliver the revenue to prove it.

On a day-to-day basis we have found JCDecaux willing to work with us regardless of the circumstances or situation. When our facility was going through the throws of construction, the Decaux staff could always be counted on to make whatever adjustments to their schedule the changes dictated. With virtually no notice units were removed and relocated to accommodate the revenue of our advertisers and accommodate our passengers during construction. This type of action has been the basis of our relationship as we work together to deliver the much needed non-airline revenue to support Terminal 7's operating costs.

JCDecaux works at keeping its equipment in top shape. Cleaning and maintenance are as important to them as the advertising sale. As part of their renewal program they have added equipment that keeps the building looking fresh and introduced new technology when it is appropriate for the venue and marketplace.

Sincerely

Donna Oliver-Walker
Director Supplier Development NA

Email: donna.oliver-walker@britishairways.com

oneworld

75-20 Astoria Boulevard, Jackson Heights, New York 11370

British Airways Plc *Registered office:* Waterside, P.O. Box 365, Harmondsworth, UB7 0GB *Registered in England No.* 17777777

AmericanAirlines®

June 1, 2005

Port Authority of New York & New Jersey
Purchasing Services Division
One Madison Ave, 7th Floor
New York, NY 10010

REF: RFP for Advertising #0000007920

ATTN: T.J. Storch

Over the course of the past few years, American Airlines staff at JFK has been working with JCDecaux to maintain important advertising revenues under difficult circumstances. JCDecaux worked with us during the comeback period following 9/11 as well as the ensuing period of terminal construction to keep the critical advertising revenue flowing. We found that JCDecaux was always looking for new sources of revenue as the landscape in and around Terminals 8 and 9 changed. We have become accustomed to the exceptional revenue stream they have provided us under these difficult circumstances.

As we approach the prospect of moving in to our new Terminal this summer, JCDecaux has committed capital and marketing resources to put the advertising plan in place that we have jointly worked on. This includes an iconic electronic art system that they have proposed which they will be unable to do without an assurance of not being the advertising concession at JFK. American is anticipating that the electronic Art System going into our Terminal will become as recognizable to our Terminal and JFK as the "Ticker Tape" sign is to Times Square. Of greater importance is that we secure the increased revenue that we expect as a result of their efforts and the new advertising program and structures they will put in place.

JCDecaux has made us aware that their concession permit will expire at the end of 2005. This would expose us to the potential of a new *advertising concessionaire just 5 months after our new facility opens* and at a mid-point of our complete redevelopment program. This presents us with a serious revenue concern.

The experience, advertising knowledge and airport familiarity, at JFK, that have been developed over many years of partnering with JCDecaux have brought a solid revenue stream to American and is worthy to be continued, with planned growth into the future.

I request you consider this letter as a reference in support of JCDecaux based on or working with them for almost 15 years. I believe that they are the right choice and with renewal of their contract will allow them to develop a long-term strategic plan for additional revenue growth for American at JFK.

Sincerely,

D.P. Smith
Manager-Facilities Maintenance
JFK

CC:

M. Dupont-JFK

June 3, 2005

Port Authority of New York & New Jersey
Purchasing Services Division
One Madison Avenue, 7th Floor
New York, New York 10010
Attention: T.J. Storch

Re: Reference letter for PANYNJ's Advertising RFP #0000007920

Dear Ms. Storch:

JCDecaux has operated the advertising concession at CO's Terminal E at Houston Bush Intercontinental since the opening of that facility in 2003. In addition, as the operator since 1993 of the Houston Airport System's advertising concession throughout the remainder of the Terminals at IAH, JC Decaux has been a close, albeit indirect, business partner of CO throughout the term of that contract.

In working with JCDecaux, I have found the staff to be professional, thorough and innovative. JCDecaux's approach is to deliver a well-placed advertising program that enhances the traveler's experience, while also providing revenue, consistent with Continental's goals. They are responsive to their client's needs and interests, and never fail to work cooperatively with us to find positive solutions when the inevitable operational need or construction project impacts the advertising program.

We look forward to continue to developing future advertising programs with JCDecaux and I highly recommend them to you to be your advertising partner as well. If you need any additional information please do not hesitate to contact me.

Sincerely,

Michelle Baden

Michelle Baden
Sr. Director-Airport Affairs, Global Real Estate
Continental Airlines, Inc.

(713) 324-2690
mbaden@coair.com

City of Chicago Installation

In 2002, JCDecaux signed a coordinated street furniture contract with the City of Chicago to manufacture, install and maintain approximately 2,500 fixtures. JCDecaux selected and contracted with local vendors to ensure local manufacturing and final assembly of the equipment occurred within the City. Through this selection process, we exceeded the initial MBE/WBE requirements (30% participation) set by the City and guaranteed to reach a minimum of 37% over the entire duration of the contract.

The installation phase started ahead of the contractual schedule, with a record-time implementation of more than 1,500 bus-shelters installed in less than 18 months. We are operating a 50,000 sq. feet facility 7-days-a-week in the SW side of the City. This facility is fully operational to service all installed units Citywide 24/7, with a staff of 40 fully trained JCDecaux Maintenance Technicians dispatched every day to service the needs of the program.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RICHARD M. DALEY
MAYOR

June 17, 2004

To Whom It May Concern:

As Mayor and on behalf of the City of Chicago, I write to commend JCDecaux for its manufacture and installation of street furniture in Chicago.

In June of 2002, the City of Chicago signed a contract with JCDecaux to provide and maintain 2,175 bus shelters, 26 news stands, 110 news racks and other street furniture. The installation of the bus shelters began in December of 2002. To date, JCDecaux has installed over 1,500 bus shelters and shows every indication that the entire complement of bus shelters will be installed by the end of this year, as required by contract. The remaining street furniture is also being installed in a timely manner.

The bus shelters are beautiful and have garnered wide public acclaim. We are pleased with JCDecaux and their staff. Thank you for your kind consideration.

Best wishes,

Richard M Daley

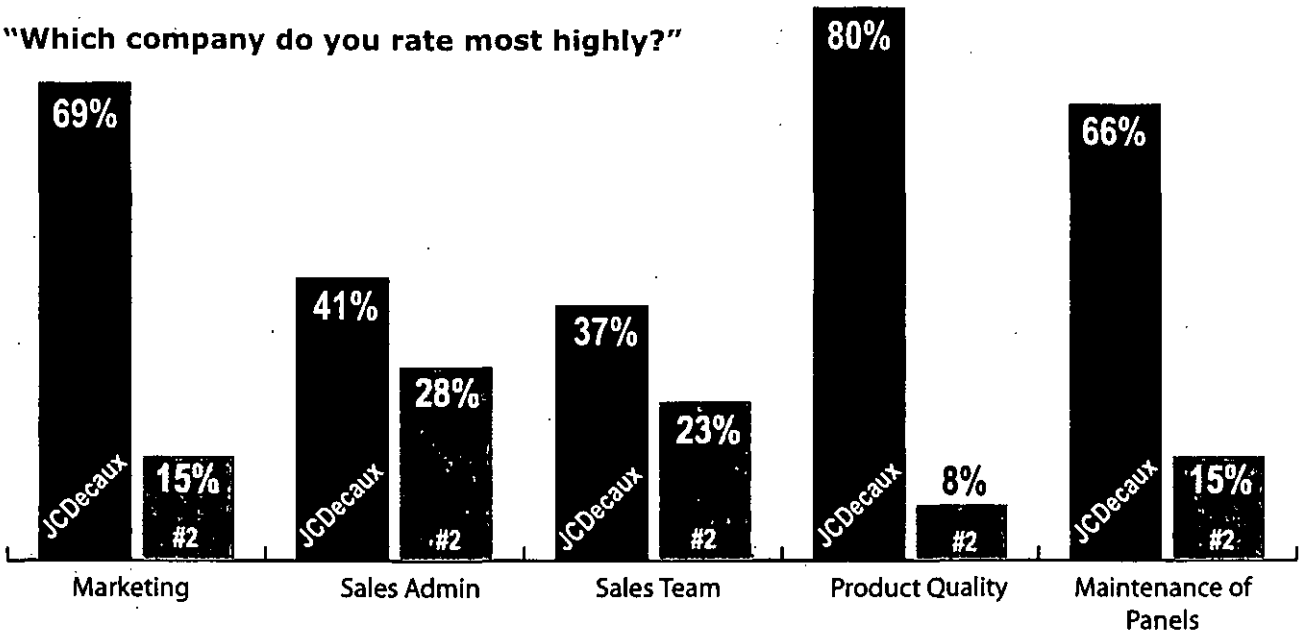
Mayor

H.2 Marketing Strategy and Approach

Industry Opinion

Customer Satisfaction Survey of Outdoor Media Owner
Conducted by PSB Associates, Fall 2004

"Which company do you rate most highly?"



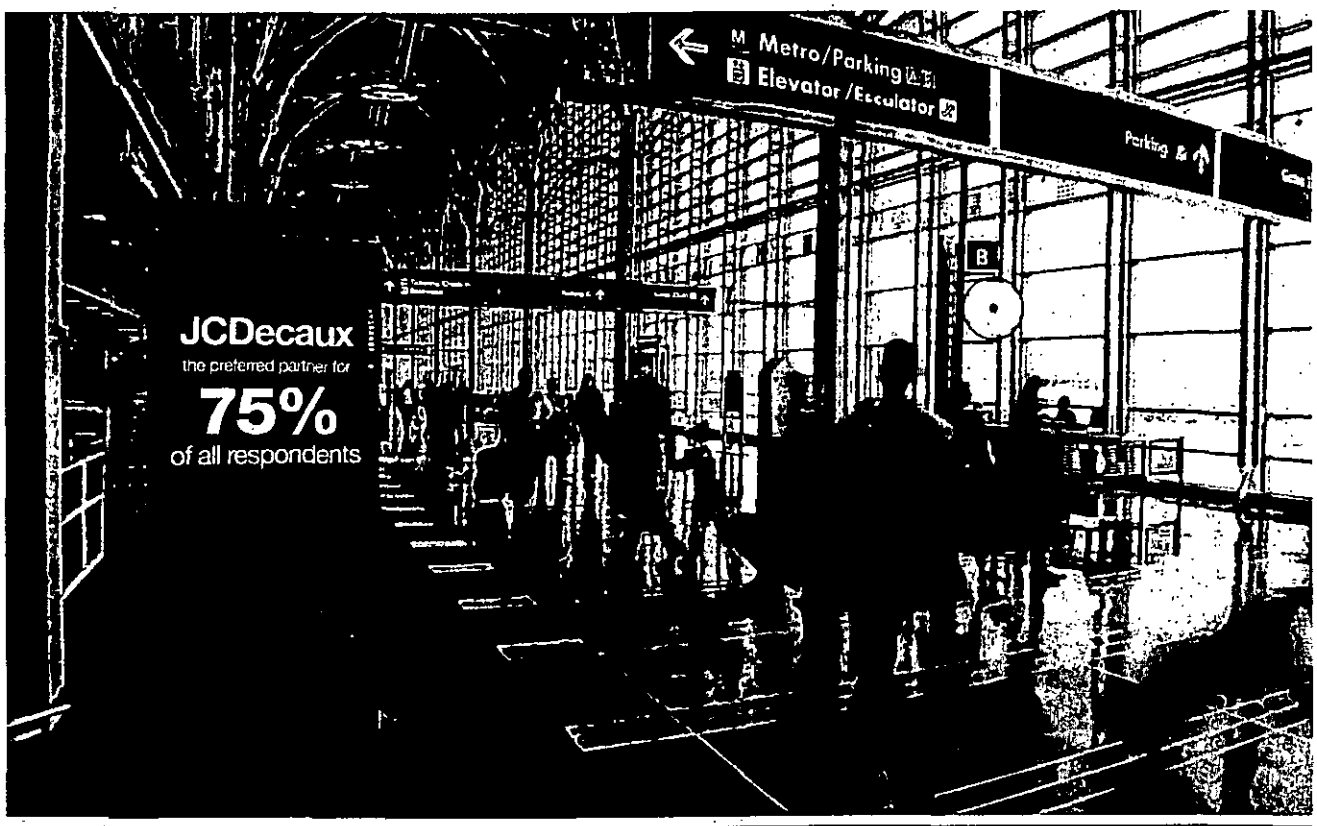
PSB Customer Satisfaction Survey

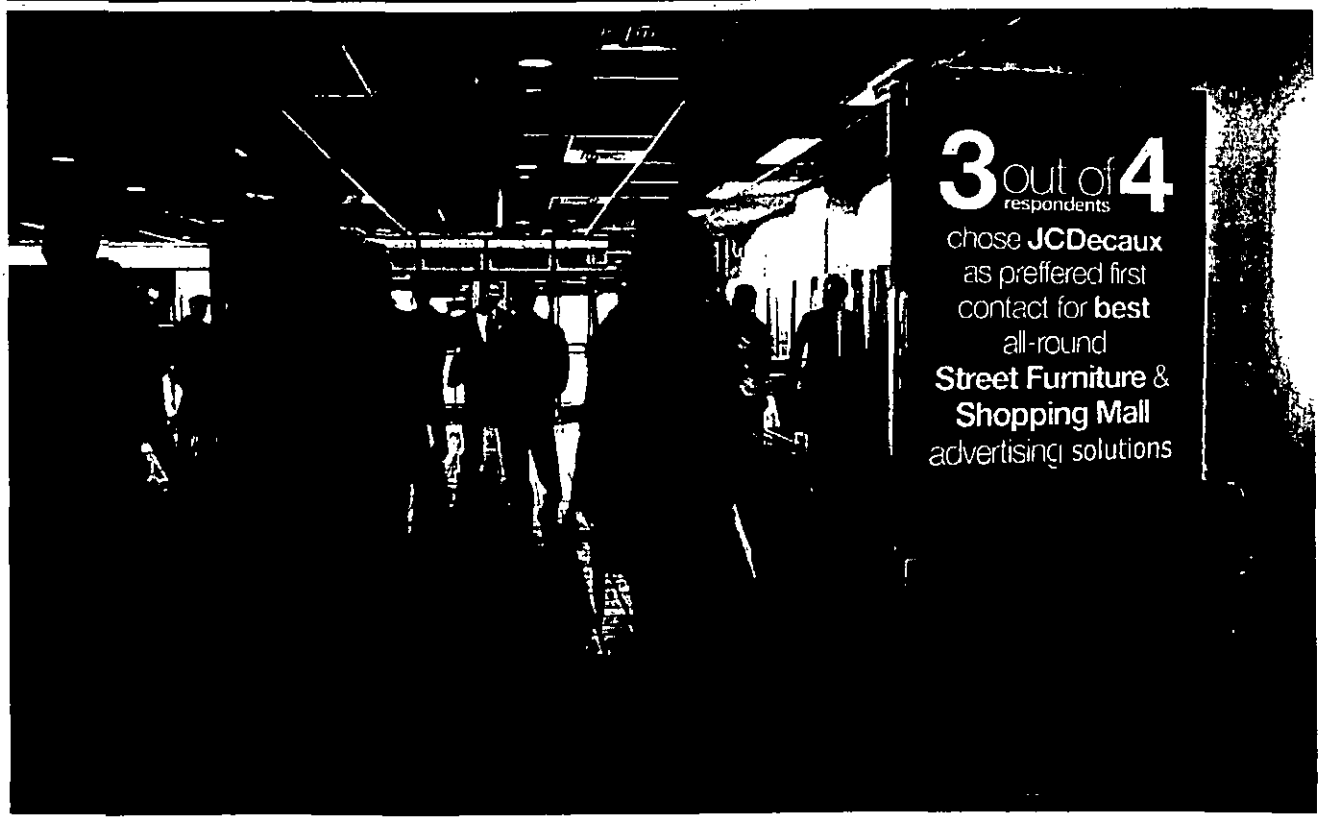
Overall Business Impact Score

1. JCDecaux	184
2. Clear Channel	112
3. Viacom	105
4. Van Wagner	86
5. Metrolite	37
6. Titan Outdoor	31
7. Cemusa	5

Maximum score = 203
PSB Customer Satisfaction Survey

H.2 Marketing Strategy and Approach





H.2 Marketing Strategy and Approach

Airport Advertiser Testimonals
Royal Bank of Scotland
Jim Marshall, Group Head Brand Communication, Royal Bank of Scotland Group

"We believe Airport advertising is a cost effective way of reaching up-scale consumers and we are delighted with the impact created by our new branding campaign at JFK and LaGuardia Airports."

H.2 Marketing Strategy and Approach

L'Oreal
Joffrey Chartier, L'Oreal Area Manager, North America

"Attraction ended up being #1 during the month of the launch. The whole advertising package definitely helped us building an awareness towards the product."

H.2 Marketing Strategy and Approach

Bacardi

Maggie Matias, Travel Marketing Director for Bacardi Global Brand

"JCDecaux partnered with our team in helping the Bacardi Global Brand achieve its objectives. Our campaign was very impactful in both reaching consumers and in driving sales."

H.2 Marketing Strategy and Approach

Bacardi

Jose Chao, VP Travel Retail Marketing Bacardi Global Brands

"Reaching travel consumers and making sure advertising works hard at driving awareness was one of the challenges Bombay Sapphire Gin faced when considering their media strategy. Delivering the WOW factor was essential, thus the development of the 7-ton fish tank exhibit. The tank installed in New York JFK and London's Heathrow has delivered the media punch it was looking for and is now being sought by other airport authorities around the globe."

H.2 Marketing Strategy and Approach

Wall Street Journal
Jessica Hirsch at WSJ's Trahan Burden & Charles

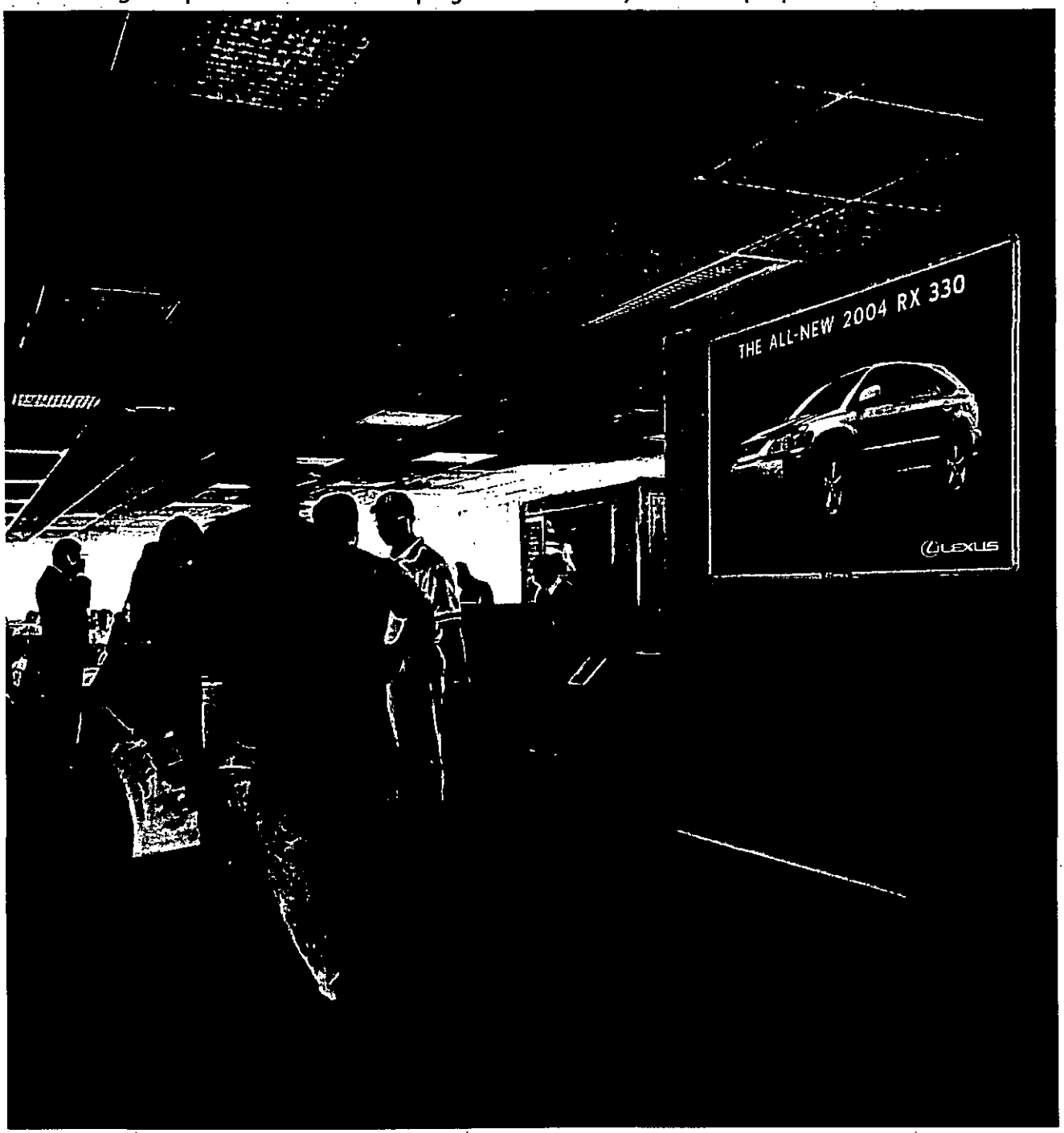
"JCDecaux's global capabilities allowed us to effectively plan and execute the airport campaign."

H.2 Marketing Strategy and Approach

Lexus

Carolyn K. Walkin, VP Associate Director, Zenith Media

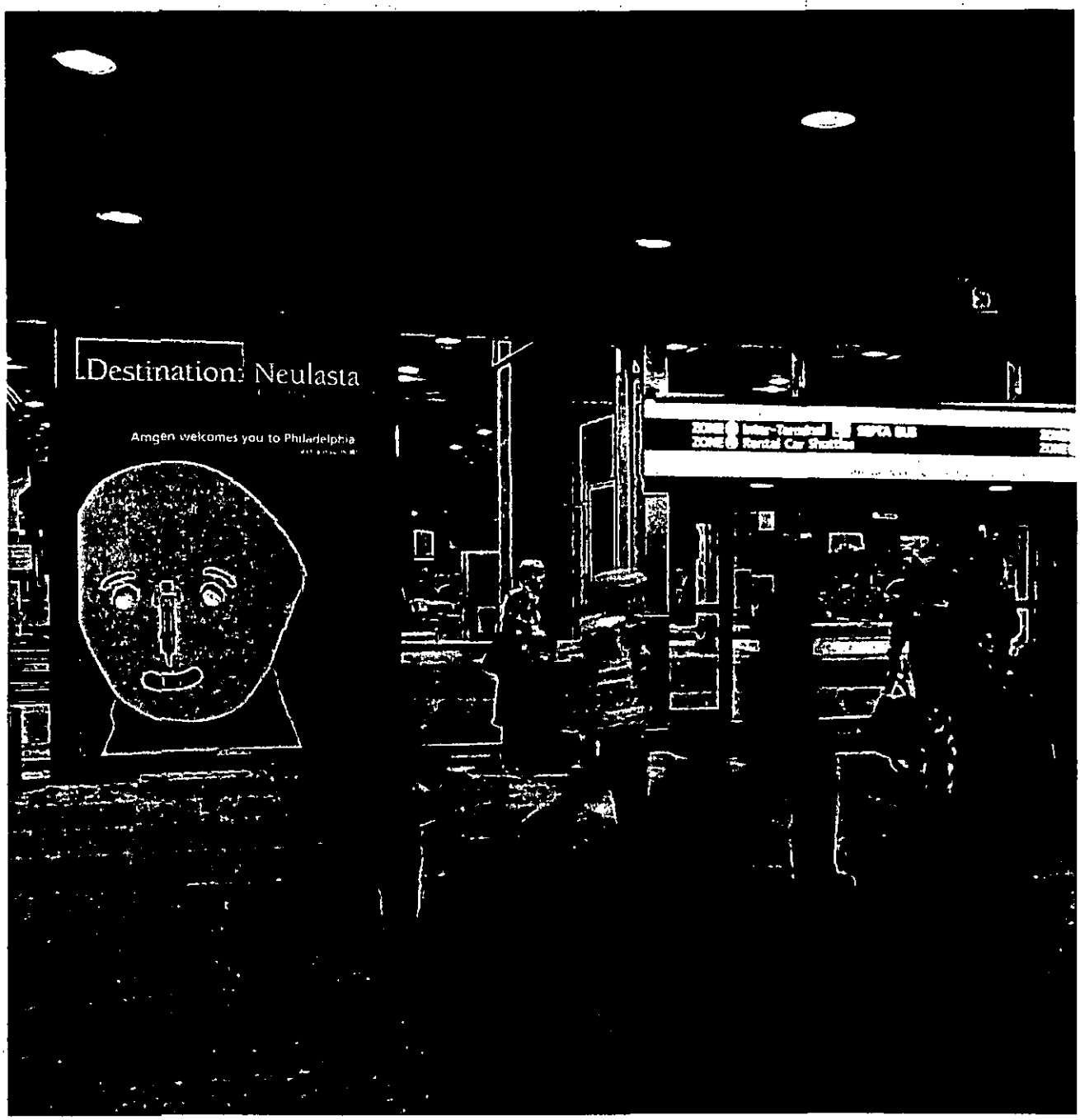
"JCDecaux Airports provides an excellent advertising package. In-particular the creative treatments look great in the backlit diorama structures. The ability to reach our core audience at a great price made this campaign an extremely valuable proposition."



H.2 Marketing Strategy and Approach

EMC Outdoor
Betsy McLarney, CEO of EMC Outdoor

"Our pharmaceutical clients find that Airport Advertising is a very effective medium for reaching their target audience, either for event marketing or brand recognition purposes. Our partnership with JCDecaux to deliver these campaigns has always produced great results."

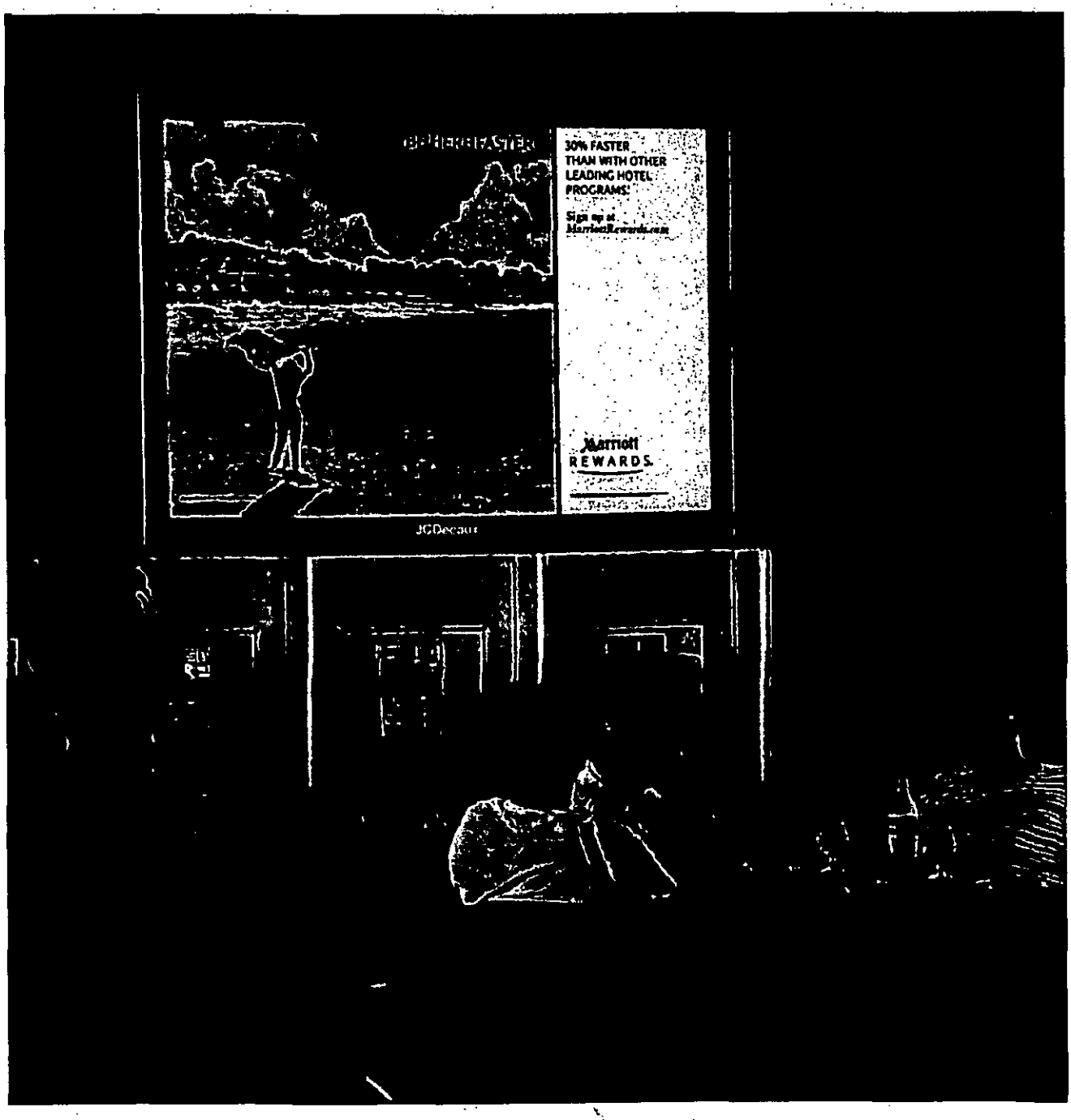


H.2 Marketing Strategy and Approach

Outdoor Vision

Mary Prisco, Out of Home Expert, Outdoor Vision

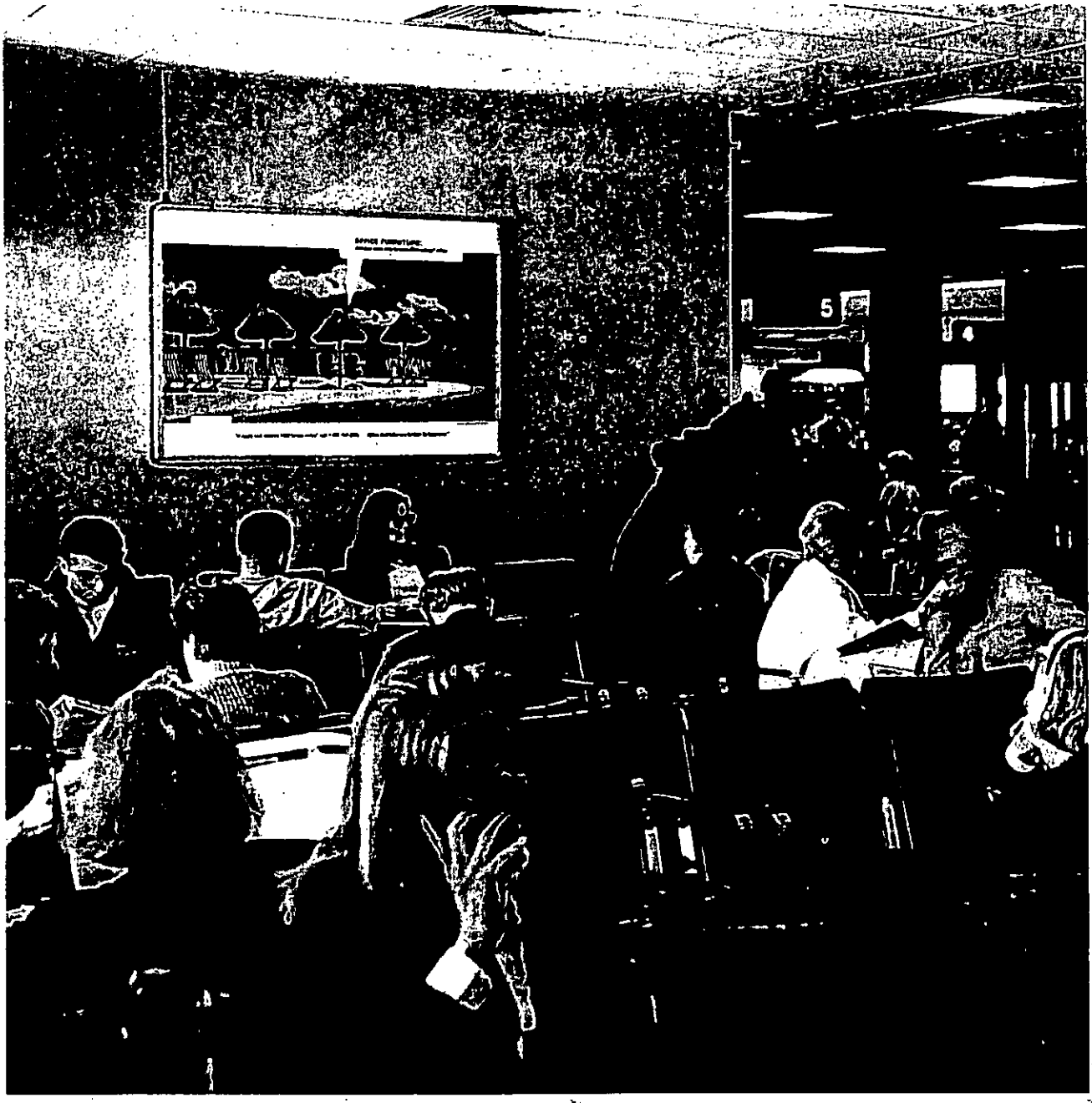
"Airports provide advertisers the opportunity to reach a consumer in a quality environment versus traditional out of home. Additionally, airport displays are intrusive, they are in close radius to the consumer with placements on walkways and check in areas. Lastly, the airport traveler is always a good demographic to reach."



H.2 Marketing Strategy and Approach

The Media Kitchen
Paul Woolmington, Head Chef, The Media Kitchen

"JCDecaux's airport advertising provides The Media Kitchen and our clients with a unique angle at reaching today's elusive and busy consumers. Airport advertising through the open minded and innovative JCDecaux company allows for interesting targeting opportunities and capabilities. It also guarantees viewership of our clients messages and added involvement within a highly relative environment."



H.2 Marketing Strategy and Approach

San Francisco Advertiser Testimonal
Apple Computer
Christine Weil, Worldwide Advertising Manager, Apple

"At Apple, we like to do things in the biggest and best way possible. With the launch of the new flat-panel iMac at MacWorld San Francisco in January, we wanted to blanket the city with the revolutionary news. The vast, citywide coverage and superior design of the JCDecaux Kiosks were the only natural fit to deliver this message. The incredible response from our customers and the people of San Francisco confirmed the success of the program and our committment to our partnership with JCDecaux."

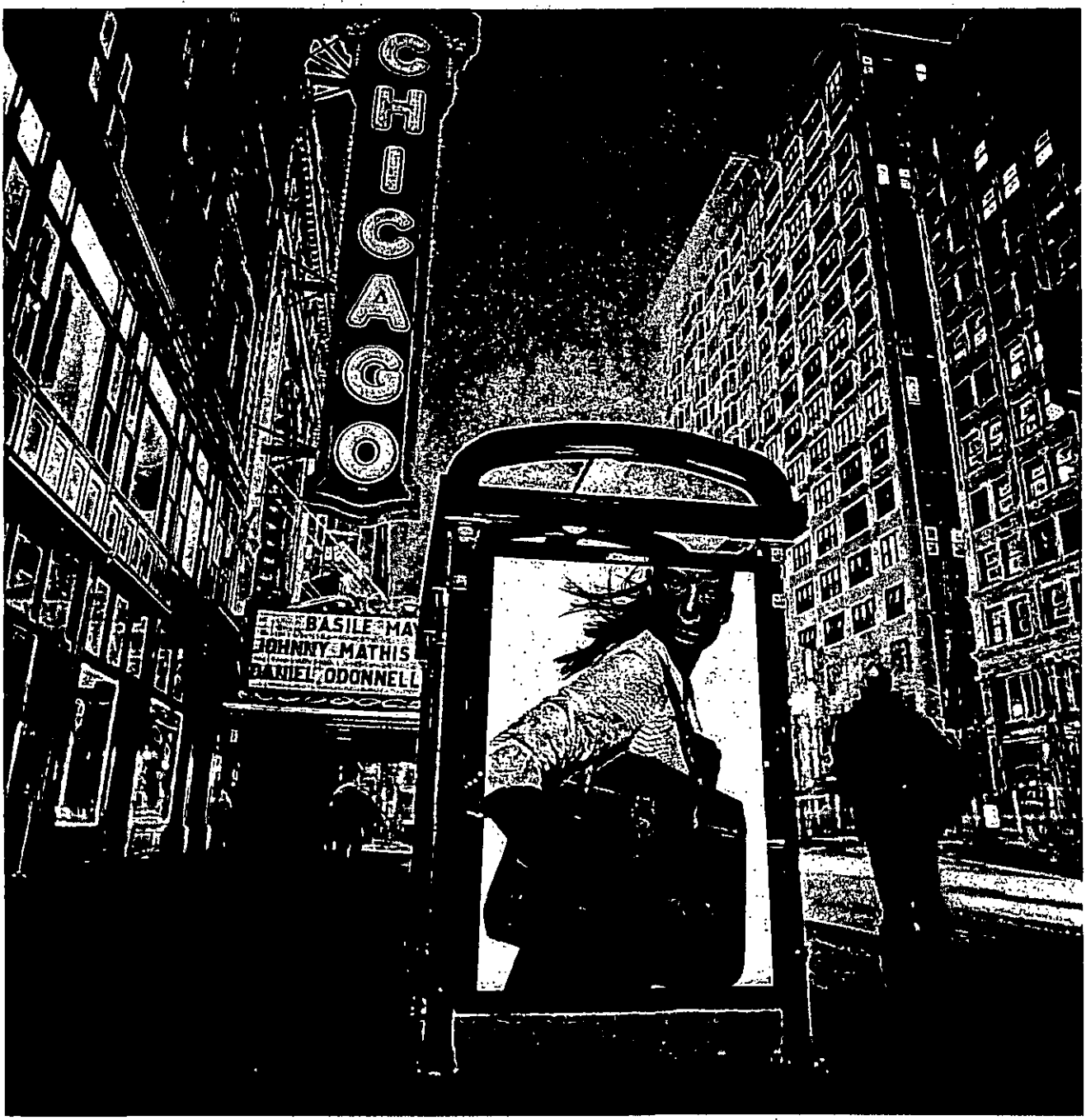
H.2 Marketing Strategy and Approach

Chicago Advertiser Testimonals
Chicago Bears
Linda Connors, Director of Marketing and Communications, Chicago Bears Football Club

"The opening of the new stadium marked a new era in the Bears' rich tradition and history. JCDecaux bus shelters were an effective part of the Chicago Bears '03 marketing campaign. The bus shelters provided a perfect palate to showcase fan loyalty, deliver the story of the Chicago Bears and celebrate the next chapter in the franchise's history. It definitely enhanced the Bears' overall branding message as it added a strong visual, grass roots community component to the media mix. In addition, the JCDecaux staff is professional, responsive and knows their business. They, quite simply, manage expectations and get the job done."

Ferragamo
Jean-Marc Gallot, President, Ferragamo USA

"We seized the opportunity to be a part of the Chicago street furniture launch and work with Decaux's passionate and professional sales team and we don't regret it: 50% increase in our boutique traffic during the campaign and a sales increase of more than 20%! Certainly our biggest local success in a long time."



H.2 Marketing Strategy and Approach

Outdoor Media Group
Alison Kruse with Outdoor Media Group

"I want to express to you my continued satisfaction in working with JCDecaux's media opportunities. We've always been able to come back to you year after year for all types of airport signage for Emerson and Standard Federal Bank. We've also seen our regional McDonald's and LaSalle Bank clients advertise on your beautiful bus shelters. I've been really excited just in the past few months to see our new clients utilize many of JCDecaux's opportunities. For example, we've had regional McDonald's, LaSalle and Standard Federal Banks to advertise in your malls and we have had Chicago Tribune advertise on your shelters just in the past four months! To see our clients see the benefits of what your company has to offer and to see them be pleased with the results is very gratifying."

H.3 Proposal - Experience

A Global Player

JCDecaux is a true global player in the Out-Of-Home industry:

- #1 worldwide in transport advertising
- #1 worldwide in street furniture advertising
- #1 in Europe in billboard advertising

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

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

- Constant innovation to better serve the public and advertisers
- Highest quality standards – in designs, construction and maintenance
- Best advertising product – we deliver the highest value to advertisers
- Highest yield – we deliver more revenue than anyone else to our public authority partners
- Ability to work with public authorities and maximize revenues for them while respecting their primary mission
- Financial strength – a family company and listed on the Paris stock exchange, JCDecaux is the most profitable of the 3 largest OOH companies in the world.

Here at Home
JCDecaux has had a strong local presence in New York and New Jersey for over 10 years. We have in depth knowledge of the area and the market.

We have worked with the Port Authority for many years, at JFK since 1990 and at LaGuardia since 1996. JCDecaux has established strong partnerships with the Port Authority's staff and the Airlines, who are key players in the airport advertising concessions. We know the Airlines needs, their constraints, and how best to serve them.

JCDecaux has delivered the highest advertising revenue performance for the Port Authority. Since being awarded the concession, we have increased revenues at an average annual compound rate of 16% at JFK and 17.7% at LGA. Revenues per passenger at these two airports are the highest of any major U.S. Airport.

A Highly Qualified Team
We have a local, national and international presence. The Port Authority will benefit from the synergy of our global and local experience – in airports, billboards, cities and transportation systems. Our people are the most experienced, most dedicated, with track records proving our years of sales success.

H.3 Overall Experience and Financial Capability

Our U.S. team is the most qualified in the industry to design, build, operate and market all the *components of this multi-faceted program.* In addition, the Port Authority will benefit from the experience of other JCDecaux entities around the world that have relevant experience and know-how that can be transferred and applied here. For example:

- Our comprehensive advertising and sponsorship program for the Mass Transit Railway System in Hong Kong
- Wrapping of the Sydney (Australia) monorail cars
- Digital projection technology in the Vienna (Austria) subway system
- Large, spectacular wallscape wraps and stretched banners in Europe
- Digital screen networks in London Heathrow, Paris Charles de Gaulle and Frankfurt International airports

Committed to Constant Improvements
JCDecaux is committed to improving and implementing new products, services and technologies as advances become available that can help generate more revenue and/or deliver a better service to the Port and the public. This is what we have done at JFK and LGA over the past 15 years, and now propose to implement for all of the Port Authority's Properties. For this program alone, we are proposing the deployment of several brand new, innovative products that will deliver valuable services, excitement and increased revenues.

Take the Full Tour
The brief highlights above should already give you a good idea of who we are and how we will achieve and surpass the Port Authority's goals. The following pages, which describe our experience in more detail, will give you even more reasons to select JCDecaux as your long-term partner for a total advertising solution.

JCDecaux: A World Leader in Outdoor Advertising

A Few Facts about JCDecaux SA

- 658,000 advertising faces in airports, transit, street furniture and billboards, reaching 170-million people every day in 45 countries, 3,500 cities.
- 6,900 employees worldwide
- Public company, listed on Euronext (Paris Bourse)
  (See enclosed 2004 corporate annual report for additional information)
- Worldwide Revenue $2.1 billion - 2004
- #1 in Transport advertising worldwide – 150 airports and more than 150 transport contracts in metros, buses, trains and tramways (157,000 faces)
- #1 Street Furniture advertising company worldwide – (304,000 faces)
- #1 in Billboard advertising in Europe (197,000 faces)

France

Australia

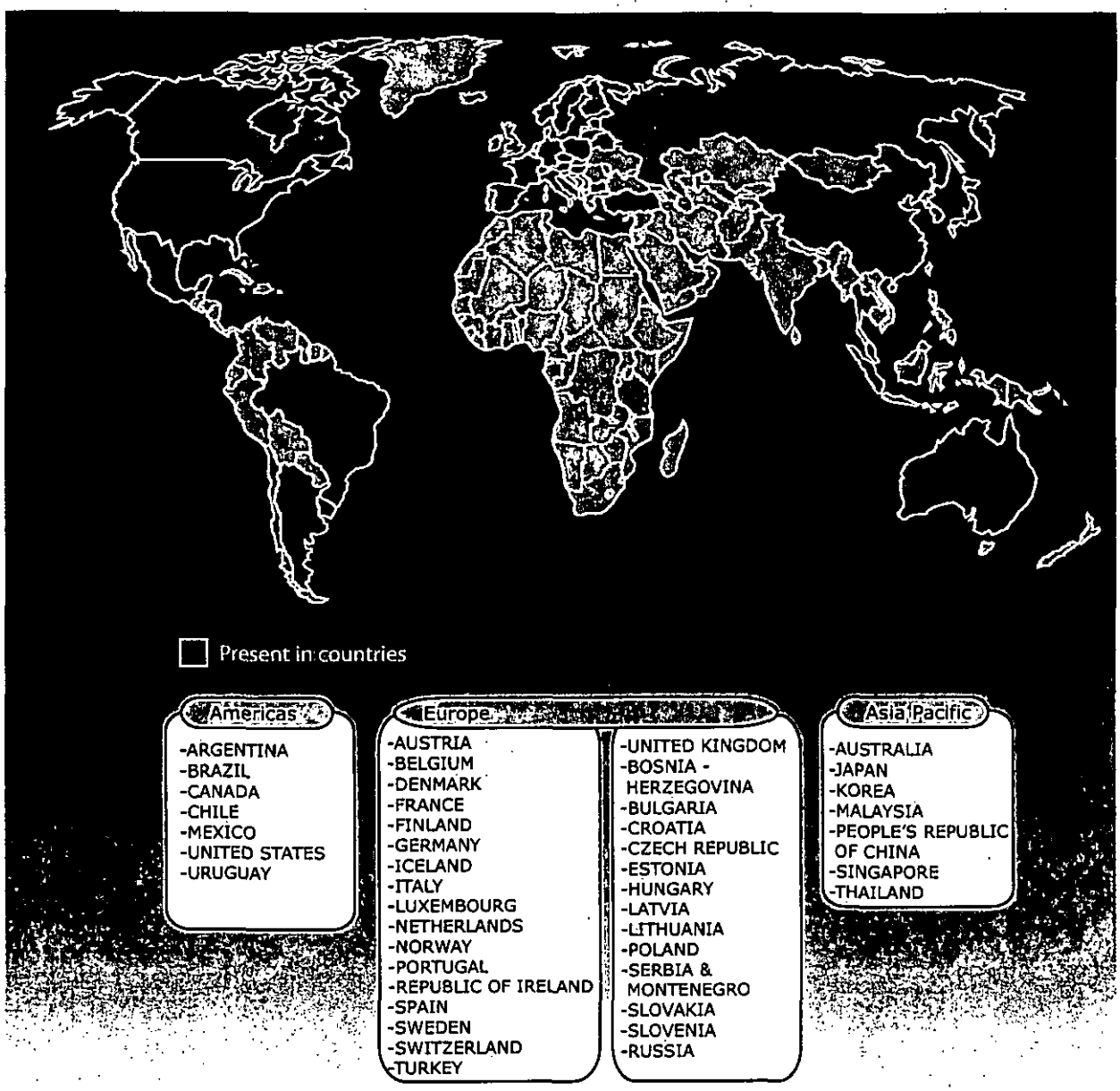
Germany

Thailand

H.3 Overall Experience and Financial Capability

Global presence

JCDecaux reaches over **170 million** people in **45** countries every day

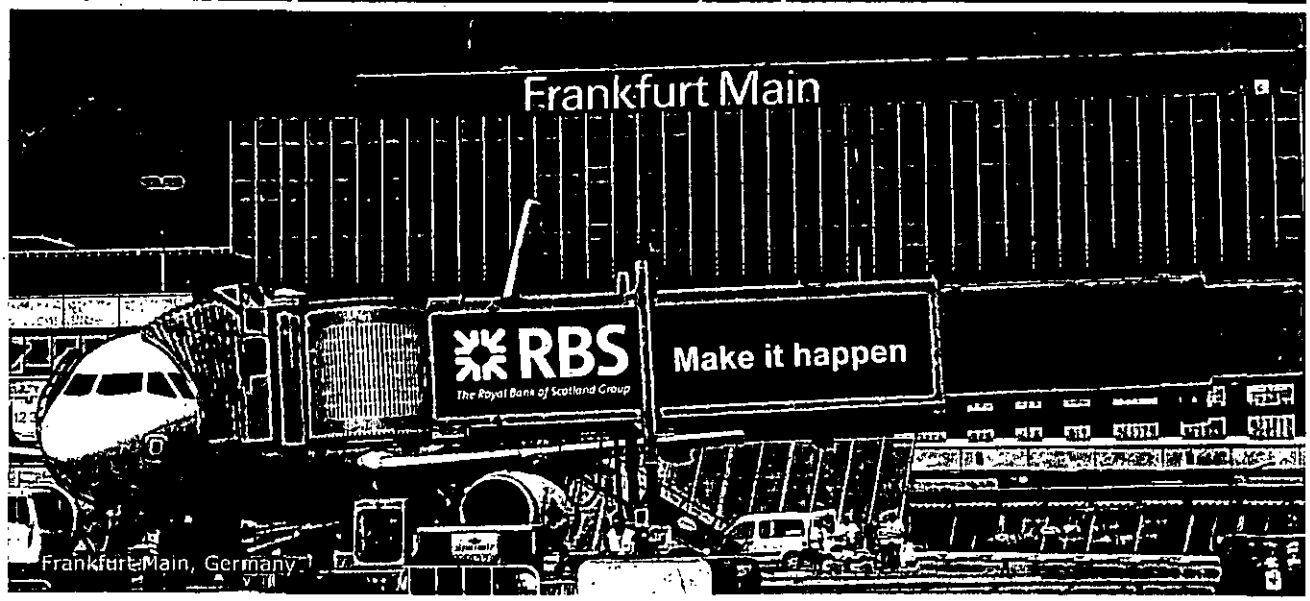


World Leader in Transport Advertising

JCDecaux has applied its international experience and commitment to quality advertising to securing numerous concessions for airports, subways, trains, trams, buses and monorail stations and platforms, both inside and outside. In each country, JCDecaux focuses on the individual assets to create and best place displays that will give clients the coverage they demand. In each instance JCDecaux delivers quality infrastructure and service to the asset owner.

JCDecaux's transport advertising covers 4 continents. 66% of our transport activities are in airports. We have a presence in 150 airports in 13 countries; in 9 underground networks, 1,800 buses and 200 trams in 14 countries. This is a grand total of more than 156,700 transport advertising panels in 20 countries.

Heathrow, UK



Frankfurt Main, Germany

H.3 Overall Experience and Financial Capability

JCDecaux Airports Around the World – 13 Countries, 150 Airports*

USA

Baltimore
Baton Rouge
Birmingham
Boston
Cleveland
Des Moines
Great Falls
Hilo
Honolulu
Houston - Bush
Houston - Hobby
Indianapolis
Kahului
Kapalua
Knoxville
Kona - Keahole
Lafayette
Lihue
Long Island, New York
Love Field, Dallas
Washington D.C. - Dulles
Washington D.C. - Reagan
Madison
Memphis
Miami
New York - JFK Int.
New York - LaGuardia
Oklahoma
Omaha
Orange County
Orlando
Philadelphia
Pittsburgh
Salt Lake City
San Jose
Seattle
Tampa

France

Agen
Angoulême
Avignon
Bâle Mulhouse
Beauvais
Biarritz
Bordeaux
Caen
Cannes
Chambery
Clermont Ferrand
Colmar
Deauville
Dijon
Nice
Nîmes
Paris - CDG
Paris - Orly
Périgueux
Perpignan
Epinal
Grenoble
La Rochelle
Le Havre
Le Puy
Lille
Limoges
Lorient
Lyon - Bron
Lyon - St.Exupéry
Marseille
Metz / Nancy
Montpellier
Nantes-St Nazaire
Rennes
Roanne - Renaison
Rouen
Strasbourg
Tarbes
Toulon
Poitiers
Reims
Toulouse
Vannes - Meucon

UK

Aberdeen
Heathrow
Edinburgh
Glasgow
Stansted
London - Southampton
London-Gatwick
London - Luton

Spain

Alicante
Almeria
Barcelona
Bilbao
Girona
Granada
Leon
Malaga
Melilla
Murcia
Pamplona
Reus, Es
Sabadell
San Sebastian
Valencia
Vitoria
Zaragoza

Portugal

Faro
Flores
Horta
Ponta Delgada
Lisbon
Madeira
Porto OPO
Porto Santo
Santa Maria

Poland

Gdansk
Katowice
Krakow
Poznan
Warsaw
Wroclaw

Mexico

Cancun
Cozumel
Huatulco
Merida
Minatitlan
Oaxaca
Tapachula
Veracruz
Villahermosa

Italy

Bergamo
Milan - Linate
Milan - Malpensa
Pescara
Rome - Piumicino

Germany

Frankfurt - Hahn
Frankfurt - Mainz
Saarbruecken

China

Hong Kong
Shanghai

Sweden

Stockholm -
Arlanda
Bromma
Skavsta

Norway

Bergen
Haugesund
Kristiansand
Stavanger
Trondheim

Denmark

Copenhagen

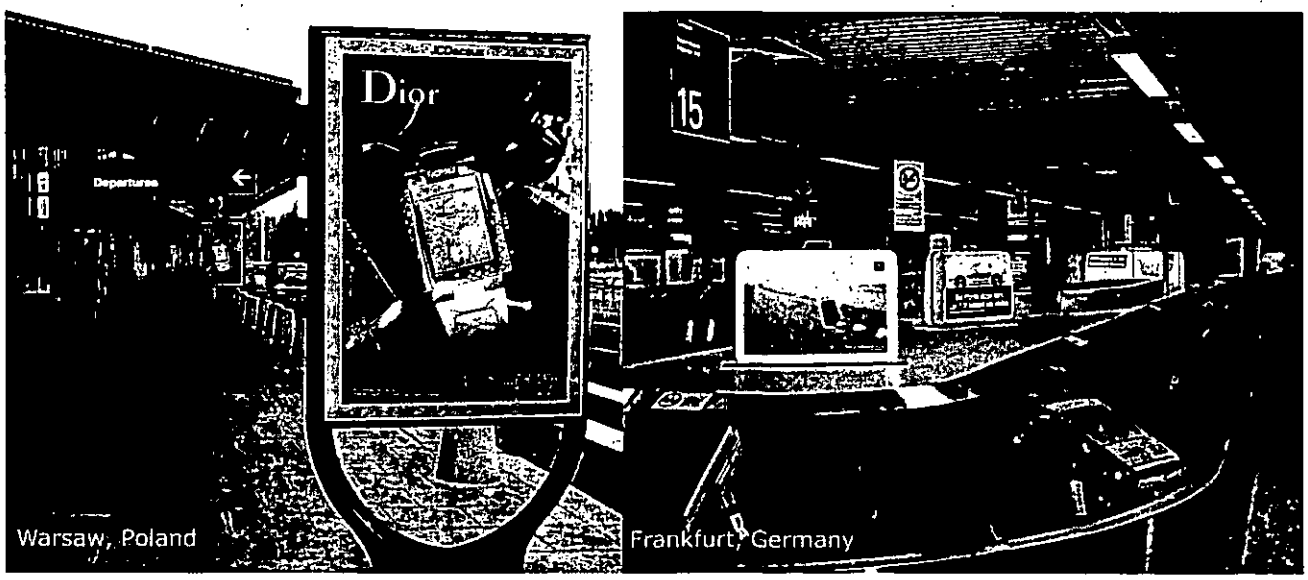
* as of June 2005

H.3 Overall Experience and Financial Capability

Charles de Gaule Airport, France

Heathrow Airport, United Kingdom

- **JCDecaux manages advertising concessions in six of the World's top ten aviation markets (London, New York,Paris, Dallas, Frankfurt, Houston)**
- **35% market share of the world air travelers**
- **Reaching 972 million passengers a year**



Warsaw, Poland

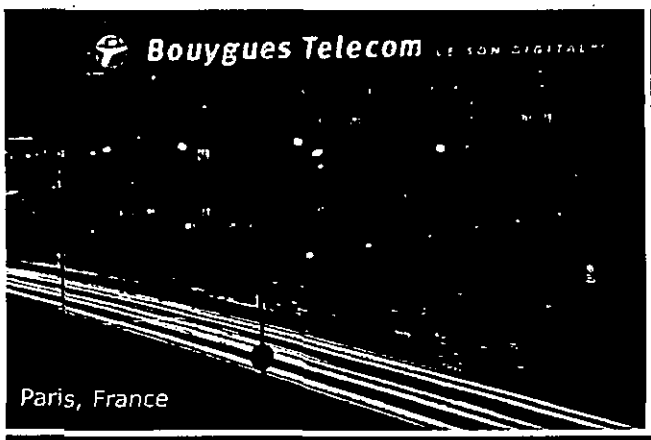
Frankfurt, Germany

World Leader in Neon Signs and Wallscapes Innovation

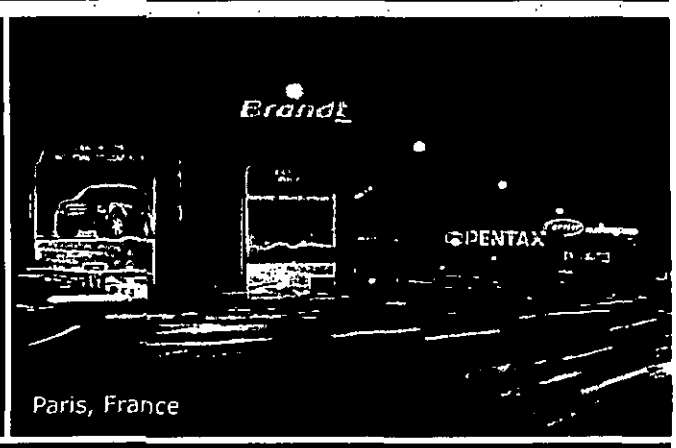
JCDecaux's ARTvertising division deploys eye-catching wall wraps and neonlights that really stand out. These displays create true added value that magnifies the power of the advertising message. Our spectacular signs are placed in high visibility locations in and around major urban centers.

- Our creative use of the neon tube, has made JCDecaux the leading player in this advertising sector.
- The format and locations of JCDecaux ARTvertising wall wraps offer unique space solutions, guaranteeing maximum visibility and impact. Strategically located in high-flow areas, JCDecaux ARTvertising displays are guaranteed to be noticed. Premium locations ensure they are seen by the largest audience possible, maximizing visibility and therefore advertising revenue.

JCDecaux ARTvertising has over 150 sites across the world, including 62 in France. These units are among the most innovative in the market, combining quality and originality to benefit the brands they serve and the exceptionally busy environments in which they are placed.



Paris, France



Paris, France

Paris, France

The World Leader in Street Furniture

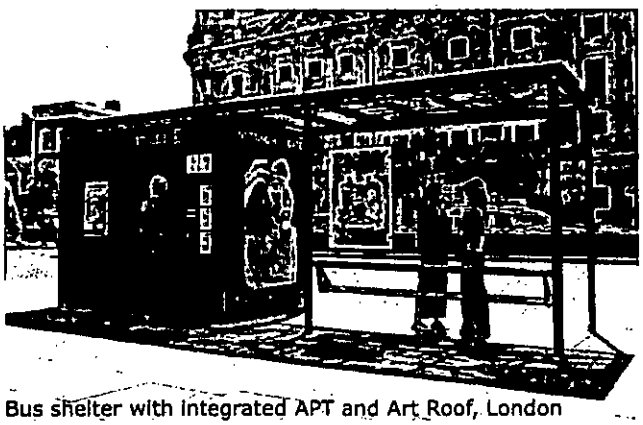
First-class design combined with first-class maintenance attracts first-class advertisers.

JCDecaux street furniture is found in 1,500 cities in 36 countries

- 74,000 bus shelters
- 3,000 automatic public toilets (in 500 cities)
- Countless vending kiosks, multiple news racks, trash receptacles, lampposts, benches, recycling bins
- Over 304,000 street furniture ad panels worldwide

Flower Stand, Sydney

Paris


Bus shelter with integrated APT and Art Roof, London

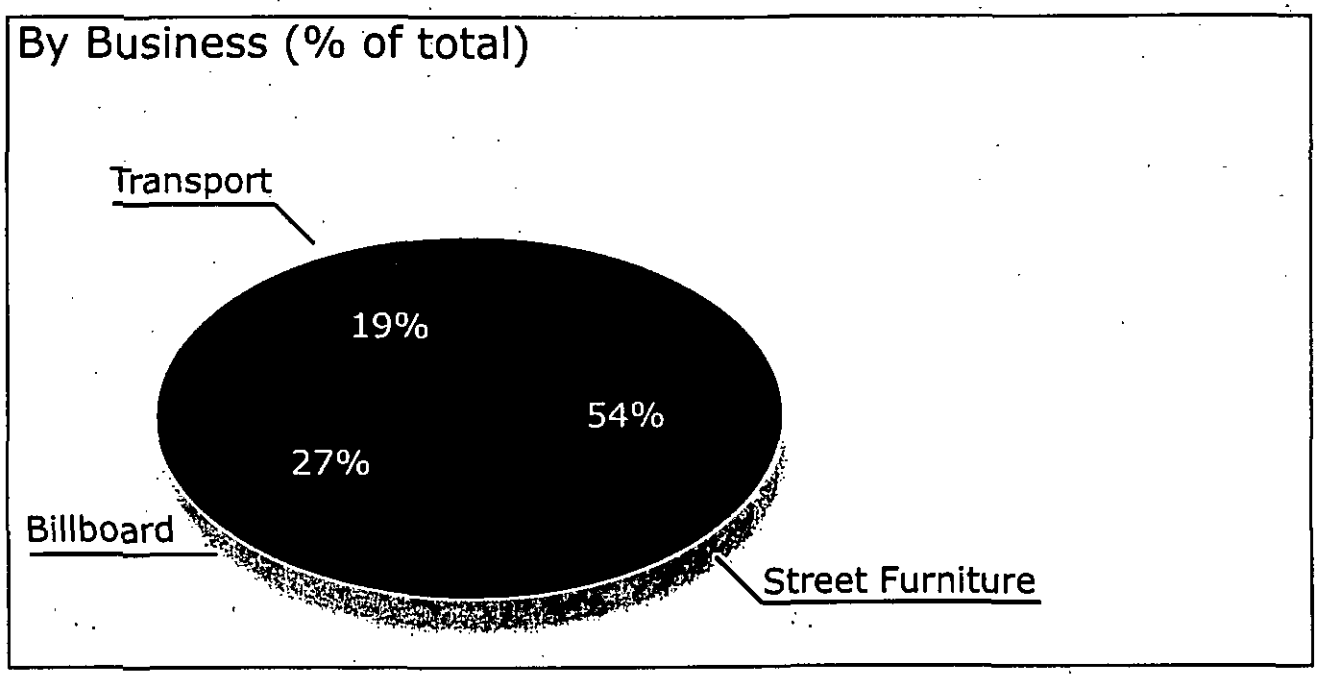
Vancouver

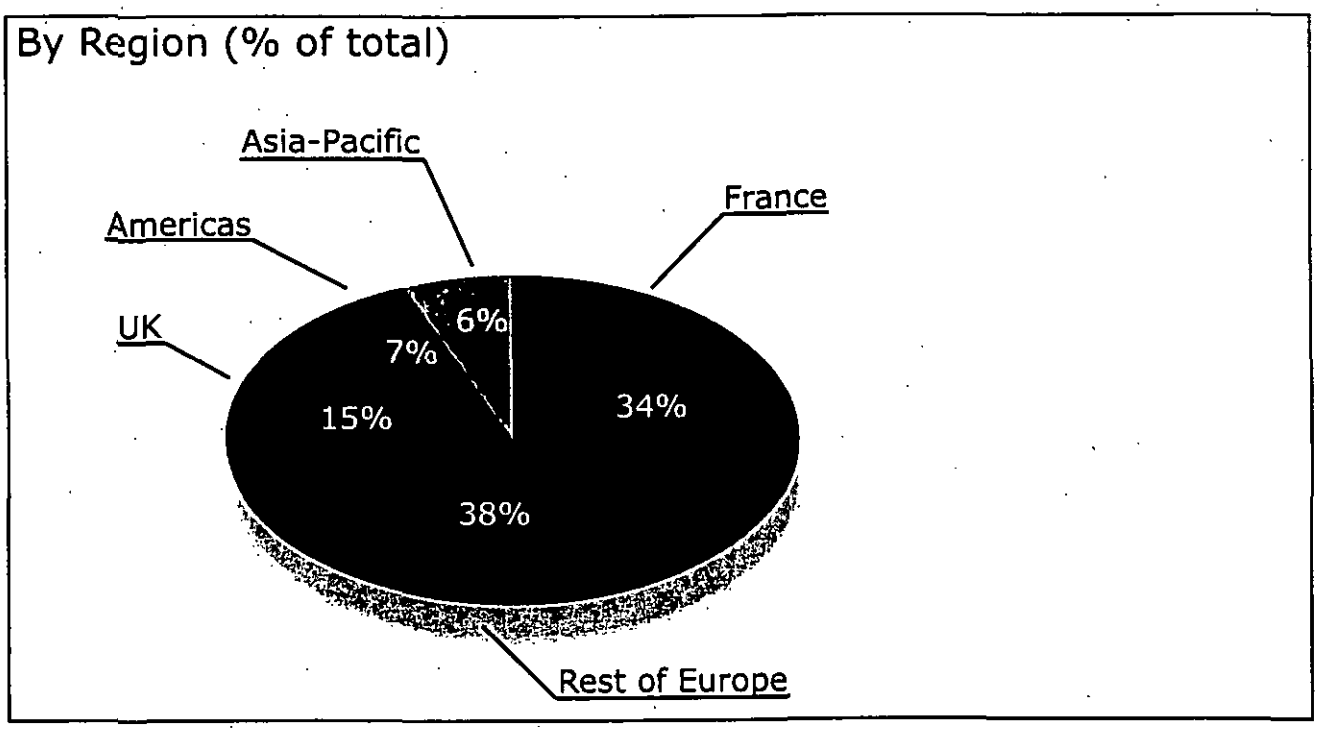
Newsstand, San Francisco

Recycling Bins in Madrid

H.3 Overall Experience and Financial Capability

2004 REVENUES - $2.1 billion

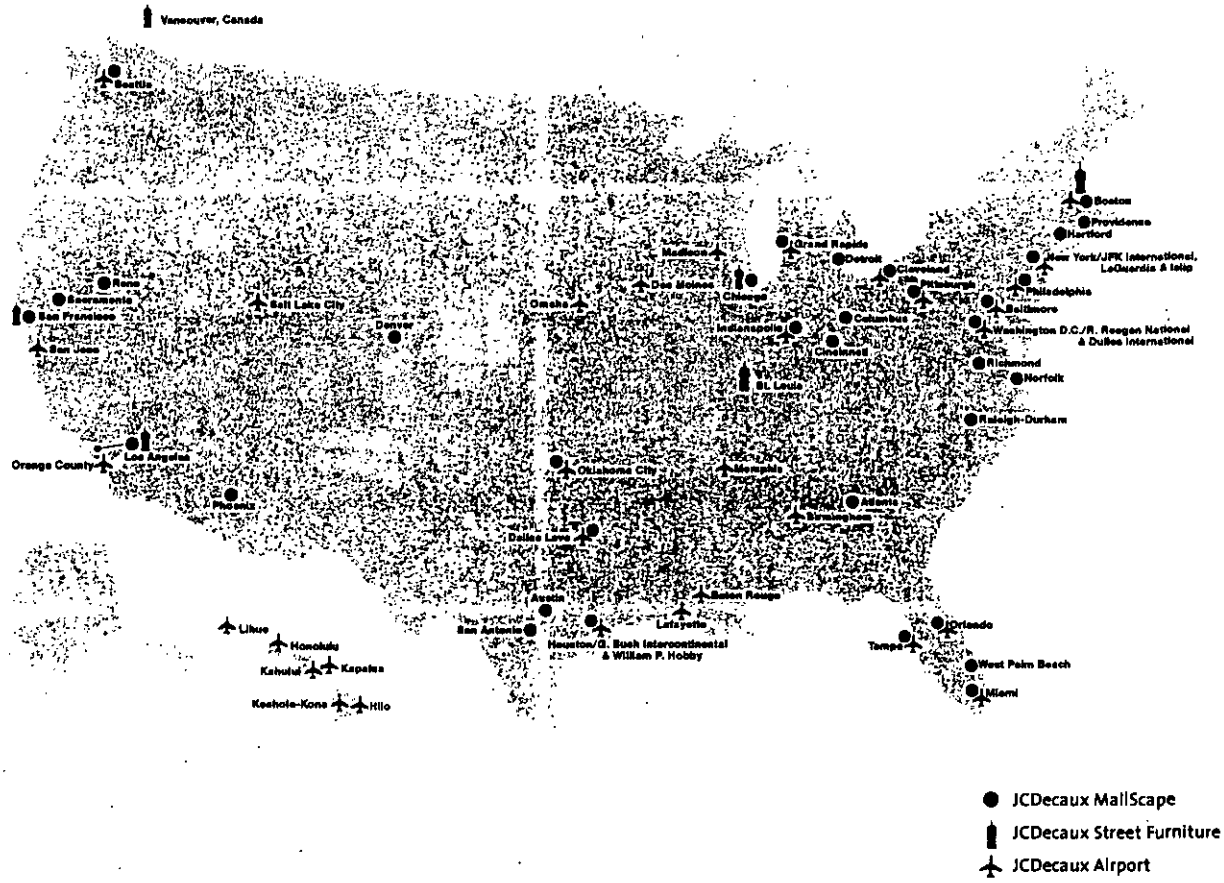




JCDecaux North America: Leader in Airport, Mall and Street Furniture Advertising

While JCDecaux has set a standard in cities across Europe for more than four decades, the success of its entry into U.S. cities over ten years ago proves that JCDecaux's products and services are equally well received here.

JCDecaux entered into the U.S. market in 1992, with a demonstration of its automatic public toilets in New York City. This changed the way cities all over the U.S. looked at their street furniture programs. Today, the U.S. division has Airport Advertising, Street Furniture, and Mall Structures in some 56 North American cities. JCDecaux North America was incorporated in 1994, and today has over 180 employees.



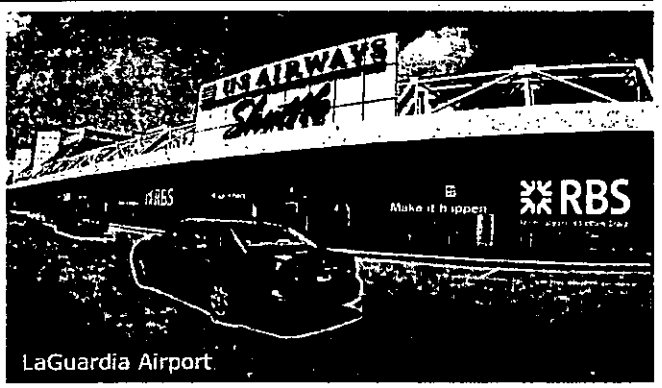
JCDecaux Airport: Leader in Airport Advertising

JCDecaux operates advertising concessions in 37 U.S. airports, including JFK and LaGuardia, Miami International, and Bush International in Houston.

JCDecaux Airport is by far the most experienced developer and operator of display advertising concessions in airports across the U.S., with over 6,000 ad panels.

The JCDecaux Airport division, called Sky Sites until 2001, was founded in August, 1990, with the award of the contract at New York's JFK International Airport. The contract for LaGuardia followed in 1996.

John F. Kennedy International Airport



LaGuardia Airport

Miami International Airport

George Bush/Houston Intercontinental Airport

Seattle-Tacoma International Airport

Greater Orlando International Airport

JCDecaux Airport

Miami International Airport

George Bush/Houston Intercontinental Airport

- **Airports in 7 of the top 10 United States DMAs**
- **Comprehensive DMA coverage with majority of Origin & Destination airports**
- **International coverage with airports that are gateways to and from the U.S. (i.e. JFK, Miami, and Houston Intercontinental)**

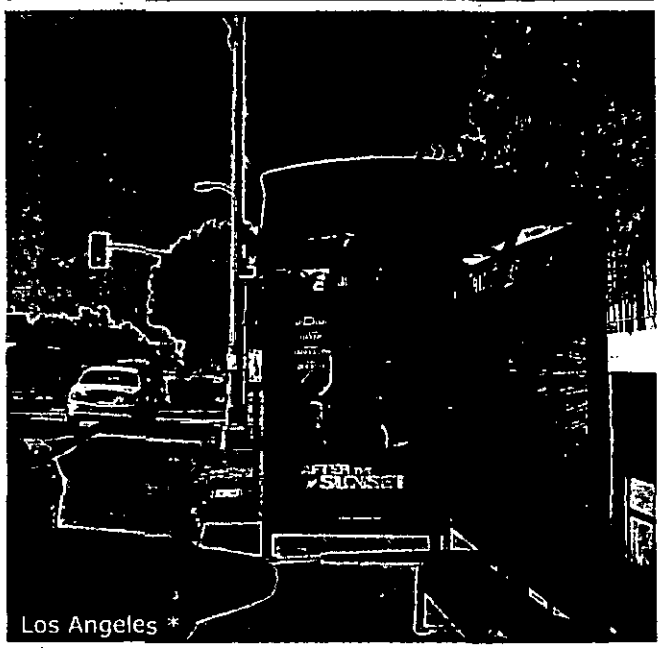
John F. Kennedy International Airport

JCDecaux North America: Leader in Street Furniture

With street furniture contracts in San Francisco, Chicago, Los Angeles, Boston and Vancouver - JCDecaux North America has won more street furniture contracts than any of the other U.S. bidders.

Chicago

San Francisco


Los Angeles *

Boston **

* Viacom Decaux – JCDecaux North America, Inc. is a 50/50 owner-operator with Viacom Outdoor, Inc. in the Los Angeles street furniture program. The completed program will have 2,500 bus shelters, 150 automatic public toilets, 100 newsstands, 500 City Information Panels, and more.

** JCDecaux North America owns 50% of Wall USA and is the exclusive advertising sales representative for Wall's street furniture programs in the U.S. In Boston, the completed program will have 250 bus shelters, 4 newsstands, 8 automatic public toilets, 71 City Information Panels, 15 telephone pillars, 5 map pillars, 9 information pillars.

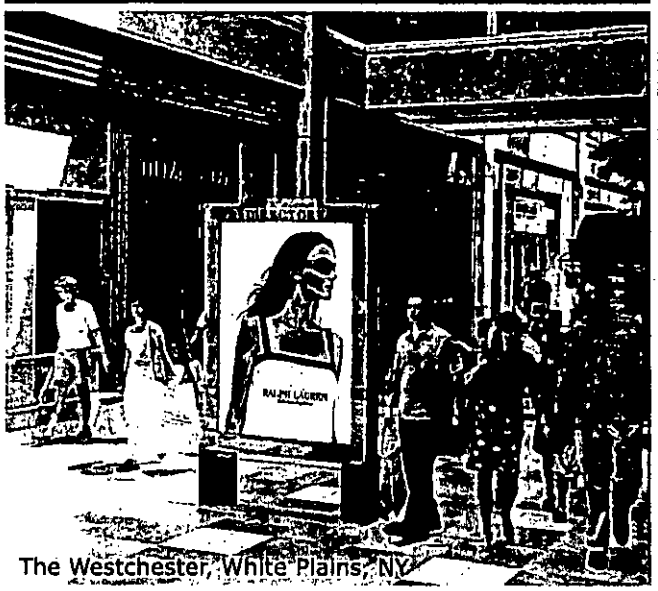
JCDecaux MallScape: Leader in Shopping Mall Advertising

99 prestigious shopping malls in the top U.S. markets

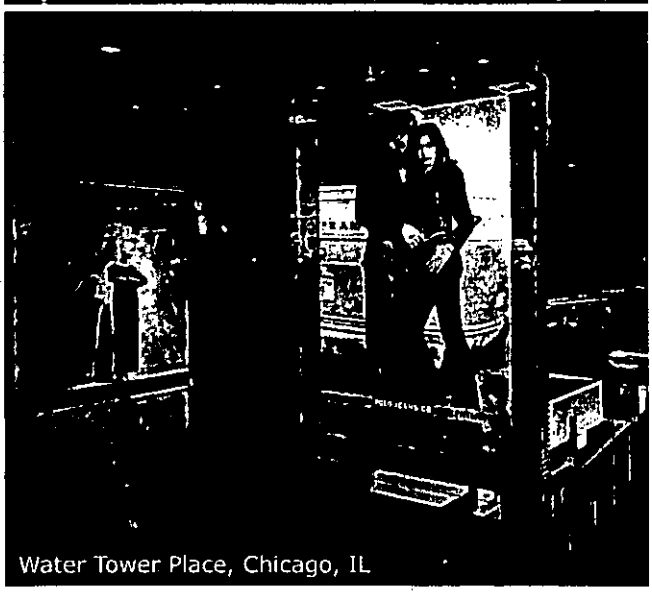
JCDecaux MallScape LLC, was established in 1998. It began as an ambitious program to position the mall as a new advertising medium integrating elegantly designed structures with amenities at malls in the top U.S. markets. Today it has a nationwide network of over 7,000 panels in the most sought-after markets around the U.S., reaching 108 million visitors every month. In the New York area, JCDecaux MallScape operates advertising programs in 17 malls, including such high-profile properties as The Mall at Short Hills (NJ), Roosevelt Field in Long Island and The Westchester in White Plains (NY).

The Galleria, Houston, TX

International Plaza, Tampa, FL



The Westchester, White Plains, NY



Water Tower Place, Chicago, IL

H.3 Overall Experience and Financial Capability

MallScape Portfolio: New York City - Tri-state Area DMA

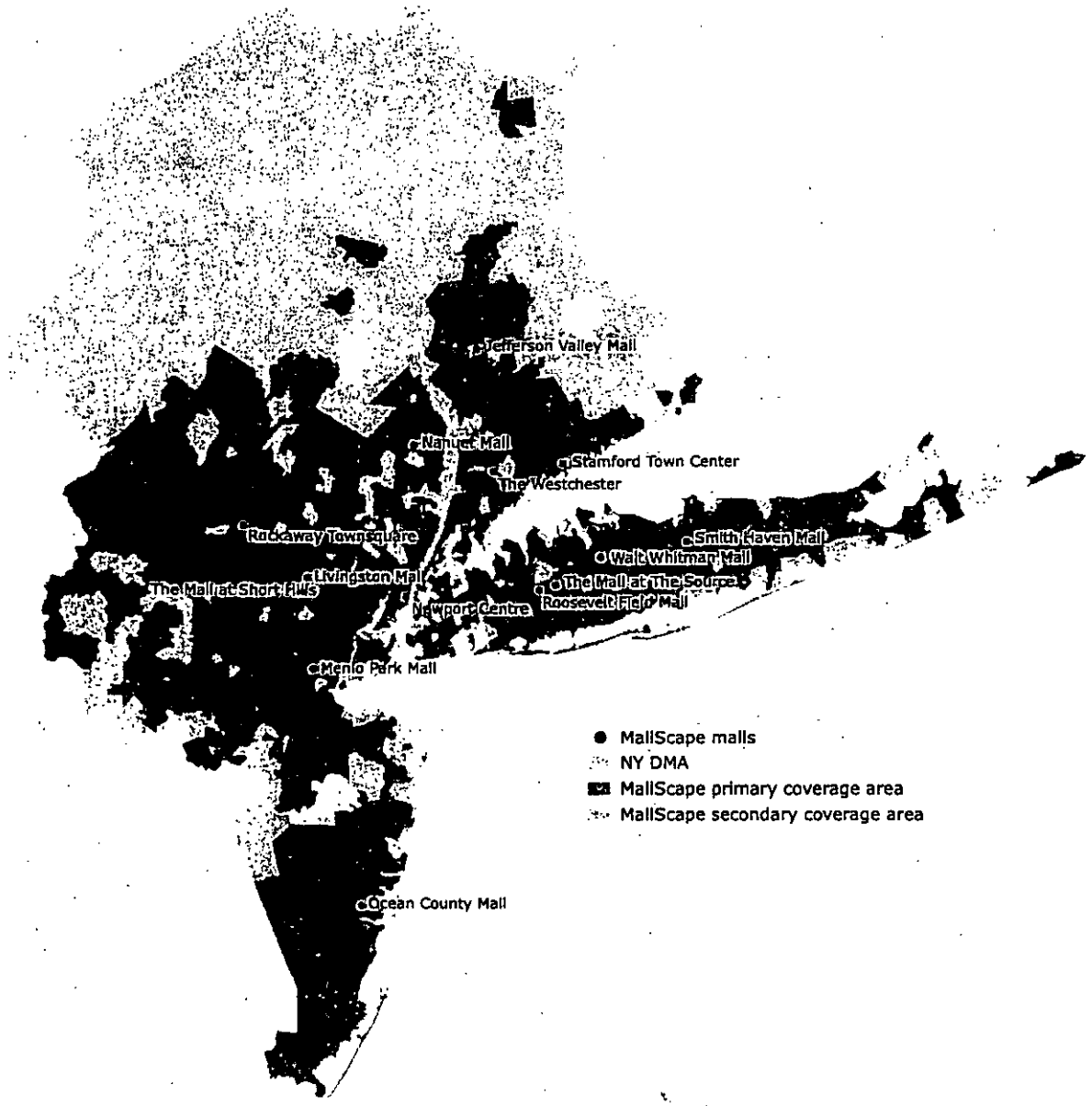
market overview

50% of all mall shoppers and over one third (35%) of all adults in the MallScape primary coverage area shop at a MallScape mall at least once a month.

fast facts

Total DMA adult population	14,926,940
Primary coverage area population*	9,524,505
Share of upscale malls	52%
Total average visits per month	15,985,000

**MallScape shoppers represent 50% or more of all mall shoppers*



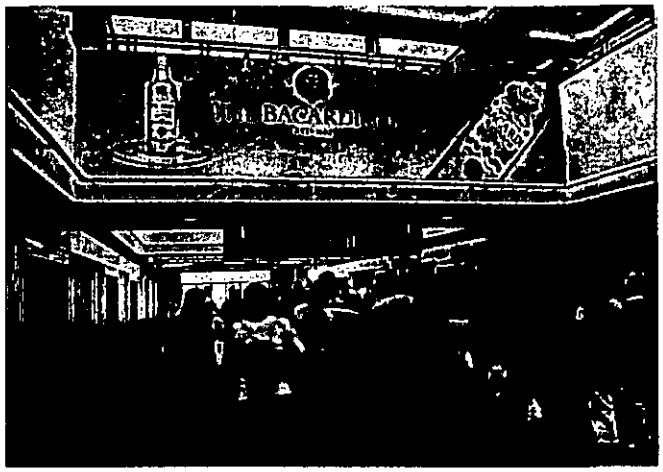
Relevant Experience Around the World

Miami International Airport

City: Miami

Contract: Date started: 1994
Date to end: month to month

Locations: Panels throughout the airport, including ticketing, baggage claim, concourses and exteriors



H.3 Overall Experience and Financial Capability

William P. Hobby and George Bush Intercontinental Airports

City: Houston
Contract: Date started: 1981
Date to end: 2009
Locations: Panels throughout the airport, including ticketing, baggage claim, concourses and exteriors

William B. Hobby International Airport

George Bush Intercontinental Airport

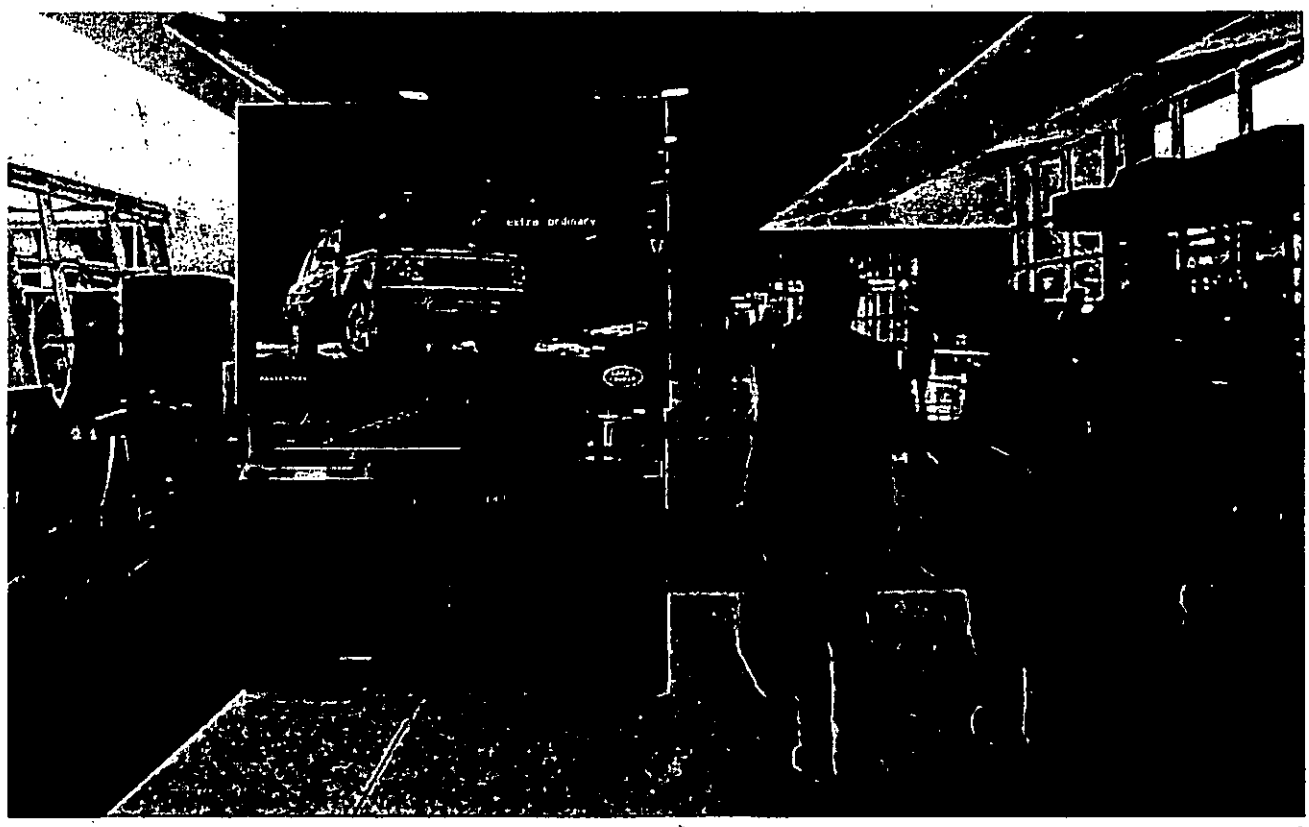
George Bush Intercontinental Airport

Seattle-Tacoma International Airport

City: Seattle

Contract: Date started: 1996
Date to end: 2007

Locations: Panels throughout the airport, including ticketing, baggage claim, concourses and exteriors



Ronald Reagan Washington National Airport
Washington Dulles International Airport

City: *Washington, DC*
Contract: Date started: 1993
Date to end: 2009
Locations: Panels throughout the airport, including ticketing, baggage claim and concourses

Washington Dulles International Airport

Ronald Reagan Washington National Airport

Ronald Reagan Washington National Airport

H.3 Overall Experience and Financial Capability

UK Airports:
Heathrow, Gatwick, Stansted, Edinburgh, Glasgow, Luton, Aberdeen.
Contract also includes Heathrow Express and London Eurotunnel (see following pages)
Contract – Date started: 1988
Date to end: 2007
Locations: Exclusive rights to all signage locations inside and outside all terminals

JCDecaux has had a special relationship with the British Airport Authority (BAA) for the past 17 years. We provide advertising opportunities in their eight airport terminals, in the Heathrow Express "train to the plane" from Central London, and we service the Eurotunnel that connects Paris and London.

Together, through this important collaboration with BAA, we have transformed the face of commercial signage and media opportunities in the airport advertising industry all over the world.

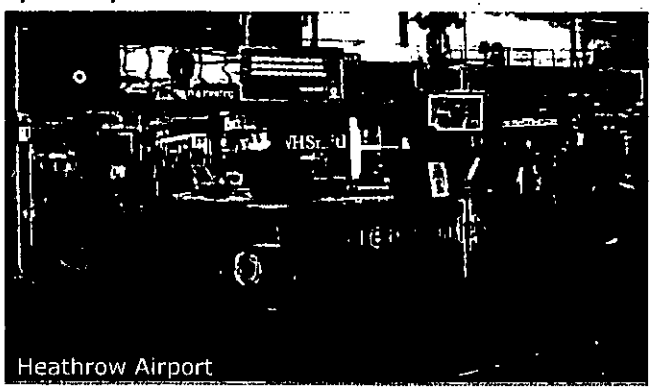
Our partnership has generated numerous "firsts" that have since become accepted standards in the industry:

- At London Heathrow, we pioneered the introduction of large **spectacular signage** with the British Airways "Concord " site. This spectacular offering continues today with the recent opening of the "RBS Welcome" location. Outdoor units of this nature now represent almost $16 million in annual gross revenue.

- In 1995, we introduced the concept of **campaign networks** across all BAA airports, greatly increasing revenues across all eight of their properties.

- **Scrolling units**, able to display three separate advertisers, were placed in our most desired areas enabling our network campaigns such as "Business First" to generate in excess of $3 million a year for just 41 locations.

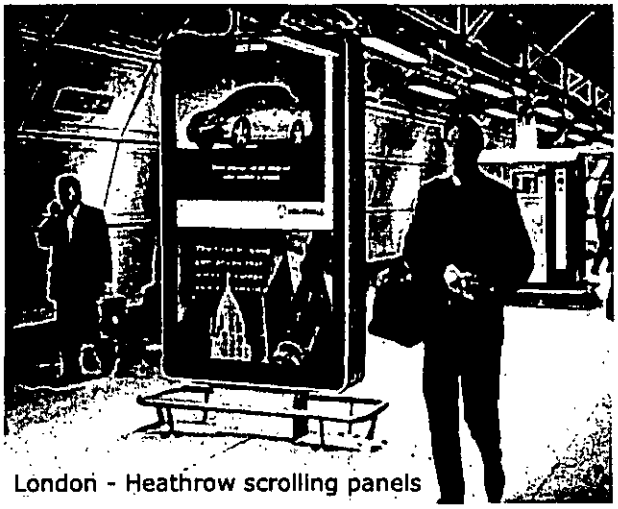
Today, our entrepreneurial approach continues with the formation of "Sphere", an in-house specialist division of JCDecaux that was created specifically to maximize revenues from special promotions and exhibitions.


Heathrow Airport

Gatwick Airport

Heathrow Express

City:	London
Geographic area covered:	Heathrow to Central London
Contract: Date started:	1988
Date to end:	2007
Locations:	Escalator panels, platform signs, wall panels, on-board train signs


London - Heathrow scrolling panels

London - Heathrow 3-Dimensional panels

London - Heathrow platform panels

London - Heathrow wall

London - Heathrow on-board train

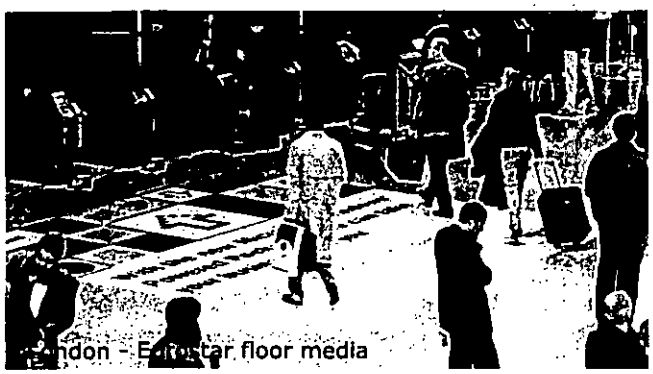
London Eurotunnel

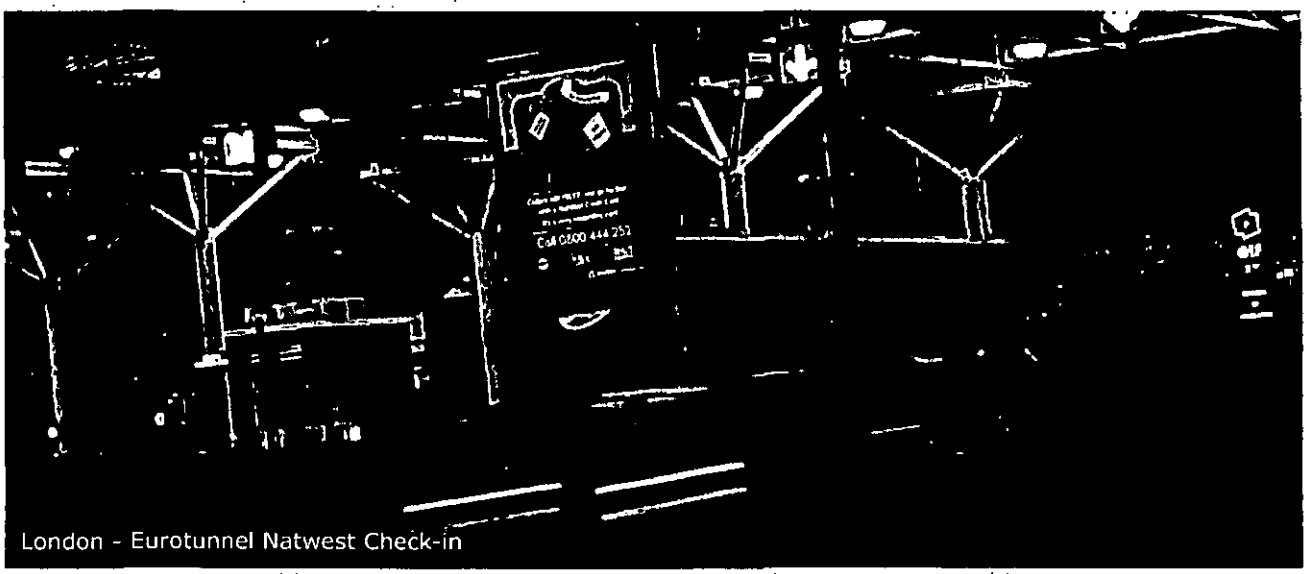
City: Folkestone, UK & Coquelles, France

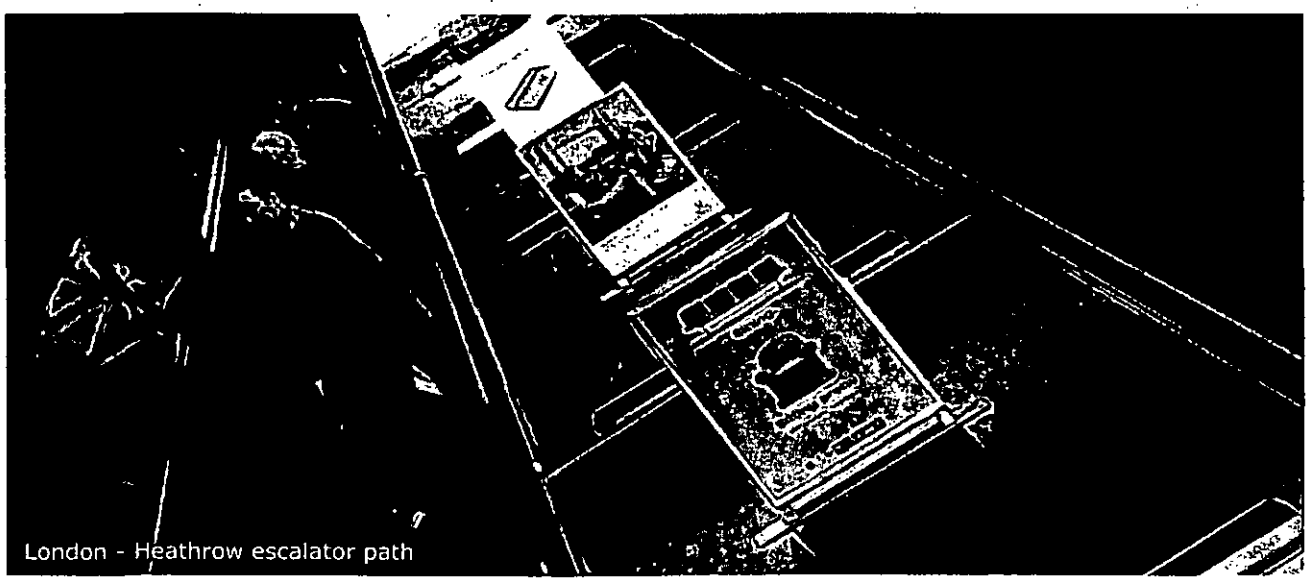
Geographic area covered: Terminals at Folkstone, UK & Coquelles, France

Contract: Date started: February 1, 2000
Date to end: April 30, 2010

Locations: Mainly outside terminal buildings (some inside)


London - Eurostar floor media


London - Eurotunnel Natwest Check-in


London - Heathrow escalator path

Paris Airports: Charles de Gaulle International Airport and Orly Airport
Contract: Date started: 1972
Date to end: 2011

Locations: Exclusive rights to all signage locations inside and outside both terminals

Elegant and sophisticated design has been at the core of our relationship with Aéroports de Paris. Working together, we have developed unique structures that complement the visual characteristics of the airport. The "voyage" or "sail" theme that is interwoven throughout the airport was extended to include the design of our exterior advertising units. The curvature of the units, as well as its mounting and support mechanism, resemble a giant sail, mast and rigging. This care and attention to visual aesthetics and beauty enables JCDecaux to attract the world-class, prestigious brand advertisers who regularly buy the units.

These same advertisers also purchase the newest addition to our airport furniture portfolio: the Totem. These tasteful vertical units were specifically developed to complement the magnificent dome structure of the new terminal 2E.

Charles de Gaulle International Airport

Charles de Gaulle International Airport

Orly Airport

Orly Airport

H.3 Overall Experience and Financial Capability

Hong Kong International Airport

Contract: Date started: 1998
Date to end: 2008

Locations: All interior advertising signage locations, including baggage trolleys

At the Hong Kong International Airport, we have managed and operated the in-terminal advertising concession for 211 fixed advertising sites and 8,000 baggage trolleys on behalf of the Hong Kong Airport Authority since the airport opened. During this time JCDecaux has consistently maintained an average sold position of over 75%. The Airport contract showcases a variety of advertising formats including bulkhead lightboxes; landside trolleys; banners on columns; display stands; and exhibition areas throughout the airport.

Resilience and perseverance have been the hallmarks of our operation in Hong Kong over the past three years. From the terrible tragedy of September 11th to the debilitating SARS outbreak, JCDecaux worked tirelessly to maintain advertisers' confidence in the territory and its airport.

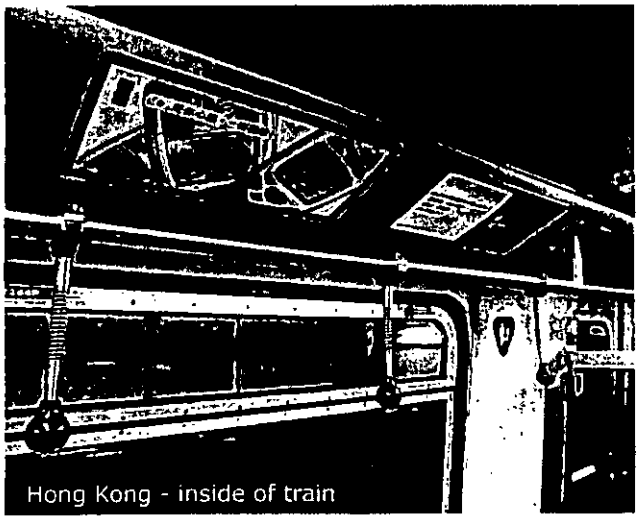
Faced with a 35% drop in scheduled flights; JCDecaux quickly devised and implemented new sales initiatives. Advertisers were approached with unique proposals to encourage their continued expenditure at the airport. In 2004, we were delighted to report that revenues had surpassed all expectations.

H.3 Overall Experience and Financial Capability

Hong Kong Mass Transit Railway (MTR)
JCDecaux Pearl & Dean subsidiary holds the advertising contract for the Hong Kong Airport as well as the largest and most prestigious out of home transit contract in Hong Kong, the Mass Transit Railway (MTR). Pearl & Dean has been operating in the Far East for over 40 years, with bases in seven countries. Over the last 19 years the company has developed into the largest outdoor advertising company in the Asian region.

The MTR contract consists of 25,000 panels across 43 stations. JCDecaux Pearl and Dean has introduced, marketed and sold both long term and short-term campaigns to a local and international client base. The contract showcases all forms of advertising within the MTR system - including 12 sheet and 4 sheet panels in the form of free-standing and wall-mounted backlit Lightboxes; Escalator Crown Panels; Train Card Panels; Special Size Panels; Ultravision Panels; LED Infopanels; Ride'n'Save Guide; Rollavision; Motion Duratran; Station Exhibitions; Product Showcases; Ticket Advertising and outdoor advertisements on existing MTR structures.

The MTR is the largest out-of-home contract as well as the largest transport contract in Hong Kong. Rail, not bus, is the dominant form of public transportation in this city. We have maximized the revenue since 1980, with emphasis on maintaining and projecting further the MTR's interests.


Hong Kong - inside of train

Hong Kong - subway wall panels

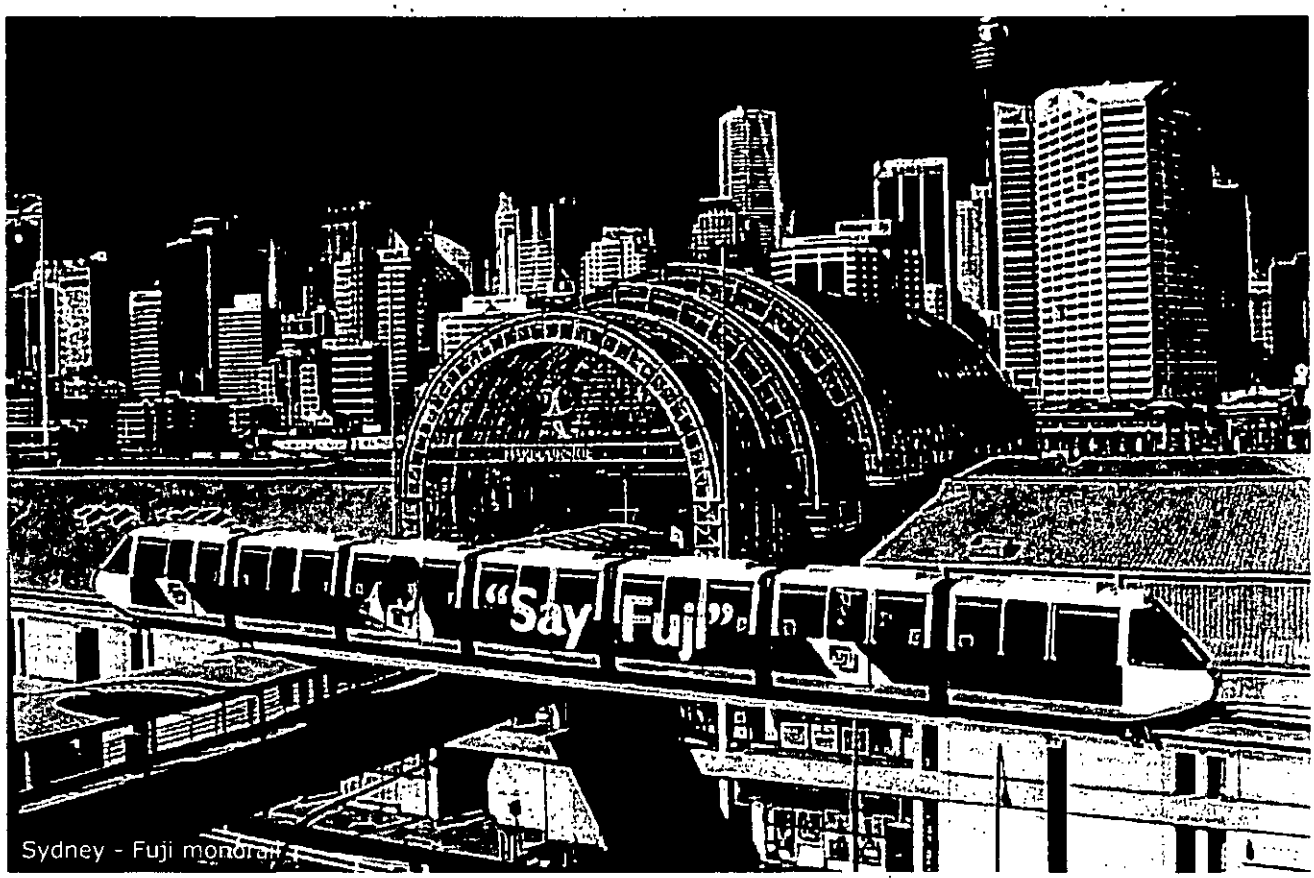
Australia
In Australia, JCDecaux operates several different Transport contracts:

Sydney Monorail
The Monorail in Darling Harbour attracts over 16-million visitors per year. It is one of Sydney's main attractions. JCDecaux's contract covers advertising outside the cars, as well as on the platforms.

Melbourne
The Yarra (area) Trams are a Melbourne icon. JCDecaux has the advertising contract for the roof, side, back and full car wraps on the Yarra Trams.

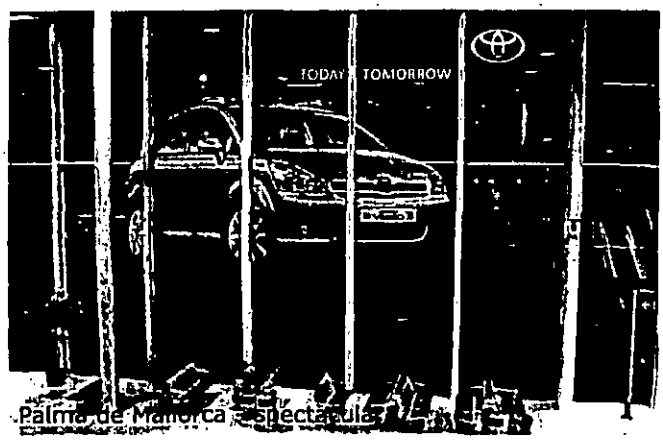
Melbourne
Trains and Train Stations - JCDecaux has the advertising contract for station displays, train interiors and train exteriors for the Connex Rail network in the north, north-eastern and eastern suburbs of Melbourne. The network consists of 90 railway stations that transport over 1 million passengers per week throughout the Central Business District of Melbourne.

Adelaide Buses
750 buses service the city. The bus system is Adelaide's major public transportation medium, making 3.5-million passenger trips per month. Advertising opportunities include numerous bus advertising panel sizes as well as interiors, bumper stickers and fully wrapped buses.



Sydney - Fuji monorail

Spain
Palma de Mallorca Airport
City: Palma de Mallorca
Contract: Date started: 2005
Date to end: 2010
Locations: Scrolling panels, rotating columns, suspended panels, murals, outdoor billboards,"spectaculars," parking garage wraps, walkway wraps, stands



Palma de Mallorca – spectacular

Palma de Mallorca – exterior wrap

Palma de Mallorca – scrolling panel

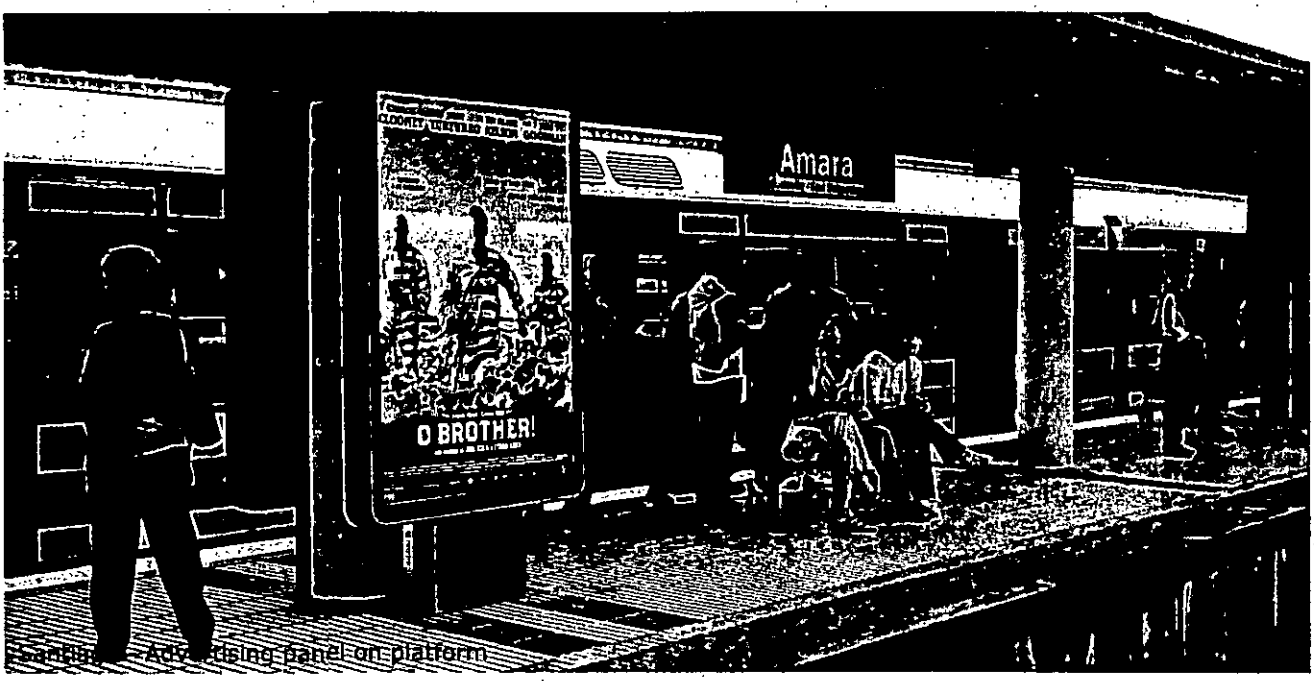
Spain
Barcelona Subway
City: Barcelona
Contract: Date started: 1997
Date ended: 2003
Renewed: 2004
Date to end: 2008
Locations: Freestanding displays on subway platforms, escalator panels, billboards

Barcelona Metro - wall posters

H.3 Overall Experience and Financial Capability

Santiago de Chile Subway

City: Santiago de Chile
Contract: Date started: 2002
Date to end: 2012
Locations: Interior subway panels



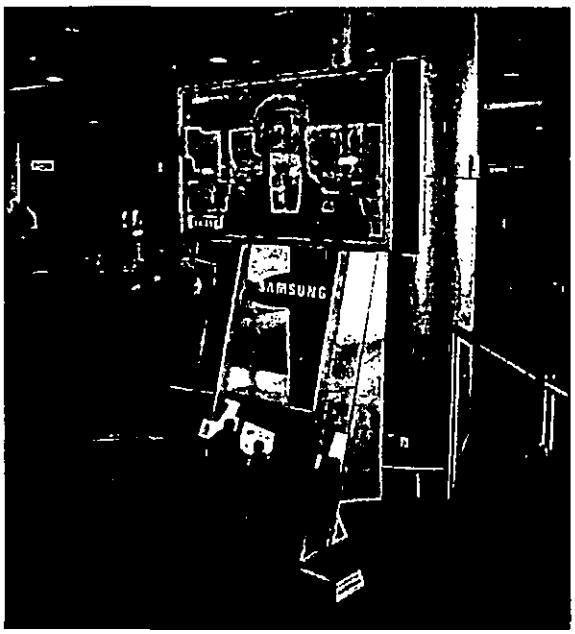
Santiago – Advertising panel on platform

Leader in International Technology

JCDecaux has a history of developing innovative products using the newest technologies available. **All of our developments are made with both the public and the advertisers in mind.** Technology for the sake of technology is useless, technology with purpose is what counts. There is not a single company that can compete with the technological advances made by JCDecaux. Below are examples of our technological feats:

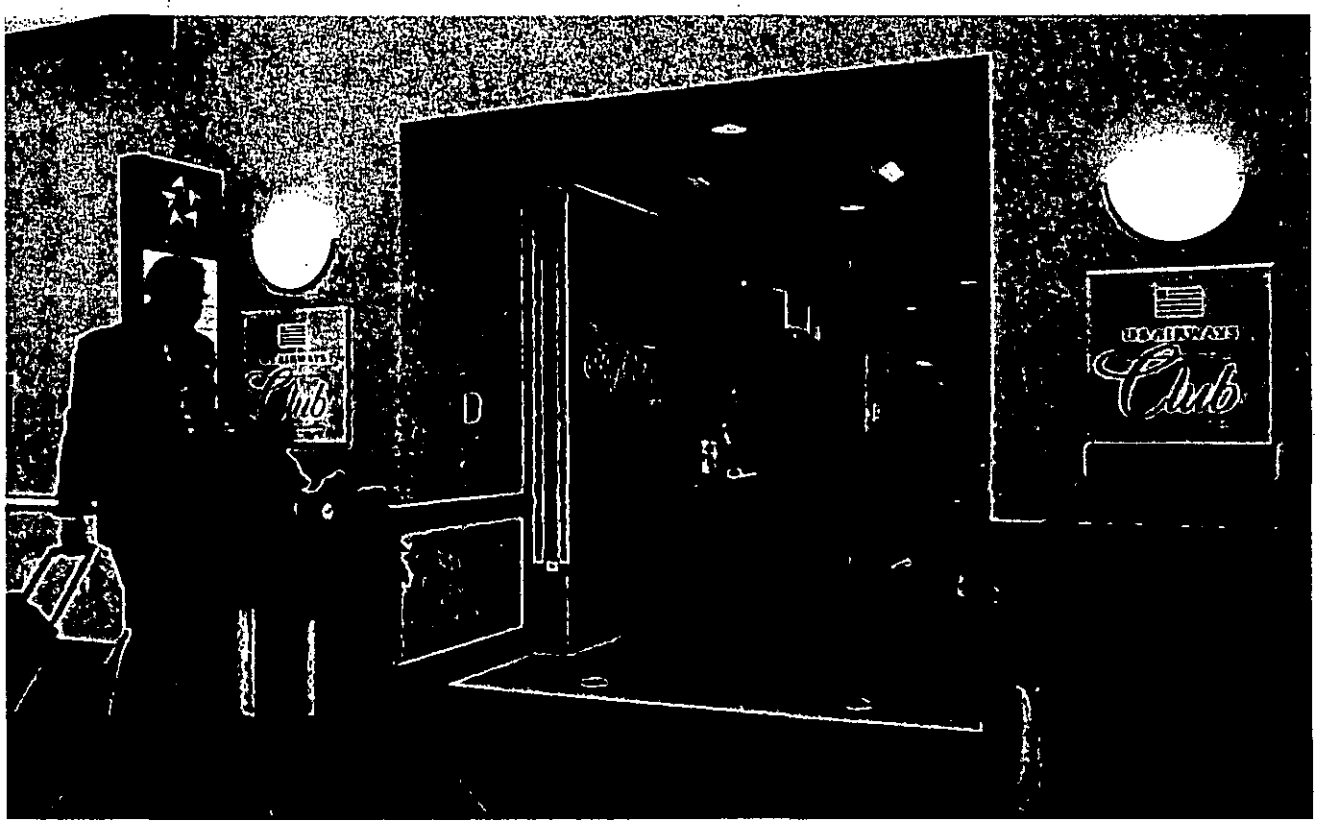
Aéo – the first TV medium dedicated to airport passenger relations was successfully introduced in 2003 to inform and entertain air travelers. Aéo, a high-tech medium offering rich information content, makes it possible to "give meaning" to waiting time. Aéo has 75% editorial programs and 25% advertising, it has proved highly successful with advertisers. Aéo has been installed in Roissy-Charles deGaulle airport where 40-inch TFT screens, and a bank of screens taking up an entire wall, have been installed in the heart of the new 2E terminal.

H.3 Overall Experience and Financial Capability



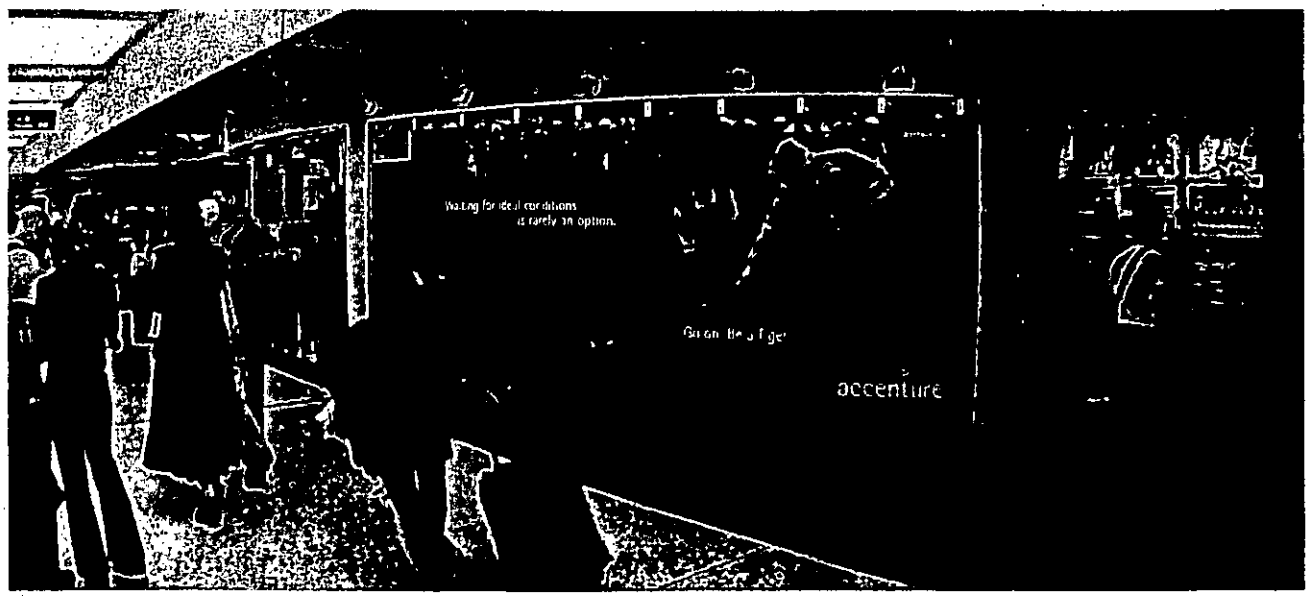
In 2004, JCDecaux pioneered a new revenue stream for both Heathrow and Frankfurt airports by introducing the **"Gate Hold" TV network**. At Heathrow, this unique agreement combined programming content from the BBC and hardware from Samsung. The deal became a substantial revenue generator for our partner, the BAA. In addition to donating the screens, Samsung also entered into a multi-year media deal.

JCDecaux invented and perfected the **scrolling technology**, allowing us to maximize revenues from the best advertising locations. This product is utilized in our Business First Networks.

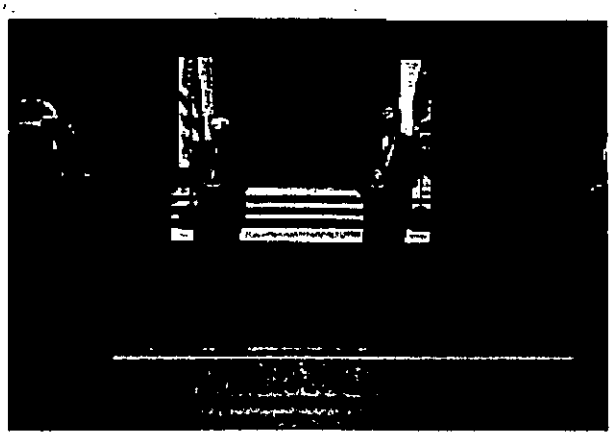


H.3 Overall Experience and Financial Capability

In partnership with 3M we pioneered the use of removable **wall wrap technologies** in airports, including new materials and adhesives.

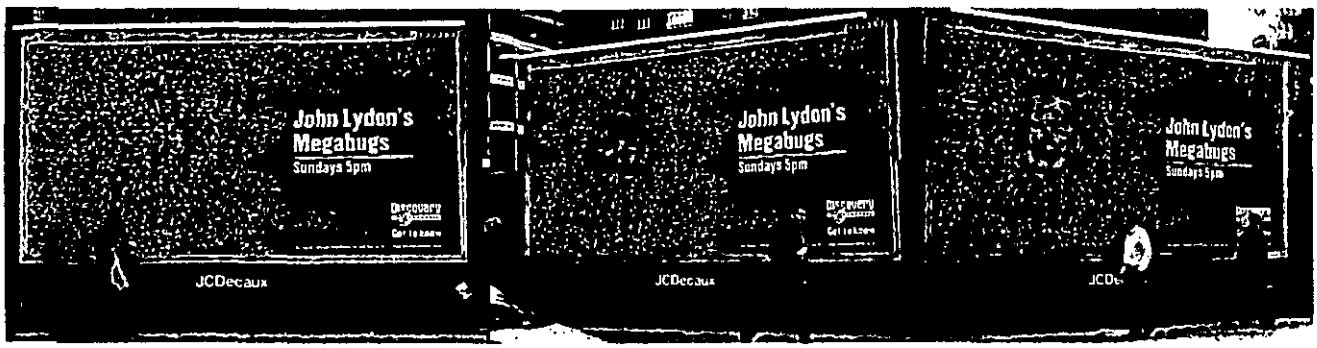


INFOSCREEN is a high-tech information channel that is projected overhead onto two bright screens across the tracks on each platform in the Vienna (Austria) Subway System. INFOSCREEN shows a 7-minute varied program of news, weather, culture, and current events, as well as public transportation information and interactive games - to the waiting passengers. The information content fills 70% of the loop, with advertising filling the other 30%.



Color Scene – We have used special lighting effects to illuminate creative ideas. Color changing mood lighting smoothly transforms from one color to the next.

Billboard Lenticular – In the UK, we customized an outdoor campaign for the Discovery Network to provide real added value. The advertising was made more eye catching by inserting lenticular panels in the center of the posters.



Emphasis on Aesthetic Excellence, Functionality, Durability, and Quality of Advertisements

Aesthetic excellence and durability: All JCDecaux equipment is designed and built to last for generations to come. Every piece of equipment is made with the best materials, not only because they are the most beautiful, but they also have to withstand the hardships of street life. An example is our street furniture where the structures are exposed to rain, sun and snow. Our billboards and other outdoor equipment must be resistant to minor forms of vandalism. Even in the protected indoor locations of our airport and shopping mall equipment we hold to these quality standards. Additionally, our displays be able to stand up to the rigorous requirements of changing posters and servicing the equipment on a regular basis. The design and choice of materials for all of our products is therefore largely influenced by their ability to be efficiently maintained by our trained technicians.

Every advertising panel is designed by our in-house design team to provide the advertising client with a first-class frame in which to present their advertising message. Every structure is designed with long-term durability in mind ensuring that it will provide the public and the advertising client, day after day, with the same level of quality services and product information.

Functionality: JCDecaux is an Out-of-Home advertising company with a public service focus. Wherever possible and practical, we design our advertising structures to provide an integrated service. In airport structures this could include electronic information directories, touch-screens, Wi-Fi or recycling bins. See Section G – for more details on the functionality of our products.

Quality of Advertisements: JCDecaux believes that quality display panels attract quality advertisers. JCDecaux sells its advertising to first-class clients. We screen the ads for good taste before they are posted. Our years of experience in the Out-of-Home advertising business have allowed us to develop a great sensitivity regarding what is acceptable in a public environment.

Demonstrated Ability to Achieve Results: The PANYNJ Example

JCDecaux has been the Port Authority's advertising concessionaire at JFK and LGA airports for 15 and 9 years respectively. Over those years, we have achieved results for the Port that are vastly superior to our competitors':

Unequaled Revenues:

- ***Since being awarded the concession we have increased revenues at an average annual compound rate of 16% at JFK and 17.7% at LGA***
- **Our advertising revenues at JFK have consistently ranked first in the U.S., outperforming our nearest rival Chicago O'Hare by 39% in 2004**
- **With $.43 in advertising revenue per passenger, JFK clearly surpasses any other large airport in the country, with LGA taking second place at $.29 per passenger (EWR was third at $.27 in 2004)**

Constant Innovation:

- Over the years, we continuously worked with the Port Authority to develop new advertising opportunities, resulting in higher sales
- We developed and installed the first exterior advertising displays in a U.S. airport at JFK in 1994. To date, this program remains the largest exterior advertising program in any U.S. airport
- One of those exterior signs, "The Gateway Structure", won the Queens Design Award in 1998
- Recently, we developed and installed several large outdoor displays at LGA generating more than $1.3 million in revenue in 2004
- In early 2005, we installed the new Business First network at LGA. This new product immediately caught the attention of advertisers and has been sold at record rates from the day of installation

A Mutually Rewarding Partnership with the Port Authority and the Airlines

Our existing relationship with the Port Authority of New York and New Jersey provides us with an additional advantage. We already understand the unique needs of the Port Authority and have the necessary relationships with the Airlines that are a vital part of the airport advertising programs.

- With the support of the Port Authority, we have worked with the airlines at JFK, to develop new advertising displays and increase revenues in airline controlled areas
- As required to meet the specific needs for each terminal at JFK, we have developed new products while being sensitive to the needs of the public
- We have hired aviation and airline experienced employees to better understand the specific needs in the airline environment

- We worked with the Port Authority and airlines, to introduce the wall wrap concept to U.S. airports, resulting in new revenue streams for the airlines and the Port Authority
- We worked hand-in-hand with the Port Authority and the airlines to develop advertising concepts for the new Terminals 1, 4 and 8 and the redevelopment of Terminal 7 at JFK

Management and Staff Credentials

JCDecaux North America is headquartered in New York. There are nine additional regional offices - Boston, Chicago, Dallas, Indianapolis, Los Angeles, Miami, San Francisco, Seattle and Washington D.C., along with many additional satellite offices throughout the U.S.

The following corporate functions are based in our New York headquarters:

- Finance
- Sales Administration
- Information Technology (IT)
- Marketing
- National Sales
- Human Resources

Corporate technical support for equipment design and manufacturing, operation and maintenance (including central spare parts management and technical training) are headquartered in our New Jersey Office.

JCDecaux Staffing Philosophy and Structure

JCDecaux is an equal opportunity employer and makes all employment decisions without regard to race, color, age, religion, sex, sexual orientation, national origin, ancestry, marital status, mental or physical disability, handicap, military or veteran status or any other manner prohibited by law. JCDecaux fairly recruits without regard to gender and race/ethnic make-up in all positions within the company, focusing on skill levels and qualifications.

JCDecaux is committed to providing a work environment that is free of discrimination. It is our policy to treat all employees fairly, equitably, and with courtesy and to apply policies and procedures uniformly. In keeping with this commitment, JCDecaux maintains a strict policy, which prohibits harassment in any form, including sexual, verbal, physical, and visual harassment. This policy of non-discrimination covers all matters affecting employees and applicants for employment and all aspects of their employment relationship, including recruiting, hiring, promotion, salary or other compensation, benefits, transfers, discipline, layoffs, termination and training.

In partnership with the Port Authority, JCDecaux's Corporate and Local Teams will be involved in managing your advertising program. Every JCDecaux contract involves staff from all levels and departments of our company. By utilizing our full resources, we can ensure a smooth operation.

Through our years of experience with the Port Authority, we have developed an effective business relationship with the Port's staff and look forward to building on this strong foundation.

H.3 Overall Experience and Financial Capability

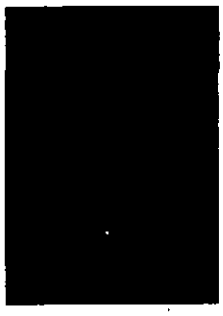
Bernard Parisot
Title: Co-CEO
Year joined JCDecaux: 1994
Relevant prior experience: Under Mr. Parisot's leadership, JCDecaux North America has become the country's fourth-largest outdoor advertising company. He directly oversees business development in the Airports and Street Furniture divisions, including negotiation and implementation of all JCDecaux North America advertising programs. He is responsible for the development of Mallscape, the first upscale mall advertising program.
Role in the Port Authority program: He will directly oversee all operations and management for the implementation and ongoing operation of the Port Authority program.

Name: Jean-Luc Decaux
Title: Co-CEO
Year joined JCDecaux: 1990
Relevant prior experience: Mr. Decaux expanded the company's advertising sales in North America with the new street furniture contracts in Chicago, Los Angeles and Vancouver. Mr. Decaux oversees sales in those cities as well as San Francisco, and Boston for the JCDecaux-Wall USA Partnership. He is also responsible for the sales and marketing effort for Airports and Mallscape.
Role in the Port Authority program: He will directly oversee all advertising sales, marketing and sales administration for the Port Authority program.

Name: Laurence Raoult
Title: Chief Financial Officer
Year joined JCDecaux: 1997
Relevant prior experience: Ms. Raoult manages all of the financial aspects of our business, including capital investment, cash management, and the issuance of profit and loss statements and balance sheets. She oversees JCDecaux's contract administration, human resources, information technology and credit control departments.
Role in the Port Authority program: She will provide the financial oversight responsibilities for the Port Authority program.

H.3 Overall Experience and Financial Capability

Name: **Paul den Ouden**
Title: **Exec. Vice President**
Year joined JCDecaux: 1996
Relevant prior experience: Mr. den Ouden's career includes 25 years of senior management with a former major domestic and international airline, and was the proprietor of an aviation-focused consulting business. Now in the airport advertising business with JCDecaux, he has the overall responsibility for managing the airport relationships throughout the U.S., including property issues.
Role in the Port Authority program: He will supervise the property and airline relations for the Port Authority program.

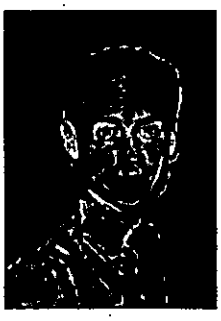


Name: **Eric Selby**
Title: **Regional Vice President**
Year joined JCDecaux: 1993
Relevant prior experience: Mr. Selby oversees activities for JCDecaux North America properties in the Northeast region, including the management of facilities, operations and administration in the New York market. He manages the regional operational goals to assure that maximum revenue, customer service, and quality facilities are achieved for greater revenue sharing for our business partners.
Role in the Port Authority program: He will be directly responsible for the operational management for the Port Authority program.

Name: **Bob Cilia**
Title: **Exec. Vice President, Sales**
Year joined JCDecaux: 2001
Relevant prior experience: Mr. Cilia has over 20 years experience in advertising sales and marketing management, including 8 years managing New Business Development at Gannett. He has managed major national advertising accounts for some of the world's most pre-eminent advertising agencies. He manages all airport sales for North America.
Role in the Port Authority program: He will have supervisory responsibility for the sales and marketing team selling the advertising at all three airports for the Port Authority program.

Name: **Gayle Zimmerman**
Title: **Exec. Vice President, Sales**
Year joined JCDecaux: 1999
Relevant prior experience: Ms. Zimmerman is a 20-year veteran in the out-of-home industry and is the top producer for our Mall/Street Furniture division. She was responsible in 2004 for over $14-million of net sales. She manages all street furniture, transit and mall sales in North America.
Role in the Port Authority program: She will have supervisory responsibility for the sales and marketing team selling the exterior and transit advertising for the Port Authority program.

H.3 Overall Experience and Financial Capability



Name: Renaud Couillens
Title: Marketing Director
Year joined JCDecaux: 1999
Relevant prior experience: Mr. Couillens heads the Marketing and Graphic Design Graphics team and was instrumental in developing all sales and marketing materials for the successful launch of JCDecaux MallScape as well as the Airport Advertising Division of JCDecaux. He and his team design and produce demographics, lifestyle reports and maps to help the sales team demonstrate the benefits of using JCDecaux's various media platforms.
Role in the Port Authority program: He will create a top-notch promotional campaign announcing the launch of the all-inclusive Port Authority program and will supervise ongoing production of targeted marketing materials and research for the Port Authority program.

Name: Nicolas Clochard-Bossuet
Title: Chief Operating Officer
Year joined JCDecaux: 1998
Relevant prior experience: Mr. Clochard-Bossuet served as COO of the JCDecaux MallScape program, overseeing the design, fabrication, installation and maintenance of 5,000 advertising fixtures in 99 high-end shopping malls nationwide. He directly manages the overall implementation of our Street Furniture contract with the City of Chicago. Since its inception in 2002, he has overseen the design, fabrication and installation of over 1,700 bus shelters and other street furniture.
Role in the Port Authority program: He will supervise the engineering and development team for the successful implementation of the advertising fixtures, including the setting up of all assembly/ fabrication procedures and the quality inspection and approval of all fixtures prior to installation for the Port Authority program.

Name: Francois Nion
Title: Executive Vice President
Year joined JCDecaux: 1988
Relevant prior experience: Mr. Nion set up the San Francisco subsidiary and oversaw the installation and operations of the street furniture program and launched the sales and marketing effort there. Subsequently, he was responsible for securing and implementing the contracts for Los Angeles and Vancouver for our joint venture Viacom Decaux. He is responsible for JCDecaux's street furniture business development in North America.
Role in the Port Authority program: He will manage the development of the transit and exterior opportunities, including the PATH, bridges & tunnels for the Port Authority program.

H.3 Overall Experience and Financial Capability

Name: Cindy Samuel
Title: Sales Planning Manager
Year joined JCDecaux: 1992
Relevant prior experience: Ms. Samuel is Sales Planning Manager for our Sales Administration Department. She supervises data entry and proof of performance coordinators; produces and reviews advertising contracts to ensure product delivery; produces invoices; and trains sales staff on JCDecaux systems and procedures.
Role in the Port Authority program: She will set up and manage the sales administration effort and supervise the team responsible for the Port Authority program.

Name: Andrew Korniczky
Title: Vice President, Business Development
Year joined JCDecaux: 1992
Relevant prior experience: Mr. Korniczky helped pioneer innovative developments at JFK Airport, such as large spectacular sites, exterior advertising, and network diorama campaigns. He left the company in 1997 to establish his own airport advertising agency in the U.S., rejoining JCDecaux in 2002. His responsibilities encompass the group's global airport sales efforts, and development of new business opportunities for JCDecaux and our business partners.
Role in the Port Authority program: He will manage the identification and ongoing development for new business opportunities as well as over-see the sponsorship projects for the Port Authority program.

Name: Stacey Ferris
Title: Business Development Manager
Year joined JCDecaux: 2002
Relevant prior experience: Ms. Ferris manages the expansion and development of the display programs and contract agreements throughout the U.S. for JCDecaux. She is involved at all levels of our business development, including on-site field surveys, capital management and business plan implementation. In addition, Ms. Ferris provides the competitor and industry analysis vital in being a leader in the out-of-home business.
Role in the Port Authority program: She will coordinate with our material management, engineering and Quality Assurance departments ensuring a timely and smooth installation as well as provide ongoing business analysis of our program to ensure that we continue maximizing revenue for the Port Authority program.

H.3 Overall Experience and Financial Capability

Name: Craig Ferber
Title: Sr. Account Executive
Year joined JCDecaux: 2001
Relevant prior experience: Mr. Ferber owned a production company; writing, directing and producing TV commercials and worked as an Account Executive at two major advertising agencies. He has sold major national Out-of-Home media campaigns to major clients such as AMEX, IBM, Motorola, Yahoo, BMW, Cingular.
Role in the Port Authority program: He will cultivate and manage national advertising accounts and branding opportunities as well as manage the sales team to exceed sales goals for the Port Authority program.

Name: Denise McNamara
Title: International Sales Manager
Year joined JCDecaux: 1991
Relevant prior experience: Ms. McNamara is the International Sales Manager for JCDecaux since joining the company in 1991. 90% of her clients are booked into JFK and LaGuardia Airports. She also works with JCDecaux offices throughout the world to extend our profile of clients and learn new ideas and concepts from other large international airports.
Role in the Port Authority program: She will cultivate international advertising accounts bringing large campaign buys to the Port Authority program.

Name: Brett Morgan
Title: National Account Executive
Year joined JCDecaux: 2003
Relevant prior experience: Mr. Morgan has 14 years experience in advertising sales specializing in Out-of-Home media. He has closed many advertising contracts for backlit, exhibition and out-of-the-box concepts, such as banner programs for the Port Authority properties.
Role in the Port Authority program: He will cultivate and manage both regional and national advertising accounts focusing on EWR and the AirTrain at both EWR and JFK for the Port Authority program.

H.3 Overall Experience and Financial Capability

Name: **Bryan Hackmeyer**
Title: **National Account Executive**
Year joined JCDecaux: 2003
Relevant prior experience: Mr. Hackmeyer has over 13 years of media sales experience, including print, Internet and out-of-home. He sells advertising and sponsorship opportunities for the Port Authority properties and has consistently exceeded goals for the program.
Role in the Port Authority program: He will cultivate and manage regional and national advertising accounts to continue to increase revenues for the Port Authority program.

Name: **Melanie Lauridsen**
Title: **Account Executive**
Year joined JCDecaux: 2002
Relevant prior experience: Ms Lauridsen develops new clients for JFK and LaGuardia from the airport community and surrounding areas. She works with many local advertisers as well as national accounts. At LaGuardia, she maintains and develops courtesy phone center sales.
Role in the Port Authority program: She will develop local and regional prospects in the New York and New Jersey area for the Port Authority program.

Name: **Faith Garbolino**
Title: **National Accounts Manager**
Year joined JCDecaux: 2001
Relevant prior experience: Ms. Garbolino has specialized her media sales efforts on our product inventory in malls and street furniture programs. Based in the New Jersey, she develops and manages both regional and national accounts. Her ongoing commitment to providing successful, innovative and targeted campaigns for her clients has made her successful and well respected in the Out-of-Home media field.
Role in the Port Authority program: She will cultivate and manage regional and national advertising accounts and branding opportunities for the Port Authority program.

H.3 Overall Experience and Financial Capability

Name: Melinda Ponzio
Title: National Sales Executive
Year joined JCDecaux: 2000
Relevant prior experience: Based in Los Angeles, Ms. Ponzio specializes her sales talents in the entertainment industry. The majority of her +15 years in the business have been focused on the motion picture business. She also has built strong relationships with the television and home video divisions of the major Los Angeles/Hollywood studios.
Role in the Port Authority program: She will capitalize on her experience and expertise in developing the entertainment sector to the Out-Of-Home opportunities for the Port Authority program.

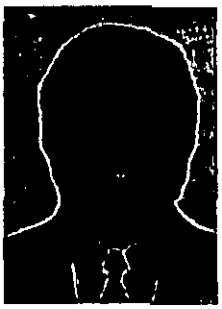
Name: Dan Helmin
Title: National Sales Executive
Year joined JCDecaux: 1999
Relevant prior experience: Based in Chicago, Mr. Helmin is responsible for creating a significant customer base for JCDecaux in all major mid-western markets. With over a decade of experience in the out-of-home industry, Mr. Helmin is able to optimize his strong relationships with key media buyers in the mid-western region to maximize revenues.
Role in the Port Authority program: He will capitalize on his experience and expertise in closing Out-of-Home business in the mid-west U.S. market for the Port Authority program.

Name: Maryanne Kimball
Title: Director of Facilities
Year joined JCDecaux: 2000
Relevant prior experience: Ms. Kimball has 19 years experience in the aviation industry working for Trans World Airlines in New York in both Operations and Management. She directs the JCDecaux facilities team at our Port Authority properties, develops airport relations and oversees the facilities at JFK and LaGuardia.
Role in the Port Authority program: Her ongoing priority will be to maintain our commitment to quality service and maximize the presentation of our fixtures by managing the day-to-day facilities responsibilities for the Port Authority program.

H.3 Overall Experience and Financial Capability

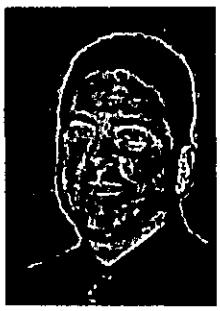
Name: Richard DeFreitas
Title: Project Manager
Year joined JCDecaux: 1999
Relevant prior experience: Mr. DeFreitas has overseen the installation of literally thousands of display fixtures throughout the country for JCDecaux. From the significant roll-out of our Mallscape program in 99 malls to the installation of our street furniture program in Chicago. Mr. DeFreitas has supervised numerous employees and contractors, including M/WBE contractors for successful implementation. Now based in New Jersey, he supervises the installation of our fixtures in the New York and New Jersey area.
Role in the Port Authority program: He will supervise the contractors and facilities personnel in the installation of the advertising fixtures, ensuring a smooth transition of the new displays for the Port Authority program.

Name: Donna Saunders-Bennett
Title: Facilities Manager
Year joined JCDecaux: 1995
Relevant prior experience: Ms. Saunders-Bennett has had a well rounded role at JCDecaux, as she has served as Account Assistant, Sales Coordinator and Tracking Manager before assuming the role of Facilities Manager. In this role, she is responsible for managing inventory, trafficking the campaigns, posting the ads and overseeing the maintenance of the display units.
Role in the Port Authority program: She will work closely with the Director of Facilities and our Maintenance Technicians to ensure that all of our displays maintain unprecedented quality and service for the Port Authority program.



Name: William Haddock
Title: Director of Materials Management
Year joined JCDecaux: 2000
Relevant prior experience: Mr. Haddock joined JCDecaux to oversee purchasing and resource planning. He is directly responsible for sourcing strategic suppliers, negotiating contracts for materials and developing our state-of-the-art production planning systems.
Role in the Port Authority program: He will source appropriate suppliers and contractors for the initial installation and ongoing plant management as well as supervise the purchasing, production planning and inventory control for the Port Authority program.

H.3 Overall Experience and Financial Capability



Name: Robert Mager
Title: Director of Engineering
Year joined JCDecaux: 1998
Relevant prior experience: Mr. Mager has over 23 years experience in design and development of products for the military, communications and manufacturing. For JCDecaux, he has engineered all products for our MallScape, City of Chicago street furniture, and Airport contracts to exacting schedules and the highest quality.
Role in the Port Authority program: He will manage the development, and design as well as engineer the new products. In addition, he will customize and refine our current products to ensure compatibility with the environments and customer needs for the Port Authority program.

Name: Eric Buchman
Title: Director of Quality Assurance
Year joined JCDecaux: 1999
Relevant prior experience: Mr. Buchman has established company-wide procedures for our production facilities, based upon the ISO Standard. He has streamlined standard processes and established a philosophy of continuous improvement. Mr. Buchman was also instrumental in our Chicago street furniture program, ensuring that the program meets the strict JCDecaux quality standards.
Role in the Port Authority program: He will establish a comprehensive Quality Control Program ensuring that the advertising display fixtures, airport amenity units, banners and wall wraps meet JCDecaux's world-class level of quality for the Port Authority program.

Name: Eric Penot
Title: Chief Information Officer
Year joined JCDecaux: 1998
Relevant prior experience: Mr. Penot manages the Information Technology (IT) Department for the entire JCDecaux North America operation. He oversees the development of IT solutions that increase employee performance and deliver added value services to our advertising clients and Port Authority partners, including our mapping system and web portal. Mr. Penot supervises all JCDecaux digital media innovations that keep JCDecaux technically advanced from the competition.
Role in the Port Authority program: He will oversee the current digital programs as well as the development of new IT solutions to enhance both the display presentation and revenue generation for the Port Authority program.

H.3 Overall Experience and Financial Capability

Name: **Kristen Tsamoudakis**
Title: **Human Resources Director**
Year joined JCDecaux: 1996
Relevant prior experience: Ms. Tsamoudakis supports the management of all JCDecaux North America activities with Human Resources initiatives within the Company. She coordinates all aspects of personnel issues, recruitment, legal, compensation budgets, staff costs, national insurance program for the business implementation, and communication of core HR strategies.
Role in the Port Authority program: She will manage the HR activities, including the management of our comprehensive benefits program, handling staff issues and ensuring compliance with our union agreement, HR policies and procedures for the Port Authority program.

Name: **Louis-Philippe Cavallo**
Title: **Controller**
Year joined JCDecaux: 1999
Relevant prior experience: After working at JCDecaux's headquarters in Paris overseeing U.S. and Australia subsidiaries, Mr. Cavallo became the Controller of the North American company in 2002 to assist in our extensive business development in the U.S. and Canada.
Role in the Port Authority program: He will coordinate all financial functions, including accounting, sales administration, billing, collections and financial reporting for the Port Authority program.

Name: **Heather Krieger**
Title: **Manager, Sales Administration**
Year joined JCDecaux: 1997
Relevant prior experience: Ms. Krieger has extensive experience in transit media administration. As a specialist in the sales and financial administration of out-of-home advertising, she provides the expertise and working knowledge to maximize information and report processing and dissemination to both our advertising clients and business partners.
Role in the Port Authority program: She will manage the booking, charting and billing while providing the utmost in customer service for the Port Authority program.

H.3 Overall Experience and Financial Capability

New York: It's Who and Where We Are!

- JCDecaux's local, regional and national headquarters are based in Manhattan
- We have many years of experience in New York's media buying community
- We are interwoven into NY/NJ's metropolitan markets & transportation facilities
- We have enjoyed our relationship with the Port Authority since 1990, upon the first award for the advertising display program at JFK International Airport
- The Port Authority increased our responsibility in 1996 by adding LaGuardia to our New York portfolio

JCDecaux understands how to work within the Port Authority environment. In fact, we thrive in it! We understand the processes and issues that must be addressed to work productively in the New York marketplace while continuing to maximize revenue for the Port Authority.

New Jersey: A Great Working Experience

- In 1998, JCDecaux created JCDecaux MallScape when it signed a 15-year contract with Simon Property Group, followed by similar deals with Urban Property Group in 1999 and The Taubman Company in 2000
- JCDecaux built and serviced the installation of thousands of advertising structures throughout the United States for these contracts
- JCDecaux established its design and assembly plant in New Jersey, employing nearly 150 people
- Our Industrial division (Engineering, Procurement and Quality Assurance) is based in Hasbrouck-Heights (NJ)
- We operate our MallScape program in 9 New Jersey malls

Whether it is working with the local unions or simply getting around the local transportation facilities, JCDecaux understands the New Jersey market and looks forward to building upon this experience.

Experience in high-volume transportation facilities

- With 150 airports and 150 other transportation systems under contract worldwide, JCDecaux has an unequalled experience of the specific demands for this type of environment
- This experience expands to two major Port Authority facilities, JFK and LGA, where we have been successfully operating for 15 and 9 years
- Our street furniture background also prepares us well for the priorities of public service
- JCDecaux understands and is sensitive to the needs of the public to ensure that safety, comfort and efficient egress are a priority

H.3 Overall Experience and Financial Capability

Open Communication with our Business Partners

Over the years, we have established a proven track record of open communication with the Port Authority. We know that this communication is vital to exceeding revenue goals. Currently, we are in constant contact at various levels, working closely with the Port Authority on an ongoing, day-to-day basis.

This commitment to communication ensures that advertising display programs and projects meet and exceed the expectations of the Port Authority and the Port's customers.

Involvement with Organizations & Events in the NY/NJ Area

JCDecaux understands that communication also means involvement. This involvement is with our business partners, our advertising clients and with our community. Over the past few years, JCDecaux participated in the following New York/New Jersey organizations and events:

- JFK Chamber of Commerce
- JFK British Airways Employee Recognition Day
- Kiwanis Club – LaGuardia Airport
- Kiwanis Club Annual Charity Ball
- Delta Airlines 75th Anniversary Celebration
- Our Lady of the Sky's Annual Luncheon
- JFK Man and Women of the Year Annual Luncheon
- Chamber of Commerce Annual Ladies Golf Outing
- Good Foundation School Art Display at LGA
- Foundation for a Better Life
- The Boys Club of Queens Luncheon
- Make-a-Wish Foundation
- Naval Reserves
- World Wild Life Foundation
- The Baptist Church of Queens Luncheon
- The Greater Queens Restaurant Association
- The Nature Conservancy
- The Samaritan Foundation
- USO
- LaGuardia Airport Airlines Management Council (LAAMCO)
- Kennedy Airport Airlines Management Council (KAAMCO)
- Association for a Better New York (ABNY)
- Downtown NYC River to River Festival
- NYC2012
- Friends of the High-Line
- The Wings Club of NY

H.3 Overall Experience and Financial Capability

JCDecaux understands that being a part of the business community requires an active role in "the community." We are proud of our local participation and organizational involvement and look forward to continuing our metropolitan commitments and public service.

Responsive and Pro-active

JCDecaux currently has a full-time, dedicated, New York-based facilities team as well as a full time, dedicated New Jersey-based operations team. This team is:

- Experienced and dedicated to the Port Authority operation
- Equipped with 24-hour communication
- Committed to replacing non-working components quickly
- Available 24/7 for emergency response
- Equipped with mobile phones for immediate notification

Committed to the Continuous Upgrade of our Products and Operations

JCDecaux has continued to redevelop its advertising program within the New York airports over our 15 years of experience. As technology and materials have changed so has our media program. Much of our success is dependent on offering our advertising clients the advertising format that best targets their specific needs. We do this by investing in new products to meet the marketplace demands. We have seen our backlit equipment become thinner and more reliable, with better illumination based on new lighting technology including our recent addition of scrolling fixtures. We were the first airport advertising company to install plasma screens in the airport environment. With the advent of the capability to print large graphics on vinyl, we developed the first airport programs with large wall and glass wraps. As a very important part of our continual updating, we are committed to having the operational know-how to keep our equipment working at top levels. We stock the spare parts that our operational staff require and train them to keep up with the changes. This remains an evolutional process that keeps us rethinking and remaking our business everyday.

Other Recent Examples of Program Implementations by JCDecaux

John Wayne Orange County Airport (SNA)
Following the award of a new advertising concession in October 2004, JCDecaux worked with SNA staff to design specific equipment that met the aesthetic and functional needs of their transportation facility while providing for greater revenue potential. For this project, JCDecaux:

- Developed an installation schedule with the facility staff that would expedite the replacement of old equipment while minimizing public inconvenience
- Conducted most of the work in public areas during off-hours
- Coordinated the schedules of multiple subcontractors to avoid lost time and conflict of trades

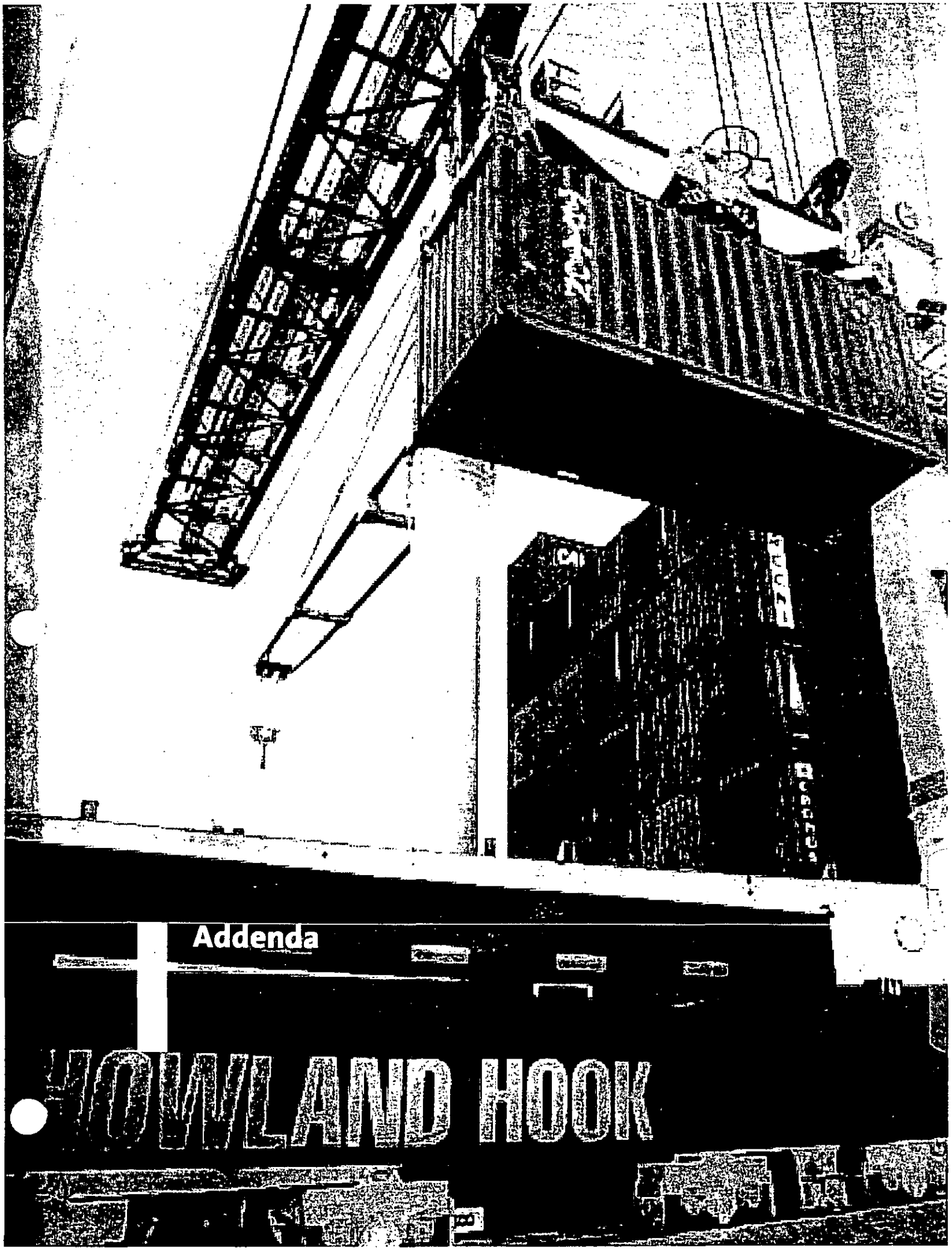
H.3 Overall Experience and Financial Capability

- Made sure permitting requirements were met, allowing for timely installations
- Used vendors, that had appropriate security clearances and knowledge of working conditions and requirements in the transportation environment
- Efficiently coordinated design, construction, shipping, staging and installation in a timely fashion
- Held routine meetings both internally and externally with vendors, design team and installers to adjust schedules when necessary keeping specified staff updated at all times

City of Chicago

In June 2002, JCDecaux signed a 20-year contract with the City of Chicago for the design, production, installation and maintenance of 2100 bus shelters and various other pieces of street furniture, financed through the sale of advertising. JCDecaux worked with the Mayor's Office and all involved departments and agencies (DOT, Chicago Transit Authority and Park District) to finalize the design of our equipment to meet the functional needs while being sensitive to the site-specific constraints for each fixture location. For this project, JCDecaux:

- Developed an installation roll out with the City and the Chicago Transit Authority that would both expedite the setting of the new equipment, minimize the bus-riders inconvenience by temporarily relocating the old equipment and minimize the impact of the construction work in streets and sidewalks
- Closely coordinated with the City and DOT to maximize the construction and installation work to be performed at night, especially in the downtown area and the business district
- Coordinated the permitting process and subcontractors' scheduling, in order to keep the production and installation roll out on or ahead of schedule
- Selected subcontractors with all appropriate quality and safety programs and long experience of work in the public way. All subcontractors required City licenses and permits, valid MBE or WBE certification for the majority and with the appropriate trade union affiliation
- Constantly coordinated with the DOT, in order to adjust in real-time the construction and installation schedule to accommodate any City special requests (special events, holidays, etc.)


Addenda
HOWLAND HOOK

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: JCDecaux Airport, Inc.

INITIALED: _____

DATE: June 12, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

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PORT AUTHORITY OF NY & NJ

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DIVISION

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above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

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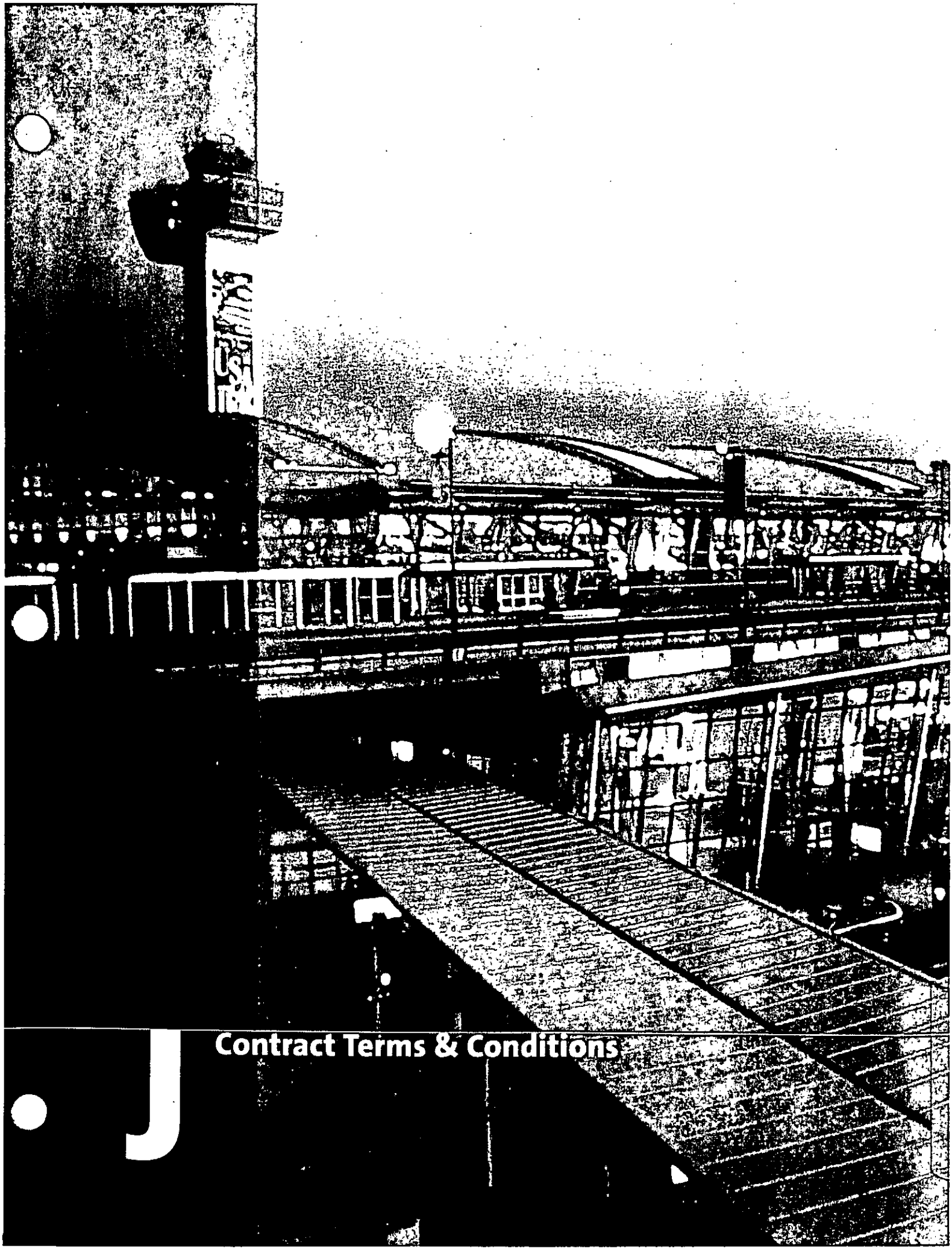

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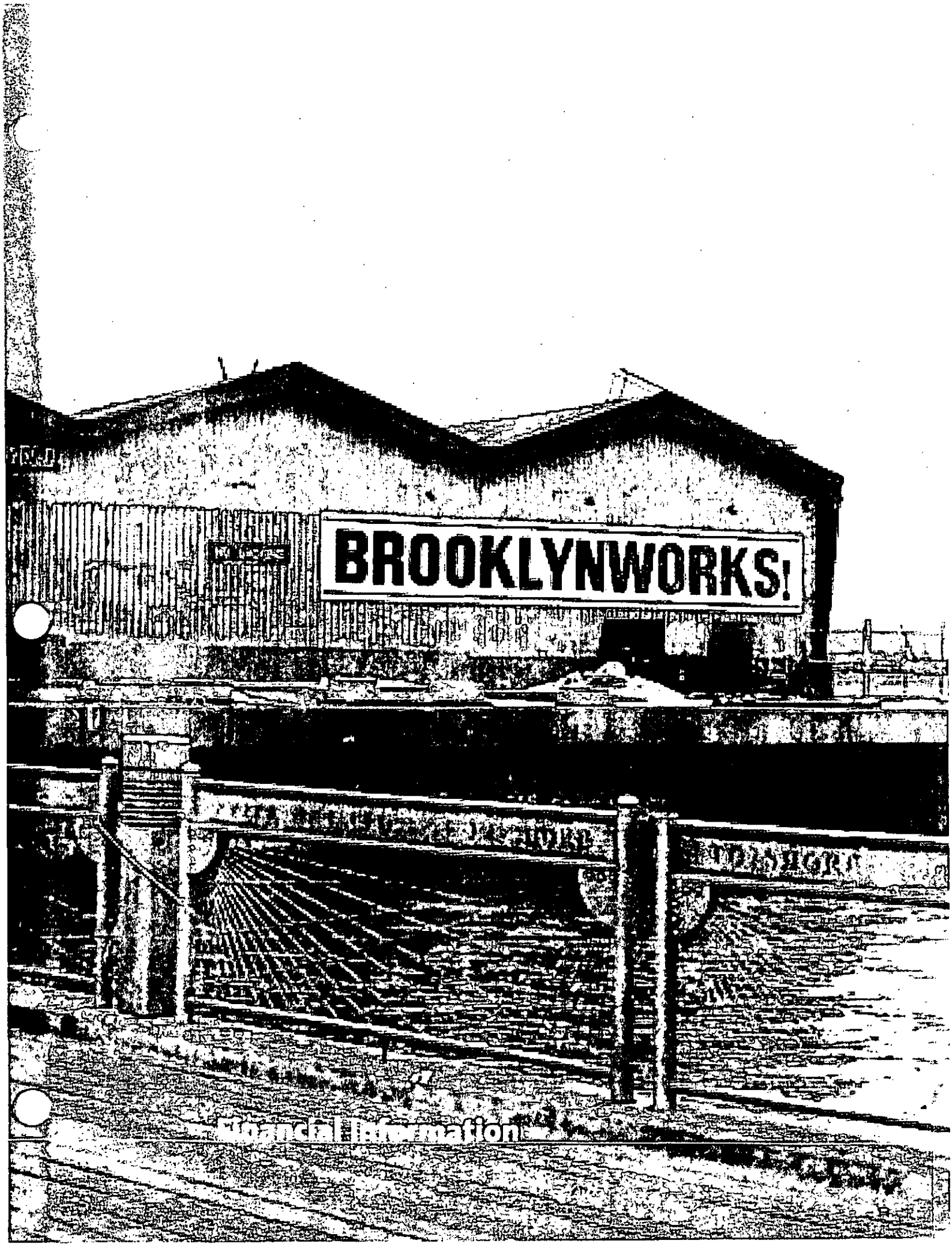
Contract Terms & Conditions



financial information

JCDecaux

Out of Home Media

May 27, 2005

The Port Authority of NY and NJ

We, hereby, confirm that we are not aware of any significant events in 2005 that would significantly impair the financial position of the company JCDecaux Airport Inc. as compared to the financial situation as shown in December 31, 2004 financial statements.

Jean-Luc Decaux
Co-Chief Executive Officer

Bernard Parisot
President and Co-Chief Executive Officer

Laurence Raoult
Chief Financial Officer

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

The Port Authority of NY & NJ

JCDecaux

Financial Information

We submit the following financial information for JCDecaux Airport, Inc.:

A. (1) Please find Certified Financial Statements for JCDecaux Airport, Inc. for 2004 and 2003 directly following.

B. As the aforementioned Certified Statements do not cover a period which includes a date not more than forty-five days prior to the Proposal Due Date, we have included a signed statement attesting that the present financial condition of JCDecaux Airport, Inc. is at least as good as that shown on the statements submitted. Please find the statement directly following.

C. JCDecaux Airport, Inc. currently operates advertising concessions in 37 airports in the United States. As part of these concessions, JCDecaux Airport, Inc. routinely installs new advertising displays in airports as required. Currently JCDecaux Airport, Inc. is working on the installation of new equipment at Terminal 8 in JFK as well as Memphis International Airport. JCDecaux Airport, Inc. does not have any work on hand for the implementation of any new advertising programs at this time. JCDecaux Airport, Inc. does currently have a bid outstanding for a short term advertising program at LAX, which does not require any major equipment installation.

D. The following information is for JCDecaux Airport, Inc.

Banking Institution:	JP Morgan Chase
Banking Representative:	Joseph Wassilus
Federal Identification Number:	
Dun and Bradstreet Number:	61-874-2134

E. We are not submitting our proposal as a joint venture or partnership.

Attachment C "Proposer Reference Form" follows directly behind the financial statements.

The Port Authority of NY & NJ

JCDecaux

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Constantin Associates

Certified Public Accountants

JCDECAUX AIRPORT, INC.

FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

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constantin-us@constantin.com • http://www.constantin.com

Constantin Associates
Certified Public Accountants

JCDECAUX AIRPORT, INC.

INDEX TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Page
Independent Auditor's Report	2
Balance Sheets	3
Statements of Operations	4
Statements of Changes in Stockholder's Equity	5
Statements of Cash Flows	6 - 7
Notes to Financial Statements	8 - 16

[redacted]

Constantin Associates
Certified Public Accountants

Constantin Associates

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
JCDecaux Airport, Inc.
New York, New York

We have audited the accompanying balance sheets of JCDecaux Airport, Inc., (the Company) as of December 31, 2004 and 2003, and the related statements of operations, changes in stockholder's equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JCDecaux Airport, Inc., as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Constantin Associates

Constantin Associates

New York, New York
January 14, 2005

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JCDECAUX AIRPORT, INC.

BALANCE SHEETS
DECEMBER 31, 2004 AND 2003

Constantin Associates
Certified Public Accountants

JCDECAUX AIRPORT, INC.

BALANCE SHEETS
DECEMBER 31, 2004 AND 2003

ASSETS

	2004	2003
Current assets		
Cash and cash equivalents (Note 1)	$ 196,154	$ -
Accounts receivable - trade (net of allowance for doubtful accounts of $1,139,062 and $1,139,062 respectively)	9,694,100	8,569,395
Account receivable - affiliated (Note 6)	16,619,921	29,651,558
Other receivables	23,848	62,280
Prepaid expenses	1,445,813	1,660,712
Inventories	21,053	-
Deferred tax asset (Notes 1 and 4)	624,000	1,553,200
Total current assets	28,624,889	41,497,145
Property and equipment less accumulated depreciation (Notes 1 and 2)	6,012,135	7,421,898
Deposits	721,476	748,100
Deferred tax asset (Notes 1 and 4)	7,259,632	3,117,200
Intangible assets		
Contract value, net (Note 1)	10,023,875	17,607,553
Total non-current assets	24,017,118	28,894,751
Total assets	$ 52,642,007	$ 70,391,896

See accompanying notes to financial statements.

JCDECAUX AIRPORT, INC.

BALANCE SHEETS
DECEMBER 31, 2004 AND 2003

LIABILITIES AND STOCKHOLDER'S EQUITY

	2004	2003
Current liabilities		
Accounts payable	3,504,796	2,859,702
Accrued expenses	6,743,787	9,742,229
Capital lease obligation - Current portion (Notes 1 and7)	37,770	-
Deferred revenue (Note 8)	2,003,665	1,139,908
Due to affiliates (Note 6)	7,262,343	29,723,097
Total current liabilities	19,552,361	43,464,936
Long-term liabilities		
Deferred rent	185,475	166,925
Capital lease obligation - long-term portion (Notes 1 and 7)	103,878	-
Debt - affiliated	48,529,992	-
Note payable (Note 6)	-	37,000,000
Total long term liabilities	48,819,345	37,166,925
Total liabilities	68,371,706	80,631,861
Commitments and contingencies (Note 5)		
Stockholders' equity		
Common stock: $1 par value, 1,000 shares authorized, issued and outstanding	1,000	1,000
Additional paid-in capital	9,000	9,000
Retained earnings	(15,739,699)	(10,249,965)
Total stockholders' equity	(15,729,699)	(10,239,965)
Total liabilities and Stockholders' equity	$ 52,642,007	$ 70,391,896

Constantin Associates
Certified Public Accountants

JCDECAUX AIRPORT, INC.

STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2004 and 2003

	2004	2003
Net sales (Note 1)	$ 62,991,335	$ 62,899,218
Cost of sales	47,393,991	49,899,019
Gross profit	15,597,344	13,000,199
Operating expenses:		
Selling, general and administrative expense	12,724,236	11,307,774
Depreciation expense (Notes 1 and 2)	2,507,017	2,589,282
Amortization expense (Note 3)	7,583,678	4,871,549
Total operating expense	22,814,931	18,768,605
Loss from operations	(7,217,587)	(5,768,406)
Other expense		
Interest expense (net of interest income of $5,124 and $15,083, respectively)	(1,128,951)	(223,028)
Result on disposal of fixed assets	(404,156)	(153,523)
Total other expense	(1,533,107)	(376,551)
Loss before provision for income taxes	(8,750,694)	(6,144,957)
Provision for income tax (benefit) expense (Notes 1 and 4)	(3,260,960)	(5,759,894)
Net loss	$ (5,489,734)	$ (385,063)

See accompanying notes to financial statements.

[redacted]

Constantin Associates
Certified Public Accountants

JCDECAUX AIRPORT, INC.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
FOR YEAR ENDED DECEMBER 31, 2004 and 2003

	Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance, January 1, 2003	$ 1,000	$ 1,000	$ 9,000	$ (9,864,902)	$ (9,854,902)
Net loss, December 31, 2003	-	-	-	(385,063)	(385,063)
Balance, December 31, 2003	$ 1,000	$ 1,000	$ 9,000	$(10,249,965)	$(10,239,965)
Net loss, December 31, 2004	-	-	-	(5,489,734)	(5,489,734)
Balance, December 31, 2004	$ 1,000	$ 1,000	$ 9,000	$(15,739,699)	$(15,729,699)

See accompanying notes to financial statements.

Constantin Associates
Certified Public Accountants

JCDECAUX AIRPORT, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	2004	2003
Cash flows from operating activities:		
Net income (loss)	$ (5,489,734)	$ (385,063)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	2,507,017	2,615,591
Contract valuation amortization	1,853,398	571,180
Contract valuation write-down	5,730,280	4,274,060
Loss on disposal of fixed assets	417,709	153,523
Deferred income tax	(3,213,232)	(4,670,400)
(Increase) decrease in:		
Accounts receivable - trade	(1,124,703)	(2,228,438)
Accounts receivable - affiliated (Note 6)	13,031,636	(23,349,705)
Other receivables	38,432	(7,435)
Prepaid expenses	214,900	(212,906)
Inventories	(21,053)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(2,353,347)	2,931,683
Other current liabilities	-	(277,654)
Deferred revenue	863,757	296,984
Deferred rent	18,550	(52,962)
Due to affiliates (Note 6)	(22,460,755)	22,089,188
Net cash (used in) provided by operating activities	(9,987,145)	1,747,646
Cash flows from investing activities:		
Purchases of fixed assets	(1,514,965)	(588,611)
Deposits	26,624	(81,616)
Net cash used in investing activities	(1,488,341)	(670,227)
Cash flows from financing activities:		
Long term capital lease obligation	141,648	-
Reimbursement of note to JCDecaux SA	-	(39,000,000)
Intercompany - debt	48,529,992	
Line of credit with JCDecaux NA	(37,000,000)	37,000,000
Net cash provided by (used in) financing activities	$ 11,671,640	$ (2,000,000)

Constantin Associates
Certified Public Accountants

JCDECAUX AIRPORT, INC.

STATEMENTS OF CASH FLOWS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

	2004	2003
Net increase (decrease) in cash and cash equivalents	$ 196,154	$ (922,581)
Cash at beginning of year	$ -	$ 922,581
Cash at end of year	$ 196,154	$ -

Supplemental disclosures on cash flow information:

Cash paid for income taxes	$ 52,787	$ 127,898
Cash paid for interest	$ 1,134,075	$ 238,107

See accompanying notes to financial statements.

Constantin Associates
Certified Public Accountants

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003

Note 1 Summary of Significant Accounting Policies

Organization

JCDecaux Airport, Inc. is a wholly owned subsidiary of JCDecaux North America Inc.

JCDecaux Airport, Inc. is engaged in the management of airport advertising concessions.

Cash and Cash Equivalents

The Company treats all highly liquid investments with a maturity period of three months or less as cash equivalents. Cash overdrafts are reclassified to accounts payable.

Revenue Recognition

Revenues, net of advertising commissions, are recognized over the contracts period or as services are performed. In 2004, one customer comprised 5% of the Company's advertising revenue, and the five largest customers comprised 18% of the Company's advertising revenue.

Property and Equipment

Property and equipment are carried at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

Depreciation

Advertising structures, vehicles, equipment and office furniture are depreciated using the straight-line method over their estimated useful lives. Leasehold improvements are depreciated over the shorter of the lease term or their useful lives. The range of depreciable lives by classification is:

	Years
Advertising structures	7 to 10
Computer equipment	3
Vehicles and office furniture	5

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 1 Summary of Significant Accounting Policies (continued)

Income Taxes

The Company has adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS 109). The statement requires a change from the deferred to the liability method of computing deferred income taxes. Deferred income taxes are recognized for the consequences of "temporary differences" by applying enacted statutory tax rates, applicable to future years, to differences between the financial reporting and the tax basis of existing assets and liabilities.

Intangible Assets

Intangible assets are reported at cost. Amortization is computed on the straight-line basis over the estimated useful life of the asset.

Charge-back Expenses

Since 2002 the Company consolidates all back office and operational functions to the New York office. Under this plan, the Company pays some vendors and service providers, on the behalf of JCDecaux Mallscape, LLC, JCDecaux San Francisco, LLC, and JCDecaux Chicago, LLC. These payments are then charged-back to these entities through intercompany transactions and are shown as intercompany receivables and payables.

Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Capital Leases

The company acquired equipment under the provisions of long-term leases. In accordance with the Financial Accounting Standard No. 13, minimum lease payments relating to these leases have been capitalized. Amortization of the leased equipment is included in depreciation expense.

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 2 Property and Equipment

Property and equipment, along with its related accumulated depreciation as of December 31, 2004 and 2003, are as follows:

2004	Cost	Accumulated Depreciation	Book Value
Advertising structures	$ 16,593,535	$ 11,232,434	$ 5,361,101
Motor vehicles	73,493	73,493	-
Vehicles capital Lease	165,442	26,904	138,538
Plant and equipment	4,416	2,989	1,427
Computer equipment	1,996,241	1,579,890	416,351
Office equipment	401,973	343,737	58,236
Leasehold improvements	392,762	356,280	36,482
	$ 19,627,862	$ 13,615,727	$ 6,012,135

2003	Cost	Accumulated Depreciation	Book Value
Advertising structures	$ 16,965,867	$ 10,089,541	$ 6,876,326
Motor vehicles	97,929	97,929	-
Plant and equipment	4,416	2,355	2,061
Computer equipment	1,655,966	1,306,817	349,149
Office equipment	388,244	316,960	71,284
Leasehold improvements	392,762	269,684	123,078
	$ 19,505,184	$ 12,083,286	$ 7,421,898

Depreciation expense for the years ended December 31, 2004 and 2003 was $2,507,017 and $2,589,282, respectively.

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 3 Intangibles

The Company adopted the provisions of the FAS 142 "Goodwill and Other Intangible Assets" effective December 15, 2001.

As part of the implementation of the FAS 142, The Company allocated the goodwill originally reported to the value of contracts with airports for advertising acquired from The Ackerley Group in July 1998.

In conjunction with this implementation, it was determined that the contract valuation was impaired as of December 31, 2002. As a result, its gross amount was reduced by $4,349,000. In addition, the amortization period was reduced from forty years to fifteen to reflect the duration of the average contract.

During 2004, current year testing of the contract valuation determined that the gross carrying amount needed to be reduced further by $5,730,280.

Intangible assets as of December 31, 2004 and 2003, are as follows:

	2004	2003
Contract valuation	$ 17,688,820	$ 27,800,960
Acquisition costs	228,665	228,665
R&D costs	206,980	206,980
	18,124,465	28,236,605
Less accumulated amortization	(8,100,590)	(10,629,052)
Net	$ 10,023,875	$ 17,607,553

Amortization expense for the years ended December 31, 2004 and 2003, related to goodwill and other intangible assets was $1,853,398 and $1,879,709, respectively.

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 4 Income Taxes

The Company files its federal income tax return on a consolidated basis with its parent, JCDecaux North America, Inc.

Income tax benefits consist of the following components:

	2004	2003
Current tax benefit	$ 47,728	$ 1,089,494
Deferred tax benefit	3,213,232	4,670,400
	$ 3,260,960	$ 5,759,894

The components of the timing differences are as follows as of December 31, 2004 and 2003:

	2004	2003
Deferred tax assets:		
Allowance for bad debts	$ 455,600	$ 455,600
Reserves	168,400	1,097,600
Current deferred tax assets	624,000	1,553,200
Net operating losses	4,062,400	2,410,000
Depreciation and amortization	3,197,232	707,200
Long term deferred tax assets	7,259,632	3,117,200
Total deferred tax assets	$ 7,883,632	$ 4,670,400

In 2003, the Company received a refund in a total amount of $1,232,189 for the taxes paid between 1998 and 2001.

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 5 Commitments

The Company is obligated under certain noncancelable operating leases for office space, and minimum guarantees.

Total rental expense under operating leases for office space was $1,176,593 and $1,593,970 for the years ended December 31, 2004 and 2003.

Future minimum lease payments due under airport advertising concessions are as follows (these values consist of the sum of minimum annual guarantees for all concession contracts until the expiration dates of such contracts and also include operating lease payments from January 1, 2005):

2005	31,548,000
2006	13,702,000
2007	9,584,000
2008	6,613,000
2009 and thereafter	8,726,000
	$ 70,173,000

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 6 Intercompany Accounts

At December 31, 2004 and 2003, the intercompany receivables and payables are as follows:

	2004	2003
Accounts receivable:		
JCDecaux Chicago	$ 2,338,340	$ 1,495,726
JCDecaux Mallscape	7,294,229	17,395,868
JCDecaux San Francisco	658,591	657,958
JCDecaux North America	-	9,856,466
Other affiliates	6,328,761	245,540
Total	$ 16,619,921	$ 29,651,558
Accounts payable:		
JCDecaux SA	379,385	540,778
JCDecaux San Francisco	-	1,419,982
JCDecaux North America	6,411,307	16,247,319
JCDecaux Chicago	-	1,451,763
JCDecaux Mallscape	-	9,417,698
Other affiliates	471,651	645,557
Total	$ 7,262,343	$ 29,723,097
Debt, affiliated:		
JCDecaux North America, Inc.	$ 48,529,992	$ -
Note Payable		
JCDecaux North America	-	37,000,000

Following the implementation of a line of credit issued to JCDecaux North America, Inc. by the ultimate parent, a treasury agreement was set up between the US entities. Under this agreement entities with cash in excess contribute and entities with cash needs borrow. This agreement expires on December 31, 2008 and the interest rate is calculated as 3-month LIBOR + 1.08%.

In 2004, the average interest rate was 2.54% and the interest expense amounted to $1,130,936.

Constantin Associates
Certified Public Accountants

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 7 Capital Lease

The Company acquired equipment through leases, and accordingly, recorded an asset for the present value of future minimum lease payments and the corresponding liability as an obligation under capital lease.

The following is a schedule by years of future minimum payments required under the leases, together with their present value as of December 31, 2004:

Year ending December 31,	Amount
2005	$ 42,506
2006	41,635
2007	51,291
2008	15,881
2009	698
Total minimum lease payments	152,011
Less amount representing interest	10,363
Present value of future minimum lease payments	141,648
Less current portion	37,770
Long-term portion of capital Lease obligation	$ 103,878

Related interest expense for the year ended December 31, 2004 was $3,138.

Note 8 Deferred Revenue

The Company receives money in advance from customers for advertising that will take place in the future. Revenue is recognized concurrently with the renting of the advertising space to the customer. Deferred revenues as of December 31, 2004 and 2003 represented $2,003,664 and $1,139,908, respectively

Note 9 Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalent accounts in financial institutions, which from time to time exceed the federal depository insurance coverage limit. Cash and cash equivalents that exceed federally insured limits at December 31, 2004 amount to $194,768.

JCDECAUX AIRPORT, INC.

NOTES TO FINANCIAL STATEMENTS
FOR YEARS ENDED DECEMBER 31, 2004 AND 2003
(Continued)

Note 10 Economic Dependency

Although the Company has experienced significant operating losses and has a deficit stockholders' equity, its parent company has stated that it will continue to support and finance the Company as it is an important part of the American network.

ATTACHMENT C - PROPOSER REFERENCE FORM

Name of Proposer: JCDecaux Airport, Inc.

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name:	JFK International Airport
Address:	225 Park Avenue South, 9th Floor, New York NY 10003
Contact Name and Title:	Alfred J. Graser, General Manager
Phone and Fax Numbers of Contact:	Phone: (718) 533-3401 Fax: (718) 533-3421
Contract date(s):	6/30/90 - 12/31/05
Contract Cost*:	$1,142,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	LaGuardia Airport
Address:	225 Park Avenue South, 9th Floor, New York NY 10003
Contact Name and Title:	Warren Kroppel, General Manager
Phone and Fax Numbers of Contact:	Phone: (718) 244-3501 Fax: (718) 244-3505
Contract date(s):	6/30/90 - 12/31/05
Contract Cost*:	$409,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	Miami International Airport
Address:	P.O. Box 592075, Miami, FL 33159
Contact Name and Title:	Patricia Ryan, Manager, Commercial Operations
Phone and Fax Numbers of Contact:	Phone: (305) 876-8131 Fax: (305) 876-7615
Contract date(s):	3/1/94 - monthly
Contract Cost*:	All Capex paid by Airport
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

* The Contract Cost reflects JCDecaux's capital investment since 1/1/99. As some of the contracts comenced prior to this date, the overall investment may be significantly higher.

The Port Authority of NY & NJ

JCDecaux

Financial Information

Customer Name:	Ronald Reagan Washington National Airport
Address:	1 Aviation Circle, Washington, D.C. 20001-6000
Contact Name and Title:	James Bennett, President & C.E.O.
Phone and Fax Numbers of Contact:	Phone: (703) 417-8610 Fax: (703) 417-8949
Contract date(s):	12/1/00 - 11/30/09
Contract Cost*:	$350,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	Washington Dulles International Airport
Address:	1 Aviation Circle, Washington, D.C. 20001-6000
Contact Name and Title:	James Bennett, President & C.E.O.
Phone and Fax Numbers of Contact:	Phone: (703) 417-8610 Fax: (703) 417-8949
Contract date(s):	12/1/00 - 11/30/09
Contract Cost*:	$420,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	Houston William P. Hobby Airport
Address:	P.O. Box 60106, Houston, TX 77205-0106
Contact Name and Title:	Rick Vacar, Director of Aviation
Phone and Fax Numbers of Contact:	Phone: (281) 233-1877 Fax: (281) 233-1864
Contract date(s):	12/29/99 - 12/28/09
Contract Cost*:	$135,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	George Bush Intercontinental Airport
Address:	P.O. Box 60106, Houston, TX 77205-0106
Contact Name and Title:	Rick Vacar, Director of Aviation
Phone and Fax Numbers of Contact:	Phone: (281) 233-1877 Fax: (281) 233-1864
Contract date(s):	12/29/99 - 12/28/09
Contract Cost*:	$957,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

* The Contract Cost reflects JCDecaux's capital investment since 1/1/99. As some of the contracts comenced prior to this date, the overall investment may be significantly higher.

The Port Authority of NY & NJ

JCDecaux

Financial Information

Customer Name:	Seattle-Tacoma International Airport
Address:	P.O. Box 68727, Seattle, WA 98158
Contact Name and Title:	Drake Beaton, Commercial Property Manager
Phone and Fax Numbers of Contact:	Phone: (206) 431-4040 Fax: (206) 439-6620
Contract date(s):	11/1/96 - 7/31/07
Contract Cost*:	$571,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	John Wayne Orange County Airport
Address:	3160 Airport Way, Costa Mesa, CA 92626-4608
Contact Name and Title:	Carrie Byron, Real Estate Properties Manager
Phone and Fax Numbers of Contact:	Phone: (949) 252-5230 Fax: (949) 252-5225
Contract date(s):	1/1/05 - 12/31/10
Contract Cost*:	$235,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	Orlando International Airport
Address:	One Airport Boulevard, Orlando, FL 32827-4399
Contact Name and Title:	Cheryl Nashir, Assistant Director of Concessions
Phone and Fax Numbers of Contact:	Phone: (407) 825-3523 Fax: (407) 825-2530
Contract date(s):	5/1/99 - 4/31/10
Contract Cost*:	$1,705,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	Pittsburgh International Airport
Address:	P.O. Box 12318, Pittsburgh, PA 12318
Contact Name and Title:	Mark Knight, President-BAA
Phone and Fax Numbers of Contact:	Phone: (412) 472-5191 Fax: (412) 472-5190
Contract date(s):	7/1/98 - 12/31/10
Contract Cost*:	$124,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

* The Contract Cost reflects JCDecaux's capital investment since 1/1/99. As some of the contracts comenced prior to this date, the overall investment may be significantly higher.

The Port Authority of NY & NJ

JCDecaux

Financial Information

Customer Name:	City of Chicago
Address:	121 North LaSalle Street, Chicago, IL 60602
Contact Name and Title:	Thomas Crothers, Deputy Chief Procurement Office
Phone and Fax Numbers of Contact:	Phone: (312) 744-1803 Fax: (312) 744-4921
Contract date(s):	6/8/02 - 12/31 2022
Contract Cost*:	$50,000,000
Description of work:	Coordinated Street Furniture Program of 2175 bus shelters, 115 News Racks, 26 Newsstands, 17 Supervisor Kiosks, 5 Café Kiosks, 75 City Information Panels funded through the sales of advertising panels.

Customer Name:	The Taubman Company
Address:	200 E. Long Lake Road, Bloomfield Hills, MI 48303-0200
Contact Name and Title:	Denise Anton, Sr. VP Center Operations
Phone and Fax Numbers of Contact:	Tel: (248) 258-7644 Fax: (248) 258-7519
Contract date(s):	March, 2000 - December, 2019
Contract Cost*:	$13,170,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

Customer Name:	Simon Property Group
Address:	115 West Washington Street, Indianapolis, IN 46204
Contact Name and Title:	Mikael Thygesen, Sr. VP Business Development
Phone and Fax Numbers of Contact:	Tel: (317) 263-7950 Fax: (317) 685-7220
Contract date(s):	October 1998 - December 2011
Contract Cost*:	$26,010,000
Description of work:	Designed, manufactured and installed advertising structures. Sell advertising panels and maintain structures.

* The Contract Cost reflects JCDecaux's capital investment since 1/1/99. As some of the contracts comenced prior to this date, the overall investment may be significantly higher.

The Port Authority of NY & NJ

JCDecaux

Financial Information

Customer Name:	City & County of San Francisco
Address:	SF DPW, 875 Stevenson St., #410, San Francisco, CA 94103
Contact Name and Title:	Dan McKenna, Project Manager
Phone and Fax Numbers of Contact:	Phone: (415) 554-5520 Fax: (415) 554-5865
Contract date(s):	Commenced in 1994 for 20 years
Contract Cost*:	$10,000,000
Description of work:	Provision, installation and on-going maintenance for Automatic Public Toilets & Kiosks, funded through the sales of advertising panels in San Francisco, Palo Alto and San Jose.

Customer Name:	City of Los Angeles
Address:	Bur. of Street Services, 600 S. Spring St., #500, Los Angeles, CA 90014
Contact Name and Title:	Ron Olive, Lance Oishi, Principal Civil Engineer
Phone and Fax Numbers of Contact:	Phone: (213) 847-5139 Fax: (213) 485-1267
Contract date(s):	Commenced 2002, 20 year contract
Contract Cost*:	$80,000,000
Description of work:	Coordinated Street Furniture Program by Viacom/ JCDecaux of 2500 transit shelters, 600 public amenities kiosks, 100 vending kiosks and 150 automatic public toilets funded through the sales of advertising panels.

Customer Name:	City of Vancouver
Address:	Eng. Services, Street Admin., 453 W. 12th Avenue Vancouver, BC, V5Y 1V4
Contact Name and Title:	Tom Hammel, Street Administration Engineer
Phone and Fax Numbers of Contact:	Phone: (604) 873-7370 Fax: (604) 873-7200
Contract date(s):	Commenced 2002, 20 year contract
Contract Cost*:	$22,000,000
Description of work:	Coordinated Street Furniture Program by Viacom/ JCDecaux of 900 transit shelters, 17 automatic public toilets, 1200 trash receptacles, 990 benches, bike racks, map stands, bike lockers and news racks funded through the sales of advertising panels.

* The Contract Cost reflects JCDecaux's capital investment since 1/1/99. As some of the contracts comenced prior to this date, the overall investment may be significantly higher.

The Port Authority of NY & NJ

JCDecaux

Financial Information

Customer Name:	BAA PLC
Address:	World Business Centre 2, Newall Road London Heathrow Airport, TW6 2RQ
Contact Name and Title:	John Pizzamiglio, Head of Media
Phone and Fax Numbers of Contact:	Phone: 020 8757 5229 Fax: 020 8757 5522
Contract date(s):	4/1/2000 - 3/31/2007
Contract Cost*:	$11,000,000
Description of work:	Design build and install of new street furniture, light boxes, architectural advertising structures, advertising screens, iconic 3-dimensional displays.

* The Contract Cost reflects JCDecaux's capital investment since 1/1/99. As some of the contracts comenced prior to this date, the overall investment may be significantly higher.

≈ORIGINAL≈

PROPOSER: Avolar Construction, Inc.
425 Washington Boulevard, #3804
Jersey City, NJ 07310

Contact: Luz D. Colón
Title: President
Tel: (201) 222-0148
Fax: (201) 222-0149
Cell: (201) 951-6538
Email: lopezdi@aol.com

PROPOSAL

TITLE: ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

RFP #: 0000007920

PROPOSAL DUE DATE: JUNE 13, 2005 TIME: 4:00 PM

A. Letter of Transmittal *(continued)*

(1) Name of Proposer: Avolar Construction, Inc.
Address: 425 Washington Boulevard, #3804
Jersey City, NJ 07310

Name of Authorized Representative: Luz D. Colón, President

Original Signature of Authorized Representative: Luz D. Colón

(2) The following individuals are authorized to negotiate and execute the Contract:

Luz D. Colón	Edgard Colón
President	Manager
Avolar Construction, Inc.	Avolar Construction, Inc.
Office: (201) 222-0148	Office: (201) 222-0148
Cellular:	Cellular:

(3) Any questions or issues regarding this RFP can be communicated to:

Luz D. Colón
President
Avolar Construction, Inc.
Office: (201) 222-0148
Cellular:

(4) We do plan to hire subcontractors, but currently do not have any specific names and addresses. However, we will be happy to provide these, as soon as they are confirmed.

(5) (a) *Avolar Construction, Inc.* is an **s-corporation** with only one (1) officer:

Officer: Luz D. Colón, President
Residence:

(b) A certified copy of our Certificate of Incorporation with the State Seal is attached, along with a copy of a letter from the *State of New Jersey, Department of Treasury* and the CBT-2553 Form filed with the *State of New Jersey, Division of Taxation.*

(6) Any exceptions to the General Contract Provisions attached hereto.

We thank you for your consideration and hope that you are pleased with our vision.

Yours truly,

Luz D. Colón

Luz D. Colón
President
(Authorized Representative)

Date: June 13, 2005

Avolar Construction, Inc.
425 Washington Boulevard, #3804, Jersey City, NJ 07310
Tel: (201) 222-01498 Fax: (201) 222-0149

A. Letter of Transmittal

First and foremost, as previously expressed in our Sponsorship Proposal, our team would like to thank the Port Authority of NY & NJ for extending the opportunity to propose on such an excellent project, for which we are submitting this document. We thank you in advance for your consideration and look forward to establishing a professional and productive partnership.

About *Avolar Construction, Inc.*:

Avolar Construction, Inc. may be considered a rookie due to its conception a little over a year ago. However, its team has over 17 years of experience in both the construction and media industries. Our team is composed of two individuals who thrive on the success of their company and its relationships with others. This is reflected in our record of good standing, in past and current projects.

This is, however, the very first proposal we submit independently, as a **single entity**. *Avolar Construction, Inc.* is eager and ready to take on this contract.

Our Experience and Qualifications:

Avolar Construction Inc. is qualified to take on this amazing challenge because of the team's background and responsibility level in both mentioned industries, which includes, but is not limited to, the following:

Construction

- Involvement in the construction of the fiber optics infrastructure in Downtown Jersey City (Pavonia/Newport, Exchange Place), including EZPass (with *Adesta Communications, Inc.*)
- Installation of digital cable systems
- Designing route for, and installation of, Fiber Optic Cable
- Overhead and Underground Fiber Install
- Running and terminating of CAT 5 wiring
- Major Highway Projects
- Operating vehicles, such as, the auger & bucket truck
- Commercial and Industrial work, such as the Bradley International Airport (Connecticut)

Media

- Television and Film production (News & Entertainment)
- Marketing & Advertising
- Coordination of award shows
- Creating and tracking production budgets

General

- Office Management
- Budgeting and Strategizing
- Estimating
- Working with Contractors, Sub-Contractors in a regular basis
- Maintaining excellent communication and relationships with clients/vendors

Avolar Construction, Inc is **Minority/Woman-Owed**. Our team possesses knowledge of both the English and Spanish markets, which is valuable in our community.

STATE OF NEW JERSEY
DEPARTMENT OF TREASURY
FILING CERTIFICATION (CERTIFIED COPY)

AVOLAR CONSTRUCTION, INC.

I, the Treasurer of the State of New Jersey, do hereby certify, that the above named business did file and record in this department the below listed document(s) and that the foregoing is a true copy of the certificate of incorporation as the same is taken from and compared with the original(s) filed in this office on the date set forth on each instrument and now remaining on file and of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 6th day of June, 2005

John E McCormac, CPA
State Treasurer

Mail to: PO Box 308
Trenton, NJ 08625

STATE OF NEW JERSEY
DIVISION OF REVENUE

Overnight to: 225 West State St.
3rd Floor
Trenton, NJ 08608-1001

PUBLIC RECORDS FILING FOR NEW BUSINESS ENTITY

Fill out all information below INCLUDING INFORMATION FOR ITEM 11, and sign in the space provided. Please note that once filed, this form constitutes your original certificate of incorporation/formation/registration/authority, and the information contained in the filed form is considered public. Refer to the instructions for delivery/return options, filing fees and field-by-field requirements. Remember to remit the appropriate fee amount. Use attachments if more space is required for any field, or if you wish to add articles for the public record.

FILED
MAY 17 2004
STATE TREASURER

1. **Business Name:** Avolar Construction, Inc.

2. **Type of Business Entity:** D P
(See Instructions for Codes, Page 21, Item 2)

3. **Business Purpose:**
(See Instructions, Page 22, Item 3)

4. **Stock** (Domestic Corporations only; LLC's and Non Profit leave blank): 1

5. **Duration** (If Indefinite or Perpetual, leave blank):

6. **State of Formation/Incorporation** (Foreign Entities Only):

7. **Date of Formation/Incorporation** (Foreign Entities Only):

8. **Contact Information:**
Registered Agent Name: Luz D. Colon

Registered Office:
(Must be a New Jersey street address)
Street c/o 425 Washington Blvd, #3804
City Jersey City Zip 07310

Main Business or Principal Business Address:
Street c/o 425 Washington Blvd., #3804
City Jersey City State NJ Zip 07310

9. **Management** (Domestic Corporations and Limited Partnerships Only)
- For-Profit and Professional Corporations list initial Board of Directors, minimum of 1;
- Domestic Non-Profits list Board of Trustees, minimum of 3;
- Limited Partnerships list all General Partners.

Name	Street Address	City	State	Zip
Luz D. Colon	425 Washington Blvd., #3804	Jersey City	NJ	07310

The signatures below certify that the business entity has complied with all applicable filing requirements pursuant to the laws of the State of New Jersey.

10. **Incorporators** (Domestic Corporations Only, minimum of 1)

Name	Street Address	City	State	Zip
Luz D. Colon	425 Washington Blvd., #3804	Jersey City	NJ	07310

Signature(s) for the Public Record (See Instructions for Information on Signature Requirements)

Signature	*Name*	*Title*	*Date*
Luz D. Colón	Luz D. Colon	President	May 13, 2004

21409537
22686740

0100926752

11. Additional Entity - Specific Information

A. Domestic Non-Profit Corporations (Title 15A) - For IRS exemption considerations, see instructions.

- The corporation shall have members: ..... ☐ Yes ☐ No
  If yes, qualification shall be:
  ☐ As set forth in the by-laws or, ☐ As set forth herein:

- The rights and limitations of the different classes of members shall be:
  ☐ As set forth in the by-laws or, ☐ As set forth herein:

- The method of electing the trustees shall be:
  ☐ As set forth in the by-laws or, ☐ As set forth herein:

- The method of distribution of assets shall be:
  ☐ As set forth in the by-laws or, ☐ As set forth herein:

B. Foreign Corporations - Profit, Non-Profit and Foreign Legal Professional (Titles 14A and 15A)
Attach a certificate of good standing/existence from the state of incorporation not greater than 30 days old to this form.

C. Limited Partnerships (Title 42:2A)

- Set forth the aggregate amount of cash and a description and statement of the agreed value of other property or services contributed (or to be contributed in the future) by all partners:

- Do the limited partners have the power to grant the right to become a limited partner to an assignee of any part of their partnership ..... ☐ Yes ☐ No
  If yes, list the terms/conditions of that power:

- Do the limited partners have the right to receive distributions from a partner which includes a return of all or any part of the partner's contributions? ..... ☐ Yes ☐ No
  If yes, list the applicable terms:

- Do the general partners have the right to make distributions to a partner which includes a return of all or any part of the partner's contributions? ..... ☐ Yes ☐ No
  If yes, list the applicable terms:

- What are the rights of the remaining general partners to continue the business in the event that a general partner withdraws? List below:

D. Foreign Limited Partnerships (Title 42:2A)

- Set forth the aggregate amount of cash and a description and statement of the agreed value of other property or services contributed (or to be contributed in the future) by all partners:

RECEIVED
JUN 24 2004
BY: Colon

State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF REVENUE
PO Box 628
TRENTON, NJ 08646-0628

James F. McGreevey

John E. McCormac, CPA
State Treasurer

562-458-318/000 AVOL NTL
AVOLAR CONSTRUCTION INC
CONSTRUCTION/CARPENTRY
425 WASHINGTON BLVD #3804
JERSEY CITY NJ 07310-2003

In reply to:
Client Registration Bureau
PO Box 252
Trenton, NJ 08646-0252
609-292-1730

Dear Sir or Madam:

Congratulations! You are now registered as a business in New Jersey.

The number referenced above is your New Jersey Tax Registration Number. You must use this number on all correspondence with the Division of Taxation, the Department of Labor (if subject to unemployment withholdings), and the Division of Revenue. All of your tax returns and payments will be filed under this number. You will also be able to access all information about your account by referencing this number. Please call (609) 292-1730 if you find the information referenced above is incorrect.

Your registration application indicated that you are not liable for any taxes administered by the Division of Taxation and the Department of Labor and that you do not wish to issue Sales Tax Resale or Exemption Certificates. In the future, should you become liable for any tax, notify us immediately by calling our Client Registration Bureau at (609) 292-1730.

If you are exempt from collecting Sales Tax and wish to issue Resale or Exemption Certificates, please check the box below, sign in the space provided and return this letter to the above address.

I wish you the best of luck in your new business endeavors. If I can be of any assistance to you in the future, please call me at (609) 984-3997.

Sincerely,

Darryl J. Ceremsak
Chief, Client Registration Bureau

DO NOT DETACH

_____ I do not make any taxable sales. However, I do wish to issue NJ Sales Tax Resale Certificates (ST-3) and Exempt Use Certificates (St-4)

Signature_____ Date_____

Form Ltr. CR-8

Please visit the Division of Revenue's web site at www.state.nj.us/treasury/revenue.
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B. Executive Summary

Avolar Construction, Inc. is proposing to develop and implement an advertising concept for only one (1) building/structure, which is of unique interest to us. Said building/structure is the **vent located in front of the Pavonia/Newport PATH Station in Jersey City ("Vent")**. We believe our team can handle the Scope of Work for this one (1) Vent, not only because of our ability to do so, but also because we have had this idea prior to the Port Authority's announcement of its program and, at that time, were thinking of a way to propose it to the Port Authority. The timing could not be any better.

Therefore, we became determined to make this project our new endeavor. We have submitted a Sponsorship Proposal with the same visuals and similar information presented to you herewith.

In addition to the potential revenue we are proposing to the Port Authority, we believe that our innovative idea will help kick start a new look for Downtown Jersey City, resembling that of Times Square. As active residents of Jersey City, it would be a great pleasure for us to realize our idea while bringing bigger and greater things to our community.

To create advertising revenue to the Port Authority, we propose to install three (3) jumbo screens atop said vent. The **first screen will face Washington Boulevard (Northbound)**, the **second screen will face Washington Boulevard (Southbound)** and the **third screen will face Town Square (River Drive & Pavonia Avenue)**. Attached please find *before & after* photos of our proposed idea *(the size and content of the screens shown are for illustration purposes only; these may be later determined per the approval of The Port Authority of NY & NJ).* In addition to the three (3) jumbo screens, we are leaving open the option to add a real-time stock ticker along the bottom of said jumbo screens (space and approval permitting).

We believe that the advertising sales revenue that can be generated from these three (3) jumbo screens will exceed expectations. At the same time, we will be servicing the community in many ways, for example, providing information to commuters and local residents; providing local businesses the opportunity to advertise; the area immediately around the Vent will be brighter, especially during late evening hours, due to the lighting emanating from the screens.

With our background in both construction and media, we are certain that *Avolar Construction, Inc.* is more than competent. However, if we do encounter an area, or areas, which we feel require more expertise, we will not hesitate to hire the appropriate firms to assist in such areas.

Even though our team consists of experienced individuals, we do understand your concern of our being a newly established company. This is why we decided to submit our proposal for the one (1) Vent, as opposed to airports, tunnels, bridges, etc., with the understanding that the Port Authority reserves the right to award multiple contracts.

We strongly believe that we meet all the requirements of this RFT and kindly ask that you carefully consider our idea and eagerness to perform at a topnotch level, as a strong, young and innovative company.

In conclusion, we foresee this project being an e*vent*ful one.

Visuals:
"Before & After" Photos

Vent Located Outside Pavonia/Newport PATH Station in Jersey City, NJ

Pic. #1: Washington Blvd. **(Northbound)**: Currently Without Proposed Structure

Pic. #2: Washington Blvd. **(Northbound)**: With Proposed Structure

Vent Located Outside Pavonia/Newport PATH Station in Jersey City, NJ

Pic. #3: River Drive & Pavonia Ave. **(Town Square)**: Currently Without Proposed Structure

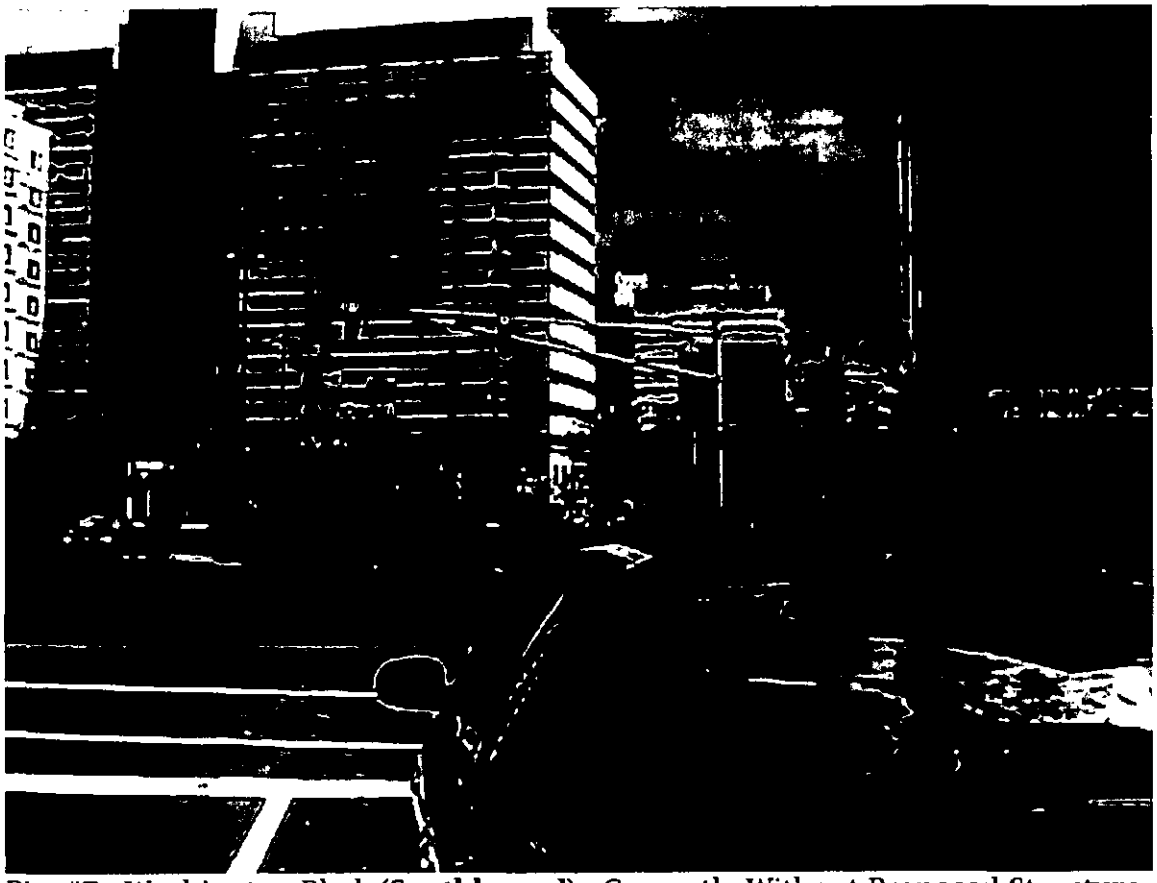
Pic. #4: River Drive & Pavonia Ave. **(Town Square)**: With Proposed Structure
(Structure Faces East, Toward Hudson River)

Vent Located Outside Pavonia/Newport PATH Station in Jersey City, NJ

Pic. #5: River Drive & Pavonia Ave. **(Town Square)**: Currently Without Proposed Structure

Pic. #6: River Drive & Pavonia Ave. **(Town Square)**: With Proposed Structure
(Structure Faces East, Toward Hudson River)

Vent Located Outside Pavonia/Newport PATH Station in Jersey City, NJ



Pic. #7: Washington Blvd. **(Southbound)**: Currently Without Proposed Structure

Pic. #8: Washington Blvd. **(Southbound)**: With Proposed Structure

C. Agreement on Terms of Discussion

(**Attachment A** has been signed, dated and attached hereto.)

D. Certifications With Respect to the Contractor's Integrity Provisions

D. Certifications With Respect to the Contractor's Integrity Provisions

Avolar Construction, Inc. has signed the **Letter of Transmittal** and makes the certifications in the **"Contractor's Integrity Provisions"**, included in **Attachment B, Part III**, attached hereto.

E. (Not Used)

E. (Not Used)

F. Proposer's Organization Chart

F. Proposer's Organization Chart

Avolar Construction, Inc. is an organization composed of one (1) officer and one (1) fellow staff member, as follows:

LUZ D. COLON
President
|
|
EDGARD COLON
Manager

G. Business Plan

As a newly formed company, *Avolar Construction, Inc.* takes great pride in being part of this advertising venture with the Port Authority on NY & NJ. We plan on making exceptional strides in our community while generating great revenue for the Port Authority.

Avolar Construction, Inc. is determined to realize its advertising idea and make it work for all parties involved. Doing so will allow us the opportunity to showcase our abilities and full potential, not only to the Port Authority, but to others, as well. Our team believes that success is reached by being organized, thorough, professional and staying true to its high standard of performance. We offer the Port Authority of NY & NJ the following business plan that consists, but is not limited to, the following:

a) *Avolar Construction, Inc.* plans to develop and implement an outdoor advertising sales idea(s) by hiring and working in correlation with companies/firms that offer the needed services and possess the required expertise. We expect to pitch to businesses that may be highly interested in purchasing advertising time/space on the three (3) jumbo screens we propose to install on the one (1) Vent located outside the Pavonia/Newport PATH Station.

b) We will develop new, creative outdoor advertising opportunities using three (3) jumbo screens, as described in ***(a)*** above. These screens will be installed atop the one (1) Vent, which currently is <u>not</u> being utilized for revenue purposes. However, because of its prime location and structure form, a well-implemented advertising plan, can convert the Vent into an attractive, new, revenue-generating site.

c) Financing for the development of the advertising idea(s) will first come from the advance pitching to businesses/firms that may be interested in advertising. To make said businesses/firms aware of the advertising opportunities, a promotional campaign will be launched. Included in each Advertising Agreement will be a required fee, payable in advance by each business/firm, according to a timetable (not yet established). A portion of the total fees will be applied to the development of outdoor advertising idea(s). The Advertising Agreements can be offered on a monthly basis, annual basis and so on, changing the amount of the required initial fee(s) and payments that shall then follow.

d) *Avolar Construction, Inc.* will research and hire well qualified and specialized engineers and/or designing firms, which will assist in the designing and installation of the <u>three (3) jumbo screens</u> and the <u>optional real-time stock ticker</u>. Upon the request of the Port Authority of NY & NJ, the design plans will be made available for its review and approval.

e) *Avolar Construction, Inc.* will provide and install all materials for any infrastructure associated with the development of our here-proposed outdoor advertising idea, at no cost to the Port Authority of NY & NJ.

f) As a fellow minority/woman-owed business, *Avolar Construction, Inc.* will uphold the quality of the submitted M/WBE Plan in full accordance with the section of this RFP (#0000007920) entitled, "M/WBE Subcontracting Provision". We have already been fortunate enough to meet one prospective WBE during the process of submitting our proposal. Said firm, *Morris Weber* (of New Jersey), contacted us to offer its services should *Avolar Construction, Inc.* be awarded the/a Contract. We intend to consider *Morris Weber*, along with other well-qualified M/WBE's.

H. Proposal

This is our first venture of this magnitude, therefore, please note that the following financial proposal was compiled on what we think would be fair, in accordance to today's market.

(1) Revenue to the Port Authority:

a) We are proposing in terms of a sliding revenue share scale based on "what could potentially be" the revenue obtained from advertising sales:

1st One Million Dollars:	30% to Port Authority of NY & NJ 30% to Avolar Construction, Inc. 40% toward administrative costs
2nd One Million Dollars:	50% to Port Authority of NY & NY 30% to Avolar Construction, Inc. 20% toward administrative costs
3rd One Million Dollars:	60% to Port Authority of NY & NJ 40% to Avolar Construction, Inc.

These figures are negotiable, of course.

b) The maximum amount of revenue to be generated for the Port Authority from gross sales generated from advertisements placed at the one (1) Vent located at the Pavonia/Newport PATH Station has the potential to total, or exceed, $1.4 Million, according to the above scale.

c) *Avolar Construction, Inc.* agrees to and "shall undertake all development responsibilities required to fulfill the conditions of this Contract, included, but not limited to, site assessment and all clearances, construction, staffing, marketing, sales, and any other related work in connection with this Contract. The Port Authority will not incur any direct costs in connection with this Contract".

H. Proposal

3) Overall Experience Including Financial Capability

H. Proposal *(continued)*

(3) Overall Experience Including Financial Capability:

a) *Avolar Construction, Inc.* has no experience in advertising ventures; however, we intend to hire contractors/firms that have vast knowledge and experience to assist us in accomplishing our goals. For example, we would hire a firm that will assist us in developing an appropriate timeline and process by phase. We do possess the hands-on management and supervisory experience needed to track and supervise all hired sub-contractors.

b) Financial Capability: Attached for your reference, please find a copy of our **Profit & Loss** report, dated June 1, 2004 – June 5, 2005)

Our accounting is handled by:

Lighthouse Financial Advisors, Inc.
3 Harding Road, Suite B
Red Bank, NJ 07701
Tel: (732) 747-6680
Fax: (800) 886-0302
Contact: Robert B. Walsh, CPA/PFS CFP

Our Banking Institution is as follows:

Bank of America *(formerly Fleet Bank)*
NJ6-193-01-01
125 Pavonia Avenue
Jersey City, NJ 07310
Tel: (201) 626-2852
Fax: (201) 626-2855
Contact: Michelle Y. DuBose

c) If given the opportunity, *Avolar Construction, Inc.* and its dedicated team of two will see to it that an excellent advertising concept is developed and expedited accordingly. Our dedication and diverse background will prove to be enough experience and meet the required qualifications for the job at hand. Since we are a small team and directly involved in all aspects of the business, we are always readily available to our clients and subcontractors.

d) *Avolar Construction, Inc.* does not have any existing designs and operations for Indoor and Outdoor Out-of-Home Advertising, but this doesn't mean we cannot be successful with the one (1) Vent we are proposing to convert into a remarkable advertising display, of durability and excellent quality.

Our work and life experiences have taken us through years of commuting to & from New York/New Jersey, as well as, working in both metropolitan markets. As commuters ourselves, we understand firsthand the importance of the public's safety, comfort and concerns.

Avolar Construction, Inc. has no doubt in its ability and desire to fulfill this Contract. We look forward to putting our creative ideas to work while keeping in mind that *approach*, *revenue* and *performance* are of the highest importance to The Port Authority of NY & NJ, while upholding its valued image.

We are committed "to improving the design, technology, services, operations and any other related work required for performance under this Contract".

1:19 AM
06/05/05
Cash Basis

Avolar Construction, Inc.
Profit & Loss
June 1, 2004 through June 5, 2005

		Jun 1, '04 - Jun 5, 05
Ordinary Income/Expense		
Income		
4110 · Construction Income		106,337.96
Total Income		106,337.96
Cost of Goods Sold		
5110 · Job Material Costs		238.00
5200 · Job Related Labor Costs		
5205 · Labor Sub Contrators	26,984.75	
5200 · Job Related Labor Costs - Other	783.64	
Total 5200 · Job Related Labor Costs		27,768.39
Total COGS		28,006.39
Gross Profit		78,331.57
Expense		
6060 · Bank Service Charges		4.50
6100 · Car/Truck Expense		
6101 · Gas & Oil	4,321.21	
6103 · Repairs & Maintenance	1,827.68	
6105 · Registration & License	82.00	
6107 · Insurance-Auto	764.00	
6100 · Car/Truck Expense - Other	123.68	
Total 6100 · Car/Truck Expense		7,118.57
6140 · Contributions/Charity		54.50
6160 · Dues and Subscriptions		195.90
6180 · Insurance		
6182 · Liability Insurance	2,007.00	
6185 · Worker's Comp	3,294.00	
Total 6180 · Insurance		5,301.00
6230 · Licenses and Permits		900.00
6240 · Miscellaneous		8,717.21
6490 · Office Supplies		5,827.66
6500 · Payroll Expenses (office)		
6501 · Payroll (office staff)	17,500.00	
6502 · Payroll tax expense	565.69	
6504 · FICA	1,338.75	
6505 · FUTA Tax	56.00	
6500 · Payroll Expenses (office) - Other	20.65	
Total 6500 · Payroll Expenses (office)		19,481.09
6571 · Accounting		2,800.00
6610 · Postage and Delivery		463.00
6650 · Rent		10,952.20
6800 · Telephone		1,550.18
6900 · Travel		1,470.39
6901 · Local Travel		204.01
6902 · Meals & Entertainment		1,174.00
6920 · Tools & Machinery (under $500)		1,715.10
6970 · Utilities		301.50
Total Expense		68,230.81
Net Ordinary Income		10,100.76
Other Income/Expense		
Other Expense		
8000 · NJ S-Corp Taxes		640.00
Total Other Expense		640.00
Net Other Income		-640.00
Net Income		9,460.76

1. Acknowledgment of Addenda

I. Acknowledgment of Addenda

(**Addendums #1, #2, #3, #4 & #5** follow, initialed and dated)

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: May 27, 2005

ADDENDUM #1

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

Referring to page 76 of Attachment D, the existing advertising agreements will be available for viewing at One Madison Avenue, 7th Floor, NY, NY on June 1, 2005 between the hours of 9:00 AM to 1:00 PM. Contact Roy Bickley at 212-435-4972 to make arrangements for viewing and to obtain access to the building. Photo ID is required.

In Part III, CONTRACTOR'S INTEGRITY PROVISIONS, page 66, labeled "2. Non-Collusive Bidding and Code of Ethics Certification..." and replace with Amendment 1 hereby attached and labeled Amendment 1, "2. Non-Collusive Bidding, and Code of Ethics Certification..."

In Attachment H, titled Olympic 2012 Agreement, delete "Schedule A" in it's entirety and replace with "Schedule A," dated May 16, 2005, hereby attached.

On page 17, 2) Marketing Strategy and Approach, Sub-section b), the next to the last line of that section, delete the second "and" in the line. The line now reads, "...demonstrated ability to set and achieve performance standards is an important..."

In the publicly placed advertisements and general e-mail sent to perspective Proposers, the time for the Pre-proposal meeting was incorrectly noted as beginning at 9:00 AM. The Pre-proposal meeting is scheduled for May 26, 2005 and will begin at 10:00 AM.

For informational purposes only, the slide show presentation is available to your firm on-line by visiting www.panynj.gov/advertisingrfps/

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

1. Question: On Page 16, under Part 7., "Proposal Submission Requirements" Section E. is "Not Used". In planning to make tabbed dividers and section headings, should a Proposer actually have a "Tab E. (Not Used)" and proceed to Section F., or should they disregard, remove "E." and rename the remaining sections to E., F., G., H., and I. from F., G., H, I. and J.?
   Answer: Do not rename.

2. Question: On Page 17, under Part 7., Section 2. "Marketing Strategy and Approach," in the next to last line of sub-section b), there seems to be an additional "and" in the sentence, e.g. "to set and achieve *and* performance standards." The grammar is not correct. Should it be "set and achieve performance standards" instead?
   Answer: Yes. See Addendum 1 above.

3. Question: On Page 73, Attachment C, "Proposer Reference Form" as well as Attachment F, "Contractor's Officers and Staff" are included. Nowhere in the RFP does it state where Attachment C or Attachment F should be placed within the response document. Moreover, is there a limit as to the level of staff which should be listed, or does the Port Authority require a listing of all employees at all levels?
   Answer: Restrict answers to Officers and upper management.

4. Question: On May 26th the Pre-Proposal and Site Inspection is to take place beginning at 9:00 a.m. (as advised via e-mail on May 12, 2005, which shows a change from the 10:00 a.m. start time listed in the RFP. Will all of the facilities listed on Pgs. 75-76 be visited in one day? Will photography be allowed?
   Answer: The pre-proposal RFP meeting begins at 10:00 AM. The Site Inspection of Port Authority facilities is canceled. Photography may be restricted or prohibited at various facilities.

5. Question: Will detailed floor plans of all facilities (including depictions of current advertising locations utilized by current vendors) be provided on the site inspection?
   Answer: No.

6. Question: A numbered Bid Envelope was included in the RFP mailing. Is this envelope to be used in any way, as it would seem unlikely that one (1) reproducible original of such a large response document would fit into the envelope provided?
   Answer: The Bid Envelope should be placed on the outside of your RFP submission and clearly labeled as such. See Letter E., Submission of Proposals, Page 7 of the RFP.

7. Question: A Bid Envelope would suggest that this is a "Bid", which differs significantly from a "Proposal". Please clarify.
   Answer: This is a Request for Proposal—not a bid.

8. Question: On Page 76, the closing paragraph states "the PANYNJ currently generates approximately $25 million in gross advertising revenue sales from the facilities, with approximately 85% of the gross sales total generated through the airports." Can you clarify if the $25 million is revenue derived/paid from a higher sales figure (gross sales of X times the percentage payable to the PANYNJ = Net revenue to PANYNJ)?
   Answer: Yes, you are correct. The Advertising contracts will be available as noted above.

9. Question: At the present time there is another RFP (#7919) for "Sponsorship Marketing Services Program" which is due two days prior to the due date of the Advertising RFP. Please define the rights granted under the Sponsorship Marketing Services Program RFP as how they may or may not conflict with the rights granted in the Advertising RFP? A Proposer under the Advertising RFP would want to have assurances that the Sponsorship Marketing Services RFP does not conflict or duplicate the advertising programs one would put into place and be a competitive program.
   Answer: Each RFP is a separate proposal and the Scope of Work defines the work that will be determined under each contract. Each proposal will be negotiated separately. There may be overlap. The Port Authority cannot give Proposers assurances that there will be no conflict, however each executed contract will stand on its own. The final Scopes of Work will define each program.

10. Question: May we have a copy of the attendance sheet?
    Answer: Yes, the attendance sheet is attached to this Addendum.

11. Question: May we have a copy of the slide show?
    Answer: It is available the Port Authority website listed above.

12. Question: In the Scope of Work the RFP states that, "The contractor shall secure all necessary clearances, permits, zoning approvals, and permissions required for the production of new revenue under this Contract." Please confirm our understanding that the Port Authority, as a government agency, is exempt from zoning. If that understanding is correct, will the Port Authority extend this exemption to the selected contractor?
    Answer: The Port Authority of New York and New Jersey, as a bistate agency, is exempt from local regulations as a matter of law. However, it is the Port Authority's policy to conform, to the fullest extent practicable, to all governmental regulations, which are addressed as part of the Authority's internal review and approval process. If any governmental regulation does apply to the scope of work either now or in the future, it will be the Contractor's sole responsibility for securing approvals needed to satisfy any applicable regulation.

13. Question: Although the Port Authority indicates its intent to select one contractor that proposes a total solution to maximize revenue, it reserves the right to award multiple contracts. What criteria does the Port intend to use in making such a determination if the Port Authority receives widely disparate responses to the RFP?
    Answer: The Port Authority will use the criteria as noted beginning of page 11 of the RFP, labeled 5. Evaluation Criteria and Ranking, to determine whether a single or multiple contract awards is in its best interest.

14. Question: The Port Authority identifies a wide array of potential opportunities which are described in vague terms. Will the Port Authority provide detailed descriptions of the facilities including the exact boundaries of the properties offered and the locations that are available for a potential contractor to utilize?
    Answer: No. At this time detailed descriptions of the facilities exact boundaries are not available to potential Proposers. However, it should be noted that nothing precludes the Proposer from visiting the public areas of each facility property to determine what the Contractor may be able to utilize.

15. Question: Will the Port Authority provide electronic maps of the Port Authority facilities listed in Attachment D, indicating the locations of the current advertising inventory?
    Answer: No. See the answer directly above this question.

16. Question: Will the Port Authority agree to extend the Proposal Due Date by at least 30 days?
    Answer: No. At this time the Port Authority will not extend the due date.

17. Question: Do you have any additional statistics on PATH use?
    Answer: Yes, for informational purposes only, see the attached enclosure dated May 6, 2005, titled Path Demographics.

18. Question: Can prospective bidders take pictures at the facilities?
    Answer: Photography may be restricted or prohibited at various facilities.

19. Question: As a respondent to the RFP can Proposers submit in areas where they are specialist? And, if we propose a partial solution are we considered responsive?
    Answer: The answer to both questions is yes.

20. Question: Historical billing on existing assets is important and would be helpful in the preparation of the proposals. We need a sense of dollars spent in advertising broken down by facility. Can the Port Authority provide that?
    Answer: Billing information is not being made available at this time.

21. Question: Can the Port Authority set aside a time to examine existing advertising contracts?
    Answer: Yes, see above. On page 76 of Attachment D are the contracts that will be available for viewing at One Madison Avenue, 7th Floor, NY, NY, on June 1, between the hours of 9:00 AM to 1:00 PM, Conference Room 154. Contact Roy Bickley at 212-435-4972 to make arrangements for viewing and obtain access to the building.

22. Question: On pages 10 and 11, Section 4, Financial Information, the Port Authority is requesting a list of other work pending and/or bids submitted in anticipation of business. We consider this confidential. Will the Port Authority keep that confidential?
    Answer: The Port Authority will make every attempt to keep this information confidential, however the Port Authority is subject a Freedom of Information Policy as noted on pages 24 to 26 of the RFP.

23. Question: What are the weights assigned to the evaluation criteria on page 11-13?
    Answer: The individual weights assigned to the criteria are confidential.

24. Question: Can more that one Advertising Vendor have a presence at each facility?
    Answer: Yes, that is possible.

25. Question: Can you identify and make available a list of which billboards are currently owned by the Authority?
    Answer: That information is not available at this time.

26. Question: If the Contractor erects a structure on Port Authority property, who will own it at the end of the contract.
    Answer: The Port Authority will own the structure, refer to page 10 of the RFP, Paragraph number 5.

27. Question: Certain permits will be required to erect structures for advertising purposes, who will own the permits at the end of the Contract?
Answer: The Port Authority will issue any permissions which are required.

28. Question: Is Schedule A of the Olympic Letter of Agreement a complete inventory listing? Is this inventory currently owned by the Port Authority?
Answer: This is owned by the Port Authority, however this schedule relates only to the Olympic Letter of Agreement and is not a complete Port Authority Inventory list. In this Addendum a revised Schedule A is attached which also is not a complete Port Authority Inventory list.

29. Question: Should the financial proposal breakout the revenue for each facility?
Answer: That is a business decision your firm must make and submit with their proposal.

30. Question: Suppose the Proposer has huge advertising opportunity that does not conform to local zoning, how will the Port Authority deal with this?
Answer: We do not respond to hypothetical situations, however the Port Authority recognizes local zoning regulations.

31. Question: Will the Port Authority during the evaluation process take into consideration the stringent zoning laws as well as if the proposed programs are permitted? How will this be evaluated?
Answer Yes. See question 12.

32. Question: If we propose a program and the Port Authority accepts the proposal, however the city doesn't accept it or doesn't permit it, are we legally bound?
Answer: The Port Authority expects to interpret the zoning regulation. If the Proposer wishes to seek a ruling from the City, it may do so with Port Authority approval.

33. Question: If a firm comes up with a really creative idea and the firm with the idea is not selected as the Contractor, will the PA hold this idea in confidence or share this idea with the selected firm? The answer to this could stifle my proposal.
Answer: See the Agreement on Terms of Discussion.

34. Question: Will the Port Authority be utilizing its exemption from local zoning?
Answer: See Question 12.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Avolar Construction, Inc.

INITIALED: L.J.C.

DATE: June 8, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

AMENDMENT 1

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

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

a. the prices in its bid have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor;

b. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Bidder prior to the official opening of such bid to any other bidder or to any competitor;

c. no attempt has been made and none will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition;

d. this organization has not made any offers or agreements or taken any other action with respect to any Authority employee or former employee or immediate family member of either which would constitute a breach of ethical standards under the Code of Ethics dated April 11, 1996 (a copy of which is available upon request to the individual named in the clause hereof entitled "Bidder's Questions"), nor does this organization have any knowledge of any act on the part of an Authority employee or former Authority employee relating either directly or indirectly to this organization which constitutes a breach of the ethical standards set forth in said Code;

e. no person or selling agency other than a bona fide employee or bona fide established commercial or selling agency maintained by the Bidder for the purpose of securing business, has been employed or retained by the Bidder to solicit or secure this Contract on the understanding that a commission, percentage, brokerage, contingent, or other fee would be paid to such person or selling agency; and

f. the bidder has not offered, promised or given, demanded or accepted, any undue advantage, directly or indirectly, to or from a public official or employee, political candidate, party or party official, or any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), in order to obtain, retain, or direct business or to secure any other improper advantage in connection with this Contract.

The foregoing certifications shall be deemed to be made by the Bidder as follows:

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

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

In any case where the Bidder cannot make the foregoing certifications, the Bidder shall so state and shall furnish with the signed bid a signed statement which sets forth in detail the reasons therefor. If the Bidder is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its bid, setting forth in such statement the reasons for its uncertainty.

Notwithstanding that the Bidder may be able to make the foregoing certifications at the time the bid is

submitted, the Bidder shall immediately notify the Authority in writing during the period of irrevocability of bids on this Contract of any change of circumstances which might under this clause make it unable to make the foregoing certifications or require disclosure. The foregoing certifications or signed statement shall be deemed to have been made by the Bidder with full knowledge that they would become a part of the records of the Authority and that the Authority will rely on their truth and accuracy in awarding this Contract. In the event that the Authority should determine at any time prior or subsequent to the award of this Contract that the Bidder has falsely certified as to any material item in the foregoing certifications or has willfully or fraudulently furnished a signed statement which is false in any material respect, or has not fully and accurately represented any circumstance with respect to any item in the foregoing certifications required to be disclosed, the Authority may determine that the Bidder is not a responsible Bidder with respect to its bid on the Contract or with respect to future bids on Authority contracts and may exercise such other remedies as are provided to it by the Contract with respect to these matters. In addition, Bidders are advised that knowingly providing a false certification or statement pursuant hereto may be the basis for prosecution for offering a false instrument for filing (see e.g. New York Penal Law, Section 175.30 et seq.). Bidders are also advised that the inability to make such certification will not in and of itself disqualify a Bidder, and that in each instance the Authority will evaluate the reasons therefor provided by the Bidder. Under certain circumstances the Bidder may be required as a condition of Contract award to enter into a Monitoring Agreement under which it will be required to take certain specified actions, including compensating an independent Monitor to be selected by the Port Authority, said Monitor to be charged with, among other things, auditing the actions of the Bidder to determine whether its business practices and relationships indicate a level of integrity sufficient to permit it to continue business with the Port Authority.

ATTACHMENT H, MAY 16, 2005

LETTER AGREEMENT

October 19, 2004

The Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003

Ladies and Gentlemen:

In connection with the preparation, for submission to the International Olympic Committee ("IOC"), of a candidature for New York City to host the 2012 Olympic Games, NYC2012 must demonstrate that it will take the necessary steps to protect the value of authorized Olympic sponsorships and the rights of authorized Olympic marketing partners by preventing and confronting ambush marketing. Accordingly, the IOC requires NYC2012 to make advertising space in New York City available only to Olympic sponsors and partners during the 2012 Olympic Games in order to reduce unfair competition in the form of ambush marketing.

This letter, when countersigned by you, will evidence the Port Authority of New York and New Jersey's ("PA") agreement to assist NYC2012 with its efforts to reduce ambush marketing at its facilities. Subject to and in accordance with the terms of this Letter Agreement, the PA hereby agrees that if New York City is chosen to host the 2012 Olympic Games: (1) it will license to NYC2012 the advertising space under the PA's control at its facilities, as set forth in Schedule A (the "Ad Space"), for the period June 26, 2012 through August 21, 2012 inclusive (the "License Period"), and (2) all future agreements which grant rights to the advertising space under the PA's control at its facilities will contain an acknowledgement of the terms of this Letter Agreement and will require all licensees, lessees, permitees, vendors and contractors to comply with the terms of this Letter Agreement.

Notwithstanding the generality of the foregoing or anything to the contrary stated herein, the PA's obligation to make available advertising space to NYC2012 under this Letter Agreement shall be subject to all of the following: (1) with respect to all terminals not under the control of the PA, the rights of third parties with which the PA has entered into agreements as of the date of the execution of this Letter Agreement, including, but not limited to, the rights of terminal airline lessees, (2) the PA's tenant alteration and application process (the "TAA process"), which shall apply, among other things, to the installation, maintenance, and location of any advertising, (3) the PA rules, regulations and policies concerning content of advertising in effect from time to time, and (4) the receipt by the PA of a written notice from NYC2012 not less than sixty (60) days prior to the start of the License Period (the "sixty-day notice") stating (i) that NYC2012 intends to exercise the rights granted to it by this Letter Agreement, and (ii) the information required in paragraph 4 of this Letter Agreement, and (3) receiving the

requisite prior authorization(s) of the Board of Commissioners of the PA.

1. License Fee. The license fee for Ad Space shall be calculated as follows: the average price for various types of advertising (e.g., wall wraps, spectaculars and dioramas) as established by the relevant advertising permittees/lessees then under contract with the PA at its facilities for 2005, 2006, 2007 and 2008 (the "Average Price"), multiplied by the percentage increase projected as of December 31, 2008, for the period 2009 through 2012, by the Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor, plus a twenty percent (20%) premium. Such 20% premium shall be referred to herein as the Olympic Premium.

2. Assignment. The parties acknowledge and agree that should the Games be awarded to New York City, NYC2012 will be succeeded by the New York Committee for the Olympic Games ("NYCOG") that shall receive from NYC2012 an assignment of all rights, and shall assume all obligations concerning, arrangements underlying the bid including all rights pursuant to this Letter Agreement and shall be the organization to conduct the Games and carry out the rights and responsibilities of NYC2012 hereunder.

3. Termination. This Letter Agreement will terminate upon the failure of New York City to be awarded the Olympic Games by the IOC or the failure of the PA to receive the sixty-day notice described herein.

4. Uncommitted Ad Space. The sixty-day notice shall identity all Ad Space contractually committed to by written agreement, between the IOC and any Olympic Advertising Party, for advertising at each PA facility during the period of the Olympic Games and for the period commencing thirty (30) days prior to the start of the Olympic Games. Any advertising space at a PA facility which is not identified in the sixty-day notice shall be deemed to be uncommitted Ad Space and, accordingly, shall not be subject to this Letter Agreement and may be sold, licensed or leased without restriction or condition. In addition, NYC2012 acknowledges and agrees that between the date of this Agreement and the start of the Olympic Games, the Port Authority shall have the right in its sole discretion to eliminate or modify existing advertising space at any its facilities, including but not limited to any of the Ad Space, and convert such space to another purpose.

5. Representations and Warranties of PA.

(a) Upon receipt of the requisite prior authorization(s) from the Board of Commissioners, the PA has all necessary power and authority to enter into this Letter Agreement and to perform its obligations hereunder; the execution of this Agreement by PA and the performance by PA of its obligations hereunder have been duly authorized by all necessary corporate action on the part of PA; and this Letter Agreement has been duly executed and delivered by PA and is a valid and binding obligation of PA enforceable against PA in accordance with its terms.

(b) PA further represents and warrants that it owns or controls all of the Ad Space and that Schedule A is a complete list of the number of locations of advertising space at each of the PA facilities as of the date of the execution of this Letter Agreement by the PA; provided, however, that the failure of any third party to comply with the terms of any agreement between said third party and the PA shall not constitute a breach of this Letter Agreement by the PA and provided, further, this Letter Agreement shall not require the PA or any of its advertising permittees/lessees to breach any existing agreement to which it is a party as of the date of the PA's execution of this Letter Agreement.

(c) PA further represents and warrants that entering into this Letter Agreement will not conflict with any other obligations or agreements to which PA is a party and PA covenants not to enter into any conflicting agreements during the term of this Letter Agreement.

6. Representations and Warranties of NYC2012. NYC2012 has all necessary power and authority to enter into this Letter Agreement and to perform its obligations hereunder; the execution of this Letter Agreement by NYC2012 and the performance by NYC2012 of its obligations hereunder have been duly authorized by all necessary corporate action on the part of NYC2012; and this Letter Agreement has been duly executed and delivered by NYC2012 and is a valid and binding obligation of NYC2012 enforceable against NYC2012 in accordance with its terms.

7. Remedies. Each party acknowledges that monetary damages may not be an adequate remedy for any breach or threatened breach of the provisions of this Letter Agreement by the other party, and that such first party shall be entitled to seek equitable relief, including a temporary restraining order, a preliminary or permanent injunction or specific performance, as a remedy for any such breach or threatened breach. Each party agrees that in the event such equitable relief is granted by a court of competent jurisdiction that the party seeking equitable relief shall not be required to post a bond in connection therewith. Each party further agrees that the remedies of a temporary restraining order, preliminary or permanent injunction or specific performance shall not be deemed to be the exclusive remedies for a breach of this Letter Agreement but shall be in addition to all other remedies available at law or equity. Notwithstanding the foregoing, any lawsuit or other claim against the PA or its Commissioners, officers or employees shall be subject to all prohibitions, limitations, requirements and restrictions for commencement and maintenance of lawsuits and other claims against the PA, its Commissioners, officers or employees set forth in the statutes of the New York law, including but not limited to statutes codified in the New York Unconsolidated Laws and the New York Civil Practice Laws and Rules, and such prohibitions, limitations, requirements and restrictions are not waived by this paragraph.

8. Governing Law. This Letter Agreement is made under, and will be construed in accordance with, the laws of the State of New York, without giving effect to its principles of conflict of laws.

9. No Personal Liability. No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Letter Agreement or of any modification or amendment hereto or because of any breach thereof, or because of its execution or attempted execution.

10. Entire Agreement. This Letter Agreement constitutes the entire agreement between the PA and NYC2012 on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the PA and NYC2012. NYC2012 agrees that no representations or warranties shall be binding upon the PA unless expressed in writing in this Letter Agreement.

Please confirm your agreement to the matters referred to and set forth in this letter by signing, dating and returning a copy of this letter to me.

Very truly yours,

NYC2012

By: _____
Andrew Kimball

Title: Director, Operations

Accepted and Agreed to:

The Port Authority of New York and New Jersey

By: _____
for Chief of Public and Government Affairs

Title: Executive Director

Date: 10/25/04

APPROVED	
TERMS	FORM
UB	

Schedule A

LaGuardia Airport Inventory Count
867-LGA Sellable Faces
460-LGA Units

	Breakdown by Unit	
Total	of 4' x 10' Lightbox	3
Total	of Banner	1
Total	of Clock	1
Total	of Diorama	334
Total	of Diorama Other	14
Total	of Display Area	7
Total	of Jet Bridges	250
Total	of Phone Board	146
Total	of Phone Board Service Cost	26
Total	of Spectacular (other)	19
Total	of Take-one/Mtnc Chg	6
Total	of Vertical Displays	12
Total	of Exterior Banners	2
Total	of Wall Wrap	48
		869 Sellable Faces
		460 Units

John F. Kennedy Airport Inventory Count
1342-JFK Sellable Faces
728-JFK Units

	Breakdown by Unit	
Total	of 4' x 10' Lightbox	44
Total	of Banner	19
Total	of Clock	6
Total	of Digital Diorama	80
Total	of Diorama	346
Total	of Diorama Other	36
Total	of Display Area	12
Total	of Double Diorama Full	6
Total	of Exterior Sites	44
Total	of JCDecaux Displays	35
Total	of Jet Bridges	499
Total	of Showcase	1
Total	of Spectacular (other)	49
Total	of Wall Wrap	165
		1342 Sellable Faces
		728 Units

New York Downtown Heliport
3-JFK Sellable Faces
3-JFK Units

Breakdown by Unit

Total	of Clock	2
Total	of Diorama	1
		3 Sellable Faces
		3 Units

EWR Airport Inventory Count

Total Dioramas = 406

Total Bus Shelter Dioramas = 18
Total Spectaculars = 5
Total Mini Spectaculars = 96
Total Overhead Spectaculars = 22
Total Monorail Carcards = 72
Total Wall Wraps = 46
Total Banners = 6
Total Toll Plaza Booth = 1

PA Control - Bus Shelters, Toll Plaza Booth, Monorail Carcards

PATH System Inventory Count

Total Station Domination Installations = 144 All Controlled by PA

[redacted]

Total Poster Wraps = 3
Total Dioramas = 22
Total Clocks = 26
Total Station Domination Installations = 144 All Controlled by PA

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

FOR THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 28th day of October in the year 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael A. Petralia personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Marie M. Edwards
(notarial seal and stamp)

Marie M. Edwards
Notary Public, State of New York
No. 01ED4959693
Qualified in Kings County
Commission Expires 1/6/2006

FOR NYC2012

STATE OF NEW YORK)
) ss
COUNTY OF NEW YORK))

On the 1st day of November in the year 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Andrew H. Kimball personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Ashleigh L. R. Lonson
(notarial seal and stamp)

ASHLEIGH LONSON
Notary Public, State of New York
No. 01LO6101733
Qualified in New York County
Commission Expires November 17, 2007

DATE: May 6, 2005

PATH DEMOGRAPHICS

CURRENT AVERAGE WEEKDAY RIDERSHIP THROUGH 1ST QUARTER 2005 IS ABOUT 195,000. AVERAGE SATURDAY IS 83,000 AND SUNDAY IS 58,000.

2004 PATH SURVEY

	WEEKDAY	WEEKEND (SATURDAY)
GENDER		
MALE	58.2%	55.6%
FEMALE	41.8%	44.4%
TRIP PURPOSE		
WORK COMMUTE	73.1%	20.2%
BUSINESS TRAVEL	7.4%	4.0%
TO/FROM SCHOOL	5.6%	3.8%
SHOPPING	2.6%	19.0%
ENTERTAINMENT or RECREATION	4.8%	31.3%
VISIT FAMILY/FRIENDS	4.2%	19.6%
OTHER	2.2%	1.9%

OTHER LANGUAGES BESIDES ENGLISH

NONE	60%
SPANISH	21%
FRENCH	5%
GERMAN	3%
ITALIAN	2%
HINDU	2%
PORTUGESE	2%
RUSSIAN	1%

AGE: LAST SURVEY REFERENCE – 2001

OCCUPATION: LAST SURVEY REFERENCE - 2001

INCOME: LAST SURVEY REFERENCE - 2001

Listed below are latest ridership figures - February 2005

	Average weekday boarding's	Average weekend boarding's
Pavonia/Newport	13,300	13,200
Grove St.	9,500	7,700
Exchange Pl.	10,000	3,200
Journal Sq.	22,000	22,400
Hoboken	24,500	15,000
Newark	25,000	18,000
Harrison	5,500	3,500
NY - 9th St.	4,300	7,100
NY - 14th St.	7,500	8,400
NY - 23rd St.	7,000	4,900
NY - 33rd St.	24,300	25,100
NY - Christopher	4,000	5,400
NY - WTC	40,000	18,000

PRE-PROPOSAL MEETING
ADVERTISING OPPORTUNITIES FOR PORT AUTORITY OF NY & NJ AND PATH FACILITIES, RFP #7920
MAY 26, 2005

NAME	COMPANY	TELEPHONE #
STEVEN A. LUDSIN	ILLUMACON	917 873 4536
Tim Cronin	Shawmut Media	617-333-9379
Stacy Ferrari	JCDECAUX	646-834-1327
Bernard Parisot	JCDECAUX	646-834-1300
PAUL DENOUDEN	JC DECAUX	714-374-0284
Marty Chavkin	Working Media Group	212-731-2557
Daniel P. Davison Jr.	Adirondack Partners	212-229-2512
Mark Fraser	Ritta & Associates	201-567-4400
Kay Ritta	Ritta & Associates	201-567-4400
MICHAEL KRAMER	GARRICK-AUG	212-950-0278
MARK BALDINGER	INTRANSIT MEDIA	954-691-4032
RICH AMENT	VIACOM OUTDOOR	212 297-6530
Charles Ferionardo	VIACOM OUTDOOR	718-366-6180
RAY Sippeller	VAN WAGNER COMMUNICATIONS	212 699 8400
Frank Steele	Sign Post Networks	404 870 8910
DAVID RAMIREZ	Daktronics	212 842-0288
DeWayne ANDERSON	DAKTRONICS	605-697-4772
Lauren Varner	TITAN Outdoor	212 644-6200
Michael Cawley	ALL VISION	802-272-1309
James Manfredi	Titan Outdoor	212-644-6200
Don Allen	Titan Outdoor	212 909-7645
Tim Kennedy	Clear Channel	212 812 0037
PAUL WISS	" "	212-812-0036
Jeremy Mergel	Clear Channel	212 812-0048
Peter Corrigan	Submedia	212-849-6979
Chris Cavallo	Interstate	917-359-3283
DENNIS DAY	D-DAY MEDIA GROUP INC	212-222-2942
Evan Borak	TRN	646-728-0266 x 226
David Lane	TRN	646-728-0266 x 227
Mike Gellen	DIRECT MEDIA INC	781-843-2112
Steph Gagnon	Onestop Toronto Inc	416 646 2744
CARROL BENNETT	P.A - Real Estate	212 435-2929

PRE-PROPOSAL MEETING
ADVERTISING OPPORTUNITIES FOR PORT AUTORITY OF NY & NJ AND PATH FACILITIES, RFP #7920
MAY 26, 2005

NAME	COMPANY	TELEPHONE #
ROB WALKER	SIDETRACK	204 663 4989
RICHARD GRASSO	CLEAR CHANNEL ADSHEL	212-972-0515
Martina Schmidt	Clear Channel	212-972-0515
Bill McLendon	Magic Media	800-732-8261
Ed Wallace	GROSENBACK TRAVEL	801-801-9299
Kathleen Whelan	PA	212 435-3929
[illegible]	PA	212 435 2290
Roy Bickley	PA	212-435-4972
Michael Shannon	PA	212 435-5209
JULIA F. LOMIDA	PA	212 435-6929
Jed Greenthal	Jed Greenthal Marketing	203-226-7643
DIDI LOPEZ	AVOLAB, INC	201.222.0148
ALAN WOLAN	GoGORILLA MEDIA	212.464.7975

PRE-PROPOSAL MEETING
ADVERTISING OPPORTUNITIES FOR PORT AUTORITY OF NY & NJ AND PATH FACILITIES, RFP #7920
MAY 26, 2005

NAME	COMPANY	TELEPHONE #
ELLIOT KLEIN	RETURNME.com	646-201-9293
MARK GIORDANO	VAC	303-282-1000
SCOTT O'REILLY	VAC	303-282-1000
Ricardo Marquez	FUTI Outdoor	(212) 796-0505 x110
Steven Kim	Access Media	(310) 476-1112
MIKE RILEY	CLEAR CHANNEL AIRPORTS	312-475-3500
SAM HART	" " "	" " "
Sharon Knudsen	New York Telecom Partners	516-294-8604
Alex Steinman	Pulse Media	212 330 8219
Alexandra Engel	GoCard	646-358-1035
Anna Fountas	Warner Wolf	646-840-0550
CHRIS YOUNG	VISTA MEDIA	718-784-3339
ROSARIO MANETTA	VISTA MEDIA	718-784-3339
Toby Stuck	Clear Channel	(312) 475-3500
Jeffrey Kim	Garrick-Clay	(212) 850-0373
Kerry Allen	Viacom	973 575 6400
Rachel Hofmann	PA	x6920
Eric Zemsky	National Legal Source	212.779.9779
TJ Stock	Port Authority	212-435-3436

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 2, 2005

ADDENDUM #2

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

1. Question: How many rail cars are in the PATH fleet?
   Answer: There are 327 cars active for passenger use. From 2008 to 2011 the Port Authority is scheduled to receive 340 new passenger rail cars and will subsequently gradually retire the current fleet.

2. Question: How many rail cars are there in the AirTrain Newark and AirTrain JFK fleets respectively?

Answer: At the AirTrain JFK, there are 32 rail cars. At the Monorail System at Newark Liberty International Airport, there are 108 rail cars.

3. Question: Do the PATH railcars operate as singles or married pairs?
   Answer: PATH railcars operate as singles.

4. Question: In Section 4, Page 11, what is your definition of "certified financial statements"?
   Answer: Certified Financial Statements are defined as company financial information including but not limited to the Proposer's company assets, liabilities, net worth, revenue, expenses, profit or loss and cash flow including applicable notes for the most recent calendar year reviewed and compiled by an independent accounting firm.

5. Question: The RFP references "subcontractors" in several places. How should we respond if, at this time, we have not selected our subcontractors?
   Answer: At the time of submission of the Proposal, companies do not have to specifically identify subcontractors. If the selection has not been made but the area of subcontractor services is determined, please include.

6. Question: Please list the agreements, and respective subject matter of such agreements, referred to in the second bullet point under "Notes Regarding The Above Facilities" on page 76.
   Answer: There are two agreements and the subject matter of both agreements is for various advertising services. Agreement one is with Black Experience, Inc. for PATHvision for PATH advisory notices, news information and advertising at over 200 television screens located throughout the system at PATH stations. Agreement two is with Submedia, LLC for one illuminated advertising sign at two locations in the PATH train tunnels.

7. Question: Are we allowed to propose an advertising idea for only one structure? If so, is it recommended that we include visuals?
   Answer: Yes, you may propose an advertising idea for only one structure. Proposers may include visuals.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Avolar Construction, Inc.

INITIALED: J.D.C

DATE: June 8, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

Addendum #3

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 3, 2005

ADDENDUM #3

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

Question: Does the Port Authority have any historical advertising sales figures?
Answer: Yes, the Port Authority has attached a Ten Year Profile of Advertising Sales at the Authority's Airports. Proposers are cautioned that these figures are estimated only and may not represent each and every sale generated through its advertising agreements. This Profile is for information purposes only. Proposers are reminded that the above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Avolar Construction, Inc.

INITIALED: J.P.C.

DATE: June 8, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

ADVERTISING PERMIT
TEN YEAR PROFILE - ADVERTISING SALES
NEWARK, KENNEDY, & LAGUARDIA AIRPORT

EWR

YEAR	ADVERTISING SALES
EWR 1995	$2,576,471
EWR 1996	$2,851,140
EWR 1997	$3,813,334
EWR 1998	$5,169,236
EWR 1999	$7,521,687
EWR 2000	$11,125,693
EWR 2001	$7,699,533
EWR 2002	$6,848,751
EWR 2003	$8,765,370
EWR 2004	$8,592,766

JFK

YEAR	ADVERTISING SALES
JFK - 1996	$6,162,518.00
JFK - 1997	$7,927,062.00
JFK - 1998	$11,819,001.71
JFK - 1999	$14,411,834.67
JFK - 2000	$19,937,032.98
JFK - 2001	$14,195,537.18
JFK - 2002	$10,638,425.80
JFK - 2003	$15,308,172.96
JFK -2004	$16,042,602.40

LGA

YEAR	ADVERTISING SALES
LGA - 1996	$2,904,725.00
LGA - 1997	$4,451,590.00
LGA - 1998	$5,989,036.93
LGA - 1999	$8,245,371.82
LGA - 2000	$11,478,581.04

LGA - 2001	$9,336,427.13
LGA - 2002	$6,191,737.04
LGA - 2003	$6,789,247.47
LGA - 2004	$7,006,291.82

Addendum #4

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 6, 2005

ADDENDUM #4

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

Question: Does the Port Authority have any historical gross advertising sales figures for the Bus Terminal, George Washington Bridge Bus Station, PATH and/or Journal Square?
Answer: Yes, the Port Authority has attached Advertisement Sales at those facilities. Proposers are cautioned that these figures are estimated only and may not represent each and every sale generated through its advertising agreements. This Profile is for information purposes only. Vendors should also note that advertising locations within facilities may change from time to time dependent upon facility needs. Proposers are reminded that the

above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Avolar Construction, Inc.

INITIALED: L.D.C.

DATE: June 8, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

1999 - 2004
Gross Advertisement Sales
at Port Authority Bus Terminal, GWB Bus Station,
PATH, JSTC

Facility	YEAR	Advertisement Sales
PABT (T06)		
	1999	$719,195
	2000	$2,454,750
	2001	$1,116,250
	2002	$629,763
	2003	$1,090,053
	2004	$1,095,316
GWBBS (T07)		
	1999	$ 74,628
	2000	114,586
	2001	73,448
	2002	80,458
	2003	81,924
	2004	39,293
PATH (R02)		
	1999	$ 4,537,000
	2000	6,019,497
	2001	3,684,917
	2002	2,512,668
	2003	2,530,342
	2004	2,054,518
JSTC (R21)		
	1999	$ -
	2000	8,000
	2001	161,843
	2002	103,345
	2003	
	2004	

Addendum #5

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 7, 2005

ADDENDUM #5

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

THE PROPOSAL DUE DATE HAS BEEN CHANGED TO MONDAY, JUNE 13, 2005 NO LATER THAT 4:00 PM.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: Avolar Construction, Inc.

INITIALED: L.D.C.

DATE: June 7, 2005

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

J. Acceptance of Standard Contract Terms and Conditions

Avolar Construction, Inc. agrees with **Attachment B, Part I - Contract Specific Terms and Conditions** (attached hereto)

9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

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

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

Avolar Construction, Inc.
(Company)

Luz D. Colón
(Signature)

President
(Title)

June 8, 2005
(Date)

Freedom of Information – Port Authority Policy and Procedure

In 1977, the Committee adopted a policy for access by the public to records maintained by the Port Authority. While based on the policy therefore declared by the States of New York and New Jersey, with respect to access by the public to public records, inasmuch as the respective New York and New Jersey statutes differed (and continue to differ) as to certain policy particulars and provide for different procedures for implementation of the policy, it was deemed desirable for the Committee to adopt a separate Port Authority Policy and Procedure. In light of action new being taken by the Board with respect to open public meetings, it is appropriate at this time to restate the basic principles and reflect necessary procedural changes.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Burgos, Hellmuth, Henderson and Kaltenbacher voting in favor, none against:

> **RESOLVED,** that government, including the activities and decisions of The Port Authority of New York and New Jersey (and its wholly-owned subsidiary corporations) is the public's business and therefore the public should have access to the records of the Port Authority (and its subsidiaries) as herein provided for; and it is further
>
> **RESOLVED,** that the resolution of the Committee on Operations adopted on September 28, 1977, regarding Freedom of Information (which resolution appears at pages 12 et seq. Of the Committee Minutes for that date) shall be, and it hereby is rescinded; and it is further
>
> **RESOLVED,** that all records of the Port Authority (and its subsidiaries), including records stored electronically such as on computer tapes or disks, shall be made available for public inspection and copying, except that such access may be denied as to records or portions of thereof which:

(1) are rendered confidential or privileged or are exempted from disclosure by Federal or state law or regulations or rules of the court;

(2) if disclosed, would constitute an unwarranted invasion of personal privacy (including personnel, medical, or disciplinary records, and any lists of names and address to be used for profit or financial gain);

(3) if disclosed, would impair present or future awards or negotiations, including collective bargaining or negotiations, of leases, permits, zoning approvals, contracts, or other agreements;

(4) are trade secrets or are maintained for the regulation or supervision of commercial enterprise which, if disclosed, would cause injury to the competitive position of the enterprise;

(5) are compiled for public safety, law enforcement, or official investigative purposes (internal or external) when their disclosure may affect public safety, interfere with internal investigations, audits, law enforcement investigations, or judicial or disciplinary proceedings, or deny or prejudice a right to a fair trial or impartial adjudication, or identify a confidential source or disclose confidential information relating to an audit or a civil, criminal, or internal or external disciplinary investigation.

(6) if disclosed, would endanger the life and safety of any person;

(7) are inter-agency or intra-agency materials other than statistical or factual tabulations of data, provided that instructions to staff that affect public or final agency policy or determinations are not exempted;

(8) are examination questions or answers which are requested prior to final administration of such questions; or

(9) could affect or impact the competitive economic position of the Port District, the Port Authority, or specific business entities with which the Port Authority deals;

and it is further

RESOLVED, that the Secretary of the Port Authority shall maintain a current list of subject nature and category of all records in the possession of the Port Authority (and its subsidiaries) whether or not they are available for public copying and inspection, and the Secretary shall, under the direction of the Executive Director, administer the following rules and regulations with respect to public inspection and copying are available records:

Procedures

1. Requests for inspection or copying of public records of the Port Authority shall be made to the Secretary of the Port Authority upon a form prescribed by the Port Authority and shall contain sufficient information to identify the particular record sought. Such requests shall be made either:
   (1) In person during regular business hours at the Port Authority's main office or
   (2) By mailing such request, postage prepaid to said Secretary, The Port Authority of New York and New Jersey, at the aforesaid address, Attention: FOI Administrator.
2. Upon receipt of a request, the Secretary of the Port Authority shall promptly determine whether or not the record requested can be made available and will notify the person making the request of such determination. If the request is granted, such person shall also be notified where and when the record will be made available. The Port Authority will provide an opportunity for inspection and copying of the record.
3. The record may be inspected only under the supervision of the Secretary of the Port Authority or such other officer or employee as may be designated by the Secretary in the Office of the Secretary during regular business hours or at such other times or places as the Secretary deems convenient.
4. (1) Documents which are to be copied will be copied by The Port Authority, if practicable,
   and the person requesting a copy will be charged a fee equal to the Port Authority's cost but no less than 25 cents for each page of the first ten, 15 cents for each page of the second ten, and 10 cents for each additional page. If it is not practicable for the Port Authority to copy such documents, they will be copied commercially and the person requesting the copy will be charged a fee equal to the Port Authority's

cost of such commercial reproduction. Documents which have been purchased by the Port Authority commercially (such as stenographic transcripts) may be copied and the person requesting the copy will be charges a fee no less than the amount paid by the Port Authority for such documents.

(2) A fee of no less than two dollars will be charged for certification by the Secretary of the Port Authority as to authenticity of any document, or that a record of which the Port Authority is legal custodian cannot be found.

(3) In the event a search for records requested requires more than one person hour, or in the event a search of computer records requires programming which would take more than one person hour, a fee will be charged at the rate of not less than five dollars per hour, or any part thereof, per person assigned to such search or programming.

(4) All such fees shall be paid by the person making the request in cash, certified check, or cashier's check, in advance or at any time of the delivery of any record for inspection or copies of any records or certificate referred to in this procedure.

5. The Secretary of the Port Authority, or the Secretary's designee, shall respond to each request within ten business days of the receipt thereof. The response shall provide reasons for the denial of access or copying or a statement of the time and place when the record requested will be made available.

Appeals

A. Any person who is denied access to a public record of the Port Authority (or its subsidiaries) by the Secretary of the Port Authority may file an appeal from such denial with the Port Authority's General Counsel (who serves as Counsel to the subsidiaries).

B. Such appeal shall be accompanied by a memorandum in support thereof setting forth the reasons why the appellant is entitled to access to the record requested.

C. Appeals pursuant to this procedure shall be decided by General Counsel or his/her designee. If the appeal is denied, the reasons therefore shall be explained fully in writing within seven business days of the date on which such appeal is received by General Counsel.

ATTACHMENT B - CONTRACT TERMS AND CONDITIONS FOR FACILITY SERVICES

TABLE OF CONTENTS

PART 1 - CONTRACT SPECIFIC TERMS AND CONDITIONS

1. Introduction and Description of Services
2. Duration of Contract
3. Billing and Payment
4. Services
5. General Provisions
6. Intellectual Property
7. Termination of Agreement with Cause
8. Insurance Procured by the Contractor
9. Certain Contractor's Warranties
10. Applicable Law
11. Authority of the Director
12. Authority and Duties of the Manager
13. Parking
14. Holidays
15. Letter of Credit
16. Payment and Performance Bond

PART 2 - STANDARD CONTRACT TERMS AND CONDITIONS

PART I - CONTRACT SPECIFIC TERMS AND CONDITIONS

1. Introduction and Description of Services

Subject to the terms and conditions of the Contract, the Contractor hereby offers and agrees to furnish and provide to the Port Authority of New York and New Jersey (" The Port Authority" or "the Authority") all aspects of the broadest possible range of Outdoor Advertising, New Media, Specialty Media, and any other related Out-of-Home Advertising concepts to generate maximum revenue for the Port Authority from non-toll and fare sources. This Contract is a non-exclusive agreement.

The scope of services required in connection with the development and implementation of Outdoor Advertising and any other related Out-of-Home Advertising sales, (hereinafter sometimes referred to as the "Services"), at Port Authority facilities and property covered by the Contract, shall include, but not be limited to, the furnishing, installation and removal of materials and products produced for Out-of-Home advertising sales purposes.

Those facilities and properties covered by this Contract are listed in **Attachment D.** The Contractor will furnish all the necessary research, sales, design, contract drawings, labor, supervision, uniforms, equipment, materials, supplies and do all other things necessary or proper therefore, or incidental thereto, in fulfilling the Scope of Work detailed in this RFP, all in strict accordance with the provisions of the Contract documents and any future changes therein; and the Contractor further agrees to assume and perform all other duties and obligations imposed upon him/her by this Contract. All things not expressly mentioned in the Scope of Work but involved in carrying out its intent are required by the Scope of Work and the Contractor shall perform the same as though they were specifically mentioned, described and delineated.

The Port Authority makes no representation or warranties as to the size, location, adequacy or suitability of any area designated for the Contractor's use pursuant to the provisions of this Contract.

The Contractor shall be responsible for all tasks and associated cost required to construct, maintain and operate all outdoor and out-of-home advertising locations, new media, and other alternative outdoor media installations, and shall be responsible for managing the advertising content, in accordance with the Port Authority's advertising content guidelines. All outdoor advertising/ billboard/new media locations and installations, and content, must be approved in writing by the Port Authority prior to the commencement of any work, or installation of advertising material.

Advertising contracts shall be between the Contractor and the advertisers. The Port Authority shall not be party to such contracts. The enumeration in these contract documents of particular things to be furnished or done at the Contractor's expense, or without cost or expense to the Port Authority, or without additional compensation to the Contractor shall not be deemed to imply that only things of a nature similar to those enumerated shall be furnished and done; but the Contractor shall perform all work as required without compensation, whatsoever changes may be made in the Contract, whatsoever work may be required in addition to that required by the Contract in its present form, and whatsoever obstacles or unforeseen conditions may arise or be encountered.

This Contract and obligations of the Parties shall be subject to the provisions of Attachment G, Advertising Guidelines—Abstract.

2. Duration of Contract

A. The term of the Contract shall be fully negotiated with the Contractor, commencing on or about the Contract Effective Date at 12:01 a.m. (said date and time hereinafter sometimes called "the Commencement Date") and unless sooner terminated or revoked (or extended as provided herein) shall expire on or about the Contract Expiration Date at 11:59 p.m. (said date and time sometimes hereinafter called "the Expiration Date"). The Duration of this Contract is dependent upon the Proposers solution and recommendations. Contract Duration and renewal options are subject to final negotiation with the Port Authority and Proposer. Duration recommendations will include a contract base period and/or renewable option periods. Contract Effective Date and Contract Expiration Date will be stated in the Letter of Acceptance at the time of award.

B. The Port Authority shall have the unilateral right, but not the obligation, to extend this Contract for negotiated option periods as agreed to between the Contractor and Port Authority at the time of award, from the Expiration Date originally fixed herein upon the same terms and conditions subject to the following: not later than six months (120 days) prior to the Expiration Date of this Contract as the same may be extended from time-to-time hereunder, the Port Authority may send a notice of intention to extend the term of this Contract, as aforesaid, and the term of the Contract shall thereupon be extended for the applicable extension period subject only to adjustment of charges as hereinafter provided. However, six (6) months prior to the expiration of the initial period the Contractor must notify the Port Authority in writing of their intent not to continue the Contract for the extension period, in which case the Port Authority shall not have the right to extend.

C. The Port Authority shall have the absolute right to extend this Contract for an additional one hundred twenty (120) day period subsequent to the original base period or the exercised option extension periods hereinbefore established, if applicable, subject to the same terms and conditions of the original Contract term. The Port Authority will advise the Contractor, in writing, at least sixty (60) days prior to the Expiration Date hereinbefore established that the Contract term is so extended. Contract compensation shall not change from that in the previous contract year.

3. Billing and Payment

Proposers shall pay to the Port Authority

A. Gross Receipts Percentage Fee: No later than the twentieth (20th) calendar day of each and every month occurring during each annual period, the

Contractor shall pay the Port Authority without demand or invoice a Percentage Fee of gross revenues, as referenced above in this section. The Percentage Fee portion of the monthly payment will be calculated based on the Contractor's combined advertising and marketing gross receipts received in accordance with this Contract.
The Contractor shall provide the Port Authority a sworn statement showing all of the gross receipts for the preceding month, separately stating the amount of gross receipts arising from each advertising unit and/or display and outdoor advertising product, and showing the cumulative amount of such gross receipts from the date of the commencement of the annual period for which the report is made through the last day of the preceding calendar month.

B. Monthly Sales Accounting and Reporting: The Contractor shall provide a report including the name of the advertiser, gross monthly rate and amount due to the Port Authority detailing total monthly Outdoor Advertising and all other related Out-of-Home Advertising sales for each location and unit in operation. The Port Authority may request, and the Contractor shall provide, copies of the advertising agreements (media sales contracts) executed between the Contractor and the advertisers for each location and unit, on a monthly basis.

A late charge, in the amount equal to point zero eight percent (0.8%) of payments due, is automatically assessed to the Contractor if such payments are made for every fifteen day period (15) beyond the due dates as specified above, and point zero eight percent (0.8%) for each 15-day period thereafter.

The Contractor shall keep accounting records of all such revenues, pursuant to generally accepted accounting principles, which shall be subject to Port Authority audit.

4. Services

The Contractor is expected to handle all aspects of Outdoor and Out-of-Home Advertising, and all other related sales promotion, research, and specialized sales required in relation to the sale of advertising placed on the outdoor advertising units and locations. The Contractor is responsible for the development, production, finishing, installation, removal and all other aspects of Outdoor Advertising sales under this Contract. The Contractor will obtain all applicable permits and zoning approvals, prepare and or construct, install and maintain all Outdoor Advertising, and all other related Out-of-Home Advertising sales products, market data, product specifications, and all Outdoor Advertising contract agreements, at no cost to the Port Authority. The Contractor shall pay all applicable taxes, imposts and fees. Contracts shall be between the Contractor and the advertisers for all aspects of Outdoor Advertising sales.

No advertising material of any kind nor any announcement shall be displayed, shown, exhibited, or disseminated by the Contractor unless the Port Authority has given prior written approval as to the type, quality, kind, form, substance, character and content thereof. All such content and the operation and maintenance thereof shall meet the

written approval of the Port Authority, in accordance with the Authority's advertising guidelines. Advertisements disapproved by the Port Authority shall be immediately discontinued and removed from the site by the Contractor within forty-eight (48) hours on notice of the Port Authority.

The Contractor must ensure that all outdoor advertising and related promotional signage placements are in full compliance with the general rules, Advertising Guidelines Abstract, Attachment G and regulations of the Port Authority and all requirements of applicable law. The Contractor must indemnify the Port Authority against all claims of intellectual property infringement, libel, slander, or other defamation arising out of the Contractor's performance of this Contract.

The Port Authority reserves the right to reject any suggestions or recommendations from the Contractor. The Contractor shall have no claim against the Port Authority nor shall the Port Authority be legally obligated to the Contractor for any such rejection. The Port Authority shall not be responsible to the Contractor for any anticipated revenues and/or any associated costs associated with rejected suggestions/recommendations.

5. General Provisions

A. No certificate, acceptance of payment, (final or otherwise), acceptance of any work nor any other act or omission of the Port Authority shall operate to release Contractor from any obligations under or in connection with this Agreement, or to stop the Port Authority from showing at any time, that such certificate, payment, acceptance, act or omission was incorrect or to preclude the Port Authority from recovering any unpaid monies paid other than that lawfully due, whether under mistake of law or fact or to prevent the recovery of any damages sustained by the Port Authority.

B. The Contractor shall not issue or permit to be issued any press release, advertisement, or literature of any kind, which refers to the Port Authority or the services to be performed in connection with this Agreement unless it first obtains the written approval of the Port Authority. Such approval may be withheld if for any reason the Port Authority believes that the publication of such information would be harmful to the public interest or is in any way undesirable. Any use of the Port Authority's logo for any purpose in connection with this Contract is subject to the Authority's prior written approval.

C. Under no circumstances shall the Contractor or the Contractor's subcontractors or partners, if any, communicate in any way with any department, board, agency, commission, or other organization or any person whether governmental or private in connection with the services to be performed hereunder except upon prior written approval and instructions of the Port Authority, provided, however, that data from manufacturers and suppliers of materials, devices, equipment and potential advertisers shall be obtained by the Contractor when the Contractor finds such data necessary unless otherwise instructed by the Port Authority.

D. Any services performed for the benefit of the Port Authority at any time by the Contractor or on the Contractor's behalf, even if expressly and duly authorized

by the Port Authority, shall be deemed to be rendered under and subject to this Agreement (unless referable to another expressly written, duly executed agreement by the same parties), whether such additional services are performed prior to, during or subsequent to the services described herein, and no rights or obligations shall arise out of such additional services except as provided under this Agreement.

E. The Contractor shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations of the Port Authority now in effect, and such further rules and regulations which may from time to time during the effective period of this Contract, be promulgated by the Port Authority for reasons of safety, health, preservation of property, or maintenance of a good and orderly appearance of the Facilities, or for the safe and efficient operation of the Facilities. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Contractor of every rule and regulation hereafter adopted by it. You shall comply with all applicable provisions of law as if the Port Authority were a private corporation.

F. This Contract does not constitute the Contractor as an agent or representative of the Port Authority for any purpose whatsoever. The Contractor shall perform all services hereunder as an independent Contractor and the Contractor, its officers, and employees shall not be deemed to be agents, servants, or employees of the Port Authority.

6. Intellectual Property

The right of the Port Authority as well as the Contractor to use all patented material, compositions of matter, manufactures, apparatus, appliances, processes of manufacture or types of construction as well as any copyrightable matter, trade secrets or other proprietary matters, shall be obtained by the Contractor without compensation from the Port Authority whether the same is patented or created before, during or after the performance of the Work.

7. Termination of Agreement for Cause

The Port Authority may at any time for cause terminate this Agreement or any portion of the Agreement as to any services not yet rendered upon thirty (30) days written notice to the Contractor. The Contractor shall have no right of termination as to any services under this Agreement without just cause. Termination by either party shall be by certified letter addressed to the other at its address herein after set forth. Should this Agreement be terminated by either party as above provided, the Port Authority shall be entitled to all payments under this Agreement as pro-rated to the date of termination.

Upon such revocation, all installations, equipment, and facilities installed by the Contractor pursuant to the permission granted hereunder, including, without limitation, any advertising displays, billboards, signage, and equipment, but excluding the structural grid, and the electrical and operational equipment installed

by the Contractor to operate the displays, billboards, outdoor advertising and signage installed pursuant to the terms of this Agreement shall be removed by the Contractor from the areas of the Facilities as directed by the Port Authority.

8. Insurance Procured by the Contractor

The Contractor shall take out, maintain, and pay the premiums on Commercial General Liability Insurance, including but not limited to premises-operations, products-completed operations, and independent contractors coverage, advertising injury, with contractual liability language covering the obligations assumed by the Contractor under this Contract and, if vehicles are to be used to carry out the performance of this Contract, then the Contractor shall also take out, maintain, and pay the premiums on Automobile Liability Insurance covering owned, non-owned, and hired autos in the following minimum limits:

Commercial General Liability Insurance - $ 5 million combined single limit per occurrence for bodily injury and property damage liability.

Automobile Liability Insurance - $ 2 million combined single limit per accident for bodily injury and property damage liability.

In addition, the liability policy (ies) shall name The Port Authority of NY and NJ as additional insured, including but not limited to premise-operations, products-completed operations on the Commercial General Liability Policy. Moreover, the Commercial General Liability Policy shall not contain any provisions for exclusions from liability other than provisions for exclusion from liability forming part of the most up to date ISO form or its equivalent unendorsed Commercial General Liability Policy. The liability policy (ies) and certificate of insurance shall contain cross-liability language providing severability of interests so that coverage will respond as if separate policies were in force for each insured. These insurance requirements shall be in effect for the duration of the Contract to include any warrantee/guarantee period.

The certificate of insurance and liability policy (ies) must contain the following endorsement for the above liability coverages:

"The insurer(s) shall not, without obtaining the express advance written permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the Tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority."

The Contractor shall also take out, maintain, and pay premiums on Workers' Compensation Insurance in accordance with the requirements of law in the state(s) where work will take place, and Employer's Liability Insurance with limits of not less than $1 million for each accident.

Each policy above shall contain a provision that the policy may not be canceled, terminated, or modified without thirty (30) days prior written notice to the Port Authority of NY and NJ, Att: Facility Contract Administrator, at the location where the work will take place and to the General Manager, Risk Management.

The Port Authority may at any time during the term of this Agreement change or modify the limits and coverages of insurance.

Within five (5) days after the award of this Agreement or Contract and prior to the start of work, the Contractor must submit an original certificate of insurance, to the Port Authority of NY and NJ, Facility Contract Administrator, at the location where the work will take place. <u>This certificate of insurance MUST show evidence of the above insurance policy (ies), stating the agreement/contract number</u> prior to the start of work. The General Manager, Risk Management must approve the certificate(s) of insurance before any work can begin. Upon request by the Port Authority, the Contractor shall furnish to the General Manager, Risk Management, a certified copy of each policy, including the premiums.

If at any time the above liability insurance should be canceled, terminated, or modified so that the insurance is not in effect as above required, then, if the Manager shall so direct, the Contractor shall suspend performance of the Contract at the premises. If the Contract is so suspended, no extension of time shall be due on account thereof. If the Contract is not suspended (whether or not because of omission of the Manager to order suspension), then the Authority may, at its option, obtain insurance affording coverage equal to the above required, the cost of such insurance to be payable by the Contractor to the Port Authority.

Renewal certificates of insurance or policies shall be delivered to the Facility Contractor Administrator, Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. The General Manager, Risk Management must approve the renewal certificate(s) of insurance before work can resume on the facility. If at any time any of the certificates or policies shall become unsatisfactory to the Port Authority, the Contractor shall promptly obtain a new and satisfactory certificate and policy.

The requirements for insurance procured by the Contractor shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Contractor under this Contract. The insurance requirements are not a representation by the Authority as to the adequacy of the insurance to protect the Contractor against the obligations imposed on them by law or by this or any other Contract. **(CITS #2461N – OUTDOOR RFP).**

9. Certain Contractor's Warranties

The Contractor represents and warrants:

A. That he/she is financially responsible and experienced in, and competent to perform this Contract; that no representation, promise or statement, oral or in writing, has induced him/her to submit his Proposal, saving only those contained in the papers expressly made part of this Contract; that the facts stated or shown in any papers submitted or referred to in connection with his/her proposal are true; and, if the Contractor be a corporation, that it is authorized to perform this Contract;

B. That he/she has carefully examined and analyzed the provisions and requirements of this Contract, that from his/her own investigations he/she has satisfied himself as to the nature of all things needed for the performance of this Contract, the general and local conditions and all other matters which in any way affect this Contract or its performance, and that the time available to him/her for such examination, analysis, inspection and investigations was adequate;

C. That the Contract is feasible of performance in accordance with all its provisions and requirements and that he/she can and will perform it in strict accordance with such provisions and requirements;

D. That no Commissioner, Director, officer, agent or employee of the Port Authority is personally interested directly or indirectly in this Contract or the compensation to be paid hereunder;

E. That, except only for those representations, statements or promises expressly contained in this Contract, no representation, statement or promise, oral or in writing, of any kind whatsoever by the Port Authority, its Directors, Commissioners, officers: agents: employees or consultants has induced the Contractor to enter into this Contract or has been relied upon by the Contractor, including any with reference to: (1) the meaning, correctness, suitability or completeness of any provisions or requirements of this Contract; (2) the nature, existence or location of materials, structures, obstructions, utilities or conditions, which may be encountered at the installation sites; (3) the nature, quantity, quality or size of the materials, equipment, labor and other facilities needed for the performance of this Contract; (4) the general or local conditions which may in any way affect this Contract or its performance; (5) the price of the Contract; or (6) any other matters, whether similar to or different from those referred to in (1) through (5) immediately above, affecting or having any connection with this Contract, the bidding thereon, any discussions thereof, the performance thereof or those employed therein or connected or concerned therewith.

F. That, notwithstanding any requirements of this Contract, any inspection or approval of the Contractor's services by the Port Authority, or the existence of any patent or trade name, the Contractor nevertheless warrants and represents that the services and any intellectual property supplied to the Port Authority hereunder shall be of the best quality and shall be fully fit for the purpose for which they are to be used. The Contractor unconditionally guarantees against defects or failures of any kind, including defects or failures in design, workmanship and materials, excepting solely defects or failures which the Contractor demonstrates to the satisfaction of the Port Authority have arisen solely from accident, abuse or fault of the Port Authority and not due to fault on the Contractor's part. In the event of defects or failures in said services, or any part thereof, then upon receipt of

notice thereof from the Port Authority, the Contractor shall correct such defects or failures as may be necessary or desirable, in the sole opinion of the Port Authority, to comply with the above guaranty.

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

Nothing in the Scope of Work or any other part of the Contract is intended as or shall constitute a representation by the Port Authority as to the feasibility of performance of this Contract or any part thereof. Moreover, the Port Authority does not warrant or represent either by issuance of the Scope of Work or by any provision of this Contract as to time for performance or completion or otherwise that the Contract may be performed or completed by the times required herein or by any other times.

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

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

10. Applicable Law

This Contract shall be construed in accordance with the laws of the State of New York. The Contractor hereby consents to the exercise by the courts of the States of New York and New Jersey of jurisdiction in persona over it with respect to any matter arising out of or in connection with this Contract and waives any objection to such jurisdiction which it might otherwise have; and the Contractor agrees that mailing of process by registered mail addressed to it at the address of the Contractor set forth in the Proposal, shall have the same effect as personal service within the States of New York or New Jersey upon a domestic corporation of said State.

All designs for structures to be installed and/or erected on Port Authority property or in or on Port Authority facilities must be signed and stamped by a Professional

Engineer, licensed in the state where the work is to be performed. The Contractor and any partners or joint venture entities and subcontractors must maintain a licensed New York and licensed New Jersey Professional Engineer as applicable.

11. Authority of the Director

Inasmuch as the public interest requires that the Work to which this Contract relates shall be performed in the manner which the Authority, acting through the Director, deems best, the Director shall have absolute authority to determine what is or is not necessary or proper for or incidental to the portion thereof specified in the clause hereof entitled "General Agreement" and the Specifications shall be deemed merely his/her present determination on this point. In the exercise of this authority, he/she shall have power, subject to the provisions governing the work, to alter the Specifications; require the performance of Work not required by them in their present form, even though of a totally different character from that now required; and to vary, increase and diminish the character, quantity and quality of, or to countermand any Work now or hereafter required. Such variation, increase, diminution or countermanding need not be based on necessity but may be based on convenience. As used in this Agreement "Director" shall mean the Director of Real Estate and/or designee.

12. Authority and Duties of the Manager

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

13. Parking

Parking for vehicles of the Contractor's and subcontractor's employees while actually on duty under the Contract may be made available at the Facility by the Manager at his or her discretion, from time to time, and on such terms and conditions as may be specified by the Port Authority, including the payment of charges therefore.

14. Holidays

The following legal holidays are observed at Port Authority offices and facilities:

New Year's Day
Martin Luther King, Jr. Day
President's Day
Memorial Day
Independence Day
Labor Day
Columbus Day
Veteran's Day
Thanksgiving Day
Day After Thanksgiving
Christmas Day

and each general election day in the State in which the work is to be performed, and such other or different days or dates as may be declared holidays or legal holidays by the legislature of the State in which the work is to be performed.

If any such holiday falls on a Sunday then the next day shall be considered the holiday and/or if any such holiday falls on a Saturday then the preceding day shall be considered the holiday.

The Contractor shall obtain clearances from the Manager to work on Port Authority property on any and all days, including holidays, in accordance with the performance of this Contract.

15. *Letter of Credit*

The Contractor may at any time as a condition of contract award or during the term of this Contract be required by the Authority to delivery to the Port Authority, as security of all obligations of the Contractor under this Agreement, either a security deposit for the faithful performance of the Contractor's obligation under this contract or a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District, in favor of the Port Authority, in an amount t of two months revenue or more of estimated revenue to be paid by the Contractor to the Authority. The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the term of the Contract hereunder and for a period of not less than six (6) months thereafter; such continuance may be by automatic renewal or by substitution of a subsequent satisfactory letter. Upon notice of cancellation of a letter of credit the Contractor agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by substitute security in accordance with the requirements of the Authority or another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security. Failure to provide such a letter of credit at any time during the term of the Contract hereunder, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of this Contract on the part of the Contractor. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Contractor made thereafter, the Port Authority will return the security deposit, if any, theretofore made

under and in accordance with the provisions of this Section or as required by the Authority. The Contractor shall have the same rights to receive such deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the term of the Contract under this agreement and fulfillment of the obligations of the Contractor hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Contractor shall bring this letter of credit back up to its full amount.

At any time and from time to time hereunder, should the Port Authority feel insecure with respect to the amount of the security required under this section, the Port Authority shall have the right, in its sole and absolute discretion, to increase such amount upon notice by the Port Authority to the Contractor to such effect and within two business days hereafter the Contractor shall deposit with the Port Authority such additional cash or bonds or such letter of credit to bring the security under this Section up to the full amount stated by the Port Authority in said notice.

16. Performance and Payment Bond

The Authority may in its sole discretion so elect at the time of accepting the Contractor's Proposal, to require the Contractor to furnish a bond for the faithful performance of all construction obligations imposed upon him/her by the Contract and also for the payment of all lawful claims of subcontractors, materialmen and workmen arising out of the performance of the Contractor's construction obligations under the Contract. Such bond shall be in the form bound herewith entitled, "Performance and Payment Bond", shall be in a penal sum equal to a negotiated amount based upon the Contractor's financial obligations for construction under the Contract and such bond shall be signed by one or more sureties[1] satisfactory to the Authority The bond may be executed on a separate copy of such form not physically attached to this Contract booklet. In any case, both the form of bond bound herewith and any unattached executed copy thereof shall form a part of this Form of Contract as though herein set forth in full.

At any time after the opening of Proposals, the Authority may give notice to one or more Proposers to advise the Authority as to the names of their proposed sureties. Within forty-eight hours thereafter each Proposer so notified shall so advise the Authority. The giving of such notice to a Proposer shall not be construed as an acceptance of his/her Proposal, and omission to give such notice shall not be construed as an election by the Authority not to require a bond.
If the Authority elects to require the Contractor to furnish a bond, he/she shall deliver such bond to the Authority within seven days after receipt by him/her of the acceptance of his/her Proposal, and the sureties thereon shall be as proposed by him/her, provided, that if the Authority has theretofore given notice to him/her that his/her proposed sureties

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1 Sureties must be corporations (commonly known as "surety companies"), authorized to do business as sureties in the state(s) in which the construction site is located, whose names appear on the current list of the Treasury Department of the United States in effect at the time of submission of the Performance and Payment Bond to the Authority as acceptable as sureties to the Treasury Department. In addition, the aggregate underwriting limitations on any one risk as set forth in the aforementioned list of the Treasury Department of the sureties shall equal or exceed the penal sum of the Performance and Payment Bond.

or any of them are not satisfactory, the bond shall be executed by other sureties satisfactory to the Authority.
The Authority shall give notice to the Contractor within ten (10) days after receipt of the Performance and Payment Bond as to whether or not such bond is satisfactory.
In the event of a default by the Contractor in his/her obligation to furnish a satisfactory bond within seven (7) days after he/she received an acceptance of his/her Proposal, such default shall entitle the Authority in its discretion to terminate this Contract at any time within forty-five (45) days after the acceptance of the Proposal, without any liability on the part of the Authority. Inasmuch as the damages to the Authority resulting from a termination by it upon the failure of the Contractor to furnish a satisfactory bond will include items whose accurate amount will be difficult or impossible to compute, such damages shall be liquidated in the sum of the following amounts:
The difference between $ INSERT A CONSERVATIVE ESTIMATE OF TOTAL REVENUES_TO BE EARNED UNDER THIS CONTRACT times the percentage of gross revenues to be paid to the Authority as agreed to by the Contractor and $_SAME AMOUNT times the percentage of gross revenues to be paid to the Authority by the successor contractor; and_____
The expense of such new advertisement of the Contract, if any, as may be deemed necessary by the Authority; and
The sum of $500 for each day after the receipt by the Contractor of the acceptance of his/her Proposal that the performance of the Contract is not commenced by reason of the failure of the Contractor to furnish the required bond.

If the Contractor furnishes a bond in accordance with the requirements of the Authority under this numbered clause, the Authority shall reimburse the Contractor for the net amount actually paid by him/her to the surety or sureties as the premium on such bond. The Contractor shall deliver to the Director receipts from the surety or sureties evidencing such payment and the amount thereof. Within fifteen days after receipt of such evidence satisfactory to the Director, the Authority shall pay to the Contractor by check the amount provided in this numbered clause.
If at any time the Authority shall be or become dissatisfied with any surety or sureties then upon any bond furnished in accordance with the requirements of the Authority, or if for any other reason such bond shall cease to be adequate security to the Authority, the Contractor shall, within five days after notice from the Authority so to do, substitute a new bond in such form and sum and signed by such other sureties as may be necessary in the opinion of the Authority to constitute adequate security.

PART II – STANDARD CONTRACT TERMS AND CONDITIONS

PART A GENERAL DEFINITIONS

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

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

Contract, Document or Agreement - shall mean the RFP in its entirety and, if included, attachments, endorsements, schedules, exhibits, or drawings, the Authority's acceptance and any written Addenda issued over the name of the Authority's Manager, Purchasing Services Division.

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

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

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

Director - shall mean the Director of the Department overseeing the Scope of Work under this Contract, or his/her successor in duties for the purpose of this Contract, acting personally or through one of his/her authorized representatives for the purpose of this Contract.

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

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

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

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

(a) Black persons having origins in any of the Black African racial groups not of Hispanic origin;

(b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race;

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

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

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

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

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

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

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

controlled by one or more women who are citizens or permanent or resident aliens.

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

PART B GENERAL PROVISIONS

1. Facility Rules and Regulations of The Port Authority

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

   b. A copy of the facility Rules and Regulations of the Port Authority shall be available for review by the Contractor at the Office of the Secretary of the Port Authority.

2. Contractor Not An Agent

This Agreement does not constitute the Contractor the agent or representative of the Port Authority for any purpose whatsoever except as may be specifically provided in this Agreement. It is hereby specifically acknowledged and understood that the Contractor, in performing its services hereunder, is and shall be at all times an independent Contractor and the officers, agents and employees of the Contractor shall not be or be deemed to be agents, servants or employees of the Port Authority.

3. Contractor's Warranties

The Contractor represents and warrants:

a. That it is financially solvent, that it is experienced in and competent to perform the requirements of this Contract, that the facts stated or shown in any papers submitted or referred to in connection with its Proposal are true, and, if the Contractor be a corporation, that it is authorized to perform this Contract;

b. That it has carefully examined and analyzed the provisions and requirements of this Contract, and that from its own investigations it has satisfied itself as to the nature of all things needed for the performance of this Contract, the general and local conditions and all other matters which in any way affect this Contract or its performance, and that the time available to it for such examination, analysis, inspection and investigation was adequate;

c. That the Contract is feasible of performance in accordance with all its provisions and requirements and that it can and will perform it in strict accordance with such provisions and requirements;

d. That no Commissioner, officer, agent or employee of the Port Authority is personally interested directly or indirectly in this Contract or the compensation to be paid hereunder;

e. That, except only for those representations, statements or promises expressly contained in this Contract, no representation, statement or promise, oral or in writing, of any kind whatsoever by the Port Authority, its Commissioners, officers, agents, employees or consultants has induced the Contractor to enter into this Contract or has been relied upon by the Contractor, including any with reference to: (1) the meaning, correctness, suitability, or completeness of any provisions or requirements of this Contract; (2) the nature, quantity, quality or size of the materials, equipment, labor and other facilities needed for the performance of this Contract; (3) the general or local conditions which may in any way affect this Contract or its performance; (4) the price of the Contract; or (5) any other matters, whether similar to or different from those referred to in (1) through (4) immediately above, affecting or having any connection with this Contract, the bidding thereon, any discussions thereof, the performance thereof or those employed therein or connected or concerned therewith.

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

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

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

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

4. Personal Non-Liability

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

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

a. The Contractor is advised to ascertain and comply with all applicable federal, State and local statutes, ordinances, rules and regulations and, federal Executive Orders, pertaining to equal employment opportunity, affirmative action, and non-discrimination in employment.

b. Without limiting the generality of any other term or provision of this Contract, in the event of the Contractor's non-compliance with the equal opportunity and non-discrimination clause of this Contract, or with any of such statutes, ordinances, rules, regulations or Orders, this Contract may be cancelled, terminated or suspended in whole or in part.

6. Rights and Remedies of the Port Authority

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

a. The right to take over and complete the Work or any part thereof as agent for and at the expense of the Contractor, either directly or through others.

b. The right to cancel this Contract as to any or all of the Work yet to be performed.

c. The right to specific performance, an injunction or any appropriate equitable remedy.

d. The right to money damages.

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

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

7. Rights and Remedies of the Contractor

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

8. Submission To Jurisdiction

The Contractor hereby irrevocably submits itself to the jurisdiction of the Courts of the State of New York and New Jersey, in regard to any controversy

arising out of, connected with, or in any way concerning this Contract.

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

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

9. Harmony

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

The Contractor shall immediately give notice to the Port Authority (to be followed by written notices and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Contractor shall use its best efforts to resolve any such complaint, trouble, dispute or controversy. If any type of strike, boycott, picketing, work stoppage, slowdown or other labor activity is directed against the Contractor at the Facility or against any operations of the Contractor under this Contract, whether or not caused by the employees of the Contractor, and if any of the foregoing, in the opinion of the Port Authority, results or is likely to result in any curtailment or diminution of the services to be performed hereunder or to interfere with or affect the operations of the Port Authority, or to interfere with or affect the operations of lessees, licensees, or other users of the Facility or in the event of any other cessation or stoppage of operations by the Contractor hereunder for any reason whatsoever, the Port Authority shall have the right at any time during the continuance thereof to suspend the operations of the Contractor under this Contract, and during the period of the suspension the Contractor shall not perform its services hereunder and the Port Authority shall have the right during said period to itself or by any third person or persons selected

by it to perform said services of the Contractor using the equipment which is used by the Contractor in its operations hereunder as the Port Authority deems necessary and without cost to the Port Authority. During such time of suspension, the Contractor shall not be entitled to any compensation. Any flat fees, including management fees, shall be prorated. Prior to the exercise of such right by the Port Authority, it shall give the Contractor notice thereof, which notice may be oral. No exercise by the Port Authority of the rights granted to it in the above subparagraph shall be or be deemed to be a waiver of any rights of termination or revocation contained in this Contract or a waiver of any rights or remedies which may be available to the Port Authority under this Contract or otherwise.

b. During the time that the Contractor is performing the contract, other persons may be engaged in other operations on or about the worksite including Facility operations, pedestrian, bus and vehicular traffic and other Contractors performing at the worksite, all of which shall remain uninterrupted.
The Contractor shall so plan and conduct his/her operations as to work in harmony with others engaged at the site and not to delay, endanger or interfere with the operation of others (whether or not specifically mentioned above), all to the best interests of the Port Authority and the public as may be directed by the Port Authority.

10. Claims of Third Persons

The Contractor undertakes to pay all claims lawfully made against it by subcontractors, suppliers and workers, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of this Contract and to cause all subcontractors to pay all such claims lawfully made against them.

11. No Third Party Rights

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

12. Provisions of Law Deemed Inserted

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

13. Costs Assumed By The Contractor

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

14. Default, Revocation or Suspension of Contract

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

1. If fire or other cause shall destroy all or a substantial part of the Facility;

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

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

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

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

1. The Contractor shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or

of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or

2. By order or decree of a court the Contractor shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors, or, if the Contractor is a corporation, by any of the stockholders of the Contractor, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

3. A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Contractor and shall not be dismissed within thirty (30) days after the filing thereof; or

4. The interest of the Contractor under this Contract shall be transferred to, passed to or devolve upon, by operation of law or otherwise, any other person, firm or corporation, or

5. The Contractor, if a corporation, shall, without the prior written approval of the Port Authority, become a surviving or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

6. If the Contractor is a partnership, and the said partnership shall be dissolved as the result of any act or omission of its copartners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or

7. By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Contractor and such possession or control of all or substantially all of the property of the Contractor and shall continue in effect for a period of fifteen (15) days;

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

effective date of termination.

c. If any of the following shall occur:

1. The Contractor shall cease, abandon any part of the service, desert, stop or discontinue its services in the premises for any reason whatsoever and regardless of the fault of the Contractor; or

2. The Contractor shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Contract on its part to be kept, performed or observed, within five (5) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligations requires activity over a greater period of time, and the Contractor shall have commenced to perform whatever may be required for fulfillment within five (5) days after receipt of notice and continues such performance without interruption except for causes beyond its control); then upon the occurrence of any such event or during the continuance thereof, the Port Authority shall have the right on twenty four (24) hours notice to the Contractor to terminate this Contract and the rights of the Contractor hereunder, termination to be effective upon the date and time specified in such notice. Termination shall not relieve the Contractor of any liabilities which shall have accrued on or prior to the effective date of termination.

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

e. (Reserved)

f. (Reserved)

g. Any right of termination contained in this paragraph, shall be in addition to and not in lieu of any and all rights and remedies that the Port Authority shall have at law or in equity consequent upon the Contractor's breach of this Contract and shall be without prejudice to any and all such other rights and remedies. It is hereby specifically agreed and understood that the exercise by the Port Authority of any right of termination set forth in this paragraph shall not be or be deemed to be an

exercise by the Port Authority of an election of remedies so as to preclude the Port Authority from any right to money damages it may have for the period prior to the effective date of termination to the original expiration date of the Contract, and this provision shall be deemed to survive the termination of this contract as aforesaid.

h. (Reserved)

i. If The Port Authority has paid any sum or has incurred any obligation or expense which the Contractor has agreed to pay or reimburse the Port Authority, or if the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Contractor to perform or fulfill any one or more of the conditions, covenants, or agreements contained in this Contract, or as a result of an act of omission of the Contractor contrary to the said conditions, covenants and agreements, the Contractor shall pay to the Port Authority the sum or sums so paid or expense so incurred, including all interests, costs and damages, promptly upon the receipt of the Port Authority's statement therefore. The Port Authority may, however, in its discretion, elect to deduct said sum or sums from any payment payable by it to the Contractor.

j. If the Port Authority pays any installment to the Contractor without reducing said installment as provided in this Contract, it may reduce any succeeding installment by the proper amount, or it may bill the Contractor for the amount by which the installment paid should have been reduced and the Contractor shall pay to the Port Authority any such amount promptly upon receipt of the Port Authority's statement therefore.

k. The Port Authority shall also have the rights set forth above in the event the Contractor shall become insolvent or bankrupt or if his/her affairs are placed in the hands of a receiver, trustee or assignee for the benefit of creditors.

15. Sales or Compensating Use Taxes

Sales to the Port Authority are currently exempt from New York and New Jersey State and local sales and compensating use taxes and generally from federal taxation. The Contractor certifies that there are no such taxes included in the prices for this Contract. The Contractor shall retain a copy of this Contract to substantiate the exempt sale.

The compensation set forth in this Agreement is the complete compensation to the Contractor, and the Port Authority will not separately reimburse the

Contractor for any taxes unless specifically set forth in this Agreement.

16. No Estoppel or Waiver

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

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

17. Records and Reports

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

a. The Contractor hereby further agrees to furnish to the Port Authority from time to time such written reports in connection with its operations hereunder as the Port Authority may deem necessary or desirable. The format of all forms, schedules and reports furnished by the Contractor to the Port Authority shall be subject to the continuing approval of the Port Authority.

b. No provision in this Contract giving the Port Authority a right of access to records and documents is intended to impair or affect any right of access to records and documents which they would have in the absence of such provision. Additional record keeping may be required under other sections of this Contract.

18. General Obligations

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

b. The Contractor shall comply with the provisions of all present and future federal, state and municipal laws, rules, regulations, requirements, ordinances, orders and directions which pertain to its operations under this Contract and which affect the Contract or the performance thereof and those engaged therein as if the said Contract were being performed for a private corporation, except where stricter requirements are contained in the Contract in which case the Contract shall control. The Contractor shall procure for itself all licenses, certificates, permits, zoning approvals, or other authorization from all governmental authorities, if any, having jurisdiction over the Contractor's operations hereunder which may be necessary for the Contractor's operations. The Contractor's obligation to comply with governmental requirements are not to be construed as a submission by the Port Authority to the

application to itself of such requirements.

c. The Contractor shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed on its property or operations hereunder or income therefrom, and shall make all applications, reports and returns required in connection therewith.

d. The Contractor shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, standard orders and directions of the American Insurance Association, the Insurance Services Office, National Fire Protection Association, and any other body or organization exercising similar functions which may pertain or apply to the Contractor's operations hereunder. The Contractor shall not do or permit to be done any act which:

1. will invalidate or be in conflict with any fire insurance policies covering the Facility or any part thereof or upon the contents of any building thereon, or

2. will increase the rate of any fire insurance, extended coverage or rental insurance on the Facility or any part thereof or upon the contents of any building thereon, or

3. in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risk normally attendant upon the operations contemplated by this Contract, or

4. may cause or produce in the premises, or upon the Facility any unusual, noxious or objectionable smoke, gases, vapors, odors or

5. may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Facility, or

6. shall constitute a nuisance in or on the Facility or which may result in the creation, commission or maintenance of a nuisance in or on the Facility.

e. If by reason of the Contractor's failure to comply with the provisions of this Section and provided the Port Authority has given the Contractor five (5) days written notice of its failure and the Contractor shall not have cured said failure within said

five (5) days, any fire insurance, extended coverage or rental insurance rate on the Facility or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Contractor shall on demand pay the Port Authority that part of all fire insurance, extended coverage or rental insurance premiums paid or payable by the Port Authority which shall have been charged because of such violations by the Contractor.

f. The Contractor shall conduct its operations hereunder so as not to endanger, unreasonably interfere with, or delay the operations or activities of any tenants or occupants on the premises or the Facility and, moreover, shall use the same degree of care in performance on the premises as would be required by law of the Port Authority and shall conduct operations hereunder in a courteous, efficient and safe manner.

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

19. 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

A. Risks Assumed By The Contractor

The Contractor assumes the following distinct and several risks:

1. The risk of loss or damage to Port Authority property to the extent arising from the willful or negligent acts or omissions of the Contractor, its subcontractors or others under their control;

2. The risk of fines or penalties assessed by courts or governmental agencies or entities against the Contractor, its subcontractors, or others under their control or the Authority, arising out of the performance of services hereunder; and the risk of claims made by third persons against the Contractor, its subcontractors, or others under the control of the Contractor or its subcontractors, or the Authority, on account of injuries (including wrongful death), loss, damage or liability of any kind whatsoever arising out of or in connection with willful or negligent acts of the Contractor, its subcontractors, or others under their control in the performance of the services hereunder or out of or in connection with the Contractor's operations or presence at or in the vicinity of the construction sites or Authority premise; and the risk of claims against the Contractor, its subcontractors or others under the control of the Contractor or its subcontractors, or the Authority, for the payment of workers' compensation; whether such claims, fines or penalties are made or assessed and whether such injuries, damage, loss and liability are sustained at any time both before and after the termination or expiration of this Contract; and

3. The risk of loss or damage to any property of the Contractor, its subcontractors or others under the control of the Contractor or its subcontractors, and of claims made against the Contractor, its subcontractors or those under their control, or the Authority, for loss or damage to any property of subcontractors, materialmen, workmen and others under the control of the Contractor or its subcontractors, not caused by the willful or negligent acts or omissions of the Authority, occurring at any time prior to completion of removal of such property from the construction sites or Authority premises or the vicinity thereof.

The Contractor shall indemnify the Authority against all claims described above in subparagraphs 1., 2, and 3 as to which the Contractor, its subcontractors or others under their control assumes the risk and for all expense incurred by it in the defense, settlement or satisfaction thereof, including expenses of attorneys, except where indemnity would be precluded by New York State General Obligations Law, Section 5-322.1 or by other applicable law. If so directed, the Contractor shall defend against any claim described in subparagraphs 1, 2 and 3 above in which event it shall not without obtaining express advance permission from the General Counsel of the Authority raise any defense involving in any way jurisdiction of the tribunal, immunity of the Authority, governmental nature of the Authority or the provisions of any statutes respecting suits

against the Authority. Unless a claim is one that the Contractor is not required to indemnify the Authority against as described in the first sentence of this clause, such defense shall be at the Contractor's cost.

The provisions of this numbered clause shall also be for the benefit of the Commissioners, officers, agents and employees of the Authority, so that they shall have all the rights which they would have under this numbered clause if they were named at each place above at which the Authority is named, including a direct right of action against the Contractor to enforce the foregoing indemnity, except, however, that the Authority by action of its Board of Commissioners may at any time in its sole discretion and without liability on its part cancel the benefit conferred on any of them by this numbered clause, whether or not the occasion for invoking such benefit has already arisen at the time of such cancellation.

Neither the issuance of a certificate of completion nor the making of Final Payment shall release the Contractor from his/her obligations under this numbered clause. Moreover, neither the enumeration in this numbered clause nor the enumeration elsewhere in this Contract of particular risks assumed by the Contractor or of particular claims for which he/she is responsible shall be deemed (a) to limit the effect of the provisions of this numbered clause or of any other clause of this Contract relating to such risks or claims, (b) to imply that he/she assumes or is responsible for risks or claims only of the type enumerated in this numbered clause or in any other clause of this Contract, or (c) to limit the risks which he/she would assume or the claims for which he/she would be responsible in the absence of such enumerations.

B.Insurance Procured By Contractor

Pollution Liability Insurance (including lead abatement liability): the Contractor or its subcontractor may be required, on a project-specific basis, for defined periods of time, to procure, maintain, and pay premiums on a Pollution Liability Insurance Policy, including lead abatement liability, on an occurrence basis, providing coverage for bodily injury liability, property damage, or environmental damage caused by pollution conditions, with a limit of liability of not less than $5 million/occurrence and $5 million/aggregate,. The Policy shall name all subcontractors, and the Contractor when applicable, as additional insureds. The policy shall include coverage for environmental cleanup on land, in air, and on water. The policy shall include coverage for completed operations (for 2 years after the completion of the Contract), gradual and sudden and accidental pollution coverage, with a time element of no less than 7 days notice and 30 days reporting. The policy shall not contain a sunset provision, or any other provision, which would prohibit the reporting of a claim and the subsequent defense and indemnity that would normally be provided by the policy. Self-funded, policy fronting, or other non-risk transfer insurance mechanisms are not acceptable to the Authority, unless full disclosure is made to the Port Authority in writing prior to any consideration being given. The policy shall contain a waiver of subrogation in favor of the Port Authority.

The policy shall provide transportation coverage for the hauling of lead based materials, including but not limited to lead paint, from the construction site to the final disposition location. Deductibles are subject to the approval of the Port Authority and shall not reduce the limit of liability. The policy form must "pay on behalf of" rather than

"indemnify the insured". The insurance shall be primary insurance as respects the Port Authority, its representatives, officials, and employees. Any insurance or self-insurance maintained by the Port Authority shall be excess of this insurance and shall not contribute with it. The policy shall provide pollution coverage as respects lead based materials, including but not limited to lead paint for all phases of the abatement process. The policy shall not contain any provisions or definition that would serve to eliminate third party over-claims, including exclusions of the premises owner.
The Authority shall be named as an additional insured in the policy or policies set forth above. The liability policy or policies stated above shall contain coverage for cross-liability/severability of interests, and both shall be stated on the certificate of insurance. Certified copies of the policy or polices described above or a certificate or certificates evidencing the existence thereof, shall be delivered to the General Manager, Risk Management/Treasury, The Port Authority of New York and New Jersey, 225 Park Avenue South, 12th Floor, New York, NY 10003, within ten (10) days after the execution of this Contract by the Contractor. Such policy or policies, certificate or certificates shall state the number of this Contract and shall contain a valid provision or endorsement that the policy or polices may not be canceled, terminated, changed or modified without giving thirty (30) days advance written notice to the Port Authority at the above address. Such liability policy or policies and the certificate of insurance shall contain an additional endorsement stating that, "The insurer shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority." Renewal policies shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. If at any time any of the certificates or polices shall be or become unsatisfactory to the Port Authority as to form or substance, or if the carrier issuing any such certificate or policy shall be or become unsatisfactory to the Port Authority, the Contractor shall promptly obtain a new and satisfactory certificate and policy. The Port Authority may request at any time certified copies of the above policies.

21. Approval of Methods

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

22. Safety and Cleanliness

a. The Contractor shall, in the furnishing of services hereunder, exercise every precaution to prevent injury to person or damage to property and avoid inconvenience to the occupants of or any visitors to the Facility. The Contractor shall, without limiting the generality hereof, place such personnel, erect such

barricades and railings, give such warnings, display such lights, signals or signs, place such cones and exercise precautions as may be necessary, proper or desirable.

b. The Contractor shall in case of unsafe floor conditions due to construction, wetness, spillage, sickness and all other types of hazardous conditions proceed to rope off the unsafe area and place appropriate warnings signs to prevent accidents from occurring. The Contractor shall clean said area to the satisfaction of the Manager.

c. The Contractor shall at all times maintain in a clean and orderly condition and appearance any and all facilities provided by the Port Authority for the Contractor's operations, and all fixtures, sink closets, equipment, and other personal property of the Port Authority which are located in said facilities.

23. Accident Reports

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

24. Trash Removal

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

25. Lost and Found Property

The Contractor shall instruct its personnel that all items of personal property found by the Contractor's employees must be turned in to the Port Authority

and a receipt will be issued therefor.

26. Property of the Contractor

a. All property of the Contractor at the Facility by virtue of this Contract shall be removed on or before the expiration or sooner termination or revocation of this Contract.

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

27. Modification of Contract

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

28. Invalid Clauses

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

29. Approval of Materials, Supplies and Equipment

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

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

30. Intellectual Property

The right to use all patented materials, appliances, processes of manufacture or types of construction, trade and service marks and copyrights, collectively hereinafter referred to as the "Intellectual Property Rights" in the performance of the work shall be obtained by the Contractor without separate or additional compensation. The Contractor shall indemnify the Port Authority against and save it harmless from all loss and expense incurred as a result of any claims in the nature of Intellectual Property Rights infringement arising out of the Port Authority's use, in accordance with the immediately preceding statement, of any protected Intellectual Property Rights. The Contractor, if requested, shall conduct all negotiations with respect to and defend such claims. If the Port Authority be enjoined either temporarily or permanently from the use of any subject matter as to which the Contractor is to indemnify the Port Authority against infringement, then the Port Authority may, without limiting any other rights it may have, require the Contractor to supply temporary or permanent replacement facilities approved by the Manager, and if the Contractor fails to do so the Contractor shall, at its expense, remove all such enjoined facilities and refund the cost thereof to the Port Authority or take such steps as may be necessary to insure compliance by the Port Authority with said injunction, to the satisfaction of the Port Authority.

31A. High Security Areas

a. Services under the Contract may be required in high security areas, as the same may be designated by the Manager from time to time. The Port Authority shall require the observance of certain security procedures with respect to the high security areas, which may include the escort to, at, and/or from said high security areas by security personnel designated by the Contractor or any subcontractor's personnel required to work therein.

b. Twenty-four hours prior to the proposed performance of any work in a high security area, the Contractor shall notify the Manager. The Contractor shall conform to the procedures as may be established by the Manager from time to time and at any time for access to high security areas and the escorting of personnel hereunder. Prior to the start of work, the Contractor shall request a description from the Manager of the high security areas which will be in effect on the commencement

date. The description of high security areas may be changed from time to time and at any time by the Manager during the term of the Contract.

31B. Notification of Security Requirements

The Port Authority operates facilities and systems, at which terrorism or other criminal acts may have a significant impact on life safety and key infrastructures. The Authority reserves the right to impose multiple layers of security requirements on the performance of the Contract work, including on the Contractor, its staff and subcontractors and their staffs depending upon the level of security required, as determined by the Authority. The Contractor shall and shall instruct its subcontractors to cooperate with Authority staff in adopting security requirements. These security requirements may include but may not be limited to the following:

i. *Identity Checks and Background Screening*

Contractor/subcontractor identity checks and background screening shall include but shall not be limited to: (1) inspection of not less than two forms of valid/current government issued identification (at least one having an official photograph) to verify staff's name and residence; (2) screening of federal, state, and/or local criminal justice agency information databases and files; (3) screening of any terrorist identification files; (4) multi-year check of personal, employment and /or credit history; (5) *access identification to include some form of biometric* security methodology such as fingerprint, facial or iris scanning.

The Contractor may be required to have its staff, and any subcontractor's staff, authorize the Authority or its designee to perform background checks. Such authorization shall be in a form acceptable to the Authority. If the Authority directs the Contractor to have identity checks and background screening performed by a particular firm designated by the Authority, the Authority will compensate the Contractor for the cost of such screening pursuant to the Extra Work provisions of the Contract.

ii. Issuance of Photo Identification cards:

If the Authority requires facility-specific identification cards for the Contractor's and subcontractors' staff, the Authority will supply such identification cards at no cost to the Contractor.

iii. Access control, inspection, and monitoring by security guards:

The Authority will provide for facility access control, inspection and monitoring by Authority retained security guards. Should the Authority require the Contractor to hire security guards for

the purpose of facility access control and inspection in lieu of or in addition to the Authority retained facility security guards, the Contractor will be reimbursed for the cost of such security guards pursuant to the Extra Work provisions of the Contract. However, this provision shall not relieve the Contractor of its responsibility to secure its equipment and work at the facility at its own expense.

The Authority may impose, increase, and/or upgrade security requirements for the Contractor, subcontractors and their staffs during the term of this Contract to address changing security conditions and/or new governmental regulations.

32. Construction In Progress

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

33. Permit-Required Confined Space Work

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

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

34. Signs

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

35. Vending Machines, Food Preparation

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

as may be specifically designated by the Port Authority for such purpose.

36. Non-Publication

The Contractor shall not issue nor permit to be issued any press release, advertisement, or literature of any kind, which refers to the Port Authority or to the fact that goods have been, are being or will be provided to it and/or that services have been, are being or will be performed for it in connection with this Agreement, nor shall the Contractor use the Port Authority's logo in any way unless the vendor first obtains the written approval of the Port Authority. Such approval may be withheld if for any reason the Port Authority believes that the publication of such information would be harmful to the public interest of is in any way undesirable.

PART III CONTRACTOR'S INTEGRITY PROVISIONS

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

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

a. been indicted or convicted in any jurisdiction;
b. been suspended, debarred, found not responsible or otherwise disqualified from entering into any contract with any governmental agency or been denied a government contract for failure to meet standards related to the integrity of the Bidder;
c. had a contract terminated by any governmental agency for breach of contract or for any cause based in whole or in part on an indictment or conviction;
d. ever used a name, trade name or abbreviated name, or an Employer Identification Number different from those inserted in the Bid;
e. had any business or professional license suspended or revoked or, within the five years prior to bid opening, had any sanction imposed in excess of $50,000 as a result of any judicial or administrative proceeding with respect to any license held or with respect to any violation of a federal, state or local environmental law, rule or regulation;
f. had any sanction imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust regardless of the dollar amount of the sanctions or the date of their imposition; and
g. been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

Section 2: Replaced with "Amendment 1" (See: Addendum #1)

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

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

~~a. the prices in its bid have been arrived at independently without collusion, consultation, communication or agreement for the~~

purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor;

a. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Bidder prior to the official opening of such bid to any other bidder or to any competitor;

b. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Bidder prior to the official opening of such bid to any other bidder or to any competitor;

c. no attempt has been made and none will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition;

d. this organization has not made any offers or agreements or taken any other action with respect to any Authority employee or former employee or immediate family member of either which would constitute a breach of ethical standards under the Code of Ethics dated April 11, 1996 (a copy of which is available upon request to the individual named in the clause hereof entitled "Bidder's Questions"), nor does this organization have any knowledge of any act on the part of an Authority employee or former Authority employee relating either directly or indirectly to this organization which constitutes a breach of the ethical standards set forth in said Code;

Section 2: Replaced with "Amendment 1" (See: Addendum #1)

e. no person or selling agency other than a bona fide employee or bona fide established commercial or selling agency maintained by the Bidder for the purpose of securing business, has been employed or retained by the Bidder to solicit or secure this Contract on the understanding that a commission, percentage, brokerage, contingent, or other fee would be paid to such person or selling agency; and

f. the bidder has not offered, promised or given, demanded or accepted, any undue advantage, directly or indirectly, to or from a public official or employee, political candidate, party or party official, or any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), in order to obtain, retain or direct business or to secure any other improper advantage in connection with this Contract.

The foregoing certifications shall be deemed to be made by the Bidder as follows:

* if the Bidder is a corporation, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each parent, affiliate, director, and officer of the Bidder, as well as, to the best of the

certifier's knowledge and belief, each stockholder of the Bidder with an ownership interest in excess of 10%;

* if the Bidder is a partnership, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each partner.

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

In any case where the Bidder cannot make the foregoing certifications, the Bidder shall so state and shall furnish with the signed bid a signed statement which sets forth in detail the reasons therefor. If the Bidder is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its bid, setting forth in such statement the reasons for its uncertainty.

Notwithstanding that the Bidder may be able to make the foregoing certifications at the time the bid is submitted, the Bidder shall immediately notify the Authority in writing during the period of irrevocability of bids on this Contract or any extension of such period of any change of circumstances which might under this clause make it unable to make the foregoing certifications or require disclosure. The foregoing certifications or signed statement shall be deemed to have been made by the Bidder with full knowledge that they would become a part of the records of the Authority and that the Authority will rely on their truth and accuracy in awarding this Contract. In the event that the Authority should determine at any time prior or subsequent to the award of this Contract that the Bidder has falsely certified as to any material item in the foregoing certifications or has willfully or fraudulently furnished a signed statement which is false in any material respect, or has not fully and accurately represented any circumstance with respect to any item in the foregoing certifications required to be disclosed, the Authority may determine that the Bidder is not a responsible Bidder with respect to its bid on the Contract or with respect to future bids on Authority contracts and may exercise such other remedies as are provided to it by the Contract with respect to these matters. In addition, Bidders are advised that knowingly providing a false certification or statement pursuant hereto may be the basis for prosecution for offering a false instrument for filing (see e.g. New York Penal Law, Section 175.30 et seq.). Bidders are also advised that the inability to make such certification will not in and of itself disqualify a Bidder, and that in each instance the Authority will evaluate the reasons therefor provided by the Bidder.

Section 2: Replaced with "Amendment 1" (See: Addendum #1)

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. No Gifts, Gratuities, Offers of Employment, Etc.

During the term of this Contract, the Contractor shall not offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Contractor on behalf of the Port Authority, whether or not such duties are related to this Contract or any other Port Authority contract or matter. Any such conduct shall be deemed a material breach of this Contract. As used herein "anything of value" shall include but not be limited to any (a) favors, such as meals, entertainment, transportation (other than that contemplated by the Contract or any other Port Authority contract), etc. which might tend to obligate the Port Authority employee to the Contractor, and (b) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Contract or any other Port Authority contract. Where used herein, the term "Port Authority" shall be deemed to include all subsidiaries of the Port Authority.

The Contractor shall insure that no gratuities of any kind or nature whatsoever shall be solicited or accepted by it and by its personnel for any reason whatsoever from the passengers, tenants, customers or other persons

using the Facility and shall so instruct its personnel.

In addition, during the term of this Contract, the Contractor shall not make an offer of employment or use confidential information in a manner proscribed by the Code of Ethics and Financial Disclosure dated April 11, 1996 (a copy of which is available upon request to the Office of the Secretary of the Port Authority).

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

5. Conflict of Interest

During the term of this Contract, the Contractor shall not participate in any way in the preparation, negotiation or award of any contract (other than a contract for its own services to the Authority) to which it is contemplated the Port Authority may become a party, or participate in any way in the review or resolution of a claim in connection with such a contract if the Contractor has a substantial financial interest in the contractor or potential contractor of the Port Authority or if the Contractor has an arrangement for future employment or for any other business relationship with said contractor or potential contractor, nor shall the Contractor at any time take any other action which might be viewed as or give the appearance of conflict of interest on its part. If the possibility of such an arrangement for future employment or for another business arrangement has been or is the subject of a previous or current discussion, or if the Contractor has reason to believe such an arrangement may be the subject of future discussion, or if the Contractor has any financial interest, substantial or not, in a contractor or potential contractor of the Authority, and the Contractor's participation in the preparation, negotiation or award of any contract with such a contractor or the review or resolution of a claim in connection with such a contract is contemplated or if the Contractor has reason to believe that any other situation exists which might be viewed as or give the appearance of a conflict of interest, the Contractor shall immediately inform the Director in writing of such situation giving the full details thereof. Unless the Contractor receives the specific written approval of the Director, the Contractor shall not take the contemplated action which might be viewed as or give the appearance of a conflict of interest. In the event the Director shall determine that the performance by the Contractor of a portion of its services under this Agreement is precluded by the provisions of this numbered paragraph, or a portion of the Contractor's said services is determined by the Director to be no longer appropriate because of such preclusion, then the Director shall have full authority on behalf of both parties to order that such portion of the Contractor's services not be performed by the Contractor, reserving the right, however, to have the services performed by others and any lump sum compensation payable hereunder which is applicable to the deleted work shall be equitably adjusted by the parties. The Contractor's execution of this document shall constitute a representation by the Contractor that at the time of such execution the Contractor knows of no circumstances, present or anticipated, which come within the provisions of

this paragraph or which might otherwise be viewed as or give the appearance of a conflict of interest on the Contractor's part. The Contractor acknowledges that the Authority may preclude it from involvement in certain disposition/privatization initiatives or transactions that result from the findings of its evaluations hereunder or from participation in any contract which results, directly or indirectly, from the services provided by the Contractor hereunder.

6. Definitions

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

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

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

Investigation - Any inquiries made by any federal, state or local criminal prosecuting agency and any inquiries concerning civil anti-trust investigations made by any federal, state or local governmental agency. Except for inquiries concerning civil anti-trust investigations, the term does not include inquiries made by any civil government agency concerning compliance with any regulation, the nature of which does not carry criminal penalties, nor does it include any background investigations for employment, or Federal, State, and local inquiries into tax returns.

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

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

If the solicitation is a Request for Proposal:

Bid - shall mean Proposal;

Bidder - shall mean Proposer;

Bidding - shall mean submitting a Proposal.

In a Contract resulting from the taking of bids:

Bid - shall mean bid;

Bidder - shall mean Bidder;

Bidding - shall mean executing this Contract.

In a Contract resulting from the taking of Proposals:

Bid - shall mean Proposal;

Bidder - shall mean Proposer;

Bidding - shall mean executing this Contract.

Attachment C
Proposer Reference Form

ATTACHMENT C - PROPOSER REFERENCE FORM

Name of Proposer: Avolar Construction, Inc.

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name: Technica, Inc. [CONSTRUCTION]
Address: 10 Maple Ct., Butler, NJ 07405
Contact Name and Title: Dan Katzevich, Vice President & Manager
Phone and Fax Numbers of Contact: Tel.#: 973.713.4847 Fax#: 973.283.8962
Contract date(s): May 2004 - Present
Contract cost: Varies Per Project
Description of work:
New Construction Work
* Employee who conducted/conducts work:
Edgard Colón

Customer Name: Michael Anthony Signs & Awnings Co. [Installation]
Address: 255 Kearny Ave., Jersey City, NJ 07305
Contact Name and Title: Michael Anthony Bradley, President
Phone and Fax Numbers of Contact: Tel.#s: 800.761.7446 / 201.333.8166 Fax#: 201.435.5361
Contract date(s): Est. Dates: 1999/2000 - ongoing
Contract cost: Varies Per Project
Description of Work:
Installation of Signs & Awnings, including neon transformers, florescent lighting & ballast.
* Employee who conducted / conducts work:
Edgard Colón

Customer Name: Pluria and Mark, Inc.
Address: 265 Lexington Ave., NY, NY 10016
Contact Name and Title: Fred Enrico, General Manager
Phone and Fax Numbers of Contact: Tel#: (212)686.9400 Fax: (212)686.9454
Contract date (s): April 2000 - March 2005
Contract cost: PAID ANNUALLY BOTE / weekly basis
Description of work: Included, but not limited to: creative, computer networking, office systems, etc...

*Employee who conducted the work: Luz D. Colon ("Didi)

Customer Name:_____
Address:_____
Contact Name and Title:_____
Phone and Fax Numbers of Contact:_____
Contract date (s):_____
Contract cost:_____
Description of work:_____

Customer Name:_____
Address:_____
Contact Name and Title:_____
Phone and Fax Numbers of Contact:_____
Contract date (s):_____
Contract cost:_____
Description of work:_____

ATTACHMENT D - PORT AUTHORITY FACILITIES

Aviation

John F. Kennedy International Airport
Newark Liberty International Airport
LaGuardia Airport
Downtown Manhattan Heliport
AirTrain Newark
AirTrain JFK
Teterboro (excluded for purposes of this RFP, but listed for information only)

Tunnels, Bridges & Terminals

George Washington Bridge
George Washington Bridge Bus Station
Lincoln Tunnel
Port Authority Bus Terminal
Holland Tunnel
Bayonne Bridge
Goethals Bridge
Outerbridge Crossing

Port Authority Trans-Hudson

PATH Rail Transit System
Journal Square Transportation Center

Port Commerce

Auto Marine Terminal
Brooklyn Port Authority Marine Terminal
Brooklyn Piers
Red Hook Container Terminal
Elizabeth Port Authority Marine Terminal
Port Newark
Howland Hook Marine Terminal

Economic Development

The Legal Center

The Teleport
Essex County Resource Recovery Facility
Bathgate Industrial Park
Industrial Park at Elizabeth

World Trade Center site

World Trade Center Transportation Hub (under development)

Notes Regarding The Above Facilities

Please note the following facilities will be phased into the Scope of Work of this Contract as existing agreements expire or are otherwise terminated:

- the airport terminals at LaGuardia, John F. Kennedy International, and Newark Liberty International airports, inside the AirTrain Newark stations and cars, inside the AirTrain JFK stations, the 3 Van Wyck Sign Bridges, the LGA Garage, the Terminal 4 Garage, and the Newark Liberty Toll Plaza billboard sign, (Current agreements are in effect through 2005.)
- inside the PATH rail transit system cars and station platforms. (Current agreements are in effect through Aug. 2007.)
- Port Authority Bus Terminal (The interior is under agreement until June 30, 2006; exterior is under agreement until June 30, 2016.)

The Port Authority currently generates approximately $25 million in gross advertising revenue sales from the facilities listed in the bullets above, with approximately 80% of the gross sales total generated through the airports.

ATTACHMENT E - Financial Proposal

Your full compensation for all services rendered in connection with this Agreement will be derived from your share of the gross advertising sales. You will not be reimbursed for any out-of-pocket costs incurred in connection with any task related to the performances of the duties contained in the Scope of Work.

The Port Authority to itself may construct or have constructed infrastructure at its facilities that may be also suitable for the placement of advertising. In such a cases the Port Authority reserves the right to negotiate with the Contractor a different arrangement for compensation to the Authority than is set forth in this Contract.

ATTACHMENT F - Contractor's officers and staff

Name: Luz D. Colon (Didi)

Title: President

Name: Edgard Colon

Title: Manager

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

ATTACHMENT F - Contractor's officers and staff

Name: Luz D. Colon (Didi)

Title: President

Name: Edgard Colon

Title: Manager

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

Name: _____

Title: _____

ATTACHMENT G - Advertising Guidelines - Abstract

No advertising material shall be permitted to be displayed unless the Port Authority has given prior written approval as to the content of the material stating that it is in compliance with specific advertising guidelines that will be included in the governing agreement. It is expected that those guidelines will (1) permit only advertising promoting the sale or rental of a product (except tobacco), service or property, travel to a travel destination, or attendance at an event, and (2) prohibit advertising that is defamatory, false or deceptive, concerns illegal services or products, violates proprietary rights, includes images of human nudity or is otherwise material inappropriate for general public view as will be specifically described in the agreement. The guidelines will include provisions for internal Port Authority review procedures as to any denial of approval based on content.

ATTACHMENT H - Olympic 2012 Agreement

Note: Contractor's are hereby given notice that the attached agreement shall be in force in the event that New York City is chosen to host the 2012 Olympic Games.

Attachment H
Olympic 2012 Agreement

ATTACHMENT H - Olympic 2012 Agreement

Note: Contractor's are hereby given notice that the attached agreement shall be in force in the event that New York City is chosen to host the 2012 Olympic Games.

LETTER AGREEMENT

October 19, 2004

The Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003

Ladies and Gentlemen:

In connection with the preparation, for submission to the International Olympic Committee ("IOC"), of a candidature for New York City to host the 2012 Olympic Games, NYC2012 must demonstrate that it will take the necessary steps to protect the value of authorized Olympic sponsorships and the rights of authorized Olympic marketing partners by preventing and confronting ambush marketing. Accordingly, the IOC requires NYC2012 to make advertising space in New York City available only to Olympic sponsors and partners during the 2012 Olympic Games in order to reduce unfair competition in the form of ambush marketing.

This letter, when countersigned by you, will evidence the Port Authority of New York and New Jersey's ("PA") agreement to assist NYC2012 with its efforts to reduce ambush marketing at its facilities. Subject to and in accordance with the terms of this Letter Agreement, the PA hereby agrees that if New York City is chosen to host the 2012 Olympic Games: (1) it will license to NYC2012 the advertising space under the PA's control at its facilities, as set forth in Schedule A (the "Ad Space"), for the period June 26, 2012 through August 21, 2012 inclusive (the "License Period"), and (2) all future agreements which grant rights to the advertising space under the PA's control at its facilities will contain an acknowledgement of the terms of this Letter Agreement and will require all licensees, lessees, permitees, vendors and contractors to comply with the terms of this Letter Agreement.

Notwithstanding the generality of the foregoing or anything to the contrary stated herein, the PA's obligation to make available advertising space to NYC2012 under this Letter Agreement shall be subject to all of the following: (1) with respect to all terminals not under the control of the PA, the rights of third parties with which the PA has entered into agreements as of the date of the execution of this Letter Agreement, including, but not limited to, the rights of terminal airline lessees, (2) the PA's tenant alteration and application process (the "TAA process"), which shall apply, among other things, to the installation, maintenance, and location of any advertising, (3) the PA rules, regulations and policies concerning content of advertising in effect from time to time, and (4) the receipt by the PA of a written notice from NYC2012 not less than sixty (60) days prior to the start of the License Period (the "sixty-day notice") stating (i) that NYC2012 intends to exercise the rights granted to it by this Letter Agreement, and (ii) the information required in paragraph 4 of this Letter Agreement, and (3) receiving the

requisite prior authorization(s) of the Board of Commissioners of the PA.

1. License Fee. The license fee for Ad Space shall be calculated as follows: the average price for various types of advertising (e.g., wall wraps, spectaculars and dioramas) as established by the relevant advertising permittees/lessees then under contract with the PA at its facilities for 2005, 2006, 2007 and 2008 (the "Average Price"), multiplied by the percentage increase projected as of December 31, 2008, for the period 2009 through 2012, by the Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor, plus a twenty percent (20%) premium. Such 20% premium shall be referred to herein as the Olympic Premium.

2. Assignment. The parties acknowledge and agree that should the Games be awarded to New York City, NYC2012 will be succeeded by the New York Committee for the Olympic Games ("NYCOG") that shall receive from NYC2012 an assignment of all rights, and shall assume all obligations concerning, arrangements underlying the bid including all rights pursuant to this Letter Agreement and shall be the organization to conduct the Games and carry out the rights and responsibilities of NYC2012 hereunder.

3. Termination. This Letter Agreement will terminate upon the failure of New York City to be awarded the Olympic Games by the IOC or the failure of the PA to receive the sixty-day notice described herein.

4. Uncommitted Ad Space. The sixty-day notice shall identity all Ad Space contractually committed to by written agreement, between the IOC and any Olympic Advertising Party, for advertising at each PA facility during the period of the Olympic Games and for the period commencing thirty (30) days prior to the start of the Olympic Games. Any advertising space at a PA facility which is not identified in the sixty-day notice shall be deemed to be uncommitted Ad Space and, accordingly, shall not be subject to this Letter Agreement and may be sold, licensed or leased without restriction or condition. In addition, NYC2012 acknowledges and agrees that between the date of this Agreement and the start of the Olympic Games, the Port Authority shall have the right in its sole discretion to eliminate or modify existing advertising space at any its facilities, including but not limited to any of the Ad Space, and convert such space to another purpose.

5. Representations and Warranties of PA.

(a) Upon receipt of the requisite prior authorization(s) from the Board of Commissioners, the PA has all necessary power and authority to enter into this Letter Agreement and to perform its obligations hereunder; the execution of this Agreement by PA and the performance by PA of its obligations hereunder have been duly authorized by all necessary corporate action on the part of PA; and this Letter Agreement has been duly executed and delivered by PA and is a valid and binding obligation of PA enforceable against PA in accordance with its terms.

(b) PA further represents and warrants that it owns or controls all of the Ad Space and that Schedule A is a complete list of the number of locations of advertising space at each of the PA facilities as of the date of the execution of this Letter Agreement by the PA; provided, however, that the failure of any third party to comply with the terms of any agreement between said third party and the PA shall not constitute a breach of this Letter Agreement by the PA and provided, further, this Letter Agreement shall not require the PA or any of its advertising permittees/lessees to breach any existing agreement to which it is a party as of the date of the PA's execution of this Letter Agreement.

(c) PA further represents and warrants that entering into this Letter Agreement will not conflict with any other obligations or agreements to which PA is a party and PA covenants not to enter into any conflicting agreements during the term of this Letter Agreement.

6. Representations and Warranties of NYC2012. NYC2012 has all necessary power and authority to enter into this Letter Agreement and to perform its obligations hereunder; the execution of this Letter Agreement by NYC2012 and the performance by NYC2012 of its obligations hereunder have been duly authorized by all necessary corporate action on the part of NYC2012; and this Letter Agreement has been duly executed and delivered by NYC2012 and is a valid and binding obligation of NYC2012 enforceable against NYC2012 in accordance with its terms.

7. Remedies. Each party acknowledges that monetary damages may not be an adequate remedy for any breach or threatened breach of the provisions of this Letter Agreement by the other party, and that such first party shall be entitled to seek equitable relief, including a temporary restraining order, a preliminary or permanent injunction or specific performance, as a remedy for any such breach or threatened breach. Each party agrees that in the event such equitable relief is granted by a court of competent jurisdiction that the party seeking equitable relief shall not be required to post a bond in connection therewith. Each party further agrees that the remedies of a temporary restraining order, preliminary or permanent injunction or specific performance shall not be deemed to be the exclusive remedies for a breach of this Letter Agreement but shall be in addition to all other remedies available at law or equity. Notwithstanding the foregoing, any lawsuit or other claim against the PA or its Commissioners, officers or employees shall be subject to all prohibitions, limitations, requirements and restrictions for commencement and maintenance of lawsuits and other claims against the PA, its Commissioners, officers or employees set forth in the statutes of the New York law, including but not limited to statutes codified in the New York Unconsolidated Laws and the New York Civil Practice Laws and Rules, and such prohibitions, limitations, requirements and restrictions are not waived by this paragraph.

8. Governing Law. This Letter Agreement is made under, and will be construed in accordance with, the laws of the State of New York, without giving effect to its principles of conflict of laws.

9. No Personal Liability. No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Letter Agreement or of any modification or amendment hereto or because of any breach thereof, or because of its execution or attempted execution.

10. Entire Agreement. This Letter Agreement constitutes the entire agreement between the PA and NYC2012 on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the PA and NYC2012. NYC2012 agrees that no representations or warranties shall be binding upon the PA unless expressed in writing in this Letter Agreement.

Please confirm your agreement to the matters referred to and set forth in this letter by signing, dating and returning a copy of this letter to me.

Very truly yours,

NYC2012

By: Andrew N. Kimball

Andrew Kimball

Title: Director of Operations

Accepted and Agreed to:

The Port Authority of New York and New Jersey

By: Michael McNicholas

for Chief of Public and Government Affairs

Title: Executive Director

Date: 10/28/04

APPROVED	
TERMS	FORM
UB	

Schedule A

LaGuardia Airport Inventory Count
867-LGA Sellable Faces
460-LGA Units

Breakdown by Unit		
Total	of 4' x 10' Lightbox	3
Total	of Banner	1
Total	of Clock	1
Total	of Diorama	334
Total	of Diorama Other	14
Total	of Display Area	7
Total	of Jet Bridges	250
Total	of Phone Board	146
Total	of Phone Board Service Cost	26
Total	of Spectacular (other)	19
Total	of Take-one/Mtnc Chg	6
Total	of Vertical Displays	12
Total	of Exterior Banners	2
Total	of Wall Wrap	48
		869 Sellable Faces
		460 Units

Been Deleted & This "Schedule A" has Replaced with: "Schedule A" (DATED MAY 16, 2005)

See: Addendum #1

John F. Kennedy Airport Inventory Count
1342-JFK Sellable Faces
728-JFK Units

Breakdown by Unit		
Total	of 4' x 10' Lightbox	44
Total	of Banner	19
Total	of Clock	6
Total	of Digital Diorama	80
Total	of Diorama	346
Total	of Diorama Other	36
Total	of Display Area	12
Total	of Double Diorama Full	6
Total	of Exterior Sites	44
Total	of JCDecaux Displays	35
Total	of Jet Bridges	499
Total	of Showcase	1
Total	of Spectacular (other)	49
Total	of Wall Wrap	165
		1342 Sellable Faces
		728 Units

New York Downtown Heliport
3-JFK Sellable Faces
3-JFK Units

Breakdown by Unit

Total	of Clock	2
Total	of Diorama	1

3 Sellable Faces
3 Units

[redacted]

Total Dioramas = 406

Total Bus Shelter Dioramas = 18
Total Spectaculars = 5
Total Mini Spectaculars = 96
Total Overhead Spectaculars = 22
Total Monorail Carcards = 72
Total Wall Wraps = 46
Total Banners = 6
Total Toll Plaza Booth = 1

This "Schedule A" HAS Been DELETED AND REPLACED WITH "Schedule A", DATED MAY 16, 2005.

See: Addendum #1

PA Control - Bus Shelters, Toll Plaza Booth, Monorail Carcards

[redacted]

Total Station Domination Installations = 144 All Controlled by PA

[redacted]

Total Poster Wraps = 3
Total Dioramas = 22
Total Clocks = 26
Total Station Domination Installations = 144 All Controlled by PA

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

FOR THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 28th day of October in the year 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael A. Petralia personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

Marie M. Edwards
Notary Public, State of New York
No. 01ED4959693
Qualified in Kings County
Commission Expires 1/6/2006

FOR NYC2012

STATE OF NEW YORK)
) ss
COUNTY OF NEW YORK))

On the 1st day of November in the year 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Andrew H. Kimball personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

ASHLEIGH LONSON
Notary Public, State of New York
No. 01LO6101733
Qualified in New York County
Commission Expires November 17, 2007

Attachment I

Schedule G – Facility Traffic

ATTACHMENT I - SCHEDULE G—FACILITY TRAFFIC

Schedule G - Facility Traffic*

TUNNELS AND BRIDGES

(Eastbound Traffic)	2004	2003
All Crossings		
Automobiles	**115,219,000**	112,869,000
Buses	**3,123,000**	3,041,000
Trucks	**8,205,000**	7,910,000
Total vehicles	**126,547,000**	123,820,000
George Washington Bridge		
Automobiles	**49,377,000**	48,354,000
Buses	**606,000**	594,000
Trucks	**4,219,000**	4,023,000
Total vehicles	**54,202,000**	52,971,000
Lincoln Tunnel		
Automobiles	**18,541,000**	18,120,000
Buses	**2,051,000**	1,973,000
Trucks	**1,141,000**	985,000
Total vehicles	**21,733,000**	21,078,000
Holland Tunnel		
Automobiles	**16,353,000**	15,790,000
Buses	**221,000**	232,000
Trucks	**389,000**	544,000
Total vehicles	**16,963,000**	16,566,000
Staten Island Bridges		
Automobiles	**30,948,000**	30,605,000
Buses	**245,000**	242,000
Trucks	**2,456,000**	2,358,000
Total vehicles	**33,649,000**	33,205,000
Cumulative PA Investment in Tunnels and Bridges (In thousands)	**$ 2,877,063**	$ 2,633,246

PATH

	2004	2003
Total passengers	**57,768,000**	47,920,000
Passenger weekday average	**194,000**	160,000
Cumulative PA Investment in PATH (In thousands)	**$ 2,343,740**	$ 2,170,285

MARINE TERMINALS

	2004	2003
All Terminals		
Containers	**2,401,042**	2,231,931
General cargo (a) (Metric tons)	**25,474,164**	23,538,926
New Jersey Marine Terminals		
Containers	**2,084,590**	1,903,367
New York Marine Terminals		
Containers	**316,452**	328,564
Cumulative PA Investment in Marine Terminals (In thousands)	**$ 2,338,597**	$ 2,078,759

AIR TERMINALS

	2004	2003
Totals at the Three Major Airports		
Plane movements	**1,112,800**	1,020,000
Passenger traffic	**93,823,100**	83,669,800
Cargo-tons	**2,796,900**	2,722,800
Revenue mail-tons	**194,200**	188,400
John F. Kennedy International Airport		
Plane movements	**308,400**	268,400
Passenger traffic		
Domestic	**20,088,400**	16,436,900
International	**17,429,700**	15,299,600
Cargo-tons	**1,787,500**	1,734,900
LaGuardia Airport		
Plane movements	**383,000**	360,000
Passenger traffic		
Domestic	**23,119,300**	21,435,300
International	**1,295,600**	1,047,500
Cargo-tons	**14,100**	12,300
Newark Liberty International Airport		
Plane movements	**421,400**	391,600
Passenger traffic		
Domestic	**23,040,100**	21,781,900
International	**8,850,000**	7,668,600
Cargo-tons	**995,300**	975,600
Cumulative PA Investment in Air Terminals (In thousands)	**$ 9,863,413**	$ 9,454,165

TERMINALS

	2004	2003
All Bus Facilities		
Passengers	**70,687,400**	69,427,600
Bus movements	**3,528,800**	3,446,700
Port Authority Bus Terminal		
Passengers	**56,335,000**	55,925,000
Bus movements	**2,253,400**	2,237,000
George Washington Bridge Bus Station		
Passengers	**7,394,400**	6,817,600
Bus movements	**332,400**	303,700
PATH Journal Square Transportation Center Bus Station		
Passengers	**6,958,000**	6,685,000
Bus movements	**943,000**	906,000
Cumulative PA Investment in Bus Facilities (In thousands)	**$ 735,604**	$ 698,449

	2004	2003
Total Port Authority Cumulative Invested in facilities, including the above (In thousands)	**$ 21,141,528**	$ 19,866,282

(a) International oceanborne general cargo as recorded in the New York - New Jersey Customs District.

* Some 2003 numbers reflect revised data.

ATTACHMENT J - LETTER OF CREDIT FORMAT

LETTER OF CREDIT FORMAT

The Port Authority of New York & New Jersey
225 Park Avenue South, 12th Floor
New York, NY 10003

Date_____

Attn: CREDIT MANAGER

CLEAN IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____(C)_____

At the request of _____(A)_____, we _____(B)_____ hereby open this CLEAN IRREVOCABLE LETTER OF CREDIT NO. _____(C)_____ in your favor up to an aggregate of _____(D)_____ U.S. Dollars, available by your draft(s) on us at sight.

We warrant to you that all your drafts under this CLEAN IRREVOCABLE LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION OF YOUR DRAFT(S) drawn on us and presented to us at _____(E)_____ on or before the expiration date set forth below or future expiration date as indicated below. Our obligation under this Letter of Credit is the individual obligation of the Bank, in no way contingent upon reimbursement thereto, or upon our ability to perfect any lien or security interest.

All drafts must be marked "Drawn Under _____(B)_____ *Letter of Credit No.* ___(C)___ dated _____". Partial drawings under this Letter of Credit are permitted.

This CLEAN IRREVOCABLE LETTER OF CREDIT expires at the close of business on _____(F)_____
This CLEAN IRREVOCABLE LETTER OF CREDIT shall be automatically extended without amendment for additional periods of one (1) year from the present or each future expiration date unless we have notified you in writing not less than sixty (60) days before such date that we elect not to extend the Letter of Credit for such additional period, such notice to be sent by registered or certified mail to you at the address herein. Upon receipt by you of such notice you may draw on us at sight for the balance remaining in this Letter of Credit within the then applicable expiration date, no statement required.

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

_____
BANK OFFICER/REPRESENTATIVE

LEGEND:
A – INSERT APPLICANT NAME, I.E. TENANT OR LESSEE NAME
B – INSERT NAME OF ISSUING BANK
C – INSERT L/C IDENTIFICATION NUMBER
D – INSERT DOLLAR VALUE OF INSTRUMENT
E – INSERT EXACT ADDRESS OF LOCAL BANK BRANCH
F – INSERT EXPIRATION DATE OF LEASE PLUS 180 DAYS

Attachment J

Letter of Credit Format

ATTACHMENT J - LETTER OF CREDIT FORMAT

LETTER OF CREDIT FORMAT

The Port Authority of New York & New Jersey
225 Park Avenue South, 12th Floor
New York, NY 10003

Date_____

Attn: CREDIT MANAGER

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At the request of _____(A)_____, we _____(B)_____ hereby open this CLEAN IRREVOCABLE LETTER OF CREDIT NO. _____(C)_____ in your favor up to an aggregate of _____(D)_____ U.S. Dollars, available by your draft(s) on us at sight.

We warrant to you that all your drafts under this CLEAN IRREVOCABLE LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION OF YOUR DRAFT(S) drawn on us and presented to us at _____(E)_____ on or before the expiration date set forth below or future expiration date as indicated below. Our obligation under this Letter of Credit is the individual obligation of the Bank, in no way contingent upon reimbursement thereto, or upon our ability to perfect any lien or security interest.

All drafts must be marked "Drawn Under _____(B)_____ Letter of Credit No. ___(C)___ dated _____". Partial drawings under this Letter of Credit are permitted.

This CLEAN IRREVOCABLE LETTER OF CREDIT expires at the close of business on _____(F)_____
This CLEAN IRREVOCABLE LETTER OF CREDIT shall be automatically extended without amendment for additional periods of one (1) year from the present or each future expiration date unless we have notified you in writing not less than sixty (60) days before such date that we elect not to extend the Letter of Credit for such additional period, such notice to be sent by registered or certified mail to you at the address herein. Upon receipt by you of such notice you may draw on us at sight for the balance remaining in this Letter of Credit within the then applicable expiration date, no statement required.

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D – INSERT DOLLAR VALUE OF INSTRUMENT
E – INSERT EXACT ADDRESS OF LOCAL BANK BRANCH
F – INSERT EXPIRATION DATE OF LEASE PLUS 180 DAYS

*** Please instruct your Bank to have the Letter of Credit issued in the above format in "Draft" form and fax to Michael Mayurnik, Credit Manger, at (212) 435-5846 for approval **PRIOR** to issuance in "Original" form. Otherwise, the Letter of Credit can be rejected. If you are in need of further assistance, Mr. Mayurnik can be reached at (212) 435-5838. ****

The successful Proposer(s) may be required to submit a refundable security deposit in the form of a Letter of Credit, issued by an accredited financial institution in an estimated amount of two months of revenue, to demonstrate the proposers financial ability to perform the tasks associated with this Contract.

ATTACHMENT K - PERFORMANCE AND PAYMENT BOND FORMAT

KNOW ALL MEN BY THESE PRESENTS that we, the undersigned[2] Contractor and surety company (or companies), as principal and surety (or sureties), respectively,

Contractor	Surety

[2] Insert names of the Contractor and surety company (or companies) in the appropriate columns. If space is insufficient add rider.
If the Contractor is a corporation, give the state of incorporation, using also the phrase "a corporation organized under the laws of _____".
If the Contractor is a common law joint venture or a partnership, give full names of partners, using the phrase "co-partners doing business under the firm name of _____".
If the Contractor is an individual using a trade name, give individual name, using also the phrase "an individual doing business under the trade name of _____.".

Attachment K

Performance and Payment
Bond Format

ATTACHMENT K - PERFORMANCE AND PAYMENT BOND FORMAT

KNOW ALL MEN BY THESE PRESENTS that we, the undersigned[2] Contractor and surety company (or companies), as principal and surety (or sureties), respectively,

Contractor	Surety

[2] Insert names of the Contractor and surety company (or companies) in the appropriate columns. If space is insufficient add rider.
If the Contractor is a corporation, give the state of incorporation, using also the phrase "a corporation organized under the laws of _____".
If the Contractor is a common law joint venture or a partnership, give full names of partners, using the phrase "co-partners doing business under the firm name of _____".
If the Contractor is an individual using a trade name, give individual name, using also the phrase "an individual doing business under the trade name of _____.".

are hereby held and firmly bound unto The Port Authority of New York and New Jersey (herein called the "Authority") in the penal sum of

_____ Dollars

and _____ Cents ($ _____.), for the payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, representatives, executors, administrators, successors and assigns. Each surety, however, if there is more than one, shall be jointly and severally liable for said penal sum.

Signed this _____ day of _____ 20

The condition of the above obligation is that

WHEREAS, the above named principal has entered into a Contract in writing with the Authority, a copy of which is hereby made a part of this bond as though herein set forth in full and which is designated Contract _____ and

WHEREAS, the Authority has required this bond for the faithful performance of all construction obligations imposed by said Contract on the Contractor and also for the payment of all lawful claims of subcontractors, materialmen and workmen arising out of the performance of said construction;

NOW, if the said principal shall well and faithfully do and perform the things agreed by him/her to be done and performed according to the terms and true intent and meaning of said Contract and if all lawful claims of subcontractors, materialmen and workmen arising out of the performance of said Contract are paid, then this obligation shall be void, otherwise the same shall remain in full force and effect; it being expressly understood and agreed that, provided the sureties shall comply with the provisions hereof, the aggregate liability of all sureties for any and all claims hereunder shall in no event exceed the penal amount of this obligation as hereinbefore stated.

This undertaking is for the benefit the Authority and all subcontractors, materialmen and workmen having lawful claims arising out of the performance of said construction obligations of the Contractor under the Contract, and all such subcontractors, materialmen and workmen (as well as the Authority itself) shall have a direct right of action upon this bond; but the rights and equities of such subcontractors, materialmen and workmen shall be subject and subordinate to those of the Authority.

The sureties, for value received, hereby stipulate and agree that the obligations of said sureties and their bond shall be in no way impaired or affected by any extensions of time, modification, omission, addition or change in or to the said Contract or the construction to be performed thereunder by the Contractor, or by any supervision or inspection or omission to supervise or inspect the construction, or by any waiver of any provision or condition thereof (whether precedent or subsequent), or by any assignment, subletting or other transfer thereof or of any part thereof or of any construction to be performed or any moneys due or to become due thereunder; and said sureties do hereby waive notice of any and all of such extensions, modifications, omissions, additions, changes, payments, waivers, assignments, subcontracts and transfers, and hereby expressly stipulate and agree that any and all things done and omitted to be done by and in relation to assignees, subcontractors and other transferees shall have the same effect as to said sureties as though done by or in relation to said principal.

The sureties shall give the General Counsel of the Authority the following notices:
Written notice of an intent to pay any claim of a subcontractor, materialman or workman hereunder;
Written notice within five days of the institution of an action by a subcontractor, materialman or workman hereunder.
The sureties shall not pay the claim of any subcontractor, materialman or workman hereunder until the expiration of thirty days after receipt by said General Counsel of notice under either subparagraph A or B above, describing the claim to be paid.
IN WITNESS WHEREOF, the principal and the sureties have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto aff..:ed and these presents to be signed by their proper officers, the day and year first set forth above.

_____
Principal

(Seal) By [3]

_____

_____
Surety

By[4] _____

APPROVED AS TO ACCEPTABILITY OF SURETIES:

_____
Credit Manager

_____ 20

[3] If bond is signed by an officer or agent, give title; if signed by a corporation, affix corporate seal.
[4] Add signatures of additional sureties, if any.

THE PORT AUTHORITY OF NY & NJ

Response to RFP No. 0000007920 Advertising Opportunities for the Port Authority of NY & NJ and PATH Facilities

- **Digital television news programming with closed captioning on-board PATH rail cars**
- **Up to 7 channels of private non-disruptive wireless audio programming**
- **No cost to the PATH passengers**
- **No cost to the Port Authority of NY & NJ**
- **Substantial revenue stream to the Port Authority of NY & NJ**

June 13, 2005

the rail network

the rail network

TABLE OF CONTENTS

Letter of Transmittal	**Section 1**
Executive Summary	**Section 2**
Agreement on Terms of Discussion	**Section 3**
Certification With Respect To Contractor Integrity Provisions	**Section 4**
Organizational Chart	**Section 5**
Business Plan	**Section 6**
Proposal	**Section 7**
Marketing Materials	**Section 8**
Intellectual Property	**Section 9**
Attachment C	**Section 10**
Attachment E	**Section 11**
Attachment F	**Section 12**
Acknowledgement of Addenda	**Section 13**

561 Seventh Avenue Suite 702 New York, NY 10018 (646) 728-0266 (646) 728-0268 Fax

Letter of Transmittal

the rail network

June 13, 2005

VIA PERSONAL DELIVERY

Manager, Purchasing Services Division
The Port Authority of NY&NJ
One Madison Avenue, 7th Floor
New York, NY 10010

Re: RFP No. 0000007920 (the "RFP")

Dear Sirs:

TRN New York, LLC ("TRN"), a wholly-owned subsidiary of The Rail Network, Inc., is proud to submit this proposal in response to the above referenced RFP.

With its patented multimedia transit broadcast system, The Rail Network,. Inc. and its affiliates provide television, music and transit information on moving surface and underground mass transit subway and rail systems. TRN Atlanta, LLC, an affiliate of TRN, is currently implementing the first television and radio network on rail vehicles in North America, in the Metropolitan Atlanta Rapid Transit Authority's (MARTA) rail vehicles. TRN Atlanta, LLC is working closely with MARTA and has provided reference information herein. In addition, a live demonstration of the system can be arranged.

This proposal is comprehensive and evidences TRN's knowledge of PATH's operations. TRN's system would operate seamlessly without causing disruption to PATH's rail operations.

TRN's unique content and quality of service on PATH rail vehicles would include, without limitation:

- highest quality digital television programming with closed captioning (not a slideshow or text/graphics) updated throughout the day;
- up to seven channels of private, non-disruptive, wireless audio programming including:
    - up to three language choices for the television programming;
    - up to three music channels; and
    - an audio channel exclusively for PATH; and
- the ability for PATH to communicate with its customers using real-time messaging.

TRN's proposal demonstrates its commitment to PATH. TRN's completion schedule estimates installation of all 327 PATH rail vehicles over an 8 month period. In addition, through TRN's affiliate's experience with MARTA's rail vehicle rehabilitation program, TRN believes that it has the ability to coordinate the installation of its infrastructure with the acquisition of PATH's new Kawasaki rail vehicles. Further, TRN's proposal explains how its patented technology has the ability to interface and adapt to future technologies and systems, including several additional capabilities.

TRN's service would be free to PATH passengers and at no cost to PATH. TRN is offering the Port Authority of NY&NJ the higher of (i) a significant minimum guarantee of revenue or (ii) a percentage of revenues. TRN estimates that the Port Authority of NY&NJ would receive more than $23.4 Million over the term of the contract.

Any and all references in this document (by word or picture) to any other entity or company, is for example purposes only and such reference is in no way intended to imply that such entity endorses TRN, TRN's proposal or TRN's prospective products and services. Any and all references to TRN's intellectual property are presented for informational purposes and no warranties are made with respect to the scope, enforceability or validity of such intellectual property.

This proposal also provides details regarding our organization's experience, seasoned management team and their relationships and qualifications, which clearly demonstrate TRN's ability to provide the proposed services for PATH.

TRN New York, LLC, located at the following address, is submitting this proposal as a single entity.

TRN New York, LLC
c/o The Rail Network, Inc.
561 Seventh Avenue, Suite 702
New York, NY 10018

With respect to any questions or negotiations, you may contact either:

David Lane
Chief Executive Officer
The Rail Network, Inc.
561 Seventh Avenue, Suite 702
New York, NY 10018
646-728-0266 x227

Evan Borak
Executive Vice President
The Rail Network, Inc.
561 Seventh Avenue, Suite 702
New York, NY 10018
646-728-0266 x226

The Rail Network, Inc. is the party authorized to execute a contract as TRN's member. TRN intends to execute agreements with its subcontractors following execution of a contract between TRN and the Port Authority of NY & NJ. Attached hereto is a true copy of the Certificate of Formation of TRN as of the date hereof.

In anticipation of a collaborative effort between PATH and TRN, TRN looks forward to discussing this proposal, the Scope of Work, the Contract Specific Terms and Conditions and Standard Contract Terms and Conditions with PATH and submits the attached list of exceptions as proposed discussion points with PATH.

Thank you in advance for your consideration of TRN's proposal.

Very truly yours,

TRN New York, LLC

By: The Rail Network, Inc., its member

By: David E. Lane
Title: Chief Executive Officer

Any and all references in this document (by word or picture) to any other entity or company, is for example purposes only and such reference is in no way intended to imply that such entity endorses TRN, TRN's proposal or TRN's prospective products and services. Any and all references to TRN's intellectual property are presented for informational purposes and no warranties are made with respect to the scope, enforceability or validity of such intellectual property.

EXCEPTIONS TO ATTACHMENT B - CONTRACT TERMS AND CONDITIONS

Below is a list of specific Sections of the Contract Terms and Conditions to which TRN takes exception. Our exceptions are based upon the experience of TRN's management team, as well as TRN's experience in working with transit authorities and strategic partners to design TRN's network specifically for the rail transit environment. TRN welcomes the opportunity to discuss these exceptions with PATH and to work with PATH to clarify and resolve the issues arising from these Sections.

Part I -- Contract Specific Terms and Conditions

1. Introduction & Description of Services

5. General Provisions
   B.
   C.

6. Intellectual Property

7. Termination of Agreement for Cause

8. Insurance Procured by the Contractor

9. Certain Contractor's Warranties
   E.
   F.

11. Authority of the Director

12. Authority and Duties of the Manager

13. Parking

15. Letter of Credit

16. Performance and Payment Bond

Part II – Standard Contract Terms and Conditions

Part B General Provisions

6. Rights and Remedies of the Port Authority

7. Rights and Remedies of the Contractor

9. Harmony
   A.

Any and all references in this document (by word or picture) to any other entity or company, is for example purposes only and such reference is in no way intended to imply that such entity endorses TRN, TRN's proposal or TRN's prospective products and services. Any and all references to TRN's intellectual property are presented for informational purposes and no warranties are made with respect to the scope, enforceability or validity of such intellectual property.

14. Default, Revocation or Suspension of Contract
    A.
    B.
    C.

17. Records and Reports

19. Subcontracting
    A.

20. Indemnification and Risks Assumed by the Contractor

26. Property of the Contractor
    A.
    B.

29. Approval of Materials, Supplies, & Equipment

36. Non-Publication

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Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "TRN VANCOUVER, LLC", CHANGING ITS NAME FROM "TRN VANCOUVER, LLC" TO "TRN NEW YORK, LLC", FILED IN THIS OFFICE ON THE TWENTIETH DAY OF MAY, A.D. 2005, AT 12:57 O'CLOCK P.M.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

3922985 8100

AUTHENTICATION: 3900627

050418095

DATE: 05-24-05

Certificate of Amendment to Certificate of Formation

Of

TRN VANCOUVER, LLC

It is hereby certified that:

1. The name of the limited liability company (hereinafter called the "limited liability company") is TRN VANCOUVER, LLC

2. The certificate of formation of the limited liability company is hereby amended by striking out Article FIRST thereof and by substituting in lieu of said Article the following new Article:

"FIRST: The name of the company shall be:

TRN NEW YORK, LLC"

Executed on 5/18/05

David Lane, Authorized Person

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:15 PM 05/20/2005
FILED 12:57 PM 05/20/2005
SRV 050418095 - 3922985 FILE

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "TRN VANCOUVER, LLC", FILED IN THIS OFFICE ON THE EIGHTH DAY OF FEBRUARY, A.D. 2005, AT 10:44 O'CLOCK A.M.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

3922985 8100

AUTHENTICATION: 3672587

050101136

DATE: 02-09-05

CERTIFICATE OF FORMATION
OF
LIMITED LIABILITY COMPANY

FIRST. The name of the limited liability company is TRN VANCOUVER, LLC

SECOND. The address of its registered office in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, Delaware, 19808. The name of its registered agent at such address is THE COMPANY CORPORATION.

IN WITNESS WHEREOF, the undersigned have executed this Certificate of Formation of TRN VANCOUVER, LLC this 8th day of February, 2005.

NAME: Brad

Brandon Laramore
Authorized Person

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:02 AM 02/08/2005
FILED 10:44 AM 02/08/2005
SRV 050101136 - 3922985 FILE

Executive Summary

EXECUTIVE SUMMARY

The Rail Network and its affiliates ("TRN") provide television, transit information and music on moving surface and underground mass transit subway and rail systems. TRN wirelessly broadcasts digital video and audio programming over TRN's patented network infrastructure which combines both land and wireless network technologies.

To date, passengers traveling on subway and rail cars in the U.S. have not had access to current television and radio programming as a source of news and entertainment. Content providers have been unable to provide current video and audio programming to passengers in a moving rail car that travels both above and below ground. TRN has created a solution.

TRN's network provides digital television news programming, with closed captioning, across multiple flat screen LCD (liquid crystal display) televisions. TRN also provides several channels of wireless, non-disruptive digital audio music programming, transit authority safety and system messages and video and audio emergency messages to rail passengers. TRN's system also has several future capabilities, including additional video and audio content, two-way broadband and video surveillance.

As part of the service proposed for PATH, TRN's television newscast will be produced by one of the local network television affiliates in New York, ensuring that the content is relevant to PATH passengers and updated throughout the day. TRN's video programming will be similar to the newscast that a passenger would see on a major news network's morning or evening broadcast, including world and local news, business, sports, weather and entertainment features, all updated regularly throughout the day. TRN's programming will also feature multiple channels of non-disruptive wireless personal audio programming, available on any FM radio or cell phone with an FM headset, including:

- Up to three languages (English, Spanish, TBD) for the newscast and audio messages;
- Up to three channels of music programming; and
- One channel dedicated for information from PATH.

Passengers will be able to enjoy TRN's video programming over several high resolution LCDs, positioned and designed to provide visibility to all passengers in each rail vehicle. TRN's multiple channels of audio are delivered over FM frequencies broadcast from within the rail car. This method of audio delivery allows passengers to adjust the channel and volume on their individual listening devices without disrupting the other passengers.

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TRN's management team is comprised of executives from diverse corporate backgrounds and has significant operational experience and extensive relationships. In addition, TRN has close relationships with industry leaders such as Alstom, Proxim and others.

TRN's system is currently being deployed in the Metropolitan Atlanta Rapid Transit Authority's rail system in Atlanta, GA where the system will be the first of its kind. TRN is in discussion with several other transit systems for the implementation of TRN's system.

The significant experience of TRN's management team, as well as TRN's experience in working with transit authorities to design TRN's network for the rail transit environment, will allow TRN to successfully install, operate and maintain its network on PATH. TRN's network is designed to operate seamlessly, requiring no change in PATH's operating routines and no interference with daily rail operations. TRN would welcome the opportunity to provide a live demonstration of its capabilities on the MARTA rail system. Other networks, such as those used on buses and in passenger facilities, are not comparable as the content, delivery of content to vehicles and passengers, equipment, maintenance and operations are significantly different from those required in rail vehicles.

TRN's comprehensive plan, customized specifically for PATH, ensures a high level of system quality and specifies a realistic project schedule for installation with means to control the schedule and a comprehensive plan for managing the project on a day-to-day basis. TRN has the ability to rapidly deploy the system within an estimated time period of 8 months.

TRN's network is offered at no cost to PATH or its passengers, while providing PATH with the higher of (i) a substantial revenue guarantee to PATH or (ii) a significant percentage of revenues.

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Passenger Benefits

To date, uninterrupted current video news content and music have not been available to rail passengers. TRN provides a new option for this passenger base. TRN believes that PATH's passengers will recognize the following selected benefits and take advantage of this free service.

- Television programming including world, national and local news, weather, sports and entertainment news
- Digital picture visible throughout each car across multiple flat screen televisions, with closed captioning
- Multiple channels of audio including multiple languages, music and the PATH channel
- PATH Information Channel
- Clear audio available on any FM radio or cellular phone (no cell phone charges)
- Provides information/entertainment source during train delays and disruptions
- Closed private audio and video delivery does not disturb passengers
- Highest quality video and audio content

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Rail System Benefits

Rail systems throughout the world are seeking new opportunities to increase ridership and ultimately, increase revenue. TRN meets those demands both indirectly and directly by enhancing the transit experience and bringing significant revenue to the rail system. The following is a selected list of benefits to PATH:

- Dynamic visual news, transit information and entertainment source as an option for passengers
- Enhancement to transit environment
- Substantial revenue stream
- No cost to transit authority
- PATH Information Channel
- Optional real-time emergency text messaging and audio alert
- Highest quality digital video and audio delivery
- Private audio delivery does not disrupt other passengers
- Physical installation follows existing wiring paths
- No disruption to transit schedule, communications or operations

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Special Competencies and Expertise

TRN believes that it is the best qualified to render the proposed services.

TRN's media strategy is unique. TRN has conducted extensive research and focused on providing quality content to rail passengers by creating a television and radio network specifically for rail passengers. TRN's strategy is to provide passengers with content that they want to watch, not that they have to watch. By contracting with a television broadcast network, TRN provides continuously updated television news programming. TRN believes that updated television programming, not text, graphics or static slideshows, will hold the passengers interest and attention for their entire ride. TRN's television broadcast has the same amount of advertising as any average half hour on television. Although others claim to provide local content and information, to TRN's knowledge, TRN is the only company that employs a true broadcast television strategy with content from the most respected local broadcast television providers.

Since its inception, TRN has been working closely with rail transit systems in developing its system, equipment and proposed operations specifically for the rail transit environment. To our knowledge TRN is the only company with the engineering, installation and operational experience with a video and audio network for rail vehicles. A live demonstration of TRN's capabilities can be arranged on the MARTA rail system. In addition, TRN has been granted a U.S. patent for a transit multimedia broadcast system which wirelessly delivers content to, and within, transit cars. Moreover, TRN has established strategic alliances which provide TRN with exclusive rights to additional intellectual property from its partners.

TRN's network employs media components engineered, designed and manufactured by Alstom, one of the world's leading rail car equipment providers. Alstom's equipment meets the rigorous safety and operational qualifications required to operate within a rail system environment.

In addition, TRN has obtained the global exclusive right to technology which TRN believes is the only industrial wireless equipment capable of providing a secure and timely means to deliver content to rail passengers traveling below ground without disrupting operations. TRN's wireless platform does not use commercially available frequencies such as 802.11. TRN believes that 802.11 frequencies are vulnerable to security breaches from third parties using readily available equipment.

TRN believes that no other bidder can provide the quality of content, understanding of rail operations and experience that TRN offers. The following are selected competitive advantages.

REVENUE TO THE PORT AUTHORITY

- Revenue share to Port Authority projected to be **$23,498,203**
- significant minimum guarantee of **$3,850,000** over the operating term of the contract

MARKETING STRATEGY AND APPROACH

- highest quality content -- digital television news programming (not text or banners) relevant to passengers
- content updated continuously
- same breakdown of content as television newscast, 9.5 minutes of advertisements, 20.5 minutes of content
- closed-captioning

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- ability for PATH to communicate with passengers in real time
- non-disruptive, private audio delivery to rail customers
- up to 7 channels of wireless personal audio programming, available on any FM radio or cell phone with FM headset (*no broadcasting over public speakers*)
- reaches diverse passenger base with up to three audio channels delivering audio corresponding to the video programming in up to three languages
- provides music as an option to passengers through TRN's three audio music channels, each with a different genre
- one audio channel dedicated for PATH to communicate travel information, promotional content and/or any other messages to its rail passenger base
- ability to deliver emergency information
- future capability to provide many additional services, such as: (i) additional video content (i.e. shows, events, etc.), (ii) additional audio content, (iii) wireless two-way broadband, and (iv) video surveillance

TECHNICAL APPROACH

- technically sound and realistic plan tailored specifically for rail cars based on experience with rail systems
- seamless integration with PATH's operations
- comprehensive installation and maintenance plan
- installation by a licensed contractor with experience on PATH rail cars
- detailed project implementation schedule
- rapid deployment -- complete installation of entire PATH rail system within 8 months
- design of network infrastructure and installation and maintenance plan demonstrates understanding of PATH operations

OVERALL EXPERIENCE INCLUDING FINANCIAL CAPABILITY

- currently implementing network in Metropolitan Atlanta Rapid Transit Authority
- customized in-vehicle equipment based upon Alstom passenger information system which has been engineered for the rail environment and deployed in other transit authorities
- relationship with Alstom ensures design and implementation meets rail system requirements, including safety and functionality
- network designed for the rail transit environment based on input from rail systems
- secure wireless distribution network across proprietary infrastructure which does not use 802.11
- exclusive rights to Alstom components and the proprietary wireless network infrastructure
- ability to coordinate project with purchase of new rail vehicles
- proven management team with unmatched experience and relationships
- advised by former U.S. Secretary of Transportation Rodney Slater
- success of TRN New York not contingent on the performance of other transit systems

PROPRIETARY TECHNOLOGY

- approved patent for transit multimedia broadcast system that wirelessly delivers content to, and within, a transit vehicle
- exclusive relationship with Alstom Transport Telecite leverages their patent portfolio, including the Alstom train line messaging protocol HPNA

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Agreement of Terms of Discussion

9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

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

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

TRN New York, LLC
(Company)

The Rail Network, Inc. Its Member
(Signature)

David Lane CEO
(Title)

6/7/05
(Date)

Certification With Respect To Contractor Integrity Provisions

PART III CONTRACTOR'S INTEGRITY PROVISIONS

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

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

a. been indicted or convicted in any jurisdiction;
b. been suspended, debarred, found not responsible or otherwise disqualified from entering into any contract with any governmental agency or been denied a government contract for failure to meet standards related to the integrity of the Bidder;
c. had a contract terminated by any governmental agency for breach of contract or for any cause based in whole or in part on an indictment or conviction;
d. ever used a name, trade name or abbreviated name, or an Employer Identification Number different from those inserted in the Bid;
e. had any business or professional license suspended or revoked or, within the five years prior to bid opening, had any sanction imposed in excess of $50,000 as a result of any judicial or administrative proceeding with respect to any license held or with respect to any violation of a federal, state or local environmental law, rule or regulation;
f. had any sanction imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust regardless of the dollar amount of the sanctions or the date of their imposition; and
g. been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

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

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

a. the prices in its bid have been arrived at independently without collusion, consultation, communication or agreement for the

purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor;

a. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Bidder prior to the official opening of such bid to any other bidder or to any competitor;
b. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Bidder prior to the official opening of such bid to any other bidder or to any competitor;
c. no attempt has been made and none will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition;
d. this organization has not made any offers or agreements or taken any other action with respect to any Authority employee or former employee or immediate family member of either which would constitute a breach of ethical standards under the Code of Ethics dated April 11, 1996 (a copy of which is available upon request to the individual named in the clause hereof entitled "Bidder's Questions"), nor does this organization have any knowledge of any act on the part of an Authority employee or former Authority employee relating either directly or indirectly to this organization which constitutes a breach of the ethical standards set forth in said Code;
e. no person or selling agency other than a bona fide employee or bona fide established commercial or selling agency maintained by the Bidder for the purpose of securing business, has been employed or retained by the Bidder to solicit or secure this Contract on the understanding that a commission, percentage, brokerage, contingent, or other fee would be paid to such person or selling agency; and
f. the bidder has not offered, promised or given, demanded or accepted, any undue advantage, directly or indirectly, to or from a public official or employee, political candidate, party or party official, or any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), in order to obtain, retain or direct business or to secure any other improper advantage in connection with this Contract.

The foregoing certifications shall be deemed to be made by the Bidder as follows:

* if the Bidder is a corporation, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each parent, affiliate, director, and officer of the Bidder, as well as, to the best of the

certifier's knowledge and belief, each stockholder of the Bidder with an ownership interest in excess of 10%;

* if the Bidder is a partnership, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each partner.

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

In any case where the Bidder cannot make the foregoing certifications, the Bidder shall so state and shall furnish with the signed bid a signed statement which sets forth in detail the reasons therefor. If the Bidder is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its bid, setting forth in such statement the reasons for its uncertainty.

Notwithstanding that the Bidder may be able to make the foregoing certifications at the time the bid is submitted, the Bidder shall immediately notify the Authority in writing during the period of irrevocability of bids on this Contract or any extension of such period of any change of circumstances which might under this clause make it unable to make the foregoing certifications or require disclosure. The foregoing certifications or signed statement shall be deemed to have been made by the Bidder with full knowledge that they would become a part of the records of the Authority and that the Authority will rely on their truth and accuracy in awarding this Contract. In the event that the Authority should determine at any time prior or subsequent to the award of this Contract that the Bidder has falsely certified as to any material item in the foregoing certifications or has willfully or fraudulently furnished a signed statement which is false in any material respect, or has not fully and accurately represented any circumstance with respect to any item in the foregoing certifications required to be disclosed, the Authority may determine that the Bidder is not a responsible Bidder with respect to its bid on the Contract or with respect to future bids on Authority contracts and may exercise such other remedies as are provided to it by the Contract with respect to these matters. In addition, Bidders are advised that knowingly providing a false certification or statement pursuant hereto may be the basis for prosecution for offering a false instrument for filing (see e.g. New York Penal Law, Section 175.30 et seq.). Bidders are also advised that the inability to make such certification will not in and of itself disqualify a Bidder, and that in each instance the Authority will evaluate the reasons therefor provided by the Bidder.

3. <u>Bidder Eligibility for Award of Contracts - Determination by an Agency of the State of New York or New Jersey Concerning Eligibility to Receive Public Contracts</u>

Bidders are advised that the Authority has adopted a policy to the effect that in awarding its contracts it will honor any determination by an agency of the State of New York or New Jersey that a Bidder is not eligible to bid on or be awarded public contracts because the Bidder has been determined to have engaged in illegal or dishonest conduct or to have violated prevailing rate of wage legislation.

The policy permits a Bidder whose ineligibility has been so determined by an agency of the State of New York or New Jersey to submit a bid on a Port Authority contract and then to establish that it is eligible to be awarded a contract on which it has bid because (i) the state agency determination relied upon does not apply to the Bidder, or (ii) the state agency determination relied upon was made without affording the Bidder the notice and hearing to which the Bidder was entitled by the requirements of due process of law, or (iii) the state agency determination was clearly erroneous or (iv) the state determination relied upon was not based on a finding of conduct demonstrating a lack of integrity or violation of a prevailing rate of wage law.

The full text of the resolution adopting the policy may be found in the Minutes of the Authority's Board of Commissioners meeting of September 9, 1993.

4. <u>No Gifts, Gratuities, Offers of Employment, Etc.</u>

During the term of this Contract, the Contractor shall not offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Contractor on behalf of the Port Authority, whether or not such duties are related to this Contract or any other Port Authority contract or matter. Any such conduct shall be deemed a material breach of this Contract. As used herein "anything of value" shall include but not be limited to any (a) favors, such as meals, entertainment, transportation (other than that contemplated by the Contract or any other Port Authority contract), etc. which might tend to obligate the Port Authority employee to the Contractor, and (b) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Contract or any other Port Authority contract. Where used herein, the term "Port Authority" shall be deemed to include all subsidiaries of the Port Authority.

The Contractor shall insure that no gratuities of any kind or nature whatsoever shall be solicited or accepted by it and by its personnel for any reason whatsoever from the passengers, tenants, customers or other persons

using the Facility and shall so instruct its personnel.

In addition, during the term of this Contract, the Contractor shall not make an offer of employment or use confidential information in a manner proscribed by the Code of Ethics and Financial Disclosure dated April 11, 1996 (a copy of which is available upon request to the Office of the Secretary of the Port Authority).

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

5. Conflict of Interest

During the term of this Contract, the Contractor shall not participate in any way in the preparation, negotiation or award of any contract (other than a contract for its own services to the Authority) to which it is contemplated the Port Authority may become a party, or participate in any way in the review or resolution of a claim in connection with such a contract if the Contractor has a substantial financial interest in the contractor or potential contractor of the Port Authority or if the Contractor has an arrangement for future employment or for any other business relationship with said contractor or potential contractor, nor shall the Contractor at any time take any other action which might be viewed as or give the appearance of conflict of interest on its part. If the possibility of such an arrangement for future employment or for another business arrangement has been or is the subject of a previous or current discussion, or if the Contractor has reason to believe such an arrangement may be the subject of future discussion, or if the Contractor has any financial interest, substantial or not, in a contractor or potential contractor of the Authority, and the Contractor's participation in the preparation, negotiation or award of any contract with such a contractor or the review or resolution of a claim in connection with such a contract is contemplated or if the Contractor has reason to believe that any other situation exists which might be viewed as or give the appearance of a conflict of interest, the Contractor shall immediately inform the Director in writing of such situation giving the full details thereof. Unless the Contractor receives the specific written approval of the Director, the Contractor shall not take the contemplated action which might be viewed as or give the appearance of a conflict of interest. In the event the Director shall determine that the performance by the Contractor of a portion of its services under this Agreement is precluded by the provisions of this numbered paragraph, or a portion of the Contractor's said services is determined by the Director to be no longer appropriate because of such preclusion, then the Director shall have full authority on behalf of both parties to order that such portion of the Contractor's services not be performed by the Contractor, reserving the right, however, to have the services performed by others and any lump sum compensation payable hereunder which is applicable to the deleted work shall be equitably adjusted by the parties. The Contractor's execution of this document shall constitute a representation by the Contractor that at the time of such execution the Contractor knows of no circumstances, present or anticipated, which come within the provisions of

this paragraph or which might otherwise be viewed as or give the appearance of a conflict of interest on the Contractor's part. The Contractor acknowledges that the Authority may preclude it from involvement in certain disposition/privatization initiatives or transactions that result from the findings of its evaluations hereunder or from participation in any contract which results, directly or indirectly, from the services provided by the Contractor hereunder.

6. Definitions

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

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

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

Investigation - Any inquiries made by any federal, state or local criminal prosecuting agency and any inquiries concerning civil anti-trust investigations made by any federal, state or local governmental agency. Except for inquiries concerning civil anti-trust investigations, the term does not include inquiries made by any civil government agency concerning compliance with any regulation, the nature of which does not carry criminal penalties, nor does it include any background investigations for employment, or Federal, State, and local inquiries into tax returns.

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

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

If the solicitation is a Request for Proposal:

Bid - shall mean Proposal;

Bidder - shall mean Proposer;

Bidding - shall mean submitting a Proposal.

In a Contract resulting from the taking of bids:

Bid - shall mean bid;

Bidder - shall mean Bidder;

Bidding - shall mean executing this Contract.

In a Contract resulting from the taking of Proposals:

Bid - shall mean Proposal;

Bidder - shall mean Proposer;

Bidding - shall mean executing this Contract.

Organizational Chart

ORGANIZATIONAL CHART

TRN New York, LLC is a wholly-owned subsidiary of The Rail Network, Inc., TRN New York currently has no employees. However, following execution of a contract with the Port Authority, TRN New York intends to staff the necessary local operational, sales and administrative personnel as outlined below. TRN New York intends to leverage the administrative and production staff out of TRN Atlanta's location to perform tasks, including but not limited to, the content distribution and network management of TRN New York's network on the PATH rail system. Below is an overview of personnel that TRN New York intends to staff.

Market Director
Sales Representative
Sales Representative
Sales Representative
Sales Representative
Senior Sales Person
Senior Sales Person
Sales Administration
Office Manager
Ride Team
Ride Team
Ride Team
Ride Team
Ride Team
Ride Team
Ride Team
Bookkeeper
Project Manager
Inventory Control
Procurement Contracts Manager
NMCC
Operation Tech II
Operation Tech II
Operation Tech III

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BUSINESS PLAN

PLAN TO DEVELOP AND IMPLEMENT SALES

During a time when advertisers have had multiple outlets to distribute their message (online, print, outdoor, etc.), television has remained the most effective medium available to advertisers. However, content drives a successful advertising strategy and TRN believes that true video and audio content (similar to network television), not text or banners, will attract advertisers to TRN. TRN will follow the same programming format as television news broadcasts, which contain nineteen 30-second advertising spots every half hour. Through TRN, advertisers will be able to use television with personal audio to reach a captive audience of transit riders. The following is a selected list of benefits to advertisers:

- Target audience that has been qualified and bought for decades;
- The only television, with personal audio, available inside the cars;
- No cost to the passengers;
- Multiple screens in every car, viewable by every passenger, across the entire system;
- Benefit of television's higher recall levels;
- Already captive audience reached by the power of television with personal audio;
- Highly attractive demographic -- both the suburban commuter and the urban mass transit passenger;
- Opportunity for point of purchase advertising;
- Ability to reach passengers using multiple languages; and
- Closed captioning in addition to corresponding audio.

Through TRN, Fortune 1000, as well as small/medium sized businesses will be able to take advantage of television advertising. In addition, advertisers will be able to use the spots they have produced for network television, thereby leveraging their content and reducing their cost to participate.

TRN will undertake an intense selling effort through internal and outsourced media reps focused advertising agencies and media buyers. TRN will target businesses that have used television as an advertising medium and businesses that have not previously advertised on television.

Sales Team

TRN will hire the sales team that will be responsible for the ongoing sales efforts in New York. TRN's sales team members will be experts in the local media market with a strong network of customers and affiliations with local industry and marketing associations. TRN's sales team will consist of personnel with significant experience selling television, radio and print mediums. Specifically, team members will have previous media, marketing and/or agency experience with substantial time spent managing the sales process. Team members will have a proven successful track record of selling to advertisers. TRN will target major advertisers and advertising agencies and specifically their media planners, to introduce the TRN market opportunity for their clients. TRN's local sales teams will target businesses that currently use local television as a method of reaching their target audience. These firms represent numerous clients interested in reaching TRN's captive audience, for the first time, with television.

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Sales Outsourcing

TRN also will engage media representative firms with the purpose of supplementing TRN's internal sales force targeting both advertising agencies and individual advertisers. .

Trade Publications

TRN will distinguish its first of a kind capabilities, reach and effectiveness through trade publications which include Ad Age, Adweek and Media Week. The TRN publication strategy is designed to reach the media buyers from the agencies as well as the advertisers directly.

Local Public Relations

TRN's public relations team will be responsible for communicating with PATH's passengers, answering their questions, responding to public information requests and establishing TRN's overall public communication policy. TRN will also retain a public relations firm that will work with PATH in creating a joint public relations campaign prior to the launch of the services and continuing through the term of the agreement.

Content Research

TRN will establish an ongoing research study to understand the effectiveness of TRN's video and audio content through feedback from PATH's passengers making adjustments when needed. TRN believes that the content must be embraced by the majority of PATH's passenger base and will concentrate efforts to ensure passenger acceptance.

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PLAN TO DEVELOP NEW OPPORTUNITIES

TRN's system has several future capabilities, including, without limitation:

Additional Video Content

In response to passenger feedback, TRN's system has the ability to provide enhanced video programming such as footage from concerts, sporting events and television sitcoms.

Additional Audio Content

TRN has the ability to add more audio channels. In addition, TRN can customize its programming to enhance the riders experience by delivering interactive audio content. For example, TRN's audio capabilities can provide an educational platform to PATH rail car passengers such as "around the town" information about the New York area, music festivals or even interactive courses to learn a second language.

Two-Way Wireless Broadband

TRN's network will contain the internal railcar wiring that may be used as part of an infrastructure which, when combined with the appropriate applicable components may have the ability to provide wireless high-speed internet access to PATH's rail passengers within the rail car. The provision of internet access is not part of the services currently being proposed by TRN, but in the event that PATH desires to offer internet access to its rail car passengers, TRN's network may provide certain basic elements required for such service.

Video Surveillance

TRN believes that, by incorporating certain components of Alstom's passenger information system, TRN's system will have the capability of providing video surveillance of the interior of PATH's rail cars. TRN's infrastructure has the capability of containing the wiring necessary for such service. The provision of video surveillance is not part of the services currently being proposed by TRN, but in the event that PATH desires to implement video surveillance in PATH's rail cars, TRN's network may provide the basic elements required for such service.

PathVision

TRN believes that its network infrastructure may be integrated with the Pathvision system. TRN may be interested in providing its content across the Pathvision video network currently deployed throughout the PATH rail system. TRN would welcome the opportunity to discuss the Pathvision network and the potential integration of TRN's content.

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POSSIBLE SCREEN LOCATIONS

TRN will recommend video display locations, which will be subject to approval by PATH. The placement locations proposed for the video displays will provide the passengers with a view from all areas of the railcar and will not obstruct existing advertising locations, passenger walkways or emergency exits. The following represent examples of possible locations for the LCD screens but are not presented as a final recommendation:

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PLAN TO INSTALL AND PROVIDE MATERIALS FOR INFRASTRUCTURE

Installation Plan

The following is TRN's proposed installation plan for PATH. This plan is subject to PATH approval and mutual agreement with TRN prior to installation and will be modified accordingly.

TRN currently intends to use a third party contractor(s) to perform the installation and ongoing maintenance of the TRN network on PATH. TRN will offer PATH the opportunity to serve as a subcontractor for installation and or maintenance. In the event that PATH chooses not to act as a subcontractor for installation and/or maintenance, TRN's system does not require routine PATH monitoring. In either case, installation and maintenance of TRN's network will be at TRN's cost and will be coordinated with PATH.

Engineering

Prior to installation, TRN will provide detailed drawings and specifications of the installation of each railcar, proposed LDP locations and all other necessary engineering for PATH's approval. These engineering drawings and specifications will detail the interfaces to existing systems, power consumption, connection methods, and equipment locations.

Installation and Maintenance Labor

TRN will provide a project manager that will directly coordinate all aspects of the installation with PATH. TRN's project manager will provide a single point of contact for PATH. TRN will inspect and test the work and ensure that the system is operational. All maintenance performed will be consistent with PATH's operating maintenance window. For maximum efficiency of the installation of TRN's network, all TRN network components are installed at locations within PATH's property.

TRN is aware that PATH has contracted for 340 new railcars manufactured by Kawasaki. TRN intends to work with PATH to coordinate installation and maintenance work to integrate the new rail vehicles. TRN anticipates that this will include establishing a procedure to remove TRN's equipment from the existing fleet and re-install the infrastructure into the new Kawasaki railcars as new vehicles are delivered and old vehicles replaced. Through its work with MARTA, TRN's affiliates have experience planning the coordination of installation on rehabilitated rail cars.

Safety

TRN understands that safety is the top priority on any project in the PATH system. As TRN's affiliates have done, and are doing, in connection with TRN Atlanta, LLC's work on MARTA, all required personnel and contractors will complete the applicable safety program as required by PATH prior to installation. TRN believes that it is the only respondent possessing the experience with, and knowledge of, the safety precautions when deploying an in-vehicle video system.

Ongoing Maintenance

TRN intends to store replacement components at locations where PATH will allow the servicing of TRN's network. TRN requires space at these locations and will work with PATH in determining

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such space requirements. These onsite locations will allow TRN to receive and distribute material and equipment packages to the installation crews. TRN's equipment is designed to allow the equipment to be quickly and easily removed from the railcar by a skilled contractor and immediately replaced with an operating unit, rather than repairing the unit on the rail car. This design ensures the most effective and efficient repair of malfunctioning equipment, returning the railcar into revenue service without delay.

Installation Timeframe and Schedule

The following is TRN's estimated timeframe to complete the installation of 327 rail vehicles. The timeframe is based on several assumptions including, without limitation, access to PATH's property, new vehicle procurement delivery schedule, approval by the Authority and other factors. The following schedule is subject to PATH's approval and revisions and mutual agreement with TRN.

Month 1 **Project Alignment**

TRN will conduct the project alignment with PATH on TRN's infrastructure and performance capabilities.

Location: TBD Hours: 16 hours (two days)

Topics

- Review safety guidelines
- Overview of TRN passenger content
- Overview of TRN PATH content distribution
- Overview of TRN rail car components
- Overview of TRN wireless distribution network
- Overview of LDP

Rail car Engineering Session

TRN will provide detailed instruction on the rail car infrastructure engineering including:

- Equipment locations
- Wiring paths and termination
- Video/Audio distribution
- PATH messaging network
- Power usage
- Wireless transceivers
- Content distribution

Rail car Component Installation Session

TRN will provide detailed instruction on the installation of the rail car components including:

- VMC installation
- Audio distribution wiring
- Power termination
- Wireless transceiver installation
- Video distribution wiring
- Power distribution wiring
- Video display installation

LDP Component Installation Session

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TRN will provide detailed instruction on the installation of the LDP components including:

- Equipment location
- Equipment installation
- Power installation
- Antenna location
- Antenna installation
- Network installation

Month 2 **TRN submits rail car engineering for PATH approval**

Month 3 **Testing Period**

Installation: One (1) railcar

One railcar will be fully installed to confirm the infrastructure engineering plan and establish work procedure and communications protocol

Location:	Hours:	Process:	Action Items:	Deliverables
TBD	24 hours over three 8-hour daytime shifts	• Interior molding removed • Video and audio wiring installed • Wireless antenna installed • VMC installed • Video displays installed • Power termination	• Component testing • Wireless transmission/receipt testing • Wireless Interference testing • Power usage and power down testing • Video infrastructure testing • PATH audio channel testing • Audio broadcast testing	• Document final railcar installation process • Confirm railcar-engineering plan • TRN Inspection and Acceptance • Complete installation of one railcar

Installation: Line Distribution Point (LDP)

All LDP locations will be installed prior to testing. The LDP is a location within the PATH system, such as a station or rail yard, which is responsible for wirelessly transmitting the video and audio content into the railcar infrastructure. The LDP consists of a storage device with TRN's proprietary software, power protection and a wireless broadcast device.

Hours	Locations:	Process	Action Items
8 hours to complete each location	TBD	• Install LDP equipment rack • Install wireless transceiver antennae	• Conduct wireless interference analysis • Conduct wireless transmission/receipt analysis • Conduct component redundancy test • Conduct content transmission between NOC and LDP • TRN Inspection and Acceptance

Installation: five (5) railcars for Testing

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Following completion of the first railcar, five (5) additional railcars will be fully installed for immediate testing for a period of thirty (30) days.

Location	Hours:	Process	Action Items	Deliverables
TBD	12 hours to complete one railcar	• Interior molding removed • Video and audio wiring installed • Wireless antenna installed • VMC installed • Video displays installed • Power termination	• Component testing • Video infrastructure testing • Audio broadcast testing • PATH audio channel testing • Wireless transmission/receipt testing • Wireless Interference testing • Power usage and power down testing • Configure active train consist	• Complete installation of performance demonstration • Live system wide test of performance demonstration • Confirm LDP performance • Confirm railcar performance • Confirm content distribution • Confirm passenger receipt of content • Confirm component performance • Confirm PATH information content distribution • Confirm system diagnostic monitoring • Establish maintenance and repair procedures • Establish communication protocol between PATH and TRN

Month 6 **Installation: one hundred twenty eight (128) rail cars**
SYSTEM LAUNCH TO THE PUBLIC UPON COMPLETION.

Month 7 **Installation: one hundred twenty eight (128) rail cars**

Month 8 **Installation: sixty five (65) rail cars**

The following table shows the activity for each month to complete the installation on the entire PATH rolling stock

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Vehicle Installation Schedule	Hours	Process	Action Items	Deliverables
• Four (4) vehicles per weekday • Twelve (12) vehicles per weekend	12 hours for two (2) vehicles	• Interior molding removed • Video and audio wiring installed • Wireless antenna installed • VMC installed • Video displays installed • Power termination	• Component testing • Video infrastructure testing • Audio broadcast testing • PATH audio channel testing • Wireless transmission/receipt testing • Wireless interference testing • Power usage and power down testing • Configure train consist	• Complete rail car installation • TRN/PATH Inspection and Acceptance • System Launch to the public

Maintenance Plan

TRN will manage and monitor the network and its components on a 24-hour basis. TRN will be responsible for all ongoing costs to support, repair and maintain TRN's infrastructure. TRN's licensed contractor will work with PATH personnel to repair and replace all equipment without disrupting PATH railcar operations. TRN's comprehensive maintenance strategy has been created to provide for the immediate resolution of any equipment malfunctions and to ensure the highest level of network performance.

Network Operations Center/Remote Monitoring

TRN's Network Operations Center (NOC) will remotely monitor TRN's infrastructure 24 hours per day. TRN's network components will continuously send diagnostic information to the NOC. The NOC can identify any equipment malfunction and either remotely resolve the issue or dispatch personnel, with PATH's approval, to resolve the problem. In the event of an indicated equipment malfunction with the rail car components, the NOC can identify the train's route and issue a trouble ticket to the PATH licensed contractor who will be dispatched, with PATH's approval, to the closest maintenance facility to investigate the problem (see below, *Equipment Malfunction and Vandalism*). In addition to receiving diagnostic information, The NOC will perform operational performance tests on TRN's infrastructure multiple times each day including:

- LDP Content Receipt
- LDP Component
- LDP Power
- LDP Wireless Transmission
- LDP-VMC Secure Link
- VMC Content Receipt
- VMC Component
- VMC Power
- VMC Video Playback
- VMC Audio Playback
- Video Display Power

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Physical Inspections and Passenger Assistance

TRN will employ personnel (the "Ride Team") whose responsibility is to ride PATH, performing quality control including: (i) visible inspection of TRN's displays, (ii) FM audio transmission performance, (iii) content update success and (iv) video playback quality. The Ride Team will be deployed during all hours of PATH operations and will report any malfunctioning equipment. TRN will also work with PATH to assist TRN to establish a communication procedure for PATH personnel to report any malfunctioning equipment. TRN's Ride Team will wear TRN identifiable uniforms and will respond to passenger requests for information about, and assistance in using, TRN's services.

Equipment Malfunction and Vandalism

In the event of a network component malfunction or vandalism, TRN will immediately notify TRN's licensed contractor who will, upon approval from PATH, remove and replace any malfunctioning equipment. TRN's equipment is designed as "plug and play" to allow the equipment to be quickly and easily removed from the railcar by a skilled contractor and immediately replaced with an operating unit, rather than repairing the unit on the rail car. TRN's design ensures the most effective and efficient repair of malfunctioning equipment, returning the railcar into revenue service without delay. TRN's contractor will perform these tasks without causing any operational disruptions to PATH and will work within PATH's operational schedule and guidelines. For example, in the event a video unit located inside of a rail car malfunctions, a technician will procure a replacement unit from inventory located at the closest maintenance yard to the where the rail car will be arriving. The technician will have the ability, following PATH approval, to board the railcar, remove the unit and replace the unit within the timeframe PATH has allotted prior to the train's next revenue service. If the railcar is not available for extended period of time, TRN will wait for the railcar to be out of service before commencing any maintenance. Any situation requiring more extensive maintenance involving access to the rail vehicle, will be performed only during hours that have been pre-determined by PATH so as not to interfere with rail operations. TRN intends to store replacement components at locations where PATH will allow TRN to service the network. TRN requires only a limited amount of space at these locations and will work with PATH in determining such space requirements. These onsite locations will allow TRN to receive and distribute material and equipment packages to the maintenance crews.

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M/WBE PLAN

TRN is committed to the participation of MBE and WBE firms. TRN will make a good faith effort to include 12% MBE and 5% WBE firms in the installation, maintenance and/or purchase of equipment used in the implementation of TRN New York's network on the PATH rail system.

Scope of Work

TRN intends that M/WBE firms will participate as subcontractors of TRN. The scope of such work may include the installation of TRN's network and the procurement of equipment and other related tasks. The firms may also be involved in the ongoing maintenance of TRN's infrastructure during the term of the agreement.

Identification of M/WBE Firms

TRN plans to select its subcontractors following execution of a contract with PATH. TRN intends to use certain firms with which it already has relationships through its affiliate's work on MARTA and may also select from the certified list of firms provided by PATH. TRN will choose any new firms based upon their experience, historical success in similar projects, competitiveness of their pricing, and organizational ability to perform and support the work. .

Level of Participation

TRN intends to make a good faith effort to include at least 12% MBE and 5% WBE firms in the installation, maintenance and/or purchase of equipment used in the implementation of TRN's network on the PATH rail system. Through its established relationships as well as developing new opportunities through PATH, TRN expects to exceed PATH's M/WBE requirements.

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Proposal

GENERAL AND FUNCTIONAL OVERVIEW

TRN, through TRN New York, LLC, proposes to be the exclusive provider of multimedia content within PATH's rail vehicles. TRN's services would include the provision of television, music and transit information to PATH's rail passengers, over TRN's patented network, at no cost to the passengers or PATH. The overall mission of TRN's system is to:

- provide information to PATH's rail passengers by means of a high-resolution video and audio electronic entertainment and information system;
- make available an attractive electronic medium and means for selling advertising that generates positive impact on PATH's image and budget without sacrificing safety and/or quality of service for transit customers; and
- present PATH with an efficient option to provide real-time safety and system messages tailored to PATH needs.

TRN's proposed system for PATH will provide digital television news programming, with closed-captioning, across multiple flat screen televisions. TRN will also provide multiple channels of wireless, non-disruptive digital audio music programming as well as safety, promotional and real-time informational and emergency messages from PATH. TRN will deliver the content over TRN's patented network infrastructure, which combines both land and wireless network technologies.

TRN's television newscast will be provided by one of the local network affiliates in the New York metropolitan area, ensuring that the content is relevant to PATH's passengers and updated regularly throughout the day. TRN's video programming will be similar to the newscast that a passenger would see on a major local news network's morning or evening broadcast, including world and local news, business, sports, weather and entertainment features, all updated regularly throughout the day. TRN's programming will also feature multiple channels of non-disruptive wireless personal audio programming, available on any FM radio or cell phone with a FM headset, including:

- up to three languages (English, Spanish, TBD) for the newscast and audio messages;
- up to three channels of music programming; and
- one channel dedicated for information from PATH.

TRN's ride enhancing service will be at no cost to PATH or its passengers while providing the Port Authority of NY&NJ with a significant additional revenue stream.

TRN has been granted a U.S. patent (patent no. 6,407,673) for a transit multimedia broadcast system that wirelessly delivers content to, and within, transit vehicles. TRN is committed to vigorously protecting its intellectual property rights.

TRN has also established exclusive relationships with leaders in the rail equipment and wireless industries.

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GENERAL SYSTEM OPERATING DESCRIPTION

TRN's exclusive provision of multimedia content in PATH's rail vehicles would include, installing and maintaining its patented network and providing:

- uninterrupted, regularly updated broadcast television and audio programming within PATH's rail vehicles;
- television news programming, including local news, business, sports, weather and entertainment features relevant to PATH's passengers;
- 6 flat screen televisions per car delivering video content with closed captioning;
- Up to 7 channels of wireless personal audio programming, available on any FM radio or cell phone with FM headset:
  - up to three audio channels delivering audio corresponding to the video programming in three languages,
  - up to three audio music channels, each with a different genre, and
  - one audio channel for the PATH to communicate safety information, promotional content and/or any other messages to its rail passenger base;
- PATH Video and Audio Text Alert (optional)
- no additional cost to rail customers; and
- a guaranteed revenue source to PATH.

TRN proposes to be responsible for all aspects of its network equipment, including procurement, installation, maintenance, operation, information services and advertising sales. PATH shall not be required to incur any costs for equipment purchase, operation or maintenance of TRN's system, as TRN shall retain ownership of network components.

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PROPOSED CONTENT

VIDEO

TRN will provide a 30-minute digital video newscast (not text, graphics or banners) in a headline news format, which will be displayed on six 15" flat-screen LCD's located throughout each rail car.

The newscast will be relevant to the local commuter and will consist of segments for local and national news, and business, weather, sports and entertainment features, similar to what you would see on the local major news network during their morning and evening news broadcasts. The newscast will also contain corresponding closed-captioning across the bottom of the screen. TRN will establish a partnership for the production of news content with a local network television affiliate in order to ensure that the content will be consistent with local network television quality, standards and practices as well as being relevant to the local commuter. The newscast will be continuously updated throughout the day.

The newscast will play without interruption regardless of where the rail car is traveling along the PATH service area. Revenue will be generated through the sale of advertising spots. One 30-second advertising spot during each thirty-minute newscast will be made available to PATH. Each 30-minute newscast will contain 20½ minutes of news content and 9½ minutes of advertising, which is the same time allocation (advertising cycle time) as half-hour local network news programming and thus, conducive to advertisers' requirements and appealing to the general public. TRN is focused on providing entertaining and informative content to rail passengers, not overwhelming the passengers with advertising.

PATH Emergency Video Text Alert (Optional)

TRN can provide PATH with real-time emergency text messaging capability across each television in a particular train. In the event PATH must deliver an emergency message to the passengers, the conductor will have the ability to activate a pre-formatted video text message. The corresponding text message will scroll across each video screen on that specific train, providing the passengers with a visual information source.

PATH Television Spot

TRN will provide, at no cost to PATH, the placement of one-30 second spot, every half-hour of the broadcast. PATH will provide TRN with the content for insertion into the broadcast as desired.

AUDIO

TRN will deliver the audio programming across up to seven private, non-disruptive, on-board FM frequencies, which are provided through TRN's proprietary infrastructure. Each audio channel will correspond to a different FM frequency, which will be chosen based on the available FM frequencies in the New York metropolitan area. For example, passengers tuned to 88.6 will hear the English version of the video, while passengers tuned to 89.2 will hear the Spanish version of the video.

Passengers will be able to tune in and receive the audio channels on <u>any</u> FM radio or cell phone with FM radio capability. With the addition of an FM cell phone headset, almost all cell phone models currently have the ability to be used as an FM radio, without any airtime charges. TRN's infrastructure was designed to avoid interference from local wireless transmissions such as radio stations and to be non-disruptive to transit authority communications. The following is an example of a channel lineup:

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Ch 1 Video Content Language 1 (English)	Ch 5 Music (Rock/Pop/Alternative)
Ch 2 Video Content Language 2 (Spanish)	Ch 6 Music (Oldies/Easy Listening)
Ch 3 Video Content Language 3 (TBD)	Ch 7 Music (R&B)
Ch 4 PATH Information Channel	

Newscast Audio

The audio portion of the corresponding video newscast content will be provided in up to three different languages. This will allow TRN to reach a diverse audience and increase passenger interest. TRN plans to set the language choices based upon New York market demographics.

Music Audio

TRN's music channels will provide passengers with three different genres of music based on New York market demographics. TRN will receive music content from selected music content providers, which will play on a repeating loop, similar to the music channels on airplanes. TRN will update the music on a regular basis. The audio content will be consistent with local radio programming standards and practices.

PATH Audio Channel

TRN will provide PATH with one dedicated FM audio channel for information provided by PATH. Through this service, PATH will have the ability to communicate travel information, promotional content and other messages to its rail passenger base. TRN will establish a communication procedure with PATH to provide content for the PATH channel. This channel can be used for any purpose PATH deems appropriate, and PATH may provide the content to TRN by either, (i) sending an email to TRN containing an MP3 of the audio content or (ii) sending a script of the audio content which TRN's production team will record and transmit to the passengers.

PATH Audio Alert (Optional)

In addition to the above audio channel, in the event that PATH is required to deliver an emergency message to the passengers, the conductor on each train will have the ability to activate a real-time alert recording which will coincide with the PATH Video Text Alert. The real-time audio alert recording will be immediately played across all TRN audio channels, alerting the passengers to remove their headsets and listen to the overhead public address system for an important message from PATH. This capability is intended to supplement PATH's existing passenger audio protocols.

Local or National Alert Messaging

TRN will also provide PATH with the ability to transmit, in both audio and video format, certain messages to passengers, such as emergency information, alerts and other emergency messages from law enforcement and emergency management agencies.

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FUTURE CAPABILITIES

TRN's system has several future capabilities, including, without limitation:

Additional Video Content

In response to passenger feedback, TRN's system has the ability to provide enhanced video programming such as footage from concerts, sporting events and television sitcoms.

Additional Audio Content

TRN has the ability to add more audio channels. In addition, TRN can customize its programming to enhance the riders experience by delivering interactive audio content. For example, TRN's audio capabilities can provide an educational platform to PATH rail car passengers such as "around the town" information about the New York area, music festivals or even interactive courses to learn a second language.

Two-Way Wireless Broadband

TRN's network will contain the internal railcar wiring that may be used as part of an infrastructure which, when combined with the appropriate applicable components may have the ability to provide wireless high-speed internet access to PATH's rail passengers within the rail car. The provision of internet access is not part of the services currently being proposed by TRN, but in the event that PATH desires to offer internet access to its rail car passengers, TRN's network may provide certain basic elements required for such service.

Video Surveillance

TRN believes that, by incorporating certain components of Alstom's passenger information system, TRN's system will have the capability of providing video surveillance of the interior of PATH's rail cars. TRN may have space available in its video displays to add video surveillance equipment and TRN's infrastructure will contain the wiring necessary for such service. The provision of video surveillance is not part of the services currently being proposed by TRN, but in the event that PATH desires to implement video surveillance in PATH's rail cars, TRN's network may provide the basic elements required for such service.

PathVision

TRN believes that its network infrastructure may be integrated with the Pathvision system. TRN may be interested in providing its content across the Pathvision video network currently deployed throughout the PATH rail system. TRN would welcome the opportunity to discuss the Pathvision network and the potential integration of TRN's content.

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PROPOSED IN-VEHICLE CONTENT DELIVERY

TRN's system will be delivered over TRN's patented network.

AUDIO DELIVERY

TRN intends to deliver the multiple channels of audio programming across private, non-disruptive, on-board FM frequencies, which are provided through TRN's proprietary infrastructure. TRN's Vehicle Media Controller ("VMC") located in each railcar, will wirelessly receive the audio programming and then broadcast the audio across TRN's FM broadcast network. Each audio channel will correspond to a different FM frequency, which will be chosen based on the available FM frequencies in the New York area. TRN intends to conduct testing to determine the level of FM transmission needed to ensure that all areas of the railcar can receive each TRN audio channel. For example, passengers tuned to 88.1 would hear the English version of the video, while passengers tuned to 88.6 would hear the Spanish version of the video. Passengers will be able to tune in and receive the audio channels on any FM radio or cell phone with FM radio capability. With the addition of a simple FM cell phone headset, almost all cell phone models have the ability to be used as a FM radio, without any airtime charges. TRN's infrastructure was designed to avoid interference from local wireless transmissions such as radio stations and to be non-disruptive to transit authority communications.

As a promotion of TRN's service following TRN's launch in PATH, TRN intends to provide up to 100,000 free FM radios to passengers traveling on PATH's rail cars.

VIDEO DELIVERY

TRN will deliver the video programming across TRN's patented wireless network delivery infrastructure. TRN's VMC located in each railcar (see, **PROPOSED EQUIPMENT SPECIFICATIONS**), wirelessly receives the video programming. The VMC is connected to a coaxial wiring infrastructure that will be approved by PATH and runs throughout the rail car connecting the displays to the VMC. The video programming is then displayed across every screen in each rail car.

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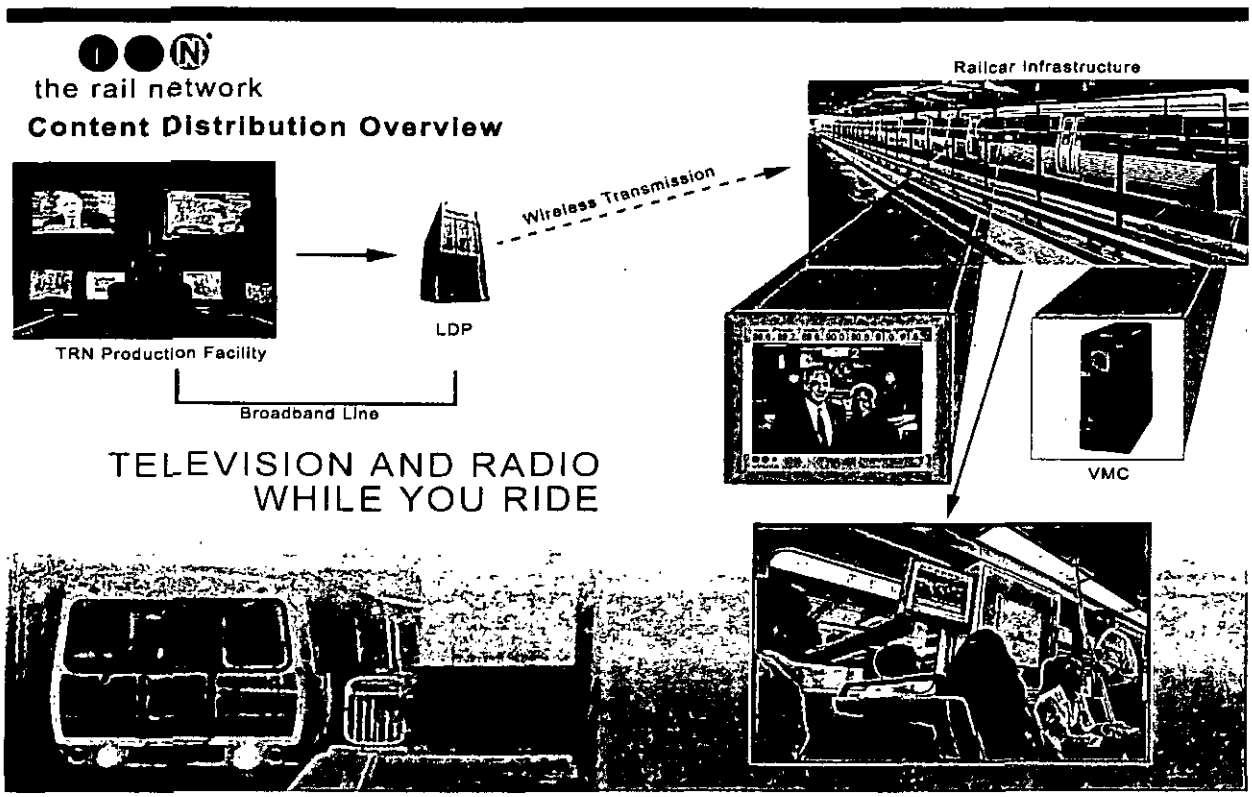
PROPOSED EQUIPMENT SPECIFICATIONS

CONTENT DISTRIBUTION OVERVIEW

TRN's production facility will receive and produce the video and audio content for the PATH system. From this facility, TRN will send PATH's video and audio content through a broadband connection to the Line Distribution Points (LDP). The LDPs will continuously receive the content, store and then wirelessly transmit the content, at specific periods throughout the day, to the VMC. The VMC is located inside of each railcar and is connected to a coaxial wiring infrastructure. The VMC receives the updated content and at a specific time, stops playing the old content and begins playing the new content. The VMC transmits the video content using a video distribution hub which is hard wired to each video display. The audio content is transmitted from the VMC through the coaxial infrastructure to audio transmission antennas in the railcar, where the content is transmitted to the passengers' personal FM radios or cell phones.

This process is repeated throughout the day and does not require any operational assistance or support from PATH. The VMCs are intended to be modular by design. The components are small stainless steel enclosures that can be mounted at a variety of angles and various surfaces. TRN's equipment is also designed to be compliant with FCC regulations. In each market, TRN intends to test the ACU to determine the level of FM transmission needed to ensure that all areas of the railcar can receive each TRN audio channel. TRN equipment is designed not to interfere with PATH's communications.



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In the interests of security of the components and the proprietary nature of TRN's network, TRN offers the following detailed description of the content delivery components in response to the information requested in the RFP. TRN intends to provide PATH with further detailed information following an award of the contract to TRN. In the event that PATH requires further information prior to contract award, TRN will provide the necessary information upon PATH's written request.

Wayside Equipment

Line Distribution Point (LDP) - The LDP is a location within the PATH system, such as a station or railyard, which is responsible for wirelessly transmitting the video and audio content into the railcar infrastructure. The LDP meets NEMA 2 standards and consists of a storage device with TRN's proprietary software, power protection and TRN's AirNet LDP, a wireless broadcast device. The AirNet LDP is an antenna that wirelessly transmits TRN's content from the LDP server to the railcar infrastructure. The AirNet LDP is connected to the LDP rack enclosure via coaxial cable.

LDP Secure Rack Enclosure	TRN AirNet LDP
- Number of units: 1 - Dimensions: 26"H x 19"W x 30D"	- Number of units: 1 - Dimensions: 12"H x 12"L x 3"D - Power: 110-Volt AC Power

In-Vehicle Equipment

TRN Atlanta has established an exclusive relationship with Alstom Transport Telecite ("Alstom"). TRN Atlanta's in-vehicle infrastructure for MARTA incorporates certain equipment provided and customized by Alstom. The customized in-vehicle infrastructure includes a VMC, ACU, LCD Video Displays, Video Distribution Hub and Power Supply which are based upon the design of Alstom's passenger information systems. Alstom's passenger information systems have been deployed in other transit authorities and meet all applicable rail standards including without limitation, IEC 61373, IEC 60571, CFR Title 49 and NFPA 130. TRN believes that it is the only respondent to the RFP whose infrastructure contains equipment which has been tested from a safety and functionality perspective and is used in other transit systems.

Vehicle Media Controller (VMC) - The VMC is located in each railcar. The VMC is modular and can be mounted or placed in areas with limited space. The VMC wirelessly receives the content through a custom designed wireless antenna fixed to the outside of the railcar. The VMC is responsible for storing, converting and playing all video and audio across the internal train infrastructure. The VMC will be equipped with TRN's proprietary software, which contains multiple layers of security and plays the content according to a predetermined schedule. The VMC also provides TRN with operational diagnostic information on the railcar infrastructure.

- VMCs per railcar: 1
- VMC Dimensions (each): 12"L x 19"D x 5"W

Video Displays - TRN will install six 15" flat screen LCD units in each rail car, providing almost every passenger the opportunity to view the screens. The display units are enclosed in a secure, tamper-resistant, highly integrated frame consisting of both metal and composite plastic. The viewing area will be covered with a protective vandal shield and angled to prevent exterior/interior sunlight from obstructing passenger views. In addition, the video displays contain both a contrast and brightness control to compensate for interior light levels.

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The enclosure will be designed to complement the interior aesthetics of the PATH rail car and includes an integrated mounting arm to secure the unit to the rail car frame to ensure security and stability. The enclosure will incorporate a secure proprietary release mechanism to allow efficient maintenance of damaged or malfunctioning units. Video displays will be powered through electric connectivity in each rail car.

The LCD's are designed for two different placement positions, flush and corner mounts. The following are dimensions for each:

Number of LCD's per railcar: 6
- flush mount 18.89"H x 17.72"W x 2.42"D
- corner mount 17.70"H x 19.14"W x 9.98"D

TRN will recommend video display locations, which will be subject to approval by PATH. The placement locations proposed for the video displays will provide the passengers with a view from all areas of the railcar and will not block existing advertising locations, passenger walkways or emergency exits.

Audio Control Unit (ACU) - The ACU is located in each railcar. It provides the FM transmission of the multiple channels of audio so that passengers can listen to all audio programming on any FM capable device.

- Number of ACU's per railcar: 1 - Dimensions: 19"L x 14.51"W x 3.47"H

Video Distribution Hub - The Video Distribution Hub is located in each car of the railcar and provides for amplification of the video signal to the LCD to ensure the highest quality visual image to the passengers.

- Number of Hubs per railcar: 1 - Dimensions: 7.77"L x 6.46"W x 2.09 H

Power Supply - The power supply provides power to all on-board TRN equipment.

- Power Supplies per railcar: 1 - Dimensions: 10"L x 6.46"W.x 2.09 H

TRN AirNet Transceiver - The AirNet Transceiver is connected via coaxial cabling to the VMC. It is responsible for receiving all content, from the LDP, and providing VMC diagnostic information. The unit is located on the exterior of the A car in the railcar.

- Units per railcar: 2 - Dimensions: 4"L x 4"H x 1.5"D
  12"L x 12"H x 3"D

Audio Transmission Antennas - TRN will install audio transmission coaxial cabling along existing wiring paths located behind the railcar interior moldings and not accessible to the public. The cabling will terminate in the VMC. The cabling will follow a similar end to end path as video coaxial cabling.

Wiring - TRN will install wiring that meets PATH and applicable guidelines for safety and performance. TRN expects to follow existing wiring paths currently available within the rail cars.

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SOFTWARE

TRN's proprietary software, RailVision, is a content distribution, playback and security platform designed for the unique transit rail environment. RailVision automates the distribution of each market's content from TRN's production facility, through the patented wireless network infrastructure, to each train's video/audio infrastructure. Using multiple layers of secure encryption to communicate and move updated content to the VMCs, the trains are updated with the newest content without disrupting the transit schedule.

The system has the capability of automatically handling simultaneous transmissions to multiple trains. RailVision can also provide diagnostic reporting to TRN including content transmission and receipt by each train's VMC, security and railcar infrastructure status. RailVision also has the ability to recognize an unsuccessful content download by a specific train, allowing for that train's VMC to download only the content that the VMC failed to receive during the primary download. RailVision also provides for automated facilities management through the use of wireless hand held devices. In the event a VMC fails, onsite personnel can install a new VMC which will automatically download the proper software upgrades and current content within minutes. RailVision is a platform that can be easily expanded and modified as necessary to meet the specific needs of PATH. Automatic software upgrades allow TRN to modify system functionality and add features such as conductor controlled messaging, expanded number of audio content channels and, working with the transit systems, central command controlled messaging to passengers.

ON-BOARD POWER FOR TRN COMPONENTS

TRN requires approximately 500 watts of power provided at a power condition demarcation point in each railcar (one 20 amp circuit). TRN will meet PATH's requirements for power protection and EMI. The on-board power will range between 23 VDC and 80 VDC, with the nominal voltage being 37 VDC. TRN has designed its infrastructure to handle power transients up to 2KV.

TRN'S ON-BOARD POWER MANAGEMENT

TRN's power management system was developed to monitor the on-board power status of the rail car. The TRN rail car infrastructure will shut down when the rail car is not in service so as to prevent draining the on-board rail car batteries. To accomplish this objective, TRN installs an operator "key" sense line which would provide a positive voltage "sense" when the key is in the "operate" position and a "lack of voltage" sense in the off position.

TRN's power management system receives rail car supplied DC voltage with an input range from 25 to 100VDC and converts this voltage to a stable 12 and 5VDC for the electronic equipment. Expected transients in the high 1000V range are filtered prior to output to provide additional protection of the electronic equipment. The power conditioner meets or exceeds environmental specifications of 0degC to +70degC. The power management system also receives a "Rail Car Operator Key" status signal that enables seamless shutdown of the railcar infrastructure when the railcar is no longer in service.

WAYSIDE DISTRIBUTION POWER

TRN requires one, 110 volt AC circuit to power the equipment located at the LDP. TRN requires a connection to a 110 volt AC circuit for the LDP wireless transmission antenna.

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SECURITY

Video Displays - The display units will be enclosed in a secure, custom designed, tamper resistant, highly integrated frame consisting of both metal and composite plastic. The viewing area will be covered with a protective vandal shield, treated with an anti-glare coating. The displays will be securely fastened to the rail car frame and incorporate a secure proprietary release mechanism to allow efficient maintenance of damaged or malfunctioning units.

LDPs - The LDP equipment will be enclosed in a rack in a secure, environmentally regulated location on PATH's property. PATH will choose locations, accessible to TRN and PATH personnel only.

Vehicle Media Controller - The VMC is encased in a ruggedized industrial enclosure located inside of a secure area in the rail car accessible only to PATH authorized personnel.

Audio Control Unit - The ACU is encased in a ruggedized industrial enclosure located inside of a secure area in the rail car accessible only to PATH authorized personnel.

Video Distribution Hub - The Video Distribution Hub is encased in a ruggedized industrial enclosure located inside of a secure area in the railcar that is accessible only to PATH personnel.

Wiring - All wiring will be located behind the interior paneling and will not be accessible to the public.

Wireless Transmissions - TRN takes wireless security very seriously. TRN has obtained the global exclusive right to technology which TRN believes is the only industrial wireless equipment capable of providing a secure and timely means to deliver content to rail passengers traveling below ground without disrupting operations. TRN's wireless platform does not use commercially available frequencies such as 802.11. TRN believes that 802.11 frequencies are vulnerable to security breaches from third parties using readily available equipment.

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INSTALLATION AND MAINTENANCE PLAN

INSTALLATION PLAN

The following is TRN's proposed installation plan for PATH. This plan is subject to PATH approval and mutual agreement with TRN prior to installation and will be modified accordingly.

TRN currently intends to use a third party contractor(s) to perform the installation and ongoing maintenance of the TRN network on PATH. TRN will offer PATH the opportunity to serve as a subcontractor for installation and or maintenance. In the event that PATH chooses not to act as a subcontractor for installation and/or maintenance, TRN's system does not require routine PATH monitoring. In either case, installation and maintenance of TRN's network will be at TRN's cost and will be coordinated with PATH. Upon expiration or termination of the contract, TRN will remove, at TRN's cost, its network components from the PATH system.

Engineering

Prior to installation, TRN will provide detailed drawings and specifications of the installation of each railcar, proposed LDP locations and all other necessary engineering for PATH's approval. These engineering drawings and specifications will detail the interfaces to existing systems, power consumption, connection methods, and equipment locations.

Installation and Maintenance Labor

TRN will provide a project manager that will directly coordinate all aspects of the installation with PATH. TRN's project manager will provide a single point of contact for PATH. TRN will inspect and test the work and ensure that the system is operational. All maintenance performed will be consistent with PATH's operating maintenance window. For maximum efficiency of the installation of TRN's network, all TRN network components are installed at locations within PATH's property.

TRN is aware that PATH has contracted for 340 new railcars manufactured by Kawasaki. TRN intends to work with PATH to coordinate installation and maintenance work to integrate the new rail vehicles. TRN anticipates that this will include establishing a procedure to remove TRN's equipment from the existing fleet and re-install the infrastructure into the new Kawasaki railcars as new vehicles are delivered and old vehicles replaced. Through its work with MARTA, TRN's affiliates have experience planning the coordination of installation on rehabilitated rail cars.

Safety

TRN understands that safety is the top priority on any project in the PATH system. As TRN's affiliates have done, and are doing, in connection with TRN Atlanta, LLC's work on MARTA, all required personnel and contractors will complete the applicable safety program as required by PATH prior to installation. TRN believes that it is the only respondent possessing the experience with, and knowledge of, the safety precautions when deploying an in-vehicle video system.

Ongoing Maintenance

TRN intends to store replacement components at locations where PATH will allow the servicing of TRN's network. TRN requires space at these locations and will work with PATH in determining such space requirements. These onsite locations will allow TRN to receive and distribute material and

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equipment packages to the installation crews. TRN's equipment is designed to allow the equipment to be quickly and easily removed from the railcar by a skilled contractor and immediately replaced with an operating unit, rather than repairing the unit on the rail car. This design ensures the most effective and efficient repair of malfunctioning equipment, returning the railcar into revenue service without delay.

Installation Timeframe and Schedule

The following is TRN's estimated timeframe to complete the installation of 327 rail vehicles. The timeframe is based on several assumptions including, without limitation, access to PATH's property, new vehicle procurement delivery schedule, approval by the Authority and other factors. The following schedule is subject to PATH's approval and revisions and mutual agreement with TRN.

Month 1 **Project Alignment**

TRN will conduct the project alignment with PATH on TRN's infrastructure and performance capabilities.

Location: TBD Hours: 16 hours (two days)

Topics

- Review safety guidelines
- Overview of TRN passenger content
- Overview of TRN PATH content distribution
- Overview of TRN rail car components
- Overview of TRN wireless distribution network
- Overview of LDP

Rail car Engineering Session

TRN will provide detailed instruction on the rail car infrastructure engineering including:

- Equipment locations
- Wiring paths and termination
- Video/Audio distribution
- PATH messaging network
- Power usage
- Wireless transceivers
- Content distribution

Rail car Component Installation Session

TRN will provide detailed instruction on the installation of the rail car components including:

- VMC installation
- Audio distribution wiring
- Power termination
- Wireless transceiver installation
- Video distribution wiring
- Power distribution wiring
- Video display installation

LDP Component Installation Session

TRN will provide detailed instruction on the installation of the LDP components including:

- Equipment location
- Equipment installation
- Power installation
- Antenna location
- Antenna installation
- Network installation

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Month 2 **TRN submits rail car engineering for PATH approval**

Month 3 **Testing Period**

Installation: One (1) railcar
One railcar will be fully installed to confirm the infrastructure engineering plan and establish work procedure and communications protocol

Location:	Hours:	Process:	Action Items:	Deliverables
TBD	24 hours over three 8-hour daytime shifts	• Interior molding removed • Video and audio wiring installed • Wireless antenna installed • VMC installed • Video displays installed • Power termination	• Component testing • Wireless transmission/receipt testing • Wireless Interference testing • Power usage and power down testing • Video infrastructure testing • PATH audio channel testing • Audio broadcast testing	• Document final railcar installation process • Confirm railcar-engineering plan • TRN Inspection and Acceptance • Complete installation of one railcar

Installation: Line Distribution Point (LDP)
All LDP locations will be installed prior to testing. The LDP is a location within the PATH system, such as a station or rail yard, which is responsible for wirelessly transmitting the video and audio content into the railcar infrastructure. The LDP consists of a storage device with TRN's proprietary software, power protection and a wireless broadcast device.

Hours	Locations:	Process	Action Items
8 hours to complete each location	TBD	• Install LDP equipment rack • Install wireless transceiver antennae	• Conduct wireless interference analysis • Conduct wireless transmission/receipt analysis • Conduct component redundancy test • Conduct content transmission between NOC and LDP • TRN Inspection and Acceptance

Installation: five (5) railcars for Testing
Following completion of the first railcar, five (5) additional railcars will be fully installed for immediate testing for a period of thirty (30) days.

Location	Hours:	Process	Action Items	Deliverables
TBD	12 hours to complete one railcar	• Interior molding removed • Video and audio wiring installed	• Component testing • Video infrastructure testing • Audio broadcast testing • PATH audio channel	• Complete installation of performance demonstration • Live system wide test of performance

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		• Wireless antenna installed • VMC installed • Video displays installed • Power termination	testing • Wireless transmission/receipt testing • Wireless Interference testing • Power usage and power down testing • Configure active train consist	demonstration • Confirm LDP performance • Confirm railcar performance • Confirm content distribution • Confirm passenger receipt of content • Confirm component performance • Confirm PATH information content distribution • Confirm system diagnostic monitoring • Establish maintenance and repair procedures • Establish communication protocol between PATH and TRN

Month 6 **Installation: one hundred twenty eight (128) rail cars**
SYSTEM LAUNCH TO THE PUBLIC UPON COMPLETION.

Month 7 **Installation: one hundred twenty eight (128) rail cars**

Month 8 **Installation: sixty five (65) rail cars**

The following table shows the activity for each month to complete the installation on the entire PATH rolling stock

Vehicle Installation Schedule	Hours	Process	Action Items	Deliverables
• Four (4) vehicles per weekday • Twelve (12) vehicles per weekend	12 hours for two (2) vehicles	• Interior molding removed • Video and audio wiring installed • Wireless antenna installed • VMC installed • Video displays installed • Power termination	• Component testing • Video infrastructure testing • Audio broadcast testing • PATH audio channel testing • Wireless transmission/receipt testing • Wireless interference testing • Power usage and power down testing	• Complete rail car installation • TRN/PATH Inspection and Acceptance • System Launch to the public

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			• Configure train consist	

Maintenance Plan

TRN will manage and monitor the network and its components on a 24-hour basis. TRN will be responsible for all ongoing costs to support, repair and maintain TRN's infrastructure. TRN's licensed contractor will work with PATH personnel to repair and replace all equipment without disrupting PATH railcar operations. TRN's comprehensive maintenance strategy has been created to provide for the immediate resolution of any equipment malfunctions and to ensure the highest level of network performance.

Network Operations Center/Remote Monitoring

TRN's Network Operations Center (NOC) will remotely monitor TRN's infrastructure 24 hours per day. TRN's network components will continuously send diagnostic information to the NOC. The NOC can identify any equipment malfunction and either remotely resolve the issue or dispatch personnel, with PATH's approval, to resolve the problem. In the event of an indicated equipment malfunction with the rail car components, the NOC can identify the train's route and issue a trouble ticket to the PATH licensed contractor who will be dispatched, with PATH's approval, to the closest maintenance facility to investigate the problem (see below, *Equipment Malfunction and Vandalism*). In addition to receiving diagnostic information, The NOC will perform operational performance tests on TRN's infrastructure multiple times each day including:

- LDP Content Receipt
- LDP Component
- LDP Power
- LDP Wireless Transmission
- LDP-VMC Secure Link
- VMC Content Receipt
- VMC Component
- VMC Power
- VMC Video Playback
- VMC Audio Playback
- Video Display Power

Physical Inspections and Passenger Assistance

TRN will employ personnel (the "Ride Team") whose responsibility is to ride PATH, performing quality control including: (i) visible inspection of TRN's displays, (ii) FM audio transmission performance, (iii) content update success and (iv) video playback quality. The Ride Team will be deployed during all hours of PATH operations and will report any malfunctioning equipment. TRN will also work with PATH to assist TRN to establish a communication procedure for PATH personnel to report any malfunctioning equipment. TRN's Ride Team will wear TRN identifiable uniforms and will respond to passenger requests for information about, and assistance in using, TRN's services.

Equipment Malfunction and Vandalism

In the event of a network component malfunction or vandalism, TRN will immediately notify TRN's licensed contractor who will, upon approval from PATH, remove and replace any malfunctioning equipment. TRN's equipment is designed as "plug and play" to allow the equipment to be quickly and easily removed from the railcar by a skilled contractor and immediately replaced with an operating unit, rather than repairing the unit on the rail car. TRN's design ensures the most effective and efficient repair of malfunctioning equipment, returning the railcar into revenue service without delay. TRN's contractor will perform these tasks without causing any operational disruptions to PATH and will work within

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PATH's operational schedule and guidelines. For example, in the event a video unit located inside of a rail car malfunctions, a technician will procure a replacement unit from inventory located at the closest maintenance yard to the where the rail car will be arriving. The technician will have the ability, following PATH approval, to board the railcar, remove the unit and replace the unit within the timeframe PATH has allotted prior to the train's next revenue service. If the railcar is not available for extended period of time, TRN will wait for the railcar to be out of service before commencing any maintenance. Any situation requiring more extensive maintenance involving access to the rail vehicle will be performed only during hours that have been pre-determined by PATH so as not to interfere with rail operations. TRN intends to store replacement components at locations where PATH will allow TRN to service the network. TRN requires only a limited amount of space at these locations and will work with PATH in determining such space requirements. These onsite locations will allow TRN to receive and distribute material and equipment packages to the maintenance crews.

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PROPOSED REVENUE

TRN New York will generate revenues from the sale of advertising on TRN New York's video programming. Over the term of the contract, TRN New York's operations on PATH would create a significant recurring revenue source for the Port Authority. TRN New York proposes to pay the Port Authority of NY&NJ an amount which shall be the greater of (i) a minimum guarantee fee for each annual period as described below or (ii) a percentage of the Gross Revenues (as defined below). **TRN New York estimates that, under the proposed structure, Port Authority would receive approximately $23,498,203 over the proposed 15 year term of the contract.** TRN New York proposes to pay the Port Authority of NY & NJ, on a monthly basis, according to the following schedule:

Contract Year	Minimum Annual Guarantee*	Percentage of Gross Revenue**
1	$100,000	15%
2	$250,000	15%
3	$250,000	15%
4	$250,000	15%
5	$250,000	15%
6	$250,000	15%
7	$250,000	15%
8	$250,000	15%
9	$250,000	15%
10	$250,000	15%

TRN's proposal is for a minimum base period of a ten-year contract. However, if the Port Authority of NY&NJ is interested in entering into a contract for a fifteen-year base period, TRN proposes to pay the following for years 11 - 15:

11	$300,000	18%
12	$300,000	18%
13	$300,000	18%
14	$300,000	18%
15	$300,000	18%

*The Minimum Annual Guarantee for each contract year will be paid in twelve equal monthly amounts. TRN estimates that it will take 8 months from contract to complete the rail system installation and this revenue proposal is based upon meeting the installation timeline.

**The revenue received by TRN New York for the sale of advertising during TRN New York's video programming on PATH less fifteen percent (15%) of such gross amount for sales commissions and/or fees in connection with the sale of advertising as is customary practice in the industry.

Based upon our expertise and the above revenue proposal, the following represents TRN New York's projected gross revenues and PATH's revenue share for each annual period following the installation of all PATH rail vehicles:

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Period Following Installation	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Revenues	1,377,992	7,923,899	10,525,199	10,525,199	10,525,199
Revenue Share	206,698	1,188,585	1,578,780	1,578,780	1,578,780

Period Following Installation	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Revenues	10,525,199	10,525,199	10,525,199	10,525,199	10,525,199
Revenue Share	1,578,780	1,578,780	1,578,780	1,578,780	1,578,780
Period Following Installation	**Year 11**	**Year 12**	**Year 13**	**Year 14**	**Year 15**
Gross Revenues	10,525,199	10,525,199	10,525,199	10,525,199	10,525,199
Revenue Share	1,894,536	1,894,536	1,894,536	1,894,536	1,894,536

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SALES STRATEGY AND APPROACH

VIDEO AND CORRESPONDING AUDIO CHANNELS

During a time when advertisers have had multiple outlets to distribute their message (online, print, outdoor, etc.), television has remained the most effective medium available to advertisers. However, content drives a successful advertising strategy and TRN believes that true video and audio content (similar to network television), not text or banners, will attract advertisers to TRN. TRN will follow the same programming format as television news broadcasts, which contain nineteen 30-second advertising spots every half hour. Through TRN, advertisers will be able to use television with personal audio to reach a captive audience of transit riders. The following is a selected list of benefits to advertisers:

- Target audience that has been qualified and bought for decades;
- The only television, with personal audio, available inside the cars;
- No cost to the passengers;
- Multiple screens in every car, viewable by every passenger, across the entire system;
- Benefit of television's higher recall levels;
- Already captive audience reached by the power of television with personal audio;
- Highly attractive demographic -- both the suburban commuter and the urban mass transit passenger;
- Opportunity for point of purchase advertising;
- Ability to reach passengers using multiple languages; and
- Closed captioning in addition to corresponding audio.

Through TRN, Fortune 1000, as well as small/medium sized businesses will be able to take advantage of television advertising. In addition, advertisers will be able to use the spots they have produced for network television, thereby leveraging their content and reducing their cost to participate.

TRN will undertake an intense selling effort through internal and outsourced media reps focused advertising agencies and media buyers. TRN will target businesses that have used television as an advertising medium and businesses that have not previously advertised on television.

SALES TEAM

TRN will hire the New York sales team that will be responsible for the ongoing sales efforts in New York. TRN's sales team members will be experts in the local media market with a strong network of customers and affiliations with local industry and marketing associations. TRN's sales team will consist of personnel with significant experience selling television, radio and print media. Specifically, team members will have previous media, marketing and/or agency experience with substantial time spent managing the sales process. Team members will have a proven successful track record of selling to advertisers. TRN will target major advertisers and advertising agencies and specifically their media planners, to introduce the TRN market opportunity for their clients. TRN's local sales teams will target businesses that currently use local television as a method of reaching their target audience. These firms represent numerous clients interested in reaching TRN's captive audience, for the first time, with television.

SALES OUTSOURCING

TRN also will engage media representative firms with the purpose of supplementing TRN's internal sales force targeting both advertising agencies and individual advertisers.

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TRADE PUBLICATIONS

TRN will distinguish its first of a kind capabilities, reach and effectiveness through trade publications which include Ad Age, Adweek and Media Week. The TRN publication strategy is designed to reach the media buyers from the agencies as well as the advertisers directly.

LOCAL PUBLIC RELATIONS

TRN's public relations team will be responsible for communicating with PATH's passengers, answering their questions, responding to public information requests and establishing TRN's overall public communication policy. TRN will also retain a public relations firm that will work with PATH in creating a joint public relations campaign prior to the launch of the services and continuing through the term of the agreement.

CONTENT RESEARCH

TRN will establish an ongoing research study to understand the effectiveness of TRN's video and audio content through feedback from PATH's passengers making adjustments when needed. TRN believes that the content must be embraced by the majority of PATH's passenger base and will concentrate efforts to ensure passenger acceptance.

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OVERALL EXPERIENCE

To date, passengers traveling on subway and rail cars in North America have not had access to current television and radio programming as a source of news and entertainment. Content providers have been unable to provide current video and audio programming to passengers in a moving rail car that travels both above and below ground. TRN has created a solution. Since its inception in June 2001, TRN has been focused on providing rail passengers with current news, entertainment and information through TRN's proprietary network. In June 2002, TRN was granted a U.S. patent (patent no. 6,407,673), for a transit multimedia broadcast system which wirelessly delivers content to, and within, transit vehicles. TRN has established a distinguished management team of executives from diverse areas of expertise with significant operational experience and extensive relationships. Over the past four years, TRN has been working closely with numerous North American rail transit systems in developing its equipment and proposed operations specifically for the rail transit environment. In addition, TRN has successfully tested portions of its network in a transit environment. In 2004, TRN Atlanta, LLC a wholly-owned subsidiary of TRN, entered into an agreement with the Metropolitan Atlanta Rapid Transit Authority ("MARTA") to provide news, entertainment and information to MARTA's rail passengers. TRN is also currently in discussions with several other transit systems for the implementation of TRN's network on their rail systems.

While other information systems have existed in buses and passenger facilities, no system similar to TRN's, currently exists in any rail transit vehicles in North America. Other systems, such as those used on buses and passenger facilities, are not comparable as the content, delivery of content to vehicles, delivery of content to passengers, equipment, maintenance and operations are significantly different from those required in rail vehicles. As PATH is keenly aware, bus and rail vehicle operations are distinctly different. In fact, to our knowledge, every major transit authority has separate operations personnel assigned specifically to either rail or bus, but not both. From our inception, we have remained focused on rail vehicles and have become *the* experts on video and audio within rail vehicles. We believe that this is part of the reason we are able to offer the most useful, enjoyable and relevant information to rail passengers while providing a substantial revenue stream to transit authorities.

In addition, TRN has established an exclusive relationship with Alstom, whereby Alstom provides certain equipment for TRN's on-board rail car infrastructure. As PATH is aware, Alstom is one of the world's largest transit vehicle manufacturers and has unquestioned expertise in manufacturing equipment for the rail environment. Alstom is a global leader in rail communications and currently provides equipment to rail systems including New York, Paris, China, Greece and Brazil. Alstom has participated in the definition and deployment of passenger information, security and entertainment systems for rail operators in various countries around the globe. Alstom provides fully integrated multi-modal passenger information, entertainment and security solutions that can be customized and easily upgraded to satisfy the needs of virtually any mode of mass transportation. The following is selected additional information about Alstom.

ALSTOM

TRN Atlanta has established an exclusive relationship with Alstom Transport Telecite ("Alstom"). TRN Atlanta's in-vehicle infrastructure for MARTA incorporates certain equipment provided and customized by Alstom. The customized in-vehicle infrastructure includes a VMC, LCD Video Displays, Video Distribution Hub and Power Supply which are based upon the design of Alstom's passenger information systems. Alstom's passenger information systems have been deployed in other transit authorities and meet all applicable rail standards including without limitation, IEC 61373, IEC 60571, CFR Title 49 and NFPA 130. TRN believes that it is the only respondent to the RFP whose

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infrastructure contains equipment which has been tested from a safety and functionality perspective and is used in other transit systems.

- ALSTOM Transport employs approximately 75,000 people in over 70 countries
- ALSTOM Transport has sales of around 17 billion euros - Based on forecast FY 2004
- Order backlog of 27 billion euros representing 19 months of sales - Q3 FY 2004
    - Listed on Paris and New York stock exchanges
- **ALSTOM Transport Telecite**
- *A world leader in Advanced Passenger Information / Entertainment and Security solutions for the rail and transit industries*
- **In-Vehicle Information System Project References**
    - **Metropolitan Atlanta Rapid Transit Authority (MARTA)** - implementation of ALSTOM Transport Telecite's passenger information system, AGATE e-Media 300T LCD multimedia system. This will equip 230 vehicles of MARTA's fleet providing passengers with both audio and video content in their language of preference. This advanced passenger information system will eventually be deployed over the entire MARTA fleet (338 vehicles).
    - **Barcelona Metro Line 9** – implementation of ALSTOM Transport Telecite's AGATE e-Media 300T LCD multimedia system. This will equip 250 vehicles with 1,000 TFT LCD screens (17"), 100 Vehicle Media Controllers (VMC) and provide passengers with information and entertainment messages.
    - **RATP MF2000 Trains,** France – implementation of 20 300T LCD screens and communication equipment for 1 prototype train of 5 cars eventually to be deployed over 850 vehicles.
    - **Trenitalia & Cisalpino, New Pendolino,** Italy – implementation of Passenger Entertainment System equipping 432 Coach with TFT LCD Screens (10"), and 456 Coach TFT LCD Screens (15").
    - **New York City Transit Authority NYCT**, New York, United States – implementation of ALSTOM Transport Telecite's AGATE e-Media 200T series, an LED visual announcement system providing next train announcement, visual emergency messages, transmission of general information from NYCT, and programming by network, zone, station or display for over 600 vehicles.
    - **STCUM Media System,** Canada – implementation of ALSTOM Transport Telecite's AGATE e-Media 200T series, using Multi-color LED displays with graphic capability and animation rates of 60 frames per second. First world-wide passenger information display system inside metro cars with AGATE e-Media (Pilot 1991, deployment on ¾ of fleet 1993).

ALSTOM Transport Telecite System Design & Group Capabilities

- ALSTOM has participated in the definition and deployment of passenger information, security and entertainment systems for rail operators in over 40 transit sites and many countries around the globe. Our experience has helped us develop an approach and methodology that permits objectivity and capture of robust requirements together based on the input of past implementations. The deployment of these processes supports the identification of new needs and appropriate solutions to respond to those needs through system enhancements throughout operational life.
- ALSTOM Transport Telecite is a global organization which leverages the expertise of the following teams:
    - **Montreal:** Passenger Information Systems (PIS) and end-to-end solutions
    - **Montreal/Villeurbanne:** Public Address (PA) Systems
    - **Montreal/Meudon/Villeurbanne/Verona:** Telecommunication
    - **Meudon:** Security and Control Centre

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- The Montreal unit leads sales, project management, product management, manufacturing, sourcing, quality, systems integration and R&D
- ALSTOM Transport Telecite is a one stop multi-disciplinary team providing a totally integrated end-to-end solution
    - System engineering and integration services
    - PA, PIS and CCTV
    - Project management
    - Electronic and mechanical design
    - Software development (CMM level 2)
    - Manufacturing facilities
    - Training and documentation
    - Media and advertising services
- **ISO 9001:2000 Certified**.
- Software Team **CMM Level 2** Certified.
- All ALSTOM Transport Telecite e-Media products are develop for the rail environment and tested for the following requirements:
    - EMI / EMC – ALSTOM Transport Telecite has an in-house EMI testing chamber
    - Shock & Vibration
    - Environmental Conditions - ALSTOM Transport Telecite has in-house burn-in chambers which allow for the testing of all our equipment (i.e. information displays are tested for temperature ranges of -15°F to +150°F)
    - Noise Control

TRN currently intends to use qualified third party contractor(s) to perform the installation and maintenance of TRN's system on PATH. TRN uses third party contractors which have experience working on the rail system. TRN will also offer PATH the opportunity to serve as a subcontractor for installation and/or maintenance. As an example of subcontractors which TRN uses, TRN's primary installation contractor in MARTA is Dynalectric, Inc., a subsidiary of the Emcor Group, Inc.

Engineering Experience and Capability

TRN believes that, TRN along with its subcontractors, is the only proposer that has direct experience in engineering a rail vehicle video system. Based upon TRN Atlanta's current installation on the MARTA rail system and numerous meetings with operational teams from other transit authorities, TRN has experience developing a detailed engineering, operational and installations plan for each system. Further, TRN contracts with subcontractors such as Alstom, who are experts in their field. TRN currently intends to use a third party contractor(s) to perform the installation and ongoing maintenance of the TRN network on PATH. TRN will offer PATH the opportunity to serve as a subcontractor for installation and/or maintenance.

Operating Experience

The significant experience of TRN's management team, as well as TRN's experience in working with transit authorities to design TRN's network for the transit environment, will allow TRN to successfully install, operate and maintain its network on the PATH's rail vehicles. In addition, the members of TRN's project team have significant operational experience with the aspects of the service TRN is proposing including, without limitation:

- deploying wireless, satellite and broadband communications systems;
- delivering multimedia data over wireless and land-based networks;
- providing satellite and cable television services;

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- engineering, installing, maintaining telecommunications infrastructures for public and private clients;
- serving as a general/prime contractor;
- serving as a subcontractor;
- managing RF video and audio transmission, custom designing and installing video and audio networks and applications;
- creating and managing software for interactive kiosks;
- procuring content from major network affiliates;
- selling advertising; and
- managing contract relations with public and private clients.

The members of TRN's project team have also participated, with other organizations, in the completion of projects requiring similar experience including, without limitation:

- Outside Plant Engineering Design Service projects for BELLSOUTH in Georgia and Florida

- $200 Million engineering, procurement, construction and program management for 911 Communication System and Facility for City of Chicago

- $2.5 Billion program management of Fiber Optic Network, including Switches, Facilities, Controls, International Network Facilities in the US and Europe

- Deployment and operation of first of its kind 28-station kiosk network distributing and broadcasting interactive content and advertiser-based video programming to 1.5 million people a month at a major shopping center in Nashville, TN

- Development of prototype handheld data collection and inspections systems for New York City Transit Authority for inspection of NYC Bus and Subway stations

In addition to the above completed projects in which members of TRN's project team have participated, TRN is advised by Rodney Slater, former U.S. Secretary of Transportation. Secretary Slater has been involved in the completion of several projects for mass transit systems and advises TRN with respect to working specifically with mass transit systems. Below are the bios of certain members of the management team of The Rail Network, Inc.:

David Lane - Chairman and Chief Executive Officer

Mr. Lane is responsible for TRN's overall operations and sales performance as well as its network architecture and implementation. Prior to forming The Rail Network in June 2001, Mr. Lane served as Chairman and Chief Executive Officer of a $200 million dollar wireless broadband and enterprise integration company. There he directed the deployment of wireless, satellite and fiber based broadband communications along with enterprise communication and data solutions. He was responsible for the implementation, sales and direction of the organizations entire portfolio of commercial and residential broadband and integration services. Mr. Lane and his team have created TRN based on their strategic focus, direct marketing and significant technical expertise, which includes:

- 24 and 38 GHz Commercial Wireless Internet Services
- MMDS Wireless and Cable Modem Commercial Internet Services and
- 2.4 and 5 GHz Wireless Commercial Internet Services
- Fiber Optic land based Commercial Internet and Data Services (DS1 to OC48)
- Commercial Network Integration and E-Commerce design

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- Commercial and Residential Digital and Analog Cable Television Services
- Residential Multi Tenant Telecommunication Services
- Commercial Multi Tenant Broadband Services

Previously, Mr. Lane had held senior executive positions within the communication industry, including serving as Director of Operations for the Mid-Atlantic division of Telnet Global Communications. At Telnet, Mr. Lane directed voice communication campaigns targeting the commercial and residential markets. He also engineered communication systems around Residential Multi-Tenant Services (RMTS), focused on allowing residential property owners to capture revenues from their tenants' voice services. Mr. Lane has also worked as a consultant to a health care company that focused on remote wireless distribution of patient vital statistics. In addition, on behalf of Hughes Communications, Mr. Lane submitted comments to the U.S. Congress and the Federal Communications Commission relating to the 1996 Telecommunications Act, the first major overhaul of telecommunications law in 62 years.

Evan Borak - Executive Vice President, Business Development and General Counsel
Mr. Borak is responsible for developing TRN's corporate strategy and relationships as well as managing TRN's marketing/corporate communications, human resources and legal matters. Mr. Borak was most recently Vice President of Strategic Development and General Counsel for TSI Broadband. He was instrumental in TSI's M&A efforts, as well as in the creation of TSI's organizational structure, capital financings and issuances of securities. TRN leverages Mr. Borak's prior corporate finance and legal experience derived from his involvement in transactions of various structures. Prior to joining TSI, Mr. Borak was Vice President and General Counsel of Morgen, Evan & Company, an international investment banking firm, where he advised media clients on domestic and international strategies and structured and negotiated strategic transactions including mergers and acquisitions and private financings. In addition, Mr. Borak was responsible for the legal matters of the firm. Prior to that, Mr. Borak was with Paramount Capital, Inc., an investment and merchant banking firm, where he was primarily responsible for negotiating and structuring the terms of equity and debt financings, joint ventures and licensing arrangements and also served as Associate General Counsel. In addition, Mr. Borak has served as Secretary and as director of several privately held companies. Mr. Borak began his career at the law firm of Gold & Wachtel, LLP where he worked on commercial, corporate and securities matters.

Tony Coles - Vice President, Operations
Mr. Coles is responsible TRN's transit operations, contractor performance and vendor relationships. Mr. Coles brings more than 30 years of successful leadership, managerial, and technical experience to TRN including P&L responsibility for the design, development, and implementation of programs exceeding two billion dollars in costs. From May 2000 to January 2001, Mr. Coles was Vice President of Operations for TSI Broadband responsible for TSI's operational P&L and national rollout. He began his telecommunications career at Fluor Corp. in 1968 and since that time he has held various positions with increasing responsibilities in almost every aspect of the business spectrum including engineering, project management, operations, and customer service with fortune 500 companies such as Sprint Corp. from 1987 to 1991, and Fluor Daniel Telecom where he served as Vice President of Project Management for Fluor Corp from 1991 to 1999.

Timothy White – Vice President, Production
Mr. White serves in this position as a consultant and is responsible for TRN's content production and delivery and software development. Mr. White has a 15-year track record of managing software development at technology-based emerging growth businesses. From 2000-2001, he was Chief Technology Officer at Voyant, a web-based eyewear and optical products retailer. From 1999-2001, Mr. White was Chief Technology Officer at Direct Media Networks, where he managed

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the design and development of hardware and software used in the company's interactive kiosks located in upscale shopping malls. From 1995 to 1999, Mr. White was CEO of Infone, the first public Internet terminal that operated locations in coffee shops, restaurants, and over 30 Hilton Hotel lobbies in the U.S. From 1991 to 1995, Mr. White was CEO of several successful software consulting companies that designed and developed mobile data collection systems including a handheld transit inspection prototype for the New York City Transit Authority. In addition to founding and running several successful niche technology ventures since 1991, Mr. White has consulted on software design and network architecture for several high-profile enterprise solutions including the a prototype for the New York City Taxi and Limousine Commissions' (TLC) credit card payment and tourist information system, NTN Communications' in-restaurant trivia and entertainment network, and the Island ECN's "sidewalk kiosk."

Advertising Sales Experience

TRN believes that it is the only proposer that has direct experience selling advertising for a rail vehicle television network. TRN Atlanta's sales team has been selling upfront buys on the MARTA system.

TRN New York's sales team will consist of personnel with significant experience selling television, radio and print mediums. Specifically, team members will have previous media, marketing and/or agency experience with substantial time spent managing the sales process. Team members will also have a proven successful track record of selling to advertisers.

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FINANCIAL CAPABILITY

TRN New York, LLC is a wholly-owned subsidiary of The Rail Network, Inc. For the purposes of the financial capability section of RFP 0000007920, TRN New York, LLC hereby submits the enclosed consolidated financial statements of The Rail Network, Inc. for the fiscal year ended December 31, 2004 and the four month period ending April 30, 2005, as well as 2003 corporate tax returns. These statements have been compiled in conformity with generally accepted accounting principles, and as such fairly present the financial condition of the Company as of those dates. The Rail Network, Inc.'s financial condition continues to change upon events occurring in the ordinary course of business.

TRN New York, LLC

By: The Rail Network, Inc., Its Member

By: David Lon

Title: CFO

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The Rail Network, Inc.
Consolidated Balance Sheet
As of period ended 30 April 2005
(Unaudited)

ASSETS

Cash & Short-term Investments	$ 2,365,804
Cash in Escrow	2,000,000
Total Cash & Investments	4,365,804
Prepaid Expenses	437,043
Total Current Assets	4,802,847
Property and Equipment	
Furniture and Fixtures	73,001
Equipment	1,209,341
Vehicles	30,082
Computer Software	267,720
Patents	47,073
Leasehold Improvements	18,258
Total Property and Equipment	1,645,475
Accumulated Depreciation	(91,388)
Net Property, Plant, & Equipment	1,554,087
Other Assets	
Security Deposits	29,622
Deposits	7,000
Total Other Assets	36,622
TOTAL ASSETS	$ 6,393,556

LIABILITIES AND CAPITAL

Current Liabilities	
Accrued Expenses	$ 21,926
Total Current Liabilities	21,926
TOTAL LIABILITIES	21,926
Capital	
Treasury Stock	(291,686)
Preferred Stock, Series A	45
Preferred Stock, Series B	30
Common Stock	164
Paid-In-Capital	11,302,641
Retained Earnings	(3,870,311)
Net Income	(769,253)
TOTAL CAPITAL	6,371,630
TOTAL LIABILITIES & CAPITAL	6,393,556

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The Rail Network, Inc
Consolidated Statement of Earnings
For the month ended 30 April 2005
(Unaudited)

	YTD
Revenues	
Interest Income	20,627
Total Revenues	20,627
Expenses	
Accounting Fee	2,627
Auto Expenses	3,515
Bank Charges	1,022
Consulting & Commission Exp	10,835
Computer Expense & Supplies	664
Depreciation Expense	19,972
Dues and Subscriptions Exp	984
Equipment Rental	4,798
Insurance Expense	9,298
Insurance - Health	11,616
Legal and Professional Expense	33,952
Licenses & Filing fees	3,186
Marketing Expenses	25,471
Meals and Entertainment Exp	12,443
Moving Expense	1,606
Office Supplies Expense	7,750
Payroll Tax Expense	36,347
Payroll Processing Fees	1,489
Postage & Shipping Expense	8,206
Printing	6,333
Production Expenses	1,304
Public Relation	25,650
Rent Expense	60,375
Repairs & Maintenance Expense	3,768
Research Services	254
Recruiting/hiring Expense	12,941
Salaries	421,406
Travel Expense	31,075
Utilities Expense	2,217
Telephone	16,821
Tools	1,776
Website Design	1,349
Business Taxes	680
Other Expense	3,160
Project Testing Costs	4,990
Total Expenses	789,880
Net Income	**(769,253)**
EBITDA	**(769,908)**

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The Rail Network, Inc.
Consolidated Balance Sheet
As of 31 December, 2004
(Unaudited)

ASSETS	
Cash & Short-term Investments	$ 4,287,531
Cash in Escrow (Note1)	2,000,000
Prepaid expenses	66,666
Total Current Assets	6,354,197
Furniture & Fixtures	71,906
Equipment	475,619
Computer Software	217,936
Leasehold Improvements	12,600
Patent	47,073
Accumulated Depreciation	(43,420)
Total Property & Equipment	781,714
Deposits	36,372
TOTAL ASSETS	$ 7,172,283
LIABILITIES	
Accrued expenses	$ 18,237
Total Current Liabilities	18,237
TOTAL LIABILITIES	18,237
Treasury Stock	(291,686)
Preferred Stock, Series A	45
Preferred Stock, Series B	30
Common Stock	164
Paid-In Capital	11,302,642
Retained Earnings	(1,910,510)
Net Income (Loss)	(1,946,639)
TOTAL CAPITAL	7,154,046
TOTAL LIABILITIES & CAPITAL	$ 7,172,283

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The Rail Network, Inc.
Consolidated Statement of Earnings
For the year ended 31 December, 2004
(Unaudited)

REVENUES	
Interest Income	$ 28,509
Dividends Income	800
Total Revenues	29,309
EXPENSES	
Advertising expense	9,575
Accounting fees	35,070
Auto expenses	8,528
Bank charges	1,713
Charitable Contributions	500
Consulting fees	283,910
Computer expense & supplies	17,556
Dues & subscriptions	4,771
Equipment rental	1,131
Finders fees	267,014
Gifts expense	629
Insurance expense	22,925
Interest expense	136,580
Legal & Professional fees	99,190
Licenses & Filing fees	2,756
Maintenance expenses	1,993
Marketing expense	5,773
Meals & Entertainment	21,792
Moving expenses	10,372
Office expenses	6,501
Office supplies	14,111
Payroll taxes	36,688
Postage & shipping	12,787
Printing	9,729
Production expenses	3,226
Public Relations	10,889
Rent expense	106,887
Repairs & Maintenance	5,900
Research services	18,294
Recruiting & Hiring	4,030
Salary expense	669,519
Travel expense	102,261
Utilities	8,900
Telephone	26,306
Other operating expenses	8,142
Total expenses	1,975,948
NET INCOME (LOSS)	$ (1,946,639)

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Form **1120**

Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2003 or tax year

beginning _____, ending _____

OMB No. 1545-0123

2003

A Check if a:
1 Consolidated return (attach Form 851) ☐
2 Personal holding co. (attach Sch. PH) ☐
3 Personal service corp. (as defined in Regs. sec. 1.441-3(c)) ☐

Use IRS label. Otherwise, print or type.

Name: THE RAIL NETWORK, INC.

Number, street, and room or suite no. (If a P.O. box, see page 7 of instructions.): 561 SEVENTH AVENUE, 2ND FLOOR

City or town, state, and ZIP code: NEW YORK, NY 10018

B Employer identification number: 13-4179040

C Date incorporated: 06/04/2001

D Total assets (see page 8 of instructions): $ 3,550,338.

E Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change

Income	1 a Gross receipts or sales	b Less returns and allowances	c Bal ▶	1c	
	2 Cost of goods sold (Schedule A, line 8)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	
	4 Dividends (Schedule C, line 19)			4	
	5 Interest SEE STATEMENT 1			5	13,087.
	6 Gross rents			6	
	7 Gross royalties			7	
	8 Capital gain net income (attach Schedule D (Form 1120))			8	
	9 Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)			9	
	10 Other income (attach schedule)			10	
	11 Total income. Add lines 3 through 10		▶	11	13,087.
Deductions	12 Compensation of officers (Schedule E, line 4)			12	314,422.
	13 Salaries and wages (less employment credits)			13	38,041.
	14 Repairs and maintenance			14	9,888.
	15 Bad debts			15	
	16 Rents			16	94,084.
	17 Taxes and licenses SEE STATEMENT 2			17	17,946.
	18 Interest			18	323,919.
	19 Charitable contributions SEE STATEMENT 3 SEE STATEMENT 4			19	0.
	20 Depreciation (attach Form 4562)	20	29,926.		
	21 Less depreciation claimed on Schedule A and elsewhere on return	21a		21b	29,926.
	22 Depletion			22	
	23 Advertising			23	
	24 Pension, profit-sharing, etc., plans			24	
	25 Employee benefit programs			25	
	26 Other deductions (attach schedule) SEE STATEMENT 5			26	419,585.
	27 Total deductions. Add lines 12 through 26		▶	27	1,247,811.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11			28	-1,234,724.
	29 Less: a Net operating loss (NOL) deduction STATEMENT 6	29a	0.		
	b Special deductions (Schedule C, line 20)	29b		29c	
Tax and Payments	30 Taxable income. Subtract line 29c from line 28			30	-1,234,724.
	31 Total tax (Schedule J, line 11)			31	0.
	32 Payments: a 2002 overpayment credited to 2003	32a			
	b 2003 estimated tax payments	32b			
	c Less 2003 refund applied for on Form 4466	32c ( )	d Bal ▶ 32d		
	e Tax deposited with Form 7004	32e			
	f Credit for tax paid on undistributed capital gains (attach Form 2439)	32f			
	g Credit for Federal tax on fuels (attach Form 4136). See instructions	32g		32h	
	33 Estimated tax penalty (see page 14 of instructions). Check if Form 2220 is attached		▶ ☐	33	
	34 Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed			34	0.
	35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid			35	
	36 Enter amount of line 35 you want: Credited to 2004 estimated tax ▶		Refunded ▶	36	

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COPY

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of officer — Date 5/17/04 — ▶ Title

May the IRS discuss this return with the preparer shown below? [X] Yes ☐ No

Paid Preparer's Use Only

Preparer's signature ▶ | Date | Check if self-employed ☐ | Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code ▶ FRIEDMAN ALPREN & GREEN LLP, 1700 BROADWAY, NEW YORK, NY 10019

EIN 13 1610809

Phone no.

Schedule A Cost of Goods Sold (see page 14 of instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on line 2, page 1	8	

9a Check all methods used for valuing closing inventory:
(i) ☐ Cost as described in Regulations section 1.471-3
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4
(iii) ☐ Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO | 9d |

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

Schedule C Dividends and Special Deductions

		(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)		70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction		70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction		80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))		100	
9	Total. Add lines 1 through 8			
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11	Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))		100	
12	Dividends from affiliated group members subject to the 100% deduction (sec. 243(a)(3))		100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11			
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15	Foreign dividend gross-up (section 78)			
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
17	Other dividends			
18	Deduction for dividends paid on certain preferred stock of public utilities			
19	Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1 ▶			
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1 ▶			

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Schedule E Compensation of Officers

(see instructions for line 12, page 1, on page 10 of instructions)
Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are $500,000 or more.

	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned (d) Common	(e) Preferred	(f) Amount of compensation
1	DAVID LANE	213-84-8401		75.00%		119,422.
	EVAN BORAK	158-58-2273		25.00%		195,000.

2	Total compensation of officers	314,422.
3	Compensation of officers claimed on Schedule A and elsewhere on return	
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 1	314,422.

Schedule J Tax Computation (see page 17 of instructions)

1 Check if the corporation is a member of a controlled group (see sections 1561 and 1563) ▶ ☐
Important: Members of a controlled group, see instructions on page 17.

2a If the box on line 1 is checked, enter the corporation's share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order):
(1) $ (2) $ (3) $

b Enter the corporation's share of: (1) Additional 5% tax (not more than $11,750) $
(2) Additional 3% tax (not more than $100,000) $

3 Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see page 17) ▶ ☐ — 3: 0.

4 Alternative minimum tax (attach Form 4626) — 4:

5 Add lines 3 and 4 — 5: 0.

6a Foreign tax credit (attach Form 1118) — 6a:

b Possessions tax credit (attach Form 5735) — 6b:

c Check: ☐ Nonconventional source fuel credit ☐ QEV credit (attach Form 8834) — 6c:

d General business credit. Check box(es) and indicate which forms are attached.
☐ Form 3800 ☐ Form(s) (specify) ▶ — 6d:

e Credit for prior year minimum tax (attach Form 8827) — 6e:

f Qualified zone academy bond credit (attach Form 8860) — 6f:

7 Total credits. Add lines 6a through 6f — 7:

8 Subtract line 7 from line 5 — 8: 0.

9 Personal holding company tax (attach Schedule PH (Form 1120)) — 9:

10 Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697
☐ Form 8866 ☐ Other (attach schedule) — 10:

11 Total tax. Add lines 8 through 10. Enter here and on line 3, page 1 — 11: 0.

Schedule K Other Information (see page 19 of instructions)

1 Check method of accounting: a ☐ Cash b ☒ Accrual c ☐ Other (specify) ▶

2 See page 21 of the instructions and enter the:
a Business activity code no. ▶ 541800
b Business activity ▶ ADVERTISING
c Product or service ▶ MEDIA ADVERTISING

	Yes	No
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		X
4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
5 At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) STATEMENT 7 If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned ▶ 75.00	X	
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) If "Yes," file Form 5452, Corporate Report of Nondividend Distributions. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		X

	Yes	No
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? If "Yes," enter: (a) Percentage owned ▶ and (b) Owner's country ▶ The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached ▶		X
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ ☐ If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		
10 Enter the number of shareholders at the end of the tax year (if 75 or fewer) ▶ 2		
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ▶ ☐ If the corporation is filing a consolidated return, the statement required by Temporary Regulations section 1.1502-21T(b)(3)(i) or (ii) must be attached or the election will not be valid.		
12 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ▶ $ 611,781.		
13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than $250,000? If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ $		X

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

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Note: The corporation is not required to complete Schedules L, M-1, and M-2 if Question 13 on Schedule K is answered "Yes."

Schedule L Balance Sheets per Books

Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash		828,539.		3,247,166.
2a Trade notes and accounts receivable				
b Less allowance for bad debts	( )		( )	
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (att. sch.)				
7 Loans to shareholders		23,187.		30,000.
8 Mortgage and real estate loans				
9 Other investments (att. sch.)				
10a Buildings and other depreciable assets	62,453.		104,001.	
b Less accumulated depreciation	(20,353.)	42,100.	(43,420.)	60,581.
11a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)	125,290.		170,891.	
b Less accumulated amortization	( )	125,290.	( )	170,891.
14 Other assets (att. sch.) STMT 8		15,400.		41,700.
15 Total assets		1,034,516.		3,550,338.
Liabilities and Shareholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year		1,778,500.		
18 Other current liabilities (att. sch.) STMT 9		324,119.		748,156.
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more				5,004,160.
21 Other liabilities (att. sch.)				
22 Capital stock: a Preferred stock				
b Common stock	200.	200.	200.	200.
23 Additional paid-in capital				
24 Retained earnings - Appropriated (attach schedule)				
25 Retained earnings - Unappropriated		-1,068,303.		-2,202,178.
26 Adjustments to shareholders' equity (attach schedule)				
27 Less cost of treasury stock		( )		( )
28 Total liabilities and shareholders' equity		1,034,516.		3,550,338.

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Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see page 20 of instructions)

1 Net income (loss) per books	-1,133,875.	7 Income recorded on books this year not included on this return (itemize): Tax-exempt interest $	
2 Federal income tax per books			
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):			
5 Expenses recorded on books this year not deducted on this return (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
a Depreciation $		a Depreciation $ 6,859.	
b Charitable contributions $ 555.		b Charitable contributions $	
c Travel and entertainment $ 7,205.		STMT 11 101,900.	
STMT 10 150.	7,910.		108,759.
		9 Add lines 7 and 8	108,759.
6 Add lines 1 through 5	-1,125,965.	10 Income (line 28, page 1) - line 6 less line 9	-1,234,724.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	-1,068,303.	5 Distributions: a Cash	
2 Net income (loss) per books	-1,133,875.	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
		7 Add lines 5 and 6	
4 Add lines 1, 2, and 3	-2,202,178.	8 Balance at end of year (line 4 less line 7)	-2,202,178.

Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property) OTHER

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2003

Attachment Sequence No. 67

Name(s) shown on return	Business or activity to which this form relates	Identifying number
THE RAIL NETWORK, INC.	OTHER DEPRECIATION	13-4179040

Part I Election To Expense Certain Tangible Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses	1	100,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	400,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2002 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	12,547.
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2003	17	13,126.
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B - Assets Placed in Service During 2003 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		1,911.	5 YRS.	HY	200DB	383.
c 7-year property		27,090.	7 YRS.	HY	200DB	3,870.
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	29,926.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

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Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)
Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* **only** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A - Depreciation and Other Information (Caution: *See instructions for limits for passenger automobiles.*)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No | 24b If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use						25		
26 Property used more than 50% in a qualified business use:								
	: :	%						
	: :	%						
	: :	%						
27 Property used 50% or less in a qualified business use:								
	: :	%				S/L -		
	: :	%				S/L -		
	: :	%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1						28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

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Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: *If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.*

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2003 tax year:					
	: :				
	: :				
43 Amortization of costs that began before your 2003 tax year				43	101,900.
44 Total. Add amounts in column (f). See instructions for where to report				44	101,900.

2003 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis *	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
									OTHER			
1	EQUIPMENT	060401	200DB	5.00	17	1,677.			1,677.	788.		356.
2	EQUIPMENT	060401	200DB	5.00	17	122.			122.	57.		26.
3	EQUIPMENT	060401	200DB	5.00	17	649.			649.	305.		138.
4	EQUIPMENT	060401	200DB	5.00	17	5,000.			5,000.	2,350.		1,060.
5	EQUIPMENT	060401	200DB	5.00	17	5,000.			5,000.	2,350.		1,060.
6	EQUIPMENT	062501	200DB	5.00	17	210.			210.	99.		44.
7	EQUIPMENT	070301	200DB	5.00	17	227.			227.	106.		48.
8	EQUIPMENT	083101	200DB	5.00	17	142.			142.	67.		30.
9	EQUIPMENT	120401	200DB	5.00	17	5,875.			5,875.	2,761.		1,246.
10	EQUIPMENT	121701	200DB	5.00	17	220.			220.	104.		46.
11	EQUIPMENT	121801	200DB	5.00	17	926.			926.	435.		196.
12	FURNITURE & FIXTURE	060401	200DB	7.00	17	15,000.			15,000.	5,179.		2,806.
13	FURNITURE & FIXTURE	113001	200DB	7.00	17	1,180.			1,180.	407.		221.
14	FURNITURE & FIXTURE	122801	200DB	7.00	17	364.			364.	125.		68.
15	FURNITURE & FIXTURE	122901	200DB	7.00	17	105.			105.	36.		20.
16	FURNITURE & FIXTURE	122901	200DB	7.00	17	194.			194.	67.		36.
17	EQUIPMENT	022802	200DB	5.00	17	4,136.		1,241.	2,895.	579.		926.
18	EQUIPMENT	030402	200DB	5.00	17	1,014.		304.	710.	142.		227.

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328102
05-01-03

(D) - Asset disposed

* ITC, Section 179, Salvage, HR 3090, Commercial Revitalization Deduction

2003 DEPRECIATION AND AMORTIZATION REPORT

OTHER DEPRECIATION

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
										OTHER		
19	EQUIPMENT	031802	200DB	5.00	17	1,153.		346.	807.	162.		258.
20	EQUIPMENT	040102	200DB	5.00	17	513.		154.	359.	72.		115.
21	EQUIPMENT	050202	200DB	5.00	17	5,000.		1,500.	3,500.	700.		1,120.
22	EQUIPMENT	063002	200DB	5.00	17	8,542.		2,563.	5,979.	1,196.		1,913.
23	EQUIPMENT	073102	200DB	5.00	17	4,734.		1,420.	3,314.	663.		1,060.
24	EQUIPMENT	120502	200DB	5.00	17	472.		142.	330.	66.		106.
25	START-UP COSTS	070102	195	60M	43	509,501.			509,501.	50,950.		101,900.
26	FURNITURE & FIXTURE	013103	200DB	7.00	19B	38,700.		11,610.	27,090.			15,480.
27	EQUIPMENT	011003	200DB	5.00	19B	398.		119.	279.			175.
28	EQUIPMENT	012903	200DB	5.00	19B	299.		90.	209.			132.
29	EQUIPMENT	041003	200DB	5.00	19B	1,271.		381.	890.			559.
30	EQUIPMENT	050103	200DB	5.00	19B	466.		140.	326.			205.
31	EQUIPMENT	100103	200DB	5.00	19B	414.		207.	207.			249.
	* TOTAL OTHER DEPRECIATION & AMORT					613,504.		20,217.	593,287.	69,766.	0.	131,826.

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328102
05-01-03

(D) - Asset disposed

* ITC, Section 179, Salvage, HR 3090, Commercial Revitalization Deduction

RM 1120	INTEREST INCOME	STATEMENT 1

SCRIPTION	US	OTHER
TEREST INCOME-OTHER THAN US GOVT		13,087.
TAL TO FORM 1120, LINE 5		13,087.

RM 1120	TAXES AND LICENSES	STATEMENT 2

SCRIPTION	AMOUNT
YROLL TAXES	17,201.
W YORK TAXES - BASED ON INCOME	445.
W YORK CITY TAXES - BASED ON INCOME	300.
TAL TO FORM 1120, LINE 17	17,946.

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CURRENT YEAR CONTRIBUTIONS	STATEMENT 3

SCRIPTION	AMOUNT
NTRIBUTIONS	555.
TAL CURRENT YEAR CONTRIBUTIONS	555.

CONTRIBUTIONS STATEMENT 4

ARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS	
FOR TAX YEAR 1998	
FOR TAX YEAR 1999	
FOR TAX YEAR 2000	
FOR TAX YEAR 2001	
FOR TAX YEAR 2002	
OTAL CARRYOVER	
OTAL CURRENT YEAR CONTRIBUTIONS	555
OTAL CONTRIBUTIONS	555
0% OF TAXABLE INCOME AS ADJUSTED	0
XCESS CONTRIBUTIONS	555
LLOWABLE CONTRIBUTIONS DEDUCTION	0

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RM 1120 OTHER DEDUCTIONS STATEMENT 5

SCRIPTION	AMOUNT
ORTIZATION	101,900.
ANSPORTATION	7,156.
NK CHARGES	417.
MPUTER SUPPLIES	4,940.
NSULTING EXPENSE	103,379.
OMOTION	677.
OFESSIONAL FEES	90,939.
FICE EXPENSE	11,004.
STAGE AND SHIPPING	7,980.
INTING	13,009.
AVEL	19,633.
ILITIES	11,433.
LEPHONE	12,549.
ES AND PERMITS	4,788.
SURANCE	3,576.
SEARCH SERVICES	14,842.
ES & SUBSCRIPTIONS	2,118.
BSITE DESIGN EXPENSE	2,040.
ALS AND ENTERTAINMENT	7,205.
TAL TO FORM 1120, LINE 26	419,585.

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NET OPERATING LOSS DEDUCTION STATEMENT 6

K YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING
/31/01	54,904.		54,904.
/31/02	556,877.		556,877.
L CARRYOVER AVAILABLE THIS YEAR			611,781.

HER INFORMATION 50% OR MORE OF VOTING STOCKS OWNED BY STATEMENT 7

) NAME DAVID LANE
ADDRESS 22 E 10TH ST #2, NEW YORK, NY 10003
IDENTIFYING NUMBER 213-84-8401
) PERCENT OF STOCK 75.00%

HEDULE L OTHER ASSETS STATEMENT 8

SCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
CURITY DEPOSITS	15,400.	15,400.
POSIT RECEIVABLE ON N/P		25,000.
E FROM RAIL NETWORK - ATLANTA		1,300.
TAL TO SCHEDULE L, LINE 14	15,400.	41,700.

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HEDULE L OTHER CURRENT LIABILITIES STATEMENT 9

SCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
CRUED EXPENSES	222,186.	323,068.
CRUED INTEREST PAYABLE	101,933.	425,088.
TAL TO SCHEDULE L, LINE 18	324,119.	748,156.

HEDULE M-1 OTHER EXPENSES RECORDED ON BOOKS NOT DEDUCTED IN THIS RETURN STATEMENT 10

SCRIPTION	AMOUNT
NALTIES	150.
TAL TO SCHEDULE M-1, LINE 5	150.

HEDULE M-1 OTHER DEDUCTIONS IN THIS RETURN NOT CHARGED AGAINST BOOK INCOME STATEMENT 11

SCRIPTION	AMOUNT
ORTIZATION	101,900.
TAL TO SCHEDULE M-1, LINE 8	101,900.

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2003 DEPRECIATION AND AMORTIZATION REPORT

- CURRENT YEAR FEDERAL - THE RAIL NETWORK, INC.

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
1	EQUIPMENT	060401	200DB	5.00	17	1,677.			1,677.	788.		356.
2	EQUIPMENT	060401	200DB	5.00	17	122.			122.	57.		26.
3	EQUIPMENT	060401	200DB	5.00	17	649.			649.	305.		138.
4	EQUIPMENT	060401	200DB	5.00	17	5,000.			5,000.	2,350.		1,060.
5	EQUIPMENT	060401	200DB	5.00	17	5,000.			5,000.	2,350.		1,060.
6	EQUIPMENT	062501	200DB	5.00	17	210.			210.	99.		44.
7	EQUIPMENT	070301	200DB	5.00	17	227.			227.	106.		48.
8	EQUIPMENT	083101	200DB	5.00	17	142.			142.	67.		30.
9	EQUIPMENT	120401	200DB	5.00	17	5,875.			5,875.	2,761.		1,246.
10	EQUIPMENT	121701	200DB	5.00	17	220.			220.	104.		46.
11	EQUIPMENT	121801	200DB	5.00	17	926.			926.	435.		196.
12	FURNITURE & FIXTURE	060401	200DB	7.00	17	15,000.			15,000.	5,179.		2,806.
13	FURNITURE & FIXTURE	113001	200DB	7.00	17	1,180.			1,180.	407.		221.
14	FURNITURE & FIXTURE	122801	200DB	7.00	17	364.			364.	125.		68.
15	FURNITURE & FIXTURE	122901	200DB	7.00	17	105.			105.	36.		20.
16	FURNITURE & FIXTURE	122901	200DB	7.00	17	194.			194.	67.		36.
17	EQUIPMENT	022802	200DB	5.00	17	4,136.		1,241.	2,895.	579.		926.
18	EQUIPMENT	030402	200DB	5.00	17	1,014.		304.	710.	142.		227.

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328102
05-01-03

(D) - Asset disposed

* ITC, Section 179, Salvage, HR 3090, Commercial Revitalization Deduction

2003 DEPRECIATION AND AMORTIZATION REPORT

- CURRENT YEAR FEDERAL - THE RAIL NETWORK, INC.

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
19	EQUIPMENT	031802	200DB	5.00	17	1,153.		346.	807.	162.		258.
20	EQUIPMENT	040102	200DB	5.00	17	513.		154.	359.	72.		115.
21	EQUIPMENT	050202	200DB	5.00	17	5,000.		1,500.	3,500.	700.		1,120.
22	EQUIPMENT	063002	200DB	5.00	17	8,542.		2,563.	5,979.	1,196.		1,913.
23	EQUIPMENT	073102	200DB	5.00	17	4,734.		1,420.	3,314.	663.		1,060.
24	EQUIPMENT	120502	200DB	5.00	17	472.		142.	330.	66.		106.
25	START-UP COSTS	070102	195	60M	18	509,501.			509,501.	50,950.		101,900.
26	FURNITURE & FIXTURE	013103	200DB	7.00	19C	38,700.		11,610.	27,090.			15,480.
27	EQUIPMENT	011003	200DB	5.00	19B	398.		119.	279.			175.
28	EQUIPMENT	012903	200DB	5.00	19B	299.		90.	209.			132.
29	EQUIPMENT	041003	200DB	5.00	19B	1,271.		381.	890.			559.
30	EQUIPMENT	050103	200DB	5.00	19B	466.		140.	326.			205.
31	EQUIPMENT	100103	200DB	5.00	19B	414.		207.	207.			249.
	* TOTAL OTHER DEPRECIATION & AMORT					613,504.		20,217.	593,287.	69,766.	0.	131,826.

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328102
05-01-03

(D) - Asset disposed

* ITC, Section 179, Salvage, HR 3090, Commercial Revitalization Deduction

- NEXT YEAR FEDERAL - THE RAIL NETWORK, INC.

Asset No.	Description	Date Acquired	Method	Life	Unadjusted Cost Or Basis	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Amount Of Depreciation
1	EQUIPMENT	060401	200DB	5.00	1,677.		1,677.	1,144.	213.
2	EQUIPMENT	060401	200DB	5.00	122.		122.	83.	16.
3	EQUIPMENT	060401	200DB	5.00	649.		649.	443.	82.
4	EQUIPMENT	060401	200DB	5.00	5,000.		5,000.	3,410.	636.
5	EQUIPMENT	060401	200DB	5.00	5,000.		5,000.	3,410.	636.
6	EQUIPMENT	062501	200DB	5.00	210.		210.	143.	27.
7	EQUIPMENT	070301	200DB	5.00	227.		227.	154.	29.
8	EQUIPMENT	083101	200DB	5.00	142.		142.	97.	18.
9	EQUIPMENT	120401	200DB	5.00	5,875.		5,875.	4,007.	747.
10	EQUIPMENT	121701	200DB	5.00	220.		220.	150.	28.
11	EQUIPMENT	121801	200DB	5.00	926.		926.	631.	118.

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(D) - Asset disposed

* ITC, Section 179, Salvage, HR 3090, Commercial Revitalization Deduction

328103
10-14-03

- NEXT YEAR FEDERAL - THE RAIL NETWORK, INC.

Asset No.	Description	Date Acquired	Method	Life	Unadjusted Cost Or Basis	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Amount Of Depreciation
12	FURNITURE & FIXTURE	060401	200DB	7.00	15,000.		15,000.	7,985.	2,004.
13	FURNITURE & FIXTURE	113001	200DB	7.00	1,180.		1,180.	628.	158.
14	FURNITURE & FIXTURE	122801	200DB	7.00	364.		364.	193.	49.
15	FURNITURE & FIXTURE	122901	200DB	7.00	105.		105.	56.	14.
16	FURNITURE & FIXTURE	122901	200DB	7.00	194.		194.	103.	26.
17	EQUIPMENT	022802	200DB	5.00	4,136.	1,241.	2,895.	1,505.	556.
18	EQUIPMENT	030402	200DB	5.00	1,014.	304.	710.	369.	136.
19	EQUIPMENT	031802	200DB	5.00	1,153.	346.	807.	420.	155.
20	EQUIPMENT	040102	200DB	5.00	513.	154.	359.	187.	69.
21	EQUIPMENT	050202	200DB	5.00	5,000.	1,500.	3,500.	1,820.	672.
22	EQUIPMENT	063002	200DB	5.00	8,542.	2,563.	5,979.	3,109.	1,148.

CONFIDENTIAL

(D) - Asset disposed

* ITC, Section 179, Salvage, HR 3090, Commercial Revitalization Deduction

- NEXT YEAR FEDERAL - THE RAIL NETWORK, INC.

Asset No.	Description	Date Acquired	Method	Life	Unadjusted Cost Or Basis	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Amount Of Depreciation
23	EQUIPMENT	073102	200DB	5.00	4,734.	1,420.	3,314.	1,723.	636.
24	EQUIPMENT	120502	200DB	5.00	472.	142.	330.	172.	63.
25	START-UP COSTS	070102	195	60M	509,501.		509,501.	152,850.	101,900.
26	FURNITURE & FIXTURE	013103	200DB	7.00	38,700.	11,610.	27,090.	3,870.	6,634.
27	EQUIPMENT	011003	200DB	5.00	398.	119.	279.	56.	89.
28	EQUIPMENT	012903	200DB	5.00	299.	90.	209.	42.	67.
29	EQUIPMENT	041003	200DB	5.00	271.	381.	890.	178.	285.
30	EQUIPMENT	050103	200DB	5.00	466.	140.	326.	65.	104.
31	EQUIPMENT	100103	200DB	5.00	414.	207.	207.	42.	66.
	* TOTAL OTHER DEPRECIATION & AMORT				613,504.		593,287.	189,045.	117,381.
	AMT DEPRECIATION				0.		0.	0.	0.
	ACE DEPRECIATION				0.		0.	0.	0.

CONFIDENTIAL

(D) - Asset disposed

* ITC, Section 179, Salvage, HR 3090, Commercial Revitalization Deduction

STATEMENT OF CURRENT WORK

The system TRN is proposing for PATH's rail cars is currently being deployed in the Metropolitan Atlanta Rapid Transit Authority's rail system in Atlanta, GA by TRN Atlanta, LLC where the system will be the first of its kind. As in any market in which TRN would deploy its system, TRN has been working closely with the transit authority. TRN Atlanta will operate and maintain its video and audio programming network which shall include, without limitation, audio programming and video displays displaying news, entertainment, information, advertising and other content on the inside of MARTA's rail transit vehicles. TRN intends to complete the installation of an aggregate of 80 married pairs by August 8, 2005. Additional married pairs are currently being rehabilitated by a third party offsite and may be subject to a mutually agreeable installation schedule to be developed by TRN Atlanta and MARTA. TRN submits the following contact information for PATH's reference:

Tony Griffin
Metropolitan Atlanta Rapid Transit Authority
2424 Piedmont Road N.E.
Atlanta, GA 30328
Phone: 404-848-5620
Email: tgriffin@itsmarta.com

TRN Washington, LLC has submitted a proposal to provide similar services to a Request for Proposals ("RFP") from Washington Metropolitan Area Transit Authority (WMATA) in Washington, D.C. The WMATA RFP is currently pending award. TRN submits the following contact information for PATH's reference:

Ron Rydstrom
Washington Metropolitan Area Transit Authority
600 Fifth Street, NW
Washington, DC 20001
Phone: (202) 962-2767
Email: rrydstrom@wmata.com

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BANKING AND OTHER INFORMATION

TRN New York, LLC is a wholly-owned subsidiary of The Rail Network, Inc. For the purposes of the financial capability section of RFP 0000007920, TRN New York, LLC submits the following:

Bank Information:	The Rail Network, Inc.:	
	Bank of America 3116 Peachtree Road Atlanta, GA 30305 (404) 262-6358 Contact: Tom Ervin	
Federal Tax Id:	13-4179040	(The Rail Network, Inc.)
	20-2957674	(TRN New York, LLC)
D&B Number:	02-793-5951	(The Rail Network, Inc.)

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the rail network

FACTS

The Rail Network (TRN) is the first television and radio network capable of broadcasting digital video, with multiple channels of wireless audio, to passengers on mass transit subway and rail systems. The Metropolitan Atlanta Rapid Transit Authority (MARTA) will be the inaugural system for which TRN will install its patented network infrastructure.

Services

- Digital television newscasts on five, 15" flat screen televisions visible throughout each rail car
- News content provided by a local network affiliate so content is relevant to local commuters
- Other television entertainment programming during off-peak hours
- Half-hour newscast (20.5 minutes news content, 9.5 minutes advertising) continuously updated throughout the day
- *Closed captioning on each screen*
- Audio heard across FM frequencies via any FM capable device (personal FM radio, cell phone with FM headset) from anywhere in the car.
- Audio NOT broadcast over loudspeaker
- Six FM audio channels
  - Television content in English and Spanish
  - Three different music channels providing personal alternatives to the television programming
  - The Transit Information Channel for communicating delays, construction and emergency information from the transit authority

Benefits

- A non-intrusive information and entertainment option for the rail passengers
- No cost to the passengers
- No cost to the transit authority
- Additional revenue stream for the transit authority
- Continuously updated content from the highest quality, relevant programming sources
- Crystal clear digital television and audio
- Homeland Security, operational announcements and AMBER Alert notification capability
- No disruption to transit schedule, communications or operations
- Effective and dynamic way for local businesses to reach the rail passengers

561 Seventh Avenue, Suite 702 • New York NY 10018 • 646 728-0266 • Fax 646 728-0268
211 Perimeter Center Parkway, Suite 1070 • Atlanta, GA 30346 • 770-677-5555 • Fax 770-399-0050

the rail network

OVERVIEW

The Rail Network (TRN) is the first television and radio network capable of broadcasting digital video with multiple channels of audio to passengers on mass transit subway and rail systems. TRN is currently deploying its patented network on the Metropolitan Atlanta Rapid Transit Authority's (MARTA) rail cars which enables the delivery of digital video and audio content including news, sports, weather, music and entertainment programs – broadcast in multiple languages and updated regularly throughout the day.

TRN furnishes each rail car with multiple flat screen televisions displaying a crystal clear digital picture with closed captioning. The news programming, provided by a local network affiliate in each market, enagages, informs and entertains the local commuter. The television broadcast will follow the same format as any half hour of network television: 20.5 minutes of content and 9.5 minutes of advertising dispersed throughout the half hour.

Audio is non-intrusive and is accessible, wirelessly, through any personal FM radio or cell phone with FM headset accessory tuned to TRN's on-board FM network. Passengers can choose to listen to the news in English or Spanish, music channels playing different genres, or a dedicated station that the local transit authority uses to provide updated travel, operations and emergency information. TRN will provide free FM radios to passengers throughout the launch period in each market.

TRN has a 10-year exclusive agreement with MARTA to install, maintain and operate TRN's network on MARTA trains, while providing this service at no cost to the passengers or MARTA. TRN is also in discussions with several other transit authorities regarding the implementation of TRN's network on their systems.

561 Seventh Avenue, Suite 702 • New York NY 10018 • 646 728-0266 • Fax 646 728-0268
211 Perimeter Center Parkway, Suite 1070 • Atlanta, GA 30346 • 770-677-5555 • Fax 770-399-0050

Attachment C

ATTACHMENT C - PROPOSER REFERENCE FORM

Name of Proposer: TRN New York, LLC

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

include the following information for each reference:

Customer Name: Metropolitan Atlanta Rapid Transit Authority (MARTA)
Address: 2424 Piedmont Rd. NE, Atlanta, GA 30324
Contact Name and Title: Tony Griffin, Marketing Manager
Phone and Fax Numbers of Contact: Phone: (404) 848-5620 Fax: (404) 848-5098
Contract date(s): 3/15/04
Contract cost: N/A
Description of work:
TRN Atlanta, LLC, a wholly owned subsidiary of The Rail Network, Inc. and an affiliate of TRN New York, LLC, was awarded the contract to install and maintain an on-board digital television and radio network that provides news, entertainment and information to MARTA's rail passengers.

Customer Name:
Address:
Contact Name and Title:
Phone and Fax Numbers of Contact:
Contract date(s):
Contract cost:
Description of Work:

Customer Name:
Address:
Contact Name and Title:
Phone and Fax Numbers of Contact:
Contract date (s):
Contract cost:
Description of work:

Attachment E

ATTACHMENT E

FINANCIAL PROPOSAL

TRN New York will generate revenues from the sale of advertising on TRN New York's video programming. Over the term of the contract, TRN New York's operations on PATH would create a significant recurring revenue source for the Port Authority. TRN New York proposes to pay the Port Authority of NY&NJ an amount which shall be the greater of (i) a minimum guarantee fee for each annual period as described below or (ii) a percentage of the Gross Revenues (as defined below). **TRN New York estimates that, under the proposed structure, Port Authority would receive approximately $23,498,203 over the proposed 15 year term of the contract.** TRN New York proposes to pay the Port Authority of NY & NJ, on a monthly basis, according to the following schedule:

Contract Year	Minimum Annual Guarantee*	Percentage of Gross Revenue**
1	$100,000	15%
2	$250,000	15%
3	$250,000	15%
4	$250,000	15%
5	$250,000	15%
6	$250,000	15%
7	$250,000	15%
8	$250,000	15%
9	$250,000	15%
10	$250,000	15%

TRN's proposal is for a minimum base period of a ten-year contract. However, if PATH is interested in entering into a contract for a fifteen-year base period, TRN proposes to pay the following for years 11 - 15:

11	$300,000	18%
12	$300,000	18%
13	$300,000	18%
14	$300,000	18%
15	$300,000	18%

*The Minimum Annual Guarantee for each contract year will be paid in twelve equal monthly amounts. TRN estimates that it will take 8 months from contract to complete the rail system installation and this revenue proposal is based upon meeting the installation timeline.

**The revenue received by TRN New York for the sale of advertising during TRN New York's video programming on PATH less fifteen percent (15%) of such gross amount for sales commissions and/or fees in connection with the sale of advertising as is customary practice in the industry.

Based upon our expertise and the above revenue proposal, the following represents TRN New York's projected gross revenues and PATH's revenue share for each annual period following the installation of all PATH rail vehicles:

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Period Following Installation	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Revenues	1,377,992	7,923,899	10,525,199	10,525,199	10,525,199
Revenue Share	206,698	1,188,585	1,578,780	1,578,780	1,578,780

Period Following Installation	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Revenues	10,525,199	10,525,199	10,525,199	10,525,199	10,525,199
Revenue Share	1,578,780	1,578,780	1,578,780	1,578,780	1,578,780
Period Following Installation	**Year 11**	**Year 12**	**Year 13**	**Year 14**	**Year 15**
Gross Revenues	10,525,199	10,525,199	10,525,199	10,525,199	10,525,199
Revenue Share	1,894,536	1,894,536	1,894,536	1,894,536	1,894,536

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Attachment F

ATTACHMENT F – Contractor's officers and staff

TRN New York, LLC is a wholly-owned subsidiary of The Rail Network, Inc. TRN New York, LLC currently has no employees. However, following execution of a contract with the Port Authority, TRN New York, LLC intends to staff the necessary local operational, sales and administrative personnel. Below is a list of officers of The Rail Network, Inc., which does not include employees of any of its subsidiaries.

Name: David Lane

Title: President and Chief Executive Officer

Name: Evan Borak

Title: Executive Vice President, General Counsel and Secretary

Name: Tony Coles

Title: Vice President, Operations

Acknowledgement of Addenda

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: May 27, 2005

ADDENDUM #1

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

Referring to page 76 of Attachment D, the existing advertising agreements will be available for viewing at One Madison Avenue, 7th Floor, NY, NY on June 1, 2005 between the hours of 9:00 AM to 1:00 PM. Contact Roy Bickley at 212-435-4972 to make arrangements for viewing and to obtain access to the building. Photo ID is required.

In Part III, CONTRACTOR'S INTEGRITY PROVISIONS, page 66, labeled "2. Non-Collusive Bidding and Code of Ethics Certification..." and replace with Amendment 1 hereby attached and labeled Amendment 1, "2. Non-Collusive Bidding, and Code of Ethics Certification..."

In Attachment H, titled Olympic 2012 Agreement, delete "Schedule A" in it's entirety and replace with "Schedule A," dated May 16, 2005, hereby attached.

On page 17, 2) Marketing Strategy and Approach, Sub-section b), the next to the last line of that section, delete the second "and" in the line. The line now reads, "...demonstrated ability to set and achieve performance standards is an important..."

In the publicly placed advertisements and general e-mail sent to perspective Proposers, the time for the Pre-proposal meeting was incorrectly noted as beginning at 9:00 AM. The Pre-proposal meeting is scheduled for May 26, 2005 and will begin at 10:00 AM.

For informational purposes only, the slide show presentation is available to your firm on-line by visiting www.panynj.gov/advertisingrfps/

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

1. Question: On Page 16, under Part 7., "Proposal Submission Requirements" Section E. is "Not Used". In planning to make tabbed dividers and section headings, should a Proposer actually have a "Tab E. (Not Used)" and proceed to Section F., or should they disregard, remove "E." and rename the remaining sections to E., F., G., H., and I. from F., G., H, I. and J.?
   Answer: Do not rename.

2. Question: On Page 17, under Part 7., Section 2. "Marketing Strategy and Approach," in the next to last line of sub-section b), there seems to be an additional "and" in the sentence, e.g. "to set and achieve *and* performance standards." The grammar is not correct. Should it be "set and achieve performance standards" instead?
   Answer: Yes. See Addendum 1 above.

3. Question: On Page 73, Attachment C, "Proposer Reference Form" as well as Attachment F, "Contractor's Officers and Staff" are included. Nowhere in the RFP does it state where Attachment C or Attachment F should be placed within the response document. Moreover, is there a limit as to the level of staff which should be listed, or does the Port Authority require a listing of all employees at all levels?
   Answer: Restrict answers to Officers and upper management.

4. Question: On May 26th the Pre-Proposal and Site Inspection is to take place beginning at 9:00 a.m. (as advised via e-mail on May 12, 2005, which shows a change from the 10:00 a.m. start time listed in the RFP. Will all of the facilities listed on Pgs. 75-76 be visited in one day? Will photography be allowed?
   Answer: The pre-proposal RFP meeting begins at 10:00 AM. The Site Inspection of Port Authority facilities is canceled. Photography may be restricted or prohibited at various facilities.

5. Question: Will detailed floor plans of all facilities (including depictions of current advertising locations utilized by current vendors) be provided on the site inspection?
   Answer: No.

6. Question: A numbered Bid Envelope was included in the RFP mailing. Is this envelope to be used in any way, as it would seem unlikely that one (1) reproducible original of such a large response document would fit into the envelope provided?
   Answer: The Bid Envelope should be placed on the outside of your RFP submission and clearly labeled as such. See Letter E., Submission of Proposals, Page 7 of the RFP.

7. Question: A Bid Envelope would suggest that this is a "Bid", which differs significantly from a "Proposal". Please clarify.
   Answer: This is a Request for Proposal—not a bid.

8. Question: On Page 76, the closing paragraph states "the PANYNJ currently generates approximately $25 million in gross advertising revenue sales from the facilities, with approximately 85% of the gross sales total generated through the *airports." Can you clarify if the $25 million is revenue derived/paid from a higher* sales figure (gross sales of X times the percentage payable to the PANYNJ = Net revenue to PANYNJ)?
   Answer: Yes, you are correct. The Advertising contracts will be available as noted above.

9. Question: At the present time there is another RFP (#7919) for "Sponsorship Marketing Services Program" which is due two days prior to the due date of the Advertising RFP. Please define the rights granted under the Sponsorship Marketing Services Program RFP as how they may or may not conflict with the rights granted in the Advertising RFP? A Proposer under the Advertising RFP would want to have assurances that the Sponsorship Marketing Services RFP does not conflict or duplicate the advertising programs one would put into place and be a competitive program.
   Answer: Each RFP is a separate proposal and the Scope of Work defines the work that will be determined under each contract. Each proposal will be negotiated separately. There may be overlap. The Port Authority cannot give Proposers assurances that there will be no conflict, however each executed contract will stand on its own. The final Scopes of Work will define each program.

10. Question: May we have a copy of the attendance sheet?
    Answer: Yes, the attendance sheet is attached to this Addendum.

11. Question: May we have a copy of the slide show?
    Answer: It is available the Port Authority website listed above.

12. Question: In the Scope of Work the RFP states that, "The contractor shall secure all necessary clearances, permits, zoning approvals, and permissions required for the production of new revenue under this Contract." Please confirm our understanding that the Port Authority, as a government agency, is exempt from zoning. If that understanding is correct, will the Port Authority extend this exemption to the selected contractor?
    Answer: The Port Authority of New York and New Jersey, as a bistate agency, is exempt from local regulations as a matter of law. However, it is the Port Authority's policy to conform, to the fullest extent practicable, to all governmental regulations, which are addressed as part of the Authority's internal review and approval process. If any governmental regulation does apply to the scope of work either now or in the future, it will be the Contractor's sole responsibility for securing approvals needed to satisfy any applicable regulation.

13. Question: Although the Port Authority indicates its intent to select one contractor that proposes a total solution to maximize revenue, it reserves the right to award multiple contracts. What criteria does the Port intend to use in making such a determination if the Port Authority receives widely disparate responses to the RFP?
    Answer: The Port Authority will use the criteria as noted beginning of page 11 of the RFP, labeled 5. Evaluation Criteria and Ranking, to determine whether a single or multiple contract awards is in its best interest.

14. Question: The Port Authority identifies a wide array of potential opportunities which are described in vague terms. Will the Port Authority provide detailed descriptions of the facilities including the exact boundaries of the properties offered and the locations that are available for a potential contractor to utilize?
    Answer: No. At this time detailed descriptions of the facilities exact boundaries are not available to potential Proposers. However, it should be noted that nothing precludes the Proposer from visiting the public areas of each facility property to determine what the Contractor may be able to utilize.

15. Question: Will the Port Authority provide electronic maps of the Port Authority facilities listed in Attachment D, indicating the locations of the current advertising inventory?
    Answer: No. See the answer directly above this question.

16. Question: Will the Port Authority agree to extend the Proposal Due Date by at least 30 days?
    Answer: No. At this time the Port Authority will not extend the due date.

17. Question: Do you have any additional statistics on PATH use?
    Answer: Yes, for informational purposes only, see the attached enclosure dated May 6, 2005, titled Path Demographics.

18. Question: Can prospective bidders take pictures at the facilities?
    Answer: Photography may be restricted or prohibited at various facilities.

19. Question: As a respondent to the RFP can Proposers submit in areas where they are specialist? And, if we propose a partial solution are we considered responsive?
    Answer: The answer to both questions is yes.

20. Question: Historical billing on existing assets is important and would be helpful in the preparation of the proposals. We need a sense of dollars spent in advertising broken down by facility. Can the Port Authority provide that?
    Answer: Billing information is not being made available at this time.

21. Question: Can the Port Authority set aside a time to examine existing advertising contracts?
    Answer: Yes, see above. On page 76 of Attachment D are the contracts that will be available for viewing at One Madison Avenue, 7th Floor, NY, NY, on June 1, between the hours of 9:00 AM to 1:00 PM, Conference Room 154. Contact Roy Bickley at 212-435-4972 to make arrangements for viewing and obtain access to the building.

22. Question: On pages 10 and 11, Section 4, Financial Information, the Port Authority is requesting a list of other work pending and/or bids submitted in anticipation of business. We consider this confidential. Will the Port Authority keep that confidential?
    Answer: The Port Authority will make every attempt to keep this information confidential, however the Port Authority is subject a Freedom of Information Policy as noted on pages 24 to 26 of the RFP.

23. Question: What are the weights assigned to the evaluation criteria on page 11-13?
    Answer: The individual weights assigned to the criteria are confidential.

24. Question: Can more that one Advertising Vendor have a presence at each facility?
    Answer: Yes, that is possible.

25. Question: Can you identify and make available a list of which billboards are currently owned by the Authority?
    Answer: That information is not available at this time.

26. Question: If the Contractor erects a structure on Port Authority property, who will own it at the end of the contract.
    Answer: The Port Authority will own the structure, refer to page 10 of the RFP, Paragraph number 5.

27. Question: Certain permits will be required to erect structures for advertising purposes, who will own the permits at the end of the Contract?
Answer: The Port Authority will issue any permissions which are required.

28. Question: Is Schedule A of the Olympic Letter of Agreement a complete inventory listing? Is this inventory currently owned by the Port Authority?
Answer: This is owned by the Port Authority, however this schedule relates only to the Olympic Letter of Agreement and is not a complete Port Authority Inventory list. In this Addendum a revised Schedule A is attached which also is not a complete Port Authority Inventory list.

29. Question: Should the financial proposal breakout the revenue for each facility?
Answer: That is a business decision your firm must make and submit with their proposal.

30. Question: Suppose the Proposer has huge advertising opportunity that does not conform to local zoning, how will the Port Authority deal with this?
Answer: We do not respond to hypothetical situations, however the Port Authority recognizes local zoning regulations.

31. Question: Will the Port Authority during the evaluation process take into consideration the stringent zoning laws as well as if the proposed programs are permitted? How will this be evaluated?
Answer Yes. See question 12.

32. Question: If we propose a program and the Port Authority accepts the proposal, however the city doesn't accept it or doesn't permit it, are we legally bound?
Answer: The Port Authority expects to interpret the zoning regulation. If the Proposer wishes to seek a ruling from the City, it may do so with Port Authority approval.

33. Question: If a firm comes up with a really creative idea and the firm with the idea is not selected as the Contractor, will the PA hold this idea in confidence or share this idea with the selected firm? The answer to this could stifle my proposal.
Answer: See the Agreement on Terms of Discussion.

34. Question: Will the Port Authority be utilizing its exemption from local zoning?
Answer: See Question 12.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: TRN New York, LLC

INITIALED: The Reid Network Inc. for Trn

DATE: 5/27/05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

AMENDMENT 1

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

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

a. the prices in its bid have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor;

b. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Bidder prior to the official opening of such bid to any other bidder or to any competitor;

c. no attempt has been made and none will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition;

d. this organization has not made any offers or agreements or taken any other action with respect to any Authority employee or former employee or immediate family member of either which would constitute a breach of ethical standards under the Code of Ethics dated April 11, 1996 (a copy of which is available upon request to the individual named in the clause hereof entitled "Bidder's Questions"), nor does this organization have any knowledge of any act on the part of an Authority employee or former Authority employee relating either directly or indirectly to this organization which constitutes a breach of the ethical standards set forth in said Code;

e. no person or selling agency other than a bona fide employee or bona fide established commercial or selling agency maintained by the Bidder for the purpose of securing business, has been employed or retained by the Bidder to solicit or secure this Contract on the understanding that a commission, percentage, brokerage, contingent, or other fee would be paid to such person or selling agency; and

f. the bidder has not offered, promised or given, demanded or accepted, any undue advantage, directly or indirectly, to or from a public official or employee, political candidate, party or party official, or any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), in order to obtain, retain, or direct business or to secure any other improper advantage in connection with this Contract.

The foregoing certifications shall be deemed to be made by the Bidder as follows:

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

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

In any case where the Bidder cannot make the foregoing certifications, the Bidder shall so state and shall furnish with the signed bid a signed statement which sets forth in detail the reasons therefor. If the Bidder is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its bid, setting forth in such statement the reasons for its uncertainty.

Notwithstanding that the Bidder may be able to make the foregoing certifications at the time the bid is

submitted, the Bidder shall immediately notify the Authority in writing during the period of irrevocability of bids on this Contract of any change of circumstances which might under this clause make it unable to make the foregoing certifications or require disclosure. The foregoing certifications or signed statement shall be deemed to have been made by the Bidder with full knowledge that they would become a part of the records of the Authority and that the Authority will rely on their truth and accuracy in awarding this Contract. In the event that the Authority should determine at any time prior or subsequent to the award of this Contract that the Bidder has falsely certified as to any material item in the foregoing certifications or has willfully or fraudulently furnished a signed statement which is false in any material respect, or has not fully and accurately represented any circumstance with respect to any item in the foregoing certifications required to be disclosed, the Authority may determine that the Bidder is not a responsible Bidder with respect to its bid on the Contract or with respect to future bids on Authority contracts and may exercise such other remedies as are provided to it by the Contract with respect to these matters. In addition, Bidders are advised that knowingly providing a false certification or statement pursuant hereto may be the basis for prosecution for offering a false instrument for filing (see e.g. New York Penal Law, Section 175.30 et seq.). Bidders are also advised that the inability to make such certification will not in and of itself disqualify a Bidder, and that in each instance the Authority will evaluate the reasons therefor provided by the Bidder. Under certain circumstances the Bidder may be required as a condition of Contract award to enter into a Monitoring Agreement under which it will be required to take certain specified actions, including compensating an independent Monitor to be selected by the Port Authority, said Monitor to be charged with, among other things, auditing the actions of the Bidder to determine whether its business practices and relationships indicate a level of integrity sufficient to permit it to continue business with the Port Authority.

ATTACHMENT H, MAY 16, 2005

LETTER AGREEMENT

October 19, 2004

The Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003

Ladies and Gentlemen:

In connection with the preparation, for submission to the International Olympic Committee ("IOC"), of a candidature for New York City to host the 2012 Olympic Games, NYC2012 must demonstrate that it will take the necessary steps to protect the value of authorized Olympic sponsorships and the rights of authorized Olympic marketing partners by preventing and confronting ambush marketing. Accordingly, the IOC requires NYC2012 to make advertising space in New York City available only to Olympic sponsors and partners during the 2012 Olympic Games in order to reduce unfair competition in the form of ambush marketing.

This letter, when countersigned by you, will evidence the Port Authority of New York and New Jersey's ("PA") agreement to assist NYC2012 with its efforts to reduce ambush marketing at its facilities. Subject to and in accordance with the terms of this Letter Agreement, the PA hereby agrees that if New York City is chosen to host the 2012 Olympic Games: (1) it will license to NYC2012 the advertising space under the PA's control at its facilities, as set forth in Schedule A (the "Ad Space"), for the period June 26, 2012 through August 21, 2012 inclusive (the "License Period"), and (2) all future agreements which grant rights to the advertising space under the PA's control at its facilities will contain an acknowledgement of the terms of this Letter Agreement and will require all licensees, lessees, permitees, vendors and contractors to comply with the terms of this Letter Agreement.

Notwithstanding the generality of the foregoing or anything to the contrary stated herein, the PA's obligation to make available advertising space to NYC2012 under this Letter Agreement shall be subject to all of the following: (1) with respect to all terminals not under the control of the PA, the rights of third parties with which the PA has entered into agreements as of the date of the execution of this Letter Agreement, including, but not limited to, the rights of terminal airline lessees, (2) the PA's tenant alteration and application process (the "TAA process"), which shall apply, among other things, to the installation, maintenance, and location of any advertising, (3) the PA rules, regulations and policies concerning content of advertising in effect from time to time, and (4) the receipt by the PA of a written notice from NYC2012 not less than sixty (60) days prior to the start of the License Period (the "sixty-day notice") stating (i) that NYC2012 intends to exercise the rights granted to it by this Letter Agreement, and (ii) the information required in paragraph 4 of this Letter Agreement, and (3) receiving the

requisite prior authorization(s) of the Board of Commissioners of the PA.

1. License Fee. The license fee for Ad Space shall be calculated as follows: the average price for various types of advertising (e.g., wall wraps, spectaculars and dioramas) as established by the relevant advertising permittees/lessees then under contract with the PA at its facilities for 2005, 2006, 2007 and 2008 (the "Average Price"), multiplied by the percentage increase projected as of December 31, 2008, for the period 2009 through 2012, by the Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor, plus a twenty percent (20%) premium. Such 20% premium shall be referred to herein as the Olympic Premium.

2. Assignment. The parties acknowledge and agree that should the Games be awarded to New York City, NYC2012 will be succeeded by the New York Committee for the Olympic Games ("NYCOG") that shall receive from NYC2012 an assignment of all rights, and shall assume all obligations concerning, arrangements underlying the bid including all rights pursuant to this Letter Agreement and shall be the organization to conduct the Games and carry out the rights and responsibilities of NYC2012 hereunder.

3. Termination. This Letter Agreement will terminate upon the failure of New York City to be awarded the Olympic Games by the IOC or the failure of the PA to receive the sixty-day notice described herein.

4. Uncommitted Ad Space. The sixty-day notice shall identity all Ad Space contractually committed to by written agreement, between the IOC and any Olympic Advertising Party, for advertising at each PA facility during the period of the Olympic Games and for the period commencing thirty (30) days prior to the start of the Olympic Games. Any advertising space at a PA facility which is not identified in the sixty-day notice shall be deemed to be uncommitted Ad Space and, accordingly, shall not be subject to this Letter Agreement and may be sold, licensed or leased without restriction or condition. In addition, NYC2012 acknowledges and agrees that between the date of this Agreement and the start of the Olympic Games, the Port Authority shall have the right in its sole discretion to eliminate or modify existing advertising space at any its facilities, including but not limited to any of the Ad Space, and convert such space to another purpose.

5. Representations and Warranties of PA.

(a) Upon receipt of the requisite prior authorization(s) from the Board of Commissioners, the PA has all necessary power and authority to enter into this Letter Agreement and to perform its obligations hereunder; the execution of this Agreement by PA and the performance by PA of its obligations hereunder have been duly authorized by all necessary corporate action on the part of PA; and this Letter Agreement has been duly executed and delivered by PA and is a valid and binding obligation of PA enforceable against PA in accordance with its terms.

(b) PA further represents and warrants that it owns or controls all of the Ad Space and that Schedule A is a complete list of the number of locations of advertising space at each of the PA facilities as of the date of the execution of this Letter Agreement by the PA; provided, however, that the failure of any third party to comply with the terms of any agreement between said third party and the PA shall not constitute a breach of this Letter Agreement by the PA and provided, further, this Letter Agreement shall not require the PA or any of its advertising permittees/lessees to breach any existing agreement to which it is a party as of the date of the PA's execution of this Letter Agreement.

(c) PA further represents and warrants that entering into this Letter Agreement will not conflict with any other obligations or agreements to which PA is a party and PA covenants not to enter into any conflicting agreements during the term of this Letter Agreement.

6. Representations and Warranties of NYC2012. NYC2012 has all necessary power and authority to enter into this Letter Agreement and to perform its obligations hereunder; the execution of this Letter Agreement by NYC2012 and the performance by NYC2012 of its obligations hereunder have been duly authorized by all necessary corporate action on the part of NYC2012; and this Letter Agreement has been duly executed and delivered by NYC2012 and is a valid and binding obligation of NYC2012 enforceable against NYC2012 in accordance with its terms.

7. Remedies. Each party acknowledges that monetary damages may not be an adequate remedy for any breach or threatened breach of the provisions of this Letter Agreement by the other party, and that such first party shall be entitled to seek equitable relief, including a temporary restraining order, a preliminary or permanent injunction or specific performance, as a remedy for any such breach or threatened breach. Each party agrees that in the event such equitable relief is granted by a court of competent jurisdiction that the party seeking equitable relief shall not be required to post a bond in connection therewith. Each party further agrees that the remedies of a temporary restraining order, preliminary or permanent injunction or specific performance shall not be deemed to be the exclusive remedies for a breach of this Letter Agreement but shall be in addition to all other remedies available at law or equity. Notwithstanding the foregoing, any lawsuit or other claim against the PA or its Commissioners, officers or employees shall be subject to all prohibitions, limitations, requirements and restrictions for commencement and maintenance of lawsuits and other claims against the PA, its Commissioners, officers or employees set forth in the statutes of the New York law, including but not limited to statutes codified in the New York Unconsolidated Laws and the New York Civil Practice Laws and Rules, and such prohibitions, limitations, requirements and restrictions are not waived by this paragraph.

8. Governing Law. This Letter Agreement is made under, and will be construed in accordance with, the laws of the State of New York, without giving effect to its principles of conflict of laws.

9. No Personal Liability. No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Letter Agreement or of any modification or amendment hereto or because of any breach thereof, or because of its execution or attempted execution.

10. Entire Agreement. This Letter Agreement constitutes the entire agreement between the PA and NYC2012 on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the PA and NYC2012. NYC2012 agrees that no representations or warranties shall be binding upon the PA unless expressed in writing in this Letter Agreement.

Please confirm your agreement to the matters referred to and set forth in this letter by signing, dating and returning a copy of this letter to me.

Very truly yours,

NYC2012

By: Andrew Kimball

Title: Director of Operations

Accepted and Agreed to:

The Port Authority of New York and New Jersey

By: Michael Melkonian
for Chief of Public and Government Affairs

Title: Executive Director

Date: 10/25/04

APPROVED	
TERMS	FORM
UM	

Schedule A

LaGuardia Airport Inventory Count
867-LGA Sellable Faces
460-LGA Units

	Breakdown by Unit	
Total	of 4' x 10' Lightbox	3
Total	of Banner	1
Total	of Clock	1
Total	of Diorama	334
Total	of Diorama Other	14
Total	of Display Area	7
Total	of Jet Bridges	250
Total	of Phone Board	146
Total	of Phone Board Service Cost	26
Total	of Spectacular (other)	19
Total	of Take-one/Mtnc Chg	6
Total	of Vertical Displays	12
Total	of Exterior Banners	2
Total	of Wall Wrap	48
		869 Sellable Faces
		460 Units

John F. Kennedy Airport Inventory Count
1342-JFK Sellable Faces
728-JFK Units

	Breakdown by Unit	
Total	of 4' x 10' Lightbox	44
Total	of Banner	19
Total	of Clock	6
Total	of Digital Diorama	80
Total	of Diorama	346
Total	of Diorama Other	36
Total	of Display Area	12
Total	of Double Diorama Full	6
Total	of Exterior Sites	44
Total	of JCDecaux Displays	35
Total	of Jet Bridges	499
Total	of Showcase	1
Total	of Spectacular (other)	49
Total	of Wall Wrap	165
		1342 Sellable Faces
		728 Units

New York Downtown Heliport		
3-JFK Sellable Faces		
3-JFK Units		
	Breakdown by Unit	
Total	of Clock	2
Total	of Diorama	1
		3 Sellable Faces
		3 Units

EWR Airport Inventory Count

Total Dioramas = 406

Total Bus Shelter Dioramas = 18
Total Spectaculars = 5
Total Mini Spectaculars = 96
Total Overhead Spectaculars = 22
Total Monorail Carcards = 72
Total Wall Wraps = 46
Total Banners = 6
Total Toll Plaza Booth = 1

PA Control - Bus Shelters, Toll Plaza Booth, Monorail Carcards

PATH System Inventory Count

Total Station Domination Installations = 144 All Controlled by PA

[redacted]

Total Poster Wraps = 3
Total Dioramas = 22
Total Clocks = 26
Total Station Domination Installations = 144 All Controlled by PA

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

FOR THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 28th day of October in the year 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael A. Petralia personally known to me or proved to me on the basis of satisfactory evidence to be the individual(~~s~~) whose name(~~s~~) is (~~are~~) subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument, the individual(~~s~~), or the person upon behalf of which the individual(~~s~~) acted, executed the instrument.

(notarial seal and stamp)

Marie M. Edwards
Notary Public, State of New York
No. 01ED4959693
Qualified in Kings County
Commission Expires 1/6/2006

FOR NYC2012

STATE OF NEW YORK)
) ss
COUNTY OF NEW YORK))

On the 1st day of November in the year 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Andrew H. Kimball personally known to me or proved to me on the basis of satisfactory evidence to be the individual(~~s~~) whose name(~~s~~) is (~~are~~) subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument, the individual(~~s~~), or the person upon behalf of which the individual(~~s~~) acted, executed the instrument.

(notarial seal and stamp)

ASHLEIGH LONSON
Notary Public, State of New York
No. 01LO6101733
Qualified in New York County
Commission Expires November 17, 2007

DATE: May 6, 2005

PATH DEMOGRAPHICS

CURRENT AVERAGE WEEKDAY RIDERSHIP THROUGH 1ST QUARTER 2005 IS ABOUT 195,000. AVERAGE SATURDAY IS 83,000 AND SUNDAY IS 58,000.

2004 PATH SURVEY

	WEEKDAY	WEEKEND (SATURDAY)
GENDER		
MALE	58.2%	55.6%
FEMALE	41.8%	44.4%
TRIP PURPOSE		
WORK COMMUTE	73.1%	20.2%
BUSINESS TRAVEL	7.4%	4.0%
TO/FROM SCHOOL	5.6%	3.8%
SHOPPING	2.6%	19.0%
ENTERTAINMENT or RECREATION	4.8%	31.3%
VISIT FAMILY/FRIENDS	4.2%	19.6%
OTHER	2.2%	1.9%

OTHER LANGUAGES BESIDES ENGLISH

NONE	60%
SPANISH	21%
FRENCH	5%
GERMAN	3%
ITALIAN	2%
HINDU	2%
PORTUGESE	2%
RUSSIAN	1%

AGE: LAST SURVEY REFERENCE – 2001

OCCUPATION: LAST SURVEY REFERENCE - 2001

INCOME: LAST SURVEY REFERENCE - 2001

Listed below are latest ridership figures - February 2005

	Average weekday boarding's	Average weekend boarding's
Pavonia/Newport	13,300	13,200
Grove St.	9,500	7,700
Exchange Pl.	10,000	3,200
Journal Sq.	22,000	22,400
Hoboken	24,500	15,000
Newark	25,000	18,000
Harrison	5,500	3,500
NY - 9th St.	4,300	7,100
NY - 14th St.	7,500	8,400
NY - 23rd St.	7,000	4,900
NY - 33rd St.	24,300	25,100
NY - Christopher	4,000	5,400
NY - WTC	40,000	18,000

PRE-PROPOSAL MEETING
ADVERTISING OPPORTUNITIES FOR PORT AUTORITY OF NY & NJ
AND PATH FACILITIES, RFP #7920
MAY 26, 2005

NAME	COMPANY	TELEPHONE #
STEVEN A. LUDSIN	ILLUMACON	917 873 4536
Tim Crowin	Shawmut Media	617-333-9399
Stacy Fagan	JCDECAUX	646-834-1327
Bernard Parisot	JCDECAUX	646-834-1300
PAUL DEWOLDEN	JC DECAUX	714-374-0284
Marty Chavkin	Working Media Group	212-731-2557
Daniel P. Davison Jr.	Adirondack Partners	212-229-2512
Mark Fraser	Ritta & Associates	201-567-4400
Kay Ritta	Ritta & Associates	201-567-4400
MICHAEL KRAMER	GARRICK-AUG	212-850-0278
MARK BALDINGER	INTRANSIT MEDIA	954-691-4032
RICH AMEST	VIACOM OUTDOOR	212 297-6550
Charles FERTONARIO	VIACOM OUTDOOR	718-366-6180
RAY Sippesler	VAN WAGNER COMMUNICATIONS	212 699 8400
Frank Steele	Sign Post Networks	404 870 8910
DAVID RAMIREZ	Daktronics	212 842-0288
DeWayne ANDERSON	DAKTRONICS	605-697-4772
Lauren Yanger	Titan Outdoor	212 644-6200
Michael Cawley	ALL VISION	802-272-1309
James Mandreck	Titan Outdoor	212-644-6200
Don Helm	Titan Outdoor	212 909-7645
Tim Kennedy	Clear Channel	212 812 0037
PAUL WISS	" "	212-812-0036
Jeremy Mergel	CLEAR CHANNEL	212 812-0048
Peter Corrigan	Submedia	212.849.6979
Chris Cavallo	Interstate	917-359-3283
DENNIS DAY	D-DAY MEDIA GROUP INC	212-222-2942
Evan Borsch	TRN	646-728-0266 x 226
David Lane	TRN	646-728-0266 x 227
Mike Gallen	DIRECT MEDIA INC	781-843-2112
Steph Gagnon	Onestop Toronto Inc	416 640 2744
CARROL BENNETT	P.A. - Real Estate	(212) 435-2929

PRE-PROPOSAL MEETING
ADVERTISING OPPORTUNITIES FOR PORT AUTORITY OF NY & NJ
AND PATH FACILITIES, RFP #7920
MAY 26, 2005

NAME	COMPANY	TELEPHONE #
ROB WALKER	SIDETRACK	204 663 4989
RICHARD GRASSO	CLEAR CHANNEL ADSPACE	212-972-0515
Martina Schmidt	Clear Channel	212-972-0515
Bill McLendon	Magic Media	800-732-8261
Ed Wallace	GROSSBERG TRAVEL	801-801-9299
Kathleen Whelan	PA	212 435-3929
[illegible]	PA	212 435 2290
Roy Bickley	PA	212-435-4972
Michael Shannon	PA	212 435-5209
JULIA F LOMPA	PA	212 435-6929
Jed Greenthal	Jed Greenthal Marketing	203-226-7643
DIDI LOPEZ	AVOLAB, INC	201.222.0148
ALAN WOLAN	GoGORILLA MEDIA	212.464 7975

PRE-PROPOSAL MEETING
ADVERTISING OPPORTUNITIES FOR PORT AUTORITY OF NY & NJ AND PATH FACILITIES, RFP #7920
MAY 26, 2005

NAME	COMPANY	TELEPHONE #
ELLIOT KLEIN	RETURNME.com	646-201-9293
MARK GIORDANO	VAC	303-282-1000
SCOTT O'REILLY	VAC	303-282-1000
Ricardo Marquez	FUTI Outdoor	(212) 796-0505 x110
Steven Kern	Access Media	(310) 476-1112
MIKE RILEY	CLEAR CHANNEL AIRPORTS	312-475-3500
SAM HART	" " "	" " "
Sharon Knudsen	New York Telecom Partners	516-294-8604
Steve Steinman	Steve Mk.	212-330-8219
Alexandra Engel	GoCard	646-358-1035
Anna Fountas	Warrior Walk	646-840-0550
CHRIS YOUNG	VISTA MEDIA	718-784-3339
ROSARIO MANETTA	VISTA MEDIA	718-784-3339
Toby Stuck	Clear Channel	(312) 475-3500
Jeffrey Kim	Garrick-Aug	(212) 856-0573
Jerry Allen	Viacom	973 575 6900
Rae Lee McDonald	PA	X6920
Eric Zemsky	National Spot	212.779.9774
T.J. Stuck	P&A Authority	212-435-3436

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 2, 2005

ADDENDUM #2

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

1. Question: How many rail cars are in the PATH fleet?
   Answer: There are 327 cars active for passenger use. From 2008 to 2011 the Port Authority is scheduled to receive 340 new passenger rail cars and will subsequently gradually retire the current fleet.

2. Question: How many rail cars are there in the AirTrain Newark and AirTrain JFK fleets respectively?

Answer: At the AirTrain JFK, there are 32 rail cars. At the Monorail System at Newark Liberty International Airport, there are 108 rail cars.

3. Question: Do the PATH railcars operate as singles or married pairs?
   Answer: PATH railcars operate as singles.

4. Question: In Section 4, Page 11, what is your definition of "certified financial statements"?
   Answer: Certified Financial Statements are defined as company financial information including but not limited to the Proposer's company assets, liabilities, net worth, revenue, expenses, profit or loss and cash flow including applicable notes for the most recent calendar year reviewed and compiled by an independent accounting firm.

5. Question: The RFP references "subcontractors" in several places. How should we respond if, at this time, we have not selected our subcontractors?
   Answer: At the time of submission of the Proposal, companies do not have to specifically identify subcontractors. If the selection has not been made but the area of subcontractor services is determined, please include.

6. Question: Please list the agreements, and respective subject matter of such agreements, referred to in the second bullet point under "Notes Regarding The Above Facilities" on page 76.
   Answer: There are two agreements and the subject matter of both agreements is for various advertising services. Agreement one is with Black Experience, Inc. for PATHvision for PATH advisory notices, news information and advertising at over 200 television screens located throughout the system at PATH stations. Agreement two is with Submedia, LLC for one illuminated advertising sign at two locations in the PATH train tunnels.

7. Question: Are we allowed to propose an advertising idea for only one structure? If so, is it recommended that we include visuals?
   Answer: Yes, you may propose an advertising idea for only one structure. Proposers may include visuals.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: TRN New York, LLC

INITIALED: [illegible]

DATE: 6/2/05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 3, 2005

ADDENDUM #3

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

Question: Does the Port Authority have any historical advertising sales figures?
Answer: Yes, the Port Authority has attached a Ten Year Profile of Advertising Sales at the Authority's Airports. Proposers are cautioned that these figures are estimated only and may not represent each and every sale generated through its advertising agreements. This Profile is for information purposes only. Proposers are reminded that the above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: TRN New York LLC

INITIALED: [illegible]

DATE: 6/3/05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

ADVERTISING PERMIT
TEN YEAR PROFILE - ADVERTISING SALES
NEWARK, KENNEDY, & LAGUARDIA AIRPORT

EWR

YEAR	ADVERTISING SALES
EWR 1995	$2,576,471
EWR 1996	$2,851,140
EWR 1997	$3,813,334
EWR 1998	$5,169,236
EWR 1999	$7,521,687
EWR 2000	$11,125,693
EWR 2001	$7,699,533
EWR 2002	$6,848,751
EWR 2003	$8,765,370
EWR 2004	$8,592,766

JFK

YEAR	ADVERTISING SALES
JFK - 1996	$6,162,518.00
JFK - 1997	$7,927,062.00
JFK - 1998	$11,819,001.71
JFK - 1999	$14,411,834.67
JFK - 2000	$19,937,032.98
JFK - 2001	$14,195,537.18
JFK - 2002	$10,638,425.80
JFK - 2003	$15,308,172.96
JFK -2004	$16,042,602.40

LGA

YEAR	ADVERTISING SALES
LGA - 1996	$2,904,725.00
LGA - 1997	$4,451,590.00
LGA - 1998	$5,989,036.93
LGA - 1999	$8,245,371.82
LGA - 2000	$11,478,581.04

LGA - 2001	$9,336,427.13
LGA - 2002	$6,191,737.04
LGA - 2003	$6,789,247.47
LGA - 2004	$7,006,291.82

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 6, 2005

ADDENDUM #4

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

PROPOSER QUESTIONS AND ANSWERS

The following information is made available in response to questions submitted by Proposers to the Port Authority of NY and NJ. It addresses only those questions, which the Port Authority of NY and NJ have deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

Question: Does the Port Authority have any historical gross advertising sales figures for the Bus Terminal, George Washington Bridge Bus Station, PATH and/or Journal Square?
Answer: Yes, the Port Authority has attached Advertisement Sales at those facilities. Proposers are cautioned that these figures are estimated only and may not represent each and every sale generated through its advertising agreements. This Profile is for information purposes only. Vendors should also note that advertising locations within facilities may change from time to time dependent upon facility needs. Proposers are reminded that the

above referenced RFP is on a different Scope of Work and past performance may not be a good indicator of future or expected performance.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: TRN New York, LLC

INITIALED: [illegible]

DATE: 6/6/08

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

1999 - 2004
Gross Advertisement Sales
at Port Authority Bus Terminal, GWB Bus Station,
PATH, JSTC

Facility	YEAR	Advertisement Sales
PABT (T06)		
	1999	$719,195
	2000	$2,454,750
	2001	$1,116,250
	2002	$629,763
	2003	$1,090,053
	2004	$1,095,316
GWBBS (T07)		
	1999	$ 74,628
	2000	114,586
	2001	73,448
	2002	80,458
	2003	81,924
	2004	39,293
PATH (R02)		
	1999	$ 4,537,000
	2000	6,019,497
	2001	3,684,917
	2002	2,512,668
	2003	2,530,342
	2004	2,054,518
JSTC (R21)		
	1999	$ -
	2000	8,000
	2001	161,843
	2002	103,345
	2003	
	2004	

THE PORT AUTHORITY OF NY & NJ

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
PURCHASING SERVICES DIVISION
ONE MADISON AVENUE 7TH FL.
NEW YORK, NY 10010

Date: June 7, 2005

ADDENDUM #5

To prospective Proposers on RFP # 0000007920 for ADVERTISING OPPORTUNITIES FOR PORT AUTHORITY OF NY & NJ AND PATH FACILITIES, INCLUDING OUTDOOR AND OUT-OF-HOME LOCATIONS

DUE BACK ON JUNE 8, 2005 NO LATER THAN 2:00 PM

The following changes are hereby made in the documents:

THE PROPOSAL DUE DATE HAS BEEN CHANGED TO MONDAY, JUNE 13, 2005 NO LATER THAT 4:00 PM.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.

THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER
PRIORITY PROCUREMENTS
DIVISION

PROPOSER'S FIRM NAME: TRN New York, LLC

INITIALED: TRN New York, Inc. [illegible]

DATE: 6/7/05

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MR. T. J. STORCH, WHO CAN BE REACHED AT (212) 435-3936.

Lamar Advertising of New York City

Lamar Advertising Company Proposal For Outdoor Advertising

Proposed rents payable to the Port Authority for specific sign locations:

JFK Airport:	$656,000
LaGuardia Airport	$672,000
Newark Airport	$60,000
Lincoln Tunnel	$1,024,000
Holland Tunnel	$744,000
TOTAL RENTS PAYABLE TO PORT AUTHORITY	**$3,156,000**

380 Lexington Avenue, Suite 1700 • New York, New York 10168 | 212.551.1080 • Fax 212.551.1045

Lamar Advertising of New York City

June 13,2005

TJ Storch
Port Authority of NY and NJ

Dear Mr. Storch:

Attached is Lamar Advertising company proposal which will generate $3,156,000 in rent payments to the Port Authority for specific outdoor advertising locations.

Lamar included photographs, descriptions and proposed rents payable to the Port Authority for specific locations on Port Authorties properties.

Lamar welcomes the opportunity to work with the Port Authority and would be delighted to answer any questions on the attached proposal.

Thank you,

Peter Costanza
Vice President,General Manager
Lamar Outdoor

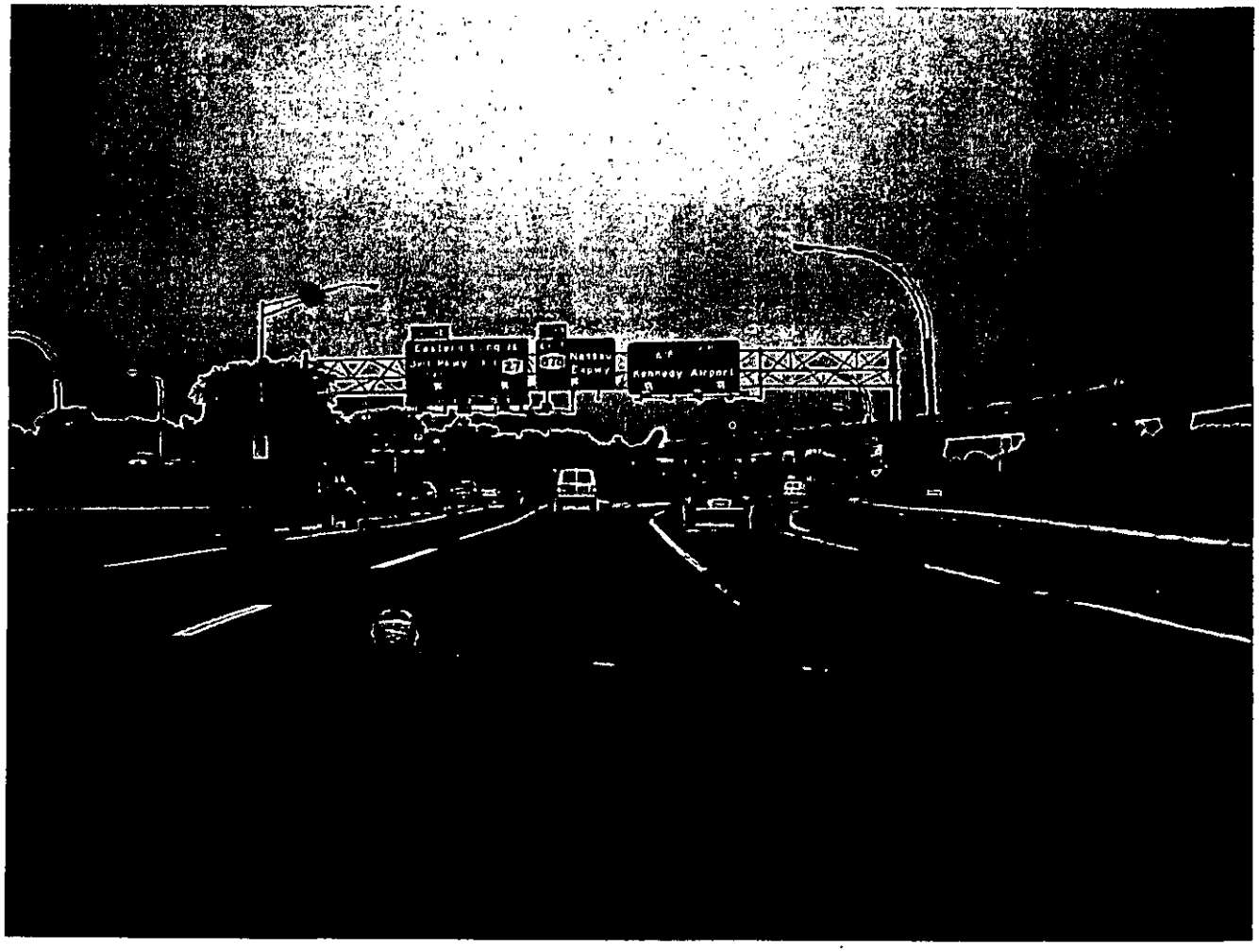
380 Lexington Avenue, Suite 1700 • New York, New York 10168 | 212.551.1080 • Fax 212.551.1045

Imgp2990.jpg

Location: JFK # 1

Description: Multiface sign structure at fork between Nassau Expressway and Belt Parkway at the entrance to JFK Airport

Rent: $72,000 per year



Imgp2991.jpg

Location: JFK # 1

Description: Multiface sign structure at fork between Nassau Expressway and Belt Parkway at the entrance to JFK Airport

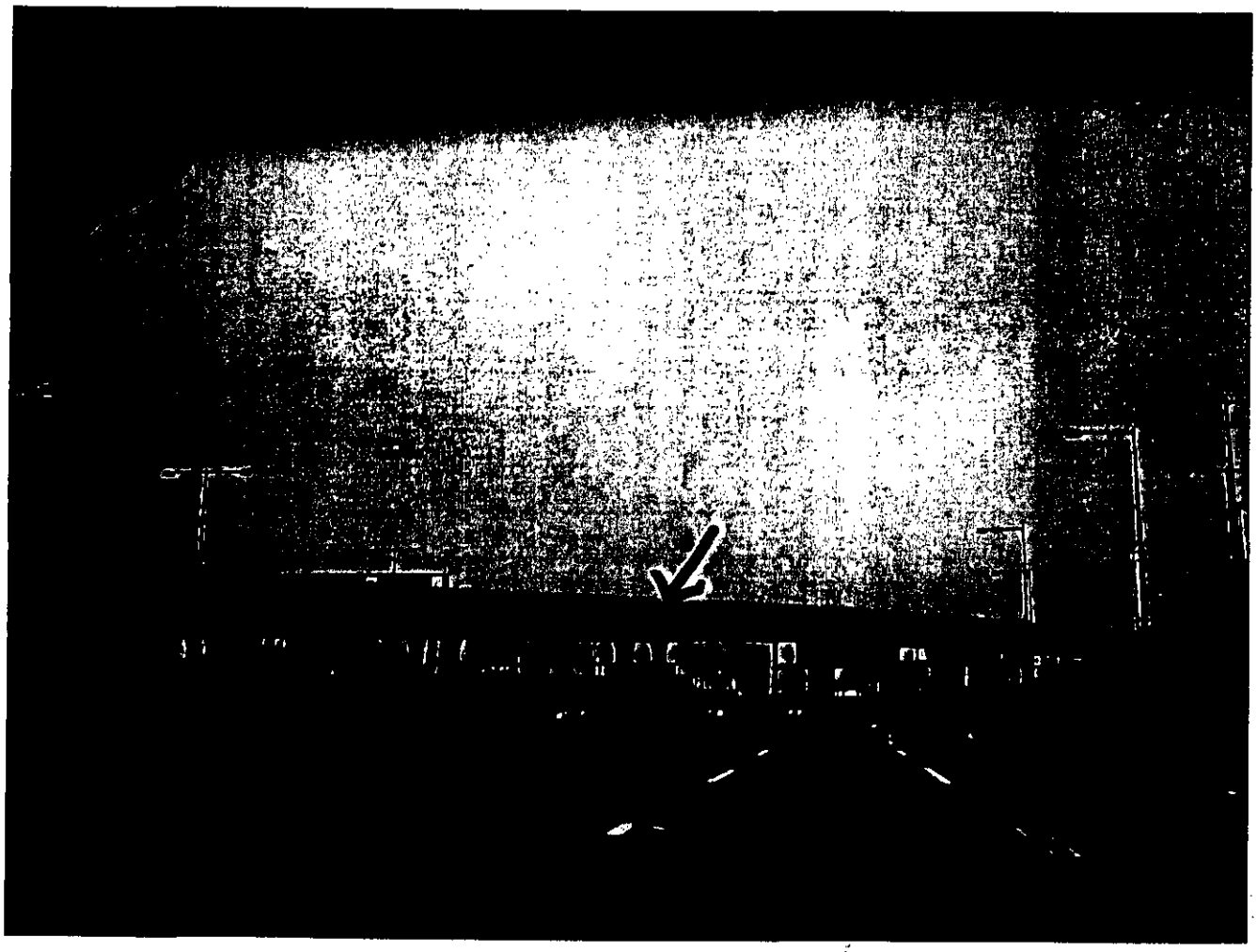
Rent: $72,000 per year

Imgp2992.jpg

Location: JFK # 2

Description: Sign structure attached to overpass at exit to terminal 4

Rent: $36,000 per year

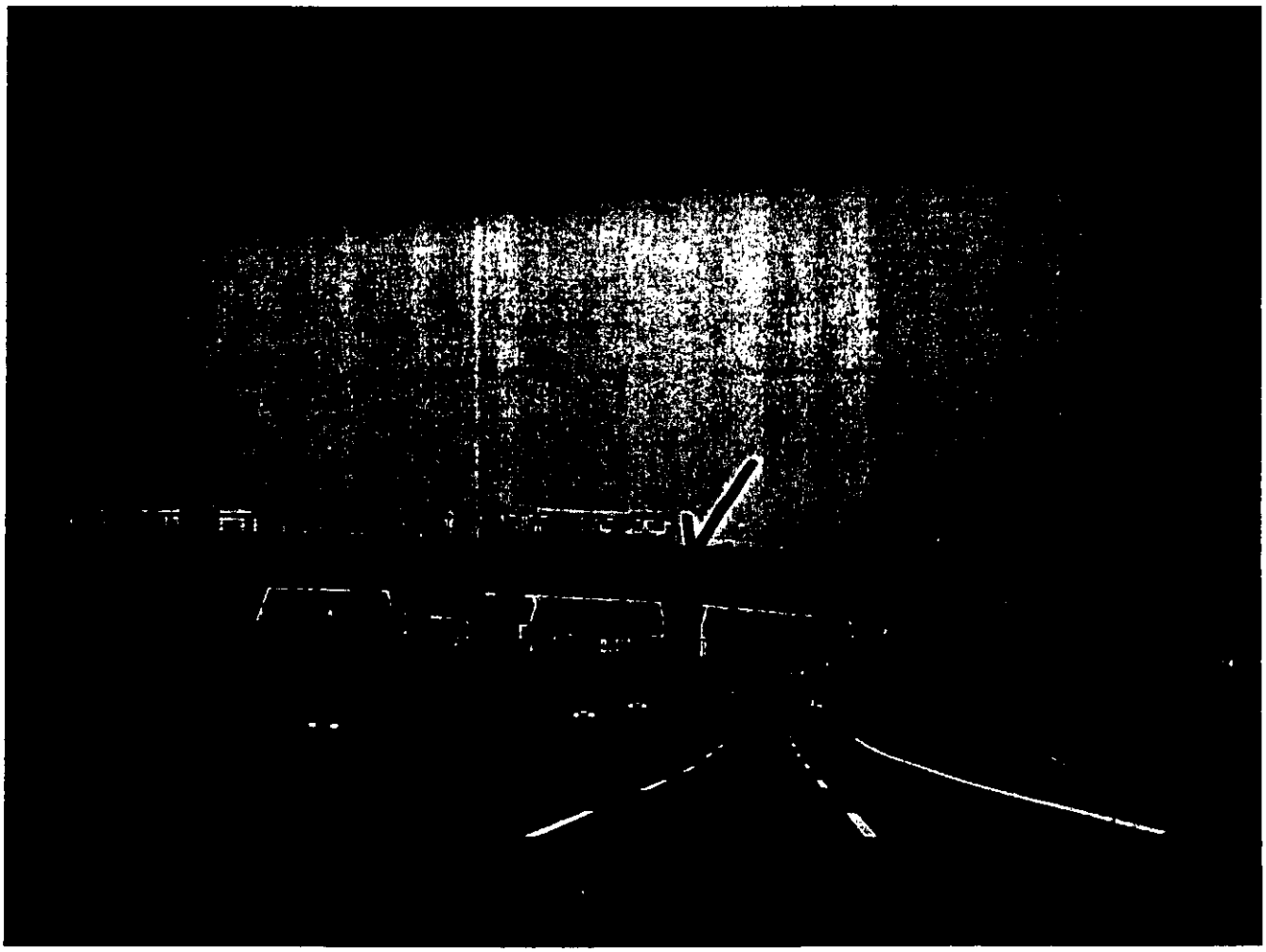


Imgp2993.jpg

Location: JFK # 3

Description: Sign structure attached to overpass beyond entrance to JFK

Rent: $36,000 per year

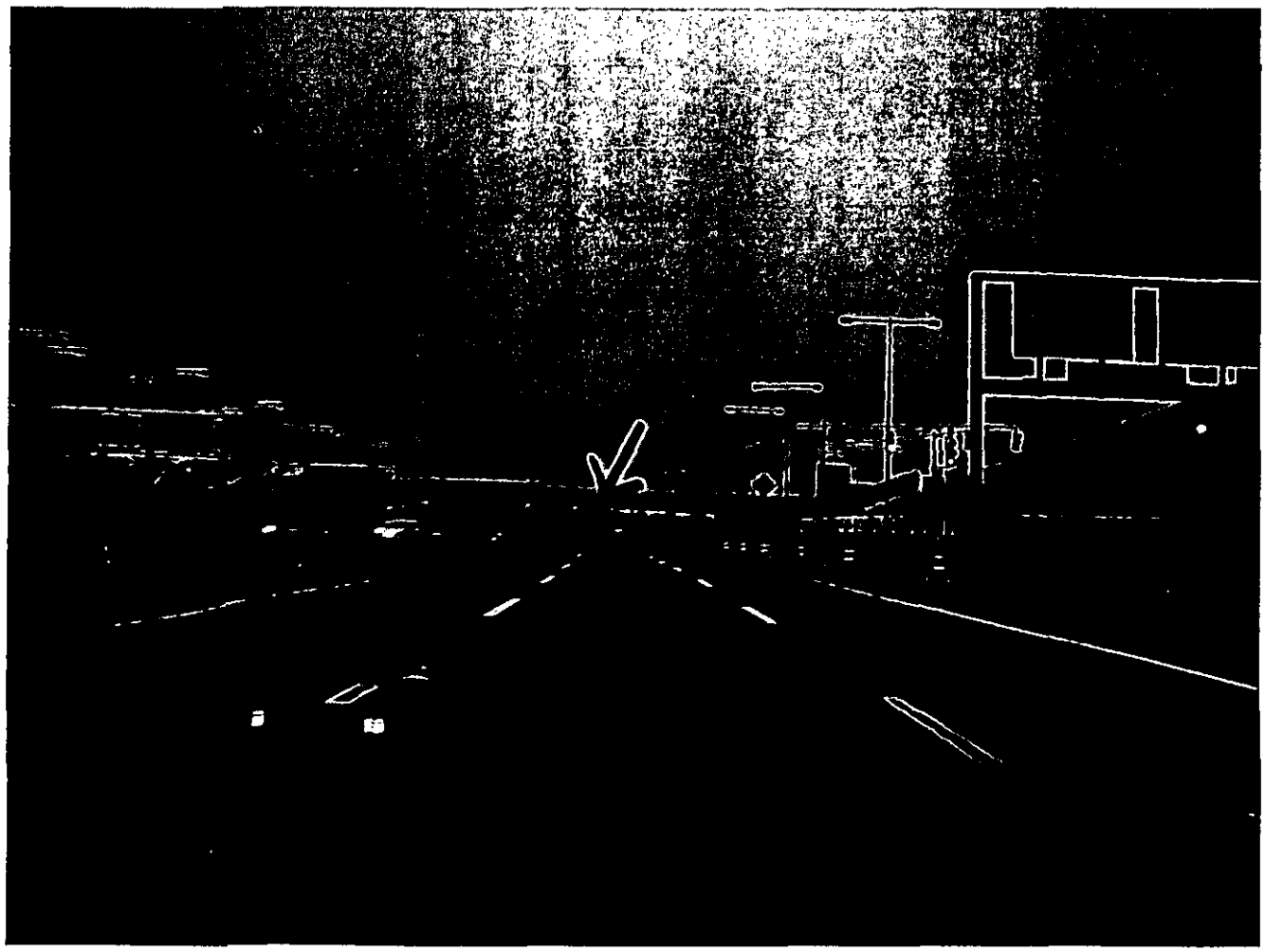


Imgp3011.jpg

Location: JFK # 4

Description: Sign structure attached to next overpass beyond entrance to JFK

Rent: $36,000 per year

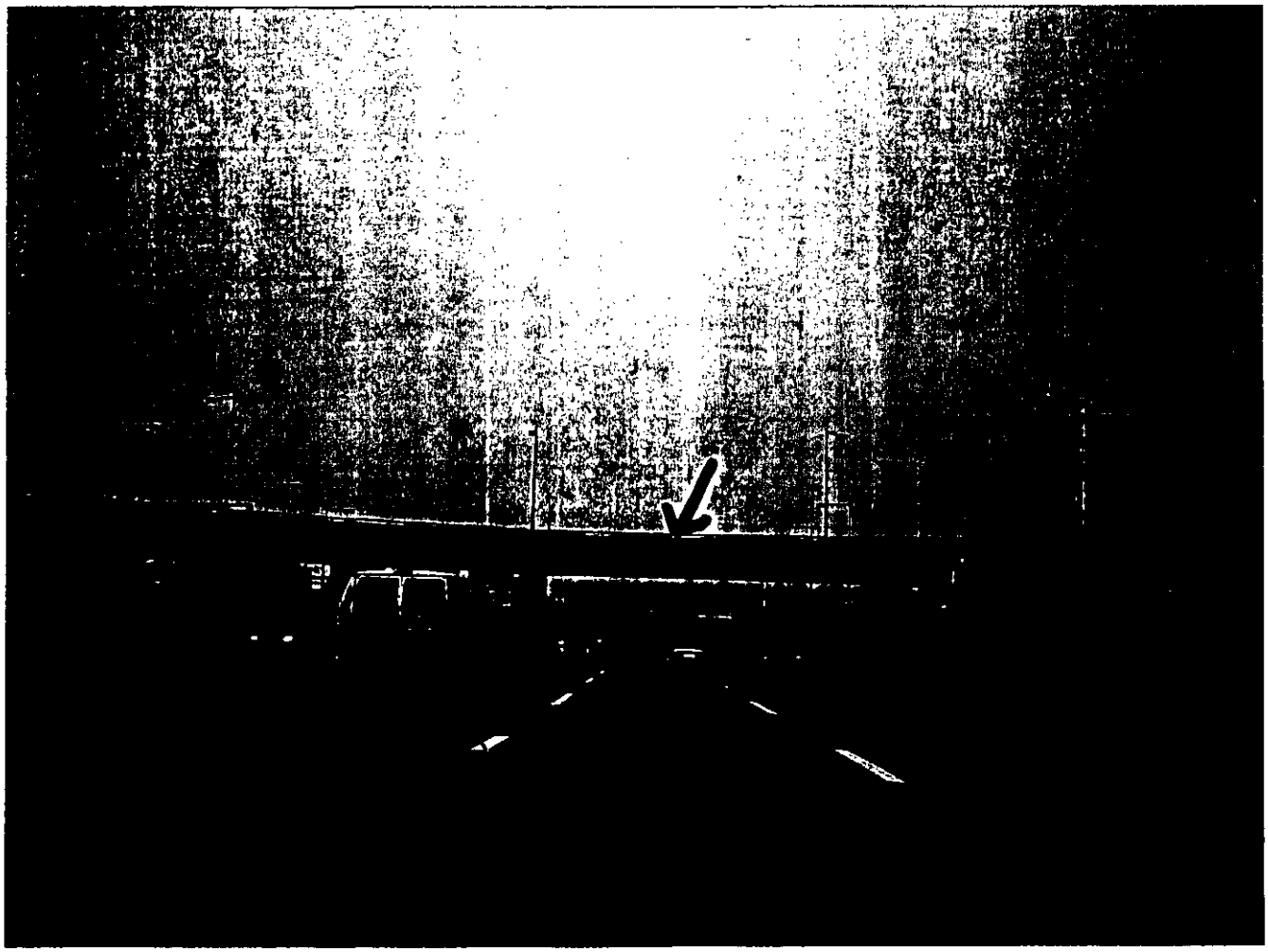


Imgp2994.jpg

Location: JFK # 4

Description: Sign structure attached to next overpass beyond entrance to JFK

Rent: $36,000 per year

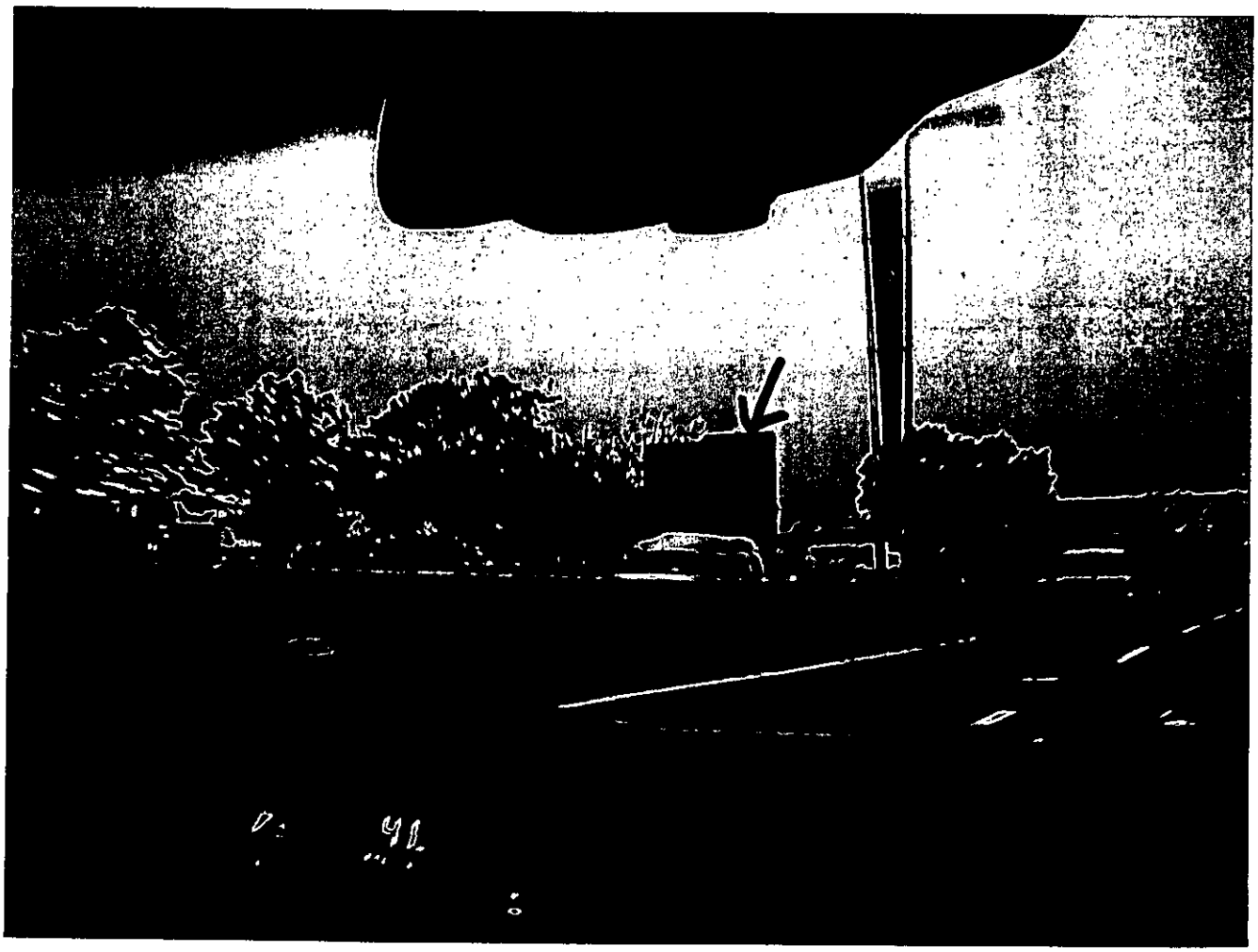


Imgp2996.jpg

Location: JFK # 5

Description: Signs attached to the backs of all airport directory boards

Rent: $80,000 per year



Imgp2997.jpg

Location: JFK # 5

Description: Signs attached to the backs of all airport directory boards

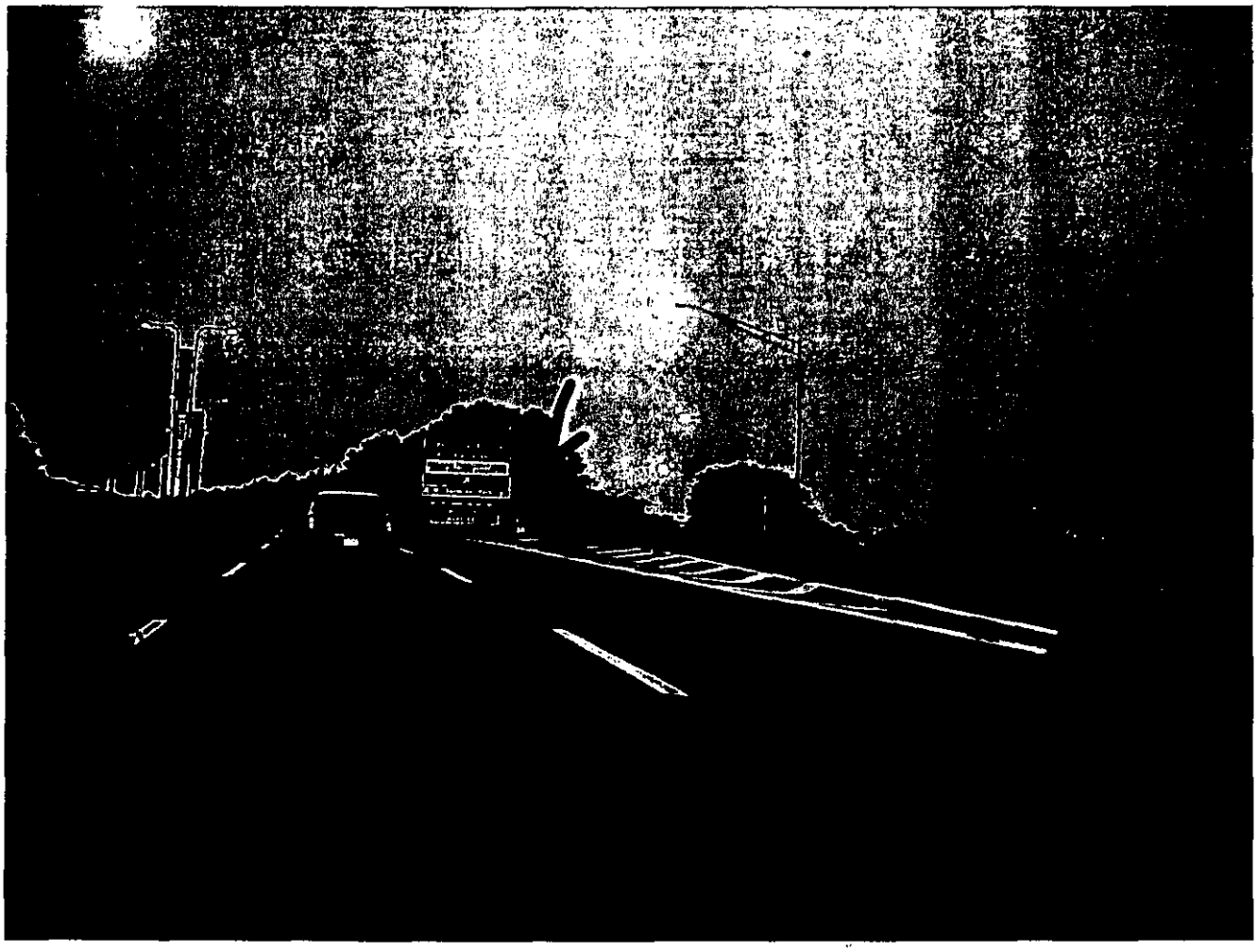
Rent: $80,000 per year

Imgp3001.jpg

Location: JFK # 6

Description: Sign structure at exit to rental car returns, long term parking and cargo areas

Rent: $36,000 per year



Imgp3002.jpg

Location: JFK # 7

Description: Sign structure on right at tree lined embankment just beyond exit to rental car returns, long term parking and cargo areas

Rent: $36,000 per year

Imgp3003.jpg

Location: JFK # 8

Description: Sign structure at exit past tree lined embankment (just beyond sign JFK # 7)

Rent: $36,000 per year

Imgp3004.jpg

Location: JFK # 9

Description: Sign structure attached to overpass near directory board for terminal 1

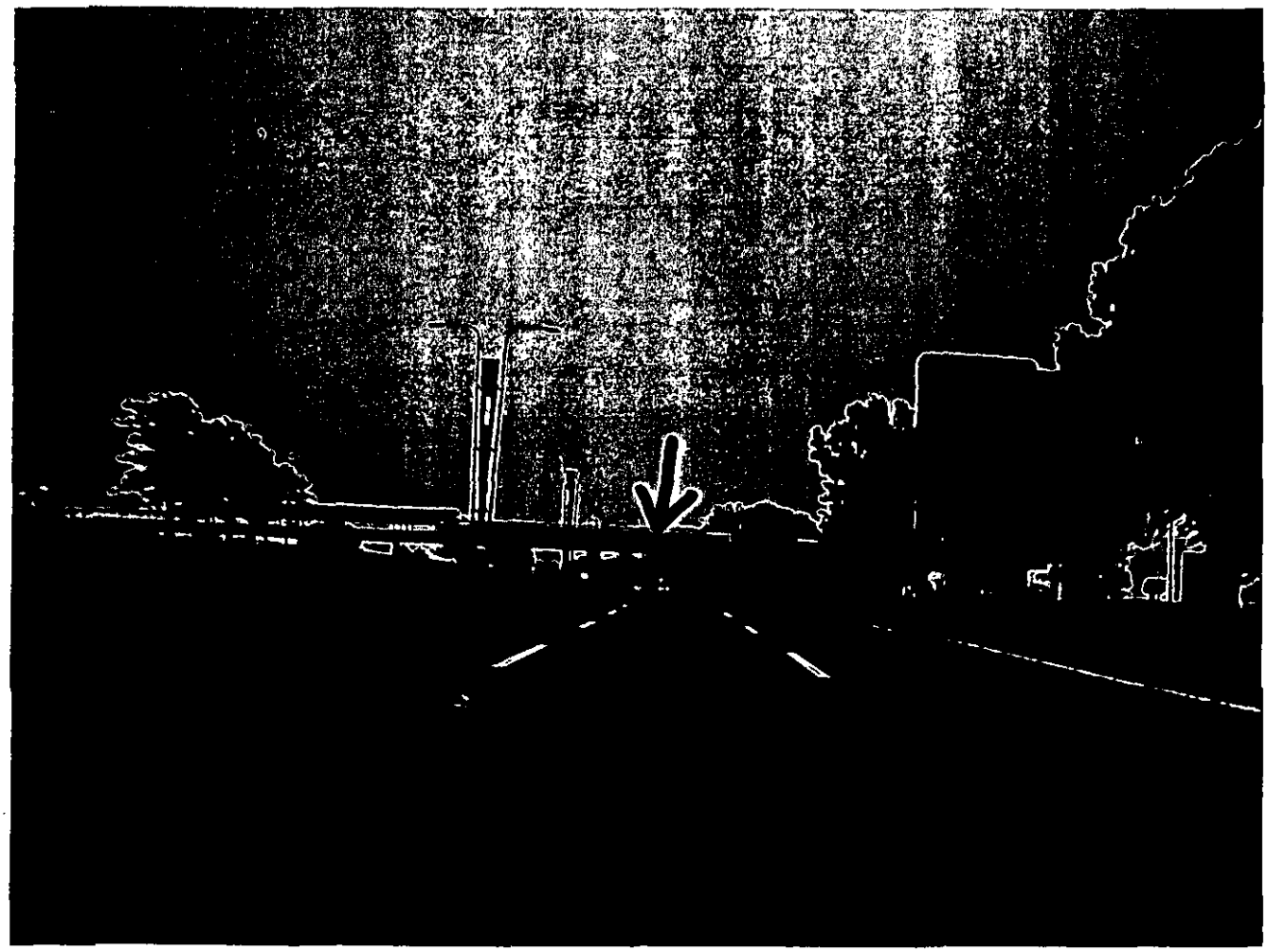
Rent: $36,000 per year

Imgp3006.jpg

Location: JFK # 10

Description: Sign structure attached to overpass near directory board for terminal 4

Rent: $36,000 per year



Imgp3007.jpg

Location: JFK # 11

Description: Sign structure at exit
near directory board for terminal 4

Rent: $36,000 per year

Imgp3009.jpg

Location: JFK # 12

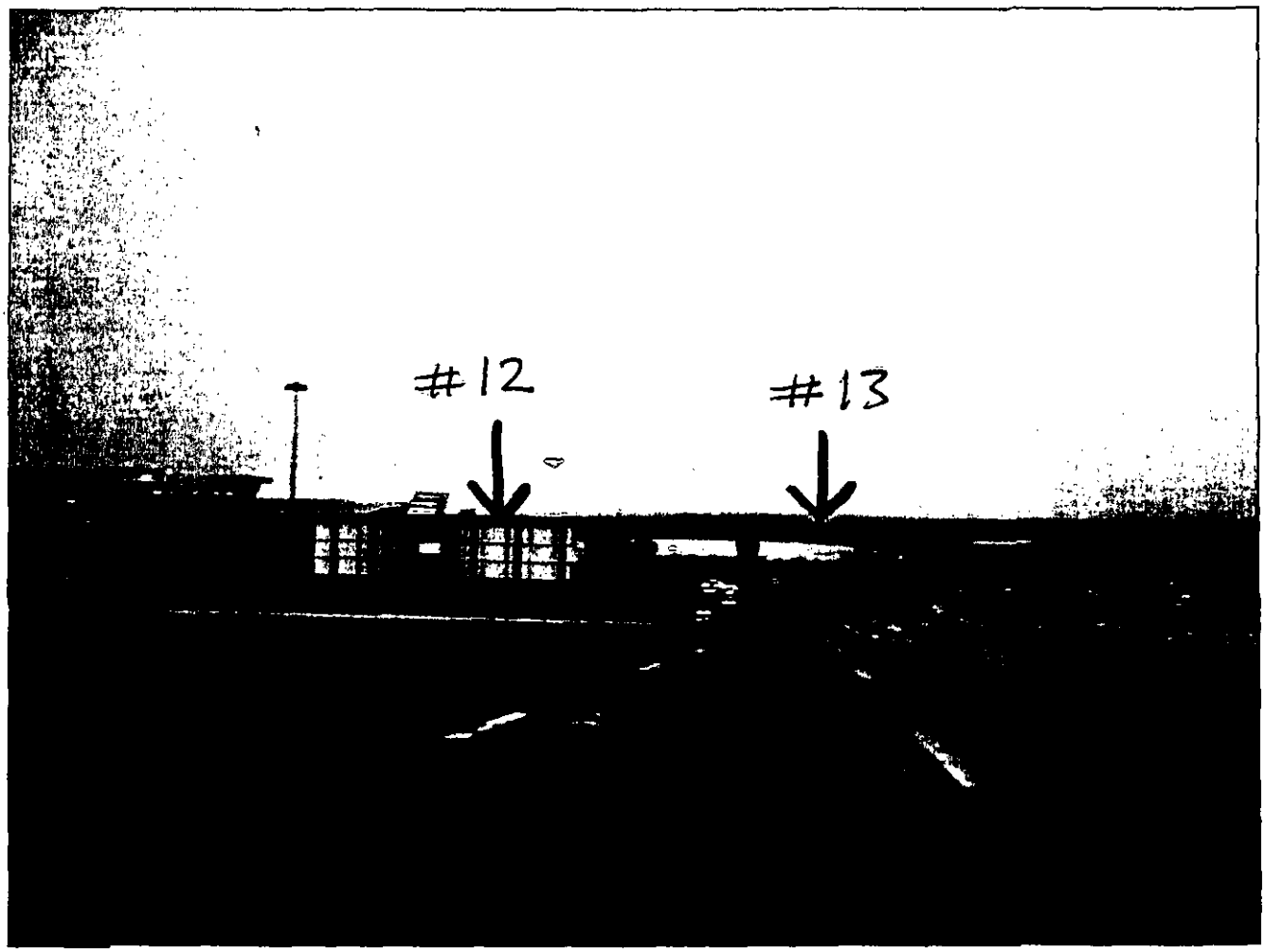
Description: Sign on wall of building near overpass.

Rent: $36,000 per year

Location: JFK # 13

Description: Sign structure attached to overpass adjacent to building described above

Rent: $36,000 per year



Imgp3012.jpg

Location: JFK # 14

Description: Sign structure attached to overpass just before airport exit

Rent: $36,000 per year

Imgp3014.jpg

Location: JFK # 15

Description: Sign structure at airport exit fork for Van Wyck and 878

Rent: $36,000 per year

Imgp3068.jpg

Location: LaGuardia # 1

Description: 3 Sign structures on Runway Drive between Runway Drive and Grand Central Parkway at a rental rate of $24,000 each for a total rent of $72,000

Rent: $72,000 per year

Imgp3079.jpg

Location: LaGuardia # 2

Description: 4 multifaced sign structures in the middle of 4 parking lots in front of the 4 terminals a rental rate of $108,000 each for a total rent of $432,000

Rent: $432,000 per year

Imgp3071.jpg

Location: LaGuardia # 3

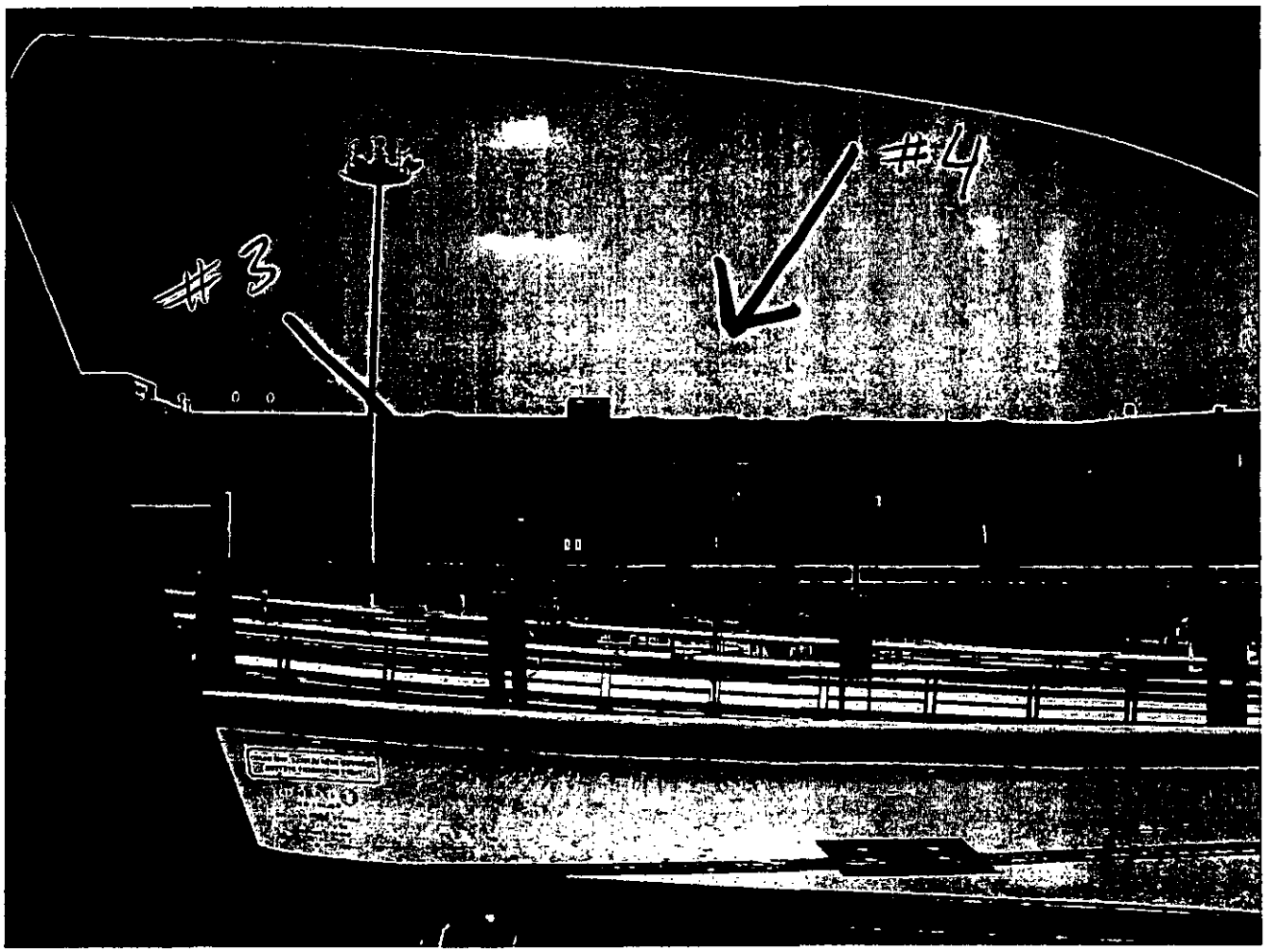
Description: Wall sign(s) on parking garage building (Garage # 2) between terminals A and B

Rent: $60,000 per year

Location: LaGuardia # 4

Description: Multifaced rooftop sign structure(s) on parking garage building (Garage # 2) between terminals A and B

Rent: $60,000 per year

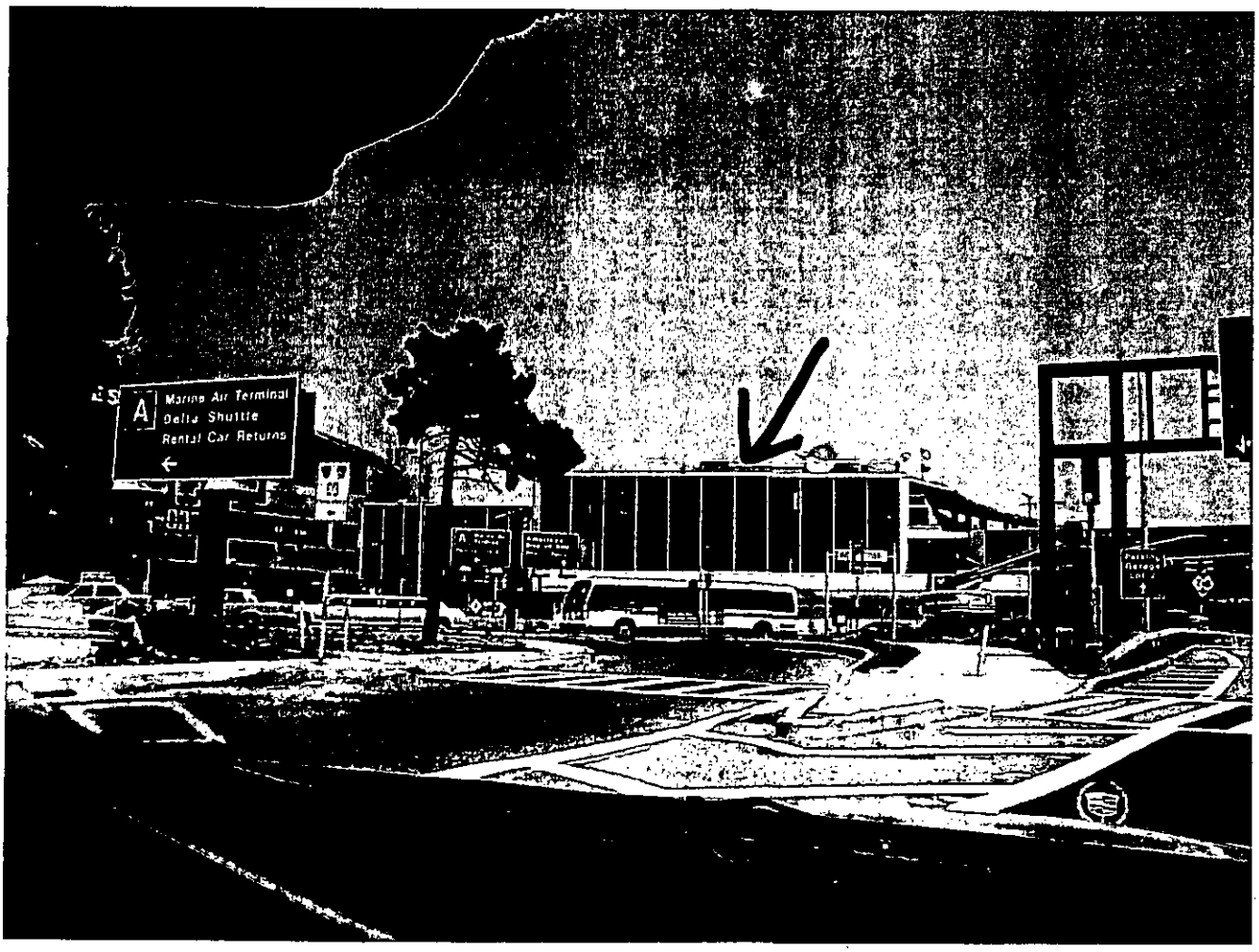


Imgp3078.jpg

Location: LaGuardia # 5

Description: Wall sign on glass wall building in front of terminal A

Rent: $24,000 per year

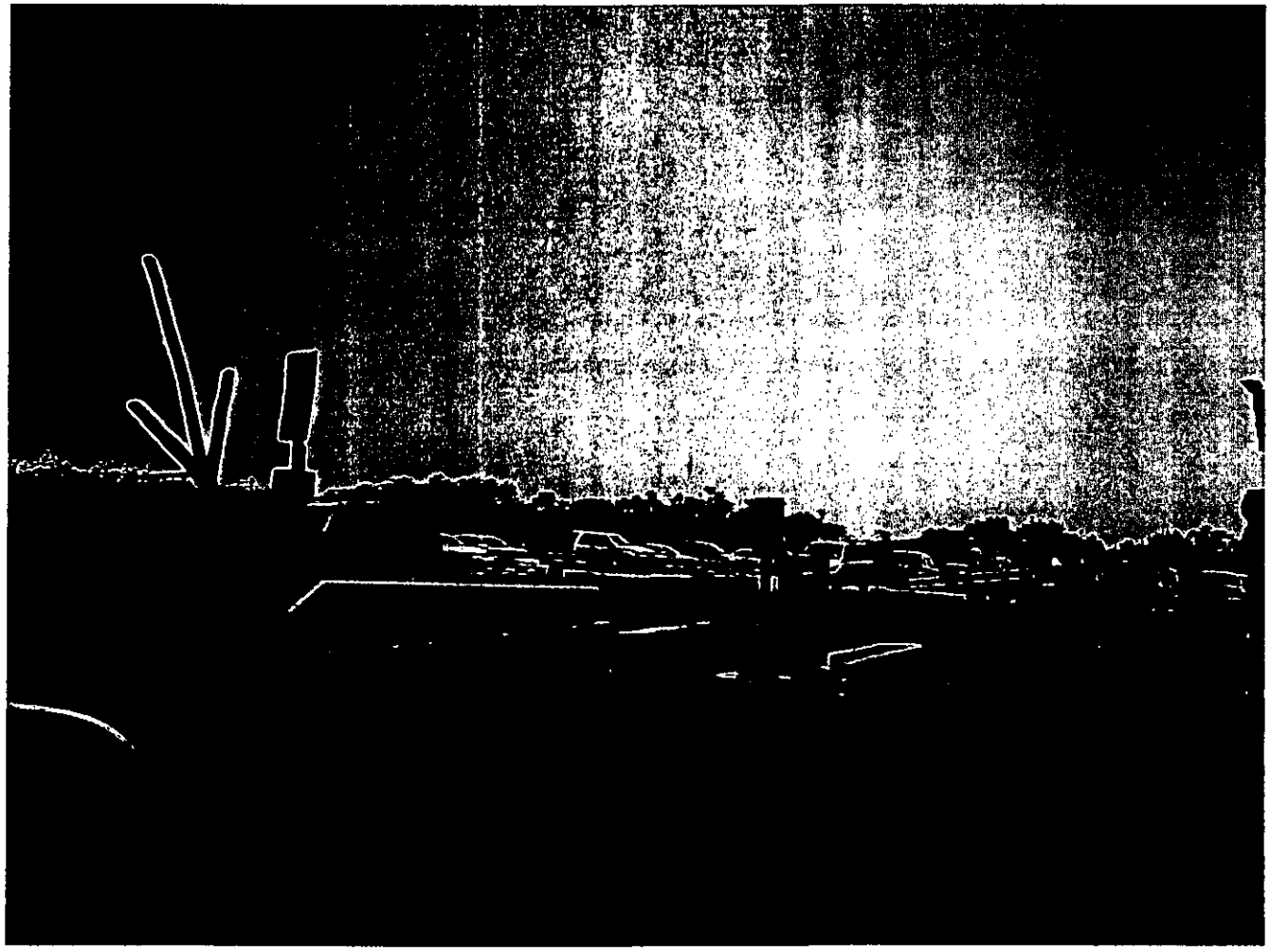


Imgp3088.jpg

Location: LaGuardia # 6

Description: Sign structure behind Hertz parking lot
Between Runway Drive and Grand Central Parkway

Rent: $24,000 per year

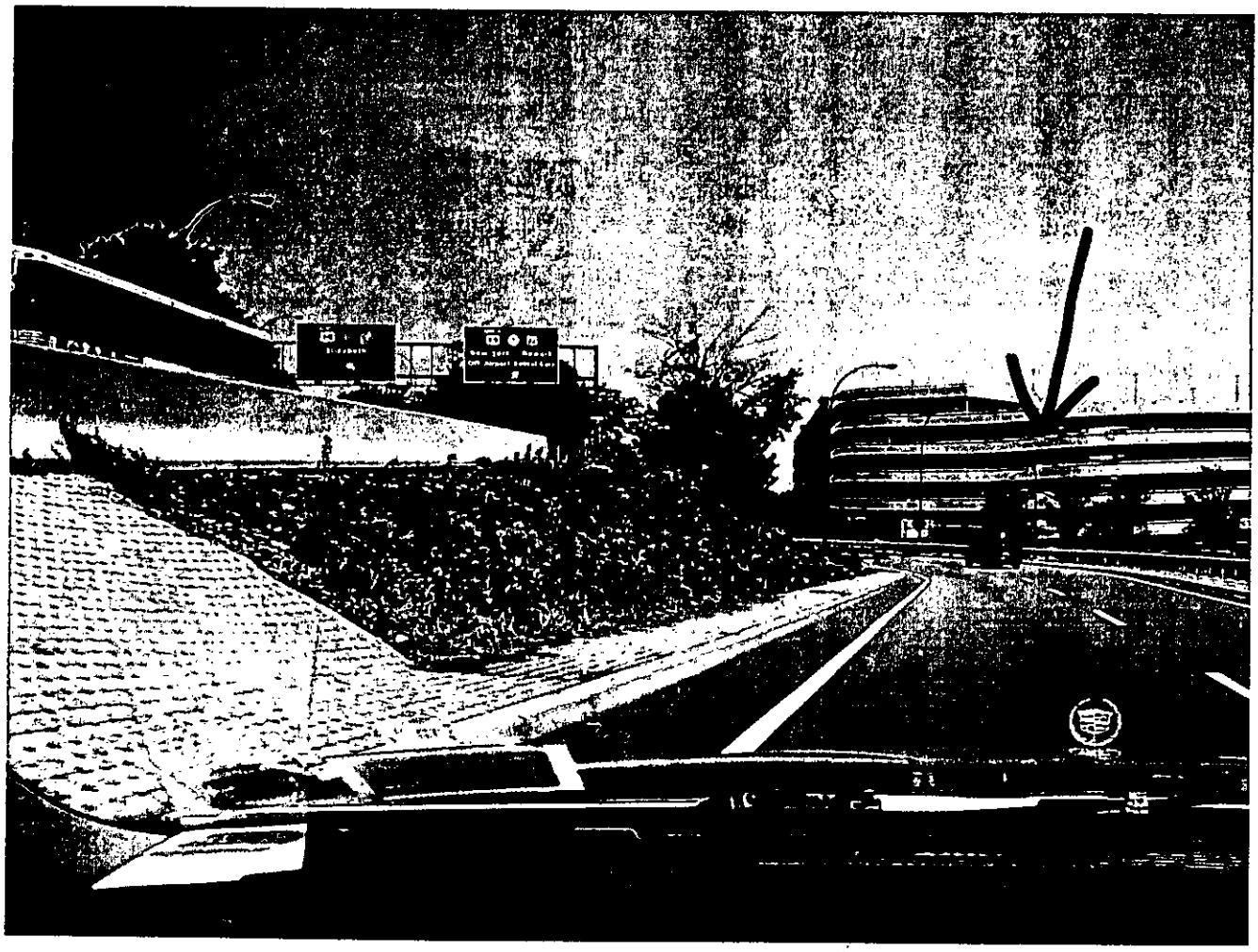


Imgp3054.jpg

Location: Newark # 1

Description: Signs on walls of garage building

Rent: $60,000 per year

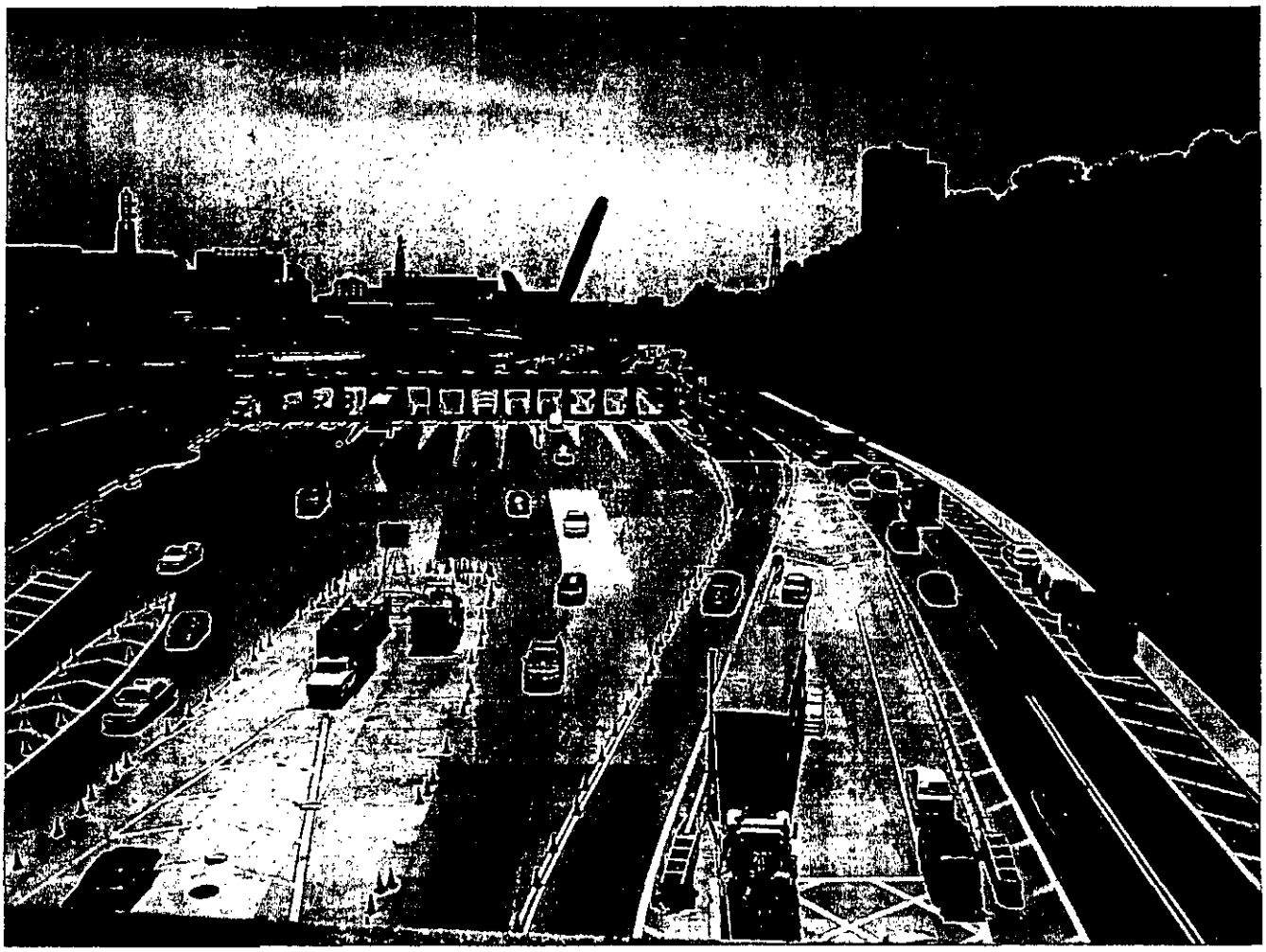


Imgp3061.jpg

Location: Lincoln NJ # 1

Description: Sign structure on top of toll booths

Rent: $275,000 per year

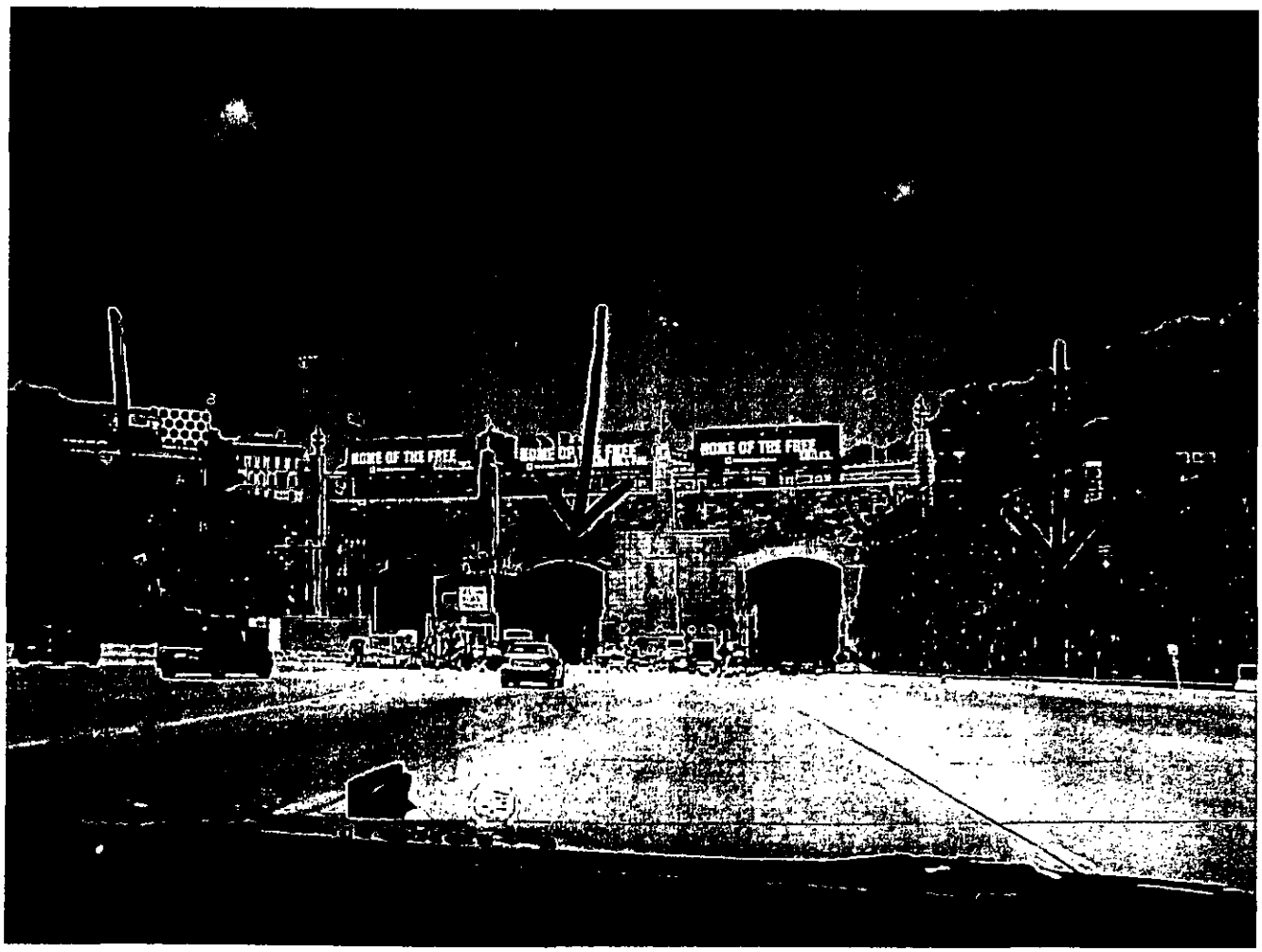


Imgp3062.jpg

Location: Lincoln NJ # 2

Description: Signs on left and right side of and above tunnel tubes beyond toll booths as cars enter tunnel heading to NY

Rent: $225,000 per year

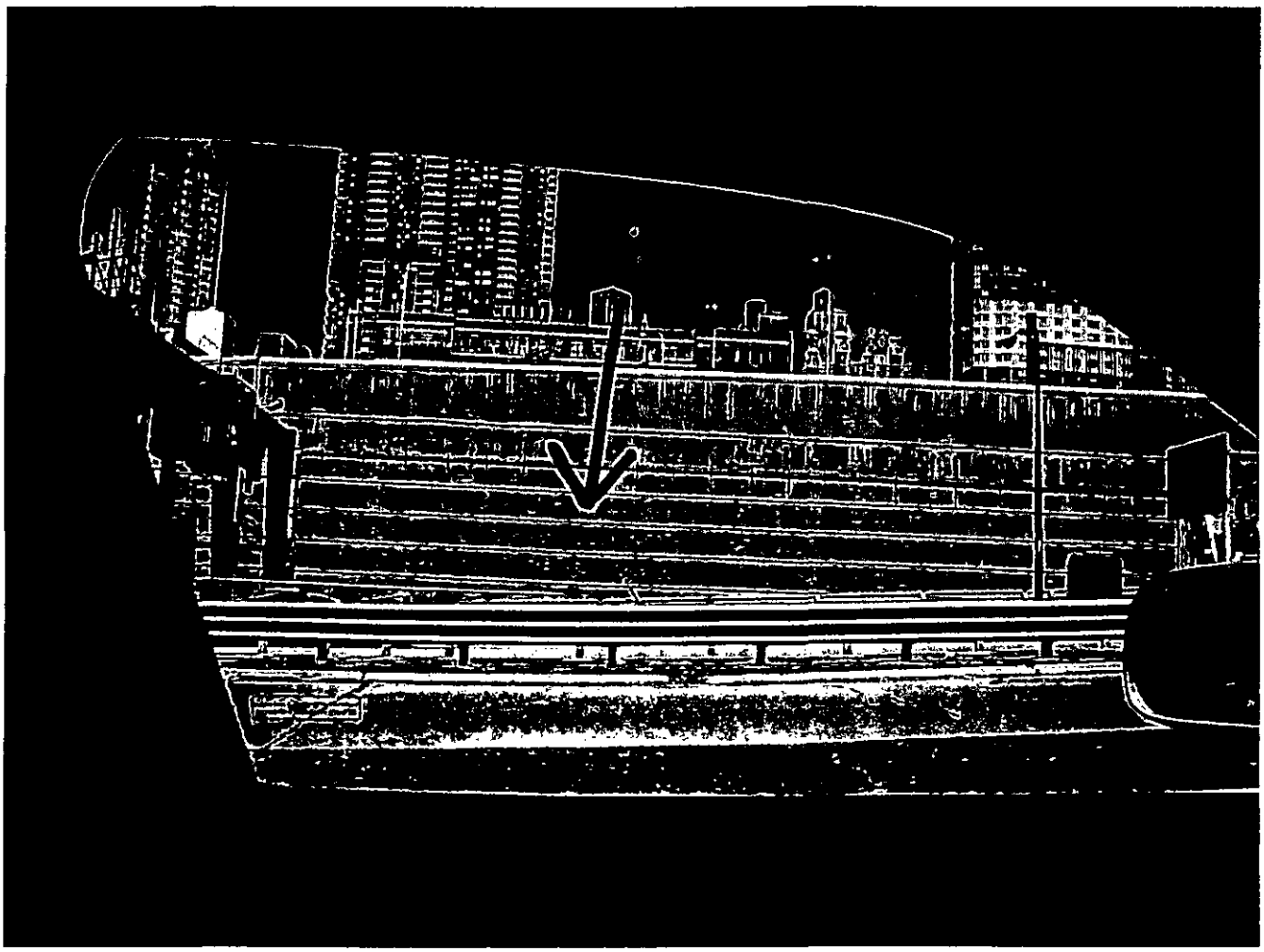


Imgp3064.jpg

Location: Lincoln NY # 3

Description: Multiple wall signs on retaining walls of recessed roadways as cars enter and exit the tunnel on the NYC side (not inside the tunnel itself)

Rent: $200,000 per year



Imgp3063.jpg

Location: Lincoln NY # 4

Description: Sign structure at tunnel exit on NYC side

Rent: $60,000 per year

Imgp3066.jpg

Location: Lincoln NY # 5

Description: Signs on walls at the tunnel entrance to the left, right and above the tunnel tubes as cars enter the tunnel on the NYC side bound for NJ

Rent: $120,000 per year

Imgp3067.jpg

Location: Lincoln NY # 6

Description: Signs on walls of the Lincoln Tunnel vent building in NYC

Rent: $144,000 per year

Imgp3020.jpg

Location: Holland NY # 1

Description: Sign structure at northeast corner of the Holland Tunnel Plaza visible to southbound Varick Street traffic

Rent: $48,000 per year

Imgp3021.jpg

Location: Holland NY # 2

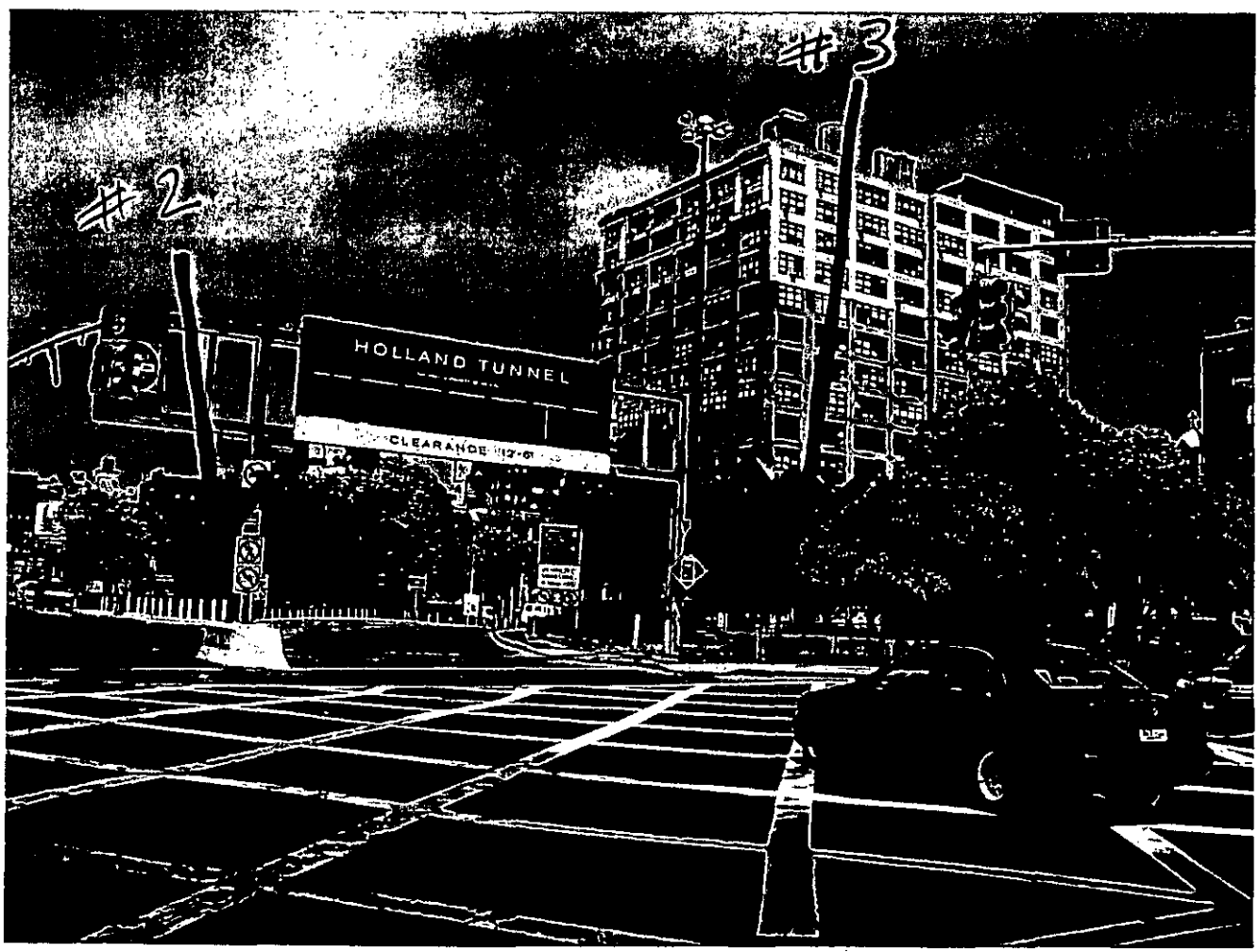
Description: Sign structure at southeast corner of the Holland Tunnel Plaza visible to westbound Watts Street traffic

Rent: $48,000 per year

Location: Holland NY # 3

Description: Sign structure at southeast corner of the Holland Tunnel Plaza visible to westbound Watts Street traffic

Rent: $36,000 per year



Imgp3023.jpg

Location: Holland NY # 4

Description: Sign structure at southwest corner of the Holland Tunnel Plaza visible to northbound Hudson Street traffic

Rent: $48,000 per year

Imgp3024.jpg

Location: Holland NY # 5

Description: Sign structure at southwest corner of the Holland Tunnel Plaza visible to northbound Hudson Street traffic

Rent: $36,000 per year

Imgp3025.jpg

Location: Holland NJ # 6

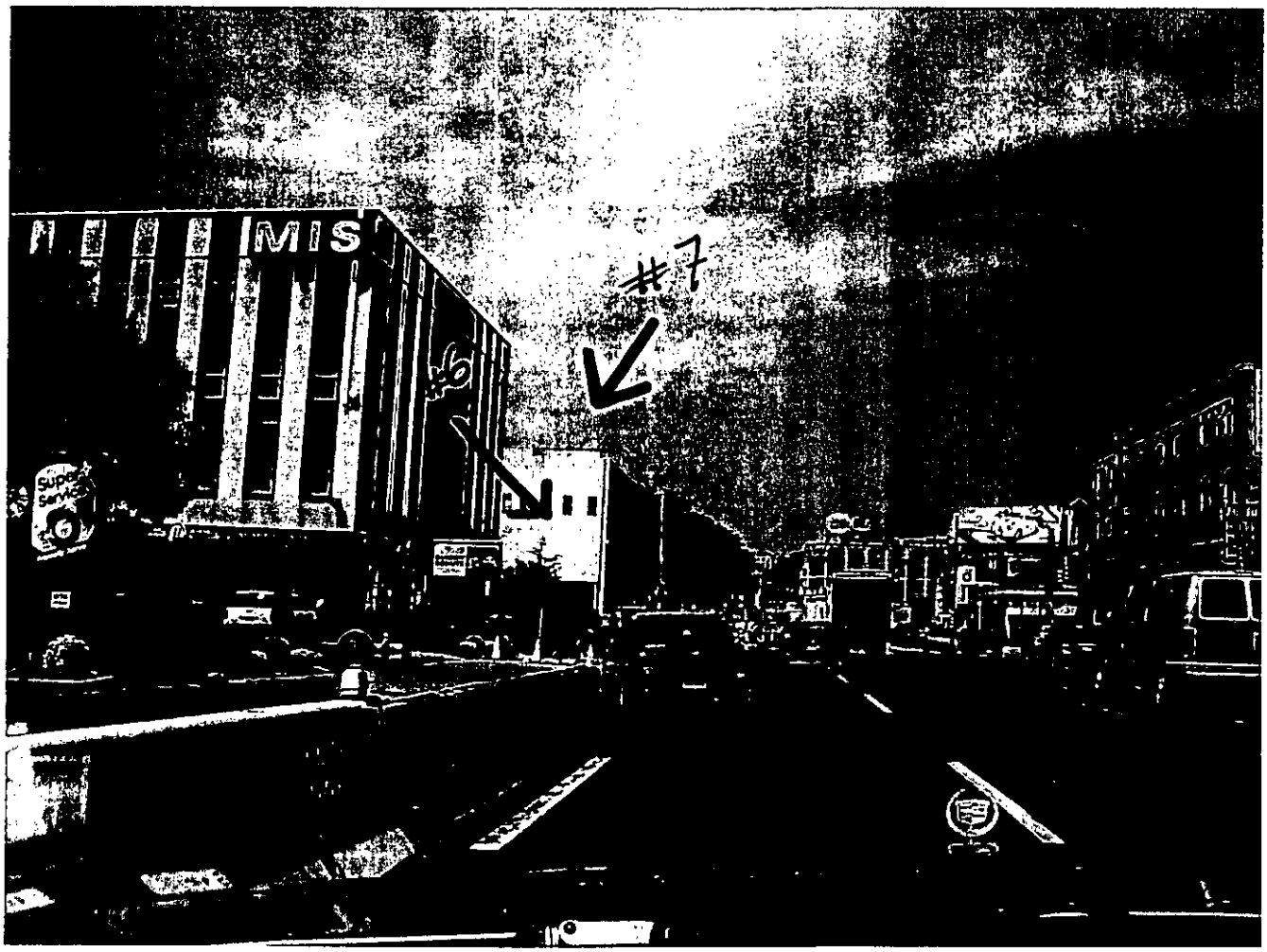
Description: Wall sign on south wall of PA Tech Center building (241Erie Street) visible to NJ bound traffic exiting from tunnel

Rent: $36,000 per year

Location: Holland NJ # 7

Description: Rooftop sign structure on PA Tech Center building (241Erie Street) visible to NJ bound traffic exiting from tunnel

Rent: $36,000 per year



Imgp3035.jpg

Location: Holland NJ # 6

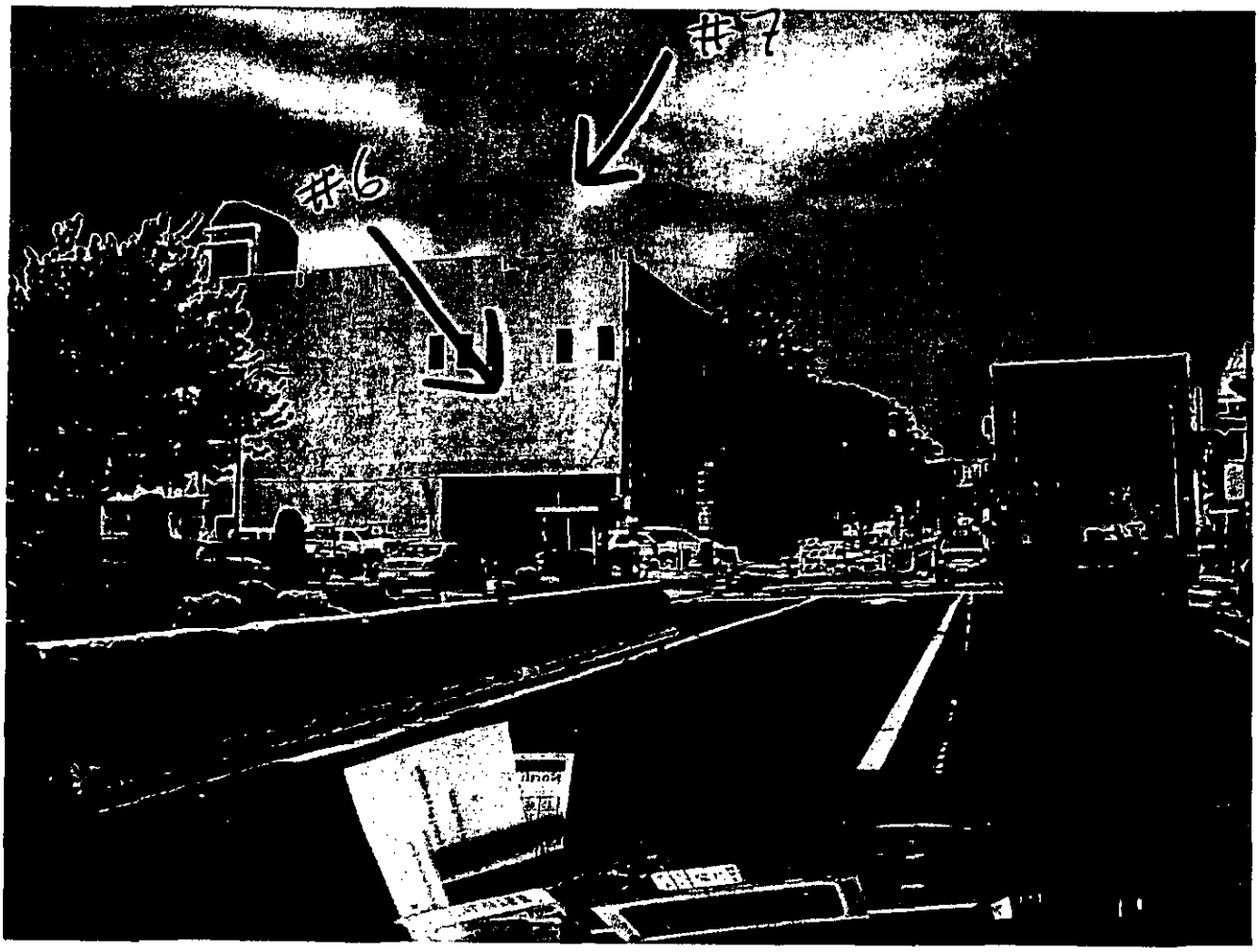
Description: Wall sign on east wall of PA Tech Center building (241Erie Street) visible to NJ bound traffic exiting from tunnel

Rent: $36,000 per year

Location: Holland NJ # 7

Description: Rooftop sign structure on PA Tech Center building (241Erie Street) visible to NJ bound traffic exiting from tunnel

Rent: $36,000 per year

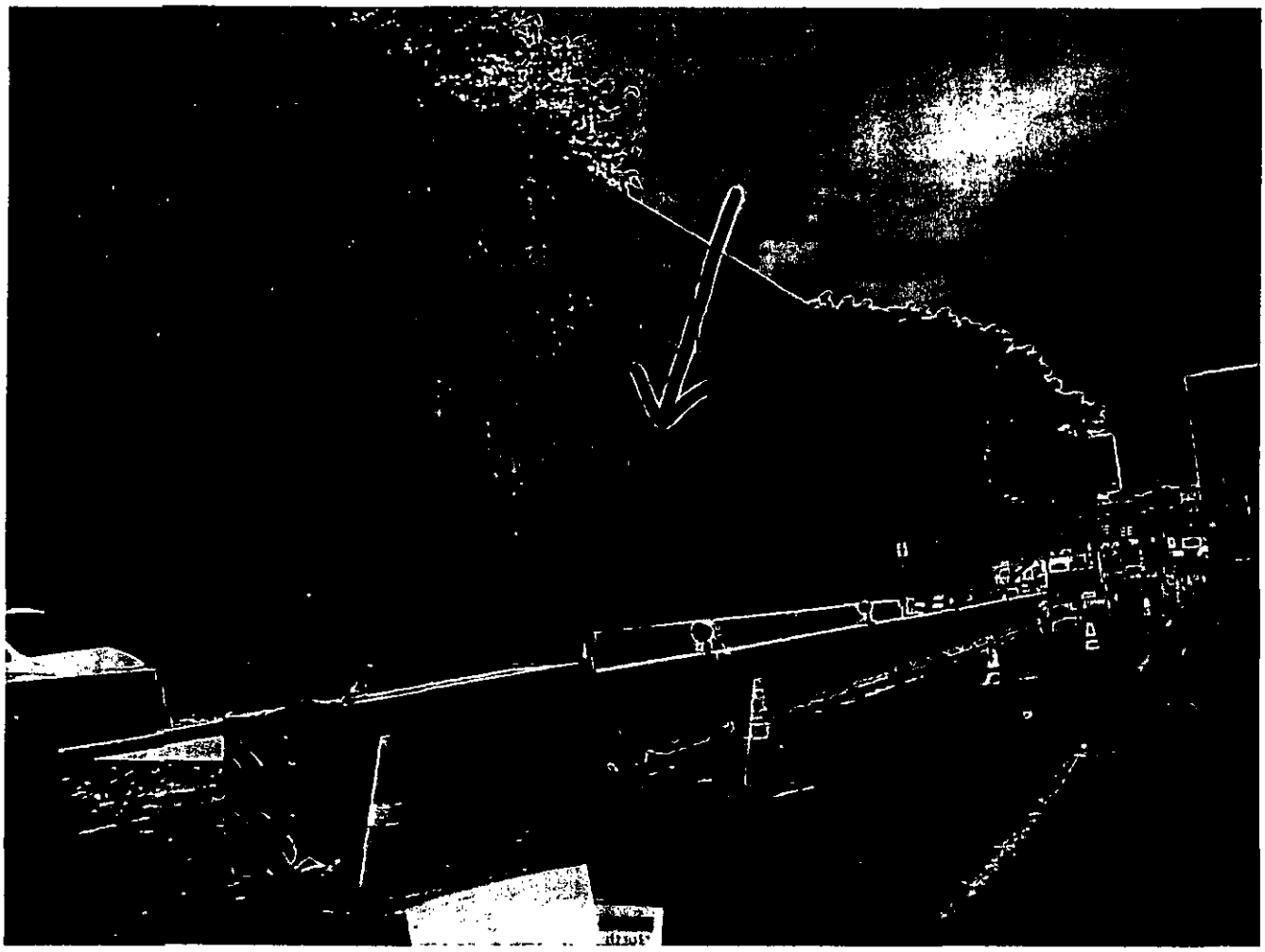


Imgp3036.jpg

Location: Holland NJ # 8

Description: Wall sign on north wall of PA Tech Center building (241Erie Street) parallel to roadway and between trees visible to NJ bound traffic exiting from tunnel

Rent: $24,000 per year



Imgp3037.jpg

Location: Holland NJ # 9

Description: Sign structure on the property of the 777 Jersey Avenue building visible to NJ bound traffic exiting from tunnel

Rent: $36,000 per year

Imgp3030.jpg

Location: Holland NJ # 10

Description: Sign structure on the property of the 777 Jersey Avenue building visible to NY bound traffic heading toward tunnel

Rent: $36,000 per year

Imgp2247.jpg

Location: Holland NJ # 11

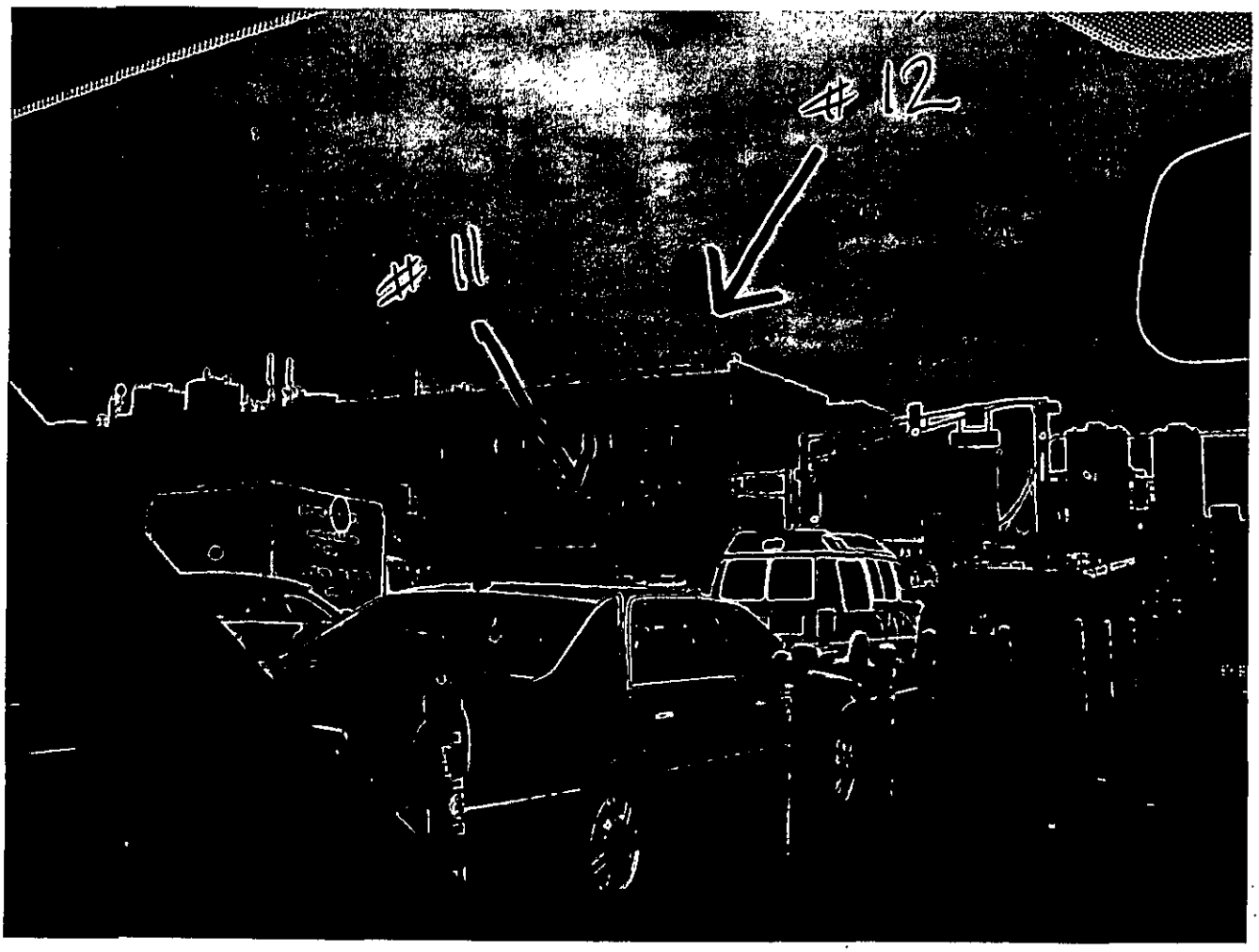
Description: Wall sign on west wall of PA Tech Center building (241Erie Street)
visible to NY bound traffic heading toward tunnel

Rent: $36,000 per year

Location: Holland NJ # 12

Description: Rooftop sign structure on PA Tech Center building (241Erie Street)
visible to NY bound traffic heading toward tunnel

Rent: $36,000 per year

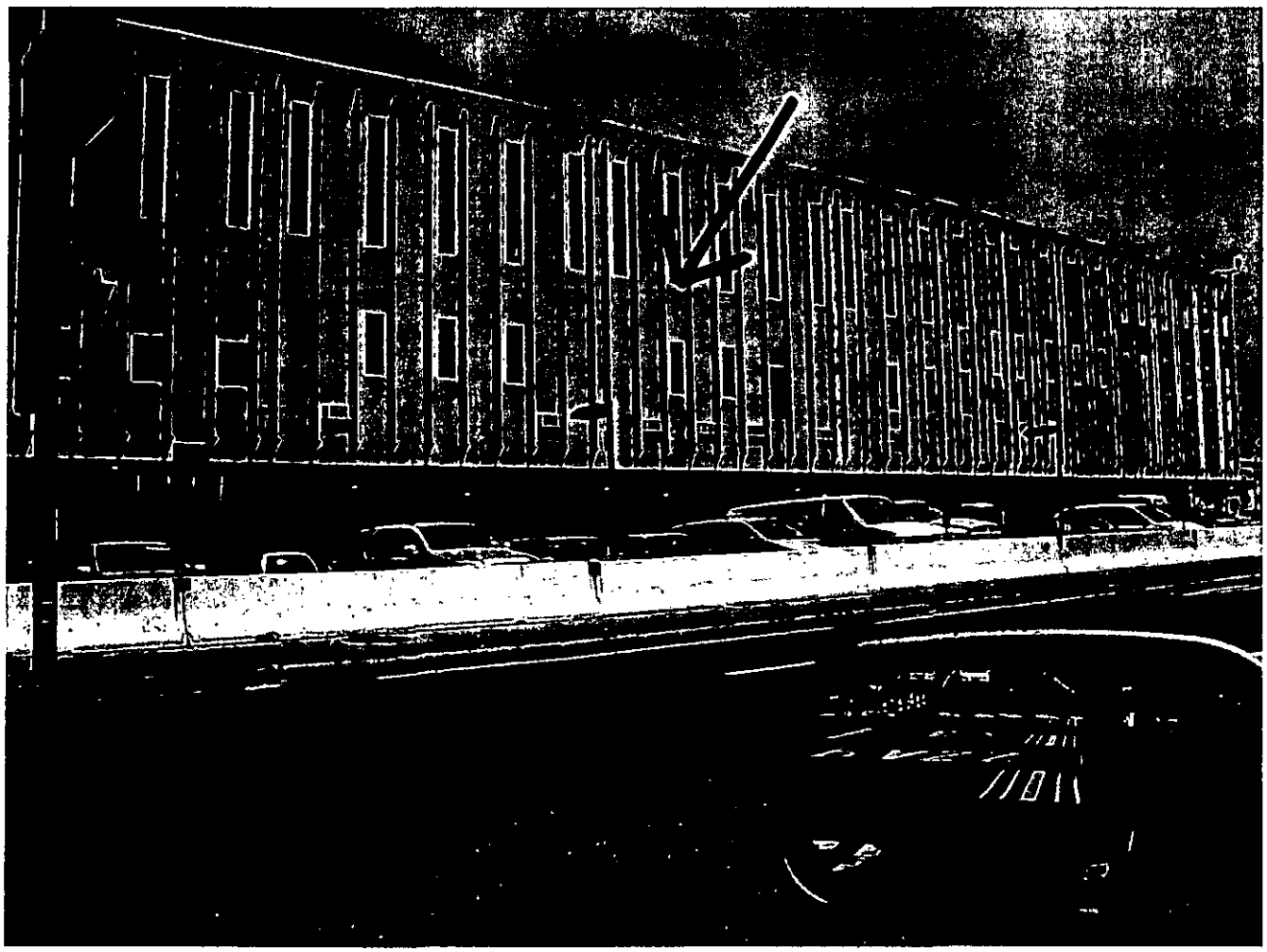


Imgp3032.jpg

Location: Holland NJ # 13

Description: Wall sign on south wall of PA Tech Center building (241Erie Street) parallel to roadway visible to NY bound traffic heading toward tunnel

Rent: $36,000 per year



Imgp2250.jpg

Location: Holland NJ # 14

Description: Sign structure on the Port Authority property to the north of the toll booths visible to NY bound traffic heading toward tunnel

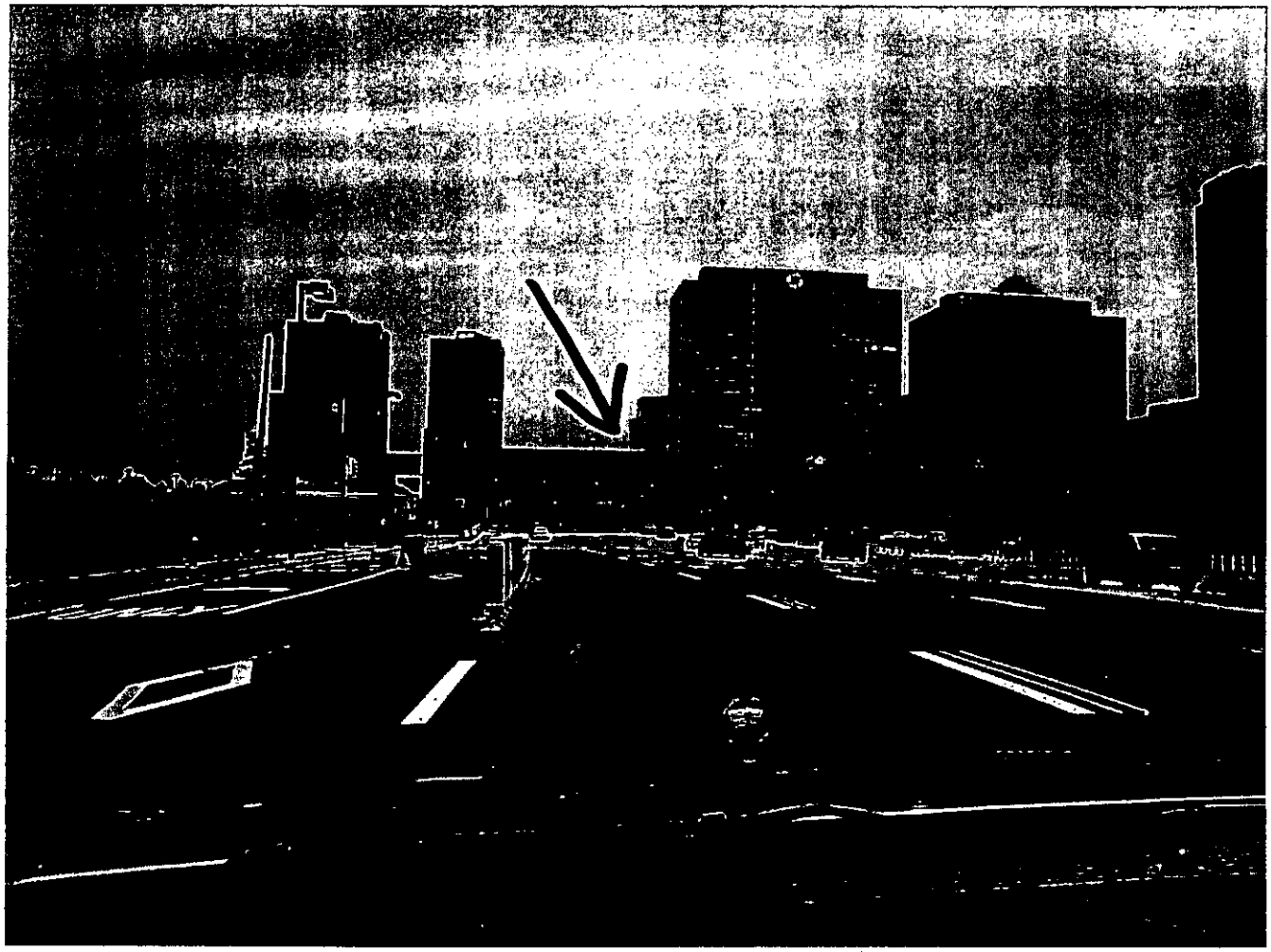
Rent: $36,000 per year

Imgp3034.jpg

Location: Holland NJ # 15

Description: Sign structure erected on top of the toll booths visible to NY bound traffic heading toward tunnel

Rent: $108,000 per year

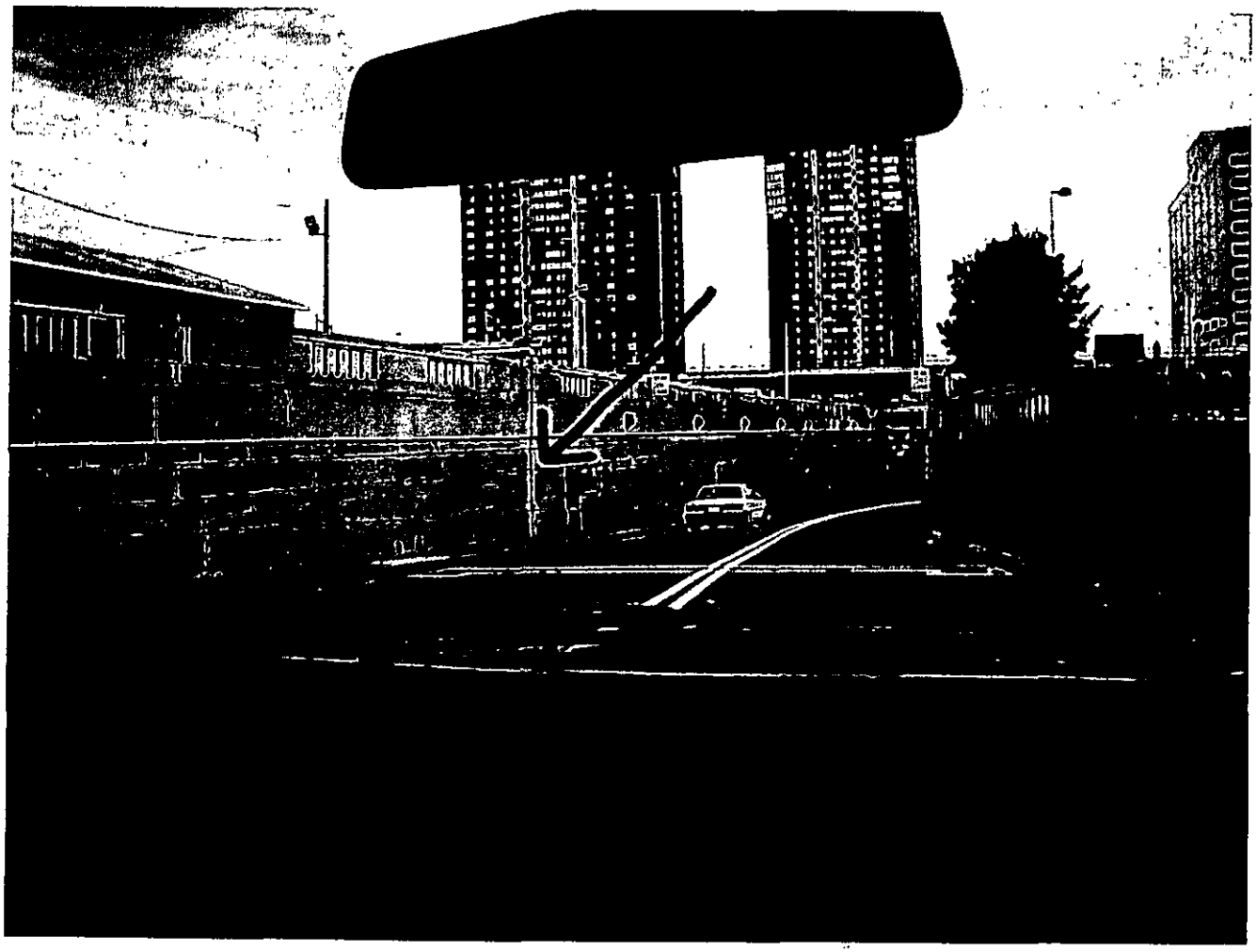


Imgp2252.jpg

Location: Holland NJ # 16

Description: Wall sign on left wall of tunnel entrance past toll booths visible to NY bound traffic entering tunnel

Rent: $60,000 per year



Imgp2253.jpg

Location: Holland NJ # 17

Description: Sign structure directly above the tunnel entrance past toll booths visible to NY bound traffic

Rent: $48,000 per year

ORIGINAL

(Picture of Target ad in Submedia display as seen from CTA train, courtesy the Chicago Sun Times)

We are pleased to present this proposal to the Port Authority ("PA") for Airtrain™ tunnel advertising and pedestrian display advertising.

This letter and accompanying offer is respectfully submitted by the Chief Executive Officer of Submedia LLC ("Submedia") who has authority to make a binding commitment for the offer set forth herein. This offer is valid for a minimum of 180 days from June 8. 2005. If selected we will negotiate in good faith with the PA. We accept the terms outlined in "Contractor's Integrity Provisions (Attachment B, Part 3)" and "Contract Specific Terms and Conditions (Attachment B, Part 1)" as stated in the RFP and hereby certify these terms by this Transmittal Letter. For your convenience we have added a Table of Contents and have followed the format of the RFP.

Respectfully Submitted,

Submedia LLC,

By: Peter M. Corrigan

Peter M. Corrigan, CEO

Table of Contents

Submedia Proposal to PA RFP #7920

	Pg. #
A. Letter of Transmittal	1
B. Executive Summery	4 - 10
C. Agreement on Terms of Discussion	11
D. Certifications with respect to the Contractor's Integrity Provisions	12
E. (Not Used)	13
F. Submedia Organizational Chart	14
G. Business Plan	15 - 25
H. Proposal	26

Appendix

Exhibit A – Financials

Exhibit B - Articles of Formation

Exhibit C - Licensing Revenue

Exhibit D – Acknowledgement of Addenda
Exhibit E - Acceptance of Contract Terms & Agreement on Terms of Discussion

Exhibit F - 2004 Tax Return

Exhibit G - Recent Press

Exhibit H – Display Designs

Exhibit I - Reference Form

*"**If [ ] anybody is searching for a new medium—one in which the impossible is achieved: each advertisement is a welcome relief instead of a potentially annoying interruption—I suggest the search include Hoboken, N.J., at the terminus of the Port Authority Trans-Hudson (PATH) trains.** This venerable subway line, the first in the world to go under a major river, holds within its circa-1908 tubes the first new medium since the Pentagon ordered up the invention of the Internet in the late '60s / early '70s.*

You pay your fare, hustle down the stairs and beat somebody to a seat. Train pulls out, and you look out the window, expecting to see, well, nothing. Nothing except the almost century-old walls....

Then you see it.

*What is it you see? **The most welcome commercial ever observed—what amounts to a 15-second movie on the dank subway tunnel's wall. I actually saw three subway riders smile."***

- Adweek, *the Smart Money, May 16, 2005 (copied attached).*

B. Executive Summary

We are pleased to bid on this truly visionary RFP. Innovations cost money and that is the primary reason that most Port Authority's advertising real estate is outdated and gradually losing advertising interest. The big players are bean counters. They look at the sales history of the existing signage and try to build a business around historical data rather than future innovation. In an effort to squeak out profits they are forced to do the minimum on maintenance and leave no room for innovation.

When you build a business looking backwards, it will become a backwards looking business. When you do little to maintain existing signage or bring in new innovation advertisers loose interest and then it becomes harder to even meet the revenue of the past.

Of all the bidders **we have spent the most money in capital expenditures** in the last four years introducing something truly innovative to the Authority. We spent approximately **2.5 million dollars building** our first two displays in the PATH system. And in this proposal, we are promising to spend **an additional 5 million dollars** entirely on new and innovative things.

When we first approached PATH we had one demonstration display in a warehouse in Hoboken. While we had the misfortune of launching our first display on September 11, 2001, we have managed to grow our business around the world despite the advertising downturn and the increased security concerns. We have now built 18 displays in New York, Atlanta, Chicago, Philadelphia, Hong Kong, Tokyo, Istanbul and Bucharest and we are currently in the process of building displays in Ankara, Paris, Mexico City, Moscow, Kiev and Singapore.

We have grown our business by bringing innovation to Transit systems. In the pages that follow we highlight the reasons why we should be awarded the privilege of installing further displays in your system. We describe our superior technology, which is the safest, simplest, and the most compelling. We talk about the fact that our proposed displays will generate an additional guaranty **of 11.9 million dollars** over the next 10 years. We explain how our proposed displays will not encroach upon other ad sales from other forms of media and in fact will help such sales.

We also talk about the incredible team we have developed and the committed relationships we have fostered with advertisers and other transit systems around the world.

While all of these advantages are important, there is a core philosophy that we have with respect to every aspect of our business – that is, we place the interests of the ad viewers first in every *decision we make. Whether it is the safety of our displays, the location of our ad boxes or the* content of the ads that run in our displays, we have always hold the interest of the as viewers paramount, and we believe this is our biggest competitive advantage. We recognize that the ad viewers are our ultimate clients and if we keep them happy and interested advertisers will be happy and so will you.

The Pay Off

> If I were required to guess off-hand, and without collusion with higher minds, what is the bottom cause of the amazing material and intellectual advancement of the last fifty years, I should guess that it was the modern-born and previously non-existent disposition on the part of men to believe that a new idea can have value.

-Mark Twain

When Submedia first approached the Port Authority and other transit authorities, they universally thought we were off our rockers. Convincing transit systems that we could turn their tunnels in to a movie theater was an uphill battle to say the least. But we did it.

And when the advertising spending significantly dropped after the burst of the tech bubble and 9/11, we stayed the course and continued to meet our financial obligations in the face of many obstacles.

Our plan was from the start was to build a "national foot print" and have the ability for an advertisers to buy multiple markets across the US and world wide. And today that plan has paid off.

With our latest display in Chicago advertisers can now buy tunnel advertising in New York, Atlanta, Chicago and Boston (with our competitor Sidetrack). And very soon advertisers will be able to buy San Francisco and Washington D.C. Our entire third quarter is sold out in every

market we have and our fourth quarter interest is the highest it ever has been. This translates into a greater revenue share for the Port Authority.

Innovative Advertising Technologies Help Sell the Traditional Advertising

It is probably no surprise to the Port Authority, but innovative advertising actually helps the traditional advertisers as well. In out brief history in selling Submedia tunnel advertising there have been at least four occasions that we can point to where an advertiser bought Submedia tunnel advertising and then bought the traditional venues to fill out their campaign. And in one case, this was the first time the advertiser bought any ad space in PATH.

The concept is simple, the more an advertiser believes they can reach the market through transit the more of it they will buy. A sprinkling of innovative media concepts throughout the Port Authority Real Estate will make the market more attractive to advertisers.

A Comparison of Submedia's Interactive Displays to digital Video Signage

Submedia displays are very different from digital video screens and work best where traditional digital video screens are least effective.

Submedia's screens work where people are on the move. Whether it is on a train, a moving walkway, an escalator or a moving walkway – as long as they are moving by the display viewers will see a motion picture ad. The image follows the viewer as they move along the display. It is the viewer passing by that creates the interaction with Submedia's pedestrian displays. And it is the viewer/ad interactivity that advertisers like.

Video screens on the other hand work best where people are stationary. For example Captivate's elevator screens are well received by the ad community because 87% of people actually watch the screens as they ride the elevators. Whereas there have been a number of failures of other media companies that deployed video screens in places where just people walk by them and pay little attention to them.

Submedia Train Advertising

In this bid we propose to build up to 4 displays in the Airtrain system in JFK and Newark and to extend our existing PATH contract to run contemporaneously with this contract (i.e., 10 years from the award). If we are awarded an extension we will also upgrade our first PATH display.

To a large extent we created the tunnel advertising industry. We now have 11 operating Tunnel displays and are in the process of building 12 more. We have rights to 5 of the top 10 transit markets in the world and we expect to be in 30 different cites by the year 2007. Our success with tunnel advertising boils down to better technology and an increasing advertiser demand to repurpose their broadcast commercials to bring them out of home through Submedia.

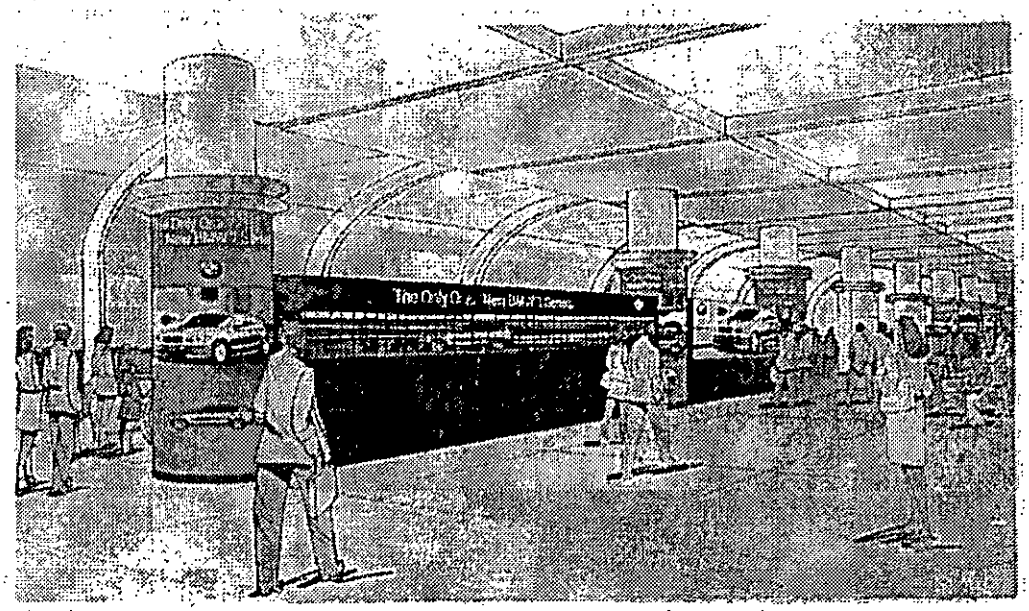
Submedia Interactive Pedestrian Displays

In addition to the innovative tunnel displays, we have used this technology to create an even more innovative form of advertising. Our new pedestrian displays use the same technological concepts as our tunnel displays to create a moving image for observers walking past the display. We have already seen the success of these pedestrian displays in Tokyo and Hong Kong where we built 6 such displays.

Submedia's patented motion picture walking displays have already been deployed in movie theaters and shopping mall areas with great success. Walking displays are dynamic and interactive – the motion picture follows the viewer as they walk along the display. These displays can be directly attached to walls without a stand-alone frame, or they can be erected as part of a wall such that a new structure is created (similar to what is shown below). This structure can easily be made as a temporary, movable "wall" or as a permanent wall which could be incorporated into an airport pedestrian traffic control program in immigration areas or other areas where security and traffic control are necessary.

The "Big 50" and the "Column Connector"

Submedia proposes to build up to 6 "Big 50s" and 10 "Column Connectors" in the three Port Authority Airports. A "Big 50" is a display that is 50 feet or longer, 6 to 10 feet tall and 6 inches to 12 inches deep. A Big 50 has Submedia interactive motion technology four sides and provides over 25 seconds of motion graphics. A column connector is similar to the "Big 50" and is a display that is attached between two columns with column wraps on both sides. An example of a column connector is below.



A good example of people's reaction to the displays can be seen from the BMW program link below. Almost everyone watches it as they walk past, and several people study it very closely. The technology is very compelling, and people are amazed at how it works. For details on the BMW pedestrian program, see also the following links:

live content of walking display
www.Submedia.co.jp/demo/bmw/content.mov

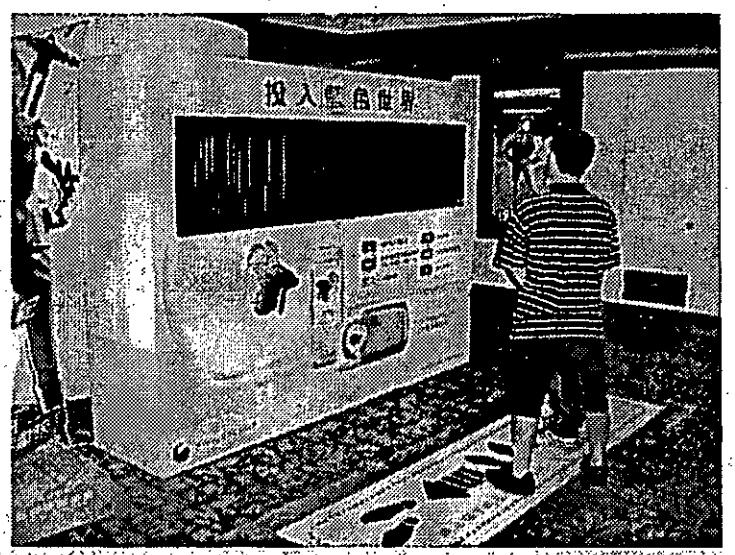
people's reaction
www.Submedia.co.jp/demo/bmw/people.mov

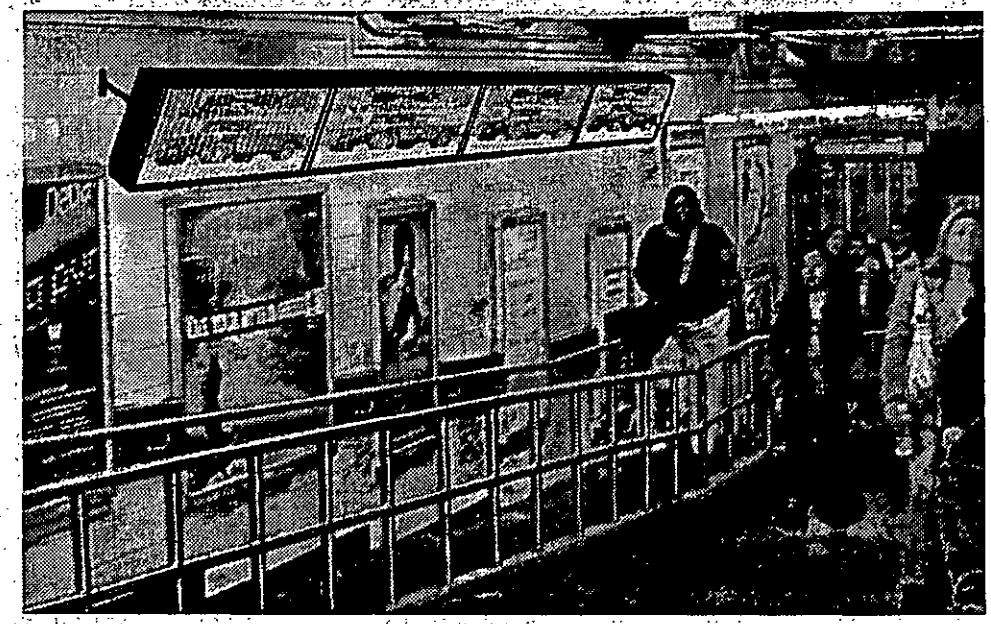
The "Column Connectors" and "Big 50's" can be used in areas where the Port Authority would like to channel pedestrian traffic. All of the Port Authority's Airports were built in times when the security demands were different from what they are today. There are many places in the airports where makeshift barricades now appear that are not aesthetically pleasing. There are

other areas where it would be helpful to separate the people going from the people going. These pedestrian displays can accomplish these goals in an aesthetically pleasing manner while providing amusing content for travelers.

The Submedia "Stand Alone" and Wall Mounted Displays

In this bid we propose up to 10 Stand Alone Units/Wall Mounted Displays to be deployed in the airports and in select locations in the PATH system. The Stand Alone units have the added advantage of mobility to adapt to changes in the Real Estate. Below is a picture of a stand alone unit in Hong Kong movie Theatre featuring and ad from Sony. People moving past the display see a motion picture clip inside the screen and advertisers also wrap the outside of the display unit as shown below. The viewer's motion makes the movie technology work.





Flexibility

We understand that the Authority may have a preference of consolidating its advertising with one advertising franchisee. We are flexible and can work with any of the other potential bidding parties either as a joint venture or as a vendor. We currently have good working relationships with Viacom, JC Decaux, Titan and Clear Channel. To the extent that the Authority wishes to consolidate this award with any of those parties, we would be willing to work with them in a manner that works for everyone.

C. Agreement on Terms Of Discussion

Submedia has executed the Agreement on Terms of Discussion which is attached as Exhibit E.

D. Certifications with respect to the Contractor's Integrity Provisions

Submedia has certified its adherence to the integrity provisions by the execution of the Transmittal letter.

E. (Not Used)

G. Business Plan

Introduction

The Executive Summary sections above describe the details of the proposal and outline the technical, financial and scope of the proposed offer. Below we address each element of the RFP Section "G" point by point, in many cases referring the reader to the appropriate section of the Executive Summary Section. Elements of the Executive Summary are part of the Business Plan proposed for this offering.

a. Develop and implement Indoor/Outdoor Advertising sales ideas

In the sections above we discuss our innovative advertising ideas and the areas for which we propose them. In general, we propose introducing motion picture advertising displays with movies that follow the viewers as they travel along pedestrian walkways and shuttle areas.

b. Develop new, creative Indoor/Outdoor Advertising development opportunities using new and non-traditional technologies, as well as traditional Indoor/Outdoor Advertising venues in new locations

The displays we are proposing are often sold as a package with existing forms of advertising, such as dioramas or billboards with static messages. As discussed above, we intent to integrate ad campaigns in the motion picture displays with existing billboard locations such that the advertising can coordinate both static and moving picture images. Additionally, we intend to incorporate traditional forms of static advertising, like column wraps, into the displays as shown above in the BMW display. This means placing advertising content on existing infrastructure that currently does not have it.

c. Provide financial information for the development of Indoor/Outdoor Advertising, and any related Out-of-Home Advertising revenue opportunities

In the sections above we outline anticipated revenues and proposed revenue share, how we intend to fund the displays and the capital expenditures that we already have spent in the Port Authority and what we intend to spend as part of this program.

d. Provide designs for installations that achieve aesthetic excellence, and that are compatible within the physical and operational context of the Port Authority's facilities and operations

Submedia has already installed two train tunnel displays in the PATH system that produce beautiful, motion picture advertisements to the riders of the PATH trains. The display designs installed in PATH were prepared and certified by professional

engineers licensed in the region and were fully reviewed and approved by Port Authority and PATH engineering and operations groups.

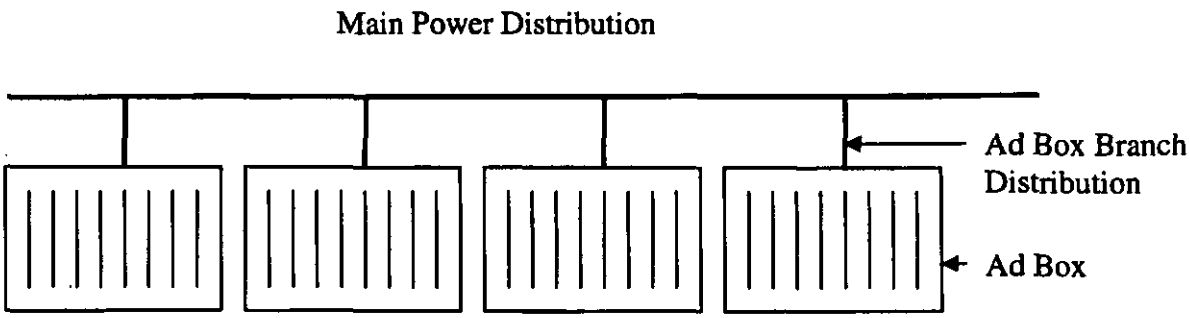
Many PATH riders have complimented both PATH and Submedia on the quality and innovation of the tunnel displays. Not a single complaint has occurred. The pedestrian and Airtrain displays proposed herein will meet the same high standards of quality, meeting all Federal, State, Local and Port Authority standards while producing beautiful, full-color motion picture ads to all of the viewers.

In fact, because the pedestrian displays can be built into walls or can be constructed to form space separators, they can be used as both an advertising and messaging system while providing necessary pedestrian barriers to control traffic flow as an aid to airport and facility safety.

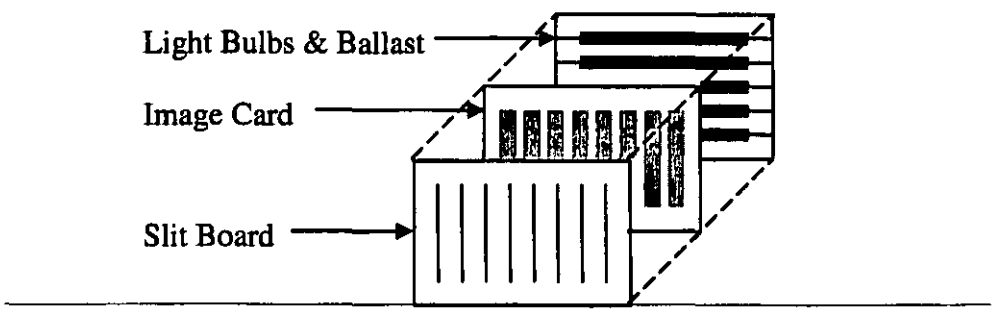
Below we have discussed Submedia's technology and compared it to another tunnel advertising technology, we have provided schematics and designs of the Submedia motion picture tunnel displays and the ad boxes proposed for the pedestrian displays (included in the exhibits), and we show some images of the advertisements in the Submedia *PATH* tunnel displays.

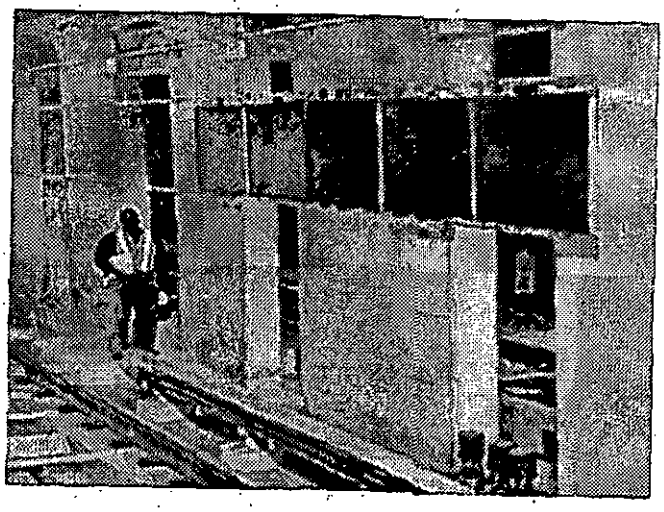
Existing PATH and Proposed Airtrain Tunnel Displays

TRAIN TUNNEL ADVERTISING DISPLAY FRONT VIEW SCHEMATIC

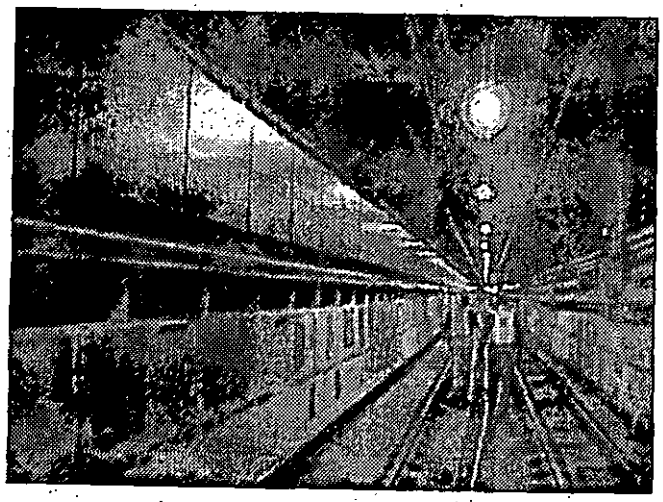


AD BOX EXPLODED VIEW

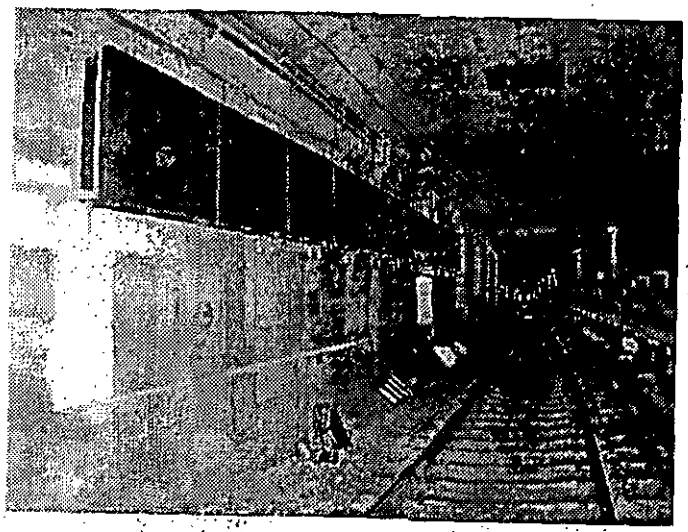




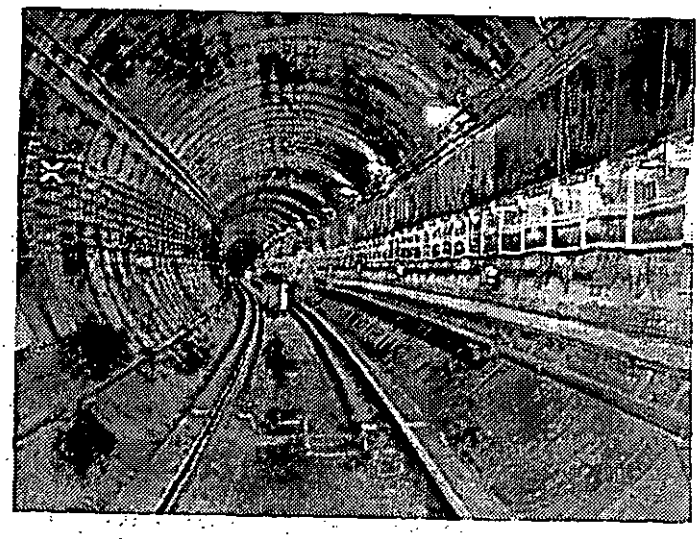
MARTA Display Being Installed



NYC PATH II Display



Tokyo Metro Display



Hong Kong MTR Display

An Overview and Comparison of Submedia's Technology to Strobe Light Technologies

Overview

There are essentially two technologies that provide for tunnel advertising. The first is inspired by the zoetrope and is exclusively used by Submedia. The second works with frequency controlled flashing lights (the "stroboscopic technologies") and is used by Sidetrack and Motion Poster.

Submedia's Zoetrope Technology

Submedia's tunnel advertising technology is the simplest of the technologies and was inspired by a zoetrope, the early 19th-Century optical toy that spun a picture strip inside a circular frame. As the inventor of Submedia's technology played with one, he wondered if the animation process could be reversed, with people moving past static images arranged in a straight line, rather than images flying past immobile viewers.

The Submedia technology is just a light box with a simple, slitted optic and an ad card. Submedia's technology is a steady light technology that uses the same kind of florescent bulbs used in office buildings or in existing WMATA tunnel lights. Instead of sitting in a theater or at home watching images projected on a screen, subway passengers move past display boxes and see a brief commercial. The beauty of this system lies in its simplicity - no electronics, flashing lights, sensors or moving parts.

This simplicity and other technical advantages, which are discussed below, has made Submedia's technology the favorite of many transit systems around the world. For example, the Paris RATP Metro, the 4th largest transit authority in the world, concluded (see the letter included in the Volume I appendix):

> ***"Specifically, the RATP has conducted an evaluation of a number of in-tunnel advertising companies and their respective technologies, and as a result, has selected Submedia as the sole firm that could interest the RATP. Our evaluation determined that Submedia's technology is simpler, more flexible, provides a more visually appealing image, and presents a real opportunity for revenues." – Patrick Vautier, Head of Marketing, RATP.***

The Stroboscopic Technologies

A typical stroboscopic display consists of a series of smaller prints affixed to the tunnel wall at about eye-level for a rider sitting on a train. Behind or above each print is an extremely intense, full-spectrum white light (typically xenon). As a train approaches a stroboscopic display, a sensor detects the train and sends this information to a computer PLC, (programmable logic

circuit) which triggers the bright xenon lights to be rapidly turned on and off, or flashed at the right timing for the advertisement to be viewed through the train windows. In the case of Sidetrack, if the train goes outside the normal speed profile, the display will shut down.

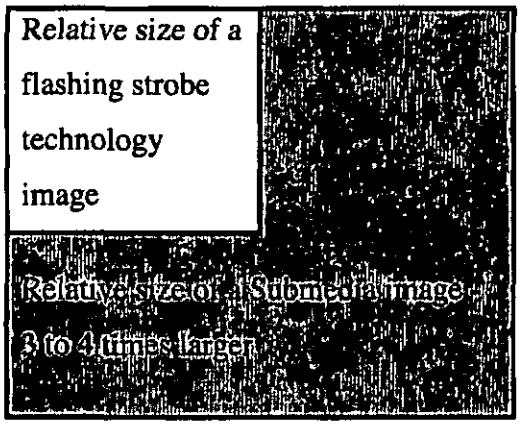
There were several companies that have used strobe light technologies for tunnel advertising. The first is Motionposter, who briefly had installed displays in several transit systems around the world. They are apparently now defunct, but once led stroboscopic technologies. There are many reasons why Motionposter went out of business. In Asia for example, where the ridership is extremely high, the main complaints voiced by ad buyers were that the Motionposter medium was not compelling because the images were too small and were installed too far away from stations stops, where people are more alert to advertising. In fact, this information was one of the reasons that we have installed all of our displays to date near stations (see discussion below).

In any event, Motionposter ultimately defaulted on transit contracts and is in receivership under the laws of the United Kingdom.

Technology Differences: Submedia vs. Flashing Bright Xenon Lights

Submedia displays are simple – just a metal box with steady-light bulbs and an ad card. Unlike Sidetrack and Motionposter, Submedia does not use flashing strobe lights, sensors to detect train speed, logic circuits to determine the rate and sequence of the flashing lights, and timing circuits to flash the strobe lights.

Submedia's images are bigger - Submedia's images are 3 to 4 times the size of flashing strobe light technologies. This is because Submedia uses a simple "slit" optic arrangement and compressed images. Each printed image is approximately 1 inch wide by 3 feet tall and enlarges to a 3 foot tall by four foot wide image to viewers on the passing trains. Strobe technologies do not utilize compressed images and therefore require smaller images to achieve a high enough frame rate to show animation.



Submedia images are independent of train speeds - At normal train speeds, Submedia displays show movies at frame rates of 200 to 300 frames per second, while strobe technologies barely break the necessary threshold of 24 frames per second. This means that if the train slows down or speeds up, Submedia displays will always work whereas others will not. Submedia displays are completely independent of train speed, whereas all strobe technologies are dependent on high enough and constant enough train speed to make the movie animation work and be stable enough to realistically view.

Only Submedia displays can be placed immediately outside stations where passengers are more alert - Because Submedia displays are independent of train speed they can be placed almost anywhere in the system, particularly near stations where passengers are more alert. Strobe technologies require constant speed over 30 miles per hour, and so they are placed in the center of the tunnel where there is a risk of the audience being "zoned out".

Strobe technologies do not work when the train slows down - Strobe technologies require minimum train speeds, and do not turn on if the train is going a little slower than normal. Submedia displays always work at any train speed. As per the competitor's website, "When a train is completely outside the normal [speed] profile, the images will not be lit." Sidetrack's displays rely on relatively constant train speeds, and must be installed in the higher-speed, cruising areas of the tunnels, which means their displays must be longer and deeper in the tunnel to achieve the same 15-second long ad.

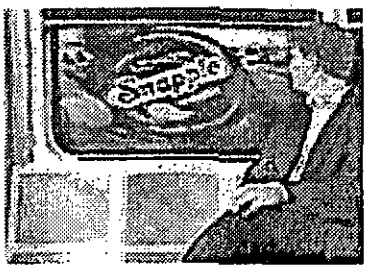
Submedia Images are always centered on the viewer, whereas Sidetrack images drift by Viewers - The physics of the Submedia technology is such that the image will always be centered directly in from of the viewer. If the train accelerates or decelerates, the image will always be centered on the viewer's eyes. The stroboscopic technologies, however, are dependent on train speed, and the images will drift forwards as a train slows down and drift backwards as a train accelerates.

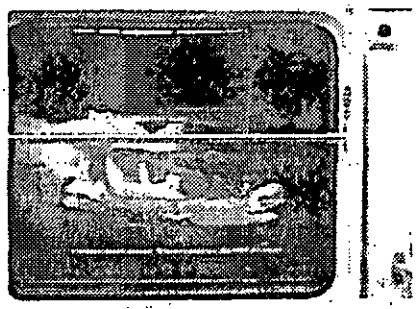
Strobe light images drift into the train operators' view – train operators see nothing when looking down the tunnel at a Submedia display - The worst part of the stroboscopic technologies is the image drift that occurs when the train slows down even slightly (slows down by as little as 1 mile per hour), the strobe images drift into the view of the train operators. This is because the strobe lights are timed based on the approaching train, and the firing of the strobe lights cannot be corrected as the train is passing the display. Submedia images are never viewable by the train operators, because looking forward down a Submedia display, there is no visible image to confuse an operator, and no flashing lights that could be mistaken for an emergency signal or other communication.

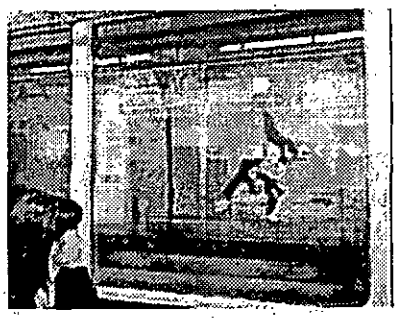
See the displays and compare them for yourselves - WMATA personal have visited both our displays in NYC and Sidetrack's displays in Boston. We trust that they would have noticed our bigger images, the lack of operator distraction, the fact that our images do not drift by and always stayed centered on the viewer even with changes in train speed and regardless of where you are in the train.

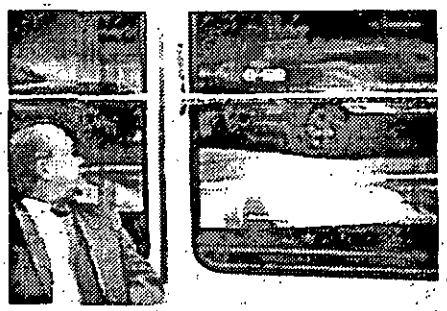
Submedia's Superior Ad Movies

Here are some actual shots of Submedia ads through the NYC PATH train windows and through the Tokyo Metro windows, both which have train windows about 3 feet high and 4 feet wide. Submedia took these pictures with a regular camera to show some images of our ads in lieu of a professional photo shoot, which Submedia is currently coordinating with the transit authorities. Note that the movies fill the train windows and can be seen in all windows, even at an angle.





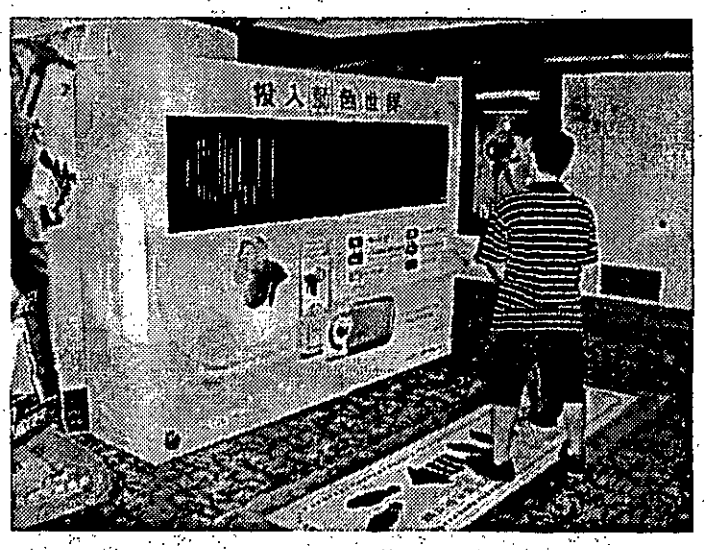


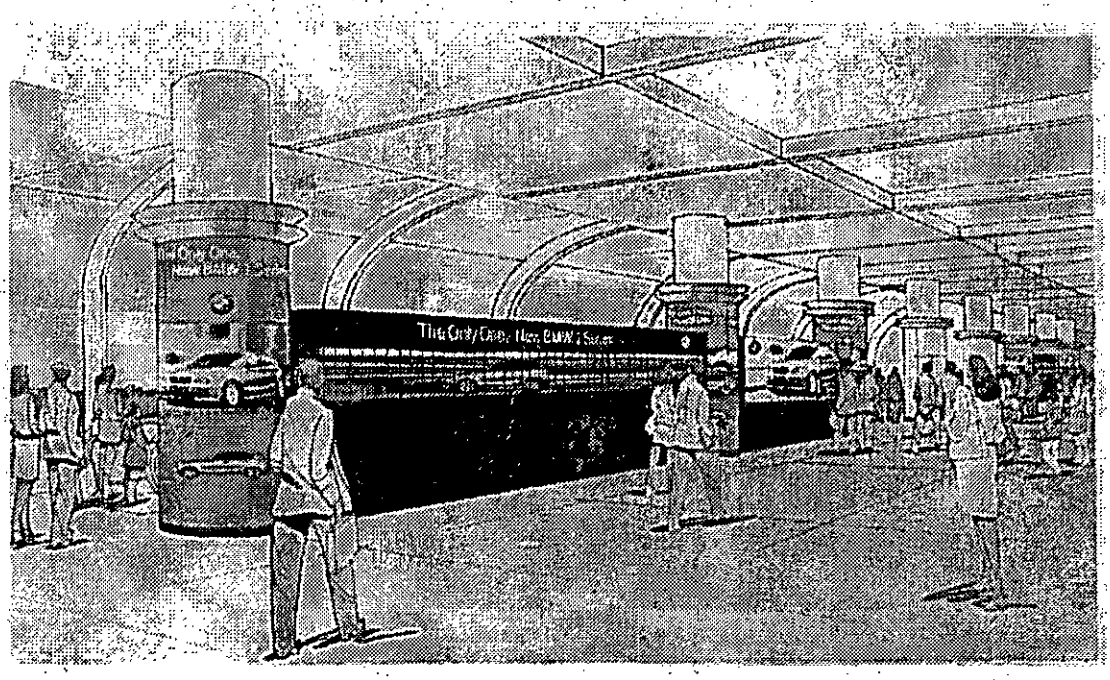


PATH and Airport Pedestrian Displays

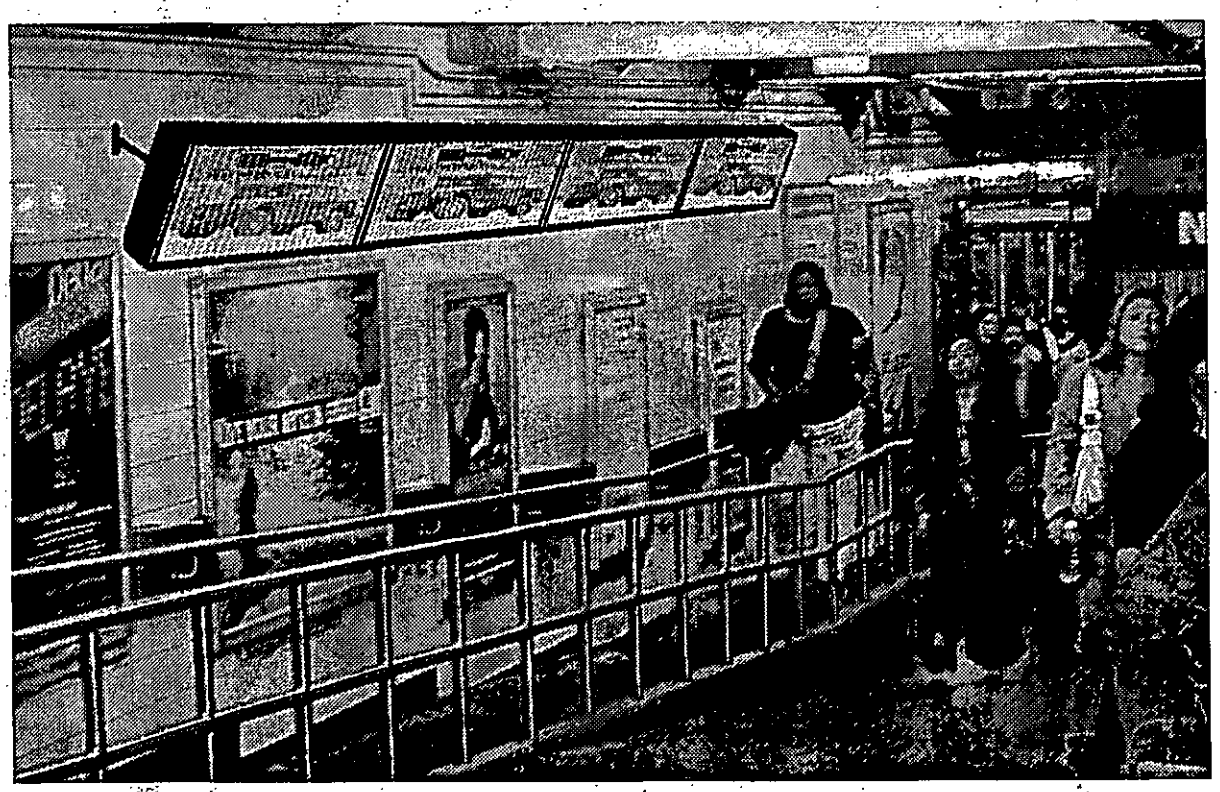
As discussed in the proposal sections above, Submedia proposes several types of pedestrian displays in PATH Stations and in Port Authority Airports.

Below are two images of pedestrian displays in Asia – the stand alone model and the "Big 50" column model discussed elsewhere in this proposal. These displays can be directly attached to walls without a stand-alone frame, or they can be erected as part of a wall such that a new structure is created (similar to what is shown below). This structure can easily be made as a temporary, movable "wall" or as a permanent wall which could be incorporated into an airport pedestrian traffic control program in immigration areas or other areas where security and traffic control are necessary.





In addition to the airports, Submedia proposal wall-mounted pedestrian displays in PATH train stations. Below are several mock-ups showing displays that could be installed in the PATH 33rd Street station or similarly in other Stations such as 33rd Street and Journal Square.



e. Install and provide materials for any infrastructure associated with the development of Outdoor Advertising, and any other related Out-of-Home Advertising at no cost to the Port Authority

All of the displays Submedia has installed in PATH and all of the proposed displays proposed in this offer are completely without cost to the Port Authority and PATH.

f. The quality of the submitted M/WBE Plan in accordance with the section of the RFP entitled "M/WBE Subcontracting Provisions."

In any agreement reached with the Port Authority we will create and follow a plan that adheres strictly to the rules and requirements of the Port Authority M/WBE Plan in accordance with the section of the RFP entitled "M/WBE Subcontracting Provisions."

H. Proposal

1. Revenue to the Port Authority - The Financial Offer

Pursuant to our existing contract for two displays in the PATH system we estimate that we will pay between $800,000 to $1,500,000 in GMR and revenue share through the end of the contract in 2009. This is in addition to the more than 2.5 million dollar capital investment we already have made in your system.

In this proposal we offer to (1) expand the tunnel advertising program to include the Airtrain system, (2) introduce interactive pedestrian displays in the Airports and in a few select locations in the PATH system (such as in Hoboken, Journal Square and 33rd Street Stations) and (3) extend our existing PATH contract to run contemporaneously with the contract proposed in this bid. The financial offer will vary based on the number of displays that we are permitted to introduce and we provide you with a "menu" of options to pick and choose from.

Type of Display	Estimated Cap Ex By Submedia	Annual Guaranty Per Display	# of displays	Annual Guaranty
Misc. small displays*	TBD	TBD	TBD	TBD
Air Trans Rail Display	$ 1,200,000.00	30,000	4	$ 120,000.00
"Big 50" Pedestrian	$ 1,200,000.00	50,000	6	$ 300,000.00
"Column Connectors"	$ 1,100,000.00	30,000	10	$ 300,000.00
"Escalator movie"	$ 500,000.00	20,000	10	$ 200,000.00
"Stand Alone"	$ 450,000.00	20,000	10	$ 200,000.00
	$ 4,450,000.00			**$ 1,120,000.00**
PATH Contract Extension	$ 300,000.00 **			$ 750,000.00 ***
Guaranty over 10 Years	$ 4,750,000.00			**$ 11,950,000.00**

* These are wall mounted and other small displays that can be deployed in variety of ways.

** Estimated costs of Upgrade we will make to our existing display

*** Estimated increased revenue based on an extension of approximately 6 years

Because we intend to make nearly 5 million dollars of capital improvements, we are offering a revenue share of 20% to the extent it is greater than the GMR.

Conditions to our offer

We have proposed a menu of options for the Port Authority to choose from. Obviously, if the Port Authority chooses to have fewer displays installed the annual guaranty will be based on the actual displays that are installed from when they are actually installed. Submedia will only install displays in places that are mutually acceptable to the Port Authority and Submedia. While we believe there are ample locations to install, the guaranty will only be based on the actual amount of locations that are built.

Capital and Maintenance Expenditures

Submedia propose to be responsible for all of the capital costs, fabrication and installation of the displays that are installed as part of this offer. Our current estimates of the capital costs to fabricate and install for the entire program is 5 million dollars. This includes purchase, fabrication and installation. This in addition to the over 2 million dollars of investment we have already made in the PATH system.

Submedia will also be responsible for all maintenance costs of the displays. Submedia will also be responsible for the electricity cost of all such displays with the exception of the PATH displays the electricity cost will be deducted from the gross revenues when computing the proposed revenue share.

2. Marketing Strategy and Approach

Sales Team and Methodology – The Best in the Industry

In the past, Submedia has sold our display space internally because we had little inventory to offer advertisers. Our internal sales have been strong to date, literally by "answering the phone," but with our recent addition of new markets including Chicago, we have expanded our sales team to include the best and brightest in the industry.

High Level Sales with NTM: Martin Puris and John Bernbach

We have recently entered into a sales representation agreement with Not Traditional Media, a company that is founded by Martin Puris and John Bernbach, arguably the two most famous people in advertising in the world. Martin and John previously ran Interpublic and Omnicom, respectively. NTM is working with a handful of alternative advertising companies like Submedia to provide large accounts with a one-stop-shopping solution to alternative advertising buys. Martin Puris is also an investor in Submedia.

NTM is representing us and a handful of the "best of breed" alternative advertisng product to many of the Fortune 100 companies with a one-stop solution for their alternative out-of-home ad buys. Their high level contacts throughout the advertising industry and directly with advertisers themselves have put us in direct contact with the CEOs and highest level of management in companies such as General Motors, American Express, Allstate, Virgin Airways and many other companies, several already purchasing space in our displays as a direct result of our involvement with NTM. For instance, in our first meeting with AMEX through NTM, AMEX indicated it desired multiple ad buys (four months or more) in 2005 with a total value estimated at $400,000. AMEX has already run campaigns with us, including their Statue of Liberty campaign in which they donated proceeds from sales made with their cards to re-opening the Statue of Liberty.

Our sales through NTM are typically multi-month, multi-display ad buys, and include a strategic element, such as a combination buy with Submedia and another alternative out-of-home media provider with which there is a synergistic effect.

Agency sales with Gillespie-Stone

Our second tier sales force involves a recent deal with Gillespie-Stone Communications, Inc., a sales company that recently was the sales force for Sidetrack. They currently head up our day-to-day sales efforts with the agencies and the buying services.

Gillespie-Stone is comprised of founders Jonathan Stone and Richard Gillespie, both recognized leaders in media and advertising, and their national sales force with offices around the US. Other members of the second tier include a variety of experienced individual sales representatives that act on our behalf in various markets including Atlanta and New York.

Internal Sales

Our sales from 2001 to mid-2004 were done through our internal sales staff, which has done an excellent job at attracting and closing deals with the world's most prestigious advertisers. They will continue with sales as they have in the past, both as a supplement to the higher-tiered sales approaches with NTM and Gillespie-Stone and as support to these higher tiers.

Licensee-Generated Sales

We have created a sales network with our licensees around the world where any of us can sell space in the other's displays subject to price, availability and transit approval. Our licensees in Asia have already generated significant interest with their clients for ad buys in our US displays.

Press – Another Highly Attractive Sales Tool

Take a look at our website at www.sub-media.com. It is well recognized that we have the best press of anyone in the industry – CNN, FOX, ABC, CBS, NBC, Washington Post, New York Times, Crains, Esquire, Wall Street Journal, New York Post, Atlanta Journal-Constitution, the Philadelphia Inquirer, the Atlanta Journal Constitution, Forbes, Newsday, Worth Magazine, Hispanic Ad, Ad Noir, Advertising Age, Media Life, and the Financial Times, to name a few, have covered us and our advertisers – and that is just in this country! This tremendous press is another major selling tool and another major reason advertisers select Submedia as their alternative out-of-home advertising partner.

Submedia's clients are mainly blue-chip leaders in the advertising world, and many have made repeat and multiple buys with Submedia. Many have already reserved multiple months and multiple displays for 2005 already. Some of these "blue-chip" advertisers include:

Beverage/Food
Budweiser
Coca-Cola (Dasani)
Coca-Cola (Minute Maid)
Coca-Cola (Vanilla Coke)
Snapple
Suntory Diet Beer
Suntory Energy Drink
Nissin Noodle

Travel
United Airlines
Royal Caribbean

Automotive
BMW
Hummer H3
Range Rover
GM (Cadillac)
GM (Corvette)
Infiniti
Renault
Nissan (Altima)

Financial
AMEX (Statue of Liberty)
Chase Bank

Technology
Sony Ericsson

Apparel/Cosmetics
Calvin Klein (Crave)
Target (Summer Line)
Target (Winter Line)
Target Chicago Launch
Benetton

Network Television
Cartoon Network (Futurama)
Discovery (Shark Week)
Discovery (Cavemen)
Discovery (Monster Garage)

3. Overall Experience Including Financial Capability

A. Technical Capability

Submedia has already proven that it is technically capable of installing displays in the PATH system. Submedia has built 11 tunnel displays and 7 pedestrian displays around the world in virtually every type of environment. As set forth in greater detail in the Executive Summary, Submedia's technology delivers large, high quality images without technical complexity and requires little ongoing maintenance. Our displays are designed for high viewer impact, non-stop operation, and with no impact on the Port Authority's operations. Our technical advantages are summarized as follows:

- **No Operator Distraction:** Submedia's technology uses only the same florescent bulbs that are likely above you right now as you read this. Our bulbs are behind the back-lit ad cards and they do not flash. Unlike our competitors, we do not use flashing xenon lights. Several transit authorities have recognized that Submedia's technology is preferable because it does not use flashing lights that could distract train operators. As operators look down the tunnel when they pass by our displays they see nothing. There are no flashing lights or strobe lights to distract them.

- **Fire Safety:** Our technology meets the fire safety standards for trainways of 2003 NFPA 130, including Section 6.2.9 which was specifically revised in 2003 to govern tunnel advertising. Not only are our displays "non-flammable," but in fact, our displays meet the NFPA-130 definition of "non-combustible."

    - Because tunnel advertising involves the placement of combustible materials in subway tunnels, the National Fire Protection Association Board amended NFPA-130 in 2003 to create a minimum standard of protection for the safety of passengers. The Board recognized that it needed to adopt a more stringent standard for tunnel advertising then the ones that existed in the 2002 rules used for station and rail car advertising because:

        - the volume of combustible material used by tunnel advertising compared to the amounts used for other forms of transit advertising,
        - the complications of passenger egress from subway tunnels in the event of a fire as compared to station and train egress, and
        - the lack of adequate ventilation in the tunnels.

- Submedia's displays are compliant with the 2003 NFPA fire safety code. Each of our boxes encloses the ad cards, and based on our ad box design, it is impossible for our ad cards to sustain combustion in the boxes, and it is impossible for a fire to propagate along our displays even if a vandal or terrorist managed to start a fire underneath one of our displays. It is our understanding that our competitor, on the other hand, will look to argue that they comply with the old 2002 NFPA 130 code which does not even address tunnel advertising and that the new standards governing fire safety somehow don't apply to them.

- **No Passenger Risk**: Submedia's technology does not use any strobe lights and there has never been one complaint from any rider even though **billions** of riders that have now passed our displays.

- **Simple Technology**: A Submedia display is essentially a light box. There are no complicated electronics, sensors or microchips. This means fewer parts that can break down necessitating maintenance visits and track time.

- **Longest Proven Operational and Maintenance History:** We have over one hundred (100) display months of operation with no downtime or unscheduled maintenance. Based on our operational history in New York, Philadelphia, Atlanta, Hong Kong, Tokyo, Istanbul and Bucharest, Submedia's displays have little need for ongoing maintenance except for replacing light bulbs periodically, which we do when changing out the ads.

- **Extensive Engineering History:** We have met the stringent safety and engineering standards for installing displays in six transit systems around the world and have already received design approval for the installation of displays in three additional systems.

- **Train Speed Flexibility**: Submedia's tunnel displays deliver smooth animated motion at any speed above three (3) miles per hour, while our competitor's technology needs minimum train speeds of approximately thirty (30) miles per hour to work. Submedia displays always work – they are completely independent of train speed. Our competitor's technology will not turn on if the train is not traveling at high enough speeds.

- **Best Location Placement:** Because Submedia displays are independent of train speed, they can be placed almost anywhere in the system, particularly near stations where passengers are both more alert and more receptive to advertising. Strobe technologies typically require constant speed over 30 miles per hour, and so they are placed in the center of the tunnel where there is a risk of the audience being "zoned out," or otherwise less receptive to the ad message. Building our displays near stations has the added benefit of access for installation, ad changes and maintenance.

- **Larger and Protected Images**: Submedia's images are three to four times larger than the images of other tunnel advertising companies. Passengers see a large, sharp motion picture that communicates an advertising message to consumers in a way that cannot be accomplished by any other advertising medium. The ad card is protected from the harsh tunnel environment in an enclosed box, and vibrant image quality is preserved throughout an ad campaign.

- **Centered Images that do not Drift:** The physics of the Submedia's technology is such that the image will always be centered directly in front of every viewer. If the train accelerates or decelerates, the image will always be centered on every viewer's eyes. The stroboscopic technologies, however, are dependent on train speed, and the images will drift forwards rapidly as a train slows down and drift backwards as a train accelerates.

B. Financial Capability

Submedia was initially funded with equity financing from private investors and venture groups. We now have reached the point where we finance much of our growth through existing revenue from advertising, licensing and short tem debt. Our operating displays are fully paid and we have a wide array of existing investors that we can rely upon to reinvest to the extent needed to fund growth.

Submedia intends to fund its display commitments to the Port Authority from licensing revenue, ad sales in New York, Chicago & Atlanta, and to the extent necessary and prudent by tapping into existing lines of credit or seeking more investment from existing or new investors.

- Licensing Revenue

  - As discussed Submedia has entered into licensing agreements for around the world that provide us with approximately 40 million in guaranteed revenue. These license agreements are structured similar to the way the Port Authority structures its contracts with advertising vendors (i.e., we receive guaranteed minimum payments and a percentage of advertising revenue).

  - Over the next fifteen (15) years these licenses have guaranteed minimum revenue to Submedia of more than 36 million dollars and another 20 million dollars of contracts are currently being negotiated. During the course of the Port Authority, Submedia should receive nearly 20 million dollars in guaranteed payments from the existing licensing programs. These licensee payments alone can fund our commitment to The Port Authority. A spreadsheet of our projected guaranteed licensing income is attached hereto.

- Sales Revenue

  - We now have sales revenue of approximately 1.7 million US. In the current quarter alone we have nearly $700,000 of advertising revenue from 4 signs, one of which is in Atlanta where the advertising price and demand is much lower. During the term of the proposed contract, Submedia's projected revenue from ad sales from our existing displays is approximately 20 to 30 million dollars, excluding revenues from any displays in the Port Authority.

- Lines of Credit

  - Submedia has a Manufacturing-Credit-For-Equity Agreement with its Display Box fabricator. Pursuant to this Agreement, we can have display boxes built for up to approximately 8 complete display installations without the expenditure of any capital. A copy of this agreement is attached to Schedule Five of the Pre Award evaluation Data Form.

- Investor Commitment

  - Submedia has a large number of investors that are committed to the company's success. Submedia's investors include the founders of Champion Mortgage, Martin Puris (the former Chairman of InterPublic and Founder of Ameretti & Puris), Washington Square Capital, Millneck Capital, the Rojasi Fund and a number of other Individual Investors. All of these investors have been extremely supportive and many of them have invested in the company at various times and have indicated continued interest in Submedia. In addition to the existing Investors there are several venture capital firms that have expressed their interest in investing in us to the extent that we need further investment.

I. Acknowledgement of Addenda

All addenda with respect to this RFP are hereby acknowledged and attached as Exhibit D.

J. Acceptance of contract Terms

Submedia agrees with the contract terms.

Exhibit A – Financials

Submedia, LLC
Profit & Loss Prev Year Comparison
January through December 2004

	Jan - Dec '04	Jan - Dec '03	$ Change
Ordinary Income/Expense			
Income			
7000 · Revenues	484,779.40	802,200.52	-317,421.12
7800 · Licenses/Royalty Income	209,500.00	58,500.00	151,000.00
Total Income	694,279.40	860,700.52	-166,421.12
Cost of Goods Sold			
8000 · Cost of Goods Sold	182,404.60	480,606.23	-298,201.63
Total COGS	182,404.60	480,606.23	-298,201.63
Gross Profit	511,874.80	380,094.29	131,780.51
Expense			
9100 · Wages	360,374.92	549,221.85	-188,846.93
9110 · Payroll Tax Expense	27,789.73	34,797.06	-7,007.33
9155 · Employee Benefits	5,712.00	5,184.00	528.00
9160 · Payroll Service Fees	1,075.10	1,245.82	-170.72
9205 · Advertising/Marketing Expense	2,900.00	1,441.44	1,458.56
9206 · Advertising Evaluation Expense	0.00	16,000.00	-16,000.00
9220 · Bad Debt Expense	0.00	388,549.97	-388,549.97
9225 · Bank Service Charges	3,165.55	1,877.85	1,287.70
9245 · Computer Expense	474.85	820.38	-345.53
9260 · Dues and Subscriptions	1,086.98	845.94	241.04
9280 · Equipment Rental	150.00	-2,459.06	2,609.06
9305 · Filing Fees	880.00	115.00	765.00
9310 · Finance Charge Expense	27.76	29.02	-1.26
9360 · Insurance	77,918.19	65,916.03	12,002.16
9370 · Interest Expense	4,687.52	15,833.28	-11,145.76
9425 · Late Fee	1,881.44	839.76	1,041.68
9440 · Marketing Supplies Expense	30.09	0.00	30.09
9445 · Miscellaneous	-55.78	-8,194.18	8,138.40
9485 · Office Expense	879.40	8,732.75	-7,853.35
9490 · Office Supplies	2,272.02	3,830.14	-1,558.12
9505 · Postage and Delivery	1,959.34	3,060.76	-1,101.42
9510 · Printing and Reproduction	2,913.60	9,298.53	-6,384.93
9520 · Professional Fees	30,063.60	-77,888.43	107,952.03
9560 · Internet - Website	917.16	0.00	917.16
9620 · Rent	61,532.34	54,039.23	7,493.11
9625 · Research and Development	0.00	0.00	0.00
9641 · Severance Payments	10,000.00	39,393.24	-29,393.24
9642 · Storage Expense	575.00	1,415.70	-840.70
9700 · Tax Expense	5,900.00	2,400.00	3,500.00
9710 · Telephone	6,915.93	8,632.04	-1,716.11
9720 · Temporary Services	0.00	500.00	-500.00
9725 · Trade Shows	0.00	2,060.00	-2,060.00
9730 · Travel & Ent	6,355.32	22,774.69	-16,419.37
9780 · Training	800.00	0.00	800.00
9800 · Utilities	196.64	0.00	196.64
Total Expense	619,378.70	1,150,312.81	-530,934.11
Net Ordinary Income	-107,503.90	-770,218.52	662,714.62
Other Income/Expense			
Other Income			
10000 · Interest Income	1,278.72	1,948.01	-669.29
Total Other Income	1,278.72	1,948.01	-669.29

Submedia, LLC
Profit & Loss Prev Year Comparison
January through December 2004

	Jan - Dec '04	Jan - Dec '03	$ Change
Other Expense			
10800 · Loss on Disposition of Office E	0.00	5,995.60	-5,995.60
10900 · Loss on Disposition of Display	0.00	268,490.82	-268,490.82
9900 · Depreciation Expense	0.00	283,238.21	-283,238.21
9901 · Amortization Expense	0.00	22,641.83	-22,641.83
Total Other Expense	0.00	580,366.46	-580,366.46
Net Other Income	1,278.72	-578,418.45	579,697.17
Net Income	-106,225.18	-1,348,636.97	1,242,411.79

01/18/05

Submedia, LLC
Balance Sheet
As of December 31, 2004

	Dec 31, '04	Dec 31, '03	$ Change
ASSETS			
Current Assets			
Checking/Savings			
1000 · BANK			
1020 · Citibank - Savings Account	6.68	282.39	-275.71
1030 · Fleet Bank - Checking Account	44,700.69	10,598.82	34,101.87
1035 · Fleet - Payroll Account	815.65	982.27	-166.62
1040 · Fleet - Money Market	69.16	68.62	0.54
Total 1000 · BANK	45,592.18	11,932.10	33,660.08
1100 · Restricted Cash			
1110 · Restricted Cash Citibank -MARTA	*0.00*	*106,194.59*	*-106,194.59*
1120 · Restricted Cash Fleet - PORT	100,000.00	100,000.00	0.00
Total 1100 · Restricted Cash	100,000.00	206,194.59	-106,194.59
Total Checking/Savings	145,592.18	218,126.69	-72,534.51
Accounts Receivable			
2000 · Accounts Receivable	88,893.13	143,737.50	-54,844.37
Total Accounts Receivable	88,893.13	143,737.50	-54,844.37
Other Current Assets			
2110 · Accounts Receivable - Licensing	0.00	23,500.00	-23,500.00
2115 · Note Receivable - Submedia Asia	420,000.00	0.00	420,000.00
2220 · Short Term Deposits	0.00	5,000.00	-5,000.00
2400 · Royalty Receivable	14,500.00	0.00	14,500.00
Total Other Current Assets	434,500.00	28,500.00	406,000.00
Total Current Assets	668,985.31	390,364.19	278,621.12
Fixed Assets			
3100 · Office Equipment			
3101 · Computer Equipment	29,372.76	29,372.76	0.00
3102 · Computers/Software	11,785.78	11,785.78	0.00
3200 · Furniture and Fixtures	2,000.00	2,000.00	0.00
3100 · Office Equipment - Other	8,000.00	8,000.00	0.00
Total 3100 · Office Equipment	51,158.54	51,158.54	0.00
3400 · Display Units			
3401 · Fabrication and Displays	1,874,423.37	1,788,183.67	86,239.70
3400 · Display Units - Other	18,200.00	18,200.00	0.00
Total 3400 · Display Units	1,892,623.37	1,806,383.67	86,239.70
3500 · Installations			
3503 · Labor (General & Electric)	558,293.70	568,293.70	-10,000.00
3504 · Material (General & Electric)	226,599.88	226,599.88	0.00
3500 · Installations - Other	570,437.99	138,468.00	431,969.99
Total 3500 · Installations	1,355,331.57	933,361.58	421,969.99
3600 · Trade Show Displays	1,000.00	0.00	1,000.00
3900 · Accumulated Depreciation			
3901 · Accumulated Depreciation-Comput	-28,865.98	-28,865.98	0.00
3902 · Accumulated Depreciation-F&F	-790.03	-790.03	0.00
Total 3900 · Accumulated Depreciation	-29,656.01	-29,656.01	0.00
3904 · Accumulated Deprec - Displays	-561,261.42	-561,261.42	0.00
Total Fixed Assets	2,709,196.05	2,199,986.36	509,209.69
Other Assets			
4100 · Organization Costs			
4101 · Accumulated Amort-Org Costs	-20,283.00	-20,283.00	0.00
4100 · Organization Costs - Other	24,339.58	24,339.58	0.00
Total 4100 · Organization Costs	4,056.58	4,056.58	0.00

Submedia, LLC
Balance Sheet
As of December 31, 2004

	Dec 31, '04	Dec 31, '03	$ Change
4110 · Legal			
4115 · Legal Intellectual Property	160,238.27	160,238.27	0.00
4120 · Legal Corporate	14,500.00	14,500.00	0.00
4150 · Business Development	50,000.00	3,000.00	47,000.00
4190 · Accumulated Amortization -Legal	-17,773.83	-17,773.83	0.00
Total 4110 · Legal	206,964.44	159,964.44	47,000.00
4200 · Security Deposits	5,760.00	8,456.64	-2,696.64
Total Other Assets	216,781.02	172,477.66	44,303.36
TOTAL ASSETS	3,594,962.38	2,762,828.21	832,134.17
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
5000 · Accounts Payable	153,643.04	276,573.31	-122,930.27
Total Accounts Payable	153,643.04	276,573.31	-122,930.27
Other Current Liabilities			
5200 · Current Liabilities-Loans & Exg			
5207 · Due to Peter Dugre	0.00	1,774.39	-1,774.39
Total 5200 · Current Liabilities-Loans & Exg	0.00	1,774.39	-1,774.39
5400 · Payroll Tax Liabilities			
5406 · Pension L/P	-170.89	0.00	-170.89
Total 5400 · Payroll Tax Liabilities	-170.89	0.00	-170.89
5550 · Sales Tax Payable	2,225.32	3,194.92	-969.60
Total Other Current Liabilities	2,054.43	4,969.31	-2,914.88
Total Current Liabilities	155,697.47	281,542.62	-125,845.15
Long Term Liabilities			
5600 · Long Term Liability			
5605 · Equity Payable for Services	420,000.00	0.00	420,000.00
Total 5600 · Long Term Liability	420,000.00	0.00	420,000.00
5615 · Convertible Note Payable - Long	363,240.22	363,240.22	0.00
5700 · Amortized Debt - L/P			
5701 · L/P - Richard Goryeb	50,000.00	0.00	50,000.00
5702 · L/P - Joseph P. Goryeb	50,000.00	0.00	50,000.00
5703 · L/P - Marguerite M. Goryeb	50,000.00	0.00	50,000.00
5704 · L/P - Joseph M. Goryeb	50,000.00	0.00	50,000.00
5705 · L/P - Vickers	25,000.00	0.00	25,000.00
5706 · L/P - Peter Corrigan	50,000.00	0.00	50,000.00
5707 · L/P - Mill Neck Capital, LLC	25,000.00	0.00	25,000.00
5708 · L/P - Paul Zoch	25,000.00	0.00	25,000.00
5709 · L/P - Joseph Graff	25,000.00	0.00	25,000.00
Total 5700 · Amortized Debt - L/P	350,000.00	0.00	350,000.00
Total Long Term Liabilities	1,133,240.22	363,240.22	770,000.00
Total Liabilities	1,288,937.69	644,782.84	644,154.85

Submedia, LLC
Balance Sheet Prev Year Comparison
As of December 31, 2003

Balance Sheet	Dec 31, '03	Dec 31, '02	$ Change
ASSETS			
Current Assets			
Checking/Savings			
1000 · BANK	11,932.10	64,206.05	-52,273.95
1050 · Petty Cash	0.00	12.80	-12.80
1100 · Restricted Cash	206,194.59	205,488.65	705.94
Total Checking/Savings	218,126.69	269,707.50	-51,580.81
Accounts Receivable			
2000 · *Accounts Receivable*	143,737.50	621,259.82	-477,522.32
Total Accounts Receivable	143,737.50	621,259.82	-477,522.32
Other Current Assets			
2110 · Accounts Receivable - Licensing	23,500.00	0.00	23,500.00
2220 · Short Term Deposits	5,000.00	0.00	5,000.00
Total Other Current Assets	28,500.00	0.00	28,500.00
Total Current Assets	390,364.19	890,967.32	-500,603.13
Fixed Assets			
3100 · Office Equipment	51,158.54	56,194.25	-5,035.71
3400 · Display Units	1,806,383.67	2,097,692.69	-291,309.02
3500 · Installations	933,361.58	915,200.79	18,160.79
3900 · Accumulated Depreciation	-29,656.01	-24,313.09	-5,342.92
3904 · Accumulated Deprec - Displays	-561,261.42	-332,944.53	-228,316.89
Total Fixed Assets	2,199,986.36	2,711,830.11	-511,843.75
Other Assets			
4100 · Organization Costs	4,056.58	8,924.58	-4,868.00
4110 · Legal	159,964.44	0.00	159,964.44
4200 · Security Deposits	8,456.64	8,456.64	0.00
Total Other Assets	172,477.66	17,381.22	155,096.44
TOTAL ASSETS	**2,762,828.21**	**3,620,178.65**	**-857,350.44**
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
5000 · Accounts Payable	276,573.31	882,656.83	-606,083.52
Total Accounts Payable	276,573.31	882,656.83	-606,083.52
Other Current Liabilities			
5100 · Accrued Expenses	0.00	25,000.00	-25,000.00
5200 · Current Liabilities-Loans & Exg	1,774.39	0.00	1,774.39
5550 · Sales Tax Payable	3,194.92	8,823.72	-5,628.80
Total Other Current Liabilities	4,969.31	33,823.72	-28,854.41

Submedia, LLC
Balance Sheet Prev Year Comparison
As of December 31, 2003

Balance Sheet	Dec 31, '03	Dec 31, '02	$ Change
Total Current Liabilities	281,542.62	916,480.55	-634,937.93
Long Term Liabilities			
5615 · Convertible Note Payable - Long	363,240.22	347,406.94	15,833.28
Total Long Term Liabilities	363,240.22	347,406.94	15,833.28
Total Liabilities	644,782.84	1,263,887.49	-619,104.65
Equity			
6000 · Members Capital - Class B	3,071,682.18	2,794,386.00	277,296.18
6200 · Members Capital - Class A	3,664,516.00	2,991,666.00	672,850.00
6300 · Member Capital - Class D	160,245.00	0.00	160,245.00
6500 · Retained Earnings	-3,429,760.84	-2,405,050.32	-1,024,710.52
Net Income	-1,348,636.97	-1,024,710.52	-323,926.45
Total Equity	2,118,045.37	2,356,291.16	-238,245.79
TOTAL LIABILITIES & EQUITY	2,762,828.21	3,620,178.65	-857,350.44

Submedia, LLC
Profit & Loss Prev Year Comparison
January through December 2003

Profit & Loss	Jan - Dec '03	Jan - Dec '02	$ Change
Ordinary Income/Expense			
Income			
7000 · Revenues	802,200.52	1,474,554.60	-672,354.08
7800 · Licensee/Royalty Income	58,500.00	0.00	58,500.00
7900 · Grant Income - WTC	0.00	17,554.00	-17,554.00
Total Income	860,700.52	1,492,108.60	-631,408.08
Cost of Goods Sold			
8000 · Cost of Goods Sold	480,606.23	643,368.77	-162,762.54
Total COGS	480,606.23	643,368.77	-162,762.54
Gross Profit	380,094.29	848,739.83	-468,645.54
Expense			
9100 · Wages	549,221.85	598,969.06	-49,747.21
9110 · Payroll Tax Expense	34,797.06	52,342.06	-17,545.00
9155 · Employee Benefits	5,184.00	0.00	5,184.00
9160 · Payroll Service Fees	1,245.82	1,311.87	-66.05
9205 · Advertising/Marketing Expense	1,441.44	8,377.00	-6,935.56
9206 · Advertising Evaluation Expense	16,000.00	0.00	16,000.00
9220 · Bad Debt Expense	388,549.97	0.00	388,549.97
9225 · Bank Service Charges	1,877.85	3,193.10	-1,315.25
9230 · Business Gifts	0.00	70.59	-70.59
9245 · Computer Expense	820.38	312.66	507.72
9260 · Dues and Subscriptions	845.94	5,550.06	-4,704.12
9280 · Equipment Rental	-2,459.06	3,015.80	-5,474.86
9300 · Field Supplies	0.00	912.47	-912.47
9305 · Filing Fees	115.00	42.35	72.65
9310 · Finance Charge Expense	29.02	2,852.37	-2,823.35
9360 · Insurance	65,916.03	91,369.89	-25,453.86
9370 · Interest Expense	15,833.28	14,873.94	959.34
9425 · Late Fee	839.76	300.32	539.44
9445 · Miscellaneous	-8,194.18	-11.15	-8,183.03
9485 · Office Expense	8,732.75	9,462.11	-729.36
9490 · Office Supplies	3,830.14	-28,367.63	32,197.77
9495 · Office Equipment Expense	0.00	1,005.65	-1,005.65
9505 · Postage and Delivery	3,060.76	7,902.68	-4,841.92
9510 · Printing and Reproduction	9,298.53	30,181.53	-20,883.00
9520 · Professional Fees	-77,888.43	521,302.27	-599,190.70
9620 · Rent	54,039.23	148,657.90	-94,618.67
9625 · Research and Development	0.00	0.00	0.00
9630 · Repairs and Maintenance	0.00	6,906.14	-6,906.14
9641 · Severance Payments	39,393.24	0.00	39,393.24
9642 · Storage Expense	1,415.70	0.00	1,415.70
9645 · Stationary	0.00	2,344.60	-2,344.60
9700 · Tax Expense	2,400.00	1,790.00	610.00
9710 · Telephone	8,632.04	23,422.65	-14,790.61
9720 · Temporary Services	500.00	2,511.50	-2,011.50
9725 · Trade Shows	2,060.00	6,215.60	-4,155.60

FOR INTERNAL USE ONLY

Submedia, LLC
Profit & Loss Prev Year Comparison
January through December 2003

Profit & Loss	Jan - Dec '03	Jan - Dec '02	$ Change
9730 · Travel & Ent	22,774.69	103,697.85	-80,923.16
9780 · Training	0.00	150.00	-150.00
9800 · Utilities	0.00	3,050.57	-3,050.57
Total Expense	1,150,312.81	1,623,715.81	-473,403.00
Net Ordinary Income	-770,218.52	-774,975.98	4,757.46
Other Income/Expense			
Other Income			
10000 · Interest Income	1,948.01	5,221.66	-3,273.65
10100 · Dividend Income	0.00	3,047.42	-3,047.42
Total Other Income	1,948.01	8,269.08	-6,321.07
Other Expense			
10500 · Other Expenses	0.00	0.00	0.00
10800 · Loss on Disposition of Office E	5,995.60	0.00	5,995.60
10900 · Loss on Disposition of Display	268,490.82	0.00	268,490.82
9900 · Depreciation Expense	283,238.21	253,135.62	30,102.59
9901 · Amortization Expense	22,641.83	4,868.00	17,773.83
Total Other Expense	580,366.46	258,003.62	322,362.84
Net Other Income	-578,418.45	-249,734.54	-328,683.91
Net Income	-1,348,636.97	-1,024,710.52	-323,926.45

FOR INTERNAL USE ONLY

Exhibit B- **Articles of Formation**

991029000 470

ARTICLES OF ORGANIZATION

OF

SUBMEDIA, LLC

UNDER SECTION 203 OF THE
LIMITED LIABILITY COMPANY LAW

FILER:

Olshan, Grundman Frome, Rosenzweig & Wolosky LLP
505 Park Avenue
New York, New York 10022

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED OCT 29 1999
TAX $
BY:

991029000484

DRAWDOWN NCR-26

ARTICLES OF ORGANIZATION

OF

SUBMEDIA, LLC F99102900047D

Under Section 203 of the Limited Liability Company Law

FIRST: The name of the limited liability company is:

Submedia, LLC

SECOND: The county within this state in which the office of the limited liability company is to be located is:

New York County

THIRD: The latest date on which the limited liability company is to dissolve is:

December 31, 2049

FOURTH: The Secretary of State is designated as agent of the limited liability company upon whom process against it may be served. The post office address within or without this state to which the secretary of state shall mail a copy of any process against the limited liability company served upon him or her is:

c/o Matthew Gross
202 Elizabeth Street, #25
New York, NY 10012

FIFTH: The limited liability company is to be managed by one or more members.

IN WITNESS WHEREOF, this certificate has been subscribed on October 29, 1999 by the undersigned who affirms that the statements made herein are true under the penalties of perjury.

Juliet Faulkner
Juliet Faulkner
Authorized Signatory

State of New York } ss:
Department of State }

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on APR 2 0 2001

Special Deputy Secretary of State

DOS-1266 (7/00)

Exhibit C- Licensing Revenue

Submedia, LLC License Revenues and Projections 2003 to 2020

Revenues Based on Guaranteed Minimum Royalty (GMR) only, not Revenue Share

Private and Confidential - For Discussion Purposes Only

Licensees	Regions Included	Contracted and Projected Revenues 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Totals
Licensees Currently Under Contract																				
Submedia Asia (1)	China, Hong Kong, Japan, South Korea, Thailand, Taiwan, Malaysia, Indonesia, Philippines, Australia, Singapore																			
License Fee		150,000	50,000																	200,000
GMR		0	49,000	100,000	412,500	453,750	499,125	549,038	603,941	622,058	640,721	659,943	679,741	700,133	721,137	742,772	765,056	788,006	811,647	9,798,569
IP Fee Estimate		0	3,500	7,000	10,500	16,000	38,750	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	429,750
Subtotal, Submedia Asia		150,000	102,500	107,000	423,000	469,750	537,875	578,538	633,441	651,559	670,221	689,443	709,241	729,633	750,637	772,272	794,555	817,506	841,147	10,428,319
Submedia Eurasia (1)	Russia, Greece, Bulgaria, Romania, Iran, Azerbaijan, Georgia, Uzbekistan, Ukraine																			
License Fee		0	85,000	20,000	75,000	50,000														230,000
GMR		0	0	7,500	67,500	177,000	367,000	526,000	577,500	635,250	698,775	768,653	845,518	930,070	930,070	930,070	930,070	930,070	930,070	10,250,112
IP Fee Estimate		0	0	2,500	7,500	10,000	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	182,500
Subtotal, Submedia Eurasia		0	85,000	30,000	150,000	237,000	379,500	537,500	590,000	647,750	711,275	781,153	858,018	942,570	942,570	942,570	942,570	942,570	942,570	10,662,612
Submedia Turkey (1)	Turkey																			
License Fee		38,000																		38,000
GMR		0	20,000	42,500	67,500	82,500	87,550	92,803	98,371	104,273	110,530	117,162	124,191	131,643	131,643	131,643	131,643	131,643	131,643	1,737,237
IP Fee Estimate		0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	85,000
Subtotal, Submedia Turkey		38,000	25,000	47,500	72,500	87,500	92,550	97,803	103,371	109,273	115,530	122,162	129,191	136,643	136,643	136,643	136,643	136,643	136,643	1,860,237
Submedia Mexico/Spain (2)	Mexico/Spain																			
License Fee		0	65,250	94,750																160,000
GMR		0	0	110,000	200,000	325,000	500,000	630,000	693,000	762,300	838,530	922,383	1,014,621	1,116,083	1,116,083	1,116,083	1,116,083	1,116,083	1,116,083	12,692,335
IP Fee Estimate		0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	160,000
Subtotal, Submedia Mexico/Spain		0	65,250	214,750	210,000	335,000	510,000	640,000	703,000	772,300	848,530	932,383	1,024,621	1,126,083	1,126,083	1,126,083	1,126,083	1,126,083	1,126,083	13,012,335
Subtotal, Contracted Revenues		188,000	277,750	399,250	854,500	1,129,250	1,519,925	1,853,841	2,029,812	2,180,883	2,345,556	2,525,140	2,721,072	2,934,929	2,955,833	2,977,567	2,999,850	3,022,802	3,046,442	35,663,503
Licensees in Final Stages of Contract Negotiation																				
Submedia Czech Republic	Czech Republic																			
License Fee		0	41,250	33,750																75,000
GMR		0	0	10,000	25,000	40,000	75,000	110,000	121,000	133,100	146,410	161,051	177,156	194,872	194,872	194,872	194,872	194,872	194,872	2,167,947
IP Fee Estimate		0	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	80,000
Subtotal, Submedia Czech Republic		0	41,250	48,750	30,000	45,000	80,000	115,000	126,000	138,100	151,410	166,051	182,156	199,872	199,872	199,872	199,872	199,872	199,872	2,322,947
Submedia Canada	Montreal																			
License Fee		0	0	50,000																50,000
GMR		0	0	15,000	40,000	75,000	100,000	125,000	137,500	151,250	166,375	183,013	201,314	221,445	221,445	221,445	221,445	221,445	221,445	2,623,122
IP Fee Estimate		0	0	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	56,000
Subtotal, Submedia Canada		0	0	68,500	43,500	78,500	103,500	128,500	141,000	154,750	169,875	186,513	204,814	224,945	224,945	224,945	224,945	224,945	224,945	2,729,122
Submedia Paris (JV) (3)	Paris																			
License Fee		0	0	0																0
Revenues		0	0	75,000	300,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	8,775,000
IP Fee Estimate		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal, Submedia Paris		0	0	75,000	300,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	8,775,000
Subtotal, Contracts Under Negotiation		0	41,250	192,250	373,500	723,500	783,500	843,500	867,000	892,850	921,285	952,564	986,970	1,024,817	1,024,817	1,024,817	1,024,817	1,024,817	1,024,817	13,727,069
License Regions Under Discussion (4)																				
Other Anticipated Submedia Licensees	Germany, Switzerland, Scandanavia, Belgium, Finland, U.K., Egypt, Brazil, Chile																			
License Fee		0	0	150,000	200,000	50,000	25,000													425,000
GMR		0	0	0	30,000	80,000	125,000	250,000	300,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	4,285,000
IP Fee Estimate		0	0	0	10,000	10,000	15,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	275,000
Subtotal, Regions Under Discussion		0	0	150,000	240,000	120,000	165,000	270,000	320,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	4,985,000
TOTAL LICENSE REVENUES		188,000	319,000	741,500	1,468,000	1,972,750	2,468,425	2,967,341	3,216,812	3,443,733	3,636,841	3,847,704	4,078,041	4,329,746	4,350,750	4,372,384	4,394,667	4,417,619	4,441,259	54,556,573

Notes

(1) Submedia Asia's term is 10 years, extendable to 30 years (to 2033). Submedia Turkey and Eurasia terms are 5 years, extandable to 15 years (to 2018). We anticipate extending the Submedia Turkey and Eurasia terms to beyond 2020, an as such 2 more years of revenue is shown (to 2020).

(2) As of December 1, 2004, executed contract documents have been circulated and deposits have been paid on these contracts. Display designs are complete for Mexico City and the licensee is actively building display ad boxes for installation in January.

(3) Final JV revenue share is unknown at this time Submedia, LLC assumes revenues of $150,000 per year per sign, with a maximum of 4 signs built.

(4) The assumption for other anticipated licensees is that 1 to 2 major regions are licensed in 2005 and 3 to 4 minor regions are licensed in 2006. Reasonable revenue figures have been shown in the table to reflect these assumptions.

Exhibit D – Acknowledgement of Addenda

Acknowledgement of Addenda

We hereby acknowledge addenda 1 through 5 and they are fully incorporated herein.

New York, NY
June 13, 2005

Submedia, LLC

By: Peter M. Corrigan
Peter M. Corrigan, CEO

Exhibit E- Acceptance of Contract Terms & Agreement on Terms of Discussion

9. ATTACHMENTS

ATTACHMENT A - AGREEMENT ON TERMS OF DISCUSSION

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

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

Submedia
(Company)

Pietro M. Cangiano
(Signature)

C.E.O.
(Title)

6/13/05
(Date)

F- 2004 Tax Return

G- Recent Press

The Smart Money

May 16, 2005

In the best media decision of the last 12 centuries, Miller beer bought a chip and a chair in the World Series of Poker. How better to reach the all-important 21-64 youth market than to sponsor this grueling 36-day sporting event? The replays on ESPN2 attract a bigger audience than the original broadcast, which is not so much a broadcast as updates on poker Web sites in computer-geek sans serif type like this:

5:55 p.m. Just before the dinner break, pro Al Krux from Syracuse New York goes all-in with 10-2 unsuited against amateur furniture store owner Sam Eleison from White Plains New York, the chip leader, holding a pair of Johnnies. Flop comes 10-10-2, and Al's claque goes wild.

The World Series of Poker will be played, shot and edited in June and July for later viewing—much later viewing. Kind of like if the World Series of Baseball became the January Classic because it was only ready for prime time 60 days after Red Sox first baseman Doug Mientkiewicz got the final out and ran off with the ball that ended the 86-year Ruthian curse. But poker is interesting not so much for who wins as how they win, so the ad infinitum delayed replays work. (Ads infinitum, too, as commercial time on some of the poker telecasts seems to be running even money with the playing time.)

At last count, seven TV networks are playing out this hot hand: one-on-one poker superstars (NBC); men versus women (Game Show Network); the World Series of Poker (ESPN2); celebrities (Bravo); the World Poker Tour, with commentary by part-time poker player Mike Sexton and part-time actor Vince Van Patten (Discovery Channel); real-time tournaments that let you kibitz the fold-fold-fold lulls between the all-in heartbreaks (Fox Sports Network); New Yorkers versus Bostonians at the Turning Stone casino on an Oneida Indian reservation in upstate New York (Yes Network). This last is my favorite, as the noir lighting and sullen, coffee-housing players most resemble the last of eight annual Partners' No-Limit Hold 'Em $25 buy-in tournaments that MVBMS Euro RSCG held December 2001 in the basement of the Peking Duck House at 28 Mott Street, just south of Canal.

Miller wasn't searching for a new medium when it went for the World Series of Poker, just new programming in an old medium. It lucked out that such clever players as Men "The Master" Nguyen—he of the sudsy spit-take in last year's

Vorld Series that was replayed in everything but stop action—and Scotty Nguyen not only celebrate with a beer or four fterward, but like having a few tastes as the cards unfold through the flop, the turn and the river.

f Miller or anybody is searching for a new medium—one in which the impossible is achieved: each advertisement is a velcome relief instead of a potentially annoying interruption—I suggest the search include Hoboken, N.J., at the erminus of the Port Authority Trans-Hudson (PATH) trains. This venerable subway line, the first in the world to go nder a major river, holds within its circa-1908 tubes the first new medium since the Pentagon ordered up the invention f the Internet in the late '60s/early '70s.

Vou pay your fare, hustle down the stairs and beat somebody to a seat. Train pulls out, and you look out the window, xpecting to see, well, nothing. Nothing except the almost century-old walls, not quite growing stalactites but perhaps porting some leftover Mike Quill "No contract. No work" placards, a fatted rat or two, a trackwalker having his petit lejeuner or a full-time resident tunnel person waving as your car passes.

Then you see it.

t's the handiwork of Joshua Spodek, 35-year-old holder of a Ph.D. in astrophysics from Columbia University and ounder of a company called Submedia. Unlike the poker table and ad-agency copy departments, where idiot-savants bound, the world of doctoral candidates in astrophysics is open only to savant-savants. Spodek first took his degree nd went off to help construct an X-ray observational satellite, a possible step to the fulfillment of the Lucasian rophecy if not the Reagan one.

What is it you see? The most welcome commercial ever observed—what amounts to a 15-second movie on the dank subway tunnel's wall. I actually saw three subway riders smile, breaking all previous workbound-commuter records. Jsing light and slats, Doc Spodek brings walls to life as you pass, no matter what your speed, even if you're on the F rain making its ponderous way from Roosevelt Island to Sutphin Boulevard, on to Jamaica-179th Street.

On the Submedia Web site, its tunnel vision boasts of astronomical recall stats, all of which are believable. Invested in he company are John Bernbach, son of Bill (whose agency once delighted BMT platforms with "You don't have to be Jewish to love Levy's" posters enhanced by Howard Zieff stills of unlikely Jewish rye-bread fressers), and Martin Puris, Upper East Side straphanger and co-creator of the BMW brand more than 30 years ago.

They are forward-looking investors if they anted up on the basis of Josh's original model of paper, balsa wood and glue. Not exactly like Warren Buffet entering a Hold 'Em hand with Aces wired. More like "Mad Dog" Beck venturing his capital into a pot with unsuited connectors like J-10 in which a Q is gloriously part of the flop, a K comes, bearing hope on the turn, and then, of course, the transcendent Ace hits on the river. As the more voluble dealers say at Foxwoods, Tunica or Gardena: "Broadway!" The nuts, in other words. That is, if some hoople didn't hang around and catch a flush, a boat or quads while you're sitting there chug-a-luggin' your self-congratulatory beer.

50¢ EVERYWHERE ON THE WEB: WWW.SUNTIMES.COM HOME DELIVERY: CALL 1-888-840-4637 LATE SPORTS FINAL

CHICAGO SUN-TIMES

WEDNESDAY JUNE 1, 2005

★★★ FOR 'PANTS'

Ebert calls "Sisterhood of the Traveling Pants" a perfect fit for gifted young actresses. PAGE 45

This ad for Target from Peterson Milla Hooks/Minneapolis is a new form of advertising for the Chicago market that will look like a 15-second minimotion picture to subway riders at Clark and Lake.

CTA gets on the move with Target ad

Call it another missed opportunity.

Chicago's consumer-oriented companies looking to boost their image failed to be the first in the Windy City to embrace a new form of advertising unveiled here today in the subway tunnel at Clark and Lake.

You won't be seeing any advertising imagery from a Sears or Sara Lee or a Gatorade on the 350-foot underground display that subway riders will begin seeing today. Instead, that most sophisticated of advertisers, Minneapolis-based Target, is first to jump on the bandwagon for the new technology that transforms a static panel into what looks to be a 15-second minimotion picture as subway riders pass by it. In other markets, including New York and Atlanta, this innovative style of advertising has reportedly helped boost consumer retention of both the advertiser and the message.

Peterson Milla Hooks/Minneapolis, the same agency that recently won multiple Obie Awards from the Outdoor Advertising Association of America for its superb Target outdoor work, designed the new subway tunnel panels, which are filled with a variety of catchy images decorated with the Target bulls eye.

Submedia designed the subway-tunnel advertising technology, and introduced it in New York on Sept. 11, 2001, in commuter train tunnels under the Hudson River. Needless to say, the events of that horrific day overshadowed Submedia's attempts to get out the word about the new ad technology, and drastically slowed its introduction nationwide.

But the CTA has finally signed on, and expects to have four more panels installed at locations within the next 12 months. Hummer will be the next advertiser at the Clark and Lake location.

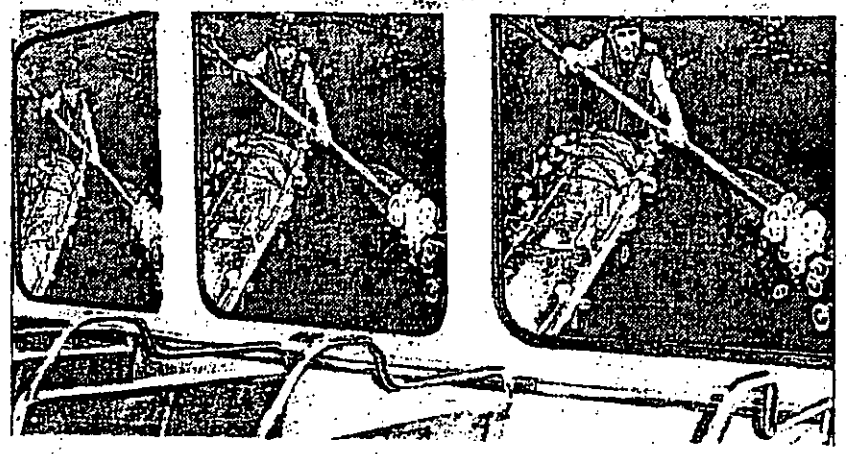
50¢ EVERYWHERE ON THE WEB: WWW.SUNTIMES.COM HOME DELIVERY: CALL 1-888-848-4637 LATE SPORTS FINAL

ICAGO SUN-T

WASCALS!

Rabbits invade already beleaguered Millennium Park. PAGE 4

TUESDAY, MAY 31, 2005 "WOW" 72° 154°



The new backlit Target ads in the Blue Line subway tunnel are like riding through a life-sized flip book. The ads give CTA a new source of revenue.

Underground light show awaits Blue Line riders

New ads form 15-sec. motion picture as train speeds past

BY MARK J. KONKOL
Transportation Reporter

CTA Blue Line riders are the target of a new advertising campaign that turns a subway wall into a makeshift movie screen.

The first string of backlit pictures in the tunnel near the underground Clark/Lake stop morph into a 15-second commercial for Target stores when L trains rumble past.

It's the CTA's first foray into subway tunnel commercials — a money maker during tight budget times — that have popped up in New York City, Philadelphia, Atlanta and a handful of international cities such as Hong Kong.

In CTA tunnels, the first commercial will include images of a girl blowing apart a dandelion, a woman sprinkling Target bulls-eye logos from a garden hose and a kayaker navigating a stream bubbling with Target bull's-eyes.

"We're always looking for creative ways to advertise and reach clients. Chicago is a fabulous market and this is a fine way to communicate with the fine folks of Chicago," Target spokeswoman Lena Michaud said.

The tunnel commercials were developed by a rocket scientist inspired by a children's toy that puts pictures in motion, the zoetrope.

Astrophysicist Joshua Spodek used that idea to come up with the process that brings linear still pictures to life, and puts train passengers in the middle of a life-sized flip book.

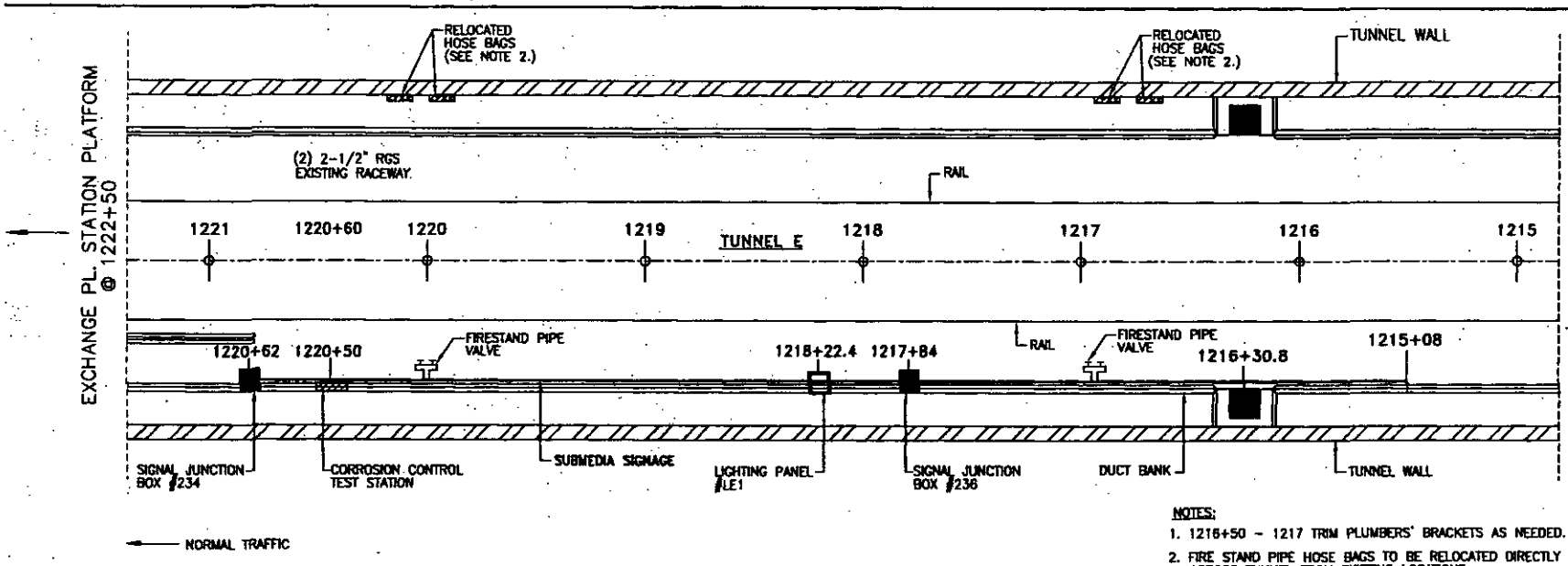
'Wow, that's pretty cool'

New York City ad agency SubMedia sold the CTA on the ad program, which will change about every month. The CTA is paid monthly for use of the tunnel and gets a percentage of the advertising revenue.

Following the Target commercial, the Blue Line advertisements will include 15-second bits for Hummer, Land Rover and fall season TV shows, SubMedia chief executive officer Peter Corrigan said.

"It's a way for [CTA] to generate non-farebox revenue, it's great for advertisers to reach consumers. And regular people look at it and think, 'Wow, that's pretty cool,' " Corrigan said.

H- Display Designs
(PATH Train Tunnel and Pedestrian Ad Box Units)

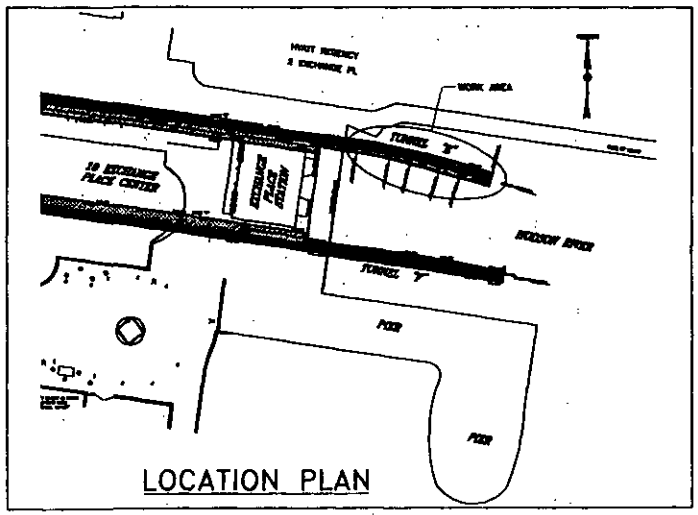


NOTES:

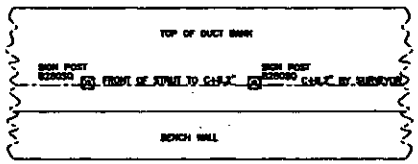
1. 1216+50 – 1217 TRIM PLUMBERS' BRACKETS AS NEEDED.
2. FIRE STAND PIPE HOSE BAGS TO BE RELOCATED DIRECTLY ACROSS TUNNEL FROM EXISTING LOCATIONS.
3. 137 SIGN BOXES.
4. FEEDER NO.1 FOR FIRST 75 SIGNAL BOXES.
5. FEEDER NO.2 FOR REMAINING 62 SIGNAL BOXES.

PROPOSED SUBMEDIA SIGNAGE TUNNEL "E" – PLAN VIEW

N.T.S

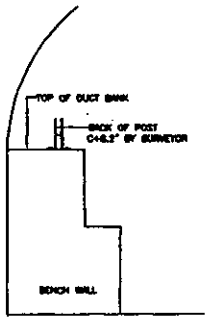


LOCATION PLAN



INSTALLATION LAYOUT PLAN VIEW

N.T.S.



INSTALLATION LAYOUT SIDE VIEW

N.T.S.

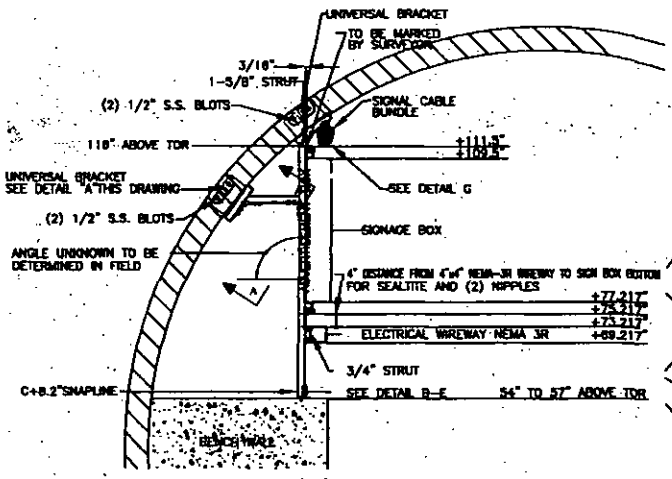
SUBMEDIA

REVISION: FOR SUBMISSION 11-25-03
REVISION: FOR SUBMISSION 10-22-03

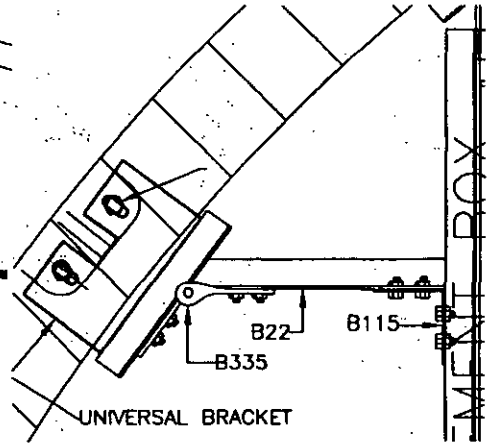
Doidone Electric, Inc.
World Trade Center
Ground Zero

DWG TITLE: TUNNEL SIGNAGE
KEY PLAN & GENERAL PLAN

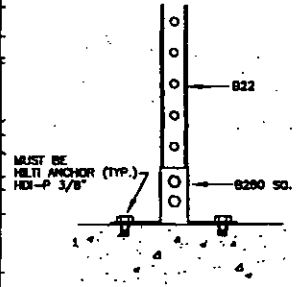
W.O.#: CMD-WT-	W.O.P. #
DRAWN BY: F.R.	SHEET 1 OF 7
CHECKED BY: D.D.	DATE: 02-02-04
SCALE: N.T.S.	SKT.



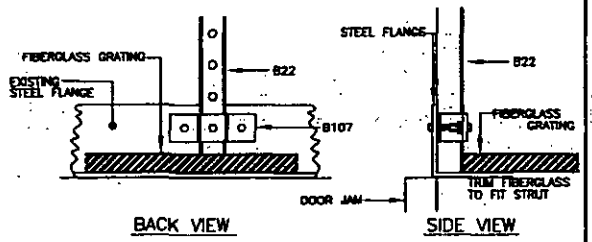
TUNNEL SIGNAGE MOUNTING ELEVATION
N.T.S



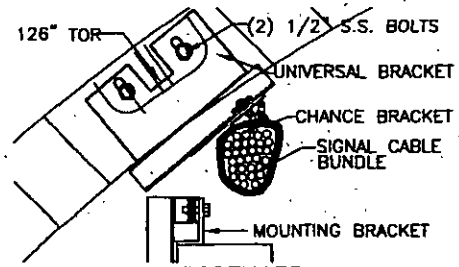
DETAIL A
N.T.S



DETAIL B
BENCH WALL MOUNTING
N.T.S.

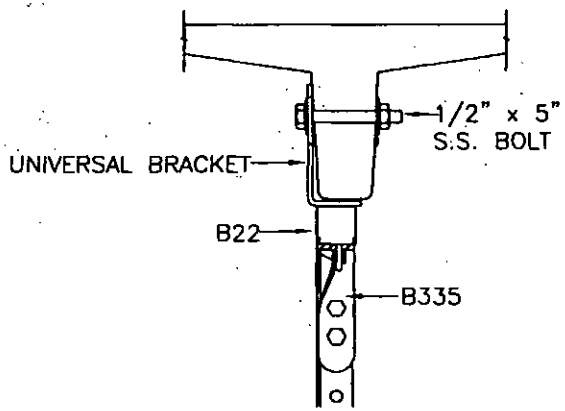


DETAIL C
MOUNTING AT MANHOLE
N.T.S.

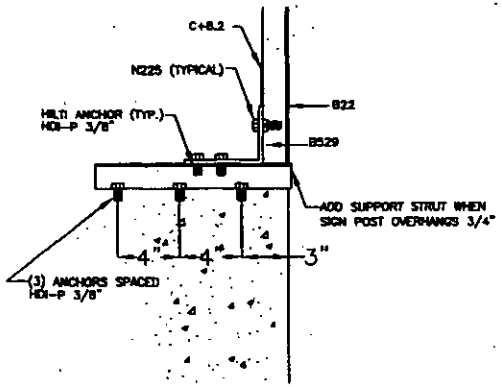


MESSENGER
DETAIL G
N.T.S

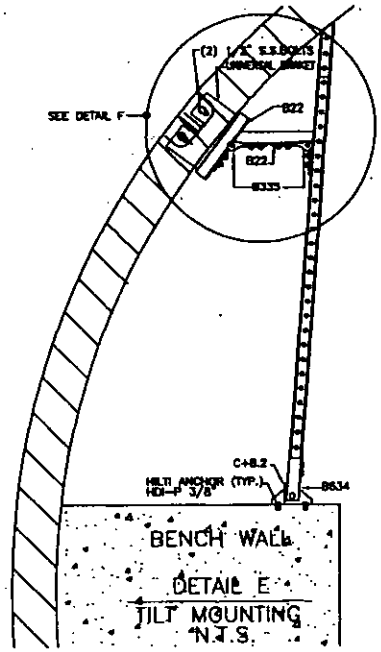
GENERAL NOTE:
ALL EXISTING RADIAX CABLE WILL BE REMOVED



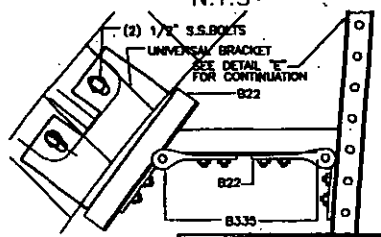
SECTION A-A
N.T.S.



DETAIL D
PARTIAL BENCH WALL MOUNTING
N.T.S.



DETAIL E
TILT MOUNTING
N.T.S.



DETAIL F
N.T.S

LEGEND

B-112	B-LINE 1-5/8"X1-5/8" STRUT
B-113	B-LINE 3/4"X1-5/8" STRUT
B-114	B-LINE 4 HOLE OFFSET U-SUPPORT
B-334	B-LINE 3 HOLE CORNER ANGLE
B-335	B-LINE 3 HOLE CORNER ANGLE
B-116	B-LINE 4 HOLE CORNER ANGLE
B-336	B-LINE 4 HOLE ADJUSTABLE HINGE
B-167	B-LINE 6 HOLE U-SUPPORT
B-260SQ	B-LINE POST BASE FOR B22
12-2000	SINGLE STRAND EYELET
20 / 4000K	1/2"

NOTE:
THIS CONFIGURATION IS ONLY FOR CERTAIN CASES AS ABOVE

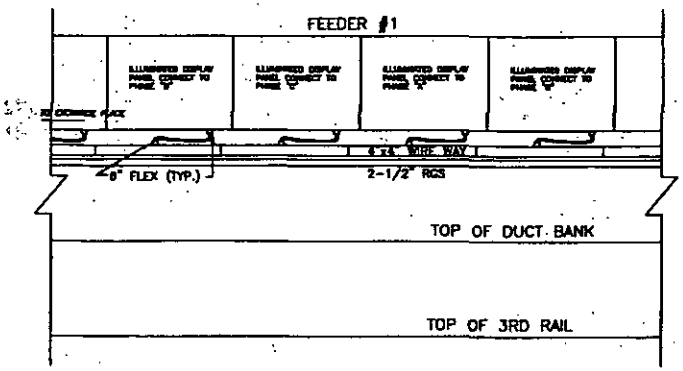
SUBMEDIA

REVISION: FOR SUBMISSION 11-25-03
REVISION: FOR SUBMISSION 10-22-03

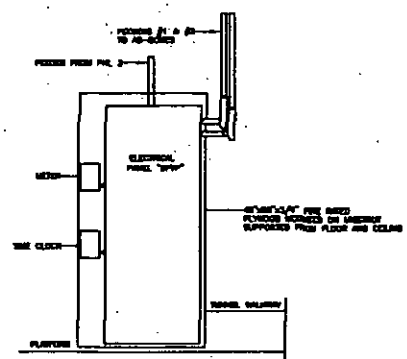
Daidone Electric, Inc.
World Trade Center
Ground Zero

DWG TITLE: TUNNEL SIGNAGE ELEVATION & DETAILS

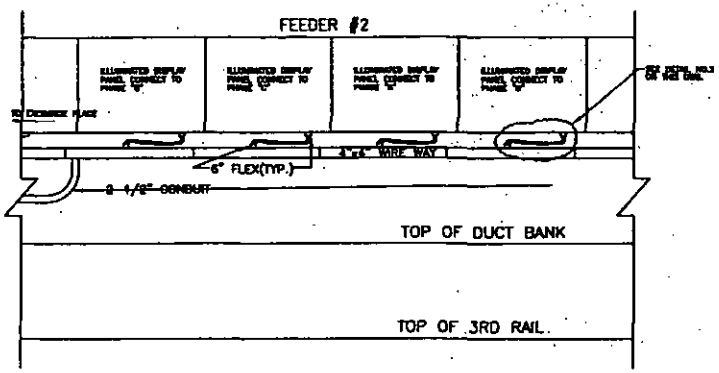
W.O.#: CMD-WT-	W.O.P. #
DRAWN BY: F.B.	SHEET 2 OF 7
CHECKED BY: D.D.	DATE: 02-02-04
SCALE: N.T.S.	SKT.



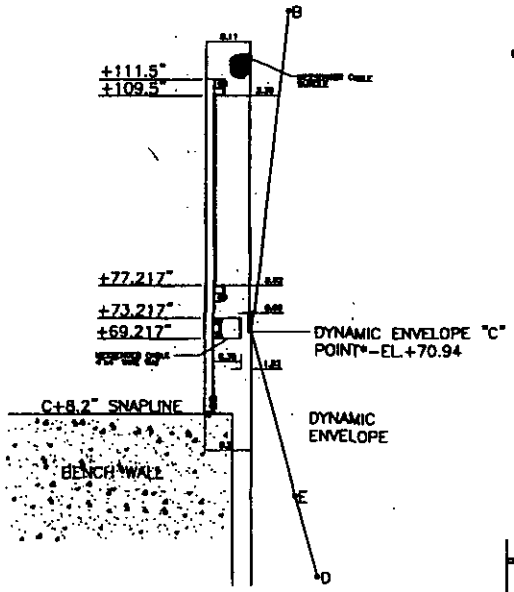
ELEVATION
TYPICAL CONDUIT ROUTING MAINTAINING
CLEARENCE AT TRACK CENTER WALL WINDOW
N.T.S.



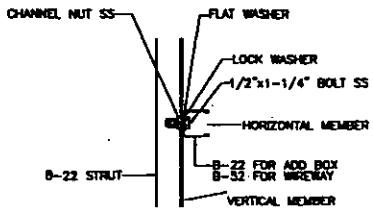
ELEVATION OF SPTP PANEL
IN EXCHANGE PLACE PLATFORM
ELECTRICAL CLOSET EAST END
N.T.S.



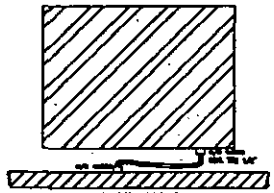
ELEVATION
TYPICAL CONDUIT ROUTING MAINTAINING
CLEARANCE AT TRACK CENTER WALL WINDOW
N.T.S.



* THE "C" DYNAMIC INCLUDES A2" SAFETY ZONE AS PER NOTE 2B OF C9 - DOWNTOWN PATH RESTORATION PROGRAM - PHASE I TUNNEL E & F, TRACK WORK CONTACT RAIL AND COMMUNICATION. DYNAMIC CLEARANCE ENVELOPE FOR PA 1/2/3/4 PATH CARS" DRAWINGS BY PATH DATED JULY 19, 2002.

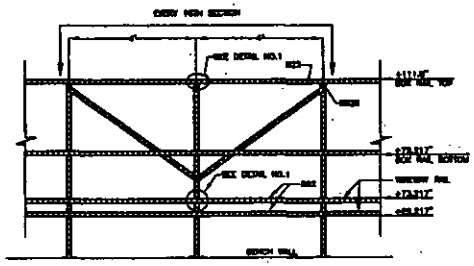


DETAIL NO.1
N.T.S.



DETAIL NO.2
WIREWAY TO SIGN CONNECTION
N.T.S.

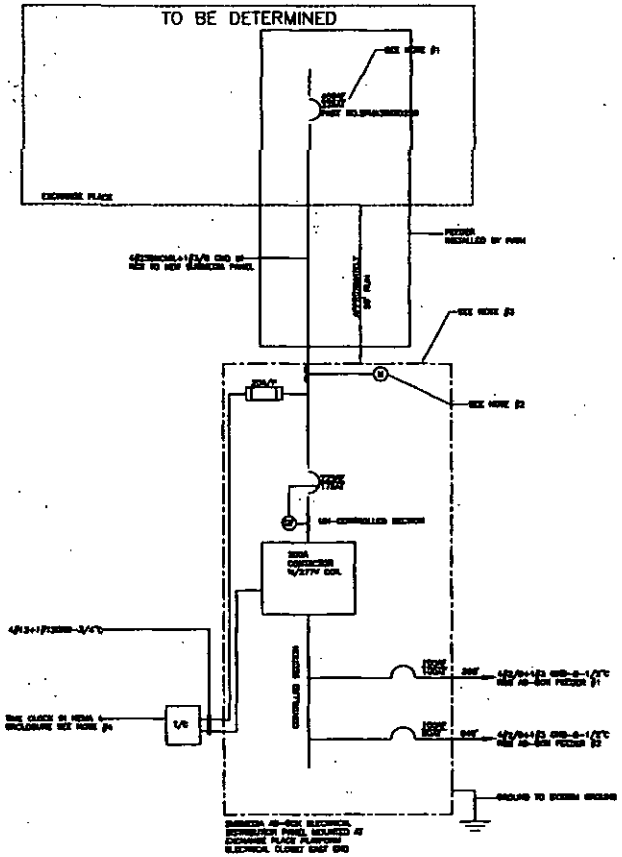
NOTES:
1. WIRE WAY TO BE NO SPLICE LAY IN TYPE 3R
2. ALL WIRING SHALL BE TYPE XHHW RATED WITH LSZH INSULATION
3. SEQUENTIALLY ALIGNAGE PHASE TAPE TO ILLUMINATION BOXES, KEEPING PHASES BALANCED.
4. PROVIDE AND INSTALL FIREPROOFING TYPE 3R WIRE WAY ARRANGEMENT, MINIMUM IN EACH RIPPLE PENETRATION. SHALL BE AS MANUFACTURED BY HILTI, FIRESTOP FIRE BLOCK AND FS-ONE, OR APPROVED EQUAL IN ACCORDANCE TO UL1479, ASTM E814 AND UL 2079.



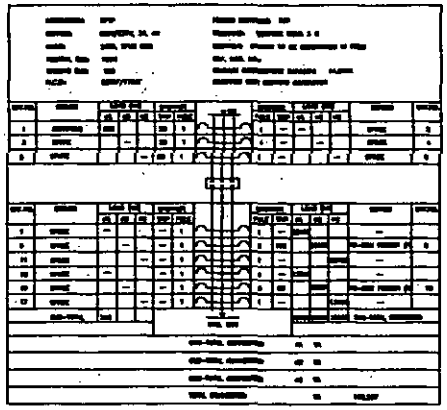
SIGNAGE FRAME DETAIL
FRONT VIEW
N.T.S.

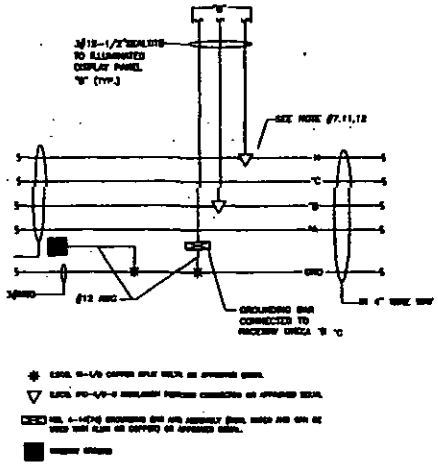
SUBMEDIA

REVISION: FOR SUBMISSION 11-25-03	
REVISION: FOR SUBMISSION 10-22-03	
Daidone Electric, Inc. World Trade Center Ground Zero	
DWG TITLE: TUNNEL SIGNAGE - ELEVATIONS	
W.O.#: CMD-WT-	W.O.P. #
DRAWN BY: F.R.	SHEET 3 OF 7
CHECKED BY: D.D.	DATE: 02-02-04
SCALE: N.T.S.	SKT.

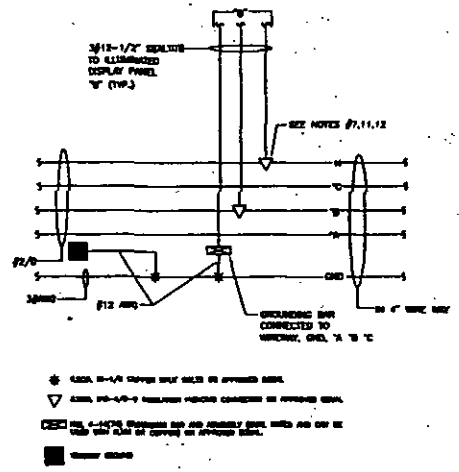


ONE LINE DIAGRAM
N.T.S.





TYPICAL WIRING CONFIGURATION IN WIREWAY
FOR FIRST 75 AD BOXES FED BY FEEDER NO 1
N.T.S.



TYPICAL WIRING CONFIGURATION IN WIREWAY
FOR REMAINING 65 BOXES FED BY FEEDER NO. 2
N.T.S.

SYMBOLS (ELECTRICAL PLANS GENERAL)

- CONDUIT RUN EXPOSED WITH WIRING AS CALLED FOR ON DWG.
- CONDUIT TURNING UP OR TOWARD OBSERVER
- CONDUIT TURNING DOWN OR AWAY FROM OBSERVER
- CONDUIT RISER
- INDICATES INTERFACE POINT BETWEEN PATH AND WORK UNDER THIS CONTRACT
- ELECTRICAL PANEL - VOLTAGE AS CALLED FOR ON DRAWING
- PULL BOX
- CIRCUIT BREAKER, 3 POLE
  225AF-INDICATES 225 AMPERE FRAME
  225AT-INDICATES 225 AMPERE TRIP
- FUSE W/FUSE HOLDER
  20A-INDICATES FUSE AMP RATING
  1P-INDICATES 1 POLE
- CURRENT TRANSFORMER AND METER
- GROUND FAULT PROTECTIVE RELAY
- GROUND

NOTES

1. ELECTRICAL CONTRACTOR SHALL PURCHASE AND MOUNT IN-HOUSE ALL REQUIRED COMPONENTS TO INSTALL A NEW BREAKER IN EXISTING PANEL.
2. ELECTRICAL CONTRACTOR SHALL PURCHASE AND INSTALL CUTTLER HAMMER POWER MANAGEMENT METERING DEVICE IQ-220 WITH ALL REQUIRED COMPONENTS INSTALLED FOR A COMPLETE WORKABLE SYSTEM, INCLUDING OF SPLIT-CORE C/T'S INSTALLED ON THE LOAD SIDE OF THE BREAKER. THE DISPLAY MONITOR SHALL BE MOUNTED IN AN ENCLOSURE INSTALLED REMOTELY FROM THE PANEL WITHIN THE EXISTING ELECTRICAL CLOSET. CONTROL POWER DERIVED FROM LINE VOLTAGE SHALL BE FUSED USING 1/8 AMP BUSSMAN FNO-R FUSE (OR EQUIVALENT). ALL WIRING SHALL BE IN ACCORDANCE TO MANUFACTURERS SPECIFICATIONS.
3. PROVIDE AND INSTALL A NEW 225A/480Y/277V PANEL IN NEMA 12 ENCLOSURE AS CALLED FOR ON DRAWINGS AND SCHEDULE. THE PANEL SHALL BE A SPLIT-BUS ARRANGEMENT WITH A 200A SPOLE MECHANICALLY HELD CONTACTOR CONTROLLING THE CONTROLLED PORTION OF THE BUS. CONTACTOR COIL VOLTAGE SHALL BE 277V. THE MAIN CIRCUIT BREAKER SHALL BE EQUIPPED WITH SHUNT TRIP AND GROUND FAULT PROTECTOR. THE CABINET SHALL BE EQUIPPED WITH A LOCKABLE COVER WITH NO HANDLES PROTRUDING BEYOND THE FACE OF THE ENCLOSURE. PANEL SHALL BE AS MANUFACTURED BY CUTTLER HAMMER POW-R-LINE SERIES OR APPROVED EQUAL.
4. PROVIDE AND INSTALL ELECTRONIC TIME CLOCK CONTROL UNIT IN A LOCKABLE NEMA 12 ENCLOSURE, UNIT SHALL BE CAPABLE OF CONTROLLING UP TO 128 EVENTS 24-HOUR, 7-DAY 366 DAYS A YEAR PLUS LEAP-YEAR. THE UNIT SHALL BE CAPABLE OF OPERATING AT 277 VOLTS WITH 277 VOLT CONTACTS. THE UNIT SHALL BE AS MANUFACTURED BY PARAGON MODEL # DLT1/277 OR APPROVED EQUAL.
5. ALL WORK SHALL BE DONE IN ACCORDANCE TO NEC, NFPA, LOCAL LAWS HAVING JURISDICTION AND PAN'S STANDARDS AND REQUIREMENTS.
6. COORDINATE ANY TRACK TIME NECESSARY SHUTDOWNS WITH PATH. DO NOT PERFORM ANY WORK UNTIL AN APPROVED SCHEDULE OF TRACK TIME AND SHUTDOWN IS ISSUED BY PATH.
7. ALL WIRE TAPS TO BE TAPED WITH SCOTCH #33 TAPE

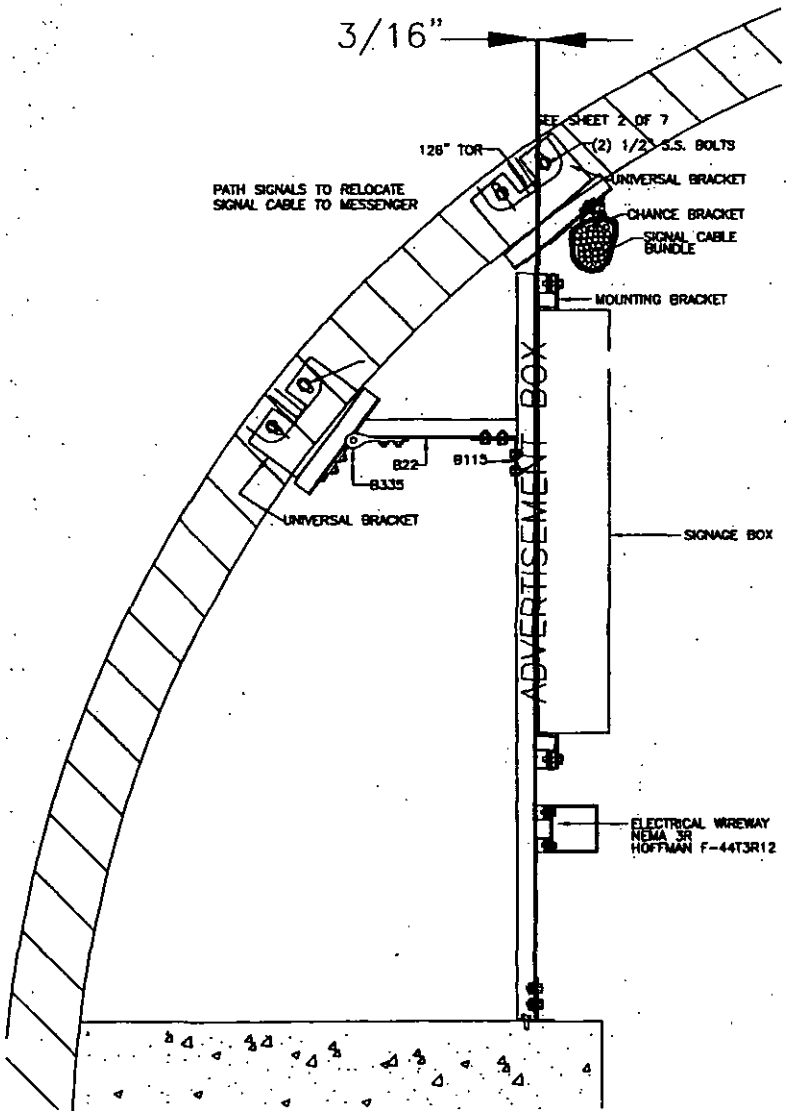
SUBMEDIA

REVISION: FOR SUBMISSION 11-25-03
REVISION: FOR SUBMISSION 10-22-03

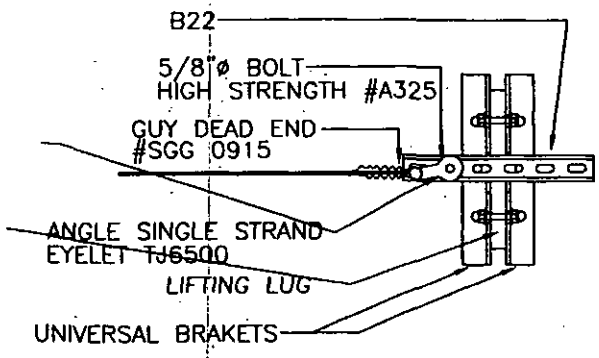
Daidone Electric, Inc.
World Trade Center
Ground Zero

DWG TITLE:
TUNNEL SIGNAGE -
WIRING DIAGRAMS AND SCHEDULES

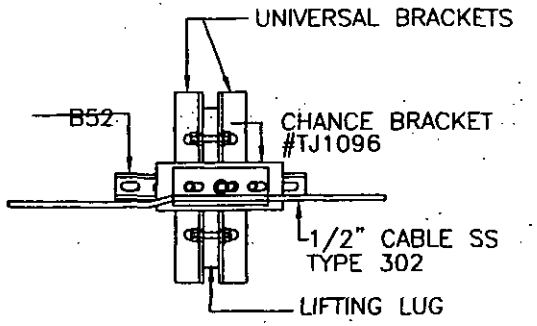
W.O.#: CMD-WT-	W.O.P. #
DRAWN BY: F.R.	SHEET 4 OF 7
CHECKED BY: D.D.	DATE: 02-02-04
SCALE: N.T.S.	SKT.



SIGNAL CABLE BUNDLE LOCATION
N.T.S.

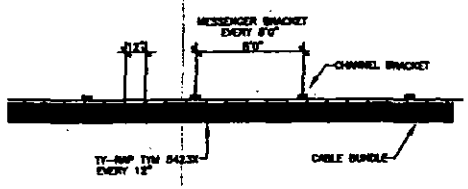


MESSENGER DEAD END

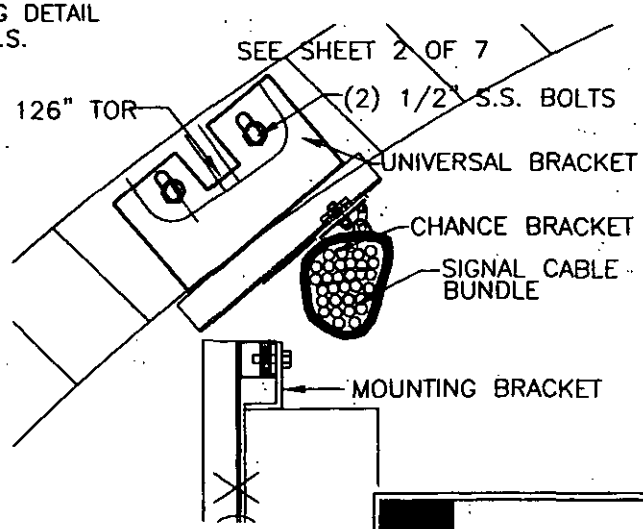


MESSENGER SUPPORT BRACKET

SIGNAL CABLE MOUNTING DETAIL
N.T.S.



MESSENGER LAYOUT
DETAIL
N.T.S.

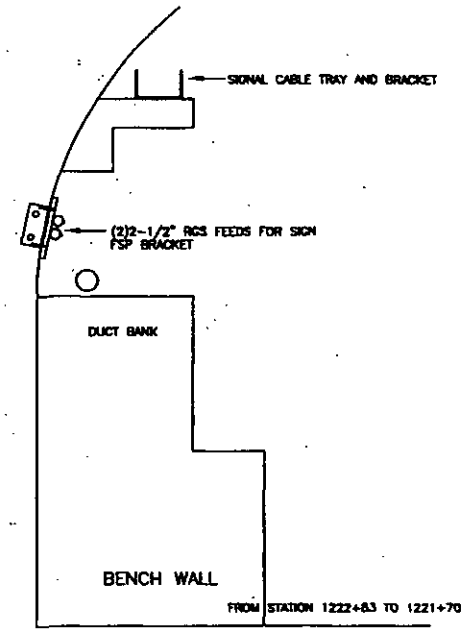


SIGNAL CABLE
BUNDLE DETAIL
N.T.S.

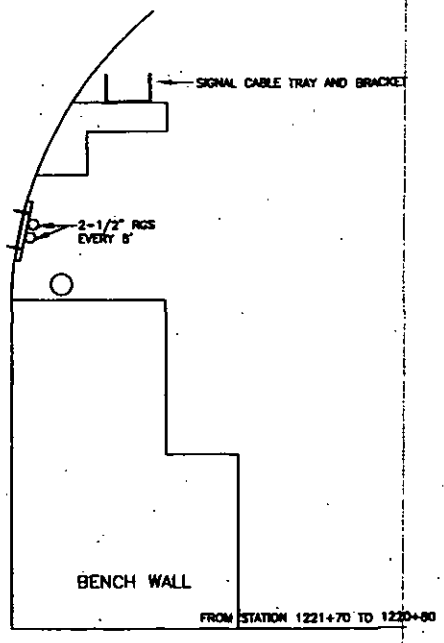
Cables to be supported by messenger				
			Weight	
	Cable	Types	per foot	
	Metal 12kV	7/0 #14	0.324	
		1/0 #8	0.113	
		4/0 #6	0.162	
	Metal 13KV	7/0 #14	0.324	
		1/0 #8	1.33	
		4/0 #6	0.162	
	Metal 23kV	7/0 #14	0.324	
		1/0 #8	0.113	
		4/0 #6	0.162	
	Metal 2-#6-2400	7/0 #14	0.324	
		1/0 #8	0.113	
		4/0 #6	1.33	
	Metal 2-#2-Metal	4/0 #6	0.162	
		4/0 #2	1.042	
	Cable	12kV #14	0.085	
		13kV #14	0.085	
		23kV #14	0.425	
	Common Control Wire 14KV	4-pr #18	0.21	
		12pr #18	0.423	
	Cable	100Pr #18	1.56	

SUBMEDIA

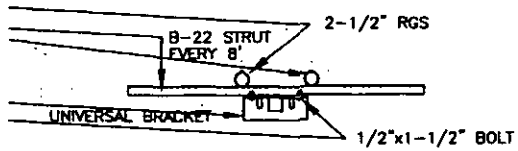
REVISION: FOR SUBMISSION 19-22-03	
REVISION: FOR SUBMISSION 10-22-03	
DWG TITLE: TUNNEL SIGNAGE MESSENGER DETAILS	
W.O.#: CMO-WT-	W.O.P. #
DRAWN BY: F.B	SHEET 5 OF 7
CHECKED BY: D.D.	DATE: 02-02-04
SCALE: N.T.S.	SKT.

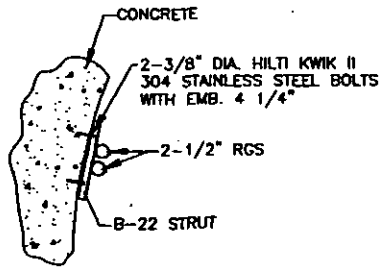


CONDUIT RACEWAY CAST IRON
DETAIL
SCALE: 1/2"=1'-0"



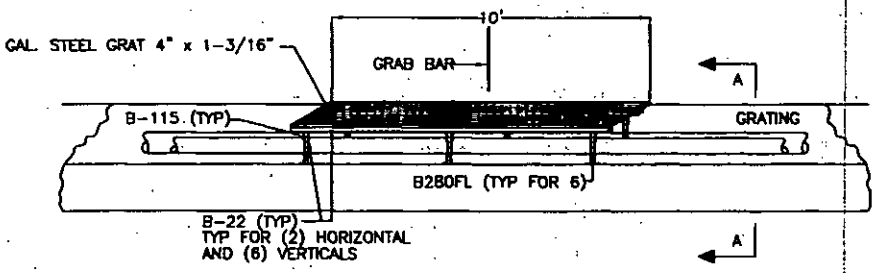
CONDUIT RACEWAY CONCRETE
DETAIL
SCALE: 1/2"=1'-0"



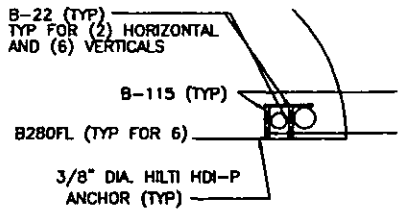


SUBMEDIA

REVISION: FOR SUBMISSION 11-25-03	
REVISION: FOR SUBMISSION 10-22-03	
DWG TITLE: TUNNEL SIGNAGE CONDUIT RACEWAY	
W.O.#: CMD-WT-	W.O.P. #
DRAWN BY: F.R.	SHEET 6 OF 7
CHECKED BY: D.D.	DATE: 02-02-04
SCALE: N.T.S.	SKT.



SAFETY BENCH LAYOUT
DETAIL
SCALE: 1/2"=1'-0"



SECTION A-A
SCALE: 1/2"=1'-0"

SUBMEDIA

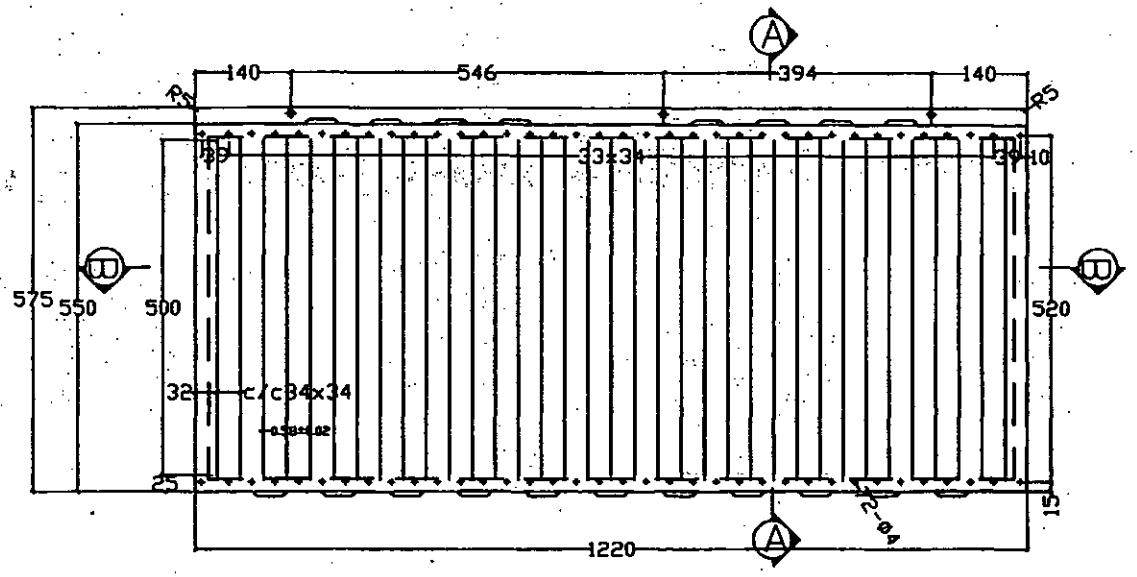
REVISION: FOR REVIEW 11-23-03
REVISION: FOR REVIEW 10-21-03

DWG TITLE: TUNNEL SIGNAGE OPTIONAL BENCH

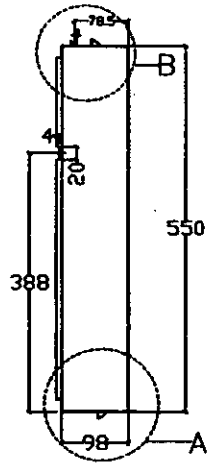
W.O.#: CMD-WT-	W.O.P. #
DRAWN BY: F.R.	SHEET 7 OF 7
CHECKED BY: D.D.	DATE: 02-02-04
SCALE: N.T.S.	SKT.

材料: 1.0MM冷轧钢板

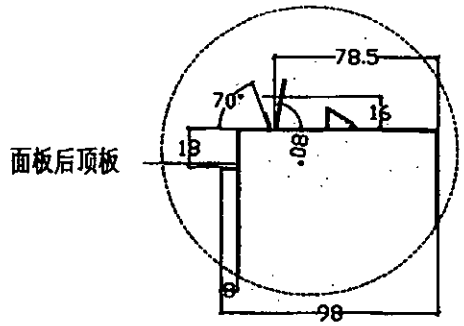
数量: 10件



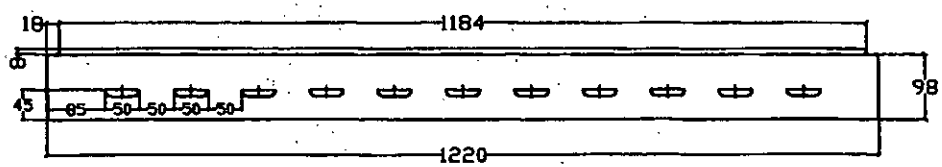
俯视图



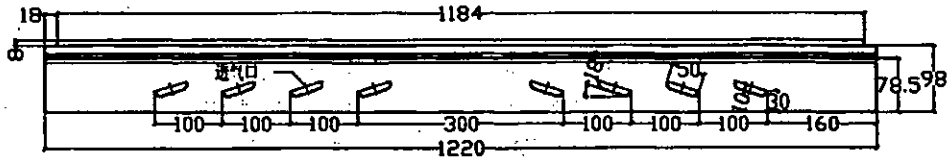
A—A



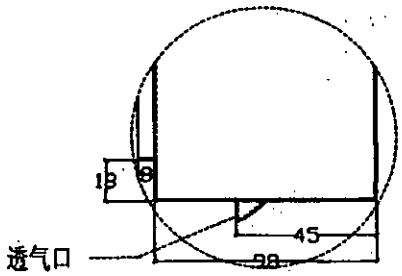
B放大图



B—B



俯视图



A放大图

技术要求

1:保证灯箱外形及对角公差为±0.5.

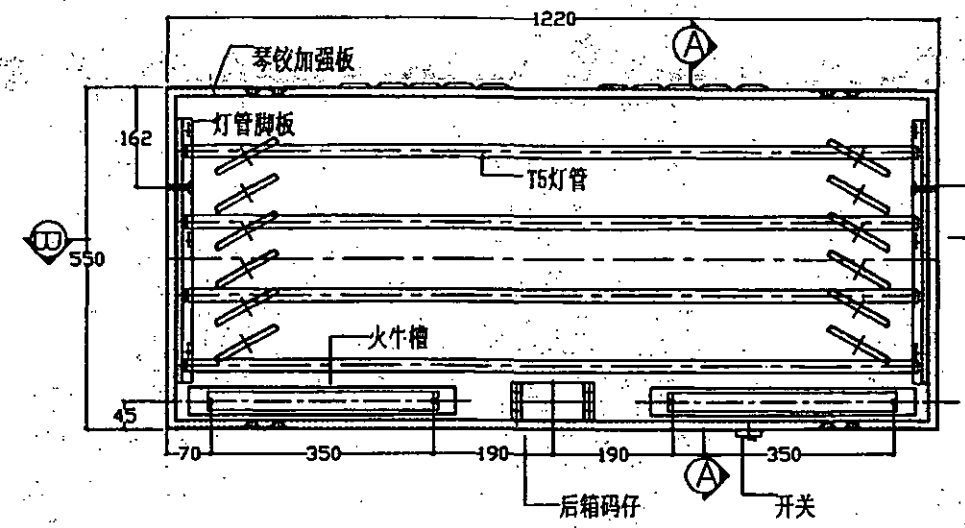
2:前框内外表面喷亚黑色粉，粉层厚度40UM-80UM。

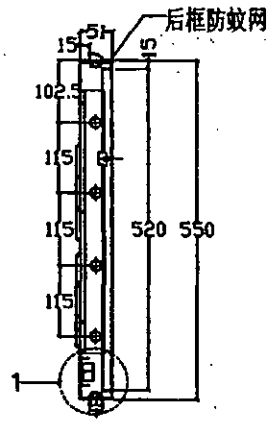
3: 后框外表面喷黑色粉，后框内表面喷白色油。

4: 面框背面铝方通两端打Φ4铝拉钉，中间打防火玻璃胶。

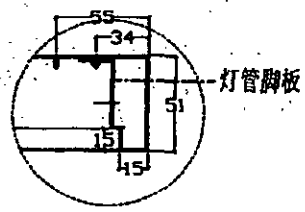
标记	修改内容	签名	日期

产品名称	博利器 Prospero Metal Products (Shenzhen) Co., Ltd.			
WD550A-001款新式动画灯箱面板	绘图 胡元炳	28/7-04	设计	
	审核		工艺	
	单重		总重	
图号: P984-WD550A-005	比例 AS SHOWN		单位 mm	
参考图号:	共 页		第 页	

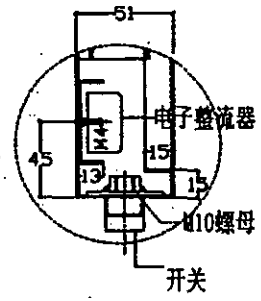




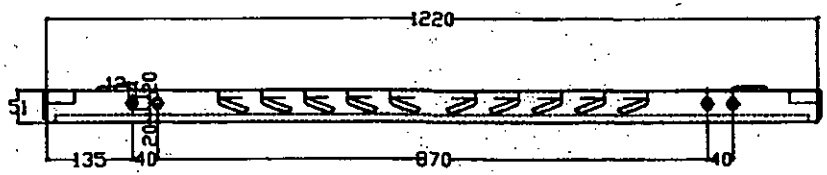
A－A



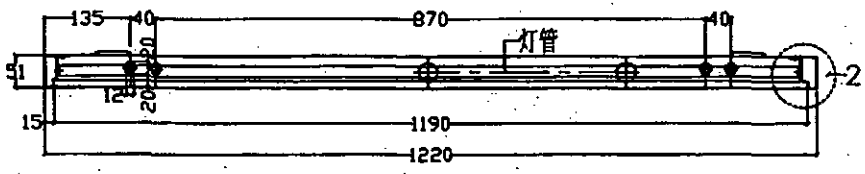
2放大图



1放大图



俯视图



B－B

技术要求1:保证灯箱外形及对角公差为±0.5.

2:前框内外表面喷亚黑色粉，粉层厚度达40UM-80UM。

3:后框外表面喷黑色粉，后框内表面喷白色油。

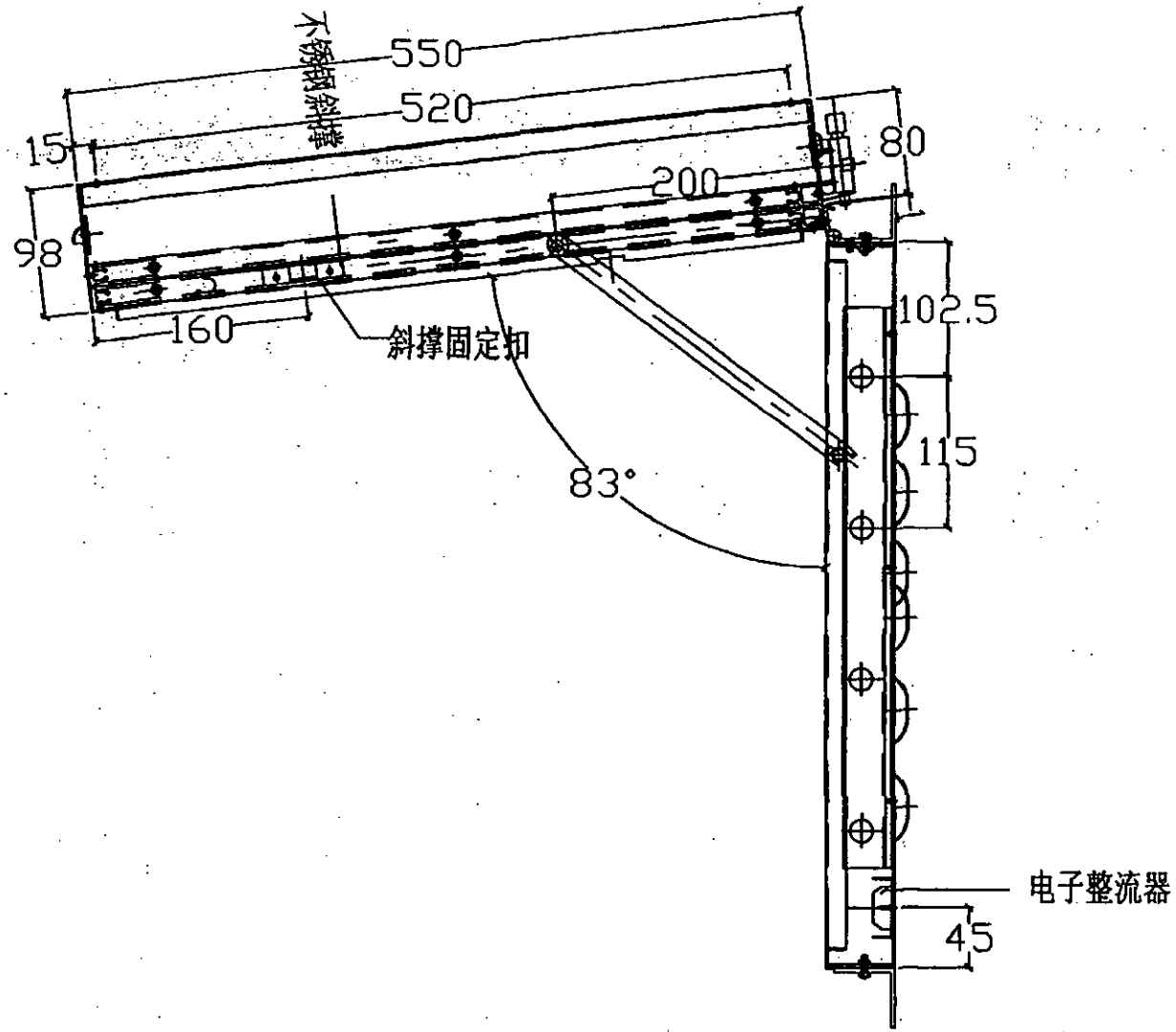
4:面板背后铝方通上下端用铝拉钉，中间用防火胶粘结。

标记	修改内容	签名	日期

产品名称				
WD550A-001款新式动画灯箱后框装配图				
图号: P984-WD550A-003				
参考图号:				

Prospero Home Products (Shenzhen) Co.,Ltd.

绘图	胡元炳	26/7-04	设计	
审核			工艺	
单重			总重	
比例	AS SHOWN		单位	mm
共	页		第	页



技术要求 保证灯箱外形及对角公差为±0.5.

2:前框内外表面喷亚黑色粉，粉层厚度40UM-80UM。

3：后框外表面喷黑色粉，后框内表面喷白色油。

4：面框背面铝方通两端打Ø4铝拉钉，中间打防火玻璃胶。

标记	修改内容	签名	日期

产品名称

WD550A-001款新式动画灯箱打开状态

图号：P984-WD550A-002

参考图号：

Prospero Metal Products (Shenzhen) Co. Ltd.

绘图	胡元炳	26/7-04	设计	
审核			工艺	
单重			总重	
比例	AS SHOWN		单位	mm
共	页		第	页

I- Attachment C – Proposer Reference Form

ATTACHMENT C - PROPOSER REFERENCE FORM

Name of Proposer: SUBMEDIA, LLC

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name: CTA - Chicago Transit Authority
Address: 567 West LAKE STREET, Chicago, IL 60661
Contact Name and Title: STEVE KELSO, PROCUREMENT MANAGER
Phone and Fax Numbers of Contact: 312 - 932-2168
Contract date(s): MARCH 2005 TO PRESENT (THROUGH 2008)
Contract cost: CAPITAL COST Approx. $450,000 SO FAR + REVSHARE TO CTA
Description of work:
TUNNEL ADVERTISING

Customer Name: PATH
Address: One PATH PLAZA, Jersey City, NJ 07306
Contact Name and Title: JOE RIOPEL - MANAGER, OPERATIONS
Phone and Fax Numbers of Contact: 201-216-6481
Contract date(s): 2001 THROUGH PRESENT (THROUGH 2009)
Contract cost: CAPITAL COST Approx $2.5 MM + REVENUE SHARE TO PATH
Description of Work:
TUNNEL ADVERTISING

Customer Name: Aldridge Electric, Inc.
Address: 28572 North Bradley ROAD, Libertyville, IL, 60048
Contact Name and Title: Jim Bradley, Project MANAGER
Phone and Fax Numbers of Contact: 847-321-8321
Contract date (s): March 2005 TO PRESENT
Contract cost: $ 140,000
Description of work: CONTRACTOR - Installed displays in Chicago