

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, November 15, 2007

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, November 15, 2007 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. Anthony R. Coscia, Chairman
 Hon. Virginia S. Bauer
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. David S. Steiner

NEW YORK

Hon. Henry R. Silverman, Vice-Chairman
 Hon. Bruce A. Blakeman
 Hon. Michael J. Chasanoff
 Hon. Christine A. Ferer
 Hon. David S. Mack

Anthony E. Shorris, Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

Sophie Arianas, Senior Executive Secretary, Chief Financial Officer
 Diana E. Beecher, Chief Technology Officer
 A. Paul Blanco, Chief Financial Officer
 John D. Brill, Director, Audit
 Ernesto L. Butcher, Deputy Executive Director, Operations
 Rosemary Chiricolo, Assistant Director, Management and Budget
 Arthur J. Cifelli, Deputy Chief of Staff
 Steven J. Coleman, Assistant Director, Media Relations, Public Affairs
 William R. DeCota, Director, Aviation
 John C. Denise, Audio Visual Supervisor, Public Affairs
 Michael P. DePallo, Director, Rail Transit
 Michael P. Dombrowski, Cinematographer, Public Affairs
 John J. Drobny, Director, Project Management
 Ziomara Y. Foster, Principal Business Manager, Office of the Secretary
 Michael B. Francois, Director, Development
 Cedrick T. Fulton, Deputy Director, Tunnels, Bridges and Terminals
 William H. Goldstein, Deputy Executive Director, Capital Programs
 Linda C. Handel, Assistant Secretary
 Alan H. Hicks, Senior Public Information Officer, Public and Government Affairs
 Howard G. Kadin, Senior Attorney, Law
 Kevin J. Kirchman, Deputy Director, Public Affairs
 Jason E. Kirin, Client Manager, Government and Community Relations
 Louis J. LaCapra, Chief Administrative Officer
 Marc LaVorgna, Assistant Director, Media Relations, Public Affairs
 Susan Bass Levin, First Deputy Executive Director
 Dennis Lombardi, Deputy Director, Port Commerce
 Francis J. Lombardi, Chief Engineer
 Norma L. Manigan, Program Director, External Affairs, Public Affairs
 Stephen Marinko, Attorney, Law
 Catherine M. Massab, Supervising Office Assistant, Office of the Secretary
 Michael G. Massiah, Director, Management and Budget
 Candace McAdams, Director, Media Relations, Public Affairs
 James E. McCoy, Manager, Board Management Support, Office of the Secretary

Camille T. Moglia, Staff Business Manager, Chief Financial Officer
Christopher J. Mohr, Board Management Support Specialist, Office of the Secretary
Anne Marie C. Mulligan, Treasurer
Mark F. Muriello, Assistant Director, Operations Support, Tunnels, Bridges and Terminals
Lynn A. Nerney, Senior Business Manager, Office of the Secretary
Tony F. Oliver, Senior Marketing Analyst, Public and Government Affairs
Samuel J. Plumeri, Superintendent of Police/Director of Public Safety
Andrew M. Rachlin, Special Assistant to the Executive Director
Andrea Roitman, Director, Procurement
Richard R. Roper, Director, Planning
Stephen H. Sigmund, Chief, Public and Government Affairs
Gerry B. Stoughton, General Manager, Forecast and Capital Plan, Management and Budget
Lillian D. Valenti, Deputy Director, Procurement
Sheree R. Van Duyne, Manager of Policies and Protocol, Office of the Secretary
Jon S. Weston, Assistant Director, Capital Programs
William J. Young, Principal Policy Analyst, Public Affairs

Guest:

Sonia Frontera, Authorities Unit, Office of the Governor of New Jersey

Public Speakers:

Zoe Baldwin, Tri-State Transportation Campaign
Richard Barone, Regional Plan Association
Bryan Kortis, Neighborhood Cats
Dr. Gay Senk, DVM
Valerie Sicignano, In Defense of Animals

The public session was called to order by Chairman Coscia at 2:04 p.m. and ended at 2:54 p.m. The Board met in executive session prior to the public session. Commissioner Silverman was present for a portion of the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of October 18, 2007. She reported that copies of these Minutes were sent to all of the Commissioners and to the Governors of New York and New Jersey. She reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Commissioners unanimously approved the Minutes.

The Secretary reported that the Minutes of the Board Meetings held on April 27, 2005, May 25, 2006 and March 29, 2007, which approved appointments to the Port Authority Labor Relations Panel (the Panel), have been corrected to reflect the last date of amendment of the Labor Relations Instruction as December 8, 1983. In addition, the second paragraph on page 69 of the March 29, 2007 Minutes concerning an appointment to the Panel has been corrected to read as follows: “The Instruction, as amended on December 8, 1983, provides for the Board to appoint a three-member Panel, including a New Jersey Member, to administer the Instruction.”

Documents Filed with the Board

It was reported that the comment period for the Rules for Implementation of a Wage and Benefits Policy for Non-Trade Labor Service Contracts, which was filed with the Board on September 20, 2007, had expired.

Report of World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee reported, for information, on matters discussed in public session at its meeting on November 15, 2007, which included discussion of certain early-action construction work necessary for Towers 3 and 4 at the World Trade Center site, and discussion of progress in identifying private investors for the development of the Freedom Tower and the status of retail development efforts at the site, and the report was received.

Report of Security Committee

The Security Committee reported, for information, on matters discussed in executive session at its meeting on November 15, 2007, which included matters involving public safety or law enforcement, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in public session at its meeting on November 15, 2007, which included discussion of a Port Authority Plan of Financing, and the report was received.

Executive Director's Report

The Executive Director provided a status report on various projects and accomplishments since the Board's last meeting.

Staff Presentation

A presentation was made by staff on 2007 Performance and 2008 Objectives/2008 Budget and Capital Plan.

**PORT NEWARK – HUDSON TANK STORAGE COMPANY – LEASE L-NS-867,
AMENDMENT TO LEASE SUPPLEMENT**

It was recommended that the Board amend its December 8, 2005 authorization regarding a lease extension with Hudson Tank Storage Company (Hudson Tank) by deferring the commencement of the Port Authority's right to terminate the lease from May 31, 2010 to May 31, 2017. In consideration of this revision, Hudson Tank would pay a premium of five percent over the rental rates approved by the Board.

The December 2005 authorization provided for an 18-year lease extension with Hudson Tank, expiring on May 31, 2023, including a Port Authority right to terminate the lease on or after May 31, 2010, upon three years' prior written notice. However, staff's intention was that a three-year notice period commence on May 31, 2010, with the earliest date of termination to be May 31, 2013, which was the arrangement that had been negotiated by staff with Hudson Tank. Subsequently, Hudson Tank, which had reluctantly agreed to the Port Authority termination right effective in 2013, refused to sign the agreement, objecting to any Port Authority termination rights and contending that it needed more time to recapture its investment in the facility and that securing financing on such terms was, at best, difficult. Negotiations with Hudson Tank became contentious, to the point that a Notice to Quit and Demand for Possession was served on Hudson Tank. Over the next year, after much correspondence and numerous meetings with Hudson Tank, staff also reevaluated the Port Newark Land Use options and determined that it was acceptable to postpone the Port Authority's effective date of termination until on or after May 31, 2017 in exchange for an increased rental payment. Hudson Tank has agreed to an effective termination date of on or after May 31, 2017 and a five-percent increase in the rental rates that were previously authorized by the Board in December 2005. The revised lease document was prepared and executed by Hudson Tank on August 7, 2007. All other terms and conditions of the Hudson Tank transaction would remain as previously authorized.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Ferer, Mack, Pocino, Sartor and Steiner voting in favor; none against:

RESOLVED, that the authorization granted by the Board at its December 8, 2005 meeting to the Executive Director, for and on behalf of the Port Authority, to enter into a lease extension with Hudson Tank Storage Company be amended by deferring the commencement of the Port Authority's right to terminate the lease from May 31, 2010 to May 31, 2017, substantially in accordance with the terms and conditions outlined to the Board; and it is further

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

**BROOKLYN-PORT AUTHORITY MARINE TERMINAL – NEW YORK CITY
ECONOMIC DEVELOPMENT CORPORATION – BROOKLYN CRUISE
TERMINAL OPERATING CONTRACT**

It was recommended that the Board authorize the Executive Director to: (1) extend the operating contract with the New York City Economic Development Corporation (NYCEDC) for the Port Authority to operate the Brooklyn Cruise Terminal for a two-year period, at an estimated reimbursement to the Port Authority of \$1,185,671 in the first year against its facility operating budget for labor and miscellaneous expenses, with a three-percent increase in the second year; and (2) upon mutual agreement with the NYCEDC, extend the operating contract for three additional one-year periods, with the contract reimbursement to increase at three percent per year.

At its meeting of September 23, 2004, the Board authorized a lease with NYCEDC for the development of a passenger cruise terminal on Piers 11 and 12 at the Brooklyn-Port Authority Marine Terminal (BPAMT), and, subsequently, the NYCEDC developed the Brooklyn Cruise Terminal, a \$56 million world-class facility. At its meeting of December 8, 2005, the Board authorized the Executive Director to: enter into an operating contract regarding the Brooklyn Cruise Terminal for a one-year period; extend the operating contract for a one-year period at the option of the NYCEDC; enter into a contract with FJC Security Services, Inc. for a one-year period to provide unarmed uniformed guard services at the cruise terminal; and exercise, in his discretion, a one-year renewal option of the guard services contract.

The Brooklyn Cruise Terminal's first full cruise season commenced in the spring of 2006 and was a great success, during which it handled approximately 186,000 passengers. Last year, out of all of its homeports, Princess Cruise Lines named the Brooklyn Cruise Terminal "Port of the Year" for outstanding customer service and *Porthole Magazine* named the terminal "Most Outstanding Cruise Port." The NYCEDC has requested that the Port Authority continue to operate the Brooklyn Cruise Terminal through the 2008 and 2009 cruise seasons, with options to extend the agreement for three additional years.

Under the proposed contract, the Port Authority would act as the terminal operator for the Brooklyn Cruise Terminal, and perform general upkeep and maintenance and repairs to the buildings and site, utilizing the existing staff at the BPAMT. The Port Authority would enter into service contracts for security, cleaning, concessions, and taxi and limousine service, and have overall responsibility for all service contractors at the terminal, including NYCEDC's contractor for parking lot operations. The Port Authority would be fully reimbursed by the NYCEDC for all contracted services.

Ensuring the success of the Brooklyn Cruise Terminal would enable the City of New York to meet its policy objective to expand cruise industry capacity and preserve maritime jobs and activity on the Brooklyn piers.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Ferer, Mack and Sartor voting in favor; none against; Commissioners Pocino and Steiner recused:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (1) extend the operating contract with the New York City Economic Development Corporation for the Port Authority to operate the Brooklyn Cruise Terminal for a two-year period, at an estimated reimbursement to the Port Authority of \$1,185,671 in the first year against its facility operating budget for labor and miscellaneous expenses, with a three-percent increase in the second year; and (2) by mutual agreement, extend the operating contract for three additional one-year periods, with the contract reimbursement to increase at three percent per year; the form of the foregoing agreements shall be subject to the approval of General Counsel or his authorized representative.

**UNITED STATES DEPARTMENT OF HOMELAND SECURITY FISCAL YEAR 2007
PORT SECURITY GRANT PROGRAM – AGREEMENTS WITH VARIOUS
LAW ENFORCEMENT AGENCIES AND EMERGENCY RESPONDERS FOR
THE PURCHASE AND TRANSFER OF EQUIPMENT**

It was recommended that the Board authorize the Executive Director to enter into agreements with various federal, state and local law enforcement agencies and emergency responders to provide for the purchase of certain equipment by the Port Authority and the transfer of title of said equipment to federal, regional and local law enforcement agencies and emergency responders for the purpose of enhancing the coordination of maritime security efforts among law enforcement and emergency responder vessels operating in the Port of New York and New Jersey, as part of a United States Department of Homeland Security (DHS) 2007 Port Security Grant Program.

The Port of New York and New Jersey is a large geographic area with hundreds of maritime facilities and critical infrastructure; therefore, maritime security must be a shared and coordinated effort of many federal, state and local agencies. As part of the DHS 2007 Port Security Grant Program, the Port Authority has been awarded \$363,751 of the \$485,003 required to purchase and install equipment that is necessary to enhance strategic planning and response capabilities among federal, state and local law enforcement and emergency responder vessels, including Port Authority Police Department vessels, that currently support the United States Coast Guard (USCG) Sector New York's Maritime Security mission. The Port Authority will serve as the local sponsor for the initiative and will be responsible for 25 percent of costs associated with the program.

Agreements outlining roles and responsibilities for the ongoing operation and maintenance of the equipment, and for the transfer of title from the Port Authority, would be entered into with the federal, state and local law enforcement agencies and emergency responders accepting the equipment.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Ferer, Mack, Pocino, Sartor and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with various federal, state and local law enforcement agencies and emergency responders to provide for the purchase of certain equipment by the Port Authority and the transfer of title of said equipment to the law enforcement agencies and emergency responders for the purpose of enhancing the coordination of maritime security efforts among law enforcement and emergency responder vessels operating in the Port of New York and New Jersey, as part of a United States Department of Homeland Security 2007 Port Security Grant Program; the form of the agreements shall be subject to the approval of General Counsel or his authorized representative.

RESCISSION AND CANCELLATION OF RESOLUTIONS AUTHORIZING CONSOLIDATED BONDS, ONE HUNDRED FIFTIETH SERIES THROUGH CONSOLIDATED BONDS, ONE HUNDRED FIFTY-THIRD SERIES AND CONSOLIDATED NOTES, SERIES ZZ, SERIES AAA, SERIES BBB AND SERIES CCC

The Board at its meeting on November 18, 2004, among other matters, established and authorized the issuance of, and authorized the sale of, Consolidated Bonds, One Hundred Thirty-ninth Series through Consolidated Bonds, One Hundred Fifty-third Series and Consolidated Notes, Series YY, Series ZZ, Series AAA, Series BBB and Series CCC. In place of these series, action with respect to the Authority's continuing plan of financing, consisting in part of Consolidated Bonds and Consolidated Notes, is to be considered today by the Board in connection with the anticipated requirements associated with the Authority's capital program projections.

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

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Ferer, Mack, Pocino, Sartor and Steiner voting in favor; none against:

RESOLVED, that the resolutions of the Authority adopted November 18, 2004, entitled "*Consolidated Bonds, One Hundred Thirty-ninth Series through Consolidated Bonds, One Hundred Fifty-third Series—Establishment and Issuance*" and "*Consolidated Bonds, One Hundred Thirty-ninth Series through Consolidated Bonds, One Hundred Fifty-third Series—Sale*", solely with respect to Consolidated Bonds, One Hundred Fiftieth Series through Consolidated Bonds, One Hundred Fifty-third Series, are rescinded and cancelled in their entirety; and it is further

RESOLVED, that the resolutions of the Authority adopted November 18, 2004, entitled "*Consolidated Notes, Series YY, Series ZZ, Series AAA, Series BBB and Series CCC—Establishment and Issuance*" and "*Consolidated Notes, Series YY, Series ZZ, Series AAA, Series BBB and Series CCC—Sale*", solely with respect to Consolidated Notes, Series ZZ, Series AAA, Series BBB and Series CCC, are rescinded and cancelled in their entirety.

PORT AUTHORITY PLAN OF FINANCING – REPORT

It was recommended that the Board of Commissioners take the actions summarized below in connection with the Port Authority's bonds and notes. As in the past, the recommended actions, which would continue to provide the Port Authority with flexible access to the financial markets, are part of an approval process required by Federal tax law for certain municipal obligations. The plan of financing adopted by the Board as part of this process generally has a three year life; the last such plan was adopted in November 2004.

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

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

Public Hearings

On November 14, 2007, public hearings in connection with this plan of financing, consistent with, and to the extent provided under, the public approval provisions of Section 147(f) of the Internal Revenue Code of 1986, were conducted by staff of the Authority's Treasury Department at the offices of the Authority located at 225 Park Avenue South, New York, New York and at the Journal Square Transportation Center, Jersey City, New Jersey, pursuant to notices published on October 22, 2007, in *The New York Times*, a newspaper of general circulation in the New York portion of the Port District, and in *The Star-Ledger*, a newspaper of general circulation in the New Jersey portion of the Port District.

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

of the Authority adopted May 26, 2005, entitled “*Port Authority Commercial Paper Obligations-Resolution*”; and Port Authority Special Project Bonds to be denominated as Special Project Bonds, Series 2R, LaGuardia Airport Passenger Terminal Project, all to be issued and sold in connection with this plan of financing for authorized purposes, including in connection with certain of the facilities of the Port Authority, to wit: the Holland Tunnel; Lincoln Tunnel; George Washington Bridge; Bayonne Bridge; Goethals Bridge; Outerbridge Crossing; Port Authority Bus Terminal; Hudson Tubes (PATH); Meadowlands Passenger Rail Facility, a two-track rail spur linking New Jersey Transit Corporation’s Pascack Valley Rail Line to the Meadowlands Sports Complex located in Secaucus, N.J.; Trans-Hudson Ferry Service, a facility for the provision of commuter ferry transportation services between terminal facilities in the Port District; LaGuardia Airport; John F. Kennedy International Airport; Newark Liberty International Airport; Teterboro Airport; Stewart International Airport, an airport facility located near Newburgh, N.Y.; Port Newark; Brooklyn-Port Authority Marine Terminal; Elizabeth-Port Authority Marine Terminal; Greenville Yard-Port Authority Marine Terminal; Howland Hook Marine Terminal; Port Authority Auto Marine Terminal, a marine terminal facility for imported automobiles located in Bayonne and Jersey City, N.J.; Hoboken South Waterfront Development Facility located in Hoboken, N.J.; Queens West Waterfront Development Facility located in Hunters Point, Queens, N.Y.; Oak Point Rail Freight Link, a rail freight improvement project in The Bronx, N.Y.; World Trade Center, a facility of commerce in Manhattan, N.Y. (which was destroyed in the September 11, 2001 terrorist attacks and is currently under redevelopment); Newark Legal and Communications Center, a legal and communications center in Newark, N.J.; Teleport, a satellite communications center at the Staten Island Industrial Park, Staten Island, N.Y.; Bathgate Industrial Park, an industrial park in The Bronx, N.Y.; Port Authority Industrial Park at Elizabeth, an industrial park in Elizabeth, N.J.; Newark South Ward Industrial Park, an industrial park in Newark, N.J.; Essex County Resource Recovery Facility, a mass-burn resource recovery facility in Newark, N.J.; Pre-development Site Acquisition Program, a facility for acquisition of real property; Regional Development Facility, a facility for certain of the economic development and infrastructure renewal projects to be undertaken at the request of the States of New Jersey and New York; New Jersey Marine Development Program, a facility for certain fishery, marine or port development projects to be undertaken at the request of the State of New Jersey; Regional Economic Development Program, a facility for certain of the transportation and economic development and infrastructure renewal projects to be undertaken at the request of the States of New Jersey and New York; Regional Transportation Program, a facility for certain regional transportation projects in the States of New York and New Jersey; New York Transportation, Economic Development and Infrastructure Renewal Program, a facility for certain transportation, economic development and infrastructure renewal projects to be undertaken at the request of the State of New York; Hudson-Raritan Estuary Resources Program, a facility for the acquisition of certain real property in the Hudson-Raritan Estuary; and the Regional Rail Freight Program, a facility for the development of certain regional freight projects to provide for increased rail freight capacity, in each case (other than Stewart International Airport), located in the Port of New York District. The initial owner, operator or manager of these facilities is or will be the Port Authority or one of its wholly owned entities (presently, Port Authority Trans-Hudson Corporation, Newark Legal and Communications Center Urban Renewal Corporation, New York and New Jersey Railroad Corporation, WTC Retail LLC, 1 World Trade Center LLC, and Port District Capital Projects LLC). The major projects presently authorized or which may be authorized by the Port Authority while this plan of financing remains in effect include: LaGuardia Airport, security upgrades, central terminal building improvements, general runway, taxiway and roadway modification, paving and utility improvements; John F. Kennedy International Airport, construction of additional terminal

facilities, general runway, taxiway and roadway modification and paving, construction of additional parking facilities, ancillary airport buildings, central terminal area roadway construction, and related infrastructure and utility improvements, security enhancements and fire system upgrades; Newark Liberty International Airport, general runway, taxiway and roadway modification and paving, construction of terminal improvements, mid-life overhaul of monorail system expansion of monorail trains to seven cars, construction of additional parking facilities and security enhancements; Teterboro Airport, general runway and taxiway modifications and security enhancements; Stewart International Airport, general runway, taxiway and roadway modification, paving and utility improvements, construction of additional parking facilities and security enhancements; Howland Hook Marine Terminal, improvements to existing intermodal rail freight terminals, expansion and rehabilitation of existing rail freight support yards and security enhancements; Port Newark, various rail freight projects to improve rail freight services among facilities and the national rail system, berth replacement, building construction, roadway and terminal improvements and security enhancements; Elizabeth-Port Authority Marine Terminal, various rail freight projects to improve rail freight services among facilities and the national rail system, berth deepening, building construction, roadway and terminal improvements and security enhancements; Brooklyn-Port Authority Marine Terminal, wharf and pier rehabilitation; Port Authority Auto Marine Terminal, berth deepening, building construction, roadway and terminal improvements and security enhancements; World Trade Center site restoration activities, including the design and construction of various office and retail components of the World Trade Center Site, a World Trade Center Transportation Hub, which includes the permanent PATH World Trade Center terminal, a memorial and memorial-related improvements and cultural uses, vehicle security facilities and site-wide infrastructure; capital improvements related to safety, security, maintenance, rehabilitation and expansion of service at the Port Authority Bus Terminal, George Washington Bridge, Lincoln Tunnel, Holland Tunnel, Goethals Bridge, Bayonne Bridge, Outerbridge Crossing, Meadowlands Passenger Rail Facility, and PATH; Trans-Hudson Ferry service, construction of permanent ferry terminals to be located in the vicinity of New Jersey Transit Corporation's rail and bus terminals and PATH's Hoboken station in Hoboken, N.J., and in the vicinity of Battery Park City in lower Manhattan, N.Y.; Queens West Waterfront Development Facility, participation in mixed use waterfront development project; Hoboken South Waterfront Development Facility, participation in mixed use waterfront development project; the Trans-Hudson Express (THE) Tunnel project, consisting of: construction of a passenger rail tunnel connecting New York City to New Jersey and to Rockland and Orange Counties in New York, expansion of Penn Station New York under 34th Street in Manhattan, rail improvements to the Northeast Corridor between New Jersey and New York, and the acquisition of certain related real property or property rights; other miscellaneous capital improvements and replacements and acquisitions of equipment in connection with the facilities of the Port Authority; and a comprehensive general port improvement project in the Port of New York and New Jersey, including channel deepening, dredging and disposal of dredged materials, which is also expected to be of benefit to the Port Authority's marine terminal facilities. The obligations of the Port Authority to be issued in connection with this plan of financing and to which the provisions of Section 147(f) of the Internal Revenue Code of 1986 would be applicable, would be in the maximum aggregate principal amounts noted below: each of Consolidated Bonds, One Hundred Fiftieth Series through One Hundred Sixty-fourth Series, inclusive, would be in the principal amount of up to \$500,000,000; each of Consolidated Notes, Series ZZ, Series AAA, Series BBB, Series CCC, and Series DDD, would be in the principal amount of up to \$300,000,000; each series of Versatile Structure Obligations would be in the principal amount of up to \$500,000,000 for a total aggregate principal amount not in excess of \$3,500,000,000; Variable Rate Master Notes would be issued in one or more series but not in

excess of a total aggregate principal amount of \$400,000,000; Equipment Notes would be issued in one or more series but not in excess of a total aggregate principal amount of \$250,000,000; Commercial Paper Obligations would be issued in one or more series but not in excess of a total aggregate principal amount of \$500,000,000 outstanding at any one time; and Special Project Bonds, Series 2R would be in a total aggregate principal amount of up to \$150,000,000.”

Today’s Actions Pertaining to this Plan of Financing

The Board would establish Consolidated Bonds, One Hundred Fiftieth Series through Consolidated Bonds, One Hundred Sixty-fourth Series, and would authorize the issuance and sale of each series in aggregate principal amount of up to \$500 million at a true interest cost to the Authority not in excess of 8 percent for a term not in excess of 35 years. The Board would also establish Consolidated Notes, Series ZZ, Series AAA, Series BBB, Series CCC and Series DDD, and would authorize the issuance and sale of each series in aggregate principal amount of up to \$300 million at a true interest cost to the Authority not in excess of 8 percent for a term not in excess of 3 years. The Committee on Finance would be authorized to sell and to deliver all or any part of each of such series with such terms and at such time or times as it deems appropriate, at public or private sale, and would also be authorized to take, and to delegate authority for, certain actions with respect to each of such series. An Authorized Officer of the Authority would be authorized to take any and all action that could be taken by the Committee on Finance in connection with each of such series, but only if such series is issued and sold on a competitive basis. The issuance and sale on a competitive basis would include submission by underwriters of sealed bids to be opened publicly; submission by underwriters of bids or other offers to purchase by electronic means through generally accepted procedures in the financial markets; and submission by underwriters of bids or other offers to purchase in response to written or telephonic requests for proposals directed to selected underwriters. Prior to the scheduling by an Authorized Officer of any competitive sale of Consolidated Bonds or Notes, such Authorized Officer would review the proposed issuance with the Chairman of the Committee on Finance and, to the extent practicable, the other members of the Committee.

**CONSOLIDATED BONDS, ONE HUNDRED FIFTIETH SERIES THROUGH
CONSOLIDATED BONDS, ONE HUNDRED SIXTY-FOURTH SERIES -
ESTABLISHMENT AND ISSUANCE**

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Ferer, Mack, Pocino, Sartor and Steiner voting in favor; none against:

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

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

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

NOW, THEREFORE, be it resolved by the Authority:

SECTION 1. As used in this resolution, any words or phrases specifically defined in the Consolidated Bond Resolution shall be read and construed in accordance with such specific definitions. As used in this resolution, the term “Authorized Officer” shall mean any of the officers or employees of the Authority designated as such from time to time by the Chairman; Vice-Chairman; Chairman of the Committee on Finance; Executive Director; Deputy Executive Director; Chief Financial Officer; or Treasurer of the Authority.

SECTION 2. Each of Consolidated Bonds, One Hundred Fiftieth Series through Consolidated Bonds, One Hundred Sixty-fourth Series, inclusive, is established as a separate series of Consolidated Bonds and the issuance of up to Five Hundred Million Dollars (\$500,000,000) of each such series with a term to maturity not in excess of thirty-five (35) years is authorized. Each of such series shall be issued in conformity with the Consolidated Bond Resolution for the purposes specified in this resolution. This resolution shall apply with equal force and effect to each of such series on an individual basis (each of such series hereinafter called the “Bonds”). This resolution shall constitute a contract with the registered holders of the Bonds and with each such registered holder.

SECTION 3. The Committee on Finance of the Authority (hereinafter called the “Committee on Finance”) is authorized to establish, fix and determine the terms of the Bonds and, in connection therewith, to make such changes and adjustments to the provisions set forth in

the third paragraph of this Section 3 and in Sections 4, 5, 6, 9 and 10 of this resolution as in the opinion of the Committee on Finance will effectuate the issuance of the Bonds, and to take such other action as in the opinion of the Committee on Finance will best serve the public interest.

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

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

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

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

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

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

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

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

Notice of intention to redeem any of the Bonds shall be given by the Registrar not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption, to the registered holders of the bonds to be called for redemption, by deposit of a copy of such notice, postage prepaid by certified or registered mail, in a United States Post Office, addressed to such registered holders at their last known addresses as appearing upon the Authority's Registry Books for the Bonds. Notice of the mailing of such notice of intention to redeem bonds shall also be published by the Authority in a daily newspaper of general circulation in the Port of New York District not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption; *provided, however*, that failure to give such notice by publication, or any defect therein, shall not affect the validity of any action with respect to the redemption of such bonds.

On or before the date fixed for redemption specified in the notice of intention to redeem any of the Bonds, the Authority will pay or cause to be paid to the Paying Agent (or Paying Agents) an amount in cash in the aggregate sufficient to redeem all of the bonds which are to be redeemed, at the respective redemption price thereof, which, in each case, shall include the accrued interest until the date fixed for redemption and the premium (if any), such principal amount and premium (if any), to be held by the Paying Agent (or Paying Agents) in trust for the account of the registered holders of the bonds so called for redemption and to be paid to them respectively upon presentation and surrender of such bonds with accrued interest included in such redemption price to be paid to the registered holders in accordance with the provisions of this resolution. On and after the date fixed for redemption, the notice of intention to redeem having been completed as above provided, the bonds so called shall become due and payable at the office of the Paying Agent (or Paying Agents) designated by the Authority, and if funds sufficient for payment of the redemption price shall have been deposited with the Paying Agent (or Paying Agents) in trust as aforesaid and if such funds shall be available for redemption of such bonds on the date fixed for redemption, then and in any such event, interest shall cease to accrue on the bonds so called on and after the date fixed for their redemption, and such bonds shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution, but shall rely solely upon the funds so deposited.

In the case of bonds of denominations greater than the minimum authorized denomination, for all purposes in connection with redemption, each unit of face value representing the minimum authorized denomination shall be treated as though it were a separate bond of the minimum authorized denomination, and the word "bond" as used in the foregoing provisions of this Section 5 shall be deemed to refer to such unit of face value representing the minimum authorized denomination. If it is determined as above provided that one or more but not all of the units of face value representing the minimum authorized denomination of any bond are to be called for redemption, then upon notice of intention to redeem such unit or units, the registered holder of such bond shall forthwith present such bond to the Registrar who shall issue a new bond or bonds of like tenor of smaller authorized denominations but of the same aggregate principal amount in exchange therefor, pursuant to Section 4 of this resolution, including a new bond or bonds with the aggregate principal amount of the unit or units of face value called for redemption; and such new bond or bonds shall be deemed to be duly called for redemption

without further notice to the registered holder thereof. If the registered holder of such bond of a denomination greater than the minimum authorized denomination shall fail to present such bond to the Registrar for the issuance of new bonds of smaller denominations in exchange therefor, as aforesaid, such bond shall nevertheless become due and payable on the date fixed for redemption to the extent of the unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent (or Paying Agents), as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of such bond represented by such unit or units of face value on and after the date fixed for redemption, and such bond shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution to the extent of the portion of its principal amount (and accrued interest thereon until the date fixed for redemption and premium, if any) represented by such unit or units of face value, but to that extent shall rely solely upon the funds so deposited.

SECTION 6. The Bonds shall be retired at or prior to maturity, by purchase, call or payment, by the dates and in at least the cumulative principal amounts set forth on the schedule of mandatory periodic retirement for the Bonds.

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

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

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

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

SECTION 8. The Authority shall appoint a bank or trust company as trustee for and in connection with the Bonds (hereinafter called the "Trustee"). The Trustee is authorized to (i) institute any action or proceeding on behalf of the registered holders of the Bonds against the Authority or others, or (ii) intervene in any pending action or proceeding, or (iii) take any other action which it shall in its sole discretion determine to be necessary or advisable in order to protect the rights of the registered holders of the Bonds. The rights of the Trustee in this respect and in all other respects shall be in addition to and not in substitution of any and all rights which would otherwise inure to the registered holder or registered holders of the Bonds. It is understood that the Trustee in its sole discretion may, but shall be under no obligation to, review the activities or operations of the Authority or any of the contracts or agreements of the Authority or exercise any of the rights or powers vested in it by this Section 8 whether on the Trustee's initiative or at the request or direction of any of the registered holders of the Bonds.

The Trustee (which shall include any successor Trustee) appointed under the provisions of this Section 8 shall be a bank or trust company organized under the laws of the State of New York or the State of New Jersey or a national banking association doing business and having its principal office in the Port of New York District and having a total capital (including capital stock, surplus, undivided profits and capital notes, if any) aggregating at least \$25,000,000, which is willing and able to accept the office on reasonable and customary terms and is authorized by law to perform all the duties imposed upon it by this resolution.

The Trustee shall not be liable for any action taken or suffered upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this resolution in good faith and in accordance therewith. The Trustee shall not be liable in connection with the performance or nonperformance of its duties except for its own wilful misconduct, negligence or bad faith.

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

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

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

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

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

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

The Authority agrees (i) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder, (ii) to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in connection

with the exercise or performance of any of its powers or duties hereunder (including the reasonable compensation and the expenses and disbursements of its agents and counsel), and (iii) to indemnify the Trustee for, and hold it harmless against, any loss, liability or expense incurred without wilful misconduct, negligence or bad faith on its part, arising out of or in connection with the exercise or performance of the Trustee's powers and duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with such exercise or performance.

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

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

The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed and acknowledged by the registered holders of a majority in principal amount of the Bonds then outstanding or by their attorneys duly authorized, excluding the principal amount of any of the Bonds held by or for the account of the Authority. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the holders of a majority in principal amount of the Bonds then outstanding, excluding the principal amount of any of the Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such registered holders of the Bonds or by their attorneys duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee; *provided, however*, nevertheless, the Authority shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the registered holders of the Bonds as authorized in this Section 8. The Authority shall publish notice of any such appointment made by it once in each week for two (2) consecutive calendar weeks, in a newspaper of general circulation in the City of New York, State of New York, the first publication to be made within twenty (20) days after such appointment. Any successor Trustee appointed by the Authority shall, immediately and without further act, be superseded by a Trustee appointed by the registered holders of the Bonds.

Any company into which any Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Trustee may sell or transfer all or substantially all of its corporate trust business (*provided, however*, such company shall be a bank or trust

company located in the Port of New York District and shall be authorized by law to perform all the duties imposed upon it by this resolution), shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

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

SECTION 9. The form of the bond, including provisions with respect to assignment, for the Bonds shall be determined by the Committee on Finance or by an Authorized Officer. The bonds shall have the official seal of the Authority, or a facsimile thereof, affixed thereto or printed or impressed thereon, and shall be manually signed by an Authorized Officer. In case any Authorized Officer who shall have signed any of the bonds shall cease to be an Authorized Officer before such bonds shall have been actually issued, such bonds may nevertheless be issued as though such Authorized Officer who signed such bonds had not ceased to be an Authorized Officer.

SECTION 10. In case any bond shall at any time become mutilated or be lost or destroyed, the Authority, in its discretion, may execute and deliver a new bond of like tenor in exchange or substitution for and upon cancellation of such mutilated bond or in lieu of or in substitution for such destroyed or lost bond; or if such bond shall have matured, instead of issuing a substitute bond the Authority may pay the same without surrender thereof. In case of destruction or loss, the applicant for a substitute bond shall furnish to the Authority evidence satisfactory to the Authority of the destruction or loss of such bond and of the ownership thereof and also such security and indemnity as may be required by the Authority. The Authority may execute and deliver any such substitute bond or make any such payment; or any Paying Agent may make any such payment upon the written request or authorization of the Authority. Upon the issuance of any substitute bond, the Authority, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge or other reasonable expense connected therewith and also a further sum not exceeding the cost of preparation of each new bond so issued in substitution. Any bond issued under the provisions of this Section 10 in lieu of any bond alleged to have been destroyed or lost shall constitute an original contractual obligation on the part of the Authority, whether or not the bond so alleged to have been destroyed or lost be at any time enforceable by anyone, and shall be equally and proportionately entitled to the security of this resolution and of the Consolidated Bond Resolution with all other bonds, notes and coupons (if any) issued hereunder or thereunder.

SECTION 11. An Authorized Officer is authorized to take any and all action that the Committee on Finance is authorized to take under this resolution (without further action by the Committee on Finance); *provided, however*, that any such action may only be taken by an Authorized Officer if the Bonds are issued and sold on a competitive basis.

**CONSOLIDATED BONDS, ONE HUNDRED FIFTIETH SERIES THROUGH
CONSOLIDATED BONDS, ONE HUNDRED SIXTY-FOURTH SERIES – SALE**

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Ferer, Mack, Pocino, Sartor and Steiner voting in favor; none against:

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

SECTION 2. The Committee on Finance of the Authority (hereinafter called the “Committee on Finance”) is authorized in the name of and on behalf of the Authority to sell all or any part of Five Hundred Million Dollars (\$500,000,000) in principal amount of the Bonds at a true interest cost to the Authority not in excess of eight percent (8%) with a term to maturity not in excess of thirty-five (35) years, at public or private sale, with or without advertisement, at one or more times, and to apply the proceeds of such sale or sales as provided in the resolution authorizing the establishment and issuance of the Bonds.

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

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

SECTION 5. The Committee on Finance is authorized to arrange, from time to time (i) for the preparation and distribution of disclosure documents, including official statements, offering statements or other offering materials in connection with the Bonds and (ii) for the preparation and distribution of such other documents giving pertinent data with respect to the Authority and its finances as it deems appropriate, in each case, in the name of and on behalf of the Authority.

SECTION 6. An Authorized Officer is authorized to take any and all action that the Committee on Finance is authorized to take under this resolution (without further action by the Committee on Finance); *provided, however*, that any such action may only be taken by an Authorized Officer if the Bonds are issued and sold on a competitive basis.

SECTION 7. The Committee on Finance or any Authorized Officer is authorized, in connection with the issuance of the Bonds on the basis that the Bonds are to be in conformity with, and that the interest on the Bonds is not to be includible for Federal income tax purposes in the gross income of the recipients thereof under, Section 103(a) of the Internal Revenue Code of 1986, or successor provisions of law, and the regulations thereunder, to take any action which may be appropriate to assure that the Bonds are issued, and during their term are outstanding, on such basis, and any such actions taken in connection therewith are ratified. Any Authorized Officer is authorized to certify on behalf of the Authority as to the need for the issuance of the Bonds, as to the status of the projects for which the proceeds of the Bonds are to be used, as to the Authority's intentions with respect to the application and investment of the proceeds of the Bonds, and as to such other matters as such Authorized Officer deems appropriate.

SECTION 8. As used in this resolution, the term "Authorized Officer" shall mean any of the officers or employees of the Authority designated as such from time to time by the Chairman; Vice-Chairman; Chairman of the Committee on Finance; Executive Director; Deputy Executive Director; Chief Financial Officer; or Treasurer of the Authority.

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

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Ferer, Mack, Pocino, Sartor and Steiner voting in favor; none against:

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

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

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

NOW, THEREFORE, be it resolved by the Authority:

SECTION 1. As used in this resolution, any words or phrases specifically defined in the Consolidated Bond Resolution shall be read and construed in accordance with such specific definitions. As used in this resolution, the term “Authorized Officer” shall mean any of the officers or employees of the Authority designated as such from time to time by the Chairman; Vice-Chairman; Chairman of the Committee on Finance; Executive Director; Deputy Executive Director; Chief Financial Officer; or Treasurer of the Authority.

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

SECTION 3. The Committee on Finance of the Authority (hereinafter called the “Committee on Finance”) is authorized to establish, fix and determine the terms of the Notes and, in connection therewith, to make such changes and adjustments to the provisions set forth in

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

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

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

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

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

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

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

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

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

On or before the date fixed for redemption specified in the notice of intention to redeem any of the Notes, the Authority will pay or cause to be paid to the Paying Agent (or Paying Agents) an amount in cash in the aggregate sufficient to redeem all of the notes which are to be redeemed, at the respective redemption price thereof, which, in each case, shall include the accrued interest until the date fixed for redemption and the premium (if any), such principal amount and premium (if any) to be held by the Paying Agent (or Paying Agents) in trust for the account of the registered holders of the notes so called for redemption and to be paid to them respectively upon presentation and surrender of such notes with accrued interest included in such redemption price to be paid to the registered holders in accordance with the provisions of this resolution. On and after the date fixed for redemption, the notice of intention to redeem having been completed as above provided, the notes so called shall become due and payable at the office of the Paying Agent (or Paying Agents) designated by the Authority, and if funds sufficient for payment of the redemption price shall have been deposited with the Paying Agent (or Paying Agents) in trust as aforesaid and if such funds shall be available for redemption of such notes on the date fixed for redemption, then and in any such event, interest shall cease to accrue on the notes so called on and after the date fixed for their redemption, and such notes shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution, but shall rely solely upon the funds so deposited.

In the case of notes of denominations greater than the minimum authorized denomination, for all purposes in connection with redemption, each unit of face value representing the minimum authorized denomination shall be treated as though it were a separate note of the minimum authorized denomination, and the word "note" as used in the foregoing provisions of this Section 6 shall be deemed to refer to such unit of face value representing the minimum authorized denomination. If it is determined as above provided that one or more but not all of the units of face value representing the minimum authorized denomination of any note are to be called for redemption, then upon notice of intention to redeem such unit or units, the registered holder of such note shall forthwith present such note to the Registrar who shall issue a new note or notes of like tenor of smaller authorized denominations but of the same aggregate principal amount in exchange therefor, pursuant to Section 5 of this resolution, including a new note or notes with the aggregate principal amount of the unit or units of face value called for redemption; and such new note or notes shall be deemed to be duly called for redemption without further notice to the registered holder thereof. If the registered holder of such note of a denomination greater than the minimum authorized denomination shall fail to present such note to the Registrar for the issuance of new notes of smaller denominations in exchange therefor, as

aforesaid, such note shall nevertheless become due and payable on the date fixed for redemption to the extent of the unit or units of face value called for redemption (and to that extent only); and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent (or Paying Agents), as aforesaid, and being available as aforesaid on the date fixed for redemption) interest shall cease to accrue on the portion of the principal amount of such note represented by such unit or units of face value on and after the date fixed for redemption, and such note shall not be entitled to the benefit or security of this resolution or the Consolidated Bond Resolution to the extent of the portion of its principal amount (and accrued interest thereon until the date fixed for redemption) represented by such unit or units of face value, but to that extent shall rely solely upon the funds so deposited.

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

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

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

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

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

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

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

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Ferer, Mack, Pocino, Sartor and Steiner voting in favor; none against:

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

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

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

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

SECTION 5. The Committee on Finance is authorized to arrange, from time to time (i) for the preparation and distribution of disclosure documents, including official statements, offering statements or other offering materials in connection with the Notes and (ii) for the preparation and distribution of such other documents giving pertinent data with respect to the Authority and its finances as it deems appropriate, in each case, in the name of and on behalf of the Authority.

SECTION 6. An Authorized Officer is authorized to take any and all action that the Committee on Finance is authorized to take under this resolution (without further action by the Committee on Finance); *provided, however*, that any such action may only be taken by an Authorized Officer if the Notes are issued and sold on a competitive basis.

SECTION 7. The Committee on Finance or any Authorized Officer is authorized, in connection with the issuance of the Notes on the basis that the Notes are to be in conformity with, and that the interest on the Notes is not to be includible for Federal income tax purposes in the gross income of the recipients thereof under, Section 103(a) of the Internal Revenue Code of 1986, or successor provisions of law, and the regulations thereunder, to take any action which may be appropriate to assure that the Notes are issued, and during their term are outstanding, on such basis, and any such actions taken in connection therewith are ratified. Any Authorized Officer is authorized to certify on behalf of the Authority as to the need for the issuance of the Notes, as to the status of the projects for which the proceeds of the Notes are to be used, as to the Authority's intentions with respect to the application and investment of the proceeds of the Notes, and as to such other matters as such Authorized Officer deems appropriate.

SECTION 8. As used in this resolution, the term "Authorized Officer" shall mean any of the officers or employees of the Authority designated as such from time to time by the Chairman; Vice-Chairman; Chairman of the Committee on Finance; Executive Director; Deputy Executive Director; Chief Financial Officer; or Treasurer of the Authority.

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

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Ferer, Mack, Pocino, Sartor and Steiner voting in favor; none against:

RESOLVED, that, the following obligations of the Authority may continue to be issued, within the scope of existing authorizations to effectuate the plan of financing in effect on the date of issuance of such obligations: Versatile Structure Obligations under the resolution of the Authority adopted November 18, 1999, entitled “*Port Authority Versatile Structure Obligations Resolution-Modification*”; Variable Rate Master Notes under the resolution of the Authority adopted November 18, 1999, entitled “*Port Authority Variable Rate Master Notes Resolution-Modification*”; Equipment Notes under the resolution of the Authority adopted November 18, 1999, entitled “*Port Authority Equipment Notes Resolution-Modification*”; and Commercial Paper Obligations under the resolution of the Authority adopted May 26, 2005, entitled “*Port Authority Commercial Paper Obligations-Resolution*”.

AWARD OF MEDAL OF HONOR TO POLICE DETECTIVE JOHN F. REILLY

The Port Authority Medal of Honor, established by the Board of Commissioners on March 2, 1944, is to be awarded to an individual who, in performing a specific act, demonstrated extraordinary bravery in the face of circumstances which would surely have led to grave personal injury or his or her own death should the slightest miscalculation have occurred.

It was recommended that the Medal of Honor be awarded to Police Detective John F. Reilly in recognition of an act of extraordinary bravery that he exhibited while serving as a Port Authority Police Officer.

Whereupon, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Ferer, Mack, Pocino, Sartor and Steiner voting in favor; none against:

WHEREAS, by resolution adopted by the Board of Commissioners on March 2, 1944, as amended, the Port Authority Medal of Honor award was established, which award is to be given to a Port Authority employee for the performance of outstanding service; and

WHEREAS, in the case of Police Detective John F. Reilly, it is recommended that the Port Authority Medal of Honor be given for his devotion and dedication to duty, competence and professionalism;

NOW, therefore, be it

RESOLVED, that the Medal of Honor be awarded to Police Detective John F. Reilly for the performance of outstanding service.

PROPOSED CHANGE IN TOLLS SCHEDULE FOR VEHICULAR INTERSTATE CROSSINGS – PUBLIC COMMENT PROCESS

Consistent with the efforts of the Board to promote transparency and public accountability in the manner in which the Port Authority conducts the public's business, it was recommended that the Board direct the Executive Director to initiate an open process, including public hearings, to solicit public comment regarding proposed changes in tolls schedules for the Port Authority's vehicular crossings and to report to the Board on the results of that process.

Since its last toll and fare adjustment in March 2001, the Port Authority has spent \$3.7 billion on securing its facilities. In addition, the Port Authority's \$29.5 billion 2007-2016 Updated Ten-Year Capital Plan (Capital Plan) is intended to reinvigorate the agency's commitment to its mission of enhancing the region's prosperity by providing transportation services that efficiently move people and goods within the region and facilitate access to the nation and the world. Among the major projects contemplated in the Capital Plan are:

- \$3 billion for the Access to the Region's Core Project to construct a second passenger rail tunnel connecting New Jersey and Rockland and Orange Counties in New York to New York City
- \$3.3 billion to modernize stations, provide increased capacity and maintain the Port Authority Trans-Hudson (PATH) rail system in a state of good repair
- \$2.7 billion for upkeep and state-of-good-repair projects on the Port Authority's bridges and tunnels, including replacing suspender cables on the George Washington Bridge, renovating the Lincoln Tunnel Helix and adding capacity to the Exclusive Bus Lane at the Lincoln Tunnel
- \$1.1 billion for security capital projects in connection with PATH and the bridges and tunnels.
- \$1 billion to replace the Goethals Bridge
- \$545 million to enhance bus service operations at the Port Authority Bus Terminal
- \$100 million to implement an All-Electronic Tolling System at the bridges and tunnels

Similarly, *The Port Authority Strategic Plan: Transportation for Regional Prosperity*, approved on December 8, 2005, incorporates a broad, region-wide approach to providing coordinated investment priorities in a modern, efficient, and affordable transportation network for the region. It has become increasingly clear that the Port Authority's continued capacity to carry out major capital initiatives is shrinking, particularly in light of the magnitude of the Capital Plan. In order to ensure that any necessary future adjustments to the tolls schedule may be implemented in a more gradual and predictable manner, and to avoid larger increases at irregular intervals, it was proposed that the schedules provide for future adjustment of tolls based on certain regional indices of inflation.

Substantial efforts have been made both to reduce expenditures at Port Authority facilities and to maximize revenues from all facilities, not only the Port Authority's bridge and tunnel facilities; these efforts have resulted in cumulative savings of nearly \$500 million achieved through the Organizational Effectiveness and Change Management efforts over the past several years. Nevertheless, an upward adjustment of tolls is needed to maintain and improve

the Port Authority's Interstate Transportation Network (Network), which is not financially self-sustaining, and to limit the financial support to the Network from Port Authority airports and other sources. Sharply increased operating and maintenance costs on the Network are also putting pressure on the agency's resources across all lines of business. In particular, the need to maintain a heightened level of security at all Port Authority facilities, including the Network, since the terrorist attacks of September 11, 2001, contributes substantially to the increase in operating costs in recent years. The Network's net loss from operations for 2008, excluding grants and contributions, is projected to be \$178 million. This net loss is expected to grow to \$224 million in 2009 and \$272 million in 2010, with continuing increases in the net loss over the remainder of the Capital Plan period through 2016. Moreover, the Network is an aging system, with an average age of 76 years, with many facilities now being pressed to their capacity during peak commuting hours, and faces dual pressures of maintenance and the essential need for major rehabilitation and improvements to continue safe, reliable operations.

Accordingly, with goals of financial self-sufficiency for the Network and delivery of major components of the Capital Plan, the Port Authority will seek public input on proposed tolls adjustments for its vehicular crossings as follows:

Toll Rates	
Auto Cash – All Hours	\$ 8.00
Auto E-ZPass – Peak Hours	\$ 8.00
Auto E-ZPass – Off-Peak Hours	\$ 6.00
Staten Island Bridges Discount Plan - 20 trips in 35 days – All Hours	\$ 4.00
Auto Carpool (HOV 3+) Discount - All Hours	\$ 3.00
Auto – GreenPass (Low Emission Vehicle Discount) – Off-Peak Hours	\$ 4.00
Motorcycle Cash – All Hours	\$ 7.00
Motorcycle E-ZPass – Peak Hours	\$ 7.00
Motorcycle E-ZPass – Off-Peak Hours	\$ 5.00
Truck (per axle) Cash – All Hours	\$ 8.00
Truck E-ZPass (per axle) – Peak Hours	\$ 8.00
Truck E-ZPass (per axle) – Off-Peak Hours	\$ 7.00
Truck E-ZPass (per axle) – Weekday Overnight	\$ 5.50
Bus Cash – All Hours	\$ 6.00
Bus E-ZPass – All Hours	\$ 4.00

The Executive Director would be authorized to adjust peak and off-peak hours from time to time, as appropriate. The Executive Director would also be authorized to adjust the vehicle eligibility requirements for the GreenPass periodically to meet agency sustainability objectives.

It was reported that a related action is being proposed to the Board of Directors of Port Authority Trans-Hudson Corporation, relating to PATH System fares, at today's meeting.

An open public process would be undertaken to allow for input from all concerned parties. This process would include public hearings in New York and New Jersey, public communications and notification to customers, at least one online public hearing, and compilation of a report of the public comments received. The notice of hearings (which would cover both this proposed tolls action and action relating to PATH System fares) would: set forth the charges proposed to be instituted or changed; include a comparison of existing charges with the proposed charges; and state the purposes for which such tolls are to be instituted or changed. Notice of the hearings would be made publicly available, and interested parties would have the opportunity to comment regarding the proposed change in tolls schedule.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Ferer, Mack, Pocino, Sartor and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized and directed, for and on behalf of the Port Authority, to arrange for an open process, including public hearings, to solicit public comment regarding proposed changes in tolls schedules for the Port Authority's vehicular interstate crossings, as described above; and it is further

RESOLVED, that the Executive Director shall report the results of the public comment process to the Board of Commissioners prior to further action.

CONFIDENTIAL ITEM

The Board authorized a claim settlement relating to the 1993 World Trade Center terrorist attack that shall remain confidential pursuant to the terms of the settlement agreement.

Whereupon, the meeting was adjourned.

Secretary