

BY-LAWS OF
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

I. SEAL

The official seal of The Port Authority of New York and New Jersey (hereinafter referred to as the "Port Authority") shall be a design bearing a combination of the seals of the State of New York and of the State of New Jersey, and bearing the words "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY – ESTABLISHED BY COMPACT BETWEEN NEW YORK AND NEW JERSEY – APRIL THIRTIETH – 1921".

II. OFFICERS

The officers of the Port Authority shall be a Chairman, a Vice-Chairman, an Executive Director, a General Counsel, a Director of Finance, a Treasurer, a Comptroller, and a Secretary.

III. DUTIES OF THE OFFICERS

A. The Chairman – The Chairman shall preside at all meetings, sign all official orders of the Port Authority, and shall have general supervision over the business and affairs of the Port Authority subject to the direction of the Port Authority. He shall, where required by statute, sign all vouchers and requisitions for payments upon the Comptrollers of the two States or upon any other fiscal officers.

B. The Vice-Chairman – The Vice-Chairman shall perform the duties of the Chairman, in the event the office of Chairman is vacant, or in the event that the Chairman is unable to perform such duties by reason of illness, disability or absence.

C. The Acting Chairman – In the event the offices of Chairman and Vice-Chairman are both vacant, or in the event that the Chairman and Vice-Chairman are both unable to perform the duties of Chairman by reason of illness, disability or absence, the Chairman of the Committee on Finance (or in the event he is for any reason unable to act, the Vice-Chairman of the Committee on Finance) shall become *ex officio* the Acting Chairman, and shall perform the duties of the Chairman.

D. The Secretary – The Secretary shall keep the official records and the seal of the Port Authority, shall certify, when required to, copies of records, and shall, from time to time, perform such other duties as shall be assigned to him by the Port Authority.

E. The General Counsel – The General Counsel shall be the legal advisor of the Port Authority, shall furnish to the Port Authority such opinions, advice and counsel as shall, from time to time, be required, shall represent the Port Authority in all legal matters or hearings as directed by the Port Authority, and shall from time to time, perform such other duties as shall be assigned to him by the Port Authority.

F. The Executive Director – The Executive Director shall, subject to the foregoing provisions and under the direction of the Chairman, be generally in administrative charge of all activities of the Port Authority. The Executive Director shall make final certification for payment of all duly authenticated and authorized items of expenditure for payment from any Port Authority funds from whatever source derived; whenever the Chairman is required by statute to sign vouchers, payrolls and/or requisitions, the Executive Director shall approve the same for submission to the Chairman for his signature; and he shall sign all deeds of conveyance when authorized by resolution of the Board.

G. The Director of Finance – The Director of Finance shall, under the supervision of the Executive Director, act as chief financial officer of the Port Authority and shall supervise the activities of the Treasurer and the Comptroller.

H. The Comptroller – The Comptroller shall, under the supervision of the Director of Finance, be in charge of the books of account of the Port Authority and shall audit all payments to and expenditures by the Port Authority.

I. The Treasurer – The Treasurer shall, under the supervision of the Director of Finance, have custody of all funds of the Port Authority.

J. The Director of the Audit Department - The Director of the Audit Department shall, under the general direction of the Executive Director, be responsible for the internal auditing functions in the Port Authority and for external audits of financial and operating records of firms doing business with the Port Authority.

IV. ADDITIONAL STAFF

The Port Authority shall name and appoint, from time to time, such additional officers, consultants and employees as it may require, and shall, by resolution or amendment of these By-Laws, designate their duties and under whose supervision or direction they shall serve.

V. TERM OF OFFICE

All officers of the Port Authority shall hold office until the next annual meeting of the Port Authority, or until their successors are elected or appointed, whichever may be the later.

VI. MEETINGS

The annual meetings of the Port Authority for the election of officers shall be held in April of each year at the time and place designated by the Chairman.

Regular meetings of the Port Authority shall be held at the time and place designated by the Chairman.

Special meetings may be called at any time by the Chairman and on request of any two members must be called.

At least two days written notice of annual, regular and special meetings, specifying the time and place of the meeting, shall be given to members by mail or in person. The written notice of a special meeting shall specify the subject(s) to be considered thereat.

VII. QUORUM

Six members, three from each state, shall constitute a quorum.

VIII. VOTES

Upon demand of any member, after due debate, the roll shall be called and the vote recorded upon any resolution or amendment thereto. If three votes from each State shall not be cast therefor, (or in case six Commissioners from either State are present, if four votes from such State shall not be cast therefor) the resolution or amendment shall be deemed lost. But a motion to adjourn, to lay on the table, to postpone consideration, or to refer a matter may be carried by a vote of a majority present.

IX. PUBLIC HEARINGS

Public hearings shall be held upon all matters requiring public consideration and shall be held upon any matter upon the request of any two members of the Port Authority, one from each State.

X. ORDER OF BUSINESS

The order of business at regular meetings shall be:

(a) Approval of the minutes of the previous meeting. (Copies of minutes shall be sent not less than two days in advance by the Secretary to each member, and if no corrections or amendments are made, shall be deemed approved).

(b) Report of the Chairman.

(c) Special Orders.

(d) Reports of Committees.

(e) Report of General Counsel.

(f) Report of Executive Director.

(g) Communications. (The Secretary shall prepare in advance of the meeting a resume of all communications to be read at the meeting and shall send it to each member. Any member may request the reading in full of any communication).

(h) Unfinished Business.

(i) New Business.

The Port Authority may order any matter placed on the calendar for any meeting as special business, or, in his discretion, the Chairman may place upon the calendar of special business any matter which he deems of sufficient or pressing importance.

XI. COMMITTEES

The Chairman, Vice-Chairman and members of all standing Committees shall be appointed by the Chairman of the Port Authority who shall be an *ex officio* member of each Committee of which he is not a regular member, except the Audit Committee of which he may not be a member, and who, as such *ex officio* member, shall be entitled to vote if one or more regular members are absent, in which case he shall be counted in counting quorum, and shall also be entitled to vote as such *ex officio* member to decide a tie vote.

The Vice-Chairman of the Port Authority shall likewise be an *ex officio* member of each Committee of which he is not a regular member, except the Audit Committee of which he may not be a member, and as such *ex officio* member he shall be entitled to vote under the same circumstances as the Chairman of the Port Authority, but only in the absence of the Chairman of the Port Authority.

A quorum of any Committee shall consist of a number equal to the majority of the regular members, provided that at least one Commissioner from each State shall be present. If there be no quorum present at any regular, special or adjourned meeting of any standing or special Committee of the Port Authority, then any available Commissioners who are not already members of such Committee may be designated as substitute members *pro tem* to act at such meeting in the place and stead of absentee Committee members. So far as practicable, in designating Commissioners to act as substitute Committee members, such Commissioners shall be designated as will result in an equal representation of both states at such Committee meeting. Any Committee

member may designate another Commissioner from the same state as a substitute member to act in his place and stead at any meeting where he cannot personally be present. In the absence of such advance designation, the following persons, in the order named, are authorized to designate substitute Committee members, to wit: — The Chairman of the Board, the Vice-Chairman of the Board, the Chairman of the Committee, the Vice-Chairman of the Committee, or the regular members of the Committee present.

Commissioners designated as substitute Committee members *pro tem* shall be treated as regular members for the purpose of determining whether a quorum is present, and for the purpose of determining whether an *ex officio* member may vote.

No action of a Committee shall be binding unless at least one Commissioner from each state shall vote in favor thereof.

In order to assure the right of approval or veto by the Governor of each State, any action by a Committee taken pursuant to the powers granted in Article XI shall be considered part of the minutes of the Board.

Whenever a Committee purports to act pursuant to power vested under these By-Laws then all third persons are entitled to rely on the Committee's representation that it has power to act.

The powers vested by these By-Laws in the Committees shall not be construed or deemed to limit the authority of the Board of Commissioners to act in any instance or the statutory veto power of the Governor of each State. If such authority is exercised by the Board it shall not be construed or deemed to affect the power of the Committees to act in similar cases thereafter.

There shall be the following standing Committees, each of which shall consist of five regular members (including a Chairman and Vice-Chairman), in addition to the *ex officio* members, except the Audit Committee which shall have no *ex officio* members and shall consist of four regular members (including a Chairman and Vice-Chairman), two from each state, and shall perform the duties enumerated for it. When two or more committees have powers relating to the same subject matter, none shall be deemed to have exclusive authority, but such Committees shall confer and cooperate in regard thereto.

A. Committee on Port Planning

1. The Committee on Port Planning shall keep informed regarding the duties of the Port Authority, whether imposed by statutes or otherwise, and from time to time recommend to the Board such programs and policies as in its opinion may be desirable as will enable the Port Authority to perform its duties most effectively and in due relation to their order of importance.

2. The Committee shall keep informed of the needs of the Port District with regard to marine, air, railroad and motor vehicle terminals and other transportation and terminal facilities, and matters relating thereto, and shall, from time to time, make recommendations in reference thereto. The Committee shall have general supervision over transportation and terminal studies and do all things necessary and convenient to progress such studies.

3. The Committee shall have the following powers, the exercise of which by the Committee shall be discretionary and not mandatory:

(a) To authorize or arrange for the initiation of or the intervention by the Port Authority in proceedings before the courts of the United States and the States of New York and New Jersey, the Interstate Commerce Commission, the Civil Aeronautics Board, the United States Maritime Commission, the Aviation Commissions of the States of New York and New Jersey and other tribunals to protect the interests of the Port District and with regard to matters of harbor regulations, airline routes, freight and ocean rates and other matters affecting the commerce of the Port District and to have general supervision over such proceedings.

(b) To authorize or arrange for the appearance by the Port Authority before Congressional Committees and Federal Boards and officials to protect the interests of the Port District in any matters affecting the commerce of the Port District.

4. Whenever a budget adopted by the Board contains an item for the making of studies relating to transportation and terminal facilities, the Committee shall have the power, in its discretion, to authorize the employment of consultants and experts required therefor.

B. Committee on Finance

The Committee on Finance shall consider all questions relating to financial affairs of the Port Authority, and shall, from time to time, make such recommendations in reference thereto as in its opinion may be desirable. It shall appoint Paying Agents and Registrars in connection with bonds, notes or other securities or obligations, with power to rescind or change such appointments; and it shall authorize the making of payments into such sinking funds or reserve funds out of revenues or funds pledged or otherwise available for such purposes. It shall authorize the transfer of surplus revenues, available for such purpose, to the General Reserve Fund. It shall authorize payments out of the General Reserve Fund for purposes for which the moneys therein may be applied.

It shall establish sinking funds for the retirement of the various series of bonds, and it shall, when it deems necessary or desirable, call or authorize the call of bonds for retirement for sinking fund purposes, select or arrange for the selection of the particular bonds to be called, publish or arrange for the publication of notice of call, pay or arrange for the payment of such bonds upon the date set for their redemption, and generally do all things necessary or incidental to the call and retirement of such bonds for sinking fund purposes; — all in accordance with the resolutions authorizing the issuance of such bonds.

It shall have the power to authorize or arrange for the appointment of bond counsel in connection with any and all future issues of bonds, notes and other evidences of indebtedness of the Port Authority and to authorize or arrange for the employment of financial experts in connection with the financial affairs of the Port Authority.

It shall select depositories for Port Authority funds, and shall authorize and approve investments and reinvestments thereof.

It shall have general supervision over insurance matters, surety bonds, and all claims of and against the Port Authority except those specifically referred to elsewhere in these By-Laws. It shall authorize or arrange for insurance policies and surety bonds, and shall make rules relating to the amount and form thereof and to the acceptability of insurance carriers and sureties. It shall, from time to time, adopt or authorize policies and practices to be followed in connection with insurance, surety bonds and such claims as are under the supervision of the Committee.

It shall have authority to settle all claims of and against the Port Authority when the payment is not in excess of \$200,000; or when the amount of damages incurred by the Port Authority is not in excess of \$200,000; and when the payment or the amount of damages incurred exceeds \$200,000, it shall make such recommendations in reference thereto as in its opinion may be desirable. Claims of and against the Port Authority shall include all claims, except those specifically referred to in Article XI, Sections C-3 and D-3, and shall include claims against officers and employees of the Port Authority for which the Port Authority would be responsible under the doctrine of respondeat superior, provided, that in the case of claims against officers and employees of the Port Authority which are covered by insurance purchased by such officers or employees, the Port Authority shall pay such claims only to the extent that they are in excess of the amount for which the insurance carriers are responsible, provided, that in the case of officers and employees, the Port Authority shall pay such claims or judgments only if such officers and employees have authorized the Port Authority in its discretion to settle or defend such actions and shall have cooperated with the Port Authority in the defense thereof, and provided that in the case of officers and employees the Port Authority shall pay such judgments or claims only if such officers and employees shall have given the Port Authority prompt notice of claim or action against them.

C. Committee on Construction

1. The Committee on Construction shall have general supervision over all construction by the Port Authority, including without limitation thereto rehabilitation, repairs, demolition and excavation, except such as may be authorized by the Committee on Operations, and shall, from time to time, make such recommendation in reference to such construction as in its opinion may be desirable.

2. Whenever a budget adopted by the Board contains an item relating to construction, the Committee on Construction shall have the following powers, the exercise of which by the Committee shall be discretionary and not mandatory:

(a) To authorize such construction and authorize or arrange for contracts (herein called construction contracts) for the performance of such construction works, with or without public advertising, upon such terms and conditions and with such contractors as the Committee may deem proper, and the signature or execution thereof by the Port Authority, or in the alternative, to make recommendations to the Board with respect to the award thereof, provided, that unless expressly authorized by the Board, the Committee shall have no power to authorize construction or to authorize or arrange for the signature of any construction contract, the amount or estimated cost of which, together with the amount of extra work which is authorized by the Committee at the

time of its authorization of the signature of the contract, is in excess of \$2,000,000. The Committee shall, from time to time, report to the Board all such contracts, the amount or estimated cost of which is in excess of \$500,000, which may have been awarded without public advertisement or, if publicly advertised, to other than the lowest bidder; but the failure of the Committee to report the same shall not affect the validity of any action of the Committee taken with respect thereto.

(b) To authorize or arrange for the employment of engineering consultants and other experts required in connection therewith.

3. Whenever any construction contract has been executed on behalf of the Port Authority, the Committee on Construction shall have power to authorize or approve the making of contracts or agreements on behalf of the Port Authority amendatory of or supplemental to such construction contracts, the placing of extra work orders, the making of payments to contractors, the compromise or settlement of claims by or against the Port Authority under such contracts, and the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority in any such construction contract; provided that with respect to any one contract the total of all payments authorized or approved by the Committee under the provisions of this paragraph 3 shall not exceed the following amounts: (i) With respect to extra work under a contract if the Committee has previously authorized signature thereof: \$500,000 in addition to the amount of extra work authorized by the Committee at the time of such authorization to sign but, if such authorization to sign was granted pursuant to the powers of the Committee under these By-Laws and not under another power granted to the Committee by the Board, then not in excess of an amount of extra work which would make the aggregate of the original contract price and all extra work authorized by the Committee in excess of \$2,500,000; or, with respect to extra work under a contract if the Board has authorized signature thereof other than through a power given to the Committee: \$2,000,000 or, with respect to extra work under a contract if the Executive Director has authorized signature thereof pursuant to Article XII, paragraph (d) of these By-Laws: \$500,000; (ii) \$2,000,000 under all amendatory or supplemental contracts or agreements; (iii) \$500,000 under all compromises or settlements of claims against the Port Authority; and (iv) \$500,000 under all compromises or settlements of claims by the Port Authority.

4. Whenever a budget adopted by the Board contains an item relating to the acquisition, purchase or lease of real property for any purpose, the Committee on Construction shall have power to arrange for the preparation and signature of contracts for the acquisition and/or use of such real property and for the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority under such contracts, provided, that, unless expressly authorized by the Board, the Committee shall have no power to authorize or arrange for the signature of any such contract, the amount or estimated cost of which is in excess of \$2,000,000.

5. Whenever a budget adopted by the Board contains an item relating to the acquisition of materials for use in connection with construction, the Committee on Construction shall have the power to arrange for the preparation and signature of

contracts for the purchase of such materials and for the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority under such contracts, provided, that, unless expressly authorized by the Board, the Committee shall have no power to authorize or arrange for the signature of any such contract, the amount or estimated cost of which is in excess of \$2,000,000.

D. Committee on Operations

1. The Committee on Operations shall have general supervision over the operation and maintenance of all facilities and properties operated by the Port Authority, and shall, from time to time, make such recommendations in reference thereto as in its opinion may be desirable.

2. Whenever a budget adopted by the Board contains an item relating to maintenance, including repair or rehabilitation of any Port Authority facility or property which is in operation or minor capital improvements thereto, the Committee on Operations shall have the following powers, the exercise of which by the Committee shall be discretionary and not mandatory:

To authorize such maintenance and to authorize or arrange for contracts (herein called maintenance contracts) for such maintenance upon such terms and conditions and with such contractors as the Committee may deem proper, and the signature and/or execution thereof by the Port Authority, or in the alternative, to make recommendations to the Board with respect to the award thereof, provided, that, unless expressly authorized by the Board, the Committee shall have no power to authorize or arrange for the signature of any maintenance contract, the amount or estimated cost of which, together with the amount of extra work which is authorized by the Committee at the time of its authorization of the signature of the contract, is in excess of \$2,000,000. The Committee shall, from time to time, report to the Board all such contracts, the amount or estimated cost of which is in excess of \$500,000, which may have been awarded without public advertisement or, if publicly advertised, to other than the lowest bidder, but the failure of the Committee to report the same shall not affect the validity of any action of the Committee taken with respect thereto.

3. Whenever any maintenance contract has been executed on behalf of the Port Authority, the Committee on Operations shall have power to authorize or approve the making of contracts or agreements on behalf of the Port Authority amendatory of or supplemental to such maintenance contracts, the placing of extra work orders, the making of payments to contractors, the compromise or settlement of claims by or against the Port Authority under such contracts, and the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority in any such maintenance contract; provided that with respect to any one contract the total of all payments authorized or approved by the Committee under the provisions of this paragraph shall not exceed the following amounts: (i) With respect to extra work under a contract if the Committee has previously authorized signature thereof: \$500,000 in addition to the amount of extra work authorized by the Committee at the time of such authorization to sign but, if such authorization to sign was granted pursuant to the

powers of the Committee under these By-Laws and not under another power granted to the Committee by the Board, then not in excess of an amount of extra work which would make the aggregate of the original contract price and all extra work authorized by the Committee in excess of \$2,500,000; or, with respect to extra work under a contract if the Board has authorized signature thereof other than through a power given to the Committee: \$2,000,000 or, with respect to extra work under a contract if the Executive Director has authorized signature thereof pursuant to Article XII, paragraph (d) of these By-Laws: \$500,000; (ii) \$2,000,000 under all amendatory or supplemental contracts or agreements; (iii) \$500,000 under all compromises or settlements of claims against the Port Authority; and (iv) \$500,000 under all compromises or settlements of claims by the Port Authority.

4. Whenever a budget adopted by the Board contains an item relating to the acquisition or purchase of equipment, tools, materials, supplies, or other personal property for use in connection with the operation of any Port Authority facility or property, the Committee on Operations shall have power to arrange for the preparation and the signature of contracts for the acquisition of such personal property, and for the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority under such contracts, provided, that, unless expressly authorized by the Board, the Committee shall have no power to authorize or arrange for the signature of any such contract, the amount or estimated cost of which is in excess of \$2,000,000.

5. Whenever a budget adopted by the Board contains an item relating to any construction and such construction is required under any agreement made or about to be made for the use of Port Authority property, the Committee shall have the same powers with respect to such construction as the Committee on Construction has with respect to construction generally.

6. Whenever a budget adopted by the Board contains an item relating to an expenditure which is properly chargeable as in operating expense and which is for a purpose not mentioned elsewhere under the foregoing subheading D, "Committee on Operations", of this Article XI, "Committees" of these By-Laws, the Committee on Operations shall have the power in its discretion to authorize or arrange for the expenditure thereof, including the power to authorize or arrange for contracts for such purpose, and for the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority under such contract, provided, that, unless expressly authorized by the Board the Committee shall have no power to authorize or arrange for the signature of any such contract, the amount or estimated cost of which is in excess of \$2,000,000.

7. The Committee on Operations shall have the power to authorize the sale of personal property owned by the Port Authority pursuant to such contracts and upon such terms and conditions and for such price or other consideration as the Committee may deem proper.

8. The Committee on Operations shall have general authority with respect to personnel matters. Whenever a budget adopted by the Board contains an item for a group of positions, the Committee shall have the power to prescribe the compensation payable for such positions. It shall have power to establish new positions and to abolish existing

positions in the staff of the Port Authority and to determine and prescribe the duties of new and existing positions and the qualifications for appointment made hereafter thereto. It shall also have the power to make and terminate appointments to the Port Authority staff, and to make promotions and demotions within the staff. It shall have the power to authorize or arrange for the employment of consultants and other experts in all cases where similar power is not vested in any other committee. It shall have power to grant or authorize the granting of vacations, sick leave and other leaves of absence and to take other action affecting personnel.

9. The Committee on Operations shall have power from time to time to adopt, rescind, amend and modify rules and regulations for and in connection with the operation of the facilities and properties operated by the Port Authority and for the conduct of the users thereof and all other persons in or about such facilities or properties, including the officers, employees or representatives of the Port Authority and of the users of its facilities and properties and people doing business with it or them. In all cases where any Port Authority facilities or properties are opened to public use, the Committee shall have power to establish and from time to time rescind, change or modify, just and reasonable tolls, fees or other charges for such use, and for that purpose to establish reasonable classifications of users and services. In all other cases, the Committee shall have power to authorize the use of Port Authority facilities or properties pursuant to leases, permits or other special contracts or agreements upon such terms and conditions and for such rent or other consideration as the Committee may deem proper.

E. Audit Committee

1. The Audit Committee shall have general supervision over the books and accounts of the Port Authority and the auditing thereof and take such action as it may deem necessary or desirable in connection therewith. It shall arrange for the auditing of said accounts from time to time by independent accountants designated by the Board and shall keep informed regarding the management of the Port Authority. It shall receive from the Director of the Audit Department any information he may have on matters within his responsibilities which involve the conduct of any Commissioner or of the Executive Director, and it shall be the duty of the Director of the Audit Department to report such information to the Committee. The appointment of any person to the position of the Director of the Audit Department shall not be made or terminated, the salary or benefits of the Director of the Audit Department shall not be increased or reduced and the responsibilities of the Director of the Audit Department shall not be changed in any way without the approval of the Chairman of the Committee, provided that the Board may elect in any given instance to act in the stead of the Chairman of the Committee in giving or withholding such approval, provided further that any increase or reduction in salary or benefits that may be made with respect to Port Authority department heads generally and would be effective as to the Director of the Audit Department in the absence of the foregoing requirement of approval shall not require such approval in order to be effective as to the Director of the Audit Department, and provided further that the salary and benefits of the first appointee to the position of Director of the Audit Department shall be subject to such approval.

2. The Committee shall report from time to time to the Board on the results of its supervisory, auditing and other activities including any recommendations which in its opinion may be desirable regarding policies and procedures to govern the administration of the affairs of the Port Authority.

XIa. NOMINATING COMMITTEE

The Nominating Committee shall consist of all of the Commissioners of the Port Authority except the Commissioners holding office as Chairman and Vice-Chairman. It shall have power to make nominations for election to the office of Chairman and Vice-Chairman. Nominations for election to fill such offices may, however, also be made by any Commissioner at any meeting at which elections to fill such offices are held.

The Nominating Committee shall meet at least once during the month immediately preceding the annual meeting of the Port Authority.

In addition, if the office of Chairman or Vice-Chairman shall become vacant for any reason other than expiration of term, the Nominating Committee shall meet as soon as practical thereafter.

Meetings of the Nominating Committee shall be held pursuant to notice given by the Secretary at the request of any member or members of the Committee.

At each meeting of the Committee, the members thereof shall elect a Chairman whose duties shall be to preside at such meeting, and to submit or cause to be submitted to the Board any reports or recommendations adopted at such meeting.

XII. ADMINISTRATIVE POWERS

The Executive Director shall have the following administrative powers which shall be in addition to any other powers conferred upon him by any other provisions of these By-Laws, or by any resolution heretofore or hereafter adopted by the Board of Commissioners.

(a) Unless otherwise directed by the Committee on Operations or otherwise provided by any resolution of the Board of Commissioners and subject to the limitations, if any, of the Budget adopted by the Board:

(i) To determine and prescribe the duties of new and existing positions and the qualifications for appointments made thereto;

(ii) Subject to the approval of the Chairman of the Committee on Operations, to make permanent appointments to the Port Authority staff;

(iii) To make promotions and demotions within the staff;

(iv) To terminate appointments to the staff subject to the approval of the Chairman of the Committee on Operations whenever approval of the Committee on Operations is not otherwise specifically required;

(v) To create temporary positions and to make temporary appointments thereto for periods not exceeding three (3) months' duration;

(vi) To grant or authorize the granting of vacation, sick leave, other leave of absence and to establish or modify other employee benefits (other than retirement matters) and to take other action affecting personnel.

(b) Unless directed by the Committee on Finance:

(i) To authorize or arrange for the printing and engraving of bonds, notes or other securities or obligations, the issuance whereof has been authorized by the Board.

(ii) To authorize and arrange for the payment of the interest upon and principal of such bonds, notes, or other securities or obligations, in accordance with the resolutions authorizing their issuance, out of any revenues directly pledged therefor, out of any sinking funds or special reserve funds especially established in connection therewith and, in case there are no other moneys available for the payment of such interest and principal, out of the General Reserve Fund if such fund has been pledged as security for such payments.

(iii) To authorize or arrange for the making of payments into such reserve funds during the year for which such payments are to be made out of revenues directly pledged for such purposes, to authorize or arrange for the making of payments into such sinking funds during the year for which such payments are to be made out of revenues directly pledged for such purposes, out of any special reserve funds especially established in connection with the particular issue of such bonds, notes, securities or other obligations for which such payments are to be made, out of any other special reserve funds available for such purposes, out of any other Port Authority funds available for such purposes, and, in case of all the preceding available sources are insufficient to make such payment, then out of the General Reserve Fund.

(iv) Whenever the resolutions of the Board establishing the issue of bonds and the various resolutions of the Board establishing the separate series of such bonds require the redemption of bonds for retirement for sinking fund purposes, to arrange for or authorize the call of such bonds for redemption, within the limitations of said bond resolutions to select or arrange for the selection of the particular bonds to be redeemed, publish or arrange for the publication of notice of redemption, pay or arrange for the payment of such bonds upon the date set for their redemption and generally do all things necessary or incidental to the redemption and retirement of such bonds.

(c) In his discretion, to delegate in whole or in part any power, authority or discretion, conferred upon him by any of the provisions of these By-Laws, or by any resolution heretofore or hereafter adopted by the Board of Commissioners to any other officer or member of the staff, provided, that this power shall not apply to any case where the Executive Director is authorized to sign checks, drafts or commercial paper, or to any case where he is authorized to have access to safe deposit boxes.

(d) Whenever a budget adopted by the Board contains an item relating to the maintenance, repair or rehabilitation of any Port Authority facility or property which is in operation, or to the making of capital improvements and additions thereto, or the construction of a Port Authority project, or to major repairs, or major rehabilitation to any Port Authority project, or any Port Authority property, or to the purchase of materials and supplies, or to the furnishing of utility or other services, the Executive Director (unless otherwise directed by the appropriate Committee) shall have the following powers, the exercise of which by the Executive Director shall be discretionary and not mandatory:

(i) To authorize or arrange for contracts for such maintenance, repairs or rehabilitation or for the making of capital improvements and additions thereto, and for the performance of construction work, including demolition and excavation, and to authorize and arrange for purchase orders or contracts for the purchase of materials and supplies, or for the furnishing of utility or other services and for the making of other expenditures, upon such terms and conditions as the Executive Director may deem proper and to execute the same on behalf of the Port Authority where the amount of any such contract or purchase order is not in excess of \$1,000,000; provided, however, that in the case of contracts or purchase orders whose amount is in excess of \$250,000 he shall not execute with other than the lowest bidder after public advertisement. The limitation set forth above in this subdivision (i) on the power of the Executive Director to execute any such contract or purchase order shall not be construed as imposing on the Executive Director a mandatory requirement to execute any contract or purchase order with the lowest bidder.

(ii) Whenever any such contracts or purchase orders have been executed on behalf of the Port Authority, pursuant to subdivision (i) hereof, the Executive Director shall have the power to enter into contracts or agreements on behalf of the Port Authority amendatory of or supplemental to such contracts and purchase orders, to place extra work orders, to make payments to vendors and contractors, (provided that the total of payments ((exclusive of settlement payments under paragraph (h) below or authorized by the Board or a Committee thereof)) under any such contract or purchase order is not thereby increased to a sum in excess of \$250,000 or in the case of such contracts or purchase orders executed with the lowest bidder after public advertisement at a price in excess of \$200,000 is not thereby increased to a sum in excess of either \$1,000,000 or the amount of the low bid plus 25% thereof, whichever is less), and to exercise any rights and to perform any obligations vested in or assumed by the Port Authority in any such contracts.

(iii) To require a bond securing the performance of any contract or purchase order authorized by the Board or a Committee thereof or by him and/or the payment of subcontractors, materialmen, workmen and other third persons, whenever he deems it advisable under the circumstances.

(iv) To acquire temporary interests in real property necessary in connection with such construction or maintenance, provided the term of any such interest shall not be in excess of five years.

(e) Whenever a budget adopted by the Board contains an item relating to an expenditure which is properly chargeable as an operating expense and which is for a purpose not mentioned elsewhere under this Article XII, "Administrative Powers," of these By-Laws, the Executive Director shall have the power in his discretion to authorize or arrange for the expenditure thereof, including the power to authorize or arrange for contracts for such purpose, for the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority under such contract where the amount or estimated cost of any such contract is not in excess of \$250,000.

(f) Whenever any construction or maintenance contract or any purchase order has been executed pursuant to authorization granted by the Board (other than under this Article XII) or any Committee thereof, the Executive Director shall have the power to enter into contracts or agreements on behalf of the Port Authority amendatory of or supplemental to such contracts and purchase orders, to place extra work orders, to make payments to vendors and contractors, and to exercise any rights and to perform any obligations vested in or assumed by the Port Authority in any such contracts; provided, that, the total of payments made pursuant to this paragraph (f) shall not exceed \$250,000 in connection with any one such construction or maintenance contract or purchase order.

(f-1) Whenever a budget adopted by the Board contains an item relating to an expenditure for professional, technical or advisory services including but not limited to services of consultants, engineers, architects, designers, artists, technicians, inspectors, appraisers and experts of any kind and others whether similar to or different from the foregoing, the Executive Director shall have the power in his discretion to authorize or arrange for the expenditure thereof, including the power to authorize or arrange for contracts for such services, for the exercise of any rights and the performance of any obligations vested in or assumed by the Port Authority under such contract where the amount or estimated cost of any such contract is not in excess of \$50,000 in the case of contracts for technical services such as inspection, testing and cost estimating of materials and construction, and \$10,000 in the case of contracts for other services.

(f-2) Whenever any contract for services of the types described in paragraph (f-1) above has been executed pursuant to authorization granted by the Board (other than under this Article XII) or any Committee thereof, the Executive Director shall have the power in his discretion to enter into contracts amendatory of or supplemental to such contract, to authorize performance of and payment for additional services under such contract and to exercise any rights and perform any obligations vested in or assumed by the Port Authority under such amendatory or supplemental contract, provided that with respect to any one such contract authorized by the Board (other than under this Article XII) or any Committee thereof, the total of payments made pursuant to this paragraph (f-2) shall not exceed \$50,000 in the case of contracts for technical services such as inspection, testing and cost estimating of materials and construction, and \$10,000 in the case of contracts for other services.

(g) The Executive Director shall, from time to time, report to the appropriate Committee (1) all contracts or purchase orders executed under the provisions of paragraph (d) and (e) above where the total of the payments thereunder (exclusive of settlement payments under paragraph (h) below or payments authorized by the Board or a Committee thereof) is in excess of \$75,000; (2) all authorizations exercised under the provisions of paragraphs (f), (f-1) and (f-2) above; (3) all settlements of claims of or against the Port Authority in excess of \$500 made under the provisions of paragraph (h) below; and (4) all authorizations exercised under the provisions of paragraphs (k), (l-1), (m) and (n) below; but the failure of the Executive Director to report the same shall not affect the validity of any action taken by the Executive Director with respect thereto.

(h) In his discretion, to settle claims by or against the Port Authority arising under or in connection with construction or maintenance contracts or purchase orders, provided that the total amount of the settlement in connection with or under any one contract or purchase orders does not exceed \$100,000.

(i) In his discretion, to authorize the payment to contractors and vendors of all or any portion of their compensation even though not yet payable under the terms of the contract or purchase order.

(j) On behalf of the Port Authority, to enter into any agreement including, but not limited to, leases, permits and licenses, for the use or occupancy of any property owned or operated by the Port Authority and for the use or occupancy of property by the Port Authority or for the exercise of privileges thereat, where any such agreement (i) is unconditionally revocable without cause by the Port Authority upon thirty days' notice or less, or (ii) requires payment to or by the Port Authority of a fixed monetary consideration either alone or combined with a percentage or other variable additional rental or fee and such fixed consideration (exclusive of any separate obligations of the occupant or user to pay for utilities, insurance, services or other such) does not exceed \$50,000 per annum, or under the terms of such agreement the Port Authority does not incur any fixed liability for initial improvements or alterations to the premises or contingent liability for termination which is in excess of \$50,000, or (iii) substitutes another for the contracting party to an existing agreement, or (iv) is a renewal, extension, amendment or modification of an existing agreement with terms and conditions at least as favorable to the Port Authority, or (v) provides for a rental or fee at a rate not less than the rate approved or established by the Board or a Committee; and any such agreement may contain such indemnity and other provisions as he may deem appropriate.

(k) In his discretion, to authorize or arrange for contracts for the sale of personal property owned by the Port Authority upon such terms and conditions as he may deem proper and to execute the same on behalf of the Port Authority where the amount of any such contract is not in excess of \$250,000; provided, however, that in the case of contracts whose amount is in excess of \$50,000 he shall not execute with other than the highest bidder after public advertisement. The limitation set forth above in this paragraph (k) on the power of the Executive Director to execute any such contract shall not be construed as imposing on the Executive Director a mandatory requirement to execute any contract with the highest bidder.

(l) The Executive Director may, in his discretion, authorize intervention and participation on behalf of the Port Authority in proceedings before the Interstate Commerce Commission, Civil Aeronautics Board, Federal Maritime Commission, or any other administrative tribunal of the United States or of the States of New York and New Jersey or their subdivisions affecting the trade and commerce of the Port District or the terminal or transportation facilities therein provided, however, that no statement as to the position of the Port Authority on the issues in the proceedings shall be submitted until the position has been authorized by the Board or the Committee on Port Planning.

(l-1) In addition to the authority granted elsewhere in these By-Laws, with respect to the operation, planning and development of Port Authority facilities and with respect to other projects, programs and studies which have been authorized by the Port Authority, the Executive Director may, in his discretion, apply for and accept on behalf of the Port Authority grants from federal, state or other governmental entities, and, in addition, may, in his discretion, authorize execution of agreements with federal, state or other governmental entities for the performance of services by Port Authority and/or PATH employees or the participation by such employees in programs or other activities sponsored in whole or in part by such entities where the reimbursable salaries of the Port Authority and/or PATH employees for the time so spent does not exceed \$50,000.

(m) The Executive Director shall have authority to settle all claims of and against the Port Authority when the payment is not in excess of \$50,000; or when the amount of damages incurred by the Port Authority is not in excess of \$50,000. Claims of and against the Port Authority shall include all claims, except those specifically referred to in Article XII, paragraph (h) above, and shall include claims against officers and employees of the Port Authority for which the Port Authority would be responsible under the doctrine of respondeat superior, provided, that in the case of claims against officers and employees of the Port Authority which are covered by insurance purchased by such officers or employees, the Port Authority shall pay such claims only to the extent that they are in excess of the amount for which the insurance carriers are responsible, provided that in the case of officers and employees, the Port Authority shall pay such claims or judgments only if such officers and employees have authorized the Port Authority in its discretion to settle or defend such actions and shall have cooperated with the Port Authority in the defense thereof, and provided that in the case of officers and employees the Port Authority shall pay such judgments or claims only if such officers and employees shall have given the Port Authority prompt notice of claim or action against them.

(n) Whenever a budget adopted by the Board contains an item relating to the purchase or renewal by the Port Authority of any type of insurance, the Executive Director (unless otherwise directed by the appropriate Committee) shall have the power in his discretion to authorize or arrange for such purchase or renewal where the total premium for the term of the purchase or renewal is not in excess of \$50,000.

(o) With respect to Port Authority property or to the operation, planning and development of Port Authority facilities the Executive Director, in his discretion, may enter into such indemnity agreements as he may deem appropriate.

Whenever the Executive Director purports to act pursuant to power vested under these By-Laws, then all third persons are entitled to rely on the Executive Director's representation that he has the power to act.

The powers herein vested in the Executive Director shall not be construed or deemed to affect the power of the Board of Commissioners to act in any case, nor shall any power vested in the Executive Director be construed or deemed to affect the power of any Committee to act where such power is also vested in a Committee, but where either the Board or any Committee exercises a power in any such case, such action shall not be construed or deemed to affect the power of the Executive Director to act in similar cases in the future.

XIII. BUDGET

Whenever reference in these By-Laws is made to a budget, it shall mean a budget approved or authorized by the Board. Whenever in these By-Laws a Committee or officer is vested with powers or discretion by reason of a budget item, such Committee or officer shall also have the same powers and discretion in any case where the Board approves or authorizes an expenditure of a specified amount (or of an approximate sum or of an amount not to exceed a specified sum) for a specified purpose, by resolution or otherwise, or in any case where the Board approves or ratifies expressly or by implication any action taken by any Committee either recommending that the Board approve or ratify such an expenditure for such a purpose, or authorizing such an expenditure for such a purpose, subject to the approval of the Board.

XIV. AMENDMENTS

These By-Laws may be amended by resolution duly adopted at any meeting, regular or special, provided that notice of intention to present such resolution shall be given at least two days in advance of the meeting at which the motion to adopt such resolution is made. Such notice may be given by any Commissioner or by any Committee, (or by the Secretary at the request of any Commissioner or any Committee). Such notice may be given in writing, mailed or delivered to all Commissioners, or in the alternate, such notice may be given orally at any meeting, in which event such notice shall be noted in the minutes of the meeting at which it is given. Advance notices of motions to amend motions to amend the By-Laws need not, however, be given.

The provisions of these By-Laws may be suspended by unanimous consent of a quorum.