FOI#14151

----- Original Message -----
From: Martin Braun (BLOOMBERG/ NEWSROOM:) [mailto:mbraun6@bloomberg.net]
Sent: Friday, July 19, 2013 04:26 PM
To: Duffy, Daniel
Subject: Bloomberg News FOIA Request

July 19, 2013
Mr. Duffie:
I would like to request the following documents under the FOI code:
1. Expense Reports, including copies of receipts, filed by Anne Marie Mulligan, Jon Huxel and Veronica Biddle from January 1, 2003 to June 1, 2013.
2. Copies of reimbursement checks or other records showing how much Mulligan, Huxel and Biddle were reimbursed for expenses from January 1, 2007 to June 1, 2013.
3. Copies of itineraries of trips abroad by Mulligan, Huxel and Biddle.
4. Copies of any record showing how much the Port Authority spent to send Mulligan, Huxel and Biddle on trips abroad.
5. Any record of gifts received by Mulligan, Huxel and Biddle.
6. Copy of the Port Authority's gift policy.
7. ``Permission to Market'' Letters for the Port Authority's Owner Controlled Insurance Program from January 1, 2007 through June 1, 2013.
8. Any documents from Aon that account for year-by-year total construction value for the CIP.
9. Copies of Owner Controlled Insurance Program policies from January 1, 2007 through June 1, 2013.
10. Records showing the amount of premium paid for the OCIP for the years: June 2007-June 2008, June 2008-June 2009, June 2009-June 2010, June 2010-June 2011, June 2011-June 2012.
11. Documents showing how the premium for the OCIP for the above years was calculated.
12. Copies of emails from employees of Aon Risk Services and its predecessor broker from Long Island to Mulligan, Huxel and Biddle regarding trips abroad from January 1, 2007 through June 1, 2013.
13. Any emails, reports or other documents related to the suspension/termination of Jeffrey Yuhasz.
14. Any notes, transcripts or memos from interviews of Mulligan, Biddle, Huxel and Yuhasz by employees of the Port Authority inspector general.
15. Any report by the Port Authority IG's office on the termination of Mulligan, Biddle, and Huxel.
16. Any third-part audit of the Port Authority's insurance placements since 2012.
If you withhold any of the above requested information and or documents please state the specific exemption under the FOI code justifying such withholding. This request is segregable and claims of exemption for one part of the request are not sufficient to deny the request in its entirety.
If you need more information to fulfill this request or have any questions, please telephone or e-mail as soon as possible in order to expedite the process. I'm prepared to work with you to fulfill this request as rapidly as possible. My phone number is 212-617-6849 and email is mbraun6@bloomberg.net.

Sincerely,
Martin Z. Braun, Reporter
Bloomberg News
731 Lexington Ave. NY, NY 10022

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

October 28, 2014

Mr. Martin Z. Braun
Bloomberg News
731 Lexington Avenue
New York, NY 10022

Re: Freedom of Information Reference No. 14151

Dear Mr. Braun:

This is a further response to your July 19, 2013 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code"), for copies of (1) expense reports, including copies of receipts, filed by Anne Marie Mulligan, Jon Huxel and Veronica Biddle from January 1, 2003 to June 1, 2013; (2) copies of reimbursement checks or other records showing how much Mulligan, Huxel and Biddle were reimbursed for expenses from January 1, 2007 to June 1, 2013; (3) copies of itineraries of trips abroad by Mulligan, Huxel and Biddle from January 1, 2003 to June 1, 2013; (4) copies of any records showing how much the Port Authority spent to send Mulligan, Huxel and Biddle on trips abroad from January 1, 2003 to June 1, 2013; (5) copies of any record of gifts received by Mulligan, Huxel and Biddle for the period January 1, 2010 through May 31, 2012; (6) A copy of the Port Authority's gift policy; (7) copies of "Permission to Market" Letters for the Port Authority's Owner Controlled Insurance Program from January 1, 2007 through June 1, 2013; (8) copies of any documents from Aon that account for year-by-year total construction value for the CIP; (9) copies of Owner Controlled Insurance Program policies from January 1, 2007 through June 1, 2013; (10) records showing the amount of premium paid for the OCIP for the years June 2007-June 2008, June 2008-June 2009, June 2009-June 2010, June 2010-June 2011, June 2011-June 2012; (11) documents showing how much premium for the OCIP for the above years was calculated; (12) copies of emails from employees of Aon Risk Services and its predecessor broker from Long Island to Mulligan, Huxel and Biddle regarding trips abroad from January 1, 2007 through June 1, 2013; (13) any emails, reports or other documents related to the suspension/termination of Jeffrey Yuhasz; (14) any notes, transcripts or memos from interviews of Mulligan, Biddle, Huxel and Yuhasz by employees of the Port Authority Inspector General; (15) any report by the Port Authority IG's Office on the termination of Mulligan, Biddle, and Huxel; (16) any third-party audit of the Port Authority's insurance placements since 2012.

225 Park Avenue South, 17th FL
New York, NY 10003
T: 212 435 3642 F: 212 435 7555

Material responsive to items 9, 11 and 12 of your request and available under the Code can be found on the Port Authority's website at http://www.panynj.gov/corporate-information/foi/14151-O-2.pdf. Paper copies of the available records are available upon request.

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

Very truly yours,

Daniel D. Duffy
FOI Administrator

-----Original Message-----
From: Jim Hayes [mailto:jim.hayes@aon.com]
Sent: Friday, March 19, 2010 9:50 AM
To: Biddle, Veronica
Cc: Adrian Rabinowitz
Subject: Fw: Port Authority of New York & New Jersey London visit w/c 19th April 2010

Veronica,

Obviously we need to discuss before I get back to Graham.

Jim H
----- Forwarded by Jim Hayes/NY/ARS/US/AON on 03/19/2010 09:49 AM -----
Graham Wingrove/AGL/UK/AON@AONUK

03/19/2010 06:27 AM

To Jim Hayes/NY/ARS/US/AON@AONNA
cc Adrian Rabinowitz/NY/ARS/US/AON@AONNA
Subject Port Authority of New York & New Jersey London visit w/c 19th April 2010

Dear Jim,
As you will appreciate we are now getting to a stage of putting the final plans in place for the above.
So here below is an outline of arrangements to date.

Monday 19th April 2010:
In Town : Jim Hayes, Arian Rabinowitz, Christine Farrington, Jon Huxel

08:30 Paul Bland, Matt Newman, Jonathan Gale - Catlin - Ian Hacker & John Turner

10:00 Richard Bryant - ARK - Ian Hacker

11:30 Lunch Peter Bone, Paul Worgan - Lexington - Ian Hacker

15:00 Toby Drysdale - Atrium - Ian Hacker

Dinner

Jon Huxel, Christine Farrington have prior arranged engagement.

Jim , Adrian - What are your plans ? Would you like dinner, or do your own thing ?

(John Riddle Arrives in Town PM)

Tuesday 20th April 2010

10:30 Paul Simpson - Ascot Underwriting - Ian Hacker

11:30: John Henderson, Inga Brand - Aspen Ian Hacker, John Turner

Lunch TBA

PM TBA - Possible John Riddle to Lexington to meet with Actuary (please advise whether Jon Huxel wishes to be with John Riddle at the meetings with Actuary)

Dinner:

TBA

Wednesday 21st April

Claims Review Committee Meeting 10 Devonshire Square

Buffet working Lunch

Dinner

Christine Farrington
Jon Huxel
John Riddle
Jim Hayes
Adrian Rabinowtiz
Steve Marcellino
Helmut Beron
Chris Gannon
Robert Rigolosi

Graham Wingrove
Ian Hacker

Thursday 22nd April.

Anne Marie Mulligan & Veronica Biddle join with Aon

10:00 Anne Marie Mulligan & Veronica Biddle, meeting with Peter Bone - Lexington - Ian Hacker

11:00 Jon Huxel, Anne Marie Mulligan, Veronica Biddle, Paul Bailey XL Europe - Ian Hacker

Lunch

Free T.B.A.

John Riddle meeting Catlin Actuary TBA (please advise whether Jon Huxel wishes to be with John Riddle at the meetings with
Actuary)

Dinner

John Henderson & (?) Inga Brand Aspen
Christine Farrington
Ann Marie Mulligan
Veronica Biddle
Jon Huxel
Jim Hayes
Adrian Rabinowitz
John Riddle
John Turner
Ian Hacker
Graham Wingrove

To be arranged meeting Christine Farrington - Martin Futter RMSL (Equitas) re 1993 WTC Bombing settlements.

Best regards

Graham and Ian

Graham Wingrove | Senior Claims Broker
Aon Limited | Property & Casualty Broking
8 Devonshire Square, Cutlers Gardens, London, EC2M4PL
Office :+44 (0)20 7623 5500
Direct :+44 (0)20 70862994
Fax :+44 (0)20 75701706
Email : graham.wingrove@aon.co.uk

From: Adrian Rabinowitz [adrian.rabinowitz@aon.com]
Sent: Wednesday, August 25, 2010 12:15 PM
To: Biddle, Veronica
Cc: Huxel, Jon; Jim Hayes
Subject: Fw: WTC-London visit update on meetings

This is what we have so far in the way of an agenda. Let us know your thoughts.

From: John Wise
To: Jim Hayes
Cc: Adrian Rabinowitz; Anthony DeFelice; Kevin Daly <Kevin_Daly@aon.com>; Tom Morris
Sent: Wed Aug 25 10:37:31 2010
Subject: WTC-London visit update on meetings

Please disregard the previous emails with the details of meetings, see below revision for latest itinerary:

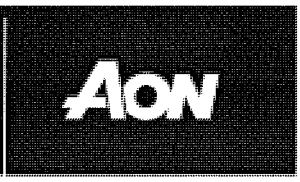
Monday 20th Sept:
- arrive 8 Devonshire Square 10.30am : Tim, Carla, Adrian and yourself, review the presentation followed by lunch
- 3pm meeting with Nick Bonnar, ARK syndicate

Tuesday 21st Sept:
- lunch at 1pm with Peter Bone, Lexington ; Tim, Carla, Adrian and yourself,

Wednesday 22nd Sept: [with Veronica/Anne Marie]
- 9am individual meeting with John Henderson, Aspen
- Group/market presentation 10.30am to representatives of 18 markets with uwrs arriving from10.00am [attendee list to be provided]
- Matt Yeldham, Aegis syndicate individual meeting after lunch [to be confirmed]

Dinner
- with client / Aon Jericho [to be confirmed]

This is the latest so far other meetings to be arranged dependant on further discussions we are having with markets in the meantime and will keep you posted regards John



Date:	September 20th – 23rd 2010	
Attendees:	Tim Stickelman	PONY, Assistant General Counsel
	Carla Bonacci	PONY, AIA, Assistant Director, WTC Construction
	Anne Marie Mulligan	PONY, Treasurer
	Veronica Biddle	PONY, Assistant Treasurer
	Jim Hayes	Aon, Jericho, Vice President, Pony Service Team
	Adrian Rabinowitz	Aon, Jericho, Vice President, Pony Service Team
	Kevin Daly	Aon
	John Wise	Aon, London
	Andrew Cooper	Aon, London

Monday 20th September

Venue: *Meeting room 8.5.2*
8 Devonshire Square
London, EC2M 4PL

10:30am – 2:30pm In house rehearsal of presentation
Working Lunch

3:00pm – 5:00pm Meeting with Nick Bonnar and Catherine Healy of Ark
Ark Underwriters
Meeting room 1
8th Floor
St Helens
1 Undershaft

6:30pm **Dinner**
Greens Cornhill (x7)
14 Cornhill
London, ECV3 3ND
Tel: (44) 020 7220 6300

Contact Numbers:
John: 020 7216 3700
Carly: 020 7086 0234

Tuesday 21st September

Venue: *Meeting room 8.2.1 and 8.2.2*
8 Devonshire Square
London, EC2M 4PL

9:00am	Arrive at 8 Devonshire Square – Pre Meeting Conference
10:00am – 12:00pm	Meetings with Peter Rudd, Aon, and Hugh Phillips of Beazley Syndicate. Plus various underwriting meetings.
1:00pm – 3:00pm	Meeting with Peter Bone of Lexington at Lexington's office (The Kent Room)
3:15pm – 5:00pm	Presentation to Claims Underwriters with Graham Wingrove

Wednesday 22nd September

Venue: *Meeting room 8.6.13*
8 Devonshire Square
London, EC2M 4PL

10:00am – 12:30pm Presentation of the WTC Projects to:
John Henderson – Aspen
Inga Brand – Aspen
Jonathan Gale – Catlin
Matthew Newman – Catlin
Peter Bone – Lexington
Paul Worgan – Lexington
Nick Bonnar – Ark
Catherine Healy – Ark
Paul Tooley – XL
Paul Bailey – XL
Peter Gower – Hiscox
Darren Carr – Hiscox
Matthew Yeldham – Aegis (10.45am)
Donnacha Smyth – XL Group
Siobhan Walshe – Chartis Cat XS
Darren Cox - Berkshire
David Whyman or Alison Timson – Torus
James Perrott – Liberty
Sally Newby – Liberty
Darren Jacobs – CV Starr
Christopher Mason – Endurance

Contact Numbers:
John: 020 7216 3700
Carly: 020 7086 0234

12:30pm – 3:00pm	Working buffet lunch with Q & A sessions John Henderson – Aspen Inga Brand – Aspen Paul Tooley – XL Paul Bailey – XL Christopher Mason – Endurance Donnacha Smyth – XL Group Siobhan Walshe – Chartis Cat XS Darren Cox – Berkshire (Other attendees still TBC)
4:30pm	Meeting with Matthew Yeldham of Aegis at Lloyds
7:00pm	**Dinner** with John Henderson of Aspen Smiths of Smithfield (x9) 67 – 77 Charterhouse Street London, EC1M 6HJ Tel: (44) 020 7254 7950

Thursday 23rd September ***Venue:*** *TBC*

10:00am – 1:00pm	Meetings with Peter Rudd of Aon in reference to Builders Risk Placement.
2:00pm – 4:30pm	Meetings with James Dover and Mark Steddon of the Aon London Terrorism Department and various markets.

Contact Numbers:
John: 020 7216 3700
Carly: 020 7086 0234

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	Veronica Biddle	PONY, Assistant Treasurer
	Jim Hayes	Aon, Jericho, Vice President, Pony Service Team
	Adrian Rabinowitz	Aon, Jericho, Vice President, Pony Service Team
	Kevin Daly	Aon
	John Wise	Aon, London
	Andrew Cooper	Aon, London

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James Perrott – Liberty
Sally Newby – Liberty
Darren Jacobs – CV Starr
Christopher Mason – Endurance

Contact Numbers:
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Contact Numbers:
John: 020 7216 3700
Carly: 020 7086 0234

From: Adrian Rabinowitz [Adrian_Rabinowitz@ars.aon.com]
Sent: Monday, January 14, 2008 11:37 AM
To: Mulligan, Anne Marie
Cc: Biddle, Veronica; Jim Hayes
Subject: RE: PONY Trips to London [Virus Checked]
Attachments: PANYNJ Travel Letter.pdf

Hi Anne Marie. Happy New Year to you, too. Hope you enjoyed the holidays.

Those Brits probably open their attachments with the mouse on the other side of the computer! Try this one.

...A

(See attached file: PANYNJ Travel Letter.pdf)

"Mulligan, Anne Marie" <amulliga@panynj.gov>

To: <Adrian_Rabinowitz@ars.aon.com>
cc:
Subject: RE: PONY Trips to London [Virus Checked]

01/14/2008 10:45 AM

Hello Adrian,

Happy New Year! Hope all is well and that you had a nice holiday.

Veronica must have access to email at the course that she is attending and forwarded the below email that you provided. I'm having trouble opening the attachment. Would you please send another one to me to see if I have better luck. If you need my email address its amulliga@panynj.gov - no "n"
on mulligan. Thank you for your help on this.

Anne Marie

> -----Original Message-----
> From: Biddle, Veronica
> Sent: Monday, January 14, 2008 10:19 AM
> To: Mulligan, Anne Marie
> Subject: FW: PONY Trips to London [Virus Checked]
>
> Anne Marie-
>
> I can't open it remotely. Can you review and reply to Adrian if you need the letter revised?
>
> Thanks, Veronica

From: Adrian Rabinowitz [mailto:Adrian_Rabinowitz@ars.aon.com]
Sent: Sun 1/13/2008 4:55 PM
To: Biddle, Veronica
Cc: stan.kordula; HectorIOW@onetel.com; Jim Hayes
Subject: Fw: PONY Trips to London [Virus Checked]

VB,

Please let us know if you need anything changed.

Regards,
A

PS: Hope your course goes well. Will see you when you get back.
----- Forwarded by Adrian Rabinowitz/NY/ARS/US/AON on 01/13/2008
04:52 PM

Stan

Kordula@AONUK To: Adrian
Rabinowitz/NY/ARS/US/AON@AONNA@AON

cc:
HectorIOW@onetel.com, Jim Hayes/NY/ARS/US/AON@AONNA@AON

01/11/2008 11:37 Subject: Re: Fw: PONY
Trips to London [Virus Checked](Document link: Adrian
AM Rabinowitz)

Adrian - trust this is in order - please let me know if you wish any
changes

(Embedded image moved to file: pic00041.jpg)

Thanks and Best Regards

==========
Stan Kordula, Senior Broker/Account Handler
Property & Casualty Broking, Aon Limited
8 Devonshire Square, Cutlers Gardens, London, EC2M4PL
Direct :+44 (0)20 70861088,
Fax :+44 (0)20 75701706, Mobile :+44 (0)7976194507
e-mail :stan.kordula@aon.co.uk
Website :http://www.aon.co.uk/
==========

Adrian

Rabinowitz@AONN To: HectorIOW@onetel.com

A cc:
stan.kordula@aon.co.uk@AONUK, Jim Hayes/NY/ARS/US/AON,
vbiddle@panynj.gov

10/01/2008 Subject: Fw: PONY Trips to
London [Virus Checked]
19:58

Michael,

Please put your comments in letter form per Veronica's request.

Thanks much,
A
----- Forwarded by Adrian Rabinowitz/NY/ARS/US/AON on 01/10/2008
02:55 PM

"Biddle,

Veronica" To: "Adrian
Rabinowitz" <Adrian_Rabinowitz@ars.aon.com>
<vbiddle@panynj.g cc: "Jim Hayes"
<Jim_Hayes@ars.aon.com>
ov> Subject: RE: PONY
Trips to London [Virus Checked]

01/10/2008 11:01

AM

Hi Jim and Adrian-

Would it be possible to have the body of the email in a letter (on
letterhead) from Michael addressed to Anne Marie? If so, a PDF of
the
signed letter would work and we can print it out here.

Veronica

-----Original Message-----
From: Adrian Rabinowitz [mailto:Adrian_Rabinowitz@ars.aon.com]
Sent: Thursday, January 10, 2008 10:56 AM

To: Biddle, Veronica
Cc: Jim Hayes
Subject: Fw: PONY Trips to London [Virus Checked]

FYI.

----- Forwarded by Adrian Rabinowitz/NY/ARS/US/AON on 01/10/2008
10:55 AM

Michael Hector

Kier To:
Jim_Hayes@ars.aon.com, Adrian_Rabinowitz@ars.aon.com

<hectoriow@onetel cc:
stan.kordula@aon.co.uk, gavan.connolly@aon.co.uk

.com> Subject: PONY Trips
to
London [Virus Checked]

01/09/2008 01:01

PM

Jim,

We have always recommended that our clients will get better results
from
their
Insurers if they have the best possible relationships with them, and
that
can
come only from personal contact. Such personal understanding between
the
parties can only be done face to face and the most cost effective way
is
for
the PA to visit Europe and see as many U'wrs as possible on each
trip.

I have had this conversation with John Henderson (Aspen) and Paul
Simpson
(Catlin) and they both agree wholeheartedly.

Best regards, Michael.

NOTICE: THIS E-MAIL AND ANY ATTACHMENTS CONTAIN INFORMATION FROM THE
PORT
AUTHORITY OF NEW YORK AND NEW JERSEY AND AFFILIATES. IF YOU BELIEVE
YOU
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RECEIVED THIS E-MAIL IN ERROR, PLEASE NOTIFY THE SENDER IMMEDIATELY,
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AON

Property & Casualty

8 Devonshire Square
London EC2M 4PL
tel: 020 7623 5500
fax: 020 7621 1511

For the attention of:

Anne Marie Mulligan
Treasurer
The Port Authority of NY & NJ
225 Park Avenue South,
12th Floor.
New York,
NY 10003
United States of America.

Dear Anne Marie

Re: Port Authority of NY & NJ – London Placements

We have always recommended that our clients will get better results from their Insurers if they have the best possible relationships with them, and that can come only from personal contact. Such personal understanding between the parties can only be done face to face and the most cost effective way is for the Port Authority to visit Europe and see as many Underwriters as possible on each trip.

I have had this conversation with John Henderson (Aspen) and Paul Simpson (Catlin) and they both agree wholeheartedly.

Yours sincerely,

pp. S. Hoodless.

Michael Kier
Property & Casualty
Aon Limited

Aon Limited
Registered Office: 8 Devonshire Square, London EC2M 4PL
Registered in London No. 210725 • VAT Registration No. 480 8401 48
Aon Limited is authorised and regulated by the Financial Services Authority in respect of insurance mediation activities only

From: Jim Hayes [Jim_Hayes@ars.aon.com]
Sent: Tuesday, February 24, 2009 1:05 PM
To: Biddle, Veronica
Cc: Adrian Rabinowitz
Subject: Re: CIP/WTC OCIP - Travel to London in June

Veronica,

As indicated in my recent letter, I highly recommend that you, Anne Marie, and Tim all be present at the London meetings. Each of you offers a distinct expertise to address the many and varied questions our underwriters have regarding the construction programs currently in place.

In answer to your second question, the most critical aspect of our trip will be to discuss in detail the WTC projects as outlined in the report entitled "A Roadmap Forward". As Tim has already presented this report so successfully to various London Underwriters, I would ask that he make this presentation again in London. Also keep in mind Tim has met with most of these Underwriters in the past and has earned their trust and respect .

As to a substitute for the Treasurer, I think introducing a stranger into the mix at this critical time would not be a good idea. The underwriters would expect the Treasurer herself to be present to address their concerns as to how the Port intends to meet its financial commitments during these difficult economic times.

Call me if any questions.

Regards,

Jim H

"Biddle, Veronica" <vbiddle@panynj.gov>

02/24/2009 10:46 AM

To <Jim_Hayes@ars.aon.com>
cc
Subject CIP/WTC OCIP - Travel to London in June

Jim-

The CFO asked me to reach out to you to ask the following:

1) Presently, Anne Marie, Tim Stickelman and I are slated to travel to London CIP/WTC OCIP in June to address the market and attend the annual Claim Review Committee meeting. If only one or two members of the team would be able to attend to give the presentation, which person/people would you recommend and why?

2) Could you outline the most critical area of discussion for the trip this year. The CFO is concerned with having both Anne Marie and I out simultaneously this year due to present economic conditions and wants to know if both she and I are key to the presentation? Would it be possible to substitute another financial position, such as the Comptroller or Assistant Comptroller, for the Treasurer?

Thanks,

Veronica

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From: Adrian Rabinowitz [mailto:adrian.rabinowitz@aon.com]
Sent: Wednesday, August 25, 2010 12:15 PM
To: Biddle, Veronica
Cc: Huxel, Jon; Jim Hayes
Subject: Fw: WTC-London visit update on meetings

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- with client / Aon Jericho [to be confirmed]

This is the latest so far other meetings to be arranged dependant on further discussions we are having with markets in the meantime and will keep you posted regards John

From: Adrian Rabinowitz [adrian.rabinowitz@aon.com]
Sent: Wednesday, August 25, 2010 3:12 PM
To: Biddle, Veronica
Cc: Huxel, Jon; Jim Hayes
Subject: Re: WTC-London visit update on meetings

VB,

My apologies. Didn't have your schedule with me when I forwarded John's email, but didn't want to delay sending it to you.

Thanks for you response.....A

From: Biddle, Veronica <vbiddle@panynj.gov>
To: Adrian Rabinowitz
Cc: Jon Huxel-USA; Jim Hayes
Sent: Wed Aug 25 12:56:43 2010
Subject: RE: WTC-London visit update on meetings

Adrian-

The schedule looks good, except for the Wednesday at 9:00 am with John Henderson. If you recall from the operational Liability schedule I gave you and Jim a couple weeks ago, we have a meeting with Matthew Yeldham on that program on Wednesday at 9:00 am since Matthew's not available on Tuesday. Could we move the meeting with John to later on Wednesday?

Thanks,

Veronica

From: Adrian Rabinowitz [mailto:adrian.rabinowitz@aon.com]
Sent: Wednesday, August 25, 2010 12:15 PM
To: Biddle, Veronica
Cc: Huxel, Jon; Jim Hayes
Subject: Fw: WTC-London visit update on meetings

This is what we have so far in the way of an agenda. Let us know your thoughts.

From: John Wise
To: Jim Hayes
Cc: Adrian Rabinowitz; Anthony DeFelice; Kevin Daly <Kevin_Daly@aon.com>; Tom Morris
Sent: Wed Aug 25 10:37:31 2010
Subject: WTC-London visit update on meetings

Please disregard the previous emails with the details of meetings, see below revision for latest itinerary:

Monday 20th Sept:
- arrive 8 Devonshire Square 10.30am : Tim, Carla, Adrian and yourself, review the presentation followed by lunch

- 3pm meeting with Nick Bonnar, ARK syndicate

Tuesday 21st Sept:
- lunch at 1pm with Peter Bone, Lexington ; Tim, Carla, Adrian and yourself,

Wednesday 22nd Sept: [with Veronica/Anne Marie]
- 9am individual meeting with John Henderson, Aspen
- Group/market presentation 10.30am to representatives of 18 markets with uwrs arriving from10.00am [attendee list to be provided]
- Matt Yeldham, Aegis syndicate individual meeting after lunch [to be confirmed]

Dinner
- with client / Aon Jericho [to be confirmed]

This is the latest so far other meetings to be arranged dependant on further discussions we are having with markets in the meantime and will keep you posted regards John

NOTICE: THIS E-MAIL AND ANY ATTACHMENTS CONTAIN INFORMATION FROM THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND AFFILIATES. IF YOU BELIEVE YOU HAVE RECEIVED THIS E-MAIL IN ERROR, PLEASE NOTIFY THE SENDER IMMEDIATELY, PERMANENTLY DELETE THIS E-MAIL (ALONG WITH ANY ATTACHMENTS), AND DESTROY ANY PRINTOUTS.

and/or its affiliated, subsidiary, allied and associated companies and/or corporations and/or joint ventures and/or any owned (wholly or partially) or controlled company(ies) where the Insured maintains an interest or is required to provide insurance as now exists or may hereafter be constituted or acquired including their interests as may appear in partnerships or joint ventures.

HEREINAFTER REFERRED TO AS THE "INSURED"

1. TERM OF INSURANCE

In consideration of an annual premium this policy attaches and covers for a period of one year, from June 1, 2011 to June 1, 2012 beginning and ending at 12:01 AM, at the location of the property involved.

2. DEFINITION OF THE "INSURED" AND "ADDITIONAL INSURED"

A. The Words “The Insured”, wherever used in this Policy shall mean:

(i) The Port Authority of New York and New Jersey, hereinafter “The Port Authority”

(ii) Port Authority Trans-Hudson Corporation

(iii) Newark Legal and Communications Center Urban Renewal Corporation

(iv) WTC Retail LLC

(v) Port District Capital Projects LLC

(vi) 1 World Trade Center LLC

(vii) New York and New Jersey Railroad Corporation

(viii) Port Authority Insurance Captive Entity LLC

(ix) New York New Jersey Rail LLC

(x) and any affiliated, subsidiary, allied and associated companies and/or corporations and/or joint ventures and/or any owned (wholly or partially) or controlled company (ies) where the Insured maintains an interest or is required to provide insurance as now exists or may hereafter be constituted or acquired including their interests as may appear in partnerships or joint ventures of (i), (ii) or (iii) as now constituted.

B. Each of the following shall be considered as an "Additional Insured" under the terms of this Policy and whenever in this Policy the word "Insured" is used, it shall be deemed to include "Additional Insured” unless otherwise expressly stated:

(i) The City of New York, New York, but only as respects such insurance as is specified in present or future agreements with the City of New York or the New York Public Development Corporation pursuant to which the Insured is required to maintain such insurance as is specified in such agreements for occurrences arising out of the operation, control or occupancy of Port Authority facilities owned by the City of New York and leased to the Port Authority.

(ii) The City of Newark, New Jersey, but only as respects such insurance as is specified in present or future agreements with the City of Newark pursuant to which the insured is required to maintain such insurance as

specified in such agreements for occurrences arising out of the operation, control or occupancy of Port Authority facilities owned by the City of Newark and leased to the Port Authority.

(iii) The City of Hoboken, New Jersey, but only as respects such insurance as is specified in present or future agreements with the City of Hoboken pursuant to which the Insured is required to maintain such insurance as is specified in such agreements for occurrences arising out of the operation, control or occupancy of Port Authority facilities owned by the City of Hoboken and leased to the Port Authority.

(iv) The City of Elizabeth, New Jersey, but only as respects such insurance as is specified in present or future agreements with the City of Elizabeth pursuant to which the Insured is required to maintain such insurance as is specified in such agreements for occurrences arising out of the operation, control or occupancy of Port Authority facilities owned by the City of Elizabeth and leased to the Port Authority.

(v) Any agent of the Insured or any individual, co-partnership, corporation, unincorporated association, trustee, estate or governmental instrumentality (including the City of New York and the City of Newark) with which the Insured has entered (or will during the Policy period enter into an agreement or contractual relationship which requires that that the Insured have such entity and/or any other entity named as an Insured but only as respects such insurance as is specified in such agreement or contract and as is afforded by this Policy. The effective date for the inclusion of such entity as an Insured in the case of existing agreements and contractual relationships shall be the inception date of this Policy. In the case of new agreements and contractual relationships, such date shall be the date required by the agreement or contractual relationship, provided such date falls within the Policy period.

(vi) All Contractors, Subcontractors, or Agents of the Port Authority engaged in the modernization of the Port Authority Bus Terminal, Bathgate Industrial Park or construction projects now or hereafter designated as a "Builders Risk Project" by the Port Authority.

(vii) The Fund For Regional Development with respect to allocation of gross revenues derived from rental of office space.

3. PARTICIPATION

This policy covers for a 100% interest in this insurance excluding terrorism and this Insurer shall not be liable for more than a 100% interest of the $1,425,000,000 limit of liability provided herein.

4. LIMITS OF LIABILITY

Except as otherwise specified herein or by endorsement hereto, this Insurer shall not be liable for more than its proportion of the following limit for any one occurrence applicable separately to each limit:

a.) **$1,425,000,000** per occurrence**,** for all coverages and/or perils except as noted in paragraph b) below**.** Any sub-limits are part of and not in addition to the policy limit of liability.

b.) Program SubLimits: The following sub-limits are program sublimits:

$2,500,000 per occurrence and in the annual aggregate as respects loss or damage caused by Pollution and Contamination for clean-up and removal from land and water.

$2,500,000 per occurrence as respects Fire Brigade Charges /Fire Department Service Fees and Extinguishing Expenses

$2,500,000 per occurrence as respects Loss Adjustment Expenses.

$25,000,000 per occurrence for property in course of Transit.

$175,000,000 per occurrence and in the aggregate annually for loss or damage from the peril of flood except $100,000,000 for property located in Flood Zones A & V

$100,000,000 per occurrence and in the aggregate annually for loss or damage from the peril of Earthquake

$375,000,000 per occurrence for loss or damage from the peril of Named Windstorm

$25,000,000 per occurrence for Fine Arts

$100,000,000 per occurrence for Leasehold Interest

$125,000,000 per occurrence for Newly Acquired Locations for a period of 120 days from the date the acquisition becomes known to the Insured's Risk Management Department. After 120 days the limit will revert to $50,000,000

$250,000,000 per occurrence for Extra Expense

$125,000,000 per occurrence for Expediting Expenses

$250,000,000 per occurrence for Debris Removal

$ 75,000,000 per occurrence for Contingent Business Interruption and Contingent Extra Expense for direct suppliers and customers.

$125,000,000 per occurrence for property in Incidental Course of Construction

$200,000,000 per occurrence for Rental Income / Rental Value

$25,000,000 per occurrence for Royalties

$50,000,000 per occurrence for Valuable Papers and Records

$50,000,000 per occurrence for Accounts Receivable

$50,000,000 per occurrence for Miscellaneous Unnamed Locations

$50,000,000 per occurrence for Errors and Omissions

$100,000,000 per occurrence for Civil and Military Authority

$50,000,000 per occurrence for Off Premises Service Interruption

$2,500,000 per occurrence for external Architects/Engineers fees

$50,000,000 per occurrence for Media Reconstruction

$1,000,000 per occurrence for Defense Costs

$5,000,000 per occurrence for Green Building Extension

$ 50,000 per occurrence for LEED Accredited Professional Services

$ 25,000 per occurrence for Recertification Expenses

$ 25,000 per occurrence for Certification Expenses

$ 25,000 per occurrence for Recycling Expenses

$ 25,000 per occurrence Air Testing & Outdoor Air Ventilation of Reconstructed Space

$ 25,000 per occurrence Building Commissioning Expenses

365 Days Extended Period of Indemnity

Ensuing damage not otherwise excluded or subject to a sub-limit shall be subject to the limit of liability in paragraph (a) above.

Flood and Earthquake Annual Aggregates apply separately

5. RETENTION

All losses, damages, or expenses arising out of any one occurrence shall be adjusted as one loss and from the amount of such adjusted loss shall be deducted:

$25,000,000 per occurrence and in the aggregate annually, which in turn is **excess of $5,000,000** per occurrence (each and every loss). **Maintenance Deductible:** only the amounts in excess of $5,000,000 per occurrence shall contribute towards erosion of the Aggregate Retention. On exhaustion of the Aggregate Retention, all future losses, damages or expenses shall be subject to a retention of $5,000,000 per occurrence. The retention amounts shall not apply to general average contributions and salvage charges.

48 Hour Waiting Period with regards to Business Interruption as a result of Civil/military Authority/Ingress/Egress

6. DEDUCTIBLE CLARIFICATIONS

If two or more deductible amounts in this policy apply to a single occurrence, the total to be deducted shall not exceed the largest deductible

In any occurrence where loss or damage is caused by more than one peril insured against under this policy, the Insured shall have the right to separate the loss amount by peril for the purposes of application of the deductible(s) specified in this section, notwithstanding the above reference to two or more deductibles and the policy limits.

As respects theft, the term “occurrence” as referred to elsewhere within the policy means the sum total of all losses of covered property resulting from one or more concealed acts committed by one person or more than one person acting in unison to the extent such loss is not otherwise excluded under this policy.

In the event that the Insured maintains underlying insurance through the National Flood Insurance Program, it is agreed that this policy excludes the peril of flood to the extent of recovery under such National Flood Insurance Policy(s). Should the amount of loss payable under such National Flood Insurance Policy(s) exceed the applicable flood deductible under this policy, then no deductible shall apply hereunder. However, if the amount to be paid under such National Flood Insurance Policy(s) is less than the applicable flood deductible under this policy, then the amount to be deducted hereunder shall not exceed the difference between the amount to be paid under the Insured's National Flood Insurance Policy(s) and the applicable flood deductible under this policy. Insurance maintained through the National Flood Insurance Program shall be considered Underlying Insurance.

7. LOSS PAYABLE

Loss, if any, shall be adjusted with and payable to or as directed by The Port Authority of New York and New Jersey.

8. TERRITORY

This Policy covers within the United States of America, including the coastal waterways thereof. However, as respects Contingent Time Element and Royalties,

this policy insures loss occurring anywhere in the world excluding those countries where trade relations are unlawful as determined by the Government of the United States of America or its agencies, unless the Insured has been granted a U.S. Treasury Department Foreign Assets Control license to do business in that country and then coverage is provided only to the extent legally permitted as a result of the issuance of the license, subject to all other terms and conditions found in this policy.

9. COVERAGE

Except as hereinafter excluded, this Policy covers.

a. <u>Real and Personal Property</u>

1. The interest of the insured in all real and personal property (including improvements and betterments) owned, used, leased or intended for use by the Insured or in which the Insured may have an insurable interest, or for which the Insured may be responsible for the insurance, or hereafter constructed, reconstructed, erected, installed, or acquired including while in incidental course of construction, reconstruction, erection, installation, assembly and repair.

   For the purpose of this Clause 9 a 1), the term “incidental” shall mean construction or installation at existing facilities.

In the event of loss or damage, this Insurer agrees to accept and consider the Insured as sole and unconditional owner of improvements and betterments, notwithstanding any contract or lease to the contrary.

2. The interest of the insured in the real and personal property of others in the Insured's care, custody, or control and the Insured's liability imposed by law or assumed by contract, whether written or oral, for such property.

3. Real and Personal Property which the Insured is legally responsible for or has agreed to insure.

4. Contractors' and/or subcontractors (of any tier) and vendors' interests in property covered to the extent of the Insured's liability imposed by law or assumed by contract, whether written or oral.

5. The cost of architects' and/or engineers' plans, drawings, blueprints, photographs, specifications and their fees, including inspectors' and/or superintendents' fees, inspection and/or superintendents' charges; also to cover architects' and engineers' fees for supervision of construction and repair for damage in the event of loss and all other similar expenses incidental to repair or replacement of the property in the event of a loss; including services rendered by Port Authority employees for all of the aforementioned.

6. Property of the Insured's employees (except motor vehicles) and the interests of the Insured and its employees in household goods of employees shipped for the account of the Insured, or for which it may be liable, in course of transit and while in storage warehouses awaiting delivery to residences of employees.

7. The Insured's interest in runways, taxiways, and structures, including piers and wharves above and below mean sea level.

8. The Insured's interest in emergency vehicles whether or not on the property of the Insured

9. i. The Insured's interest in or liability for railroad rolling stock not owned by the Insured in the care, custody or control of the Insured and contents thereof

   ii. The Insured's Interest in railroad rolling stock owned by the Insured and contents thereof and consisting principally of electrically operated railroad passenger cars and working cars

10. The expense of debris removal, rerail, salvage, defense and rerouting of insured property damaged by an insured peril

11. Railroad roadbed, bridges, tunnels trestles, causeways, tracks, locomotives, signal equipment and all other property usual or ancillary to transportation operations.

12. Earned and advance freight charges for freight, merchandise, baggage and similar property.

13. The interest of the Insured in the Insured's property in the care, custody or control of others.

b. <u>Revenue Covered</u>

The term revenue or revenues as used in this Policy includes, but is not restricted to, all rental and fee income derived from operations conducted on or in connection with the property covered in Clause 9a. (Coverage), by the Insured, its tenants, contractors, agents and assigns, as well as charges levied on tenants' permittees and

other persons for any purpose, including income from tenants predicated on receipts from sales by tenants, and all receipts, fees and charges of the Insured, or the agents, contractors, and assigns. of the Insured.

1. This Policy covers revenue and Insurers shall be liable for loss of revenue sustained by the Insured arising directly or indirectly from necessary untenantability or cessation, reduction or restriction of normal operations caused by all risks of physical loss or damage subject to the perils excluded hereunder, occurring during the period of this Policy to property covered in Clause 9a on the described premises but not exceeding the reduction in revenue less expenses which do not necessarily continue during the period of untenantability or cessation, reduction or restriction of normal operations.

2. For the purposes of this Policy revenue as respects rental income and expense is defined as the sum of:

   i. The total anticipated gross revenue from tenant occupancy or use of the described property, as furnished and equipped at the time of any loss covered by this paragraph, and

   ii. The amount of all charges which are the legal obligation of the tenant, permittee or other person and which would otherwise be obligations of the Insured, and

   iii. The fair revenue value of any portion of said property which is occupied by the Insured.

   iv. This policy will serve as Rental Income Insurance in those situations where the Insured is required under a lease or rental agreement to maintain such insurance on behalf of any landlord.

   v. This policy will respond for rental expenses incurred by the Insured in excess of the expenses which would have been incurred had a leased or rented premises not been damaged or destroyed by any peril covered under this policy. Such coverage will apply for all additional expenses incurred during the period of untenantability of if the lease cannot be terminated until its expiration.

3. In determining revenue due consideration shall be given to the revenue experience before the date of damage or destruction and the probable experience thereafter had no loss occurred. In addition, expenses which do not continue during the period of untenantability or cessation, reduction or restriction of normal operations shall be deducted from gross revenue.

   With respect to alterations, additions, and property while in the incidental course of construction, erection, installation, or assembly, due consideration shall be given to the available rental experience of the business after completion of the construction, erection, installation, or assembly.

4. Special Exclusions: Insurers shall not be liable for any increase in loss resulting from:

   i. Interference at the described premises by strikers or other persons with rebuilding, repairing or replacing the property or with re-occupancy of the premises; or

   ii. The suspension, lapse or cancellation of any lease, license, contract or order unless such suspension, lapse or cancellation results directly from the untenantability of the premises, and then Insurers shall be liable for only such loss as affects the revenue of the premises during, and limited to, the period of indemnity covered under this Policy.

c. <u>Time Element Coverage</u>

This Policy insures the interest of the Insured against loss of income/revenue and continuing expenses, ordinary payroll, salaries of full-time employees, superintendents, executives and employees under

contract, taxes, interest, insurance premiums, special contracts, dues, subscription fees, accounting and legal expenses and fees, expense for necessary heat, light and power, the cost of which must continue during the period of a loss, resulting directly from necessary interruption of business, whether total or partial, caused by direct physical loss or damage by a peril insured hereunder to real and/or personal property covered by this Policy.

d. Extra Expense

1. Extra expense necessary and reasonably incurred resulting, from physical loss, damage, or destruction to property as described in Clause 8.a. by any of the perils covered herein during the term of this policy.

2. "Extra expense" means the excess of the total cost during the period of restoration of the damaged property chargeable to the operation of the Insured's business over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss or damage occurred.

e. Provisions Applicable to Time Element Coverage

1. Period of Recovery: The length of time for which loss may be claimed:

   a. shall not exceed such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair, or replace such part of the property as had been destroyed or damaged,

   b. and, such additional length of time to restore the Insured's business to the condition that would have existed had no loss occurred, commencing with the later of the following dates:

      i. the date on which the liability of the Insurer for loss or damage would otherwise terminate; or

      ii. the date on which repair, replacement, or rebuilding of such part of the property as has been damaged is actually completed;

      but in no event for more than a total of twelve months from the date of loss;

   c. with respect to alterations, additions, and property while in the course of construction, erection, installation, or assembly, shall be determined as provided in (a) above but such determined length of time shall be applied to the experience of the business after the business has reached its planned level of production or level of business operation:

   d. and shall commence with the date of such loss or damage and shall not be limited by the date of expiration of this policy.

2. Expenses to Reduce Loss: This policy also covers such expenses as are necessarily and reasonably incurred for the purpose of reducing any loss under this policy, not to exceed the amount by which the loss under this policy is thereby reduced.

3. Extension of Coverage: This policy, subject to all provisions and without increasing the limits of said policy, also insures against loss resulting from damage to or destruction by the perils insured against, to:

   (a) Service Interruption - electrical, steam, gas, water, sewage, telephone, telecommunications, refrigeration, air-conditioning or heating equipment and other transmission lines and related plants,

substations, equipment and systems situated on or within 5 miles of Insured premises when used for the service of the Insured

(b)Contingent Time Element - property of a type not excluded by this Policy of a supplier or receiver that directly prevents such supplier of goods and/or services to the Insured from rendering their goods and/or services, or that prevents such receiver of goods and/or services from the Insured from accepting the Insured's goods and/or services, but such supplier or receiver shall not be an Insured under this policy

(c) Impounded Water - dams, reservoirs, or equipment connected therewith when water, used as a raw material or used for power or for other manufacturing purposes, stored behind such dams or reservoirs is released from storage and causes an interruption of business as a result of lack of water supply from such sources.

(d) Attraction Properties - This policy is extended to cover the Actual Loss Sustained directly resulting from the interruption of the Insured's operation caused by damage to or destruction of real or personal property at attraction properties.

"Attraction properties" are defined as properties within the vicinity of the Insured's location, not operated by the Insured, which attract potential customers to the Insured's location.

4. Interruption by Civil or Military Authority This policy is extended to cover the loss sustained, for a period not to exceed six consecutive weeks, when, as a result of physical damage by a peril insured against occurring within five statute miles of the Insured's Premises, starting at the time of such physical damage, access to real or personal property at the Insured's Premises is prohibited by order of civil or military authority.

The provisions of this paragraph shall also extend to include the extensions of coverage described under subparagraph 3(a), Service Interruption 3(b), Contingent Time Element and Attraction Property (4) described above.

5. Ingress/Egress This policy is extended to cover the loss sustained during the period, not to exceed six consecutive weeks, when as a result of physical damage by a peril insured against occurring within one statute mile of the Insured's Premises, starting at the time of such physical damage, ingress to or egress from real or personal property at the Insured's Premises is thereby prevented irrespective of whether the property of the Insured shall have been damaged.

The provisions of this paragraph shall also extend to include the extensions of coverage described under subparagraph 3(a), Service Interruption 3(b), Contingent Time Element and Attraction Property (4) described above.

f. Transit

1. Property described in Clause 9.a. in transit, and this policy attaches and covers shipments within and between the territorial limits of this policy, including the coastal waters thereof, by any means of conveyance, from the time the property is moved for purpose of loading and continuously thereafter while awaiting and during loading and unloading and in temporary storage, including temporary storage on any conveyance intended for use for any outbound or used for inbound shipment, including during, deviation and delay, until safely delivered and accepted at place of final destination.

2. This insurance is extended to cover loss or damage to property described in paragraph (1) above:

   (a) sold and shipped by the Insured under terms of F.O.B. point of origin or other terms usually regarded as terminating the shipper's responsibility short of points of delivery,

   (b) arising out of any unauthorized person(s) representing themselves to be the proper party(ies) to receive goods for shipment or to accept goods for delivery,

   (c) occasioned by the acceptance by the Insured, by its agents, or by its customers of fraudulent bills of lading, shipping and delivery orders, or similar documents;

   (d) at the Insured's option, which is incoming to the Insured.

3. (a) The Insured may waive right(s) of recovery against private, contract and common carriers and accept bills of lading or receipts from carriers, bailees, warehousemen, or processors limiting or releasing their liability, but this transit insurance shall not inure to the benefit of any carrier, bailee, warehouseman, or processor.

   (b) With respect to shipments described under subparagraphs 2(a) and 2(d) above, this Insurer agrees to waive its rights of subrogation against shippers and consignees at the option of the Insured.

4. The Insured is not to be prejudiced by any agreements exempting lightermen from liability.

5. Seaworthiness of any vessel or watercraft and airworthiness of any aircraft are admitted between this Insurer and the Insured.

g. <u>Accounts Receivable</u>

1. All sums due the Insured from customers, provided the Insured is unable to effect collection thereof as the result of physical loss of or damage by a peril not excluded by this Policy to records of accounts receivable,

2. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;

3. Collection expense in excess of normal collection cost and made necessary because of such loss or damage;

4. other expenses, when reasonably incurred by the Insured in re-establishing records of accounts receivable following such loss or damage.

   For the purpose of this insurance, credit card company charge media shall be deemed to represent sums due the Insured from customers, until such charge media is delivered to the credit card company.

   When there is proof that a loss of records of accounts receivable has occurred but the Insured cannot more accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be computed as follows:

   1. The monthly average of accounts receivable during the last available twelve months shall be adjusted in accordance with the percentage increase or decrease in the twelve months average of monthly gross revenues which may have occurred in the interim.

2. The monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred, due consideration also being given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured.

g. Leasehold Interest

1. Pro rata proportion from the date of loss to expiration date of the lease (to be paid without discount) on the Insured's interest in:

(a) The amount of bonus paid by the Insured for the acquisition of the lease not recoverable under the terms of the lease for the unexpired term of the lease;

(b) improvements and betterments to real property during the unexpired term of the lease which are not covered under any other section of this policy,

(c) the amount of advance rental paid by the Insured and not recoverable under the terms of the lease for the unexpired term of the lease;

when property is rendered wholly or partially untenantable as a direct result of physical loss or damage by any of the perils covered herein during the term of this policy and the lease is canceled by a party not the Named Insured under this policy in accordance with the conditions of the lease or by statutory requirements of the appropriate jurisdiction in which the damaged or destroyed property is located, and

2. (a) "Interest of the Insured as Lessor or Lessee" when property is rendered wholly or partially untenantable by any of the perils covered herein during the term of this policy and the lease is cancelled by a party not the Named Insured under this policy in accordance with the conditions of the lease or by statutory requirements of the appropriate jurisdiction in which the damaged or destroyed property is located.

(b) The "Interest of the Insured as Lessee" as referred to herein shall be paid for the first three months succeeding the date of the loss and the "Net Lease Interest" shall be paid for the remaining months of the unexpired lease.

3. Definitions: - The following terms, wherever used in this section shall mean:

(a) "The Interest of the Insured as Lessee" is defined as:

(1) the excess of the rental value of similar premises over the actual rent payable by the lessee (including any maintenance or operating charges paid by the lessee) during the unexpired term of the lease; and

(2) the rental income earned by the Insured from sublease agreements, to the extent not covered under any other section of this policy, over and above the rental expenses specified in the lease between the Insured and the lessor.

(b) "The Interest of the Insured as Lessor" is defined as the difference between the rents payable to the lessor under the terms of the lease in effect at the time of loss and the actual rent collectible by the lessor during the unexpired term of the lease provided the lease is cancelled by the lessee, to the extent not covered under any other section of this policy.

h. Royalties

This Policy insures:

1. Loss of income to the Insured under royalty, licensing fees, or commission agreements between the Insured and another party which is not realizable due to physical loss, damage or destruction by any perils not excluded during the term of this policy to property of the other party. Such other party referred to herein shall be located anywhere in the world, but such party shall not be an Insured under this policy. Coverage under this clause shall apply to loss experienced by the Insured anywhere in the world caused by loss, damage, or destruction to property of the other party situated worldwide, except in any Country where, prior to the inception date of the policy, the Government of the United States of America has prohibited American Companies from doing business.

2. If such loss occurs during the term of this policy, it shall be adjusted on the basis of actual loss sustained of such income referred to in paragraph h 1 above, which would have been earned had no loss occurred.

3. Resumption of Operations: The Insured shall influence, to the extent possible, the party with whom the agreement described in paragraph h.1 above has been made to use any other machinery, supplies or locations in order to resume business so as to reduce the amount of loss hereunder and the Insured shall cooperate with that party in every way to effect this, but not financially, unless such expenditures shall be authorized by the Insurer.

10. PERILS INSURED AGAINST

This policy insures against all risk of direct physical loss of or damage occurring during the Policy Period to property described herein including general average, salvage, and all other charges on shipments covered hereunder, except as hereinafter excluded. Physical loss or damage shall not include any destruction, disruption, distortion, or corruption of any computer data coding, program or software.

11. PERILS EXCLUDED

This policy does not insure:

a. Loss or damage caused by or resulting from the explosion, rupture or bursting of steam boilers, steam turbines, steam engines or flywheels owned or operated by the Insured, but this exclusion shall apply only to such boilers, pipes or turbines, engines or flywheels themselves, and shall not apply to other property insured by this Policy

b. Against infidelity or dishonesty of the Insured or any of the Insured's employees. A willful act of malicious damage shall not be deemed to be an act of infidelity.

This exclusion does not apply to physical loss or damage from a peril insured herein resulting from the Insured voluntarily parting with title or possession of any property if induced to do so by any fraudulent, trick, scheme, device or false pretense.

c. against the cost of making good defective design or specifications, faulty material, or faulty workmanship, however, this exclusion shall not apply to physical loss or damage from a peril insured herein resulting from such defective design or specifications, faulty material, or faulty workmanship,

d. against errors in processing or manufacture of the Insured's product unless physical loss or damage from a peril insured herein ensues and then this policy shall cover for such ensuing loss or damage;

e. against wear and tear, or gradual deterioration unless physical loss or damage from a peril insured against herein ensues and then this policy shall cover for ensuing loss or damage;

f. against nuclear reaction, nuclear radiation, or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate, or remote; or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy, except:

1. if fire ensues, liability is specifically assumed for direct loss by such ensuing fire but not including any loss due to nuclear reaction, nuclear radiation, or radioactive contamination;

2. this Insurer shall be liable for loss or damage caused by sudden and accidental radioactive contamination including resultant radiation damage for each occurrence from material used or stored or from processes conducted on insured premises provided at the time of loss there is neither a nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction nor any new or used nuclear reactor fuel on the insured premises;

g. against hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending, or expected attack:

(a) by any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval, or air forces

(b) or by military, naval, or air forces;

(c) or by an agent of any such government, power, authority, or forces;

3. against any weapon employing atomic fission or fusion;

4. against rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating, or defending against such occurrence;

5. seizure, confiscation, expropriation, nationalization or destruction by order of civil or military authority, except destruction by order of civil or military authority to prevent the spread of, or to otherwise contain, control or minimize loss, damage or destruction which occurs due to a peril insured against under this policy,

6. risks of contraband or illegal trade.

h. against inherent vice, latent defect, unless physical loss or damage from a peril insured herein ensues and then this policy shall cover for such ensuing loss or damage;

i. Wind and hail in the State of Florida.

j. Earthquake shock in the State of California.

k. Terrorism

Exclusions a. and d. do not apply to alterations, additions, and property while in the incidental course of construction, erection, installation, or assembly.

Exclusions c. and d. do not apply to property in transit.

12 PROPERTY EXCLUDED

This policy does not cover loss or damage to:

a. Money, securities, currency, precious metals, gold, bullion, except accounts receivable as defined in the policy

b. land, however, this exclusion shall not apply to the cost of reclaiming, restoring or repairing land improvements. Land improvements as described hereunder mean any alteration to the natural condition of the land by grading, landscaping, earthen dikes or dams, as well as additions to land such as pavements or similar works. This exclusion shall not apply to runways, taxiways, railroad roadbed, bridges, tunnels trestles and causeways.

c. Growing crops, standing timber or animals

d. Watercraft, aircraft, motor vehicles licenses for highway use when not on the Insured's premises, but this motor vehicle exclusion shall not apply to contractor's equipment or as covered elsewhere in the policy form

e. Export shipments after loading on board an overseas vessel, watercraft, or aircraft, or after ocean marine insurance attaches, whichever occurs first; and import shipments prior to discharge from an overseas vessel, watercraft, or aircraft, or until ocean marine insurance terminates, whichever occurs last. However, this exclusion shall not apply to air and inland waterborne shipments within the policy territory.

f. Newly acquired property in California or Florida, unless reported to and accepted by this Insurer.

13. VALUATION

At time of loss, the basis of adjustment shall be as follows.

a. With respect to all insured property (unless specifically addressed elsewhere in the policy), the payment for loss shall be on a “replacement cost” basis. “Replacement Cost” includes all fees, costs, charges and expenses, (including but not limited to, those of architects, surveyors, lawyers, engineers and consulting engineers) incurred by on behalf of the Insured to reassemble, rebuild, reclaim, reconstruct, repair, replace, or restore insured property with due diligence and dispatch with new (or, at the sole option of the Insured, other) items, property or materials of like kind and quality, either at the site of the loss or, at the sole option of the Insured, another site. In the event the Insured decides to rebuild on another site, the liability of the Insurer shall not exceed the cost and expenses which would have been incurred to reassemble, rebuild, reclaim, reconstruct, repair, replace or restore the damaged property at the site of the loss.

However, without penalty the Insured may expend the amount of any replacement cost recovery within the scope of the Insured’s business subject only to the full amount of the recovery actually being expended in

acquiring or constructing buildings or structures and/or in acquiring building equipment, plant equipment, machinery, machine parts, office furniture or office equipment within a reasonable time after the date of loss.

To the extent the Insured provides its own general contracting, engineering, design or construction services for repair or reconstruction, the costs incurred by or on behalf of the Insured shall include:

a. Overhead charges as defined by the Insured's regular accounting practice in place at the time of loss, and

b. Payroll charges, appropriate fringe benefit costs and expenses of those employees expending time on the project, the cost of which is not included in item a. and;

c. The share of home office costs including payroll and expenses of the divisions to which such employees are assigned, and;

d. The share of corporate general and administrative costs allocated to the divisions involved as prescribed in the Insured's regular accounting practice in place at the time of the loss for determining its costs for providing engineering, procurement and construction management services.

b. Electronic Data Processing or control equipment and production machinery and equipment or any part thereof shall be valued at the cost to repair or replace new on the same premises as of the time of replacement except, that with respect to items for which replacement with identical property is impossible, the replacement cost shall be the cost of items similar to the destroyed property and intended to perform the same function but which may include technological advances

c. Valuable Papers and Records including, but not limited to, media, books, maps, films, drawings, abstracts, evidence of debt, deeds, mortgages, mortgage files, manuscripts and micro or electronically/magnetically inscribed documents/media, at the value blank, plus the cost of labor, service and/or supplies for actually reconstructing, reproducing, recreating, transcribing or copying such papers and records.

d. Fine Arts at appraised value or, in absence of such appraisal, the market value at time of loss, plus Insured's costs.

e. Finished products and other merchandise for sale, at the Insured's selling price less discounts to which the goods would have been subject had no loss occurred.

f. Property of others which the Insured is required to insure to a stipulated value shall be valued at the stipulated value.
Property of others in the Insured's care, custody or control, and property leased by the Insured, the Insured's legal liability.

g. With respect to properties that qualify for historical landmark status, the Insured shall have sole discretion as to the means by which said property shall be repaired, rebuilt, or replaced, but not to exceed the actual costs which would have been incurred in order to comply with historical landmark status requirements.

h. Locomotives including electric powered, (i.e. Ml's and/or M3's), powermates, lightweight passenger cars, diesels, diesel hauled passenger cars, bar generator cars, power packs, subway passenger cars and all other rolling stock at repair or replacement of damaged equipment with similar kind and quality, or at the Insured's option, replacement of the damaged equipment with the current generation of equipment of similar kind and quality.

l. All other property, not otherwise provided for, at the replacement cost new including indirect and direct overhead charges, if replaced, otherwise at the actual cash value.

It is understood and agreed that as respects replacement cost, the following shall apply:

a. It is understood and agreed that the Insured shall be the sole judge as to whether electronic data processing equipment is damaged and unusable by the Insured. This Insurer shall be allowed to dispose of, as salvage, any non-proprietary property deemed unusable by the Insured. If the equipment is replaced, the Insured shall have the option of replacement with equipment having technological advantages and/or representing an improvement in function and/or forming part of a program of system enhancement provided that such replacement can be accomplished without increasing the Insurers liability.

b. The Insured may elect not to replace the Real and/or Personal Property lost, damaged, or destroyed and obtain loss settlement on a replacement cost basis if the proceeds of such loss settlement are expended in other capital expenditures related to the Insured's operations.

14. FIRE BRIGADE CHARGES AND EXTINGUISHING EXPENSES

This policy covers the following expenses resulting from a peril insured against:

a. fire brigade charges and other extinguishing expenses for which the Insured may be assessed

b. loss of fire extinguishing materials expended.

c. Charges due under mutual aid agreements

15. DEBRIS REMOVAL

This policy covers the following expenses resulting from a peril insured against:

a. the cost of removal of debris of property covered hereunder

b. the cost of removal of debris of property not insured hereunder from the premises of the Insured.

This policy does not cover the following expenses:

a. decontamination of debris,

b. extraction of contaminants or pollutants from land or water,

c. removal, restoration, or replacement of contaminated or polluted land or water,

Cost of clean up extension

This policy covers any cost or expense of decontamination or removal or disposal of water, soil or any similar substance on or under the premises of the Insured when such contamination is the direct result of physical loss or damage by a peril not excluded to property insured by this policy, including any costs or expenses incurred during emergency measures undertaken in order to mitigate any circumstances pertaining to seepage, pollution and/or

contamination, whether or not at the instruction of any Government Agency or other Authority, and this extension of coverage shall not exceed $2,500,000 in any one occurrence.

It is the condition precedent to recovery under this extension that the Insurer shall have paid or agreed to pay for physical loss or damage to the property insured hereunder unless such payment is precluded solely by the operation of any deductible and that the Insured shall give written notice to the Insurer of intent to claim for cost of debris removal or cost to cleanup not later than twelve months after the date of such physical loss or damage.

16. DEMOLITION AND INCREASED COST OF CONSTRUCTION

In the event of physical loss or damage insured under this policy that causes the enforcement of any law or ordinance in force at the time of damage regulating the construction, repair, or use of property, this Insurer shall be liable for:

a. the cost of demolishing the undamaged property including the cost of clearing the site

b. the proportion that the value of the undamaged part of the property bore to the value of the entire property prior to loss

c. increased cost of repair or reconstruction of the damaged and undamaged property on the same or another site and limited to the costs that would have been incurred in order to comply with the minimum requirements of such law or ordinance regulating the repair or reconstruction of the damaged property on the same site. However, this Insurer shall not be liable for any increased cost of construction loss unless the damaged property is actually rebuilt or replaced

d. any increase in the business interruption, loss of revenue, extra expense, rental value, royalties and other time element loss arising out of the additional time required to comply with said law or ordinance.

17. EXPEDITING EXPENSE

This policy covers the reasonable extra cost of temporary repair and of expediting the repair of damaged property insured hereunder, including overtime and express freight or other rapid means of transportation.

18. CONTRIBUTING INSURANCE

Contributing insurance is insurance written upon the same plan, terms, conditions, and provisions as those contained in this policy. This insurance contributes in accordance with the conditions of this policy only with other contributing insurance as defined.

19. EXCESS INSURANCE

Excess insurance is insurance over the limit of liability set forth in this policy. The existence of such excess insurance shall not prejudice the coverage provided under this policy nor will it reduce any liability hereunder.

20. UNDERLYING INSURANCE

a. Underlying insurance is insurance on all or any part of the deductible and against all or any of the perils covered by this policy including declarations of value to the carrier for hire. The existence of such underlying insurance shall not prejudice or affect any recovery otherwise payable under this policy.

b. If the limits of such underlying insurance exceed the deductible amount which would apply in the event of loss under this policy, then that portion which exceeds such a deductible amount shall be considered "other insurance."

21. OTHER INSURANCE

Except for insurance described by the Contributing Insurance Clause, by the Excess Insurance Clause, or by the Underlying Insurance Clause, this policy shall not cover to the extent of any collectible other insurance, whether prior or subsequent hereto in date, and whether directly or indirectly covering the same property against the same causes of loss. This Insurer shall be liable for loss or damage only to the extent of that amount in excess of the amount recoverable from such other collectible insurance.

22. SALVAGE AND RECOVERIES

Where legally permitted and where loss payments under the primary insurance are not detrimentally affected, all salvages, recoveries, and payments, excluding proceeds from subrogation and underlying insurance recovered or received prior to a loss settlement under this policy shall reduce the loss accordingly. If recovered or received subsequent to a loss settlement under this policy, such net amounts recovered shall be divided between the interests concerned, i.e., the Insured and any other insurer participating in the payment of any loss, in the proportion of their respective interests.

23. BRAND OR TRADEMARK

In case of damage by a peril insured against to property bearing a brand or trademark or which in any way carries or implies the guarantee or the responsibility of the manufacturer or insured, the salvage value of such damaged property shall be determined after removal at this Insurers expense in the customary manner of all such brands or trademarks or other identifying characteristics. The Insured shall have full right to the possession of all goods involved in any loss under this policy and shall retain control of all damaged goods. The Insured, exercising a reasonable discretion, shall be the sole judge as to whether the goods involved in any loss under this policy are fit for consumption. No goods so deemed by the Insured to be unfit for consumption shall be sold or otherwise disposed of except by the Insured or with the Insured's consent, but the Insured shall allow this Insurer any salvage obtained by the Insured on any sale or other disposition of such goods.

24. MACHINERY

In case of loss or damage by a peril insured against to any part of a machine or unit consisting of two or more parts when complete for use, the liability of the Insurer shall be limited to the value of the part or parts lost or damaged or, at the Insured's option, to the cost and expense of replacing or duplicating the lost or damaged part or parts or of repairing the machine or unit.

25. ERRORS OR OMISSIONS

Any unintentional error or inadvertent omission made by the Insured shall not void or impair the insurance hereunder provided the Insured reports such error or omission as soon as reasonably possible after discovery by the Insured's corporate risk management department.

26. SUBROGATION

Upon making payment under this Policy, Underwriter may require from the Insured an assignment of all right of recovery against any party to the extent that payment is made under this Policy, but Underwriters shall not acquire any rights of recovery which the insured has expressly waived in writing prior to loss nor shall such waiver affect the

insured's rights to recovery under this Policy. It is understood, however, that if Underwriters recover from any party, the net amount recovered after deducting the costs of recovery shall be divided between the interests concerned in the proportion of their respective interests. The cost of any recovery shall also be pro-rated between the Underwriters and the Insured in respect to their proportionate interest. If there is no recovery, the Insured shall not contribute to such costs.

All claims shall be paid or made good at the option of the Insured thirty (30) days after presentation to Underwriters hereunder of satisfactory proof of interest and loss. No loss shall be paid or made good if the Insured has collected and retained the same from others.

27. NOTICE OF LOSS

As soon as practicable after any loss or damage occurring under this policy is known to the Insured's Home Office Insurance Department, the Insured shall report such loss or damage to Marsh USA Inc. of New York, for transmission to this Company. Any delay by the Insured in providing notice shall not affect the Insured's right to coverage under this policy, except if and to the extent that the Company proves that it actually and substantially was prejudiced by any unreasonable delay in notice.

28. PROOF OF LOSS

It shall be necessary for the insured to render a signed and sworn proof of loss to the Insurer or its appointed representative stating the place, time, and cause of the loss, damage, or expense; the interest of the Insured and of all others, the value of the property involved in the loss, and the amount of loss, damage, or expense.

29. EVIDENCE OF INSURANCE

Certificates of Insurance

Any certificate of insurance issued in connection with this policy shall be issued solely as a matter of convenience or information for the addressee(s) or holder(s) of said certificate of insurance, except where any Additional Insured(s), Loss Payee(s), or Mortgagee(s) are named pursuant to the Special Provisions of said certificate of insurance. In the event any Additional Insured(s), Loss Payee(s), or Mortgagee(s) are so named, this policy shall be deemed to have been endorsed accordingly, subject to all other terms, conditions and exclusions stated herein.

The Company hereby authorizes Marsh USA Inc. to issue certificates of insurance including any Mortgagee, Loss Payee and Additional Insured clauses.

Copies of certificates, so issued, will be furnished to the Company

30. PARTIAL PAYMENT OF LOSS

In the event of a loss covered by this policy, it is understood and agreed that the Insurer shall allow a partial payment(s) of claim subject to the policy provisions. To obtain said partial claim payment, the Insured shall submit an acceptable partial proof of loss.

31. LOSS ADJUSTMENT EXPENSES

This policy is extended to include expenses incurred by the Insured, or as well as the Insured's representatives for preparing and certifying details of a claim resulting from a loss which would be payable under this policy. However,

this Insurers shall not be liable under this clause for expenses incurred by the Insured in utilizing the services of a public adjuster.

These expenses include Architects' and or engineers' plans, drawings, blueprints, photographs, specifications and their fees, including inspectors' and/or superintendents' fees, inspection and/or supervisory charges, also to cover architects' and engineers fees for supervision of construction and repair of damage in the event of loss,

This policy also insures the applicable amount of fees necessarily incurred by the Insured for independent engineers or other specialists including accountants in order to assist in determining the extent of loss sustained and/or the method of repair or replacement, in order to arrive at the actual amount of loss payable under this policy, or which are necessary to complete the repairs or replacement of lost or damaged property insured hereunder.

All the above to also include Port Authority Employees.

32. APPRAISAL

If the insured and this Insurer fail to agree on the amount of loss, each, upon the written demand either of the Insured or of this Insurer made within 60 days after receipt of proof of loss by the Insurer, shall select a competent and disinterested appraiser. The appraisers shall then select a competent and disinterested umpire. If they should fail for 15 days to agree upon such umpire, then upon the request of the Insured or of this Insurer, such umpire shall be selected by a judge of a court of record in the appropriate jurisdiction in which such appraisal is pending. Then, at a reasonable time and place, the appraisers shall appraise the loss stating separately the value' and the amount of loss. If the appraisers fail to agree, they shall submit their differences to the umpire. An award in writing by any two shall determine the amount of loss. The Insured and this Insurer shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and of the umpire.

33. DEFENSE COSTS

This policy, subject to all of its provisions, also insures the costs and fees to defend any claim or suit against the Insured and/or its directors, officers and/or employees alleging physical loss or damage as insured against to property of others in the care, custody or control of the Insured to the extent of the Insured's liability therefore, even if such claim or suit is groundless, false or fraudulent; but the Company may without prejudice make such investigation, negotiation or settlement of any such claim or suit as it deems expedient

3. CONSEQUENTIAL LOSS

This policy insures against:

a. consequential/sequential loss or damage caused by or resulting from the change of temperature or humidity or by interruption of power, heat, air conditioning, refrigeration, telephone or telegraphs, supply water or telecommunications resulting from physical loss or damage by damage by the perils insured against hereunder to property/equipment or plants used to provide refrigeration, cooling humidifying, dehumidifying, air conditioning, heating, generating, converting power, or telephone or telegraph, or telecommunications including all connections and supply from transmission lines and pipes, power generating equipment, utility plants, or sources, whether or not such equipment is on or off the premises of the Insured

b. the reduction in value to the remaining part or parts of any lot of merchandise usually sold by lots or sizes, color ranges, or other classifications due to damage to or destruction of a part of such lots or other classifications due to a peril insured against.

35. PAIR AND SET

Except as provided under Clause 34b and Clause 24, in the event of loss or damage by a peril insured against to any articles which are a part of a pair or set, the measure of loss or damage to such article or articles shall be, at the Insured's option:

a. the reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event shall such loss or damage be construed to mean total loss of the pair or set; or

b. the full value of the pair or set provided that the Insured surrenders the remaining article or articles of the pair or set to the Insurer.

36. ASSISTANCE AND COOPERATION OF THE INSURED

The Insured shall cooperate with this Insurer and, upon the Insurers request and expense, shall attend hearings and trials and shall assist in effecting settlements, in securing and giving evidence, in obtaining the attendance of witnesses, and in conducting suits.

37. PRESERVATION OF PROPERTY

In case of actual or imminent physical loss or damage of a type insured against by this policy, the expenses incurred by the Insured in taking reasonable and necessary actions for the temporary protection and preservation of property insured hereunder shall be added to the total physical loss or damage, if any otherwise recoverable under the policy and be subject to the applicable deductible and without increase in the limit provisions contained in this policy..

38. PAYMENT OF LOSS

All adjusted claims shall be due and payable no later than 30 days after presentation and acceptance of proofs of loss by this Insurer or its appointed representative.

39. REINSTATEMENT

Any loss hereunder shall not reduce the amount of this policy, except with respect to the perils of flood and earthquake.

40. SUIT AGAINST THE INSURER

No suit or action on this policy for the recovery of any claim shall be suitable in any court of law or equity unless the Insured shall have fully complied with all the requirements of this policy. The Insurer agrees that any action or proceedings against it for recovery of any loss under this policy shall not be barred if commenced within the time prescribed therefor in the uniform commercial code of the state of New York.

41. CANCELLATION

This insurance may be canceled by the Insured at any time by written notice or by surrender of this policy. This insurance may also be canceled by or on behalf of the Insurers by delivering to the Insured or by mailing to the

Insured, by registered, certified or other first class mail, at the Insured's address as shown in this insurance, written notice stating when, not less than ninety (90) days, (except 10 days for non-payment of premium), thereafter the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this insurance shall terminate at the date and hour specified in such notice.

If this insurance shall be canceled by the Insurer, the Insurer shall retain the pro-rata proportion of the premium earned from the date of inception to the date of cancellation.

If this insurance is cancelled by the Insured, the return premium shall be calculated on a pro-rata basis..

Payment or tender of any unearned premium by the Insurers shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

In the event of cancellation or non-renewal of this policy by the insurer, the cancellation or non-renewal shall not take effect with respect to property in transit until the property has arrived at the place of its final destination.

42. TITLES OF PARAGRAPHS

The titles of the paragraphs of this form and of endorsements and supplemental contracts, if any, now or hereafter attached hereto are inserted solely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

43. MORTGAGE CLAUSE

Loss, if any, under this policy shall be payable to any mortgagee (or trustee) as designated in any Evidence of Insurance issued under this policy or as designated in any lease or contract as interest may appear under all present or future mortgages upon the property covered hereunder in which the aforesaid may have an interest as mortgagee (or trustee) in order & precedence of said mortgages and this insurance as to the interest of the mortgagee (or trustee) only therein shall not be invalidated by any act or neglect of the mortgagor or owner of the within described property, nor by the occupation of the premises for purposes more hazardous than are permitted by the policy, provided, that in case the mortgagor or owner shall neglect to pay any premium under this policy, the mortgagee (or trustee) shall, on demand, pay the same.

Provided, the mortgagee (or trustee) shall notify this Insurer of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon and the mortgagee (or trustee) shall on demand, pay the premium for such increased hazard for the term of the use thereof, otherwise, this policy shall be null and void.

This Insurers reserves the right to cancel this policy at any time as provided by its Terms but in such case this policy shall continue to force for the benefit only of the mortgagee (or trustee) for ten (10) days after notice to the mortgagee (or trustee) of such cancellation and shall then cease, and this insurer shall have the right, on like notice, to cancel this agreement.

44. LOSS ADJUSTERS

It is hereby understood and agreed that each and every loss will be adjusted by Crawford Technical Services, NY unless otherwise agreed by the Insured and the Insurer.

45. JOINT LOSS AGREEMENT

With respect to insurance provided by this policy, it is agreed that:

a. If at the time of loss, there is in existence a policy(ies) issued by either this Insurer or by a boiler & machinery insurance company which may cover the same property or cover the location at which the property subject to loss is situated; and

b. If there is a disagreement between the Insurer(s) under this policy and such other contract either as to.

1) whether such damage or destruction was caused by a peril insured against by this policy or by an accident insured against by such boiler & machinery insurance policy, or

2) the extent of participation of this policy and of such boiler and machinery insurance policy in a loss which is insured against, partially or wholly, by any one or all of said policies;

this Insurer shall, upon written request of the Insured, pay to the Insured one-half of the amount of the loss which is in disagreement, but in no event more than this Insurer would have to paid if there had been no boiler & machinery insurance policy in effect, subject to the following conditions:

3) the amount of the loss which is in disagreement, after provisions for any undisputed claims payable under the said policies, and after the amount of the loss is agreed upon by the Insured and the insurers is limited to the minimum amount remaining payable under either the boiler & machinery policy or this policy(ies);

4) the boiler & machinery insurance company shall simultaneously pay to the Insured at least one-half of said amount which is in disagreement;

5) the payments by the Insurers hereunder and acceptance of the same by the Insured signify the agreement of the Insurers to submit to and proceed with arbitration within 90 days of such payments,

The arbitrators shall be three in number, one of whom shall be appointed by the boiler & machinery insurance company, one of whom shall be appointed by this Insurer, and the third of whom shall be appointed by consent of the other two; the decision by the arbitrators shall be binding on the insurers, and that judgment upon such award may be entered in any court of competent jurisdiction;

6) the Insured agrees to cooperate in connection with such arbitration but not to intervene therein;

7) the provisions of this clause shall not apply unless such other policy issued by the boiler & machinery insurance company is similarly endorsed;

8) acceptance by the Insured of sums paid pursuant to the provisions of this section, including an arbitration award, shall not operate to alter, waive, surrender or in any way affect the rights of the Insured against any of the Insurers.

46. SEVERABILITY OF INTEREST

Each of the Insureds covered by this policy will have the same protection and obligations as if the policy has been issued individually to each of them. However, the inclusion of more than one Insured will not operate to increase the limit of liability of the Insurer beyond the limit of liability stated in this policy.

47. BANKRUPTCY & INSOLVENCY

In the event of the insolvency or the bankruptcy of any Insured, whether the claim involves loss at one or more locations, the deductible amount shall apply against the total loss suffered by the Insured from any one occurrence and the Insurer will continue to insure for the representatives, successors or assigns of such insured. Such insolvency or bankruptcy of the insured does not relieve the Insurer of liability.

48. COINSURANCE WAIVER

This policy is not subject to Coinsurance.

49. VACANCY OR UNOCCUPANCY

Permission is granted to Insured to cease operations or to allow any covered premises to remain vacant and/or unoccupied without limit of time

50. STEP DOWN/DROP DOWN WORDING (EXCESS POLICIES)

In determining the amount of loss from any one occurrence for which this policy is excess, the combined total loss, damage or expense caused by any peril or perils resulting in loss or damage to any property or coverages insured under any underlying insurance shall be used, even though all such perils, property or coverages may not be insured under this policy.

All claims payments made under any underlying insurance shall first apply to those perils, property or coverages not insured against by this policy. Upon exhaustion or diminishment of any underlying policy limits, this policy shall apply in excess of the limits attributed to such underlying policy but only as respects perils, property and coverages insured under this policy and subject to the limit of this policy.

It is further agreed, in the event the flood and/or earthquake annual aggregate limits of any underlying policy(ies) are diminished or exhausted in any one policy year, the coverage provided under this policy for such perils shall apply as excess of any remaining or exhausted limits subject to the primary policy deductibles.

51. NO CONTROL

This insurance shall not be affected by failure of the Insured to comply with any provisions of this policy in any portion of the premises over which the Insured has no control.

53. VALUES

This policy is written on a 100% basis as respects values declared to the Company, including Supplemental Values. It is understood and agreed that values declared are for premium purposes only, and shall not limit the coverages provided by this policy

54. TITLES OF PARAGRAPHS

The titles of paragraphs of this form and of endorsements and supplemental contracts, if any, now or hereafter attached hereto are inserted solely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

55. CONFORMANCE

The terms of this policy which are in conflict with the applicable statutes of the jurisdiction wherein this policy is issued are hereby amended to conform to such statutes, unless the statutes narrow or limit the coverage afforded by this policy and do not bar a policy from providing broader coverage.

56. FULL WAIVER

The terms and conditions of this form and endorsements attached thereto replace those of the policy to which it is attached, all terms, conditions and endorsements of the latter being waived. This waiver shall not apply to endorsements agreed to and accepted by the Insured at inception of this policy or subsequent thereto.

_____

Authorized Signature

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsements apply to this Policy:

ELECTRONIC DATA ENDORSEMENT A

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

(a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

(b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed
Perils
Fire
Explosion

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any ELECTRONIC DATA contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed $ 50,000,000 any one loss, incurred by the Assured in recreating, gathering and assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the

blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

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All other terms, conditions and exclusions of this policy remain unchanged.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsements apply to this Policy:

ADDITIONAL LIMITATIONS AND CONDITIONS ENDORSEMENT (STANDARD)

THIS ENDORSEMENT CONTAINS PROVISIONS IN CLAUSES II, V AND VI THAT MAY LIMIT OR PREVENT RECOVERY UNDER THIS POLICY FOR DEBRIS REMOVAL (AS PROVIDED IN CLAUSE II) AND/OR RESULTING LOSS (AS PROVIDED IN CLAUSE V).

I.LAND, WATER AND AIR EXCLUSION CLAUSE

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein. The foregoing exclusion shall not apply to water which is contained in plumbing or firefighting installations in the Assured's buildings at the time of any damage insured by this Policy.

II. DEBRIS REMOVAL CLAUSE

Nothing contained in this Clause shall override any seepage and/or pollution and/or contamination exclusion or any radioactive contamination exclusion or any other exclusion applicable to this Policy. The inclusion of this Clause shall in no event increase the limit of liability of Insurers under this Policy or any other endorsement applicable to this Policy.

Any provision within this Policy (or within any other Endorsement which forms part of this Policy) which insures debris removal is cancelled and replaced by the following:

1. In the event of direct physical damage to property, for which Insurers agree to pay hereunder, or which but for the application of a deductible or underlying amount they would agree to pay (hereinafter in this Clause referred to as "Damage"), this Policy also insures, subject to the limitations below and method of calculation in Clause VI of this Endorsement and to all the other terms and conditions of the Policy, expense:

(a) which is reasonably and necessarily incurred by the Assured in the removal, from the premises of the Assured at which the Damage occurred, of debris which results from the Damage; and

(b) of which the Assured becomes aware and advises the amount to Insurers hereon within one year of the commencement of the Damage;

provided, however, that nothing in this Clause shall insure any expense provided under Clause V of this Endorsement.

2. The maximum amount of expense for removal of debris (subject to the limitations of paragraph 1 above) that can be included in the method of calculation in Clause VI of this Endorsement, shall be $ 250,000,000

III.SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION CLAUSE

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

1. **any loss, damage, cost or expense; or**
2. **any increase in insured loss, damage, cost or expense; or**
3. **any loss, damage, cost, expense, fine, penalty or other sum which is incurred, sustained or imposed by, or by the threat of, any judgment, order, direction, instruction or request of, or any agreement with, any court, government agency, any public, civil or military authority or any other person (and whether or not as a result of public or private litigation);**

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination, or threat thereof.

The term "any kind of seepage or any kind of pollution and/or contamination" as used in this Endorsement includes (but is not limited to):

1. **seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a "hazardous substance" by the United States Environmental Protection Agency or as a "hazardous material" by the United States Department of Transportation, or defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other law, ordinance or regulation; and**
2. **the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.**

IV.LISTED PERILS RESULTING FROM SEEPAGE AND/OR POLLUTION AND/OR

CONTAMINATION CLAUSE

This Policy is amended as set forth below. All other terms and conditions of this Policy remain unchanged and continue to apply with full force and effect. Nothing contained in this Clause shall override any radioactive contamination exclusion applicable to this Policy. If any of the perils listed below results from seepage and/or pollution and /or contamination, then such resultant perils shall not be excluded solely by the foregoing Seepage and/or Pollution and/or Contamination Exclusion Clause.

Listed perils
Fire,
Explosion.

Nothing in this Clause, however, shall extend this Policy to insure:

1. **loss, damage, cost, expense, fine or penalty, or other sum arising from any kind of seepage or any kind of pollution and/or contamination that causes or results from a listed peril; or**
2. **loss or damage at any premises other than the premises where the listed peril took place; or**
3. **property and/or interests other than those insured by this Policy against the listed perils.**

V.LIMITED SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION RESULTING FROM PHYSICAL DAMAGE CAUSED BY LISTED PERILS CLAUSE

THIS CLAUSE IS VOID AND OF NO FORCE OR EFFECT UNLESS AN AMOUNT IS SPECIFIED IN PARAGRAPH 2 BELOW.

This Policy is amended as set forth below. All other terms and conditions of this Policy remain unchanged and continue to apply with full force and effect. Nothing contained in this Clause shall override any radioactive contamination exclusion or, except as set forth herein, the foregoing Seepage and/or Pollution and/or Contamination Exclusion Clause. The inclusion of this Clause shall in no event increase the limit of liability of Insurers under this Policy or any other endorsement applicable to this Policy.

1. If,

(a)any of the perils listed below is the sole, immediate and direct cause of physical damage to property insured by this Policy against such listed peril (hereinafter in this Clause referred to as "Original damage"); and

(b)the Original Damage is the sole, immediate and direct cause of seepage onto, and/or pollution and/or contamination of property which is:

(i) at the same premises as the Original Damage; and

(ii) insured by this Policy against the listed peril causing the Original Damage; and

(c)said property is damaged thereby (hereinafter in this Clause referred to as "Resulting Damage");

then this Policy, subject to the following additional terms and limitations and the method of calculation in Clause VI of this Endorsement, also insures:

(d)the Resulting Damage; and

(e)the reasonable and necessary expense incurred by the Assured for debris removal and/or clean-up which is:

(i) limited to the same premises as the Original Damage; and

(ii) made necessary solely by the Resulting Damage;

but which shall in no event include any expense of clean-up or removal of land, water or air,

(which Resulting Damage and expense of debris removal and/or clean-up, hereinafter in this Clause are referred to as "Resulting Loss");

provided, however, that this Policy only insures the Resulting Loss where:

(f)Insurers have agreed to pay for the Original Damage or, but for the operation of a deductible or underlying amount, would have agreed to pay for the Original Damage; and

(g)within one year of the commencement of the listed peril which caused the Original Damage, the Assured became aware and advised Insurers of the amount of:

(i) the Resulting Loss; and

(ii) any other interest to be claimed under this Policy as a result of the Resulting Damage, whether physical damage, business interruption, extra expense or otherwise.

Listed Perils

Fire,
Lightning,
Explosion.

Nothing in this Clause, however, shall extend this Policy to cover any condition that existed prior to the Original Damage nor to insure any loss, damage, cost, expense, fine, penalty, or other sum which is incurred, sustained or imposed by, or by the threat of, any judgment, order, direction, instruction or request of, or any agreement with, any court, government agency, any public, civil or military authority or any other person (and whether or not as a result of public or private litigation) in connection with any kind of seepage or any kind of pollution and/or contamination from any cause.

2. The maximum amount for any Resulting Loss and any other interest claimed under this Policy as a result of the Resulting Damage, whether physical damage, business interruption, extra expense or otherwise, that can be included in the method of calculation in Clause VI of this Endorsement is $1,000,000

VI.METHOD OF CALCULATION

In calculating the amount, if any, payable under this Policy for a claim including expense of debris removal (as provided for and limited in Clause II of this Endorsement) and/or Resulting Loss (as provided for and limited in Clause V of this Endorsement), the amount of such expense of debris removal and/or such Resulting Loss shall be added to:

(a) the amount of the Damage (as defined in Clause II) or the amount of the Original Damage (as defined in Clause V); and

(b) all other amounts, if any, insured under this Policy as a result of the same occurrence that Insurers hereon agree to pay or, but for the application of a deductible or underlying amount, they would agree to pay;

then the resulting sum shall be the amount to which first all deductibles and then any underlying amounts to which this Policy is subject shall be applied and the balance, if any, shall be the amount payable, subject to all other provisions of this Policy and to the applicable limit(s), sub-limit(s) and aggregate limit(s).

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All other terms, conditions and exclusions of this policy remain unchanged.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsements apply to this Policy:

MICROORGANISM EXCLUSION (MAP)
(Absolute)

This policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This exclusion replaces and supersedes any provision in the policy that provides insurance, in whole or in part, for these matters.

All other terms, conditions and exclusions of this policy remain unchanged.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsements apply to this Policy:

SERVICE OF SUIT CLAUSE

It is agreed that in the event of the failure of the Insurers hereon to pay any amount claimed to be due hereunder, the Insurers hereon, at the request of the Assured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of the Insurers' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon.

Mendes and Mount and/or their Nominee(s), 750 Seventh Avenue, New York, New York 10019-6829, and that in any suit instituted against any one of them upon this contract, the Insurers will abide by the final decision of such Court or of any Appellate Courts in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of the Insurers in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon Insurers' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Insurers hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

All other terms, conditions and exclusions of this policy remain unchanged.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsements apply to this Policy:

WEH ASBESTOS CLAUSE

A. This policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the policy period by one of these Listed Perils:

Fire; Smoke; Explosion; Lightning; Windstorm; Hail; Direct impact of Vehicle; aircraft or vessel; Riot or civil commotion; Vandalism or malicious mischief; or accidental discharge of fire protective equipment.

This coverage is subject to all limitations in the policy to which this endorsement is attached and, in addition, to each of the following specific limitations:

1. The said building or structure must be insured under this policy for damage by that Listed Peril.

2. The Listed Peril must be the immediate, sole cause of the damage to the asbestos.

3. The Assured must report to Insurers the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However this policy does not insure any such damage first reported to Insurers more than 12 (twelve) months after the expiration, or termination, of the policy period.

4. Insurance under this policy in respect of asbestos shall not include any sum relating to:

   (i) any faults in the design, manufacture or installation of the asbestos.

   (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

B. Except as set forth in the foregoing Section A, this policy does not insure asbestos or any sum relating thereto.

All other terms, conditions and exclusions of this policy remain unchanged.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsements apply to this Policy:

MOLD / FUNGUS EXCLUSION

In consideration of the premium charged, it is hereby understood and agreed that this policy is amended as follows.

The Company shall not be liable for any loss or damage caused by, arising out of, contributed to, or resulting from fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast;

(a) fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;
(b) mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);
(c) spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms,

regardless of any other cause or event that contributes concurrently or in any sequence to such loss.

All other terms, conditions and exclusions of this policy remain unchanged.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsements apply to this Policy:

ENDORSEMENT – A

PROPERTY DATA CORRUPTION ENDORSEMENT

This policy is hereby amended as follows:

The Insurer will not pay for Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:

1. Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,
2. Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set,
3. Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the Insured to conduct business.

This Endorsement shall not exclude subsequent damage or Consequential loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: Fire, Lightning, Earthquake, Explosion, Falling Aircraft, Flood, Smoke, Vehicle Impact, Windstorm or Tempest.

Such Damage or Consequential loss described in 1, 2, or 3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

All other terms, conditions and exclusions of this policy remain unchanged.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsements apply to this Policy:

PROPERTY Y2K MILLENNIUM ENDORSEMENT

It is agreed and understood that this policy is hereby amended as follows:

A. The insurer will not pay for Damage or Consequential Loss directly or indirectly caused by, consisting of, or arising from, the failure of any computer, data processing equipment or media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the insured or not and whether occurring before, during or after the year 2000 that results from the inability to:

1. correctly recognize any date as its true calendar date:

2. capture, save, or retain and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date; date/or

3. capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain pr correctly process such data on or any date.

B. It is further understood that the Insurer will not pay for the repair or modification of any part of an electronic data processing system or its related equipment, to correct deficiencies or features of logic or operation.

C. It is further understood that the Insurer will not pay for Damage or Consequential Loss arising from the failure, inadequacy, or malfunction of any advice, consultation, design evaluation, inspection installation, maintenance, repair or supervision done by the Insured or for the Insured or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in A. above.

Such Damage or Consequential Loss described in A, B, or C above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

This endorsement shall not exclude subsequent Damage or Consequential Loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: fire, Lightning, explosion aircraft or vehicle impact, falling objects, windstorm, hail, tornado, hurricane, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcano, tsunami, freeze or weight of snow.

In consequence of all the foregoing the Annual Premium remains unaltered.

All other terms, conditions and exclusions of this policy remain unchanged.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsements apply to this Policy:

Occurrence Limit Of Liability Endorsement:

It is understood and agreed that the following special terms and conditions apply to this policy:

1. The limit of liability or Amount of Insurance shown on the face of this policy, or endorsed on to this policy, is the total limit of the Company's liability applicable to each occurrence, as hereafter defined. Notwithstanding any other terms and conditions of this policy to the contrary, in no event shall the liability of the company exceed this limit or amount irrespective of the number of locations involved.
   The term "occurrence" shall mean any one loss, disaster, casualty or series of losses, disasters, or casualties, arising out of one event. When the term applies to loss or losses from the perils of tornado, cyclone, hurricane, windstorm, hail, flood, earthquake, volcanic eruption, riot, riot attending a strike, civil commotion, vandalism and malicious mischief, and certified and non -certified terrorism, one event shall be constructed to be all losses arising during a continuous period of 72 hours. When filing proof of loss, the insured may elect the moment at which the 72 hour period shall be deemed to have commenced, which shall not be earlier than the first loss to the covered property occurs.

2. **The premium for this policy is based upon the Statement of Values on file with the Company, or attached to this policy. In the event of hereunder, liability of the Company, subject to the terms of paragraph one (1) above, shall be limited to the least of the following:**
   A. The actual adjusted amount of the loss, less applicable deductible(s).
   B. The limit of liability or amount of insurance shown on the face of this policy or endorsed onto this policy.

All other terms, conditions and exclusions of this policy remain unchanged.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/10/11

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsements apply to this Policy:

TIER 1 WIND COUNTIES

Alabama: Baldwin, Mobile;

Florida: Entire State of Florida;

Hawaii: Entire State of Hawaii

Georgia: Bryan, Camden, Chatham, Glynn, Liberty, McIntosh;

Louisiana: Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Mary, St. Bernard, St. Tammany, Terrebonne, Vermilion;

Mississippi: Hancock, Harrison, Jackson;

North Carolina: Beaufort, Brunswick, Carteret, Craven, Dare, Hyde, New Hanover, Onslow, Pamlico, Pender;

South Carolina: Beaufort, Berkley, Charleston, Colleton, Georgetown, Horry, Jasper;

Texas: Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jackson, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Orange, Refugio, San Patricio, Victoria, Willacy;

Virginia: Accomack, Gloucester, Isle of Wight, James City, Lancaster, Mathews, Middlesex, Newport News, Norfolk, Northampton, Northumberland, Suffold, Surry, Virginia Beach, Westmoreland, York

Puerto Rico: Entire Island

U.S. Virgin Islands: All islands

All other terms, conditions and exclusions of this policy remain unchanged.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO PROP/1112 :

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsements apply to this Policy:

Premium Adjustment Clause

The premium shall be adjusted at the program composite rate for acquisitions or divestitures greater than 2% of the total insurable value as stated on the most recent statement of values on file with the Company.

The acceptance by the Company of such reports and the premium calculated thereon will not alter vary or increase the Limit(s) of Liability as stated herein.

No inadvertent errors, omissions or failure in making reports hereunder shall prejudice the Insured's right of recovery but shall be corrected when discovered.

All other terms, conditions and exclusions of this policy remain unchanged.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsements apply to this Policy:

General Change Endorsement

It is hereby agreed and understood that the following definitions are added to this policy:

Named Windstorm means the direct action of wind (including ensuing storm surge) when such wind is associated with, or occurs in conjunction with a storm or weather disturbance which is named by the National Oceanic and Atmospheric Administration's (NOAA) National Hurricane Center or similar governing body until sustained wind speeds drop below the parameter for naming storms.

Storm Surge is defined as water driven inland from coastal waters by high winds and low atmospheric pressure.

Flood is defined as a rising and overflowing of a body of water onto normally dry land.

Earthquake: Earthquake is defined as a shaking or trembling of the earth that is tectonic or seismic in origin.

All other terms, conditions and exclusions of this policy remain unchanged.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsements apply to this Policy:

Contingent (Gap) Coverage Endorsement

It is hereby agreed and understood that the following Contingent (Gap) Coverage clause is added to this policy:

It is agreed that if during the term of this policy, a loss is sustained to property otherwise covered under this policy, but which is insured by another party (ies) under other insurance policy (ies) for the benefit of the Insured and such loss is not recoverable in part or in full thereunder from such other insurance but would have been recoverable under the terms and conditions of this policy, then this Company shall be liable under the terms and conditions of this policy for such loss which is not recoverable from such other policy(ies). For purposes of this condition, loss payment received by the Insured shall be considered a loan, without interest, repayable in the event of and to the extent of recovery from such other insurance minus the cost of recovery. Such other insurance does not include deductibles or self-insured retentions under such other insurance.

All other terms, conditions and exclusions of this policy remain unchanged.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsements apply to this Policy:

Biological or Chemical Materials Exclusion

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

NMA 2962
06/02/03
Form approved by Lloyd's market Association [Non-Marine]

All other terms, conditions and exclusions of this policy remain unchanged.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsements apply to this Policy:

TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes injury loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes injury loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from arising out of or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any injury loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA2920

All other terms, conditions and exclusions of this policy remain unchanged.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsement applies to this Policy:

The following is deleted in its entirety as respects the BPC Ferry Terminal:

13. PROPERTY EXCLUDED

d. Watercraft, aircraft, motor vehicles licenses for highway use when not on the Insured's premises, but this motor vehicle exclusion shall not apply to contractor's equipment or as covered elsewhere in the policy form

And is replaced with the following as respects the BPC Ferry Terminal:

13. PROPERTY EXCLUDED

e. Aircraft, motor vehicles licenses for highway use when not on the Insured's premises, but this motor vehicle exclusion shall not apply to contractor's equipment or as covered elsewhere in the policy form

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsement applies to this Policy:

UPGRADE TO GREEN℠ – COMMERCIAL ENDORSEMENT

This endorsement modifies insurance provided by the policy:

The coverages and valuation provision provided by this endorsement only apply if direct physical loss or damage to covered real and/or personal property is caused by any of the perils covered by the policy and replacement cost valuation applies. This coverage does not apply to: (1) personal property of others in the Insured's care, custody, and control, (2) leased personal property, and/or (3) finished or unfinished stock.

In no event, does this endorsement increase or change the per occurrence limit of liability shown in the declarations or the annual aggregate for specified perils.

1. Notwithstanding the Valuation Provision of this policy or limits of liability applicable to specific locations or perils, if replacement cost valuation applies to real and/or personal property, then the Company's liability for loss applicable to this endorsement shall be the cost to repair or replace the covered damaged property, subject to the applicable limit of liability, plus the least of the following amounts:

A. The reasonable and necessary amount to upgrade to green the covered damaged property as described in Coverage Section A – Non-LEED® Certified Coverage *or* as described in Coverage Section B – LEED® Certified Coverage, whichever is applicable; or

B. An additional 25% of the applicable limit of liability for the building and/or business personal property shown in the Statement of Values or similar schedule to upgrade to green; or

C. $1,000,000 (one million dollars) to upgrade to green.

At the Insured's sole discretion, the Insured may elect not to upgrade to green any or all property for which upgrade to green coverage is provided under this endorsement. In such case, the Company will adjust the claim in accordance with the standard provisions of the policy, as modified by all other applicable endorsements.

Subject to the least of A., B., or C. above, if business interruption coverage is provided as part of this policy, if necessary, the Period of Restoration shall be increased to allow for additional time to upgrade to green the damaged property plus up to an additional two week period to meet the requirements set forth in 4.B.

2. COVERAGE SECTION A: NON-LEED CERTIFIED COVERAGE

In the event of direct physical loss or damage by any of the perils covered by the policy to a building that is not LEED certified at the time of the loss, or to the personal property within such a building, the Company will pay to repair or replace damaged or destroyed:

A. Loss Settlement for Personal Property

(1) "Appliances" or "Office Equipment" with products of like kind and quality that have been identified as "ENERGY STAR®" or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

(2) "Systems Furniture" or "Seating", with products of like kind and quality that are certified as GREENGUARD Indoor Air Quality Certified® or products with similar emissions

characteristics. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

B. Loss Settlement for Your Building

(1) Interior Finish Materials Upgrade

a. Lower Emissions Products Upgrade Coverage

"Defined Building Materials" with products of like kind and quality that have "Lower Emissions". If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

b. Environmentally Preferable Products Upgrade Coverage

Interior wood, carpeting and flooring with products of like kind and quality that have "Lower Emissions", are "Sustainably Produced", are "Rapidly Renewable" or include "Recycled Content". If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

(2) Interior Plumbing Systems Upgrade Coverage

Interior plumbing fixtures including, but not limited to, toilets, shower heads, and lavatory faucets with products of like kind and quality that are more "Water Efficient". If there are no such products available at the time of the loss, this upgrade to green coverage does not apply. For damaged or destroyed faucets, the Company will also pay to install occupant sensors to reduce the potable water demand.

(3) Lighting Systems Upgrade Coverage

Lighting systems, with products of like kind and quality that have been identified as "ENERGY STAR" or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply. The Company will also pay to repair or replace damaged light bulbs with light bulbs which have low mercury content.

(4) Efficient Heating and Cooling Equipment Upgrade Coverage

"Heating and cooling equipment" with products of like kind and quality that have been identified as "ENERGY STAR" or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

(5) Building Reconstruction Following Total Loss

a. Solely with respect to a **"**Total Loss" to a building, the Company will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that should satisfy the prerequisites and earn the minimum number of points required to qualify for LEED Silver certification using the LEED New Construction (LEED NC®) Rating System.

b. Certification Expenses

(i) The Company will pay the reasonable and necessary registration and certification fees charged by the United States Green Building Council (USGBC) that the Insured incurs should the Insured decide to seek LEED Silver certification. However, the Company will not pay to modify the reconstructed structure if it is not certified.

(ii) The Sublimit of Insurance for this coverage is $25,000.

3. COVERAGE SECTION B: LEED CERTIFIED COVERAGE

In addition to all Coverages provided in Coverage Section A (with the exception of 2.B. (5) Building Reconstruction Following a Total Loss) and in the event of direct physical loss or damage by any of the perils covered by the policy to a building that is LEED certified at the time of the loss, or to the personal property within such building, the Company will pay to repair or replace damaged or destroyed:

A. Loss Settlement for Trees, Shrubs, and Vegetative Roofs

(1) Trees and shrubs planted specifically to secure the Heat Island Effect: Non-Roof point as described in LEED NC. For the purposes of this coverage only, notwithstanding any other provision of the policy to the contrary, trees and shrubs are Covered Property. The sublimit of insurance for this coverage is $3,000 per tree or $3,000 per shrub up to a maximum of $25,000.

(2) Vegetative roofs on LEED certified buildings. Notwithstanding any other provision of the policy to the contrary, vegetative roofs are Covered Property.

B. Loss Settlement for Your Building

(1) Recertification Expenses

a. In the event of direct physical loss or damage by any of the perils covered by the policy that necessitates recertification of the damaged building, the Company will pay the reasonable and necessary registration and certification fees charged by the USGBC that the Insured incurs as a result of the recertification process.

b. The Sublimit of Insurance for this coverage is $25,000.

(2) Building Reconstruction Following Total Loss

a. Solely with respect to a "Total Loss" to a building that is LEED certified at the time of the loss, the Company will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that would satisfy the prerequisites and should earn the minimum number of points required to qualify for LEED certification at one level above the certification in effect at the time of the loss using the LEED NC Rating System.

b. Certification Expenses

(i) The Company will pay the reasonable and necessary registration and certification fees charged by the USGBC that the Insured incurs should the Insured decide to seek LEED certification. However, the Company will not pay to modify the reconstructed structure if it is not certified.

(ii) The Sublimit of Insurance for this coverage is $25,000.

4. COVERAGES INCLUDED WITHIN COVERAGE SECTIONS A OR B AND APPLICABLE TO LEED® AND NON-LEED® CERTIFIED BUILDINGS

In the event of direct physical loss or damage by any of the perils covered by the policy to a LEED or Non-LEED certified building:

A. Recycling Expenses

(1) The Company will pay the Insured's expenses to clean-up, sort, segregate, and transport debris from the Insured's damaged building to recycling facilities, if such debris can be recycled.

(2) The Sublimit of Insurance for this coverage is $25,000 and is in addition to the debris removal expense sublimit provided by the policy, if any.

(3) Any income or remuneration derived from this recycling shall be used to reduce the loss.

B. Air Testing and Outdoor Air Ventilation of the Reconstructed Space

(1) In accordance with the requirements for the Construction IAQ Management Plan: Before Occupancy Credit as described in the LEED NC rating system (hereinafter, "Construction IAQ"), the Company will pay to conduct air testing and a building flush-out (if required because of a failure to meet air quality standards set forth in the Construction IAQ) and follow-up air testing for a total period of time not to exceed two weeks.

(2) After the two week period of increased outdoor air ventilation of the reconstructed space, the Company will pay to replace the filtration media with new media.

(3) The Sublimit of Insurance for this coverage is $25,000.

C. Professional Services

The Company will pay reasonable and necessary expenses to hire a LEED Accredited architect or engineer to participate in the design and/or construction administration of the damaged portion of the building or the entire building, whichever is applicable.

The Sublimit for this coverage is $50,000.

D. Building Commissioning Expenses

(1) In the event of direct physical loss or damage to mechanical, electrical, or electronic building systems, by any of the perils covered by the policy which necessitates the commissioning or re-commissioning of those systems, the Company will pay reasonable and necessary expenses of a Professional Engineer to commission or re-commission those damaged systems in accordance with LEED protocols.

(2) The Sublimit of Insurance for this coverage is $25,000.

5. Additional Definitions

A. "Appliances" means products including, but not limited to, dishwashers, refrigerators, freezers, ovens, microwave ovens, room air conditioners, room air cleaners and water heaters.

B. "Defined Building Materials" means: (1) all carpet and floor coverings, including, adhesives to affix them to the floor, (2) all interior paints, architectural coatings, primers, undercoatings, adhesives, sealants, and (3) permanently installed composite wood fixtures, including, counters, cabinets, and partitions.

C. "ENERGY STAR" means any product that has been identified by the United States Government Department of Energy, Environmental Protection Agency as ENERGY STAR qualified at the time of the loss.

D. "Heating and Cooling Equipment" means products including, but not limited to, heat pumps, boilers, central air conditioning, ceiling fans, dehumidifiers, exhaust fans, furnaces, thermostats, and ventilating fans.

E. "Lower emissions" means:

(1) With respect to adhesive and sealant products, such as, general construction adhesives, flooring adhesives, fire-stopping sealants, caulking, duct sealants, plumbing adhesives, and cove base adhesives, products that meet the requirements of South Coast Air Quality Management District (SCAQMD) Rule # 1168; with respect to aerosol adhesives, products that meet Green Seal Standard GS-36 requirements;

(2) With respect to architectural paints, coatings, and primers, products that do not exceed the volatile organic compound (VOC) content limits established in Green Seal Standard GS-11, with respect to anti-corrosive and anti-rust paints, products that do not exceed the VOC content limits established in Green Seal Standard GS-03; and with respect to clear wood finishes, floor

coatings, stains, and shellacs, products that do not exceed the VOC content limits established by SCAQMD Rule # 1113;

(3) With respect to carpet and carpet cushion, products that meet the requirements of the Carpet and Rug Institute's Green Label Plus Program; and

(4) With respect to composite wood and agrifiber products such as particleboard, medium density fiberboard (MDF), plywood, wheatboard, strawboard, panel substrates and door cores as well as laminating adhesives used to fabricate on-site and shop-applied composite wood and agrifiber assemblies, products that contain no added urea-formaldehyde resins.

F. "Office Equipment" means electronic products including, but not limited to, desktop computers, laptop computers, monitors, printers, fax machines, scanners, copiers, and telephones.

G. "Recycled Content" means those products that contain at least 20% post-consumer recycled content.

H. "Rapidly Renewable" means products that are made from plant resources that are harvested within a ten-year cycle or shorter, including, but not limited to, bamboo, eucalyptus, wheat straw, sunflower hulls, cork oak, wheatboard, linoleum, and sorghum.

I. "Seating" means task and guest chairs used with "System Furniture".

J. "Sustainably Produced" means those products certified by the Forest Stewardship Council ("FSC").

K. "System Furniture" means either a panel-based workstation comprised of modular interconnecting panels, hang-on components and drawer/filing components of a freestanding grouping of furniture items and their components that have been designed to work in concert.

L. "Total Loss" means:

(1) The covered building is completely destroyed regardless of whether any damage is done to the foundation or slab, or

(2) The covered building is in such condition after the loss that the standard method of rebuilding or repairing the covered building is to raze the structure except for the foundation or slab or including all or part of the foundation or slab and rebuild the entire structure, whether such structure is actually rebuilt or not.

M. "Water Efficient" means dry fixtures such as composting toilet systems and non-water using urinals, flush toilets using no more than 1.6 gallons of water per flush, and shower heads and faucets with a flow rate of no more than 2.2 gallons per minute.

All other terms and conditions of the policy remain the same.

ATTACHING TO AND FORMING AN INTEGRAL PART OF POLICY NO: PROP/1112

Notwithstanding anything contained in the Policy Wording to the contrary, it is understood and agreed that the following Endorsement applies to this Policy:

Notwithstanding Port Authority Insurance Captive Entity LLC's (hereinafter referred to as the "Company") ultimate liability as described under this policy, shall be limited to the Company's liability ceded and accepted by such reinsurers per the reinsurance certificate. The claim or any portion for loss not accepted by said reinsurers in accordance with each reinsurers' agreement with this Company will be borne by the Insured.

All other terms and conditions of the policy remain the same.

(REVISED)
LEXINGTON INSURANCE COMPANY
Administrative Office: 100 Summer Street, Boston, Massachusetts 02110-2103
(hereinafter called the Company)

COMMERCIAL PROPERTY POLICY
DECLARATIONS

POLICY NUMBER: 7478319 RENEWAL OF: 7474007

ITEM 1. Named Insured: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

225 PARK AVENUE SOUTH
NEW YORK, NY 10003

ITEM 2. Policy Period:
From 12/31/06 To 12/31/09

at 12:01 A.M. Standard Time at the address of the named insured shown above.

ITEM 3. Limit of Insurance:
$50,000,000 FOR ANY ONE LOSS OCCURRENCE AND AS PER MANUSCRIPT

Total Premium $634,333 Minimum Earned Premium $158,583
$634,333 Deposit Premium: for 12/31/06 To 12/31/07
$634,333 Deposit Premium: for 12/31/07 To 12/31/08
$634,333 Deposit premium: for 12/31/08 To 12/31/09

ITEM 4. Perils:
ALL RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE, INCLUDING PERILS OF FLOOD AND EARTHQUAKE EXCLUDING EARTHQUAKE IN CALIFORNIA .

ITEM 5. Description of Property Covered: Coinsurance
BUILDERS RISK NIL

ITEM 6. Mortgagee Clause: Loss, if any shall be payable to:

ITEM 7. Forms Attached:
See attached forms schedule

Authorized Representative OR
Countersignature (in states where applicable)

PRPDEC (Ed.01/91)
LX1119

INSURED'S COPY

FORMS SCHEDULE

NAMED INSURED: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

POLICY NO. 7478319 EFFECTIVE DATE: 12/31/2006

FORM NUMBER	EDITION DATE	TITLE
PRFIRS	01/91	FIRE SCHEDULE
PRPDEC	01/91	PROPERTY DEC
IL0017	11/85	COMMON POLICY CONDITIONS
PR9019	01/94	STANDARD PROPERTY CONDITIONS
PATH CIP	12/06	DECLARATIONS MASTER BUILDERS RISK

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aigproducercompensation.com or by calling AIG at 1-800-706-3102.

LEXINGTON INSURANCE COMPANY

ANY REFERENCE IN THE POLICY FORM TO CONTACT IN WRITING THE COMPANY'S CLAIM OR LEGAL DEPARTMENTS SHOULD USE THE ADDRESSES PROVIDED BELOW.

Attn: Claim Department
Lexington Insurance Company
100 Summer Street
Boston, Massachusetts 02110-2103

Attn: Legal Department
Lexington Insurance Company
100 Summer Street
Boston, Massachusetts 02110-2103

THE INSURER(S) NAMED HEREIN IS (ARE) NOT LICENSED BY THE STATE OF NEW YORK, NOT SUBJECT TO ITS SUPERVISION, AND IN THE EVENT OF THE INSOLVENCY OF THE INSURER(S), NOT PROTECTED BY THE NEW YORK STATE SECURITY FUNDS. THE POLICY MAY NOT BE SUBJECT TO ALL OF THE REGULATIONS OF THE INSURANCE DEPARTMENT PERTAINING TO POLICY FORMS.

INLAND MARINE

Schedule of Coverage

Policy Number: 7478319

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Description of Premises	Perils	Limit	Percent of Coins
AS PER SCHEDULE	BUILDERS RISK	$50,000,000	

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

   a. 10 days before the effective date of cancellation if we cancel for non-payment of premium; or

   b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time:

2. Give you reports on the conditions we find; and

3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or

2. Comply with laws, regulations, codes or standards.

These conditions apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

Copyright, ISO Commercial Risk Services, Inc.

2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

Copyright, ISO Commercial Risk Services, Inc.

LEXINGTON INSURANCE COMPANY
Standard Property Conditions

This endorsement effective 12/31/06 , forms a part of Policy Number 7478319

issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY by

Lexington Insurance Company (hereinafter called "the Company").

In consideration of the premium charged, the following clauses are hereby made applicable under this policy.

MINIMUM EARNED PREMIUM CLAUSE

In the event of cancellation of this policy by the Insured, a minimum premium of $158,583 shall become earned, any provision of the policy to the contrary notwithstanding.

Failure of the Insured to make timely payment of premium shall be considered a request by the Insured for the Company to cancel on the Insured's behalf. In the event of such cancellation for non-payment of premium, the minimum earned premium shall be due and payable; provided, however, such cancellation shall be rescinded if the Insured remits and the Company receives the full policy premium with 10 days after the date of issuance of the cancellation notice Such remittance and acceptance by the Company shall not effect the minimum earned premium provision of this endorsement. In the event of any other cancellation by the Company, the earned premium shall be computed pro-rata, not subject to the minimum earned premium.

POLICY DEDUCTIBLE

Each claim for loss or damage separately occurring shall be adjusted separately and from each such adjusted claim, the amount of $10,000 shall be deducted. Notwithstanding the foregoing, the deductible amount applying to certain peril(s) insured against by this policy shall be as follows:

$1,000,000	deductible applying to	AT THE LOCATION OF AN INSURED PROJECT
	deductible applying to	AND AS PER MANUSCRIPT
	deductible applying to	
	deductible applying to	
	deductible applying to	

In the event of any other insurance covering the property insured hereunder, whether or not concurrent, the deductible(s) specified herein shall apply in full against that portion of any claim for loss or damage which the Company is called upon to pay under the provisions of the Apportionment Clause irrespective of any provisions to the contrary of such other insurance.

CANCELLATION CLAUSE

Except and to the extent of the Minimum Earned Premium Clause which is part of this policy, this clause supersedes other cancellation clauses made a part of this policy.

CANCELLATION: This policy may be cancelled by the Insured by surrender thereof to the Company or by mailing to the Company written notice stating when thereafter such cancellation shall be effective. This policy may be cancelled by the Company by mailing to the Insured, at the mailing address shown in this policy or last known address, written notice, stating when, not less than 90 days thereafter (10 days for non-payment of premium) such cancellation shall be effective. The effectiveness of cancellation is not dependent on the return of unearned premium with the notice. Proof of mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Insured or the Company shall be equivalent to mailing. If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment shall be made as soon as practicable after cancellation becomes effective.

SERVICE OF SUIT CLAUSE

Service of Suit: In the event of failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service or process in such suit may be made upon Counsel, Legal Department, Company stated on Declarations, 100 Summer Street, Boston, Massachusetts, 02110-2103, or his or her representative, and that in any suit instituted against the Company upon this policy, the Company will abide by the final decision

of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, the Company hereby designates the Superintendent, Commissioner or Director of Insurance, other officer specified for that purpose in the statute, or his successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this policy of insurance and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

WAR RISK EXCLUSION CLAUSE

The Company shall not be liable for any loss, caused directly or indirectly, by (1) hostile or warlike action in time of peace or war, whether or not declared, including action in hindering, combating or defending against an actual, impending or expected attack (a) by government or sovereign power (dejure or de facto) or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or force (2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war, whether or not its discharge was accidental; (3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by government authority in hindering, combating, or defending against such an occurrence, seizure or destruction; (4) any consequence of any of the foregoing.

NUCLEAR EXCLUSION CLAUSE

The Company shall not be liable for loss by nuclear reaction or nuclear radiation or radioactive contamination all whether controlled or not, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy. If the peril of fire is insured under this policy, then, subject to the foregoing and all provisions of this policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this policy.

SALVAGE AND RECOVERY CLAUSE

All salvages, recoveries and payments recovered or received either prior or subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto, including deduction of the Company's cost of recovery or salvage.

REPORTING CLAUSE

Notwithstanding that the Insured may be obligated to report full values for premium purposes, the Company's maximum limit of liability shall not exceed that amount stated as the policy limit of liability.

PROOF OF LOSS ANO PAYMENT

The Insured shall complete and sign a sworn proof of loss within ninety (90) days after the occurrence of a loss (unless such period be extended by the written agreement of the Company) stating the time, place and cause of loss, the interest of the Insured and of all others in the property, the sound value thereof and the amount of loss or damage thereto, and all other insurance thereon. All adjusted claims shall be due and payable thirty (30) days after the presentation and acceptance of satisfactory proof(s) of loss at the office of the Company at 100 Summer Street, Boston, Massachusetts 02110-2103.

GOVERNMENT ACTIVITY CLAUSE

The Company shall not be liable for loss or damage caused by or resulting from: (1) the seizure or destruction of property insured by this policy by any government body, including any customs or quarantine action, or (2) confiscation or destruction of any property by order of any government or public authority, except an order to destroy property to prevent the spread of fire or explosion.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned in the Declarations by one of its duly authorized representatives.

Elizabeth M. Tuck
Secretary

L. H. Kelly
Chairman of the Board and CEO

PR9019 (Ed.01/94)
LX1101

INSURED'S COPY

LEXINGTON INSURANCE COMPANY

MASTER BUILDERS RISK POLICY NUMBER 7478319

DECLARATIONS

Insurance is provided by the stock company shown above and hereinafter called "the Company".

1. **DEFINITION OF "NAMED INSURED" AND "ADDITIONAL INSURED"**

A. NAMED INSURED(S):

I. Port Authority of New York and New Jersey,
II. Port Authority Trans Hudson Corporation,
III. Newark Legal and Communications Center Urban Renewal Corporation,
IV. associated or affiliated companies owned and controlled companies of I, II, or III as now or hereinafter constituted .

Insured's Corporate Address: 225 Park Avenue South, 12TH Floor, New York, New York 10003

B. ADDITIONAL INSURED(S):

Each of the following shall be considered as an "Additional Insured" under the terms of this Policy and whenever in this Policy the word "Insured" is used, it shall be deemed to include "Additional Insured" unless otherwise expressly stated:

(i) Any agent of the Insured or any individual, co-partnership, corporation, unincorporated association, trustee, estate or governmental instrumentality with which the Insured has entered (or will during the Policy period enter) into an agreement or contractual relationship which requires that the Insured have such entity and/or any other entity named as an Insured but only as respects such insurance as is specified in such agreement or contract and as is afforded by this Policy. The effective date for the inclusion of such entity as an Insured in the case of existing agreements and contractual relationships shall be the inception date of this Policy. In the case of new agreements and contractual relationships, such date shall be the date required by the agreement or contractual relationship, provided such date falls within the Policy period.

(ii) Construction Management Consultants, Contractors and all Sub-contractors and other parties, firms or entities for whom an Insured named in Article 1. A. of this Policy or an Additional Insured named in Article 1.B. of this Policy has contracted to provide this insurance and lender(s) as their interest(s) may appear

The Named Insured shall be deemed the sole and irrevocable agent of each and every Insured under this policy for the purpose of giving or receiving any notices to / from the Company, giving instructions to or agreeing with the Company for alterations of this policy and making or receiving payments of premiums or adjustments of premium.

2. **LOSS PAYABLE:**

Loss, if any, shall be adjusted with and made payable to the Named Insured, or as per order of the Named Insured, whose receipt shall constitute a release in full of all liability under this policy with respect to such loss.

3. **TERM OF INSURANCE:**

For a period of three (3) years commencing at 12:01 a.m. Eastern Standard Time on December 31,2006 and expiring at 12:01 a.m. Eastern Standard Time on December 31,2009.
Notwithstanding the foregoing effective and expiration dates or subsequent endorsements effecting such dates, the liability of the Company under this policy will apply only for such periods commencing directly with work at the project location(s) and the Company's liability will cease for any insured portions of a project for which the work has been taken over by the owner and/or placed into service or when the contractor's interest ceases. The term of insurance includes OPERATIONAL PERFORMANCE TESTING. It is further understood and agreed that coverage shall be extended to include partial occupancy and/or partial use of

such portions of a project as may be necessary but prior to formal acceptance by the Named Insured as provided under Extensions of Coverage.

4. **RENEWAL OF INSURANCE:**

With prior notification to and agreement by the Company, this policy may be renewed, subject to payment of additional premium at rates, terms and conditions to be developed by the Company at the time of the Company's agreement to such additional term of insurance.

5. **PARTICIPATION:**

This Policy covers for **100%** interest in this insurance and the Company shall not be liable for more than **100%** of the Limit(s), sublimit(s) and / or aggregate limit(s) set forth in this policy.

6. **LIMIT OF LIABILITY:**

A. **Limit of Liability:**

In accordance with the terms and conditions hereof, this Policy insures against direct physical loss or damage to property described in LOCATION OF PREMISES OF INSURED CONTRACTS hereof, to an amount not exceeding **$50,000,000** for any one loss occurrence or the replacement cost (as defined in the policy.) of the property at the time of loss whichever is less. Under no circumstances shall the Company be required to pay more than **$50,000,000** as the result of loss or losses resulting from one occurrence. The amount of insurance shall not be reduced nor any other provision of this Policy affected as the result of the occurrence of any loss covered hereunder except as stated below.

However, notwithstanding the provisions as stated above, it is specifically agreed that the Company shall not be liable for more than the following sub-limits of liability in any one occurrence and in the annual aggregate where noted:

B. **Sublimits of Liability:**

(1). $**10,000,000** for any one loss **OCCURRENCE*** for property while in inland transit.

(2). $**10,000,000** for any one loss **OCCURRENCE*** for property while temporarily stored at locations other than the Premises of Insured Contracts.

(3). $**250,000** for any one loss **OCCURRENCE*** for Fire Brigade Charges & Extinguishing Expenses.

(4). $**1,000,000** for any one loss **OCCURRENCE*** for Expediting Expense;

(5). $**250,000** for any one loss **OCCURRENCE*** for Plans, Blueprints and Drawings

(6).$**50,000,000** for any one loss **OCCURRENCE*** for Demolition and Increased Cost of Construction

(7). Debris Removal-This policy will pay up to **twenty five percent (25%)** of the amount of insured physical loss or damage for Debris Removal for any one loss **OCCURRENCE***;

(8). **$500,000** for any one loss **OCCURRENCE*** and in the aggregate as the result of loss(es) incurred in any one Policy Year for Pollutant Clean Up and Removal;

(9). **$100,000** for any one loss **OCCURRENCE*** for Physical Damage to trees, shrubs, plantings, and landscaping at the location(s) of an Insured Project;

C. **Annual Aggregate Limits of Liability:**

Notwithstanding the foregoing and irrespective of the above stated limit of liability and sub-limit of liability, the maximum amount the Company will pay for loss or damage from any one **OCCURRENCE***, and/or in the aggregate for loss or damage from all **OCCURRENCES***, in any one policy year shall not exceed the following amounts for the following perils unless otherwise limited by the sublimits stated above:

(10).$**50,000,000** in the aggregate as the result of loss(es) incurred in any one Policy year caused by the peril of **FLOOD***;

(11).$50,000,000 in the aggregate as the result of loss(es) incurred in any one Policy year caused by the peril of **EARTHQUAKE*** (excluding **EARTHQUAKE*** coverage for locations in the state of California).

Policy Year as used in this Policy shall mean the twelve month period commencing with December 31st of the policy inception date and each December 31st of the subsequent anniversary date(s) of the Policy.

In no event shall these sublimits of liability increase the Policy limit of liability.

7. **DEDUCTIBLES:**

From the amount of each claim for insured loss or damage arising out of any one **OCCURRENCE*** unless otherwise stated, there shall be deducted the applicable amount shown below, and then the liability of the Company shall be only for the amount of such insured loss or damage in excess thereof, subject to the limit of liability, sublimits of liability or annual aggregate limits of liability set forth above.

$1,000,000

In the event that more than one physical damage deductible shown above or specified in any endorsement issued hereunder shall apply to insured physical loss or damage in any one **OCCURRENCE***, only the largest shall be applied.

8. **DESCRIPTION OF INSURED CONTRACTS/PROJECTS*** (Including Project Name and/or Contract Number as applicable):

All contracts and/or projects not otherwise accepted by the Insured, comprising the Port Authority of New York and New Jersey's Capital Improvement Program which were effective prior to the date of this Policy and those which will commence construction within the effective period of this Policy, all of which are on file with the Company or will be filed with the Company as provided in the Policy. The foregoing however does not include coverage for contracts/projects or types of construction as stated in Article 9 below.

9. **LOCATION OF PREMISES OF INSURED CONTRACTS/PROJECTS*:**

All locations owned, leased or occupied (including locations temporarily occupied for purposes of a contract, including the purpose of performing site preparation, infrastructure or other works related to an insured contract but excluding property while being manufactured at a manufacturing site by an Insured or Additional Insured as defined in the Policy for the purpose of contracts included under the Port Authority of New York and New Jersey Capital Improvement Program.
Notwithstanding the foregoing the following contracts and/or projects and types of construction contracts and/or projects which maybe part of the Capital Improvement Program are excluded from coverage under this Policy unless prior agreement by the Company subject to individual terms and conditions which may be different than the current policy terms and as otherwise endorsed herein:

Excluded Contracts and/or Projects:
(a). World Trade Center Hub
(b)Newark People Mover NEC Connection
©Freedom Tower Project
(d)Memorial Project

Excluded Types of Construction
(e) New Bridge Construction in excess of 1,000 foot overall span length over a body of water;
(f) Tunnel Contracts other than renovation and repair of existing property;
(g) Power Generation Contracts for new and re-powering In excess of 25 megawatts output.

10. **DEPOSIT PREMIUM / RATES/REPORTING REQUIREMENTS / PREMIUM ADJUSTMENT:**

This Master Builder Risk Policy has been issued in consideration of the annual deposit premium(s) as stipulated below for the twelve (12) month period commencing at inception hereof and for each subsequent twelve month period for up to a period of thirty six (36) months. The Insured shall report to the Company actual payments made to contractors for declared insured contracts (including payments made to suppliers/vendors/manufacturers) at the end of the first policy year and at the end of each subsequent anniversary date of the policy and that such reports shall be made within thirty (30) days after each anniversary

and at final expiration of the policy 12/31/2009 until all contracts awarded during the term this Policy remaining in force beginning prior to December 31, 2006 and awarded after December 31,2006 but awarded prior to expiration of the Policy until such projects shall have been accepted by the Named Insured of this Policy or policy expiration whichever first occurs. The initial report of award of new contracts (contracts awarded which have not been previously reported to the Company being effective prior to and after 12/31/2006) shall include: the assigned contract reference number, the name of the awarded contractor, a brief description of the scope of work, location of the project, contract amount and estimated start and completion dates of the contract. The Insured shall permit at the option of the Company the right of audit of contract payments including payments to vendors included under coverage of the policy at least at each anniversary.

Earned premium hereunder shall be computed at a rate of **$0.0933/$100** per hundred dollars of payments made to contractors, suppliers, vendors and manufacturers and shall apply from the award date of the contract until acceptance of the work by the Named Insured or policy expiration whichever first occurs. Actual premium as computed above shall be deducted from the annual deposit premium(s) until used, after which additional premiums shall be paid to the Company on audit at the end of each anniversary of the policy within 30 days thereafter as reported based on payments made to contractors, suppliers, vendors and manufacturers. In the event the total actual earned premium computed does not equal the amount of deposit premium paid at inception or at subsequent anniversary date(s), the excess of deposit premium shall be returned to the Insured at the conclusion of coverage under this Master Policy subject to any minimum and earned premium for the policy

Annual Deposit Premium Payment Basis shall be based on estimated contract payments for the annual policy period of the Master Policy but not less than stated herein:

Annual Deposit Premium:

The annual deposit premium under this policy is **$634,333** and shall be subject to an annual minimum and earned premium of 50% of the annual deposit premium **$317,166.50** The deposit premium shall be adjusted in accordance with the provisions as outlined in this item 10. The inception and subsequent anniversary deposit premiums shall be due and payable as follows:

At Inception (12/31/2006)	Annual Rate **$0. 0933** /$100	$ **634,333**
At First Anniversary (12/31/2007)	Annual Rate **$0. 0933** /$100	$ **634,333**
At Second Anniversary (12/31/2008)	Annual Rate **$0. 0933** /$100	$ **634,333**

11. POLICY TERRITORY:

This policy covers property within the fifty (50) states comprising the United States of America and within the District of Columbia including their coastal waters, unless otherwise endorsed to the policy.

PART A - COVERAGE

1. INSURING AGREEMENT:

This policy, subject to the terms, exclusions, limitations and conditions contained herein or endorsed hereto, insures against all risks of direct physical loss of or damage including **FLOOD*** and **EARTHQUAKE*** (excluding **EARTHQUAKE*** for locations in California) to insured property while at the location of the **INSURED PROJECT*** while in offsite temporary storage or while in transit, all within the policy territory and occurring during the term of this policy.

2. PROPERTY INSURED:

At the location of an **Insured Project**(s) including permanent works consisting of all material, supplies, equipment, machinery and other property of a similar nature, being property of the Insured or of others for which the Insured may be contractually responsible, all when used or to be used in or incidental to the demolition of existing structures, site preparation, fabrication or assembly, installation or erection, construction of or alteration/renovation/rehabilitation of an **Insured Project** including temporary works being all scaffolding, form work, shoring, hoarding, false-work and temporary buildings all incidental to **an Insured Project** and for which the capital allocated costs are included in the estimated contract payments reported to the Company.

3. **EXTENSIONS OF COVERAGE:**

A. **TRANSIT:**

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(1) of the DECLARATIONS, transit coverage applies with respect to property to be used in or incidental to completion of an **INSURED PROJECT*** from the commencement of loading at the original point of shipment anywhere within the policy territory, until completion of unloading at the **INSURED PROJECT***, including shipments on inland or coastal waters but excluding ocean marine shipments.

The Insured agrees to keep records of all shipments Insured hereunder and make them available to the Company upon request.

This coverage shall be void if the Insured enters into any special agreement with carriers, releasing them from their common law or statutory liability or agreeing that this insurance shall in any way inure to the benefit of such carriers; however, the Insured may, without prejudice to this coverage, accept such bills of lading, receipts, or contracts of transportation as are ordinarily issued by carriers containing a limitation as to the value of property insured.

B. **OFFSITE TEMPORARY STORAGE:**

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(2) of the DECLARATIONS, offsite temporary storage coverage applies with respect to property to be used in or incidental to completion of an **INSURED PROJECT***, anywhere within the policy territory but excluding such property while in the course of manufacturing or processing at the manufacturer's or supplier's site or while in transit.

C. **FIRE BRIGADE CHARGES AND EXTINGUISHING EXPENSES:**

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(3) of the DECLARATIONS, in the event of direct physical loss or damage insured hereunder and occurring during the policy period, the Company will pay the following reasonable expenses:

(1) fire brigade charges and other extinguishing expenses for which the Named Insured may be assessed;

(2) loss of fire extinguishing materials expended in fighting fire, including the loss of similar material which may be brought on the project location for the purpose of extinguishing a fire already in progress at the time such materials are ordered and delivered, but liability shall not exceed the combined value of such extinguishing materials which are on the premises, or on adjacent premises, if such materials are jointly owned at the time of loss.

D. **EXPEDITING EXPENSE:**

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(4) of the DECLARATIONS, in the event of direct physical loss or damage insured hereunder and occurring during the policy period, the Company will pay, for the reasonable extra costs to make temporary repairs and to expedite the permanent repair or replacement of the insured property which is damaged by an insured peril, including additional wages for overtime, night work, and work on public holidays and the extra costs of express freight or other rapid means of transportation.

E. **PLANS, BLUEPRINTS, DRAWINGS, RENDERINGS, SPECIFICATIONS OR OTHER CONTRACT DOCUMENTS & MODELS:**

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(5) of the DECLARATIONS, this policy is extended to cover direct physical loss of or damage to plans, blueprints, drawings, renderings, specifications or other contract documents (whether paper or electronic media format and models while at an **INSURED PROJECT***.

F. **ORDINANCE OR LAW/DEMOLITION AND INCREASED COST OF CONSTRUCTION**

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(6) of the DECLARATIONS, this policy is extended to cover direct physical loss of or damage in the event of insured loss or damage under the policy that causes the enforcement of any law or ordinance in effect at the time of loss that regulates the repair, rebuilding or re-construction of the damaged portions of an **INSURED PROJECT***, then to the extent required by such enforcement of any law or ordinance, the Company shall be liable for:

Cost of demolishing any undamaged parts of a project including the cost of clearing the site.

1. Increased cost of repair, rebuilding or re-construction of the damaged portions of an **INSURED PROJECT*** on the same premises but not exceeding like height, floor area, style and limited to the minimum requirements of the law or ordinance.

2. If applicable under the policy or endorsements thereto, the increase in the Delay In Completion coverage loss arising out of the additional time required to comply with the requirements of said law or ordinance. Such additional time will not exceed **thirty (30)** consecutive days.

With respect to coverage provided by Paragraph 2., the Company shall not be liable for any loss, unless and until the damaged or destroyed building(s) or structure(s) is actually rebuilt or replaced on the same premises with due diligence and dispatch and in no event, unless repair or replacement is completed within two (2) years after the date of destruction or damage or within such further time as the Company may allow, in writing, during the two (2) years.

The following costs are not reimbursable in the event of a loss hereunder:

1. Cost of demolition or increased cost of repair or reconstruction, debris removal, or other consequential loss caused by the enforcement of any law or ordinance regulating asbestos or other hazardous material;

2. Cost of any governmental direction or request declaring that asbestos or other hazardous material present in or part of or utilized on any undamaged portion of insured property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

3. Cost of demolition or increased cost of repair or reconstruction, debris removal, or other consequential loss caused by the enforcement of any law or ordinance regulating **CONTAMINANTS OR POLLUTANTS***;

4. Cost of compliance with the enforcement of any law or ordinance which the Insured or owner would have otherwise incurred by nature of such law or ordinance in the absence of any loss or damage covered by this policy.

G. DEBRIS REMOVAL:

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(7) of the DECLARATIONS in the event of direct physical loss or damage insured hereunder and occurring during the policy period, the Company will pay the following necessary and reasonable costs:

(1) costs to remove debris being an insured part of the property from the project location of the Insured; and/or

(2) cost of cleanup, at the project location of the Insured, made necessary as a result of such direct physical loss or damage.

The Company will not pay the expense or cost to extract **CONTAMINANTS OR POLLUTANTS*** from land, water and / or debris, or to remove, restore, or replace contaminated or polluted land or water. Nor will the Company remove or transport any property or debris to a site for storage or decontamination required because the property or debris is affected by **CONTAMINANTS OR POLLUTANTS***, whether or not such removal, transport or decontamination is required by law, ordinance or regulation.

It is a condition precedent to recovery under this extension that the Company shall have paid or agreed to pay for direct physical loss or damage to the property insured hereunder and that the Insured shall give written notice to the Company of intent to claim for cost of removal of debris or cost to clean up not later than **180 days** after the date of such physical loss or damage.

H. CLEAN-UP AND DECONTAMINATION

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(8) of the DECLARATIONS, in the event of direct physical loss or damage insured hereunder and occurring during the policy period, the Company will pay the cost of cleanup or decontamination as a result of sudden and unforeseen loss caused by **CONTAMINANTS OR POLLUTANTS*** on an **INSURED PROJECT*** site at time of

OCCURRENCE* but restricted to the **INSURED PROJECT*** site; demolition, or removal of any insured property to the extent required by the enforcement of any law, regulation, or ordinance regulating the construction, repair, or demolition of buildings or structures subsequent to and necessitated by a loss caused by an Insured peril provided that such law, regulation, or ordinance is in effect at the time of loss. No additional costs of reconstruction or additional costs of repair by reason of any law, regulation, or ordinance are included hereunder. The foregoing shall not invalidate any other provisions of the policy or endorsements attached to the policy.

Any costs incurred hereunder shall be subject to the deductible applicable to the cause of loss that necessitates such costs.

I. TREES, SHRUBS, PLANTINGS AND LANDSCAPING:

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(9) of the DECLARATIONS, this policy is extended to cover direct physical loss or damage to trees, plantings, shrubs and landscaping materials which are part of and while located at an **INSURED PROJECT***;

J. HOT TESTING*:

This policy is extended to cover direct physical loss or damage to the property insured which is caused by or results from **HOT TESTING***.

The Insured warrants that supervisory and safety systems shall not be deliberately or knowingly circumvented during the conduct of **TESTING***. This warranty shall not apply when it is standard accepted industry practice and / or manufacturer's specification that such circumvention is necessary for the conduct of individual activities within the conduct of **TESTING*** provided that such circumvention does not extend beyond said individual activities. It is further warranted that all instrumentation will be installed and activated prior to the conduct of any **TESTING***.

K. PERMISSION TO OCCUPY / OPERATE EXTENSION OF COVERAGE

This policy is extended to permit partial occupancy / operation of any machinery, facility or other property insured hereunder being a part of an **INSURED PROJECT*** but prior to final acceptance by the Owner and coverage shall not be reduced due to such partial occupancy/operation except as provided herein, provided that the Insured warrants that all fire protection and security systems shall be in service and fully operational prior to and during any such occupancy/operation . It is a condition hereof that the Insured, upon such knowledge, shall report any increase in hazard beyond that provided for in the policy .
If the Delay in Completion Extension of Coverage applies to the policy, coverage thereunder shall be null and void as respects any machinery, facility or other property which is occupied or put into operation.

PART B - EXCLUSIONS AND LIMITATIONS

PERILS EXCLUDED:

1. This policy shall not pay for loss, damage or expense caused directly or indirectly and / or contributed to, in whole or in part, by any of the following excluded perils except as specifically allowed in A, B, C, D, F , J , K, L, N, T or U below:

   A. Consequential loss, damage or expense of any kind or description including but not limited to loss of market or delay, liquidated damages, performance penalties, penalties for non-completion, delay in completion, or non compliance with contract conditions, whether caused by a peril insured or otherwise, however the foregoing shall not exclude Delay In Completion Coverage when it is endorsed to this policy;

   B. Cost of making good faulty or defective workmanship or material, unless direct physical loss or damage by an insured peril ensues and then this policy will cover for such ensuing loss or damage only;

   C. Cost of making good fault, defect, error, deficiency or omission in design, plan or specification, unless direct physical loss or damage by an insured peril ensues and then this policy will cover for such ensuing loss or damage only;

D. Wear and tear, gradual deterioration, inherent vice, latent defect, corrosion, rust, dampness or dryness of the atmosphere, unless direct physical loss or damage by an insured peril ensues and then this policy will cover for such ensuing loss or damage only;

E. Notwithstanding any other war risk or terrorist exclusion that may be in the policy or any clause limiting or attempting to limit the application of any endorsements to the policy, this policy is amended as follows: the policy does not cover loss or damage to property caused by, resulting from, contributed to or aggravated by any of the following perils, whether such loss or damage is accidental or intentional, intended or unintended, direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any perils insured by the policy:

(1) war, hostile or warlike action in time of peace or war, whether or not declared, including action in hindering, combating or defending against an actual, impending or expected attack:

(a) by government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval or air forces; or

(b) by military, naval or air forces; or

(c) by an agent of any such government, power, authority or force.

(2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war, whether or not its discharge was accidental;

(3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by government authority in hindering, combating, or defending against such an occurrence, seizure or destruction;

(4) any act of one or more persons, whether known or unknown and whether or not agents of a sovereign power, for Terrorist purposes;

(5) hijacking or any unlawful seizure or wrongful exercise or control of any mode of transportation, including but not limited to aircraft, watercraft, truck(s), train(s) or automobile(s), including any attempted seizure of control, made by any person or persons.

Such loss or damage is excluded regardless of any other cause, event or intervention that contributes concurrently or in any sequence to the loss or damage.

Terrorist purposes means the use or threatened use of any unlawful means, including the use of force or violence against any person(s) or property (ies), for the actual or apparent purpose of intimidating, coercing, punishing or affecting society or some portion of society or government.

F. Nuclear reaction, nuclear radiation or radioactive contamination however such may have been caused; nevertheless if a fire arises directly or indirectly any of the foregoing, any loss or damage arising directly from that fire shall (subject to the provisions of this policy) be covered, excluding however all loss or damage caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that fire;

G. Disappearance or when revealed by inventory shortage alone;

H. Infidelity, dishonesty or fraudulent activity of the Insured or any of the Insured's partners, officers, directors, trustees, employees or others to whom the insured property is entrusted;

I. Loss, damage, costs, expenses, fines or penalties incurred or sustained by or imposed on the Insured at the order of any government agency, court or other authority arising from any cause whatsoever;

J. Actual, alleged or threatened release, discharge, escape or dispersal of **CONTAMINANTS OR POLLUTANTS***, all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any physical loss or damage insured by this policy;

Nevertheless, if fire is not excluded from this policy and a fire arises directly or indirectly from actual release, discharge, escape or dispersal of **CONTAMINANTS OR POLLUTANTS***, any loss or damage insured under this policy arising directly from that fire is insured, subject to the provisions of this policy;

This exclusion shall not apply when loss or damage is directly caused by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm, hail, vandalism or malicious mischief, leakage or accidental discharge from automatic **FIRE PROTECTION SYSTEMS***;

K. This policy does not cover:

(1) The removal of asbestos, dioxin or polychlorinated biphenols (hereinafter all referred to as "Materials") from any goods, products or structures. However, if asbestos is damaged by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm or hail, vandalism, malicious mischief, or leakage or accidental discharge from an **AUTOMATIC FIRE PROTECTION SYSTEMS***, the cost of removal shall be covered herein. The coverage afforded by this extension does not apply to the costs of investigation or defense of any loss or damage, or any costs for loss of use expense, fine or penalty or for any expense or claim or suit related to any of the above.

(2) Demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating such Materials.

(3) Any governmental direction or request declaring that such Materials present in, or part of or utilized on any portion of the Insured's property or **INSURED PROJECT*** can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

L. Loss or damage covered under any written or implied guarantee or warranty by any manufacturer or supplier, but only to the extent of recovery from such written or implied guarantee or warranty;

M. Normal subsidence, settling, cracking, expansion, contraction or shrinkage of walls, floors, ceilings, buildings, foundations, patios, walkways, driveways or pavements;

N. Cessation of the work, whether total or partial, unless such cessation has been directly occasioned by loss or damage covered under the policy. Cessation of the work, as used herein, shall not mean any period of time during which operations would not normally have been conducted such as Saturdays, Sundays or Holidays, nor shall it mean seasonal inactivity planned in advance or labor actions beyond the Insured's control, provided the location of an **INSURED PROJECT*** is maintained and protected against loss during such inactivity.

O. Erosion of graded or planted finish or rough grades which results from normally expected or predictable precipitation and surface water runoff.

P. As respects the EXTENSION OF COVERAGE for **TREES, SHRUBS, PLANTINGS AND LANDSCAPING MATERIAL** the following exclusions apply:

1. Infestation
2. Disease
3. Freeze or Drought
4. Hail
5. Weight of Ice or Snow
5. Damage caused by insects, vermin, rodents or animals

Q. As respects EXTENSION OF COVERAGE for **PLANS, BLUEPRINTS, DRAWINGS, RENDERINGS, SPECIFICATIONS OR OTHER CONTRACT DOCUMENTS & MODELS**, electrical or magnetic injury to or errors and omissions in creating, processing or copying electronic records, however caused;

R. The Company shall not be liable for any loss or damage caused by, arising out of, contributed to, or resulting from fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast;

(a) fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;
(b) mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);
(c) spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms,

regardless of any other cause or event that contributes concurrently or in any sequence to such loss.

S. Loss or damage arising from, contributed to, or resulting from rain, snow, sleet or ice, all whether wind driven or not, entering the interior of any building(s) or structure(s) unless the exterior of such building(s) or structure(s), including but not limited to the roof and outside walls, is complete, and then only if said exterior of the building(s) or structure(s) first sustains physical damage by a covered loss through which the rain, snow, sleet or ice enters.

T. **EXCLUSION FOR SOFTWARE AND DATA-RELATED LOSSES**

The Company will not pay for Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:
1.Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,
2.Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set,
3.Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the Insured to conduct business.

These clauses shall not exclude subsequent damage or Consequential loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: Fire, Lightning, Earthquake, Explosion, Falling Aircraft, Flood, Smoke, Vehicle Impact, Windstorm or Tempest.

Such Damage or Consequential loss described in 1, 2, or 3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

U. **PROPERTY Y2K MILLENNIUM EXCLUSION**

1. The Company will not pay for Damage or Consequential Loss directly or indirectly caused by, consisting of, or arising from, the failure of any computer, data processing equipment or media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the insured or not and whether occurring before, during or after the year 2000 that results from the inability to:

a. correctly recognize any date as its true calendar date:

b. capture, save, or retain and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date; date/or

c. capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain pr correctly process such data on or any date.

2. The Company will not pay for the repair or modification of any part of an electronic data processing system or its related equipment, to correct deficiencies or features of logic or operation.

3. The Company will not pay for Damage or Consequential Loss arising from the failure, inadequacy, or malfunction of any advice, consultation, design evaluation, inspection installation, maintenance, repair or

supervision done by the Insured or for the Insured or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in 1. above.

Such Damage or Consequential Loss described in 1,2, or 3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

These clauses shall not exclude subsequent Damage or Consequential Loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: fire, Lightning, explosion aircraft or vehicle impact, falling objects, windstorm, hail, tornado, hurricane, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcano, tsunami, freeze or weight of snow.

V. NUCLEAR, CHEMICAL AND BIOLOGICAL TERRORISM ABSOLUTE EXCLUSION

Regardless of the amount of damage and losses, and whether certified (TRIA) or non-certified Terrorism coverage is provided in the policy the following exclusions are absolute as to any incident of terrorism:

1. That involves the use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
2. That is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
3. In which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

2. PROPERTY EXCLUDED:

This policy does not insure:

A. Land and land values and the value of cut, fill and backfill materials existing at a project site prior to project commencement; however, to the extent included in the contract payments and declared for premium purposes, the value of fill and backfill materials purchased for use in the completion of an **INSURED PROJECT*** is not excluded. Notwithstanding the foregoing, labor and material charges incurred to move, remove, place or otherwise handle cut, fill and backfill materials, whether insured or uninsured in the foregoing, are covered to the extent such charges are included in the contract payments and declared for premium purposes;

B. Contractor's tools, machinery, plant and equipment, including spare parts and accessories, whether owned, loaned, hired or leased, and property of a similar nature not destined to become a permanent part of a completed **INSURED PROJECT** * unless the value of the same is reported and additional premium is paid at rates and terms to be agreed;

C. Vehicles or equipment licensed for highway use, aircraft or watercraft, rolling stock but not excluding rolling stock which comprises part of an **INSURED PROJECT***;

D. Water, animals, standing timber and growing crops;

E. Accounts, bills, currency, stamps, deeds, evidence of debt, checks, money, securities, precious metals or precious stones or other property of a similar nature;

F. Existing property at the location of an **INSURED PROJECT*** unless separately declared to the Company in advance and specifically endorsed to the policy at terms and conditions to be agreed;

G. Property located at other than the location of an **INSURED PROJECT*** except as covered under the Transit or Offsite Temporary Storage Extensions of Coverage;

H. Prototype, developmental or used machinery and equipment but only as to damage while undergoing any form of testing, commissioning or startup unless specifically endorsed to the policy;

I. Transmission and distribution lines outside of an **INSURED PROJECT** *;

J. Loss or damage to insured property while covered by Ocean Marine Insurance or while waterborne in the course of ocean shipment;

PART C - DEFINITIONS

Wherever in this Policy a word or words appear in capitalized bold face type followed by an asterisk, the following definitions will be applied in the interpretation of such wording.

1. **NAMED WINDSTORM:**

   WINDSTORM* where recorded wind speed is thirty nine (39) miles per hour or higher.

2. **CONTAMINANTS OR POLLUTANTS:**

   CONTAMINANTS or **POLLUTANTS** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, which after its release can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to property insured hereunder, including, but not limited to, bacteria, fungi, virus, or hazardous substances as listed in the Federal Water, Pollution Control Act , Clean Air Act, Resource Conservation and Recovery Act of 1976, and Toxic Substances Control Act or as designated by the U. S. Environmental Protection Agency. Waste includes materials to be recycled, reconditioned or reclaimed.

3. **EARTHQUAKE:**

   All land movement due to seismic activity, including but not limited to shocks, tremors, volcanic action, volcanic eruption, earth rising or shifting, landslide, subsidence, sinkhole, rockfall and tsunami.

4. **FIRE PROTECTION SYSTEMS:**

   Tanks, water mains, hydrants, or valves, and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes but excluding:

   A. branch piping from a joint system where such branches are used entirely for purposes other than fire protection.

   B. any underground water mains or appurtenances located outside of the described premises and forming part of the public water distributing system.

   C. any pond or reservoir in which the water is impounded by a dam.

5. **FLOOD:**

   A. A general and temporary condition of complete inundation of normally dry land areas, including dewatered areas, from:

   (1) The overflow of inland or tidal waters;

   (2) The unusual and rapid accumulation or runoff of surface water *;

   (3) Mudslides (i.e. mudflows) which are caused by flooding as defined in subparagraph A(2) above and are akin to a river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water and deposited along the path of the current;

   * The term "surface water", as used hereunder, shall mean seepage, leakage or influx of water (immediately derived from natural sources) through sidewalks, driveways, foundations, walls, basements or other floors, or through doors, windows or any other openings in such sidewalks, foundations, walls or floors; and shall also include all water which backs up through sewers and drains

   B. The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding the cyclical levels which result in flooding as defined in A(1) above.

6. **INSURED PROJECT(S) OR CONTRACT(S):**

   The work which the Insured is contractually obligated to perform in accordance with the contract documents being more fully described and located as set forth in the Declarations or Policy Conditions and herein referred to as Capital Improvement associated with the Port Authority of New York and New Jersey as on file with the Company or to be filed with the Company .

7. **ISO EARTHQUAKE ZONES**:

ISO ZONE 1

Alaska Counties of:	All Counties except Northslope;
California Counties of:	Alemeda, Alpine, Contra Costa, Del Norte, Humbolt, Imperial, Inyo, Kern, Lake, Los Angeles, Marin, Mendocino, Mono, Monteray, Napa, Orange, Riverside, San Benito, San Bernadino, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma and Venture
Nevada Counties of:	Carson City, Churchill, Douglas, Esmeralda, Humbolt, Lander, Lyon, Mineral, Nye, Pershing, Storey and Washoe

ISO ZONE 2

Arkansas Counties of:	Clay, Craighead, Crittendon, Cross, Greene, Jackson, Mississippi & Poinsett
Hawaii Counties of:	All Counties other than Honolulu and Kauai
Idaho Counties of:	Bannock, Bear, Lake, Caribou, Clark, Franklin, Freemont & Oneida
Illinois Counties of:	Alexander, Massac, Pulaski & Union
Kentucky Counties of:	Ballard, Carlisle, Fulton, Graves, Hickman & McCracken
Mississippi Counties of:	DeSoto
Missouri Counties of:	Bollinger, Butler, Cape Girardeau, Dunkin, Mississippi, New Madrid, Pemiscot, Scott & Stoddard
Montana Counties of:	Beaverhead, Broadwater, Flathead, Gallatin, Jefferson, Lewis & Clark, Madison, Meagher, Park, Powell & Yellowstone National Park
Nevada Counties of:	Lincoln
Tennessee Counties of:	Crockett, Dyer, Haywood, Lake, Lauderdale, Obion, Shelby & Tipton
Utah Counties of:	Box, Elder, Cache, Davis, Juab, Millard, Morgan, Salt Lake, Sanpete, Sevier, Tooele, Utah & Weber
Washington Counties of:	Clallam, Island, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston & Whatcom
Wyoming Counties of:	Teton & Yellowstone National Park
ISO ZONE 3 California	All California Counties not named under ISO ZONE 1 above

8. **OCCURRENCE**:

With the exception of the perils of **EARTHQUAKE*, FLOOD*, NAMED WINDSTORM*, WINDSTORM***, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief **OCCURRENCE*** means an accident, incident, or a series of accidents or incidents arising immediately out of a single event or originating cause and includes all resultant or concomitant losses wherever located.

In respect of the perils of **EARTHQUAKE*** , **NAMED WINDSTORM*, WINDSTORM***, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief **OCCURRENCE*** shall mean all losses arising during a continuous period of **seventy-two (72)** hours during the term of this policy. The Insured may elect the

moment when the **seventy-two (72)** hour period begins, but no two such periods shall overlap. Such **EARTHQUAKE*, NAMED WINDSTORM*, WINDSTORM***, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief shall be deemed to be a single **OCCURRENCE*** within the meaning of this policy.

In respect of the peril of **FLOOD*, OCCURRENCE*** shall mean all losses arising during a continuous condition as defined in the definition of **FLOOD*** under paragraph 5 above.

The Company shall not be liable for any such loss occurring before the effective date and time or occurring after the expiration date and time of this Policy.

9. **TESTING:**

   A. **HOT TESTING*** - Any startup, commissioning or other forms of testing making use of any feedstock or similar media including operational or performance tests.

   B. Cold Testing - Any functional testing, exclusive of **HOT TESTING*** as defined above including but not limited to electrical, mechanical, hydraulic, hydrostatic and pneumatic.

   C. For the purposes of the foregoing definitions, startup and testing of building systems shall be considered Cold Testing.

10. **TESTING PERIOD:**

    As respects **HOT TESTING***, the **TESTING PERIOD*** shall mean and be limited to that period beginning with the introduction into the insured property of feedstock or similar media for processing and handling or the commencement of supply to a system and continuously thereafter whether or not such testing, commissioning or startup is continuous or intermittent.

11. **WATER DAMAGE:**

    Physical loss or damage from leakage of liquids or fluids arising from interior building systems;

12. **WINDSTORM:**

    An atmospheric disturbance marked by high winds, with or without precipitation, including such events as hurricane, typhoon, rainstorm, hailstorm, tornado, or any combination of the foregoing events, including any resulting flood, tidal or wave action.

PART D - GENERAL CONDITIONS

1. **OBSERVANCE OF CONDITIONS:**

   The due observance and fulfillment of the terms and conditions of this policy by the Insured, insofar as they relate to anything to be done or complied with by them, shall be a condition precedent to any liability of the Company to make payment for loss under this policy.

2. **INCREASED HAZARD:**

   If the circumstances in which this insurance was entered into shall be altered or if the risk shall be materially increased, the Insured shall as soon as possible give notice in writing to the Company.

3. **MISREPRESENTATION & FRAUD:**

   This policy shall be void if the Insured has concealed or misrepresented any material fact or circumstances concerning this insurance or the subject thereof, or in case of any fraud, attempted fraud or false swearing by the Insured touching any matter relating to this insurance or the subject thereof, whether before or after a loss.

4. **ERRORS & OMISSIONS:**

   No unintentional errors or omissions in any information required to be reported to the Company or otherwise relative to this insurance will prejudice the Insured's right of recovery, but will be reported to the Company as soon as practicable when discovered.

5. **INSPECTION & AUDIT:**

While this policy is in effect, the Company can, at any reasonable time, inspect the insured property and operations. However, neither the Company's inspection nor any report thereof can serve as any representation that the insured property or operations are safe or healthful, or that they comply with any law, rule or regulation.

Books and records will be kept by the Insured in such a manner that the total project cost of the work and the exact amount of any loss or damage covered by this policy can be accurately determined. The Company may examine and audit the Insured's books and records at any reasonable time during the policy period and within one year after the final termination of the policy, as long as they relate to the subject matter of this policy.

6. CLAIM AGAINST TRANSIT CARRIER AND/OR BAILEE:

No claim for loss or damage during transit shall be payable hereunder until the Insured has filed a claim with and made reasonable efforts to secure payment from the transporting carrier and the carrier has denied liability.

7. PROTECTION OF PROPERTY:

The Insured will take reasonable steps to protect, recover or save the property insured and minimize any further or potential loss or damage when:

A. The property insured has sustained direct physical loss or damage by an insured peril; or

B. The property insured is in imminent danger of sustaining direct physical loss or damage from:

(1) **WINDSTORM*** or other related perils, but only when the potential for the same to occur has been forecasted by the National Weather Service or similar recognized weather forecast service(s);

(2) **FLOOD***, but only when the potential for the same to occur has been forecasted by the National Weather Service or the U.S. Army Corps of Engineers.

(3) Fire;

The acts of the Insured or the Company in protecting, recovering or saving the property insured will not be considered a waiver or an acceptance of abandonment. The Insured and the Company will bear the expense incurred proportionate to their respective interests.

The foregoing shall not serve to increase the Limit of Liability stated in the DECLARATIONS and shall be subject to the deductible provisions of the policy.

8. EXAMINATION UNDER OATH:

The Insured shall submit and, so far as is within their power, shall cause all other persons to submit, to examination under oath by any persons named by the Company relative to any and all matters in connection with a claim and shall produce for examination all books of account, bills, invoices, and other vouchers or certified copies thereof if originals are lost, at such reasonable time and place as may be designated by the Company or its representatives and shall permit extracts and copies thereof to be made.

9. IN CASE OF LOSS:

A. Notice of Loss:

The Insured will, as soon as practicable, report in writing to the Company every loss **OCCURRENCE*** which may give rise to a claim under this policy.

B. Proof of Loss:

The Insured will, as soon as practicable, file with the Company a signed and sworn detailed proof of loss stating to the best knowledge and belief of the Insured the time and cause of loss or damage and the interest of the Insured and others in the property so affected..

C. Payment of Loss:

All adjusted claims, including partial payments thereon, will be due and payable no later than **(60) sixty** days after presentation and acceptance of proof of loss or partial proof of loss, as the case may be, by this Company or its appointed representative.

10. PARTIAL LOSS:

The Company hereby grants permission to repair any partial damage to the property insured which can be conveniently and advantageously undertaken by the Insured. The Company will reimburse the Insured who has suffered the loss for the actual cost of such repairs, subject always to the applicable deductible and limits

of liability stated in the Declarations. Nothing in this clause shall be deemed to have waived the requirement that notice of loss be given forthwith to the Company as provided in the policy.

11. SUBROGATION:

If the Company pays a claim under this policy, it will be subrogated, to the extent of such payment, to all the Insured's rights of recovery from other persons, organizations and entities. The Insured will execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The Company will have no rights of subrogation against:

A. Any person or entity, which is a Named Insured or an Additional Insured;

B. Any other person or entity, which the Insured has waived its rights of subrogation against in writing before the time of loss;

Notwithstanding the foregoing, it is a condition of this policy that the Company shall be subrogated to all the Insured's rights of recovery against:

A. any Architect or Engineer, whether named as an Insured or not, for any loss or damage arising out of the performance of professional services in their capacity as such and caused by an error, omission, deficiency or act of the Architect or Engineer, by any person employed by them or by any others for whose acts they are legally liable, and

B. any manufacturer or supplier of machinery, equipment or other property, whether named as an Insured or not, for the cost of making good any loss or damage which said party has agreed to make good under a guarantee or warranty, whether expressed or implied.

The Insured will act in concert with the Company and all other interest concerned in the exercise of such rights of recovery. The Insured will do nothing after a loss to prejudice such rights of subrogation.

If any amount is recovered as a result of such proceedings, the net amount recovered after deducting the costs of recovery, will accrue first to the Company. Any excess of this amount will be remitted to the Insured. If there is no recovery, the interests instituting the proceedings will bear the expense of the proceedings proportionately.

12. CONTRIBUTING INSURANCE:

Permission is granted for other policies written upon the same terms, exclusions, limitations and conditions as those contained herein. This policy will contribute to the total of each loss otherwise payable herein to the extent of the participation of this policy in the total limit of liability as provided by all policies written upon the same terms, exclusions, limitations and conditions as those contained in this policy.

13. EXCESS INSURANCE:

Permission is granted the Insured to have excess insurance over the limit of liability set forth in this policy without prejudice to this policy, nor will the existence of such insurance, if any, reduce any liability under this policy.

14. OTHER INSURANCE:

Except as stated in CONTRIBUTING INSURANCE and EXCESS INSURANCE above, if there is other collectible insurance, this policy will cover as excess insurance and will not contribute with such other insurance.

15. UNDERLYING INSURANCE:

Permission is given for the Insured to purchase insurance on all or any part of the deductible(s) or perils of this policy. The existence of such underlying insurance shall not prejudice or affect any recovery otherwise payable under this policy.

16. RECOVERY OR SALVAGE:

Any recovery or salvage excluding proceeds from subrogation and other insurance recovered or received after a loss settlement under this policy or any recovery from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Company will apply as if recovered or received prior to the loss settlement and the loss will be readjusted accordingly.

17. **REINSTATEMENT:**

With the exception of loss caused by perils which are subject to annual aggregate limits, any loss hereunder will not reduce the amount of this policy.

18. **BANKRUPTCY OR INSOLVENCY:**

Bankruptcy or insolvency of the Insured shall not relieve the Company of any of its obligations under this policy.

19. **BRANDS & TRADEMARKS:**

In case of loss or damage by an insured peril to insured property bearing a brand, trademark or label, the Company may take all or any part of the property at any agreed or appraised value. If so, the Insured may, at their own expense:

A. Stamp salvage on the property or its container, if the stamp will not physically damage the property; or

B. Remove the brand, trademark or label, if doing so will not physically damage the property. The Insured must re-label the property or its container to comply with the law.

20. **ENTRY, CONTROL, ABANDONMENT:**

After loss or damage to insured property, the Company shall have an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make an appraisal or estimate of the loss or damage, but the Company shall not be entitled to the control or possession of the property, and without the consent of the Company there can be no abandonment of the property insured.

21. **PAIR & SET:**

A. In the event of loss of or damage to any insured article or articles which are part of a pair or set, the measure of loss of or damage to such article or articles will be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event will such loss or damage be construed to mean total loss of the pair or set; or

B. In the event of loss or damage to any part of property insured consisting, when complete for use, of several parts, the Company will only be liable for the value of the part lost or damaged.

22. **APPRAISAL:**

If the Insured and the Company fail to agree as to the value of the property or the amount of loss, either may make written demand for an appraisal. In this event, each party will choose a competent and impartial appraiser within **twenty (20)** days after receiving a written request from the other. The appraisers will then select an umpire. If they can not agree upon an umpire within **fifteen (15)** days, either may request the selection by a judge of a court having jurisdiction. The appraisers will then appraise the loss, stating separately the value of the property and the amount of loss to each item, and failing to agree, will submit their differences to the umpire. A decision in writing, so itemized, of any two will be binding. Each party will pay its chosen appraiser and bear the other expense of the appraisal and umpire equally. The Company shall not be held to have waived any of its rights by any act relating to appraisal.

23. **ASSIGNMENT:**

Except in the event of an authorized assignment under the Bankruptcy Act or a change of title by succession, operation of law or death, the Named Insured agrees not to transfer any legal rights or interests in the policy without the Company's written consent.

24. **BENEFIT TO BAILEE:**

This policy will not inure, directly or indirectly, to the benefit of any carrier or bailee.

25. **SERVICE OF SUIT CLAUSE:**

Service of Suit: In the event of failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes, or should be understood to constitute a

waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service or process in such suit may be made upon Counsel, Legal Department, Lexington Insurance Company, 100 Summer Street, Boston, Massachusetts, 02109, or his or her representative, and that, in any suit instituted against the Company upon this policy, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States, which makes provision therefor, the Company hereby designates the Superintendent, Commissioner or Director of Insurance, other officer specified for that purpose in the statute, or his successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this policy of insurance and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

No suit, action or proceeding against the Company or this policy for the recovery of any claim will be sustainable in any court of law or equity unless the Insured will have fully complied with all the requirements of this policy. The Company agrees that any action or proceeding against it for recovery of any loss under this policy will not be barred if commenced within **(12) twelve** months after the **OCCURRENCE*** become known to the Insured unless a longer period of time is provided by applicable statute.

26. VALUATION:

At the time and place of loss, the basis of adjustment of a claim, unless otherwise endorsed herein, shall be as follows:

A. **Property Under Construction** – Replacement Cost including contractor's reasonable overhead and profit but not in excess of 15% of the contract bid amount.
The term Replacement Cost as used in this Master Policy shall be the amount actually and necessarily expended by or on behalf of the Insured to repair, rebuild or replace, within a reasonable time, at the same or on another site, all property insured (including buildings and structures in the course of construction and all materials, supplies, machinery and equipment therein or therefor installed or intended to be installed as a permanent part of any building or structure or other real property or as an improvement or betterment to any building or structure), which, as a result of physical loss or damage, has been damaged or destroyed, all subject to the following conditions:

(a) Notwithstanding any other provision of this Master Policy the Insured may, at its sole option, elect to make claim under this Master Policy for the actual cash value of any property insured under this Master Policy. Unless otherwise notified by the Insured, the presumption is that all claims will be settled on a replacement cost basis.

(b) Insurer's liability for loss on a replacement cost basis shall not exceed the smallest of the following amounts:

(i) The amount of insurance of this Policy applicable to the damaged or destroyed property.

(ii) The replacement cost of the property or any part thereof incidental to such property on the same premises and intended for the same occupancy and use or of like kind, quality and capacity as the damaged property;

(iii) The amount actually and necessarily expended in repairing or replacing said property or any part thereof on the same site.

Any and all indirect charges of the Insured named in Article 1.(A) of this Master Policy shall not exceed 15% of the total amount of any loss incurred hereunder. Charges of consultants which have been declared as contracts under this Master Policy and are subject to payment of premium at the Master Policy rate are not subject to the 15% limitation and are insured hereunder. The provisions of this Article do not increase any amounts or limits of insurance provided by this Master Policy and shall in no event serve to reduce the amount of insurance otherwise provided by this Master Policy.

B. **Property Of Others** (Including Items Supplied By the Owner) - At owner's cost or other actual cash value, whichever is greater, including the contractor's charges.

C. **Temporary Works** - Cost to repair or replace the property lost or damaged with material of like kind, quality and condition but in the event not replaced recovery will not exceed Actual Cash Value.

D. **Plans, Blueprints, Drawings, Renderings, Specifications or Other Contract Documents and Models** - At the cost to reproduce the property with other property of like kind and quality including the cost of gathering or assembling information from back up data if replaced, or if not replaced, at the value of blank material;

E. **Trees, Shrubs, Plantings and Landscaping** - At cost to replace with property of like kind, quality and size plus the proper proportion of labor expended if such damage occurs after installation.

F. **Transit**- Invoice and shipping cost less carrier's liability;

27. CANCELLATION:

A. This policy may be canceled by the Named Insured by mailing to the Company written notice stating when thereafter such cancellation shall be effective. This policy may be canceled by the Company by mailing to the Named Insured, at the address shown in this policy or last known address, written notice stating when, not less than **ninety (90)** days thereafter such cancellation shall be effective, except in the event of the Named Insured's non-payment of any premium due, said notice shall be **ten (10)** days. The mailing of notice as aforementioned shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Named Insured or by the Company shall be equivalent to mailing.

B. In the event of cancellation, premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The Company's check or the check of its representative mailed or delivered as aforesaid shall be a sufficient tender of any refund of premium due to the Insured.

C. If the Named Insured cancels, earned premium will be computed in accordance with Article 10 of the Declarations plus **ten percent (10%)** short rate penalty. If the Company cancels, earned premium will be computed in accordance with Article 10 of the Declarations. Any premium so computed shall always be subject to any minimum premium set forth in Article 10 of the Declarations.

28. STATUTES:

If any Article(s) herein stated conflict with the laws or statutes of any jurisdiction within which this policy applies, such Article(s) are hereby amended to conform to said laws or statutes.

29. TITLES OF PARAGRAPHS:

The several titles of the various paragraphs of this form and endorsements attached to this policy are inserted for reference and shall not be deemed in any way to affect the provisions to which they relate.

30. CONFLICT OF WORDING:

The conditions contained in this manuscript form shall supersede those of the printed conditions to which this form is attached, wherever the same may conflict. Where there is a conflict between the manuscript form and the printed conditions of this policy, the conditions of the specific section shall prevail.

31. COVERAGE TERRITORY :

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

Attached to and forming part of Policy No: **7478319** of the Lexington Insurance Company

LEXINGTON INSURANCE COMPANY

Administrative Offices: 100 Summer Street, Boston, Massachusetts 02110-2103

(hereinafter called the Company)

COMMERCIAL PROPERTY POLICY
DECLARATIONS

POLICY NUMBER: 025031381 RENEWAL OF: 7478319

ITEM 1. Named Insured: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
CAPITAL IMPROVEMENT PROGRAM (CIP)

Address: 225 PARK AVENUE SOUTH
12TH FLOOR
NEW YORK, NY 10003

ITEM 2. Policy Period:
From 12/31/2009 To 12/31/2012
at 12:01 A.M. Standard Time at the address of the named insured shown above.

ITEM 3. Limit of Insurance:
$50,000,000 FOR ANY ONE LOSS OCCURRENCE AND AS PER THE POLICY MANUSCRIPT FORM.

Total Premium $697,312 Minimum Earned Premium $348,656

ITEM 4. Perils:
ALL RISK OF DIRECT PHYSICAL LOSS OR DAMAGE INCLUDING THE PERILS OF FLOOD AND EARTHQUAKE AND AS PER THE POLICY MANUSCRIPT FORM.

ITEM 5. Description of Property Covered: Coinsurance
AT THE LOCATION OF THE INSURED PROJECT INCLUDING PERMANENT WORKS CONSISTING OF ALL MATERIAL,SUPPLIES, EQUIPMENT, MACHINERY AND OTHER PROPERTY OF A SIMILAR NATURE, BEING PROPERTY OF THE INSURED OR OF OTHERS AND AS PER THE POLICY MANUSCRIPT FORM. NIL

ITEM 6. Mortgagee Clause: Loss, if any shall be payable to:

ITEM 7. Forms Attached:

See attached forms schedule

Sanjay Lalla

Authorized Representative OR Countersignature (In states where applicable)

FORMS SCHEDULE

Named Insured: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
CAPITAL IMPROVEMENT PROGRAM (CIP)

Policy No: 025031381 **Effective Date:** 12/31/2009

Form Number	Edition Date	Endorsement Number	Title
PRPDEC	01/91		PROPERTY DECLARATION
PRIMAS	01/91		IM SCHEDULE
PR9014	08/06		OCCURRENCE LIMIT OF LIABILITY
PR9015	08/06		POLLUTION CONTAMINATION FORM
PR9019	01/94		STANDARD PROPERTY CONDITIONS
PR9885	11/05		COVERAGE TERRITORY ENDORSEMENT
Y69859	02/98		PROPERTY MILLENNIUM ENDORSEMENT
IL0017	11/85		COMMON POLICY CONDITIONS
LX9512	08/02		MOLD/FUNGUS EXCLUSION
PR9514	09/02		PROPERTY ENDORSEMENT
PR9777	08/04		TERRORISM RISK INS ACT 02 PREMIUM ENDORSEMENT
		LEX/BLDRSK	LEXINGTON BUILDERS' RISK MANUSCRIPT FORM

POLICYHOLDER NOTICE

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

THE INSURER(S) NAMED HEREIN IS (ARE) NOT LICENSED BY THE STATE OF NEW YORK, NOT SUBJECT TO ITS SUPERVISION, AND IN THE EVENT OF THE INSOLVENCY OF THE INSURER(S), NOT PROTECTED BY THE NEW YORK STATE SECURITY FUNDS. THE POLICY MAY NOT BE SUBJECT TO ALL OF THE REGULATIONS OF THE INSURANCE DEPARTMENT PERTAINING TO POLICY FORMS.

INLAND MARINE

Schedule of Coverage

Policy Number: 025031381

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
CAPITAL IMPROVEMENT PROGRAM (CIP)

Description of Premises	Perils	Limit	Percent of Coins
AS PER SCHEDULE ON FILE WITH THE COMPANY.	ALL RISK OF DIRECT PHYSICAL LOSS OR DAMAGE AND AS PER THE POLICY MANUSCRIPT FORM.	$50,000,000	NIL

OCCURRENCE LIMIT OF LIABILITY ENDORSEMENT

It is agreed that the following special terms and conditions apply to this policy:

1. The limit of liability or Amount of Insurance shown on the face of this policy, or endorsed on this policy, is the total limit of the Company's liability applicable to each occurrence, as hereafter defined. Notwithstanding any other terms and conditions of this policy to the contrary, in no event shall the liability of the Company exceed this limit or amount irrespective of the number of locations involved.

   The term "occurrence" shall mean, any one loss, disaster, casualty, or series of losses, disasters, or casualties, arising out of one event. When the term applies to loss or losses from the perils of tornado, cyclone, hurricane, windstorm, hail, flood, earthquake, volcanic eruption, riot, riot attending a strike, civil commotion, vandalism and malicious mischief, or terrorism, one event shall be construed to be all losses arising during a continuous period of 72 hours. When filing proof of loss, the Insured may elect the moment at which the 72 hour period shall be deemed to have commenced, which may not be earlier than the time when the first loss to covered property occurs.

2. The premium for this policy is based upon the Statement of Values provided to the Insurer(s) by or on behalf of the Insured and kept on file by the Insurer(s). In the event of loss under the policy, the liability of the Insurer(s) shall be limited to the least of the following:

   a.) The actual adjusted amount of loss, less applicable deductible(s);

   b.) As respects each location insured by this Policy, One Hundred (100%) percent of the total combined stated values for all categories of covered property (e.g. building, contents) and other covered exposures (e.g., business income, extra expense, rental loss), shown for that location on the latest statement of values or other documentation on file with the insurer.

   c.) Any other Limit of Liability or Sublimit of Insurance or Amount of Insurance specifically stated in this policy to apply to any particular insured loss or coverage or location.

POLLUTION, CONTAMINATION, DEBRIS REMOVAL EXCLUSION ENDORSEMENT

1. **Property Not Covered**

   This policy does not cover land, land values or water.

2. **Pollution and Contamination Exclusion.**

   This policy does not cover loss or damage caused by, resulting from, contributed to or made worse by actual, alleged or threatened release, discharge, escape or dispersal of CONTAMINANTS or POLLUTANTS, all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any physical damage insured by this policy.

   Nevertheless, if fire is not excluded from this policy and a fire arises directly or indirectly from seepage or contamination or pollution, any loss or damage insured under this policy arising directly from that fire is insured, subject to the provisions of this policy.

   CONTAMINANTS or POLLUTANTS means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, which after its release can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to property insured hereunder, including, but not limited to, bacteria, virus, or hazardous substances as listed in the Federal Water, Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, and Toxic Substances Control Act or as designated by the U. S. Environmental Protection Agency. Waste includes materials to be recycled, reconditioned or reclaimed.

   This exclusion shall not apply when loss or damage is directly caused by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm, hail, vandalism, malicious mischief. This exclusion shall also not apply when loss or damage is directly caused by leakage or accidental discharge from automatic fire protective systems.

3. **Asbestos, Dioxin or Polychlorinated Biphenols Exclusions**

   This policy does not cover -

   a) Asbestos, dioxin or polychlorinated biphenols (hereinafter all referred to as "Materials") removal from any good, product or structure unless the asbestos is itself damaged by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm or hail, vandalism, malicious mischief, leakage or accidental discharge from automatic fire protective system.

   b) Demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating such Materials;

   c) Any governmental direction or request declaring that such Materials present in or part of or utilized on any undamaged portion of the insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

   The exception to exclusion 3(a), above, does not apply to payment for the investigation or defense of any loss, damage or any undamaged portion of the insured's property can no longer be used for the purpose for which it was intended

4. **Debris Removal Exclusion**

   The Company will pay the expense within the sum insured to remove debris of insured property damaged or destroyed by an insured peril during the policy term.

   The Company will not pay the expense to:

   a) Extract contaminants or pollutants from the debris; or

   b) Extract contaminants or pollutants from land or water; or

c) Remove, restore or replace contaminated or polluted land or water; or

d) Remove or transport any property or debris to a site for storage or decontamination required because the property or debris is affected by pollutants or contaminants, whether or not such removal, transport, or decontamination is required by law or regulation.

It is a condition precedent to recovery under this extension that the Company shall have paid or agreed to pay for direct physical loss or damage to the property insured hereunder and that the Insured shall give written notice to the Company of intent to claim for cost of removal of debris or cost to clean up not later than 180 days after the date of such physical loss or damage.

5. Authorities Exclusion

Notwithstanding any of the provisions of this policy, the Company shall not be liable for loss, damage, costs, expenses, fines or penalties incurred or sustained by or imposed on the Insured at the order of any Government Agency, Court or other Authority arising from any cause whatsoever.

L INGTON INSURANCE COMPAN
Standard Property Conditions

This endorsement effective 12/31/2009 forms a part of Policy Number 025031381

issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
CAPITAL IMPROVEMENT PROGRAM (CIP) by

LEXINGTON INSURANCE COMPANY (hereinafter called "the Company").

In consideration of the premium charged, the following clauses are hereby made applicable under this policy.

MINIMUM EARNED PREMIUM CLAUSE

In the event of cancellation of this policy by the Insured, a minimum premium of $348,656 shall become earned, any provision of the policy to the contrary notwithstanding.

Failure of the Insured to make timely payment of premium shall be considered a request by the Insured for the Company to cancel on the Insured's behalf. In the event of such cancellation for non-payment of premium, the minimum earned premium shall be due and payable; provided, however, such cancellation shall be rescinded if the Insured remits and the Company receives the full policy premium with 10 days after the date of issuance of the cancellation notice. Such remittance and acceptance by the Company shall not effect the minimum earned premium provision of this endorsement. In the event of any other cancellation by the Company, the earned premium shall be computed pro-rata, not subject to the minimum earned premium.

POLICY DEDUCTIBLE

Each claim for loss or damage separately occurring shall be adjusted separately and from each such adjusted claim, the amount of $10,000 shall be deducted. Notwithstanding the foregoing, the deductible amount applying to certain peril(s) insured against by this policy shall be as follows:

$10,000	deductible applying to	PHYSICAL LOSS OR DAMAGE;
	deductible applying to	
	deductible applying to	
	deductible applying to	
	deductible applying to	

In the event of any other insurance covering the property insured hereunder, whether or not concurrent, the deductible(s) specified herein shall apply in full against that portion of any claim for loss or damage which the Company is called upon to pay under the provisions of the Apportionment Clause irrespective of any provisions to the contrary of such other insurance.

CANCELLATION CLAUSE

Except and to the extent of the Minimum Earned Premium Clause which is part of this policy, this clause supersedes other cancellation clauses made a part of this policy.

CANCELLATION: This policy may be cancelled by the Insured by surrender thereof to the Company or by mailing to the Company written notice stating when thereafter such cancellation shall be effective. This policy may be cancelled by the Company by mailing to the Insured, at the mailing address shown in this policy or last known address, written notice, stating when, not less than 90 days thereafter (10 days for non-payment of premium) such cancellation shall be effective. The effectiveness of cancellation is not dependent on the return of unearned premium with the notice. Proof of mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Insured or the Company shall be equivalent to mailing. If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment shall be made as soon as practicable after cancellation becomes effective.

SERVICE OF SUIT CLAUSE

Service of Suit: In the event of failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service or process in such suit may be made upon Counsel, Legal Department, Company stated on Declarations, 100 Summer Street, Boston, Massachusetts, 02110-2103, or his or her representative, and that in any suit instituted against the Company upon this policy, the Company will abide by the final decision

of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, the Company hereby designates the Superintendent, Commissioner or Director of Insurance, other officer specified for that purpose in the statute, or his successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this policy of insurance and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

WAR RISK EXCLUSION CLAUSE

The Company shall not be liable for any loss, caused directly or indirectly, by (1) hostile or warlike action in time of peace or war, whether or not declared, including action in hindering, combating or defending against an actual, impending or expected attack (a) by government or sovereign power (dejure or de facto) or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or force (2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war, whether or not its discharge was accidental; (3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by government authority in hindering, combating, or defending against such an occurrence, seizure or destruction; (4) any consequence of any of the foregoing.

NUCLEAR EXCLUSION CLAUSE

The Company shall not be liable for loss by nuclear reaction or nuclear radiation or radioactive contamination all whether controlled or not, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy. If the peril of fire is insured under this policy, then, subject to the foregoing and all provisions of this policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this policy.

SALVAGE AND RECOVERY CLAUSE

All salvages, recoveries and payments recovered or received either prior or subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto, including deduction of the Company's cost of recovery or salvage.

REPORTING CLAUSE

Notwithstanding that the Insured may be obligated to report full values for premium purposes, the Company's maximum limit of liability shall not exceed that amount stated as the policy limit of liability.

PROOF OF LOSS AND PAYMENT

The Insured shall complete and sign a sworn proof of loss within ninety (90) days after the occurrence of a loss (unless such period be extended by the written agreement of the Company) stating the time, place and cause of loss, the interest of the Insured and of all others in the property, the sound value thereof and the amount of loss or damage thereto, and all other insurance thereon. All adjusted claims shall be due and payable thirty (30) days after the presentation and acceptance of satisfactory proof(s) of loss at the office of the Company at 100 Summer Street, Boston, Massachusetts 02110-2103.

GOVERNMENT ACTIVITY CLAUSE

The Company shall not be liable for loss or damage caused by or resulting from: (1) the seizure or destruction of property insured by this policy by any government body, including any customs or quarantine action, or (2) confiscation or destruction of any property by order of any government or public authority, except an order to destroy property to prevent the spread of fire or explosion.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned in the Declarations by one of its duly authorized representatives.

Andrew N. Holland
Secretary

President

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2009

Forms a part of policy no.: 025031381

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
CAPITAL IMPROVEMENT PROGRAM (CIP)

By: LEXINGTON INSURANCE COMPANY

COVERAGE TERRITORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

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

Sanjay Shah

Authorized Representative OR
Countersignature (In states where applicable)

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2009

Forms a part of policy no.: 025031381

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
CAPITAL IMPROVEMENT PROGRAM (CIP)

By: LEXINGTON INSURANCE COMPANY

PROPERTY MILLENNIUM ENDORSEMENT

It is noted and agreed this policy is hereby amended as follows:

A. The Insurer will not pay for Damage or Consequential Loss directly or indirectly caused by, consisting of, or arising from, the failure of any computer, data processing equipment, media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the Insured or not, and whether occurring before, during or after the year 2000 that results from the inability to:

1. correctly recognize any date as its true calendar date;
2. capture, save, or retain, and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date other than its true calendar date; and/or
3. capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date.

B. It is further understood that the Insurer will not pay for the repair or modification of any part of an electronic data processing system or its related equipment, to correct deficiencies or features of logic or operation.

C. It is further understood that the Insurer will not pay for Damage or Consequential Loss arising from the failure, inadequacy, or malfunction of any advice, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by the Insured or for the Insured or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in A. above.

Such Damage or Consequential Loss described in A, B, or C above, is excluded regardless of any other cause that contributed concurrently or in any other sequence.

This endorsement shall not exclude subsequent Damage or Consequential Loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean fire, lightning, explosion aircraft or vehicle impact, falling objects, windstorm, hail, tornado, hurricane, cyclone, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcano, tsunami, freeze or weight of snow.

In consequence of all the foregoing the Annual Premium remains unaltered.

All other terms, conditions and exclusions of this policy remain unchanged.

Sanjay Shah

AUTHORIZED REPRESENTATIVE

OR Countersignature (In states where applicable)

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

   a. 10 days before the effective date of cancellation if we cancel for non-payment of premium; or

   b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time:

2. Give you reports on the conditions we find; and

3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or

2. Comply with laws, regulations, codes or standards.

These conditions apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

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2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

Copyright, ISO Commercial Risk Services, Inc.

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2009

Forms a part of policy no.: 025031381

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
CAPITAL IMPROVEMENT PROGRAM (CIP)

By: LEXINGTON INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOLD / FUNGUS EXCLUSION

In consideration of the premium charged, it is hereby understood and agreed that this policy is amended as follows.

The Company shall not be liable for any loss or damage caused by, arising out of, contributed to, or resulting from fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast;

(a) fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;

(b) mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);

(c) spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms,

regardless of any other cause or event that contributes concurrently or in any sequence to such loss.

All other terms, conditions, definitions, exclusions, limitations and provisions of the Policy remain the same.

Sanjay Lalk

Authorized Representative OR
Countersignature (In states where applicable)

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2009

Forms a part of policy no.: 025031381

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
CAPITAL IMPROVEMENT PROGRAM (CIP)

By: LEXINGTON INSURANCE COMPANY

PROPERTY ENDORSEMENT

It is noted and agreed that this policy is hereby amended as follows:

The Insurer will not pay for Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:

1. Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,

2. Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set,

3. Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the Insured to conduct business.

This Endorsement shall not exclude subsequent damage or Consequential loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: Fire, Lightning, Earthquake, Explosion, Falling Aircraft, Flood, Smoke, Vehicle Impact, Windstorm or Tempest.

Such Damage or Consequential loss described in 1, 2, or 3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

All other terms, conditions and exclusions of this policy remain unchanged.

Sanjay Shah

Authorized Representative OR
Countersignature (In states where applicable)

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2009

Forms a part of policy no.: 025031381

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
CAPITAL IMPROVEMENT PROGRAM (CIP)

By: LEXINGTON INSURANCE COMPANY

TERRORISM RISK INSURANCE ACT OF 2002 PREMIUM

The Policy Premium of $697,312 shown on the Declarations Page of this policy INCLUDES a charge of $83,583 applicable to coverage as respects the Terrorism Risk Insurance Act of 2002.

Sanjay Lalk

Authorized Representative OR
Countersignature (In states where applicable)

LEXINGTON INSURANCE COMPANY

MASTER BUILDERS RISK POLICY NUMBER 025031381

DECLARATIONS

Insurance is provided by the stock company shown above and hereinafter called "the Company".

1. DEFINITION OF "NAMED INSURED" AND "ADDITIONAL INSURED"

A. NAMED INSURED(S):

I. **Port Authority of New York and New Jersey,**
II. Port Authority Trans Hudson Corporation,
III. Newark Legal and Communications Center Urban Renewal Corporation,
IV. Associated or affiliated companies owned and controlled companies of I, II, or III as now or hereinafter constituted.

Insured's Corporate Address: **225 Park Avenue South, 12TH Floor, New York, New York 10003**

B. ADDITIONAL INSURED(S):

Each of the following shall be considered as an "Additional Insured" under the terms of this Policy and whenever in this Policy the word "Insured" is used, it shall be deemed to include "Additional Insured" unless otherwise expressly stated:

(i) Any agent of the Insured or any individual, co-partnership, corporation, unincorporated association, trustee, estate or governmental instrumentality with which the Insured has entered (or will during the Policy period enter) into an agreement or contractual relationship which requires that the Insured have such entity and/or any other entity named as an Insured but only as respects such insurance as is specified in such agreement or contract and as is afforded by this Policy. The effective date for the inclusion of such entity as an Insured in the case of existing agreements and contractual relationships shall be the inception date of this Policy. In the case of new agreements and contractual relationships, such date shall be the date required by the agreement or contractual relationship, provided such date falls within the Policy period.

(ii) Construction Management Consultants, Contractors and all Sub-contractors and other parties, firms or entities for whom an Insured named in Article 1. A. of this Policy or an Additional Insured named in Article 1.B. of this Policy has contracted to provide this insurance and lender(s) as their interest(s) may appear

The Named Insured shall be deemed the sole and irrevocable agent of each and every Insured under this policy for the purpose of giving or receiving any notices to / from the Company, giving instructions to or agreeing with the Company for alterations of this policy and making or receiving payments of premiums or adjustments of premium.

2. LOSS PAYABLE:

Loss, if any, shall be adjusted with and made payable to the Named Insured, or as per order of the Named Insured, whose receipt shall constitute a release in full of all liability under this policy with respect to such loss.

3. TERM OF INSURANCE:

For a period of three (3) years commencing at 12:01 a.m. Eastern Standard Time on **December 31, 2009** and expiring at 12:01 a.m. Eastern Standard Time on **December 31, 2012.**
Notwithstanding the foregoing effective and expiration dates or subsequent endorsements effecting such dates, the liability of the Company under this policy will apply only for such periods commencing directly with work at the project location(s) and the Company's liability will cease for any insured portions of a project for which the work has been taken over by the owner and/or placed into service or when the contractor's interest ceases. The term of insurance includes OPERATIONAL PERFORMANCE TESTING. It is further understood and agreed that coverage shall be extended to include partial occupancy and/or partial use of such portions of a project as may be necessary but prior to formal acceptance by the Named Insured as provided under Extensions of Coverage.

4. RENEWAL OF INSURANCE.

With prior notification to and agreement by the Company, this policy may be renewed, subject to payment of additional premium at rates, terms and conditions to be developed by the Company at the time of the Company's agreement to such additional term of insurance.

5. PARTICIPATION:

This Policy covers for 100% interest in this insurance and the Company shall not be liable for more than 100% of the Limit(s), sublimit(s) and / or aggregate limit(s) set forth in this policy.

6. LIMIT OF LIABILITY:

A. Limit of Liability:

In accordance with the terms and conditions hereof, this Policy insures against direct physical loss or damage to property described in LOCATION OF PREMISES OF INSURED CONTRACTS hereof, to an amount not exceeding **$50,000,000** for any one loss occurrence or the replacement cost (as defined in the policy.) of the property at the time of loss whichever is less. Under no circumstances shall the Company be required to pay more than **$50,000,000** as the result of loss or losses resulting from one occurrence. The amount of insurance shall not be reduced nor any other provision of this Policy affected as the result of the occurrence of any loss covered hereunder except as stated below.

However, notwithstanding the provisions as stated above, it is specifically agreed that the Company shall not be liable for more than the following sub-limits of liability in any one occurrence and in the annual aggregate where noted:

B. Sublimits of Liability:

(1). $10,000,000 for any one loss **OCCURRENCE*** for property while in inland transit;

(2). $10,000,000 for any one loss **OCCURRENCE*** for property while temporarily stored at locations other than the Premises of Insured Contracts;

(3). $250,000 for any one loss **OCCURRENCE*** for Fire Brigade Charges & Extinguishing Expenses;

(4). $1,000,000 for any one loss **OCCURRENCE*** for Expediting Expense;

(5). $250,000 for any one loss **OCCURRENCE*** for Plans, Blueprints and Drawings;

(6). $50,000,000 for any one loss **OCCURRENCE*** for Demolition and Increased Cost of Construction;

(7). Debris Removal-This policy will pay up to **Twenty-Five Percent (25%)** of the amount of insured physical loss or damage for Debris Removal for any one loss **OCCURRENCE*;**

(8). $500,000 for any one loss **OCCURRENCE*** and in the aggregate as the result of loss(es) incurred in any one Policy Year commencing December 31, 2009 for Pollutant Clean Up and Removal;

(9). $250,000 for any one loss **OCCURRENCE*** for Physical Damage to trees, shrubs, plantings, and landscaping at the location(s) of an Insured Project;

(10). $250,000 for any one **Occurrence*** for damage to existing buildings arising from construction;

(11). $10,000 for any one **Occurrence*** for Contractors Extra Expense;

(12). $25,000,000 for any one **Occurrence*** for Interior Water Damage (per form attached);

(13). $25,000 for any one **Occurrence*** for Claims Preparation Fees excluding Public Adjusters;

(14). $25,000 **Annual Aggregate for Mold/Fungus Remediation;**

(15) $50,000 and one **Occurrence*** for Architects & Engineers Fees for Restoration;

C. Annual Aggregate Limits of Liability:

Notwithstanding the foregoing and irrespective of the above stated limit of liability and sub-limit of liability, the maximum amount the Company will pay for loss or damage from any one **OCCURRENCE***, and/or in the aggregate for loss or damage from all **OCCURRENCES***, in any one policy year shall not exceed the following amounts for the following perils unless otherwise limited by the sublimits stated above:

(1). **$50,000,000** in the aggregate as the result of loss(es) incurred in any one Policy year caused by the peril of **FLOOD***;

(2). **$50,000,000** in the aggregate as the result of loss(es) incurred in any one Policy year caused by the peril of **EARTHQUAKE*** (excluding **EARTHQUAKE*** coverage for locations in the state of California).

Policy Year as used in this Policy shall mean the twelve month period commencing with December 31st of the policy inception date and each December 31st of the subsequent anniversary date(s) of the Policy.

In no event shall these sublimits of liability increase the Policy limit of liability.

7. DEDUCTIBLES:

From the amount of each claim for insured loss or damage arising out of any one **OCCURRENCE*** unless otherwise stated, there shall be deducted the applicable amount shown below, and then the liability of the Company shall be only for the amount of such insured loss or damage in excess thereof, subject to the limit of liability, sublimits of liability or annual aggregate limits of liability set forth above.

$10,000.

In the event that more than one physical damage deductible shown above or specified in any endorsement issued hereunder shall apply to insured physical loss or damage in any one **OCCURRENCE***, only the largest shall be applied.

8. DESCRIPTION OF INSURED CONTRACTS/PROJECTS* (Including Project Name and/or Contract Number as applicable):

All contracts and/or projects not otherwise accepted by the Insured, comprising the Port Authority of New York and New Jersey's Capital Improvement Program which were effective prior to the date of this Policy and those which will commence construction within the effective period of this Policy, all of which are on file with the Company or will be filed with the Company as provided in the Policy. The foregoing however does not include coverage for contracts/projects or types of construction as stated in Article 9 below.

9. LOCATION OF PREMISES OF INSURED CONTRACTS/PROJECTS*:

All locations owned, leased or occupied (including locations temporarily occupied for purposes of a contract, including the purpose of performing site preparation, infrastructure or other works related to an insured contract but excluding property while being manufactured at a manufacturing site by an Insured or Additional Insured as defined in the Policy for the purpose of contracts included under the Port Authority of New York and New Jersey Capital Improvement Program.
Notwithstanding the foregoing the following contracts and/or projects and types of construction contracts and/or projects which maybe part of the Capital Improvement Program are excluded from coverage under this Policy unless prior agreement by the Company subject to individual terms and conditions which may be different than the current policy terms and as otherwise endorsed herein:

Excluded Contracts and/or Projects:
A. World Trade Center Hub
B. Newark People Mover NEC Connection
C. Freedom Tower Project
D. Memorial Project
E. Vehicle Security Center

Excluded Types of Construction
(A) New Bridge Construction in excess of 1,000 foot overall span length over a body of water;
(B) Tunnel Contracts other than renovation and repair of existing property;
(C) Power Generation Contracts for new and re-powering in excess of 25 megawatts output;

10. DEPOSIT PREMIUM / RATES/REPORTING REQUIREMENTS / PREMIUM ADJUSTMENT:

This Master Builder Risk Policy has been issued in consideration of the annual deposit premium(s) as stipulated below for the twelve (12) month period commencing at inception hereof and for each subsequent twelve month period for up to a period of thirty six (36) months. The Insured shall report to the Company actual payments made to contractors for declared insured contracts (including payments made to suppliers/vendors/manufacturers) at the end of the first policy year and at the end of each subsequent anniversary date of the policy and that such reports shall be made within thirty (30) days after each anniversary and at final expiration of the policy 12/31/2012 until all contracts awarded during the term this Policy remaining in force beginning prior to December 31, 2009 and awarded after December 31,2009 but awarded prior to expiration of the Policy until such projects shall have been accepted by the Named Insured of this Policy or policy expiration whichever first occurs. The initial report of award of new contracts (contracts awarded which have not been previously reported to the Company being effective prior to and after 12/31/2009) shall include: the assigned contract reference number, the name of the awarded contractor, a brief description of the scope of work, location of the project, contract amount and estimated start and completion dates of the contract. The Insured shall permit at the option of the Company the right of audit of contract payments including payments to vendors included under coverage of the policy at least at each anniversary.

Earned premium hereunder shall be computed at a rate of **$ .12303**/$100 per hundred dollars of payments made to contractors, suppliers, vendors and manufacturers and shall apply from the award date of the contract until acceptance of the work by the Named Insured or policy expiration whichever first occurs. Actual premium as computed above shall be deducted from the annual deposit premium(s) until used, after which additional premiums shall be paid to the Company on audit at the end of each anniversary of the policy within 30 days thereafter as reported based on payments made to contractors, suppliers, vendors and manufacturers. In the event the total actual earned premium computed does not equal the amount of deposit premium paid at inception or at subsequent anniversary date(s), the excess of deposit premium shall be returned to the Insured at the conclusion of coverage under this Master Policy subject to any minimum and earned premium for the policy

Annual Deposit Premium Payment Basis shall be based on estimated contract payments for the annual policy period of the Master Policy but not less than stated herein:

Annual Deposit Premium:

The annual deposit premium under this policy is **$613,729 + $ 85,583 Terrorism** and shall be subject to an annual minimum and earned premium of 50% of the annual deposit premium **$699,312**. The deposit premium shall be adjusted in accordance with the provisions as outlined in this item 10. The inception and subsequent anniversary deposit premiums shall be due and payable as follows:

At Inception (12/31/2009)	Annual Rate **$0.12303** /$100	**$ 613,729 + $ 85,583 Terrorism**
At First Anniversary (12/31/2010)	Annual Rate **$0.12303** /$100	**$ 613,729 + $ 85,583 Terrorism**
At Second Anniversary (12/31/2011)	Annual Rate **$0.12303** /$100	**$ 613,729 + $ 85,583 Terrorism**

11. POLICY TERRITORY:

This policy covers property within the fifty (50) states comprising the United States of America and within the District of Columbia including their coastal waters, unless otherwise endorsed to the policy.

PART A - COVERAGE

1. INSURING AGREEMENT:

This policy, subject to the terms, exclusions, limitations and conditions contained herein or endorsed hereto, insures against all risks of direct physical loss of or damage including **FLOOD*** and **EARTHQUAKE*** (excluding **EARTHQUAKE*** for locations in California) to insured property while at the location of the **INSURED PROJECT*** while in offsite temporary storage or while in transit, all within the policy territory and occurring during the term of this policy.

2. PROPERTY INSURED:

At the location of an **Insured Project**(s) including permanent works consisting of all material, supplies, equipment, machinery and other property of a similar nature, being property of the Insured or of others for which the Insured may be contractually responsible, all when used or to be used in or incidental to the demolition of existing structures, site preparation, fabrication or assembly, installation or erection, construction of or alteration/renovation/rehabilitation of an **Insured Project** including temporary works being all scaffolding, form work, shoring, hoarding, false-work and temporary buildings all incidental to **an Insured Project** and for which the capital allocated costs are included in the estimated contract payments reported to the Company.

3. EXTENSIONS OF COVERAGE:

A. TRANSIT:

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(1) of the DECLARATIONS, transit coverage applies with respect to property to be used in or incidental to completion of an **INSURED PROJECT*** from the commencement of loading at the original point of shipment anywhere within the policy territory, until completion of unloading at the **INSURED PROJECT***, including shipments on inland or coastal waters but excluding ocean marine shipments.

The Insured agrees to keep records of all shipments Insured hereunder and make them available to the Company upon request.

This coverage shall be void if the Insured enters into any special agreement with carriers, releasing them from their common law or statutory liability or agreeing that this insurance shall in any way inure to the benefit of such carriers; however, the Insured may, without prejudice to this coverage, accept such bills of lading, receipts, or contracts of transportation as are ordinarily issued by carriers containing a limitation as to the value of property insured.

B. OFFSITE TEMPORARY STORAGE:

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B. (2) of the DECLARATIONS, offsite temporary storage coverage applies with respect to property to be used in or incidental to completion of an **INSURED PROJECT***, anywhere within the policy territory but excluding such property while in the course of manufacturing or processing at the manufacturer's or supplier's site or while in transit.

C. FIRE BRIGADE CHARGES AND EXTINGUISHING EXPENSES:

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(3) of the DECLARATIONS, in the event of direct physical loss or damage insured hereunder and occurring during the policy period, the Company will pay the following reasonable expenses:

(1) fire brigade charges and other extinguishing expenses for which the Named Insured may be assessed;

(2) loss of fire extinguishing materials expended in fighting fire, including the loss of similar material which may be brought on the project location for the purpose of extinguishing a fire already in progress at the time such materials are ordered and delivered, but liability shall not exceed the combined value of such extinguishing materials which are on the premises, or on adjacent premises, if such materials are jointly owned at the time of loss.

D. EXPEDITING EXPENSE:

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(4) of the DECLARATIONS, in the event of direct physical loss or damage insured hereunder and occurring during the policy period, the Company will pay, for the reasonable extra costs to make temporary repairs and to expedite the permanent repair or replacement of the insured property which is damaged by an insured peril, including additional wages for overtime, night work, and work on public holidays and the extra costs of express freight or other rapid means of transportation.

E. PLANS, BLUEPRINTS, DRAWINGS, RENDERINGS, SPECIFICATIONS OR OTHER CONTRACT DOCUMENTS & MODELS:

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(5) of the DECLARATIONS, this policy is extended to cover direct physical loss of or damage to plans, blueprints, drawings, renderings, specifications or other contract documents (whether paper or electronic media format and models while at an **INSURED PROJECT***.

F. ORDINANCE OR LAW/DEMOLITION AND INCREASED COST OF CONSTRUCTION

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(6) of the DECLARATIONS, this policy is extended to cover direct physical loss of or damage in the event of insured loss or damage under the policy that causes the enforcement of any law or ordinance in effect at the time of loss that regulates the repair, rebuilding or re-construction of the damaged portions of an **INSURED PROJECT***, then to the extent required by such enforcement of any law or ordinance, the Company shall be liable for:

Cost of demolishing any undamaged parts of a project including the cost of clearing the site.

1. Increased cost of repair, rebuilding or re-construction of the damaged portions of an **INSURED PROJECT*** on the same premises but not exceeding like height, floor area, style and limited to the minimum requirements of the law or ordinance.

2. If applicable under the policy or endorsements thereto, the increase in the Delay In Completion coverage loss arising out of the additional time required to comply with the requirements of said law or ordinance. Such additional time will not exceed **Thirty (30)** consecutive days.

With respect to coverage provided by Paragraph 2., the Company shall not be liable for any loss, unless and until the damaged or destroyed building(s) or structure(s) is actually rebuilt or replaced on the same premises with due diligence and dispatch and in no event, unless repair or replacement is completed within Two(2) years after the date of destruction or damage or within such further time as the Company may allow, in writing, during the Two (2) years.

The following costs are not reimbursable in the event of a loss hereunder:

1. Cost of demolition or increased cost of repair or reconstruction, debris removal, or other consequential loss caused by the enforcement of any law or ordinance regulating asbestos or other hazardous material;

2. Cost of any governmental direction or request declaring that asbestos or other hazardous material present in or part of or utilized on any undamaged portion of insured property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

3. Cost of demolition or increased cost of repair or reconstruction, debris removal, or other consequential loss caused by the enforcement of any law or ordinance regulating **CONTAMINANTS OR POLLUTANTS***;

4. Cost of compliance with the enforcement of any law or ordinance which the Insured or owner would have otherwise incurred by nature of such law or ordinance in the absence of any loss or damage covered by this policy.

G. DEBRIS REMOVAL:

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(7) of the DECLARATIONS, in the event of direct physical loss or damage insured hereunder and occurring during the policy period, the Company will pay the following necessary and reasonable costs:

(1) costs to remove debris being an insured part of the property from the project location of the Insured; and/or

(2) cost of cleanup, at the project location of the Insured, made necessary as a result of such direct physical loss or damage.

The Company will not pay the expense or cost to extract **CONTAMINANTS OR POLLUTANTS*** from land, water and / or debris, or to remove, restore, or replace contaminated or polluted land or water. Nor will the Company remove or transport any property or debris to a site for storage or decontamination required because the property or debris is affected by **CONTAMINANTS OR POLLUTANTS***, whether or not such removal, transport or decontamination is required by law, ordinance or regulation.

It is a condition precedent to recovery under this extension that the Company shall have paid or agreed to pay for direct physical loss or damage to the property insured hereunder and that the Insured shall give written notice to the Company of intent to claim for cost of removal of debris or cost to clean up not later than **180 days** after the date of such physical loss or damage.

H. CLEAN-UP AND DECONTAMINATION

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(8) of the DECLARATIONS, in the event of direct physical loss or damage insured hereunder and occurring during the policy period, the Company will pay the cost of cleanup or decontamination as a result of sudden and unforeseen loss caused by **CONTAMINANTS OR POLLUTANTS*** on an **INSURED PROJECT*** site at time of **OCCURRENCE*** but restricted to the **INSURED PROJECT*** site; demolition, or removal of any insured property to the extent required by the enforcement of any law, regulation, or ordinance regulating the construction, repair, or demolition of buildings or structures subsequent to and necessitated by a loss caused by an Insured peril provided that such law, regulation, or ordinance is in effect at the time of loss. No additional costs of reconstruction or additional costs of repair by reason of any law, regulation, or ordinance are included hereunder. The foregoing shall not invalidate any other provisions of the policy or endorsements attached to the policy.

Any costs incurred hereunder shall be subject to the deductible applicable to the cause of loss that necessitates such costs.

I. TREES, SHRUBS, PLANTINGS AND LANDSCAPING:

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(9) of the DECLARATIONS, this policy is extended to cover direct physical loss or damage to trees, plantings, shrubs and landscaping materials which are part of and while located at an **INSURED PROJECT***;

J. HOT TESTING*:

This policy is extended to cover direct physical loss or damage to the property insured which is caused by or results from **HOT TESTING***.

The Insured warrants that supervisory and safety systems shall not be deliberately or knowingly circumvented during the conduct of **TESTING***. This warranty shall not apply when it is standard accepted industry practice and / or manufacturer's specification that such circumvention is necessary for the conduct of individual activities within the conduct of **TESTING*** provided that such circumvention does not extend beyond said individual activities. It is further warranted that all instrumentation will be installed and activated prior to the conduct of any **TESTING***.

K. PERMISSION TO OCCUPY / OPERATE EXTENSION OF COVERAGE

This policy is extended to permit partial occupancy / operation of any machinery, facility or other property insured hereunder being a part of an **INSURED PROJECT*** but prior to final acceptance by the Owner and coverage shall not be reduced due to such partial occupancy/operation except as provided herein, provided that the Insured warrants that all fire protection and security systems shall be in service and fully operational prior to and during any such occupancy/operation. It is a condition hereof that the Insured, upon such knowledge, shall report any increase in hazard beyond that provided for in the policy.
If the Delay in Completion Extension of Coverage applies to the policy, coverage thereunder shall be null and void as respects any machinery, facility or other property which is occupied or put into operation.

PART B - EXCLUSIONS AND LIMITATIONS

PERILS EXCLUDED:

1. This policy shall not pay for loss, damage or expense caused directly or indirectly and / or contributed to, in whole or in part, by any of the following excluded perils except as specifically allowed in A, B, C, D, F , J , K, L, N, T or U below:

   A. Consequential loss, damage or expense of any kind or description including but not limited to loss of market or delay, liquidated damages, performance penalties, penalties for non-completion, delay in completion, or non compliance with contract conditions, whether caused by a peril insured or otherwise, however the foregoing shall not exclude Delay In Completion Coverage when it is endorsed to this policy;

   B. Cost of making good faulty or defective workmanship or material, unless direct physical loss or damage by an insured peril ensues and then this policy will cover for such ensuing loss or damage only;

   C. Cost of making good fault, defect, error, deficiency or omission in design, plan or specification, unless direct physical loss or damage by an insured peril ensues and then this policy will cover for such ensuing loss or damage only;

D. Wear and tear, gradual deterioration, inherent vice, latent defect, corrosion, rust, dampness or dryness of the atmosphere, unless direct physical loss or damage by an insured peril ensues and then this policy will cover for such ensuing loss or damage only;

E. Notwithstanding any other war risk or terrorist exclusion that may be in the policy or any clause limiting or attempting to limit the application of any endorsements to the policy, this policy is amended as follows: the policy does not cover loss or damage to property caused by, resulting from, contributed to or aggravated by any of the following perils, whether such loss or damage is accidental or intentional, intended or unintended, direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any perils insured by the policy:

(1) war, hostile or warlike action in time of peace or war, whether or not declared, including action in hindering, combating or defending against an actual, impending or expected attack:
   (a) by government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval or air forces; or
   (b) by military, naval or air forces; or
   (c) by an agent of any such government, power, authority or force.

(2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war, whether or not its discharge was accidental;

(3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by government authority in hindering, combating, or defending against such an occurrence, seizure or destruction;

(4) hijacking or any unlawful seizure or wrongful exercise or control of any mode of transportation, including but not limited to aircraft, watercraft, truck(s), train(s) or automobile(s), including any attempted seizure of control, made by any person or persons.

Such loss or damage is excluded regardless of any other cause, event or intervention that contributes concurrently or in any sequence to the loss or damage.

Terrorist purposes means the use or threatened use of any unlawful means, including the use of force or violence against any person(s) or property (ies), for the actual or apparent purpose of intimidating, coercing, punishing or affecting society or some portion of society or government.

F. Nuclear reaction, nuclear radiation or radioactive contamination however such may have been caused; nevertheless if a fire arises directly or indirectly any of the foregoing, any loss or damage arising directly from that fire shall (subject to the provisions of this policy) be covered, excluding however all loss or damage caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that fire;

G. Disappearance or when revealed by inventory shortage alone;

H. Infidelity, dishonesty or fraudulent activity of the Insured or any of the Insured's partners, officers, directors, trustees, employees or others to whom the insured property is entrusted;

I. Loss, damage, costs, expenses, fines or penalties incurred or sustained by or imposed on the Insured at the order of any government agency, court or other authority arising from any cause whatsoever;

J. Actual, alleged or threatened release, discharge, escape or dispersal of **CONTAMINANTS OR POLLUTANTS***, all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any physical loss or damage insured by this policy;

Nevertheless, if fire is not excluded from this policy and a fire arises directly or indirectly from actual release, discharge, escape or dispersal of **CONTAMINANTS OR POLLUTANTS***, any loss or damage insured under this policy arising directly from that fire is insured, subject to the provisions of this policy;

This exclusion shall not apply when loss or damage is directly caused by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm, hail, vandalism or malicious mischief, leakage or accidental discharge from automatic **FIRE PROTECTION SYSTEMS*;**

K. This policy does not cover:

(1) The removal of asbestos, dioxin or polychlorinated biphenols (hereinafter all referred to as "Materials") from any goods, products or structures. However, if asbestos is damaged by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm or hail, vandalism, malicious mischief, or leakage or accidental discharge from an **AUTOMATIC FIRE PROTECTION SYSTEMS***, the cost of removal shall be covered herein. The coverage afforded by this extension does not apply to the costs of investigation or defense of any loss or damage, or any costs for loss of use expense, fine or penalty or for any expense or claim or suit related to any of the above.

(2) Demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating such Materials.

(3) Any governmental direction or request declaring that such Materials present in, or part of, or utilized on any portion of the Insured's property or **INSURED PROJECT*** can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

L. Loss or damage covered under any written or implied guarantee or warranty by any manufacturer or supplier, but only to the extent of recovery from such written or implied guarantee or warranty;

M. Normal subsidence, settling, cracking, expansion, contraction or shrinkage of walls, floors, ceilings, buildings, foundations, patios, walkways, driveways or pavements;

N. Cessation of the work, whether total or partial, unless such cessation has been directly occasioned by loss or damage covered under the policy. Cessation of the work, as used herein, shall not mean any period of time during which operations would not normally have been conducted such as Saturdays, Sundays or Holidays, nor shall it mean seasonal inactivity planned in advance or labor actions beyond the Insured's control, provided the location of an **INSURED PROJECT*** is maintained and protected against loss during such inactivity.

O. Erosion of graded or planted finish or rough grades which results from normally expected or predictable precipitation and surface water runoff.

P. As respects the EXTENSION OF COVERAGE for **TREES, SHRUBS, PLANTINGS AND LANDSCAPING MATERIAL** the following exclusions apply:

1. Infestation
2. Disease
3. Freeze or Drought
4. Hail
5. Weight of Ice or Snow
6. Damage caused by insects, vermin, rodents or animals

Q. As respects EXTENSION OF COVERAGE for **PLANS, BLUEPRINTS, DRAWINGS, RENDERINGS, SPECIFICATIONS OR OTHER CONTRACT DOCUMENTS & MODELS**, electrical or magnetic injury to or errors and omissions in creating, processing or copying electronic records, however caused;

R. The Company shall not be liable for any loss or damage caused by, arising out of, contributed to, or resulting from fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast;

(a) fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;

(b) mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);

(c) spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms,

regardless of any other cause or event that contributes concurrently or in any sequence to such loss.

S. Loss or damage arising from, contributed to, or resulting from rain, snow, sleet or ice, all whether wind driven or not, entering the interior of any building(s) or structure(s) unless the exterior of such building(s) or structure(s), including but not limited to the roof and outside walls, is complete, and then only if said exterior of the building(s) or structure(s) first sustains physical damage by a covered loss through which the rain, snow, sleet or ice enters.

T. EXCLUSION FOR SOFTWARE AND DATA-RELATED LOSSES

The Company will not pay for Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:

1. Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,
2. Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set,
3. Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the Insured to conduct business.

These clauses shall not exclude subsequent damage or Consequential loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: Fire, Lightning, Earthquake, Explosion, Falling Aircraft, Flood, Smoke, Vehicle Impact, Windstorm or Tempest.

Such Damage or Consequential loss described in 1, 2, or 3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

U. PROPERTY Y2K MILLENNIUM EXCLUSION

1. The Company will not pay for Damage or Consequential Loss directly or indirectly caused by, consisting of, or arising from, the failure of any computer, data processing equipment or media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the insured or not and whether occurring before, during or after the year 2000 that results from the inability to:

a. correctly recognize any date as its true calendar date:

b. capture, save, or retain and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date; date/or

c. capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain pr correctly process such data on or any date.

2. The Company will not pay for the repair or modification of any part of an electronic data processing system or its related equipment, to correct deficiencies or features of logic or operation.

3. The Company will not pay for Damage or Consequential Loss arising from the failure, inadequacy, or malfunction of any advice, consultation, design evaluation, inspection installation, maintenance, repair or supervision done by the Insured or for the Insured or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in 1. above.

Such Damage or Consequential Loss described in 1,2, or 3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

These clauses shall not exclude subsequent Damage or Consequential Loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: fire, Lightning, explosion aircraft or vehicle impact, falling objects, windstorm, hail, tornado, hurricane, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcano, tsunami, freeze or weight of snow.

V. NUCLEAR, CHEMICAL AND BIOLOGICAL TERRORISM ABSOLUTE EXCLUSION

Regardless of the amount of damage and losses, and whether certified (TRIA) or non-certified Terrorism coverage is provided in the policy the following exclusions are absolute as to any incident of terrorism:

1. That involves the use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
2. That is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
3. In which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

2. PROPERTY EXCLUDED:

This policy does not insure:

A. Land and land values and the value of cut, fill and backfill materials existing at a project site prior to project commencement; however, to the extent included in the contract payments and declared for premium purposes, the value of fill and backfill materials purchased for use in the completion of an **INSURED PROJECT*** is not excluded. Notwithstanding the foregoing, labor and material charges incurred to move, remove, place or otherwise handle cut, fill and backfill materials, whether insured or uninsured in the foregoing, are covered to the extent such charges are included in the contract payments and declared for premium purposes;

B. Contractor's tools, machinery, plant and equipment, including spare parts and accessories, whether owned, loaned, hired or leased, and property of a similar nature not destined to become a permanent part of a completed **INSURED PROJECT** * unless the value of the same is reported and additional premium is paid at rates and terms to be agreed;

C. Vehicles or equipment licensed for highway use, aircraft or watercraft, rolling stock but not excluding rolling stock which comprises part of an **INSURED PROJECT***;

D. Water, animals, standing timber and growing crops;

E. Accounts, bills, currency, stamps, deeds, evidence of debt, checks, money, securities, precious metals or precious stones or other property of a similar nature;

F. Existing property at the location of an **INSURED PROJECT*** unless separately declared to the Company in advance and specifically endorsed to the policy at terms and conditions to be agreed;

G. Property located at other than the location of an **INSURED PROJECT*** except as covered under the Transit or Offsite Temporary Storage Extensions of Coverage;

H. Prototype, developmental or used machinery and equipment but only as to damage while undergoing any form of testing, commissioning or startup unless specifically endorsed to the policy;

I. Transmission and distribution lines outside of an **INSURED PROJECT** *;

J. Loss or damage to insured property while covered by Ocean Marine Insurance or while waterborne in the course of ocean shipment;

PART C - DEFINITIONS

Wherever in this Policy a word or words appear in capitalized bold face type followed by an asterisk, the following definitions will be applied in the interpretation of such wording.

1. NAMED WINDSTORM:

WINDSTORM* where recorded wind speed is thirty nine (39) miles per hour or higher.

2. CONTAMINANTS OR POLLUTANTS:

CONTAMINANTS or **POLLUTANTS** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, which after its release can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to property insured hereunder, including, but not limited to, bacteria, fungi, virus, or hazardous substances as listed in the Federal Water, Pollution Control Act , Clean Air Act, Resource Conservation and Recovery Act of 1976, and Toxic Substances Control Act or as designated by the U. S. Environmental Protection Agency. Waste includes materials to be recycled, reconditioned or reclaimed.

3. EARTHQUAKE:

All land movement due to seismic activity, including but not limited to shocks, tremors, volcanic action, volcanic eruption, earth rising or shifting, landslide, subsidence, sinkhole, rockfall and tsunami.

4. FIRE PROTECTION SYSTEMS:

Tanks, water mains, hydrants, or valves, and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes but excluding:

A. branch piping from a joint system where such branches are used entirely for purposes other than fire protection.

B. any underground water mains or appurtenances located outside of the described premises and forming part of the public water distributing system.

C. any pond or reservoir in which the water is impounded by a dam.

5. FLOOD:

A. A general and temporary condition of complete inundation of normally dry land areas, including dewatered areas, from:

(1) The overflow of inland or tidal waters;

(2) The unusual and rapid accumulation or runoff of surface water *;

(3) Mudslides (i.e. mudflows) which are caused by flooding as defined in subparagraph A(2) above and are akin to a river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water and deposited along the path of the current;

* The term "surface water", as used hereunder, shall mean seepage, leakage or influx of water (immediately derived from natural sources) through sidewalks, driveways, foundations, walls, basements or other floors, or through doors, windows or any other openings in such sidewalks, foundations, walls or floors; and shall also include all water which backs up through sewers and drains

B. The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding the cyclical levels which result in flooding as defined in A(1) above.

6. INSURED PROJECT(S) OR CONTRACT(S):

The work which the Insured is contractually obligated to perform in accordance with the contract documents being more fully described and located as set forth in the Declarations or Policy Conditions and herein referred to as Capital Improvement associated with the Port Authority of New York and New Jersey as on file with the Company or to be filed with the Company.

7. ISO EARTHQUAKE ZONES:

ISO ZONE 1

Alaska Counties of: All Counties except Northslope;

California Counties of: Alemeda, Alpine, Contra Costa, Del Norte, Humbolt, Imperial, Inyo, Kern, Lake, Los Angeles, Marin, Mendocino, Mono, Monteray, Napa, Orange, Riverside, San Benito, San Bernadino, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma and Venture

Nevada Counties of: Carson City, Churchill, Douglas, Esmeralda, Humbolt, Lander, Lyon, Mineral, Nye, Pershing, Storey and Washoe

ISO ZONE 2

Arkansas Counties of: Clay, Craighead, Crittendon, Cross, Greene, Jackson, Mississippi & Poinsett

Hawaii Counties of: All Counties other than Honolulu and Kauai

Idaho Counties of: Bannock, Bear, Lake, Caribou, Clark, Franklin, Freemont & Oneida

Illinois Counties of: Alexander, Massac, Pulaski & Union

Kentucky Counties of: Ballard, Carlisle, Fulton, Graves, Hickman & McCracken

Mississippi Counties of: DeSoto

Missouri Counties of: Bollinger, Butler, Cape Girardeau, Dunkin, Mississippi, New Madrid, Pemiscot, Scott & Stoddard

Montana Counties of: Beaverhead, Broadwater, Flathead, Gallatin, Jefferson, Lewis & Clark, Madison, Meagher, Park, Powell & Yellowstone National Park

Nevada Counties of: Lincoln

Tennessee Counties of: Crockett, Dyer, Haywood, Lake, Lauderdale, Obion, Shelby & Tipton

Utah Counties of: Box, Elder, Cache, Davis, Juab, Millard, Morgan, Salt Lake, Sanpete, Sevier, Tooele, Utah & Weber

Washington Counties of: Clallam, Island, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston & Whatcom

Wyoming Counties of: Teton & Yellowstone National Park

ISO ZONE 3 California All California Counties not named under ISO ZONE 1 above

8. OCCURRENCE:

With the exception of the perils of **EARTHQUAKE*, FLOOD***, **NAMED WINDSTORM*, WINDSTORM***, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief **OCCURRENCE*** means an accident, incident, or a series of accidents or incidents arising immediately out of a single event or originating cause and includes all resultant or concomitant losses wherever located.

In respect of the perils of **EARTHQUAKE***, **NAMED WINDSTORM*, WINDSTORM***, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief **OCCURRENCE*** shall mean all losses arising during a continuous period of **seventy-two (72)** hours during the term of this policy. The Insured may elect the moment when the **seventy-two (72)** hour period begins, but no two such periods shall overlap. Such **EARTHQUAKE*, NAMED WINDSTORM***, **WINDSTORM*,** riot, riot attending a strike, civil commotion, and vandalism and malicious mischief shall be deemed to be a single **OCCURRENCE*** within the meaning of this policy.
In respect of the peril of **FLOOD***, **OCCURRENCE*** shall mean all losses arising during a continuous condition as defined in the definition of **FLOOD*** under paragraph 5 above.
The Company shall not be liable for any such loss occurring before the effective date and time or occurring after the expiration date and time of this Policy.

9. TESTING:

A. **HOT TESTING*** - Any startup, commissioning or other forms of testing making use of any feedstock or similar media including operational or performance tests.

B. Cold Testing - Any functional testing, exclusive of **HOT TESTING*** as defined above including but not limited to electrical, mechanical, hydraulic, hydrostatic and pneumatic.

C. For the purposes of the foregoing definitions, startup and testing of building systems shall be considered Cold Testing.

10. TESTING PERIOD:

As respects **HOT TESTING***, the **TESTING PERIOD*** shall mean and be limited to that period beginning with the introduction into the insured property of feedstock or similar media for processing and handling or the commencement of supply to a system and continuously thereafter whether or not such testing, commissioning or startup is continuous or intermittent.

11. WATER DAMAGE:

Physical loss or damage from leakage of liquids or fluids arising from interior building systems;

12. WINDSTORM:

An atmospheric disturbance marked by high winds, with or without precipitation, including such events as hurricane, typhoon, rainstorm, hailstorm, tornado, or any combination of the foregoing events, including any resulting flood, tidal or wave action.

PART D - GENERAL CONDITIONS

1. OBSERVANCE OF CONDITIONS:

The due observance and fulfillment of the terms and conditions of this policy by the Insured, insofar as they relate to anything to be done or complied with by them, shall be a condition precedent to any liability of the Company to make payment for loss under this policy.

2. INCREASED HAZARD:

If the circumstances in which this insurance was entered into shall be altered or if the risk shall be materially increased, the Insured shall as soon as possible give notice in writing to the Company.

3. MISREPRESENTATION & FRAUD:

This policy shall be void if the Insured has concealed or misrepresented any material fact or circumstances concerning this insurance or the subject thereof, or in case of any fraud, attempted fraud or false swearing by the Insured touching any matter relating to this insurance or the subject thereof, whether before or after a loss.

4. ERRORS & OMISSIONS:

No unintentional errors or omissions in any information required to be reported to the Company or otherwise relative to this insurance will prejudice the Insured's right of recovery, but will be reported to the Company as soon as practicable when discovered.

5. INSPECTION & AUDIT:

While this policy is in effect, the Company can, at any reasonable time, inspect the insured property and operations. However, neither the Company's inspection nor any report thereof can serve as any representation that the insured property or operations are safe or healthful, or that they comply with any law, rule or regulation.

Books and records will be kept by the Insured in such a manner that the total project cost of the work and the exact amount of any loss or damage covered by this policy can be accurately determined. The Company may examine and audit the Insured's books and records at any reasonable time during the policy period and within one year after the final termination of the policy, as long as they relate to the subject matter of this policy.

6. CLAIM AGAINST TRANSIT CARRIER AND/OR BAILEE:

No claim for loss or damage during transit shall be payable hereunder until the Insured has filed a claim with and made reasonable efforts to secure payment from the transporting carrier and the carrier has denied liability.

7. PROTECTION OF PROPERTY:

The Insured will take reasonable steps to protect, recover or save the property insured and minimize any further or potential loss or damage when:

A. The property insured has sustained direct physical loss or damage by an insured peril; or

B. The property insured is in imminent danger of sustaining direct physical loss or damage from:

(1) **WINDSTORM*** or other related perils, but only when the potential for the same to occur has been forecasted by the National Weather Service or similar recognized weather forecast service(s);

(2) **FLOOD***, but only when the potential for the same to occur has been forecasted by the National Weather Service or the U.S. Army Corps of Engineers.

(3) Fire;

The acts of the Insured or the Company in protecting, recovering or saving the property insured will not be considered a waiver or an acceptance of abandonment. The Insured and the Company will bear the expense incurred proportionate to their respective interests.

The foregoing shall not serve to increase the Limit of Liability stated in the DECLARATIONS and shall be subject to the deductible provisions of the policy.

8. EXAMINATION UNDER OATH:

The Insured shall submit and, so far as is within their power, shall cause all other persons to submit, to examination under oath by any persons named by the Company relative to any and all matters in connection with a claim and shall produce for examination all books of account, bills, invoices, and other vouchers or certified copies thereof if originals are lost, at such reasonable time and place as may be designated by the Company or its representatives and shall permit extracts and copies thereof to be made.

9. IN CASE OF LOSS:

A. Notice of Loss:

The Insured will, as soon as practicable, report in writing to the Company every loss **OCCURRENCE*** which may give rise to a claim under this policy.

B. **Proof of Loss:**

The Insured will, as soon as practicable, file with the Company a signed and sworn detailed proof of loss stating to the best knowledge and belief of the Insured the time and cause of loss or damage and the interest of the Insured and others in the property so affected..

C. **Payment of Loss:**

All adjusted claims, including partial payments thereon, will be due and payable no later than **(60) sixty** days after presentation and acceptance of proof of loss or partial proof of loss, as the case may be, by this Company or its appointed representative.

10. PARTIAL LOSS:

The Company hereby grants permission to repair any partial damage to the property insured which can be conveniently and advantageously undertaken by the Insured. The Company will reimburse the Insured who has suffered the loss for the actual cost of such repairs, subject always to the applicable deductible and limits of liability stated in the Declarations. Nothing in this clause shall be deemed to have waived the requirement that notice of loss be given forthwith to the Company as provided in the policy.

11. SUBROGATION:

If the Company pays a claim under this policy, it will be subrogated, to the extent of such payment, to all the Insured's rights of recovery from other persons, organizations and entities. The Insured will execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The Company will have no rights of subrogation against:

A. Any person or entity, which is a Named Insured or an Additional Insured;

B. Any other person or entity, which the Insured has waived its rights of subrogation against in writing before the time of loss;

Notwithstanding the foregoing, it is a condition of this policy that the Company shall be subrogated to all the Insured's rights of recovery against:

A. any Architect or Engineer, whether named as an Insured or not, for any loss or damage arising out of the performance of professional services in their capacity as such and caused by an error, omission, deficiency or act of the Architect or Engineer, by any person employed by them or by any others for whose acts they are legally liable, and

B. any manufacturer or supplier of machinery, equipment or other property, whether named as an Insured or not, for the cost of making good any loss or damage which said party has agreed to make good under a guarantee or warranty, whether expressed or implied.

The Insured will act in concert with the Company and all other interest concerned in the exercise of such rights of recovery. The Insured will do nothing after a loss to prejudice such rights of subrogation.

If any amount is recovered as a result of such proceedings, the net amount recovered after deducting the costs of recovery, will accrue first to the Company. Any excess of this amount will be remitted to the Insured. If there is no recovery, the interests instituting the proceedings will bear the expense of the proceedings proportionately.

12. CONTRIBUTING INSURANCE:

Permission is granted for other policies written upon the same terms, exclusions, limitations and conditions as those contained herein. This policy will contribute to the total of each loss otherwise payable herein to the extent of the participation of this policy in the total limit of liability as provided by all policies written upon the same terms, exclusions, limitations and conditions as those contained in this policy.

13. EXCESS INSURANCE:

Permission is granted the Insured to have excess insurance over the limit of liability set forth in this policy without prejudice to this policy, nor will the existence of such insurance, if any, reduce any liability under this policy.

14. OTHER INSURANCE:

Except as stated in CONTRIBUTING INSURANCE and EXCESS INSURANCE above, if there is other collectible insurance, this policy will cover as excess insurance and will not contribute with such other insurance.

15. UNDERLYING INSURANCE:

Permission is given for the Insured to purchase insurance on all or any part of the deductible(s) or perils of this policy. The existence of such underlying insurance shall not prejudice or affect any recovery otherwise payable under this policy.

16. RECOVERY OR SALVAGE:

Any recovery or salvage excluding proceeds from subrogation and other insurance recovered or received after a loss settlement under this policy or any recovery from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Company will apply as if recovered or received prior to the loss settlement and the loss will be readjusted accordingly.

17. REINSTATEMENT:

With the exception of loss caused by perils which are subject to annual aggregate limits, any loss hereunder will not reduce the amount of this policy.

18. BANKRUPTCY OR INSOLVENCY:

Bankruptcy or insolvency of the Insured shall not relieve the Company of any of its obligations under this policy.

19. BRANDS & TRADEMARKS:

In case of loss or damage by an insured peril to insured property bearing a brand, trademark or label, the Company may take all or any part of the property at any agreed or appraised value. If so, the Insured may, at their own expense:

A. Stamp salvage on the property or its container, if the stamp will not physically damage the property; or

B. Remove the brand, trademark or label, if doing so will not physically damage the property. The Insured must re-label the property or its container to comply with the law.

20. ENTRY, CONTROL, ABANDONMENT:

After loss or damage to insured property, the Company shall have an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make an appraisal or estimate of the loss or damage, but the Company shall not be entitled to the control or possession of the property, and without the consent of the Company there can be no abandonment of the property insured.

21. PAIR & SET:

A. In the event of loss of or damage to any insured article or articles which are part of a pair or set, the measure of loss of or damage to such article or articles will be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event will such loss or damage be construed to mean total loss of the pair or set; or

B. In the event of loss or damage to any part of property insured consisting, when complete for use, of several parts, the Company will only be liable for the value of the part lost or damaged.

22. APPRAISAL:

If the Insured and the Company fail to agree as to the value of the property or the amount of loss, either may make written demand for an appraisal. In this event, each party will choose a competent and impartial appraiser within **twenty (20)** days after receiving a written request from the other. The appraisers will then select an umpire. If they can not agree upon an umpire within **fifteen (15)** days, either may request the selection by a judge of a court having jurisdiction. The appraisers will then appraise the loss, stating separately the value of the property and the amount of loss to each item, and failing to agree, will submit their differences to the umpire. A decision in writing, so itemized, of any two will be binding. Each party will pay its chosen appraiser and bear the other expense of the appraisal and umpire equally. The Company shall not be held to have waived any of its rights by any act relating to appraisal.

23. ASSIGNMENT:

Except in the event of an authorized assignment under the Bankruptcy Act or a change of title by succession, operation of law or death, the Named Insured agrees not to transfer any legal rights or interests in the policy without the Company's written consent.

24. BENEFIT TO BAILEE:

This policy will not inure, directly or indirectly, to the benefit of any carrier or bailee.

25. SERVICE OF SUIT CLAUSE:

Service of Suit: In the event of failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes, or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service or process in such suit may be made upon Counsel, Legal Department, Lexington Insurance Company, 100 Summer Street, Boston, Massachusetts, 02109, or his or her representative, and that, in any suit instituted against the Company upon this policy, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States, which makes provision therefor, the Company hereby designates the Superintendent, Commissioner or Director of Insurance, other officer specified for that purpose in the statute, or his successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this policy of insurance and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

No suit, action or proceeding against the Company or this policy for the recovery of any claim will be sustainable in any court of law or equity unless the Insured will have fully complied with all the requirements of this policy. The Company agrees that any action or proceeding against it for recovery of any loss under this policy will not be barred if commenced within **(12) twelve** months after the **OCCURRENCE*** become known to the Insured unless a longer period of time is provided by applicable statute.

26. VALUATION:

At the time and place of loss, the basis of adjustment of a claim, unless otherwise endorsed herein, shall be as follows:

A. Property Under Construction – Replacement Cost including contractor's reasonable overhead and profit but not in excess of 15% of the contract bid amount.
The term Replacement Cost as used in this Master Policy shall be the amount actually and necessarily expended by or on behalf of the Insured to repair, rebuild or replace, within a reasonable time, at the same or on another site, all property insured (including buildings and structures in the course of construction and all materials, supplies, machinery and equipment therein or therefor installed or intended to be installed as a permanent part of any building or structure or other real property or as an improvement or betterment to any building or structure), which, as a result of physical loss or damage, has been damaged or destroyed, all subject to the following conditions:

(a) Notwithstanding any other provision of this Master Policy the Insured may, at its sole option, elect to make claim under this Master Policy for the actual cash value of any property insured under this Master Policy. Unless otherwise notified by the Insured, the presumption is that all claims will be settled on a replacement cost basis.

(b) Insurer's liability for loss on a replacement cost basis shall not exceed the smallest of the following amounts:

(i) The amount of insurance of this Policy applicable to the damaged or destroyed property.

(ii) The replacement cost of the property or any part thereof incidental to such property on the same premises and intended for the same occupancy and use or of like kind, quality and capacity as the damaged property;

(iii) The amount actually and necessarily expended in repairing or replacing said property or any part thereof on the same site.

Any and all indirect charges of the Insured named in Article 1.(A) of this Master Policy shall not exceed 15% of the total amount of any loss incurred hereunder. Charges of consultants which have been declared as contracts under this Master Policy and are subject to payment of premium at the Master Policy rate are not subject to the 15% limitation and are insured hereunder. The provisions of this Article do not increase any amounts or limits of insurance provided by this Master Policy and shall in no event serve to reduce the amount of insurance otherwise provided by this Master Policy.

B. Property Of Others (Including Items Supplied By the Owner) - At owner's cost or other actual cash value, whichever is greater, including the contractor's charges.

C. Temporary Works - Cost to repair or replace the property lost or damaged with material of like kind, quality and condition but in the event not replaced recovery will not exceed Actual Cash Value.

D. Plans, Blueprints, Drawings, Renderings, Specifications or Other Contract Documents and Models - At the cost to reproduce the property with other property of like kind and quality including the cost of gathering or assembling information from back up data if replaced, or if not replaced, at the value of blank material;

E. Trees, Shrubs, Plantings and Landscaping - At cost to replace with property of like kind, quality and size plus the proper proportion of labor expended if such damage occurs after installation.

F. Transit- Invoice and shipping cost less carrier's liability;

27. CANCELLATION:

A. This policy may be canceled by the Named Insured by mailing to the Company written notice stating when thereafter such cancellation shall be effective. This policy may be canceled by the Company by mailing to the Named Insured, at the address shown in this policy or last known address, written notice stating when, not less than **ninety (90)** days thereafter such cancellation shall be effective, except in the event of the Named Insured's non-payment of any premium due, said notice shall be **ten (10)** days. The mailing of notice as aforementioned shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Named Insured or by the Company shall be equivalent to mailing.

B. In the event of cancellation, premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The Company's check or the check of its representative mailed or delivered as aforesaid shall be a sufficient tender of any refund of premium due to the Insured.

C. If the Named Insured cancels, earned premium will be computed in accordance with Article 10 of the Declarations plus **ten percent (10%)** short rate penalty. If the Company cancels, earned premium will be computed in accordance with Article 10 of the Declarations. Any premium so computed shall always be subject to any minimum premium set forth in Article 10 of the Declarations.

28. STATUTES:

If any Article(s) herein stated conflict with the laws or statutes of any jurisdiction within which this policy applies, such Article(s) are hereby amended to conform to said laws or statutes.

29. TITLES OF PARAGRAPHS:

The several titles of the various paragraphs of this form and endorsements attached to this policy are inserted for reference and shall not be deemed in any way to affect the provisions to which they relate.

30. CONFLICT OF WORDING:

The conditions contained in this manuscript form shall supersede those of the printed conditions to which this form is attached, wherever the same may conflict. Where there is a conflict between the manuscript form and the printed conditions of this policy, the conditions of the specific section shall prevail.

31. COVERAGE TERRITORY :

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

Attached to and forming part of Policy No: **025031381** of the Lexington Insurance Company.

INTERIOR WATER DAMAGE EXTENSION OF COVERAGE:

Exclusion V. INTERIOR WATER INTRUSION DAMAGE in the Perils Excluded clause of the Completed Value Builders Risk Form is deleted and the following provisions apply as an Extension of Coverage:

Subject to the SUBLIMIT OF LIABILITY stated under paragraph 6.B.(12) of the DECLARATIONS and applicable deductible(s) herein the policy is extended to cover loss or damage to covered property caused by, arising out of, contributed to, or resulting from rain, snow, sleet or ice, all whether wind driven or not, entering the interior of any building or structure undergoing construction or renovation without first sustaining any damage to the exterior of the building or structure and whether or not the roof and outside walls is **complete***.

The foregoing extension does not apply to damage to property stored in the open caused water, rain, snow, sleet or ice.

The Insured agrees to take all appropriate precautions to avoid loss or damage to covered property from the perils enumerated above.

"complete" means "dried in" defined as final roofing installed according to the project specifications and exterior ty-vek wrap or similar equivalent water barrier installed and windows installed all per project specifications.

MOLD REMEDIATION EXPENSE EXTENSION OF COVERAGE

Notwithstanding the exclusion in the policy for loss or damage due to mold, fungus, mildew and spores, this policy is extended to cover mold remediation expenses incurred by the Insured, made necessary by a covered water damage loss to the Insured Project or insured property as provided under the policy. This extension of coverage only applies to the portion of the Insured Project or insured property which directly sustained the covered water damage loss.

Mold remediation expense means the reasonable and necessary costs not otherwise covered for:

1. Testing the indoor air quality for mold;
2. Testing the surfaces and materials of the Insured Project , insured property or contents for mold;
3. Developing a mold remediation plan; and
4. Implementing a mold remediation plan including the clean up, removal, containment, treatment or disposal of mold;

Mold remediation shall also mean the reasonable and necessary costs, including increased cost, not otherwise covered for:

1. Removing debris solely due to mold; and
2. Repairing and replacing the Insured Project or insured property damaged or removed solely due to mold.

Mold remediation expense does not apply beyond the provisions as provide herein including any other consequential loss or damage as a result of mold.

Any costs incurred hereunder shall be subject to the deductible applicable to the cause of loss that necessitates such costs.

The Company's liability for coverage hereunder shall not exceed **$25,000** in any one **OCCURRENCE*** and in the aggregate for the policy period. This amount is a Sub-limit of Liability and is part of and not in addition to the Policy Limit of Liability.

(1) fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;

(2) mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);

(3) spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms.

Alternate Dispute Resolution

If the Company and the Named Insured disagree, after making a good faith effort to reach an agreement on an issue concerning this Policy, either party may request that the following procedure be used to settle such disagreement:

a. The Company or the Named Insured may request of the other in writing that the dispute be settled according to an alternative dispute resolution procedure.

b. If the Company and the Named Insured agree to proceed, they will jointly select an alternative dispute resolution technique for resolution of the dispute.

c. If the parties annot agree on a method to resolve the issue in dispute within sixty days of written request, the parties will contact either the Center for Public Resources or the American Arbitration Association and will use their services to select or devise a dispute resolution mechanism.

d. Alternative dispute resolution procedures that may be used include, but are not limited to, mediation, binding arbitration and mini-trials, except where prohibited by applicable law or regulation.

e. All expenses of the alternative dispute resolution procedure will be shared equally by both parties.

f. Any decision or award made as a result of the alternative dispute resolution procedure shall always be limited by the Coverage Terms and Conditions, Limits, Sublimits and Aggregate Limits of Liability of this Policy.

g. Any statute of limitation that may be applicable to the dispute shall be tolled, with respect to such dispute, from the date that the Company and the Named Insured agree to follow the procedure set forth herein until and including the date that such procedure is concluded.

If the Named Insured so requests, the Company hereby agrees to use the alternative dispute resolution procedure described above to resolve all issues concerning this Policy except the following:

i. Any dispute involving asbestos including loss, damage or debris removal expense.

ii. Any dispute involving debris removal expense for **CONTAMINANTS OR POLLUTANTS***.

iii. Any dispute where coverage is denied based on arson or other attempted fraud by the Named Insured.

iv. Any dispute within the scope of and governed by the APPRAISAL clause, above.

DAMAGE TO EXISTING PROPERTY ENDORSEMENT – ALL RISK

This Policy is extended to cover direct physical loss of or damage to existing buildings, plant and / or other structures at the location of the **INSURED PROJECT*** but only when the **INSURED PROJECT*** is contained within or attached to such existing buildings, plant and / or other structures subject to the following terms and conditions:

A. The following additional exclusions shall apply hereunder:

(1) Personal Property:

(2) Any property located outside of existing buildings, plant and / or other structures;

(3) Underground utilities of any kind;

(4) Mechanical breakdown, including rupture or bursting caused by centrifugal force;

(5) Electrical injury or disturbance caused by electrical currents;

Exclusions (4) and (5) apply unless direct physical loss or damage by an insured peril ensues and then this policy insures only such ensuing loss or damage.

(6) Business Interruption, extra expense or other consequential loss;

(7) Explosion, rupture or bursting of steam boilers, steam pipes, steam turbines or steam engines owned, leased or operated under the control. Direct physical loss or damage caused by or resulting from explosion of gases or fuel within the furnace or any fired vessel or within the flues or passages through which the gases or combustion pass is covered.

(8) Interruption of incoming electricity, fuel, water, gas, steam, refrigerant or other services except as specifically covered in this Policy. If a peril insured against ensues, this policy insures only such ensuing loss or damage.

(9) Loss or damage arising solely as a consequence of loss, damage or any structural, mechanical, electrical or material condition which existed prior to the effective date of this Endorsement.

(10) The perils of **EARTHQUAKE*** or **WINDSTORM*** when the purpose of the **INSURED PROJECT*** is to repair prior **EARTHQUAKE*** or **WINDSTORM*** damage to or to structurally retrofit the existing building(s) to meet current **EARTHQUAKE*** or **WINDSTORM*** building codes.

B. The following basis of valuation shall apply at the time and place of loss:

(1) If actually replaced - the cost to repair or replace the property lost or damaged with materials of like kind and quality at the time and place of loss. In the event that repair or replacement with materials of like kind and quality can not be effected due to obsolescence or non-availability of such materials or the means and methods of fabricating, manufacturing or installing such materials, repair or replacement shall be effected with materials, means and / or methods that are functionally equivalent to the lost or damaged property. In the application of the foregoing, betterment is excluded.

(2) If not replaced - the actual cash value (the cost to repair or replace, as determined above, less depreciation).

The Company's liability for coverage hereunder shall not exceed **$250,000** in any one **OCCURRENCE***. This amount is a Sublimit of Liability and is part of and not in addition to the Policy Limit of Liability.

As respects this extension of coverage the following deductible shall apply in any one **OCCURRENCE*** **$10,000** except where a higher deductible applicable to the cause of loss is stated elsewhere in the policy.

CONTRACTOR'S CONTINGENT EXTRA EXPENSE

This Policy is extended to cover reasonable and necessary Contingent Extra Expense which is incurred by the Named Insured for the purpose of continuing as nearly as practicable the scheduled progress of undamaged work but only when such scheduled progress is impaired by direct physical loss or damage to contingent property(ies) not otherwise insured under this policy and results from a peril insured under this policy but such contingent property applies only to such property9ies) within one (1) statue mile of the Contract Work of the Named Insured.

1. Extra Expense shall be defined as the excess costs over and above the total costs that would normally have been incurred to continue the scheduled progress of the undamaged work in the absence of insured loss or damage.

2. Extra Expense shall include reasonable and necessary labor and overhead, supervision, management and administration costs, equipment rental, temporary use of property and demobilization and remobilization of equipment and facilities, all when necessarily incurred to reduce time delays in the contract schedule.

3. Extra Expense shall not include:

   a) Expenses incurred to overcome delays in the scheduled progress of the work which existed at the time of loss;

   b) Expenses incurred to overcome delays in the scheduled progress of the work resulting from causes which are independent of or which would have occurred in the absence of insured loss or damage;

   c) Expenses incurred to comply with any ordinance or law which regulates removal, repair, demolition, construction or re-construction of the property insured;

   d) Expenses incurred for alterations, additions, improvements or other changes in materials, designs, plans, specifications or the means and methods of construction;

   e) Expenses incurred to perform any work, service, function or other requirement not directly related to the performance of the undamaged work;

   f) Additional Interest Expense, Debt Service, Business Interruption, Loss of Income, Loss or Earnings, Loss of Rents or Delay In Completion and Acceleration Expense;

4. It is a condition precedent to recovery hereunder that the Named Insured shall use due diligence and shall do and concur in all things necessary to maintain the scheduled progress of the undamaged work which existed immediately prior to insured loss or damage not covered by this policy.

5. Excess costs incurred hereunder shall be subject to a deductible waiting period of three (**3**) calendar days.

6. The Company's liability for Contractor's Contingent Extra Expense shall not exceed **$10,000** in any one **OCCURRENCE.** This amount is part of and not in addition to the Policy Limit of Liability.

7. Premium for this coverage extension is **included** applied to total annual contract receipts of **included.**

All Other Terms and Conditions of the Policy to which this Endorsement is attached remain Unchanged and Apply Equally Hereto.

CLAIMS PREPARATION COSTS EXTENSION OF COVERAGE

This policy is extended to cover reasonable and necessary additional expenses incurred by the Insured which are directly related to the preparation, substantiation and / or documentation of any claim for physical loss or damage to insured property as a result of a covered cause of loss under this policy. Any costs incurred for the services or efforts of a Public Adjuster are expressly excluded.

The Company shall have no liability for any additional expense hereunder unless and until a claim for physical loss or damage to insured property as a result of a covered cause of loss under this policy has been submitted to and accepted by the Company.

Any costs incurred hereunder shall be subject to the deductible applicable to the cause of loss that necessitates such costs. In the event that the amount of physical loss or damage to insured property as a result of a covered cause of loss under this policy is less than the applicable deductible stated elsewhere in this policy, the Company shall not accept a claim for nor be liable for additional expenses as covered herein.

The Company's liability for additional expenses as covered hereunder shall not exceed **$25,000** in any one **OCCURRENCE***. This amount is a Sublimit of Liability and is part of and not in addition to the Policy Limit of Liability.

ARCHITECT'S AND ENGINEER'S PROFESSIONAL FEES:

Subject to the Sublimit of Liability stated under paragraph 6.B. (15) of the DECLARATIONS, in the event of direct physical loss or damage insured by this policy, the Company will pay the reasonable costs of architects', surveyors', consulting engineers', or other professional fees necessarily incurred by the Insured in connection with the reinstatement, repair or replacement of the insured property.

The amount payable for such fees shall not exceed those authorized under the scales of the various institutions and/or bodies regulating such charges.

Coverage afforded by this extension of coverage does not apply in the preparation of any claim under the policy or otherwise.

ENDORSEMENT # 001

This endorsement, effective 12:01 AM 12/31/2010

Forms a part of policy no.: 025031381

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
CAPITAL IMPROVEMENT PROGRAM (CIP)

By: LEXINGTON INSURANCE COMPANY

Amendatory Endorsement

In consideration of an Additional Premium of $699,312 (Per Clause 10), the Anniversary Deposit Premium is Processed.

All Other Terms and Conditions of the Policy Remain Unchanged.

Authorized Representative OR
Countersignature (In states where applicable)

LEXDOC021
LX0404

ENDORSEMENT # 002

This endorsement, effective 12:01 AM 12/31/2010

Forms a part of policy no.: 025031381

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
CAPITAL IMPROVEMENT PROGRAM (CIP)

By: LEXINGTON INSURANCE COMPANY

Amendatory Endorsement

Endorsement No. 001 is Amended to read as follows:

In consideration of an Additional Premium of $697,312 (Per Clause 10), the Anniversary Deposit Premium is Processed.

All Other Terms and Conditions of the Policy Remain Unchanged.

Authorized Representative OR
Countersignature (In states where applicable)

LEXDOC021
LX0404

ENDORSEMENT # 003

This endorsement, effective 12:01 AM 12/31/2011

Forms a part of policy no.: 025031381

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
CAPITAL IMPROVEMENT PROGRAM (CIP)

By: LEXINGTON INSURANCE COMPANY

Amendatory Endorsement

In consideration of an Additional Premium of $697,312 (Per Clause 10), the Anniversary Deposit Premium is Processed.

All Other Terms and Conditions of the Policy Remain Unchanged.

LEXDOC021
LX0404

Authorized Representative OR
Countersignature (In states where applicable)

ENDORSEMENT # 004

This endorsement, effective 12:01 AM 12/31/2011

Forms a part of policy no.: 025031381

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
CAPITAL IMPROVEMENT PROGRAM (CIP)

By: LEXINGTON INSURANCE COMPANY

Amendatory Endorsement

In consideration of the Premium Charged, the Expiration Date of this Policy is Amended to Read June 14,2014 in Lieu of December 31, 2012.

The following Installment(s) are Hereby Added:

At Third Anniversary (12/31/2012):
Annual Rate: $0.1203/100
Premium: $613,729 + $85,583 (Terrorism) = **$699,312**

At Fourth Anniversary (12/31/2013):
Annual Rate: $0.1203/100
Premium: $613,729 + $85,583 (Terrorism) = **$699,312**

All Other Terms and Conditions of the Policy Remain Unchanged.

Authorized Representative OR
Countersignature (In states where applicable)

LEXDOC021
LX0404

ENDORSEMENT # 005

This endorsement, effective 12:01 AM 12/31/2011

Forms a part of policy no.: 025031381

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
CAPITAL IMPROVEMENT PROGRAM (CIP)

By: LEXINGTON INSURANCE COMPANY

Amendatory Endorsement

Endorsement No. 004 is Amended to read as follows:

In consideration of the Premium Charged, the Expiration Date of this Policy is Amended to Read June 14,2014 in Lieu of December 31, 2012.

The following Installment(s) are Hereby Added:

At Third Anniversary (12/31/2012):
Annual Rate: $0.1203/100
Premium: $613,729 + $83,583 (Terrorism) = **$697,312**

At Fourth Anniversary (12/31/2013):
Annual Rate: $0.1203/100
Premium: $613,729 + $83,583 (Terrorism) = **$697,312**

All Other Terms and Conditions of the Policy Remain Unchanged.

Authorized Representative OR
Countersignature (In states where applicable)

ENDORSEMENT # 006

This endorsement effective 12:01 AM on 06/30/2010

forms part of policy number 025031381

issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
CAPITAL IMPROVEMENT PROGRANM (CIP)

by the LEXINGTON INSURANCE COMPANY

Amendatory Endorsement

In consideration of the premium charged, the Expiration Date of this Policy is amended to read June 1, 2014 in lieu of December 31, 2012.

The following installments are hereby added:

At the Third Anniversary (12/31/2012):
Annual Rate: $0.1203/100
Premium: $ 613,729 + 83,583 (Terrorism) = $ 697,312

At the Fourth Anniversary (12/31/2013):
Annual Rate: $0.1203/100
Pro Rated Term Premium: $ 255,311 + 34,771 (Terrorism) = $ 290,082

All other terms & conditions remain unchanged.

Authorized Representative

COMPANY POLICY

on behalf of

LEXINGTON INSURANCE COMPANY
The Chartis Building, 58 Fenchurch Street,
London, EC3M 4AB

IN CONSIDERATION of the Insured named in the Schedule herein having paid or promised to pay the premium set forth in the said Schedule to the Insurer named above (hereinafter referred to as the Insurer)

THE INSURER HEREBY AGREES to insure the Insured or the Insured's Executors, Administrators or Assigns against loss damage liability or expense in the proportions and manner as more fully set forth in this Policy during the Period of Insurance stated in the said Schedule or during any subsequent period as may be mutually agreed upon between the Insured and the Insurer

PROVIDED that the liability of the Insurer shall not exceed the Insurer's limit(s) of liability as more fully set forth in this Policy or such other limit(s) as may be substituted therefor by endorsement hereon or attached herein signed by or on the behalf of the Insurer

IF THE INSURED shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claim hereunder shall be forfeited

IN WITNESS WHEREOF I, being a representative of the Insurer and authorised by the Insurer to sign this Policy on its behalf, have hereunto subscribed my name this 30TH day of JUNE two thousand and ten.

LEXINGTON INSURANCE COMPANY

Lexington Insurance Company is incorporated in the USA as a Limited Company and is authorised and regulated in the United Kingdom by the Financial Services Authority. Registered in England: Company Number FC006934.
Registered Address: The Chartis Building, 58 Fenchurch Street, London, EC3M 4AB, United Kingdom

Schedule

Policy or Certificate No.: 1070561 Contract No. (if any)

The name and address of the Insured:

The Port Authority of New York and New Jersey, as Principal and Named "Insured"

225 Park Avenue South,
New York, NY 10003

Period of Insurance from 1st June 2010 to 1st June 2011 both days at 12:01 a.m. Local Standard Time and for such further periods as may be mutually agreed.

The risk, interest, location and sum(s) insured hereunder

TYPE: COMPREHENSIVE GENERAL LIABILITY and as more fully defined in the attached wording.

All as more fully defined in the attached wording which is deemed incorporated herein and shall form an integral part of this Policy

This Insurance, being signed for 100.00% of 100.00% insures only that proportion of any loss, whether total or partial, including but not limited to that proportion of associated expenses, if any, to the extent and in the manner provided in this Insurance.

The percentages signed by the Insurer are percentages of 100.00% of the amount(s) of Insurance stated herein.

The Premium: USD 9,550,751 gross adjustable at 1.35 % of actual contractor payments for the period and as more fully detailed in Endorsement No. 3

USD 95,508 (1.00%) Allocation for Terrorism

Dated in LONDON: 29th June 2010

LEXINGTON INSURANCE COMPANY

PORT AUTHORITY OF NEW YORK AND NEW JERSEY CONSTRUCTION LIABILITY POLICY 2010

Owner Controlled Insurance Program - Construction Liability

THIS IS A LIABILITY POLICY. PLEASE READ THE ENTIRE DOCUMENT CAREFULLY. SOME WORDS CONTAINED HEREIN HAVE SPECIFIC MEANING. PLEASE REFER TO THE DEFINITIONS SECTION.

I. INSURING AGREEMENTS

1. COVERAGE

In consideration of the payment of the premiums set out in Item 6 of the Declarations and in reliance upon the proposal for this policy (hereinafter Policy), statements made and any supplementary information pertaining to the proposal which are all deemed incorporated herein, Underwriters agree, subject to the Insuring Agreements, Conditions, Exclusions, Definitions and Declarations contained in this Policy, to indemnify the "Insured" in respect of its operations at each "Construction Project Site" referred to in Item 1.(b) of the Declarations, that have been "Let" by the named "Insured" prior to 1st June 2011, for "Ultimate Net Loss" by reason of liability:

(a) imposed upon the "Insured" by law or

(b) assumed by the "Insured" under an "Insured Contract",

for damages in respect of:

(i) "Bodily Injury"

(ii) "Personal Injury"

(iii) "Property Damage"

(iv) "Advertising Injury"

caused by or arising out of: -

(1) "General Liability" "Occurrence"s which first commence during the Policy Period stated in Item 3 of the Declarations and which comprise:

(i) incomplete "Construction Project Site"s "Let" during a previous Policy Period;

or

(ii) new "Construction Project Site"s "Let" in the Policy Period stated in Item 3 of the Declarations whether completed or not,

LEXINGTON INSURANCE COMPANY

(2) "Product Liability" and "Completed Operations Liability" "Occurrence"s which first commence during the Policy Period stated in Item 3 of the Declarations but only in respect of the following:

(i) the balance of a "Product Liability and Completed Operations Liability Combined Period" which commenced during a previous Policy Period;

or

(ii) the start of a "Product Liability and Completed Operations Liability Combined Period" during the Policy Period stated in Item 3 of the Declarations,.

Nothing contained in this Policy shall make it subject to the terms of any other insurance.

2. LIMITS OF LIABILITY

Underwriters shall only be liable for "Ultimate Net Loss" up to the amount stated in Item 2.(a) of the Declarations in respect of each "Occurrence" plus "Defence Expenses" subject always to the provisions of Condition 2, which is in excess of the amount indicated (such amount shall not be eroded by "Defense Expenses").

Regardless of the number of "Occurrences" that may be covered by this Policy, Underwriters' total Limits of Liability shall not exceed the amount of "Ultimate Net Loss" set out in Item 2.(b) of the Declarations in the aggregate separately in respect of:

(i) "Product Liability" and "Completed Operations Liability" combined,

(ii) "Personal Injury"

plus "Defence Expenses" subject always to the provisions of Condition 2.

In respect of (i) above, the aggregate stated in Item 2.(b).(i) of the Declarations shall apply to all "Construction Project Site"s for the total period of the "Products Liability" and "Completed Operations Liability" combined set out in Item 3. (c) of the Declarations.

In respect of (ii) above, the aggregate stated in Item 2.(b).(ii) of the Declarations shall apply for each annual period of construction until completion of each project.

The inclusion or addition hereunder of more than one "Insured" shall not increase Underwriters' Limits of Liability as set out in Item 2 of the Declarations.

Where "Defence Expenses" are paid or incurred by the "Insured", all "Defence Expenses" will be paid by Underwriters in addition to the Limits of Liability of this Policy until such Limits of Liability are exhausted subject always to the provisions of Condition 2.

LEXINGTON INSURANCE COMPANY

II. CONDITIONS

This Policy is subject to the following conditions:

1. APPEALS

In the event the "Insured" elects not to appeal a judgement which may, in whole or in part, involve indemnity under this Policy, Underwriters may, following discussion with the "Insured", elect to make such appeal at their own cost and expense and shall be liable for the taxable costs, expenses and disbursements and any additional interest incidental to such appeal; but in no event shall the liability of Underwriters exceed the relevant Limits of Liability set out in Item 2 of the Declarations plus such costs, expenses, disbursements and interest.

2. APPORTIONMENT OF "DEFENCE EXPENSES"

Whenever any written demand received by the "Insured" for damages is finally resolved by a payment by Underwriters which, regardless of the amount thereof, is only covered in part by this Policy, then the percentage of any "Defence Expenses" that are paid by Underwriters in addition to the "Ultimate Net Loss" shall be calculated by dividing that part of such payment which is covered by this Policy, by the total amount paid.

3. ASSIGNMENT

Assignment of interest under this Policy shall not bind Underwriters unless and until their written agreement thereto is secured.

4. CANCELLATION OR NON-RENEWAL

(a) **By the named "Insured"**

This Policy may be cancelled at an anniversary date only by the named "Insured" without the consent of other "Insureds", by mailing to Underwriters written notice stating at which anniversary date thereafter such cancellation shall be effective.

(b) **By Underwriters**

This Policy may be cancelled by Underwriters for non payment of premium, in which event ten (10) days notification at any time shall apply.

The Policy Period stated in Item 3 of the Declarations and the coverage of each "Construction Project Site" referred to in Item 1.(b) of the Declarations will end on the day and hour stated in the cancellation notice or on the expiry date stated in Item 3.(b) of the Declarations whichever is the earlier.

If Underwriters cancel the Policy, final premium will be calculated by Underwriters by applying the rate stated in Endorsement No 3 to the declared values of "Construction Project Site"s during the shortened Policy Period.

LEXINGTON INSURANCE COMPANY

Notwithstanding the foregoing, however, in the event of cancellation by the named "Insured" during the Policy Period or non-renewal of this Policy, this Policy may continue to apply to "Insured Contract"s at "Construction Project Site"s for which the named "Insured" has committed to provide insurance prior to the effective date of cancellation or the date stated in Item 3.(b) of the Declarations, whichever is the earlier, at rate and premium to be agreed by Underwriters, until all work to be performed under such "Insured Contract"s is completed plus the "Product Liability and Completed Operations Liability Combined Period"s have elapsed.

5. CROSS LIABILITY

In the event of an "Occurrence" resulting in "Bodily Injury" to an employee of one "Insured" hereunder for which another "Insured" is, or may be, liable then this Policy shall cover such "Insured" against whom a "Claim" for damages has been made or may be made in the same manner as if separate policies had been issued to each "Insured" hereunder.

In the event of an "Occurrence" resulting in "Property Damage" to property of one "Insured" hereunder for which another "Insured" is, or may be, liable then this Policy shall cover such "Insured" against whom a "Claim" for damages has been made or may be made in the same manner as if separate policies had been issued to each "Insured" hereunder.

Nothing contained herein shall operate to increase Underwriters' Limit of Liability set out in Item 2 of the Declarations.

6. CURRENCY AND PAYMENTS OF PREMIUMS

Premiums and indemnity payments due under this Policy are payable in the currency set out in Item 5 of the Declarations. Payment of premiums shall be made by the first named "Insured" set out in Item 1.(a) of the Declarations to the person or entity set out in Item 7 of the Declarations. If the first named "Insured" or its agent fails to pay the premium due to Underwriters by the due date, Underwriters may issue notice to the named "Insured" set out in Item 1.(a) of the Declarations in accordance with the provisions of Condition 4.

7. DAMAGES PAYABLE

Any amount for which Underwriters are liable under this Policy shall be due and payable solely to the agent of the "Insured" set out in Item 8 of the Declarations within thirty (30) days after it is agreed by Underwriters.

8. DEFENCE

As detailed in Endorsement 20 but Underwriters' right and obligation to incur "Defence Expenses" in the defence of any "Occurrence" end when the Limits of Liability have been exhausted by the payment of judgements or settlements.

9. GOVERNING LAW AND INTERPRETATION

In view of the diverse locations of the parties purchasing insurance from Underwriters and the desirability of unified regulation, the parties agree that the Policy shall be construed and enforced in accordance with and governed by the internal law of the State of New York.

LEXINGTON INSURANCE COMPANY

10. INSOLVENCY

The insolvency, bankruptcy, receivership or any refusal or inability to pay of the "Insured" and/or the "Insured's" Captive and/or any Underwriter shall not operate to:

(a) increase Underwriters' liability under this Policy;

(b) increase any Underwriters' share of liability under this Policy;

(c) relieve Underwriters from the payment of "Ultimate Net Loss" under this Policy;

(d) reduce the amount indicated in Item 2. (a) of the Declarations.

11. INSPECTION AND INVESTIGATION

Underwriters may, after giving reasonable notice to the named "Insured", audit and examine the books and records of the "Insured" as they relate to this Policy at any time during the Policy Period and for up to three years after the expiration or termination of this Policy.

Underwriters have the right, but are not obligated, after giving reasonable notice to the named "Insured", to inspect the premises and operations of the "Insured". The inspections are not safety inspections. They relate only to the insurability of the premises and operations and the premiums to be charged. Underwriters may give the "Insured" reports on the conditions found. They may also recommend changes. Whilst they may help reduce losses, Underwriters do not undertake to perform the duty of any person or organisation to provide for the health or safety of the "Insured"'s employees or the public. Underwriters do not warrant that the premises or operations of the "Insured" are safe or healthful or that they comply with laws, regulations, codes or standards.

12. KNOWLEDGE OF OCCURRENCE

Other than in respect of conditions (a), (b), (c), (d) and (e) of Exclusion 18 knowledge of an "Occurrence" by the agent, servant or employee of the "Insured" shall not in itself constitute knowledge by the "Insured", unless an executive officer of the "Insured"'s Corporation shall have received such notice from its agent, servant or employee.

13. NOTICE OF OCCURRENCE

(a) In the event of an "Occurrence", written notice containing the particulars sufficient to identify the "Insured" and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the "Insured" to the entity named in Item 10 of the Declarations as soon as practicable.

(b) If claim is made or suit is brought against the "Insured", the "Insured" shall immediately forward to the entity named in Item 10 of the Declarations every demand, notice, summons or other process received by it or its representative.

LEXINGTON INSURANCE COMPANY

(c) Notwithstanding anything to the contrary in this Condition, this Policy shall not apply to any: -

(i) "General Liability" "Occurrence" unless notice of such "Occurrence" is given to Underwriters prior to expiry of five years from the date stated in Item 3.(b) of the Declarations; or

(ii) "Product Liability" and "Completed Operations Liability" "Occurrence" unless notice of such "Occurrence" is given to Underwriters prior to expiry of three years from the date stated in Item 3.(b) of the Declarations or two years from the end of the "Product Liability and Completed Operations Liability Combined Period", whichever is the earlier,

but always subject to Condition 4. Cancellation or Non-Renewal.

(d) The "Insured" shall co-operate with Underwriters and, upon Underwriters' request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organisation who may be liable to the "Insured" because of injury or damage with respect to which insurance is afforded under this Policy; and the "Insured" shall attend hearings and trials, and assist in securing and giving evidence and obtaining the attendance of witnesses. The "Insured" shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the "Occurrence".

(e) When the "Insured" reports any accident to the Workers' Compensation carrier insuring its Workers' Compensation Insurance which later develops into a claim for liability to which this Policy applies, coverage for which is provided by this Policy, failure to report such accident to Underwriters at the time of the "Occurrence" shall not be deemed in violation of (a), (b) or (c) of this Condition upon the distinct understanding and agreement, however, that the "Insured" just as soon as it is definitely made aware of the fact that the particular accident is a liability case rather than a Workers' Compensation case, shall give notification of the aforesaid accident to Underwriters.

14. OTHER INSURANCE

The insurance afforded by this Policy is primary insurance, except when stated in writing to the contrary. Where this Policy is primary and the "Insured" has other insurance which is stated to be applicable to an "Occurrence" on an excess basis, the amount of the Underwriters' liability under this Policy shall not be reduced by the existence of such other insurance.

When both this Policy and other insurance apply to an "Occurrence" on the same basis, this Policy will only contribute its proportionate share in combination with such other insurance.

LEXINGTON INSURANCE COMPANY

15. SEPARATION OF "INSUREDS"

Except with respect to Underwriters' Limits of Liability and any rights or duties specifically assigned to the named "Insured" designated in Item 1.(a) of the Declarations, this insurance applies separately to each "Insured" against whom "Claim" is made or suit brought.

16. SERVICE OF SUIT CLAUSE

(Per attached Service of Suit Clause (U.S.A.))

17. SUBROGATION

Where an amount is paid by Underwriters under this Policy, the "Insured"'s rights of recovery against any other person or entity in respect of such amount shall be exclusively subrogated to Underwriters. At Underwriters' request the "Insured" will assist, co-operate and lend its name to the exercise of Underwriters' rights of subrogation. The "Insured" shall do nothing to prejudice such rights.

All recoveries shall be applied as follows:

(a) any interests, including the "Insured", that have paid an amount in excess of Underwriters' payment under this Policy will be reimbursed first; and,

(b) Underwriters then will be reimbursed up to the amount they have paid.

Expenses incurred in the exercise of rights of recovery shall be apportioned between the interests, including the "Insured", in the ratio of their respective recoveries as finally settled.

Notwithstanding the foregoing, Underwriters waive their rights of recovery against any "Third Party" to whom the named "Insured" has undertaken, in a written contract, to obtain a written waiver of subrogation but only if such waiver has been included in such "Insured Contract" before the "Occurrence" giving rise to such payments.

This waiver shall apply only with respect to an "Occurrence" arising from operations undertaken or obligations required under the specific "Insured Contract" between the named "Insured" and such "Third Party" and shall not be construed to be a waiver with respect to other operations of such "Third Party" in which the named "Insured" has no contractual interest or obligation.

No waiver of subrogation shall directly or indirectly apply to any employee(s) of either the named "Insured" or of such "Third Party" unless required by "Insured Contract" and Underwriters reserve their rights or lien to be reimbursed from any recovery funds obtained by any employee.

This waiver does not apply in any jurisdiction where such waiver is held to be illegal or against public policy or to any "Occurrence" wherein such "Third Party" is found to be solely negligent.

LEXINGTON INSURANCE COMPANY

18. **TRANSFER OF RIGHTS AND DUTIES**

The rights and duties of the "Insured" under this Policy may not be transferred without prior written consent of Underwriters.

19. **WAIVER OR CHANGE**

Notice to any agent or knowledge possessed by any agent or any other person shall not effect a waiver of or change in any part of this Policy. This Policy can only be changed by a written endorsement that becomes a part of this Policy and is signed by or on behalf of Underwriters.

III. EXCLUSIONS

This Policy does not apply to any actual or alleged liability:

1. arising out of breach of contract other than an "Insured Contract";

2. (a) of whatsoever nature of the "Insured", whether the "Insured" may be liable as an employer or in any other capacity whatsoever, to any of its Employees, including without limiting the generality of the foregoing any liability under any Workers' Compensation Law, Unemployment Compensation Law, Disability Benefit Law, Longshore and Harbor Workers' Compensation Act, Jones Act, Death on the High Seas Act, General Maritime Law, Federal Employers' Liability Act, Employers Liability, Employers' Liability as respects Occupational Disease or any similar laws of liabilities, and/or whether by reason of the relationship of master and servant or employer and employee or not;

   (b) which any "Insured" may have to its own employee arising out of the actions or omissions of another of its own employees;

3. arising out of "Automobile Liability" other than such "Automobile Liability", including loading and unloading, on the "Construction Project Site, however such coverage shall be limited to apply only in excess of any other valid and collectible insurance whether primary, excess umbrella or contingent;

4. arising out of "Aircraft Liability";

5. arising out of "Watercraft Liability";

6. any "Claim" or suit alleging or asserting in any respect loss, injury, or damage (including consequential "Bodily Injury") in connection with "wrongful termination", and/or "discrimination", and/or "sexual harassment";

7. for "Property Damage" to property:

   (a) owned, leased, rented, borrowed or occupied by the "Insured";

   (b) in the care, custody or control of the "Insured";

LEXINGTON INSURANCE COMPANY

EXCEPT this Exclusion 7. will not apply to "Property Damage" to property of the Port Authority of New York & New Jersey caused by a contractor working on behalf of the "Insured" at a "Construction Project Site".

Notwithstanding this exception, all damage to property of the named "Insured" done by any employee of the named "Insured" remains excluded.

Such coverage as is afforded hereby shall be excess over any valid and collectible property insurance (including any deductible portion thereof) available to any "Insured", such as but not limited to Fire, Extended Coverage, Builders Risks or Installation Risks Coverage.

Notwithstanding the above Exception to Exclusion 7., the Limits of Liability of this Policy shall be applied first to a "Third Party" "Claim".

8. for "Property Damage" to the "Insured's Products" arising out of such products or any part of such products;

9. for "Property Damage" to property worked on by or on behalf of the "Insured" arising out of such work or any portion thereof, or out of any material, parts or equipment furnished in connection therewith;

10. for the withdrawal, recall, return, inspection, repair, replacement, or loss of use of the "Insured's Products" or work completed by or for the "Insured" or for any property of which such "Insured's Products" or work form a part;

11. for any fines or penalties;

12. for "Personal Injury" and/or "Advertising Injury" arising out of:

    (a) failure to perform under any contract other than an "Insured Contract";

    (b) infringement of trademark, patent, service mark or trade name, other than copyright, titles or slogans, by use thereof on or in connection with goods, products or services sold or offered for sale;

    (c) unfair competition;

13. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" arising out of: -

    (a) the failure of the operations or work completed by or for the "Insured" to perform the function or serve the purpose intended by the "Insured";

    (b) fines or penalties imposed on the "Insured" should the operations or work completed by or for the "Insured" fail to reach the levels of performance set out in the contract

    (c) the failure of the "Insured" to complete a contract on time or comply with any contractual obligation;

LEXINGTON INSURANCE COMPANY

14. for any act, negligence, error or omission, malpractice or mistake arising out of "Professional Services", committed or alleged to have been committed by or on behalf of the "Insured" in the conduct of any of the "Insured"'s business activities;

15. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" for claims made by or on behalf of any person or persons directly or indirectly on account of continuous, intermittent or repeated exposure to, ingestion, inhalation, or absorption of, any substance, material, product, waste, emission, radioactive substance, noise or environmental disturbance where the "Insured" is or may be liable as a result of the manufacture, production, extraction, sale, handling, utilisation, distribution, disposal or creation by or on behalf of the "Insured" of such substance, material, product, waste, emission, radioactive substance, noise or environmental disturbance;

16. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" arising out of or in any way connected with the operation of the principles of eminent domain, condemnation proceedings or inverse condemnation proceedings or inverse condemnation by whatever name called regardless of whether such claims are made directly against the "Insured" or by virtue of any agreement entered into by or on behalf of the "Insured"; or with respect to any provisions in this Policy concerning any duty of Underwriters to investigate or defend any "Claim" excluded by this exclusion;

17. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by or arising out of seepage, pollution or contamination however caused whenever or wherever happening;

    This exclusion shall not apply where all of the following conditions are shown by the "Insured" to have been met:

    (a) the seepage, pollution or contamination was caused by an "Occurrence"; and,

    (b) the "Occurrence" first commenced on an identified specific date during the period stated in Item 3 of the Declarations; and,

    (c) the "Occurrence" was first discovered by the "Insured" within fourteen (14) days of such first commencement; and,

    (d) written notification of the "Occurrence" was first received from the "Insured" by Underwriters within ninety (90) days of the "Insured"'s first discovery of the "Occurrence" ; and,

    (e) the "Occurrence" did not result from the "Insured"'s intentional violation of any statute, rule, ordinance or regulation.

    Even if the above conditions (a) to (c) are satisfied, this Policy does not apply to any actual or alleged liability:

        (i) to evaluate, monitor, control, remove, nullify and/or clean-up seeping, polluting or contaminating substances to the extent such liability arises solely from any obligations imposed by or on behalf of a governmental authority;

LEXINGTON INSURANCE COMPANY

(ii) to abate or investigate any threat of seepage onto or pollution or contamination of the property of a "Third Party";

(iii) for seepage, pollution or contamination at or from any premises, site or location on which any "Insured" or any "Contractor"s or "Subcontractor"s working directly or indirectly on any "Insured"'s behalf are performing operations:

(a) if the pollutants are brought on or to the premises, site or location in connection with such operations by such "Insured", "Contractor" or "Subcontractor", or

(b) if the operations are to test for, evaluate, monitor, control, remove, nullify, clean-up or in any way respond to, or assess the effects of pollutants.

18. arising out of the handling, processing, treatment, storage, disposal or dumping of any waste materials or substances, or arising out of such waste materials or substances during transportation;

19. (a) for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by, resulting from or in connection with war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

(b) for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a) above.

If the Underwriters allege that by reason of this exclusion, any "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" is not covered by this insurance the burden of proving the contrary shall be upon the "Insured".

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

20. for "Bodily Injury", "Property Damage", "Personal Injury" and/or "Advertising Injury" for which the "Insured" or its indemnitee may be held liable:

(a) as a person or organisation engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages; or

(b) if not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed

(i) by, or because of the violation of any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage, or

LEXINGTON INSURANCE COMPANY

(ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;

21. (a) arising out of an "Insured"'s capacity, duty or responsibility as an Officer, Director or Trustee of a Corporation by reason of any breach of fiduciary duty or improper conduct or conflict of interest in the performance of an "Insured"'s duties, responsibilities or accountability as an Officer, Director or Trustee, including, without limitation, any actual or alleged misstatement, misleading statement, gain of personal profit or advantage to which the Insured was or is not entitled legally, any dishonest act, or bad faith conduct, in the "Insured"'s capacity as an Officer, Director or Trustee, or with respect to the capital or assets of the Corporation, or any action taken beyond the scope of the "Insured"'s authority as an Officer, Director or Trustee;

(b) arising out of or incident to any alleged violation(s) of any Federal or State law regulating, controlling and governing stock bonds or securities of any type or nature, including without limitation The Security Act of 1933, The Securities Exchange Act of 1934, The Trust Indenture Act of 1939, The Public Utility Holding Company Act of 1935, The Investment Company Act of 1940, The Investment Advisers Act of 1940, and the so called "Blue Sky" Laws of the various state and other jurisdictions;

(c) arising out of or incident to any alleged violation(s) of any Federal or State law regulating, controlling and governing antitrust or the prohibition of monopolies, activities in restraint of trade, unfair methods of competition or deceptive acts and practices in trade and commerce including without limitation, the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act and the Hart-Scott Rodino Antitrust Improvements Act;

(d) of any Officer, Director or Trustee arising out of or asserted in a shareholder's derivative action;

(e) arising out of or contributed to by the dishonesty or infidelity of any "Insured";

(f) which would be payable under the terms of coverage of a Directors and Officers Liability Insurance Policy or a Directors and Company Reimbursement Indemnity Policy of the type issued by stock insurance companies of the United States, as if any "Insured" had obtained such coverage in an amount sufficient to pay the full amount being claimed against any "Insured", whether or not any "Insured" has obtained such coverage.

22. for "Bodily Injury", "Property Damage", "Personal Injury" and/or "Advertising Injury" arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the "Insured";

23. directly or indirectly caused by or contributed to by or arising from:

(a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

LEXINGTON INSURANCE COMPANY

(b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

(c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;

(d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;

(e) any chemical, biological, bio-chemical, or electromagnetic weapon.

This Exclusion shall be paramount and shall override anything contained in this Policy inconsistent therewith

24. (a) for "Personal Injury" and/or "Advertising Injury" arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the named "Insured" was made prior to the effective date of this Policy;

(b) for "Personal Injury" and/or "Advertising Injury" arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organisation or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the "Insured" with knowledge of the falsity thereof;

25. for "Advertising Injury" arising out of incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised.

Nothing contained in the above Exclusions shall extend this Policy to cover any liability which would not have been covered had these Exclusions not been incorporated herein.

IV. DEFINITIONS

1. ACT OF TERRORISM

The words "Act of Terrorism", wherever used in this Policy, mean an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

LEXINGTON INSURANCE COMPANY

2. ADVERTISING INJURY

The words "Advertising Injury" wherever used in this Policy, shall mean injury arising out of the named "Insured"'s advertising activities, if such injury arises out of any unintended libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

3. AIRCRAFT LIABILITY

The words "Aircraft Liability", wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of an aircraft, aeroplane or helicopter which is designed to fly in the air or atmosphere.

4. ANNUAL PERIODS OF CONSTRUCTION

The words "Annual Periods of Construction" wherever used in this Policy, shall mean the periods shown in Item 4 of the Declarations.

5. AUTOMOBILE

The word "Automobile," wherever used in this Policy, shall mean a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment, but the word "Automobile" shall not include "Mobile Equipment" or the contents of such vehicle, trailer or semi-trailer.

6. AUTOMOBILE LIABILITY

The words "Automobile Liability," wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of any "Automobile".

7. BODILY INJURY

The words "Bodily Injury", wherever used in this Policy, shall mean:

(a) bodily injury, sickness, disability, or disease;

(b) mental injury, mental anguish, humiliation, shock or death if directly resulting from bodily injury, sickness, disability or disease.

8. CLAIM

The word "Claim", wherever used in this Policy, shall mean that part of each written demand received by the "Insured" for damages, including the service of suit or institution of arbitration proceedings.

LEXINGTON INSURANCE COMPANY

9. COMPLETED OPERATIONS LIABILITY

The words "Completed Operations Liability", wherever used in this Policy, shall mean liability for "Bodily Injury" and/or "Property Damage" arising out of the "Insured"'s operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the "Bodily Injury" and/or "Property Damage" happens after such operations have been completed or abandoned and happens away from the premises owned by or rented to any "Insured" (other than those premises owned or operated by the named "Insured").

Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:-

(a) when all operations to be performed by or on behalf of the "Insured" under the contract have been completed; or,

(b) when all operations to be performed by or on behalf of the "Insured" at a "Construction Project Site" have been completed; or,

(c) when that portion of the work out of which the "Bodily Injury" and/or "Property Damage" arises has been put to its intended use by any person or entity other than another "Contractor" or "Subcontractor" engaged in performing operations for the Principal as part of the same project.

"Completed Operations Liability" does not include liability for "Bodily Injury" and/or "Property Damage" arising out of:

(a) operations in connection with the transportation of property, unless the "Bodily Injury" and/or "Property Damage" arises out of a condition in or on an "Automobile" created by the loading or unloading thereof, or,

(b) the existence of tools, uninstalled equipment or abandoned or unused materials.

10. CONSTRUCTION PROJECT SITE

The words "Construction Project Site", wherever used in this Policy, shall mean that area described in the construction contract documents including the area available for "Contractor" operations, access routes, rights-of-way and additional sites necessary or incidental thereto for which a work order has been issued by the named "Insured" other than liability relating to sites for which the named "Insured" has purchased separate policies.

Notwithstanding Condition 14 or the foregoing, in no event shall this Policy apply to any sites for which separate policies have been purchased (including those that have been cancelled, terminated or lapsed), even if the limits of such separate policies have been reduced or exhausted by any "Occurrence"s, including but not limited to the Ground Zero/World Trade Center Construction Site.

LEXINGTON INSURANCE COMPANY

11. CONTRACTOR

The word "Contractor", wherever used in this Policy, shall mean any individual, partnership, firm or corporation which has entered into a contract for construction with authority to perform "Contract Work" at any "Construction Project Site" unless such entity is specifically excluded from such coverage as is afforded by this Policy.

12. CONTRACT WORK

The words "Contract Work", wherever used in this Policy, shall mean the entire completed construction of the various separately identifiable parts required to be furnished under the contract documents.

13. DEFENCE EXPENSES

The words "Defence Expenses", wherever used in this Policy, shall mean investigation, adjustment, appraisal, defence and appeal costs and expenses and pre and post judgement interest, paid or incurred by or on behalf of the "Insured" and as detailed in Endorsement No. 20.

The salaries, expenses or administrative costs of the "Insured" or its employees or any insurer shall not be included within the meaning of "Defence Expenses".

14. DISCRIMINATION

The word "Discrimination", wherever used in this Policy, shall mean termination of an employment relationship or a demotion, or a failure or refusal to hire or promote an individual because of race, color, religion, age, sex, disability, pregnancy, natural origin, sexual orientation or other protected category or characteristic established pursuant to any applicable United States federal, state or local law, regulation or ordinance.

15. EMPLOYERS' LIABILITY

The words "Employer's Liability", wherever used in this Policy, shall mean any liability of an "Insured" to its employee arising out of the employment of that employee.

16. GENERAL LIABILITY

The words "General Liability", wherever used in this Policy, shall mean liability to which this Policy applies other than "Product Liability" and "Completed Operations Liability".

17. INAPPROPRIATE EMPLOYMENT CONDUCT

The words, "Inappropriate Employment Conduct", wherever used in this Policy, shall mean:

(a) actual or constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful or in breach of an implied employment contract or breach of the covenant of good faith or fair dealing in the employment contract;

(b) allegations of wrongful demotion, or wrongful discipline;

LEXINGTON INSURANCE COMPANY

(c) allegations of misrepresentation or defamation made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(d) allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(e) allegations of false imprisonment, detention or malicious prosecution made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(f) allegations of libel, slander, defamation of character or any invasion of right of privacy made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote; or,

(g) other injury allegations made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote.

Inappropriate Employment Conduct does not include damages determined to be owing under a written or express contract of employment or obligation to make payments, including but not limited to severance payments, in the event of the termination of employment.

Inappropriate Employment Conduct shall not include any allegations other than those set forth above.

18. **INSURED**

The word "Insured", wherever used in this Policy, shall mean only the following:-

(a) the named "Insured" set out in Item 1.(a) of the Declarations;

(b) i) the named "Insured"'s subsidiary, owned or controlled companies that are directly involved with the named "Insured" at the "Construction Project Site" which have been declared to and accepted by Underwriters at the inception of this Policy;

ii) any "Contractor" or "Subcontractor";

(c) any person or entity to whom the "Insured" is obliged by a written "Insured Contract" relating directly to a "Construction Project Site" entered into before any relevant "Occurrence", to provide insurance such as is afforded by this Policy but only with respect to:

i) liability arising out of operations conducted by the named "Insured" or on its behalf; or

ii) facilities owned or used by the named "Insured";

LEXINGTON INSURANCE COMPANY

iii) Limits of Liability that are not greater than those required under said "Insured Contract".

(d) any officer, director, stockholder, partner or employee of the "Insured", but only in respect of an "Occurrence" covered hereunder whilst acting within their duties.

19. INSURED CONTRACT

The words "Insured Contract", wherever used in this Policy, shall mean any written contract or agreement entered into by the "Insured" and pertaining to business under which the "Insured" assumes the tort liability of another party to pay for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" to a "Third Party" or organisation. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

20. INSURED'S PRODUCTS

The words "Insured's Products", wherever used in this Policy, shall mean goods or products manufactured, sold, handled or distributed by the "Insured" or by others trading under the name of the "Insured", including any packaging thereof.

21. LET

The word "Let", wherever used in this Policy, shall mean the commissioning by the named "Insured" of a contract for construction work with "Contractors" and/or "Subcontractors" for the performance of "Contract Work" at any "Construction Project Site" scheduled under this Policy in accordance with Endorsement No 2.

22. MOBILE EQUIPMENT

The words "Mobile Equipment", wherever used in this Policy, shall mean a land vehicle (including any machinery or apparatus attached thereto), whether or not self propelled

(a) not subject to motor vehicles registration, or

(b) maintained for use exclusively on premises owned by or rented to the named "Insured", including the ways immediately adjoining, or

(c) designed for use principally off public roads, or

(d) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: -

(i) power cranes, shovels, loaders, diggers and drills;

(ii) concrete mixers (other than the mix in transit type), graders, scrapers, rollers and other road construction or repair equipment;

(iii) air compressors; pumps and generators, including spraying, welding and building-cleaning equipment; and

(iv) geophysical exploration and well servicing equipment;

LEXINGTON INSURANCE COMPANY

23. OCCUPATIONAL DISEASE

The words "Occupational Disease", wherever used in this Policy, shall mean any injury, including death, sickness, disease or disability, defined as occupational disease in any workers compensation or disability benefits laws, statutes or regulations of any jurisdiction in which the "Occurrence" first commences or the Occupational Disease arises.

24. OCCURRENCE

The word "Occurrence", wherever used in this Policy, shall mean an accident, including continuous and repeated exposure to substantially the same general harmful conditions which results in "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury", none of which was intended by any "Insured".

25. PERSONAL INJURY

The words "Personal Injury", wherever used in this Policy, shall mean injury other than "Bodily Injury" arising from:

(a) false arrest, false imprisonment, wrongful eviction or wrongful detention of a "Third Party" human being;

(b) libel, slander, defamation of character or invasion of right of privacy of such human being;

(c) mental injury, mental anguish or shock to such human being which results from (a) or (b) above;

26. PRODUCT LIABILITY

The words "Product Liability", wherever used in this Policy, shall mean liability for "Bodily Injury" and/or "Property Damage" arising out of the "Insured's Products" or reliance upon a representation or warranty made at any time with respect thereto, but only if the "Bodily Injury" and/or "Property Damage" happens after physical possession of the "Insured's Products" has been relinquished to others and happens away from premises owned, leased, rented or occupied by the "Insured".

27. PRODUCT LIABILITY AND COMPLETED OPERATIONS LIABILITY COMBINED PERIOD

The words "Product Liability and Completed Operations Liability Combined Period", wherever used in this Policy, shall mean up to three years from completion of each "Contract Work".

28. PROFESSIONAL SERVICES

The words "Professional Services" wherever used in this Policy, shall mean the preparation or approval of audits, accounts, drawings, blue prints, maps, plans, opinions, reports, surveys, designs or specifications and supervisory, inspection, engineering or data processing services.

LEXINGTON INSURANCE COMPANY

29. PROPERTY DAMAGE

The words "Property Damage", wherever used in this Policy, shall mean physical loss of, physical damage to or physical destruction of tangible property of a "Third Party", including loss of use of the tangible property so lost, damaged or destroyed;

30. SEXUAL HARASSMENT

The words "Sexual Harassment", wherever used in this Policy, shall mean unwelcome sexual advances and/or requests for sexual favours and/or other verbal or physical conduct of a sexual nature that (1) are made a condition of employment and/or (2) are used as basis for employment decisions and/or (3) create a work environment that interferes with performance.

31. SUBCONTRACTOR

The word "Subcontractor", wherever used in this Policy, shall mean any individual, partnership, firm or corporation which has entered into a contract for construction with a "Contractor" or "Contractors" or with any tier of "Subcontractors" to perform "Contract Work" at a "Construction Project Site" unless such entity is specifically excluded from such coverage as is afforded by this Policy.

32. THIRD PARTY

The words "Third Party", wherever used in this Policy, shall mean any company, entity, or human being other than an "Insured" or other than a subsidiary, owned or controlled company or entity of an "Insured". An employee of an "Insured" shall be treated as a "Third Party".

33. ULTIMATE NET LOSS

The words "Ultimate Net Loss", wherever used in this Policy, shall mean the amount the "Insured" is obligated to pay, by judgement or settlement, as: -

(a) damages;

(b) expenses for necessary medical, surgical, x-ray and dental services including prosthetic devices;

(c) necessary ambulance, hospital, professional nursing and funeral services;

resulting from an "Occurrence" covered by this Policy.

34. UNINTENDED OMISSIONS, ERRORS OR INCORRECT DESCRIPTION

Liability to which this Policy applies shall not be prejudiced by any unintentional and/or inadvertent omission, error or incorrect description in the declaration of "Insured Contract"s provided notice is given to Underwriters as soon as practicable upon discovery of any such omission, error or incorrect description.

LEXINGTON INSURANCE COMPANY

35. WATERCRAFT LIABILITY

The words "Watercraft Liability", wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of any craft designed to float or travel on, in or under the water, including hovercraft.

36. WRONGFUL TERMINATION

The words "Wrongful Termination", wherever used in this Policy, shall mean termination of an employment relationship in a manner which is against the law, wrongful, or in breach of an implied or written agreement to continue employment.

LEXINGTON INSURANCE COMPANY

DECLARATIONS

Item 1.

(a) Name and Address of the named "Insured":

The Port Authority of New York and New Jersey, as Principal and named "Insured".

225 Park Avenue South,
12th Floor,
New York, N.Y. 10003

(b) "Construction Project Site"s:

Per Definition 10 but only those "Construction Project Site"s that are designated by and appear on the records of the named "Insured" as being insured under the Owner Controlled Insurance Program.

Item 2. Limits of Liability:

(a) "Ultimate Net Loss" in respect of each "Occurrence" which is always subject to (b) below: - USD 2,500,000

(b) Aggregate "Ultimate Net Loss" separately in respect of:

(i) "Products Liability" and "Completed Operations Liability" Combined:

USD 7,500,000

(ii) "Personal Injury":

USD 2,500,000 for each "Annual Period of Construction"

"Personal Injury" Annual Aggregate applicable as follows:

1st June 2010 – 1st June 2011

Excess of

USD 500,000 each "Occurrence" and in the aggregate as follows:

(a) "Products Liability" and "Completed Operations Liability" Combined:

USD 1,500,000

(b) "Personal Injury":

USD 500,000 for each "Annual Period of Construction"
"Personal Injury" Annual Aggregate applicable as follows:

1st June 2010 – 1st June 2011

LEXINGTON INSURANCE COMPANY

Item 3. Policy Period in respect of all "Construction Project Site"s: -

(a) Inception date: 1st June 2010

(b) Expiry date: 1st June 2011

All dates at 00.01 hours local standard time at the address of the named "Insured".

(c) "Products Liability" and "Completed Operations Liability" combined Period:

Three years from completion of each "Construction Project Site", but always subject to Condition 4. Cancellation or Non-Renewal.

Item 4. Annual Periods of Construction: -

1st June 2010 to 1st June 2011

All dates at 00.01 hours local standard time at the address of the named "Insured".

Item 5 Currency:-

United States Dollars (USD)

Item 6. Premium:-

(a) in accordance with Endorsement Number 3

(b) Payable on :- 1st June 2010

Item 7. Payment of Premium to: - Aon Limited

Item 8. Damages Payments to: - To be advised

Item 9. Service of Suit: - In accordance with the attached Service of Suit Clause: Lexington Insurance Company, 100 Summer Street, Boston, MA 02210-2103

Item 10. Notice of Occurrence: - To Lexington via Aon Limited,
North American Liability Claims Department,
8 Devonshire Square, London, EC2M 4PL
Fao: Graham Wingrove

Email: uscasualtyclaims@aon.co.uk

graham.wingrove@aon.co.uk

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 1

ACTIONS OVER/INDEMNITY BUYBACK

This Policy, subject to all its Insuring Agreements, Conditions, Exclusions and Definitions, is endorsed to indemnify the "Insured" for amounts for which it shall have become liable to pay and shall have paid on account of investigation, defense and indemnity as respects its responsibilities, if any, to any "Third Party" by virtue of defense and indemnity obligations assumed under written contract or agreement and arising from "Bodily Injury" of any employee(s) of the "Insured", except insofar as same may arise from "Occupational Disease".

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 2

PRODUCTS AND COMPLETED OPERATIONS LIABILITY EXTENSION (INCLUDING DISCOVERY)

(1) "Products Liability" and "Completed Operations Liability" shall extend for a period of 36 months from the completion of each "Construction Project Site" as referred to in Item 3.(c) of the Declarations.

(2) Notwithstanding anything else to the contrary contained in this Policy in respect of all coverage including "Products Liability" and "Completed Operations Liability" Underwriters are not liable, under any circumstances, for any liability of whatsoever nature, which is otherwise insured under this Policy, unless notice of "Occurrence" is given to Underwriters prior to expiry of 60 months after the inception of the "Products Liability" and "Completed Operations Liability" extension period referred to in paragraph (1) above.

In the event of any "Occurrence" for which Underwriters are or may become liable under this Policy, notice thereof shall be given to said Underwriters as soon as practicable and any and every notice of claim, pleading and paper of any kind relating to such "Occurrence" shall be forwarded promptly on behalf of the "Insured" to Underwriters.

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 3

PREMIUM AND ADJUSTMENTS

It is understood and agreed that the premium shall be computed and adjusted as follows:-

(1) The Minimum and Deposit premium is based upon applicable contractor payments during the period based on an estimated USD 707,463,000.

The Minimum and Deposit premium shall be adjusted at 1.35% on the actual payments made on contracts during the policy period.

(2) Premium instalment schedule

1st June, 2010	USD 9,550,751

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 4

COVERAGE TERRITORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

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

89644 (7/05)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 5

TERRORISM PREMIUM CHARGE ENDORSEMENT

The "Terrorism" charge is USD 95,508 and is included in the Policy Premium shown on the Declarations Page of this policy.

DEFINITION – The following definition of terrorism shall apply:

"Terrorism" means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm:

(1) A government;
(2) The civilian population of a country, state or community; or
(3) To disrupt the economy of a country, state or community.

So long as the Terrorism Risk Insurance Act of 2002 (the "Act") is in effect, "Terrorism" includes a certified act of terrorism defined by Section 102. Definitions, of the Act and any revisions or amendments thereto.

LX9827 (01/05)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 6

INCIDENTAL MEDICAL MALPRACTICE ENDORSEMENT

The definition of "Bodily Injury" is amended to include "Incidental Medical Malpractice Injury"

The words "Incidental Medical Malpractice Injury", wherever used in this Policy, shall mean injury arising out of the rendering of or failure to render, during the Policy Period, the following services: -

(a) medical, surgical, dental, x-ray or nursing services or the furnishing of food or beverages in connection therewith, or

(b) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to: -

(1) expenses incurred by the "Insured" for first aid at the time of an accident and Condition 13 is amended accordingly;

(2) any "Insured" engaged in the business or occupation of providing any of the services described under (a) or (b) above;

(3) injury caused by an indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under (a) or (b) above.

Coverage under this Endorsement shall not be prejudiced by Exclusion 2 of this Policy.

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 7

In respect of operations of the "Insured" within an Airport perimeter, the following Clause shall apply: -

NOISE AND POLLUTION AND OTHER PERILS EXCLUSION CLAUSE

1. This Policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:-

   (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,

   (b) pollution and contamination of any kind whatsoever,

   (c) electrical and electromagnetic interference,

   (d) interference with the use of property;

   unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

2. With respect to any provision in the Policy concerning any duty of Insurers to investigate or defend claims, such provision shall not apply and Insurers shall not be required to defend

   (a) claims excluded by Paragraph 1 or

   (b) a claim or claims covered by the Policy when combined with any claims excluded by Paragraph 1 (referred to below as "Combined Claims").

3. In respect of any Combined Claims, Insurers shall (subject to proof of loss and the limits of the Policy) reimburse the "Insured" for that portion of the following items which may be allocated to the claims covered by the Policy:

   (i) damages awarded against the "Insured" and

   (ii) defence fees and expenses incurred by the "Insured".

4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this Policy.

AVN 46B 1.10.96

Wherever used in this Clause, the word "Insurers" is deemed to read "Underwriters"

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 8

ASBESTOS EXCLUSION

This policy is amended as follows:

Section III. EXCLUSIONS, is amended to include the following additional exclusion:

1. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" in any way arising out of the use by any person or organization of or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust;

2. for "Property Damage" to real property arising out of the use by any person or organization of asbestos, asbestos products, asbestos fibers, asbestos dust, including without limitation the costs incurred with respect to the removal or abatement of asbestos, asbestos products, asbestos fibers or asbestos dust from or in such real property;

3. for any obligation of the "Insured" to indemnify any party because of damages arising out of such "Bodily Injury", "Personal Injury", "Property Damage", "Advertising Injury" and/or sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury, at any time as a result of the manufacture of, mining of, use of, sale of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust; or

4. for any obligation to defend any suit or "Claim" against the "Insured" alleging "Bodily Injury", "Personal Injury", "Advertising Injury" and/or sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury or "Property Damage" resulting from or contributed to, by any and all manufacture of, mining of, use of, sale of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust.

Extract from OCC-GL form LX9641 (10/05) (Amended)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 9

FUNGUS/MOLD EXCLUSION

This policy is amended as follows:

Section III. EXCLUSIONS, is amended to include the following additional exclusion:

for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" or any other loss, cost or expense, including, but not limited to losses, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:

1. Any "fungus(i)", "mold(s)", mildew or yeast, or

2. Any "spore(s)" or toxins created or produced by or emanating from such "fungus(i)", "mold(s)", mildew or yeast, or

3. Any substance, vapour, gas, or other emission or organic or inorganic body substance produced by or arising out of any "fungus(i)", "mold(s)", mildew or yeast, or

4. Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures or acts as a medium for any "fungus(i)", "mold(s)", mildew, yeast or "spore(s)" or toxins emanating therefrom,

regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that "Bodily Injury" or "Property Damage", loss, cost or expense.

For the purpose of this exclusion, Section IV. DEFINITIONS, is amended to include the following:

"Fungus(i)" includes, but is not limited to, any of the plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including molds, rusts, mildews, smuts, and mushrooms.

"Mold(s)" includes, but is not limited to, any superficial growth produced on damp or decaying organic matter of or on living organisms, and fungi that produces molds.

"Spore(s)" means any dormant or reproductive body produced by or arising or emanating out of any "fungus(i)", "mold(s)", mildew, plants, organisms or microorganisms.

Extract from OCC-GL form LX9641 (10/05) (Amended)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 10

CHROMIUM COPPER ARSENATE EXCLUSION

This policy is amended as follows:

Section III. EXCLUSIONS, is amended to include the following additional exclusion:

for any liability arising out of manufacture, installation, use, sale, handling, removal, distribution, application, inhalation or consumption of, or exposure to any chemical or product containing Chromium Copper Arsenate (CCA) or which has the same chemical formulary, or which is generally known in the chemical trade as having a substantially similar formulation, structure, or function by whatever name manufactured, formulated, structured, sold or distributed.

LX9546 (10/03) (Amended)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 11

EXTERIOR INSULATION AND FINISH SYSTEMS (EIFS) EXCLUSION

This policy is amended as follows:

Section III. EXCLUSIONS, is amended to include the following additional exclusion:

for "Bodily Injury", "Property Damage" or "Personal Injury" and "Advertising Injury" arising from or in any way relating to the insured's operations or interest or any other involvement in the design, manufacture, selling, construction, fabrication, preparation, installation, application, maintenance or repair, remodeling, servicing, correction, or replacement of an "Exterior Insulation and Finish System" (commonly referred to as synthetic stucco or EIFS) or any part thereof, or any substantially similar system or any part thereof, including but not limited to, the application of or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system.

Section IV. DEFINITIONS, 18. "Insured Contract" is amended to include the following:

Insured Contract shall NOT include any liability for "Bodily Injury", "Property Damage" or "Personal Injury" and "Advertising Injury" arising from or in any way relating to the insured's operations or interest or any other involvement in the design, manufacture, selling, construction, fabrication, preparation, installation, application, maintenance or repair, remodeling, servicing, correction, or replacement of an "Exterior Insulation and Finish System" (commonly referred to as synthetic stucco or EIFS) or any part thereof, or any substantially similar system or any part thereof, including but not limited to, the application of or use of conditioners, primers, accessories, flashings, coatings, caulkings or sealants in connection with such a system.

For the purposes of this exclusion, Section IV. DEFINITIONS, is amended to add the following:

"Exterior Insulation and Finish System" means an exterior cladding or finish system used in any part of any commercial or industrial structure, single or multi-family dwelling, duplex, townhouse, or any similar residential structure, and consisting of:

1. A rigid or semi-rigid insulation board made of expanded polystyrene or other materials;
2. Concrete or any other type of masonry or similar substrate;
3. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
4. A reinforced base coat; and
5. A finish coat providing surface texture and color.

LX9547 (10/02) (Amended)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 12

SILICA EXCLUSION ENDORSEMENT

This policy is amended as follows:

Section III. EXCLUSIONS, is amended to include the following additional exclusion:

This insurance does not apply to:

for any liability arising out of "Silica", "Silica" fiber(s) or "Silica Dust" or any product(s) containing "Silica", "Silica" fiber(s) or "Silica Dust".

Section IV. DEFINITIONS is amended to include the following additional definitions:

"Silica" means:

1. The substance commonly known as Silica; and

2. Any substance or product which has the same or substantially similar chemical formulation, structure or function as Silica, by whatever name manufactured, formulated, structured, sold or distributed.

"Silica Dust" means:

1. Dust comprising of Silica only; and

2. Dust comprising of Silica mixed with other dust or fiber(s) including, but not limited to, asbestos fibers.

It is understood that to the extent any coverage may otherwise be provided under this Policy or any of its endorsements, the provisions of this exclusion will supercede.

80479 (02/03) (Amended)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 13

POLYCHLORINATED BIPHENYL ("PCB") EXCLUSION ENDORSEMENT

This policy is amended as follows:

Section III. EXCLUSIONS, is amended to include the following additional exclusion:

for any liability arising out of "Polychlorinated Biphenyl ("PCB")".

Section IV. DEFINITIONS is amended to include the following additional definition:

"Polychlorinated Biphenyl ("PCB")" means:

1. The substance commonly known as Polychlorinated Biphenyl ("PCB");

2. Any substance or product sold or distributed under any of Polychlorinated Biphenyl's ("PCB") trade names; and

3. Any substance or product which has the same or substantially similar chemical formulation, structure or function as Polychlorinated Biphenyl ("PCB"), by whatever name manufactured, formulated, structured, sold or distributed.

It is understood that to the extent any coverage may otherwise be provided under this Policy or any of its endorsements, the provisions of this exclusion will supercede.

80461 (02/03) (Amended)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 14

LEAD EXCLUSION (ABSOLUTE)

This policy is amended as follows:

Section III. EXCLUSIONS, is amended to include the following additional exclusion:

for any "Bodily Injury", "Property Damage", "Personal Injury" or "Advertising Injury" for past, present or future claims arising in whole or in part, either directly or indirectly, out of the manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, exposure to, ingestion of or testing for, lead whether or not the lead is or was at any time airborne as a particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion or found in any form whatsoever.

It is further agreed that this Policy does not apply to any liability including expenses for:

(1) The costs of clean up or removal of lead or products and materials containing lead;

(2) The costs of such actions as may be necessary to monitor, assess and evaluate the release or threat of same, of lead or products and material containing lead;

(3) The cost of disposal of lead substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize or mitigate damage to the public health or welfare or to the environment, which may otherwise result;

(4) The cost of compliance with any law or regulation regarding lead.

It is further agreed that for any "Claim" made or suit brought which is excluded under the terms of this endorsement, Underwriters shall not have the obligation to defend, adjust, investigate or pay any costs for investigation, defense, adjustment or attorney fees arising out of such "Claims".

LX9505 (05/02) (Amended)

All other terms and conditions remain unchanged.

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 15

PREMISES ALIENATED EXCLUSION

This Policy does not apply to any actual or alleged liability:

arising out of "Property Damage" to premises alienated by the Named "Insured" arising out of such premises or any part thereof but this exclusion not to apply in respect of "Completed Operations Liability" coverage as afforded elsewhere in this Policy.

All other terms and conditions remain unchanged.

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 16

EXCLUSION - VIOLATION OF STATUTES IN CONNECTION WITH SENDING, TRANSMITTING OR COMMUNICATING ANY MATERIAL OR INFORMATION

This endorsement modifies insurance provided by the Policy:

This insurance does not apply to any loss, injury, damage, "Claim", suit, cost or expense arising out of or resulting from, caused directly or indirectly, in whole or in part by, any act that violates any statute, ordinance or regulation of any federal, state or local government, including any amendment of or addition to such laws, that includes, addresses or applies to the sending, transmitting or communicating of any material or information, by any means whatsoever.

To the extent any coverage may otherwise be available under this Policy, the provisions of this exclusion shall supercede the same and exclude such coverage.

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 17

SERVICE OF SUIT ENDORSEMENT

In the event of the failure of Underwriters to pay any amount claimed to be due hereunder, Underwriters, at the request of the "Insured", will submit to the jurisdiction of any court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court or seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, Lexington Insurance Company, 100 Summer Street, Boston, Massachusetts, 02110-2103 or his or her representative, and that in any suit instituted against Underwriters upon this policy, Underwriters will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters designate the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the "Insured" or any beneficiary hereunder arising out of this policy of insurance, and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

LX9476 (Ed. 12/01) (Amended)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 18

SCHEDULES OF OPEN CONTRACTS

Schedules of open contracts will be supplied to Underwriters within 90 days of each anniversary of the date stated in Item 3.(a) of the Declarations.

These schedules will include the date each contract was started and/or completed together with the contract value.

However, all jobs with contract value's in excess of USD 100,000,000 are to be individually referred to, and agreed by Lexington Insurance Company prior to the start of Construction.

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 19

EXECUTIVE OFFICER DEFINITION

Section IV. DEFINITIONS is amended to include the following:

EXECUTIVE OFFICER

The words "Executive Officer", wherever used in this Policy, mean the Chairman of the Board, President, Chief Executive, Operating, Financial and Administrative Officers, Managing Director, or any Executive or Senior Vice President of the Insured. Where any such title is inapplicable, the equivalent level of personnel shall be substituted.

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 20

CLAIMS PROCEDURE

This endorsement is to be amended upon agreement between the Company and other applicable Insurers by 31st August 2010.

Third Party Administrator

John Riddle Claims Consultants (JRCC) are the appointed Third Party Administrator.

JRCC responsibilities are:

- Maintenance of Claim files
- Reserve posting and changes
- Monthly bordereaux to Underwriters
- Issuance of Claims Funds
- Transmittal of summons and complaints
- Management of trust fund account
- Reporting to Underwriters if and when required
- Issuing Reservation of Rights if and when required (subject to CRC/Underwriters' approval as appropriate)
- Member of CRC
- Triangulations as at the following dates; 31st January, 28th February, 31st March, 30th June, 30th September, 31st December each policy year.

JRCC will charge a flat fee of USD 300 for Property Damage Claims settled up to USD 15,000. Property Damage losses in excess of USD 15,000 and Bodily Injury losses will be billed on a hourly basis at USD 90 per hour.

Underwriters concur that JRCC will have ground up settlement authority of up to USD 100,000 per occurrence. Where practical the CRC (and insurers if appropriate) will be kept informed of all proposed settlement agreements.

Claims Review Committee (CRC) and Sub-Committee (CRSC)

The CRC will consist of the following parties:

Port Authority of New York and New Jersey, Treasury, Risk Finance, Law Departments
Approved Defence Counsel
AON – Port Authority Service Team New York and AON Limited, London
Underwriters at Interest
JRCC
Workers Compensation Carrier

The CRC will meet on a monthly basis in New York and annually in London. The list of cases for CRC meetings and attorney case summaries will be submitted to CRC members at least ten days prior to each meeting.

As a practical matter Underwriters may not attend all CRC meetings.

LEXINGTON INSURANCE COMPANY

The CRC and CRC sub-committee as appropriate will be responsible for establishing reserves for both indemnity and costs. The CRC will have ground up settlement authority of up to USD 500,000 per occurrence.

Claims Negotiation Days (Settlement Days)

In an attempt to resolve cases in a cost effective manner these should take place every forty five days where practical. It is the responsibility of the CRC to nominate the appropriate cases which will be negotiated before retired Judge Anthony Mercorella or other appropriate party to be advised.

Notice to Underwriters

Underwriters will be immediately advised in writing of losses reserved at USD 250,000 or greater or any losses involving the following criteria:

1. Fatality
2. Closed Head Injury/Neurological Injury
3. Spinal Cord Damage or paralysis
4. Loss of limb
5. Partial or full loss of sight
6. Permanent disability
7. Significant burns cases – in excess of 10% of body surface
8. Where three or more parties are injured arising out of one incident
9. Where New York labor law 240/241 may apply to present exposure into Underwriter's layer of coverage.

Defense of "Insured"

For all losses in suit where notice to Underwriters is appropriate JRCC will nominate defence counsel from a "to be agreed" panel.

Underwriters will review the nomination and promptly respond with instructions. Subject to terms of engagement approved defense counsel may thereafter file the appropriate pleadings and assume the defence of the "Insured".

Defence counsel will operate within agreed to guidelines.

Payment of Fees

Subject to policy terms and conditions Underwriters will be responsible for payment of defence costs and related expenses incurred in the defence of the "Insured". Underwriters shall not however be responsible for the fees and/or expenses of the "Insured's" own staff.

Annual Review

This endorsement is subject to annual review commencing 1st June, 2008.

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 21

ADDITIONAL INSURED ENDORSEMENT

Underwriters agree that, if required by written contract, any person, firm or organisation is included as an Additional "Insured" but only in respect of liability for "Bodily Injury" and/or "Property Damage" arising out of operations performed by the named "Insured" and only to the extent required under said written contract.

This Insurance applies separately to each "Insured" against whom claim is made or suit is brought except with respect to Underwriters limits of liability.

The inclusion of any person, firm or organisation as an "Insured" shall not affect any right which such person, firm or organisation would have as a claimant if not included.

All other terms, conditions and limitations of this Policy remain unchanged.

LEXINGTON INSURANCE COMPANY

Policy No.: 1070561

COMPANY POLICY

Name: The Port Authority of New York and New Jersey, as Principal and Named "Insured"

Expiry Date: 1st June 2011

ORIGINAL
COPY

Lloyd's Policy

We, Underwriting Members of the Syndicates whose definitive numbers and proportions are shown in the Table attached hereto (hereinafter referred to as 'the Underwriters'), hereby agree, in consideration of the payment to Us by or on behalf of the Assured of the Premium specified in the Schedule, to insure against loss, including but not limited to associated expenses specified herein, if any, to the extent and in the manner provided in this Policy.

The Underwriters hereby bind themselves severally and not jointly, each for his own part and not one for another, and therefore each of the Underwriters (and his Executors and Administrators) shall be liable only for his own share of his Syndicate's proportion of any such Loss and of any such Expenses. The identity of each of the Underwriters and the amount of his share may be ascertained by the Assured or the Assured's representative on application to Lloyd's Policy Signing Office, quoting the Lloyd's Policy Signing Office number and date shown in the Table.

If the Assured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claim hereunder shall be forfeited.

In Witness whereof the General Manager of Lloyd's Policy Signing Office has signed this Policy on behalf of each of Us.

R.C. Turner

LLOYD'S POLICY SIGNING OFFICE

General Manager

FOR EMBOSSMENT BY LLOYD'S POLICY SIGNING OFFICE

J(A) NMA 2421 (3/1/95) Form approved by Lloyd's Underwriters' Non-Marine Association Limited.

Schedule

Policy or Certificate No. 823/WE0500342 Contract No. (if any)

The name ~~and address~~ of the Assured

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AS OWNER AND ALL CONTRACTORS AND ALL CO AND SUB-CONTRACTORS AND CONSULTANTS AND SUB-CONSULTANTS AND PROGRAMME MANAGERS AND OTHER PARTIES and as may be more fully set forth in the attached Wording.

The risk, interest, location and limit(s) of liability hereunder

TYPE: CONTRACTOR INSURANCE PROGRAMME

all as more fully defined in the attached Wording which is deemed incorporated herein and shall form an integral part of this policy.

It is understood and agreed that wherever the terms "$", "Insured" or "the Company" appear herein same shall be deemed to read "USD", "Assured" and "the Underwriters" respectively.

The Premium-being this Policy's proportions:	USD 3,993,412.50 part of USD 7,986,825.00 payable at 1st February, 2005 USD 3,993,412.50 part of USD 7,986,825.00 payable at 1st December, 2005 USD 3,422,925.00 part of USD 6,845,850.00 payable at 1st April, 2006 Plus, in respect of TRIA 2002: USD 40,337.50 part of USD 80,675.00 payable at 1st February, 2005 USD 40,337.50 part of USD 80,675.00 payable at 1st December, 2005 USD 34,575.00 part of USD 69,150.00 payable at 1st April, 2006 Less USD 100,000.00 part of USD 200,000.00 in respect of Claim Fund at 1st February, 2005

The period of Insurance from 1st February, 2005 to 1st June, 2007 both days at 00.01 hours Local Standard Time and for such further period or periods as may be mutually agreed upon

Dated in LONDON 19th August, 2005

L.P.S.O.

NMA LINES CLAUSE

This Insurance, being signed for 50.00% of 100.00% insures only that proportion of any loss, whether total or partial, including but not limited to that proportion of associated expenses, if any, to the extent and in the manner provided in this Insurance.

The percentages signed in the Table are percentages of 100.00% of the amount(s) of Insurance stated herein.

N.M.A. 2419

ATTACHING TO AND FORMING PART OF POLICY NUMBER: 823/WE0500342

ISSUED TO: **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**
and as more fully set forth in section 4 of the wording.

It is agreed that this Policy is amended as follows, with effect from 1st February 2005:

Declarations – Limits of Liability - Page 2 amended as follows:

USD 250,000 any one accident, any one occurrence, any one Assured, without aggregate except as more fully described below.

Underwriters total liability in respect of Personal Injury claims only for all damages under Insuring Agreement 1 shall not exceed a period aggregate indemnity limit of as follows:-

1st February 2005 until 1st February 2006	USD 250,000
1st February 2006 until 1st June 2007	USD 333,333

Underwriters total liability in respect of all damages under Insuring Agreement 1 sustained during the period of the Products/Completed Operations Hazard of each individual Assured shall not exceed an aggregate indemnity limit of USD 250,000 for such period.

Section 1 Insuring Agreement Item 2 Limit of Liability – Page 4 amended as follows:

Regardless of the number of (1) Assureds under this Policy; (2) persons or organisations who sustain Bodily Injury, Personal Injury, Property Damage or Advertising Injury, or (3) claims made or suits brought on account of Bodily Injury, Personal Injury, Property Damage, or Advertising Injury, Underwriters' liability is limited as follows:

(a) The Total amount that Underwriters will pay is the sum of:

(i) All damages in respect of Bodily Injury, Personal Injury, Property Damage and/or Incidental Contractual Liability and/or Advertising Injury under Insuring Agreement 1(A), and

(ii) Medical Expenses in respect of Bodily Injury under Insuring Agreement 1 (C)

sustained by any one Assured arising out of any one occurrence and such total amount shall not exceed the amount stated in the Declarations Page as "any one accident any one occurrence any one Assured". Costs incurred under (B) above are in addition to such amount.

(b) Notwithstanding the above provision (a) the total liability of Underwriters in respect of Personal Injury claims only for all damages under Insuring Agreement 1, shall not exceed in the annual aggregate the amount shown under the heading Limits of Liability in the Declarations Pages.

(c) Notwithstanding the above provision (a) the total liability of Underwriters for all damages under Insuring Agreement 1 sustained during the period of the Products/Completed Operations Hazard of each individual Assured shall not exceed in the aggregate for such period the amount shown under the heading of Limits of Liability in the Declarations Pages.

Section 3 – Conditions Item 13.(ii) Defence, Settlement, Supplementary Payments – Page 28/29 to include the following:

Items (A) to (D) above shall be termed "Defence Costs" for the purpose of this policy.

Endorsement No. 6 – Watercraft Endorsement – Page 46 amended as follows:

WATERCRAFT ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPREHENSIVE GENERAL LIABILITY COVERAGE FORM

Section 2, Exclusions No. 1 - Aircraft, Auto or Watercraft is amended to read:

1. Automobiles/Aircraft/Watercraft

(i) Bodily Injury, Personal Injury and/or Advertising Injury or Property Damage arising out of ownership, maintenance, operations, use, loading or unloading of:

(a) any automobile or aircraft owned or operated by or rented or loaned to any Assured, or

(b) any other automobile or aircraft operated by any person in the course of his employment by any Assured;

but this exclusion does not apply to the operation, use, loading or unloading of an automobile at or on the premises of the construction site of the project (including the ways immediately adjoining) PROVIDED, however, the insurance afforded hereby shall be in excess over any other valid and collectible insurance (whether primary, excess or contingent,) EXCEPT other insurance written to apply specifically as excess to this policy.

(ii) Bodily Injury, Personal Injury, Advertising Injury or Property Damage arising out of;

(a) the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organised racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or;

(b) the operation or use of any snowmobile or trailer designed for use therewith.

(c) the operation, use, loading or unloading of any watercraft other than as provided for below:-

(i) in respect of the "First named Assured" as defined in paragraph (A) of Definition 1, this Policy will include watercraft less than 50 feet long which are not owned by the Assured

(ii) in respect of the "First Named Assured" as defined in paragraph (B) of Definition 1, this Policy will include watercraft less than 50 feet long which are owned, not owned or hired by the Assured.

Notwithstanding the above, this Policy will not cover any watercraft which are being used:-

1) to carry persons or property for a charge.
2) In any pre-arranged race or speed contest.

Endorsement No. 9 – Page 49 amended as follows:

Layer A Only

U.S. Terrorism Risk Insurance Act of 2002 New & Renewal Business Endorsement

This Endorsement is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as summarized in the disclosure notice.

In consideration of a premium of 1% included in the total premium, it is hereby noted and agreed with effect from inception that the Terrorism exclusion to which this Insurance is subject, shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002".

The coverage afforded by this Endorsement is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002". The coverage provided by this endorsement shall expire at 12.00 midnight December 31 2005, the date on which the TRIA program is scheduled to terminate, and shall not cover any losses or events which arise after that said date. The Terrorism exclusion, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

This Endorsement only affects the Terrorism exclusion to which this Insurance is subject. All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

Furthermore the Underwriter(s) will not be liable for any amounts for which they are not responsible under the terms of the U.S. Terrorism Risk Insurance Act of 2002 (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on the Underwriter's liability for payment for terrorism losses.

NMA2969A 25/11/04
Form approved by Lloyd's Market Association [Non-Marine]

Layer B Only

TERRORISM PREMIUM CHARGE ENDORSEMENT

The "Terrorism" charge is USD 269,000 and is included in the Policy Premium shown on Endorsement No. 5.

DEFINITION – The following definition of terrorism shall apply:

"Terrorism" means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organisation, government, power, authority or military force, when the effect is to intimidate, coerce or harm:

(1) A government;
(2) The civilian population of a country, state or community; or
(3) To disrupt the economy of a country, state or community.

So long as the Terrorism Risk Insurance Act of 2002 (the "Act") is in effect, the "Terrorism" includes a certified act of terrorism defined by Section 102. Definitions, of the Act and any revisions or amendments thereto.

Endorsement No. 10 added as follows:-

All jobs with contract values exceeding USD 100,000,000 to be referred to and agreed by Underwriters prior to start.

Endorsement No. 11 added as follows:-

Apportionment Of Defence Costs

Whenever any written demand received by the Assured for damages is finally resolved by a payment by the Assured which, regardless of the amount thereof, is only covered partially by this Policy, then the percentage of any Defence Costs that will be paid pursuant to Insuring Agreement 1B shall be calculated by dividing the part of such payment which is covered by this Policy, by the total amount paid by the Assured.

Endorsement No. 12 added as follows:

Section 4 Definitions to include the following:

Damages to be defined as:

"Damages" means all forms of compensatory damages, monetary damages and statutory damages, which the Assured shall be obligated to pay by reason of judgment or settlement for liability on account of Bodily Injury, Personal Injury, Property Damage, Incidental Contractual Liability whether oral or written, Advertising Injury and/or Medical Expenses covered by this Policy.

Endorsement No. 13 Claims Procedure added as follows:

Third Party Administrator/Negotiator

It is agreed that John Riddle Claims Consultants (JRCC) are the appointed Third Party Administrator / Negotiator. They are responsible for the 1995 year policy onwards.

Responsibilities

JRCC administrative duties include:

- Maintenance of Claim files
- Reserve posting and changes
- Monthly bordereaux to underwriters
- Issuance of Claims Funds
- Transmittal of summons and complaints
- Management of trust fund account
- Reporting to Underwriters if and when required
- Issuing Reservation of Rights if and when required (subject to Underwriters prior agreement)

Trust Funds

JRCC is responsible and holds trust funds for the 1995 year and onwards. Underwriters agree that the amount of the trust fund is USD 200,000 for each year.

Charges

JRCC will charge a flat fee of USD 300 for property damage claims settled up to USD 15,000. Property damage losses in excess of USD 15,000 to be billed on a hourly basis (USD 90 per hour). Bodily Injury claims will be billed at USD 90 per hour.

Authority

Underwriters agree that JRCC will have settlement authority of USD 50,000 in respect of both physical damage and bodily injury losses.

Defence of Assured/Contractors

It is agreed that Wilson, Elser, Moscowitz; Edelman & Dicker (WEMED) are the appointed Defence counsel in respect of any covered contractors named in suits that may give rise to losses under the CIP PROGRAMME. In the event of a conflict of interest, WEMED are to notify underwriters immediately.

Payment of Fees

Underwriters will be responsible for payment of all fees and expenses reasonably incurred in defence of the Assured and/or Contractors. In no event shall underwriters be responsible for the fees and/or expenses of the Assured and/or Contractors own staff.

Reporting

Claims involving the defence of the Assured / Contractor and that exceed the settlement authority of the Claims Review Committee, shall be reported to underwriters in accordance with the Lloyds Terms of Engagement for defence counsel.

Losses that have been set an indemnity reserve of USD 150,000 and above are to be reported to underwriters by WEMED for noting on the same basis as set out above.

Claims Review Committee

It is noted that the Claims review committee will consist of the following parties:

Port Authority of New York and New Jersey	-	Treasury and Risk Finance.
Port Authority of New York and New Jersey	-	Law Department
WEMED	-	Defence counsel.
AON – Port Authority Service Team New York	-	Insurance Brokers
John J. Riddle Claims Consultants	-	TPA/Negotiator
Underwriters at Interest	-	Insurers.
Aon Limited, London	-	Insurance Brokers

The Claims Review Committee (CRC) will meet on a monthly basis to review cases and provide consensus as to early and cost effective resolution of CIP cases. Underwriters at Interest and Aon Limited, London appearances at the meetings are not essential unless:

(a) The Assured requests them
(b) They wish to attend for audit purposes.
(c) Contentious issues / claims will be discussed.

The CRC will have the authority to settle cases up to USD 250,000. Any losses in excess of this amount will need to be referred to Underwriters for their approval.

Underwriters will have the right to audit any settlements made or attend and CRC meeting, at any time, subject to notice being given to the appropriate parties.

The costs of one underwriting representative in attending the CRC meetings will be reimbursed by the trust fund, but are limited to two trips per annum and actual costs expended being in relation to work on the Port Authority of New York and New Jersey account.

Reserving

It will be the responsibility of the CRC to set and establish reserves for both indemnity and costs.

Settlement Days

It is agreed that subject to availability, settlement days should take place every 45 days in an attempt to resolve cases in a cost effective manner. It is the responsibility of the CRC to select cases suitable for a settlement day.

Settlement days should take place before a retired Supreme Court judge Anthony Mercorella or other appropriate party to be advised.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THIS POLICY REMAIN UNCHANGED

PORT AUTHORITY OF NEW YORK AND NEW JERSEY

COMPREHENSIVE GENERAL LIABILITY

DECLARATIONS

Named Assured:	**The Port Authority of New York and New Jersey** and as more fully set forth in Section 4.
Producers Name:	**AON Risk Services Inc.** **Port Authority of NY and NJ Service Team**
Mailing Address:	300 Jericho Quadrangle Suite 300 P.O. Box 342 Jericho New York 11753
Interest:	This policy includes all construction contracts, designated by and on the records of the Port Authority of New York and New Jersey and PATH, as being insured under the Owner Controlled Insurance Program (O.C.I.P.) referred to as the Contractor Insurance Program (C.I.P.) of the Port Authority of New York and New Jersey.
Policy Period:	Losses occurring during the 28 month period from 00.01 Hours 1st February 2005 to 00.01 Hours 1st June 2007 Policy period dates are Local Standard Time at the address of the Named Assured and policy coverage is subject to the Discovery Period defined in Endorsement No.3. For the purposes of aggregation of limits, administrative and notice of cancellation purposes, the anniversary date of this policy shall be 1st June, the first anniversary date being 1st June 2005. This policy covers losses occurring during the period on individual contracts let by the Assured prior to the 1st June 2007 for terms of job plus 36 months Completed Operations Hazard, all subject to 60 months Discovery Clause attaching from inception of Completed Operations coverage for each individual contract.

In consideration for the payment of premium and subject to all the terms of this policy, the Underwriters agree to provide the Named Assured with the insurance as stated in this policy.

Limits of Liability - As Section I: Insuring agreement 2

USD 250,000 any one accident, any one occurrence, any one Assured, without aggregate except as more fully described in Insuring agreement 2.

Premiums and Premium adjustment:
As per Endorsement No. 5 of this policy wording.

Currency:
U.S. Dollars (USD)

Policy Territory
As per Section 4 Definition no. 17

Notice of Loss:

Notice of Loss shall be given to Underwriters via:

Aon Limited,
North American Liability Claims,
Scimitar House,
23 Eastern Road,
Romford,
Essex RM1 3NH,
United Kingdom.

For the attention of: Graham Wingrove / Sarah Newman
Telephone: 44 1708 730 333
Facsimile: 44 1708 759 032

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SECTION 1 INSURING AGREEMENT

1. COVERAGE

Underwriters agree, subject to the Insuring Agreements, Exclusions, Conditions, Definitions contained herein, to:

(A) Pay on behalf of the Assured those sums which the Assured shall become legally or contractually obligated to pay as damages because of:

(i) Bodily Injury
(ii) Personal Injury
(iii) Property Damage
(iv) Incidental Contractual liability whether oral or written
(v) Advertising Injury

caused by an occurrence

(B) Defend any suit against the Assured in accordance with Subsection 13 of Section 3 (Conditions) of this Policy.

(C) Pay to or for each Person who sustains Bodily Injury caused by an occurrence, all reasonable Medical Expenses incurred within one year from the date of such occurrence on account of such Bodily Injury, provided such Bodily Injury arises out of operations with respect to which the Named Assured is afforded coverage under this Policy.

It is understood and agreed that Underwriters' duty to defend any suit against the Assured ends when the per Occurrence limit of Underwriters' liability has been exhausted by payment of judgements or settlements under coverage (A) and (C) above

2. LIMIT OF LIABILITY

Regardless of the number of (1) Assureds under this Policy; (2) persons or organisations who sustain Bodily Injury, Personal Injury, Property Damage or Advertising Injury, or (3) claims made or suits brought on account of Bodily Injury, Personal Injury, Property Damage, or Advertising Injury, Underwriters' liability is limited as follows:

(a) The Total amount that Underwriters will pay is the sum of:

(i) All damages in respect of Bodily Injury, Personal Injury, Property Damage and/or Incidental Contractual Liability and/or Advertising Injury under Insuring Agreement 1(A), and

(ii) Medical Expenses in respect of Bodily Injury under Insuring Agreement 1 (C)

sustained by any one Assured arising out of any one occurrence and such total amount shall not exceed the amount stated in the Declarations Page as "any one accident any one occurrence any one Assured". Costs incurred under 1(B) above are in addition to such amount.

(b) Notwithstanding the above provision (a) the total liability of Underwriters in respect of Personal Injury claims only for all damages under Insuring Agreement 1 shall not exceed an annual aggregate indemnity limit of USD 250,000

(c) Notwithstanding the above provision (a) the total liability of Underwriters for all damages under Insuring Agreement 1 sustained during the period of the Products/Completed Operations Hazard of each individual Assured shall not exceed an aggregate indemnity limit of USD 250,000 for such period.

SECTION 2 EXCLUSIONS

This insurance does not apply to:

1. Automobiles/Aircraft

   (i) Bodily Injury, Personal Injury and/or Advertising Injury or Property Damage arising out of ownership, maintenance, operations, use, loading or unloading of:

   (a) any automobile or aircraft owned or operated by or rented or loaned to any Assured, or

   (b) any other automobile or aircraft operated by any person in the course of his employment by any Assured;

   but this exclusion does not apply to the operation, use, loading or unloading of an automobile at or on the premises of the construction site of the project (including the ways immediately adjoining) PROVIDED, however, the insurance afforded hereby shall be in excess over any other valid and collectible insurance (whether primary, excess or contingent,) EXCEPT other insurance written to apply specifically as excess to this policy.

   (ii) Bodily Injury, Personal Injury, Advertising Injury or Property Damage arising out of;

   (a) the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organised racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or;

   (b) the operation or use of any snowmobile or trailer designed for use therewith.

2. Offshore Oil (USA)

   any loss, damage, cost, liability, expense, fine, penalty or punitive or exemplary damage whatsoever, directly or indirectly caused or contributed to by or arising from the actual, alleged, suspected or threatened discharge, release, dispersal or emission, spillage or leakage of oil into or upon the navigable waters of the United States of America, or adjoining shorelines, or the exclusive economic zones of the United States established by Presidential Proclamation numbered 5030, dated March 10, 1983.

   For the purpose of this exclusion, oil means of any kind or in any form, including but not limited to, crude oil, petroleum, fuel oil, sludge, oil refuse, and oil mixed with any waste or other substances.

3. War, Civil War etc. (in respect of operations outside Airport Perimeter)

Bodily Injury, Personal Injury, Advertising Injury or Property Damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to:

(a) liability assumed by the Assured under an Incidental Contract, or

(b) expenses for first aid under the Supplementary Payments provision;

War, Hi-Jacking And Other Perils Exclusion Clause (Aviation)
(in respect of operations within Airport Perimeter)

This Policy does not cover claims caused by

(a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.

(b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

(c) Strikes, riots, civil commotions or labour disturbances.

(d) Any act of one or more persons, whether or not agents of a Sovereign Power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.

(e) Any malicious act or act of sabotage.

(f) Confiscation, nationalisation seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority.

(g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the Aircraft or crew in flight (including any attempt at such seizure or control) made by any person or persons on board the Aircraft acting without the consent of the Assured.

Furthermore this Policy does not cover claims arising whilst the Aircraft is outside the control of the Assured by reason of any of the above perils. The Aircraft shall be deemed to have been restored to the control of the Assured on the safe return of the Aircraft to the Assured at an airfield not excluded by the geographical limits of this Policy, and entirely suitable for the operation of the Aircraft (such safe return shall require that the Aircraft be parked with engines shut down and under no duress).

26.8.71 AVN.48B

Extended Coverage Endorsement (Aviation Liabilities)
(in respect of operations within Airport Perimeter)

1. WHEREAS the Policy of which this Endorsement forms part includes the War, Hi-Jacking and Other Perils Exclusion Clause (Clause AVN 48B), IN CONSIDERATION of an Additional Premium of included, it is hereby understood and agreed that with effect from 1st August 2002 , all sub-paragraphs other than (b) of Clause AVN 48B forming part of this Policy are deleted SUBJECT TO all terms and conditions of this Endorsement.

2. EXCLUSION applicable only to any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48B.

   Cover shall not include liability for damage to any form of property on the ground situated outside Canada and the United States of America unless caused by or arising out of the use of aircraft.

3. LIMITATION OF LIABILITY
   The limit of Underwriters' liability in respect of the coverage provided by this Endorsement shall be a sub-limit of USD 2,000,000 or the applicable Policy limit whichever the lesser any one occurrence and in the annual aggregate. This sub-limit shall apply within the full Policy Limit and not in addition thereto.

4. AUTOMATIC TERMINATION

   To the extent provided below, cover extended by this Endorsement shall TERMINATE AUTOMATICALLY in the following circumstances:

   (i) **All cover**
   - upon the outbreak of war (whether there be a declaration of war or not) between any two or more of the following States, namely, France, the People's Republic of China, the Russian Federation, the United Kingdom, the United States of America

   (ii) **Any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48B**
   - upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter wheresoever or whensoever such detonation may occur and whether or not the insured Aircraft may be involved

   (iii) **All cover in respect of any of the insured Aircraft requisitioned for either title or use**
   - upon such requisition

PROVIDED THAT if an Insured Aircraft is in the air when (i), (ii) or (iii) occurs, then the cover provided by this Endorsement (unless otherwise cancelled, terminated or suspended) shall continue in respect of such an Aircraft until completion of its first landing thereafter and any passengers have disembarked.

5. REVIEW AND CANCELLATION

(a) **Review of Premium and/or Geographical Limits (7 days)**
Underwriters may give notice to review premium and/or geographical limits - such notice to become effective on the expiry of seven days from 23.59 hours GMT on the day on which notice is given.

(b) **Limited Cancellation (48 hours)**
Following a hostile detonation as specified in 4 (ii) above, Underwriters may give notice of cancellation of one or more parts of the cover provided by paragraph 1 of this Endorsement by reference to sub-paragraphs (c), (d), (e), (f) and/ or (g) of Clause AVN 48B - such notice to become effective on the expiry of forty-eight hours from 23.59 hours GMT on the day on which notice is given.

(c) **Cancellation (7 days)**
The cover provided by this Endorsement may be cancelled by either Underwriters or the Assured giving notice to become effective on the expiry of seven days from 23.59 hours GMT on the day on which such notice is given.

(d) **Notices**
All notices referred to herein shall be in writing.

AVN 52G 17.10.01
(applicable to coverage provided to service providers)

4. Alcoholic Beverages

Bodily Injury or Property Damage for which the Assured or his indemnitee may be held liable;

(a) as a person or organisation engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or

(b) if not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed

(i) by, or because of the violation of any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage, or

(ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;

This exclusion does not apply with respect to the liability of the Assured or his indemnitee arising out of the giving or serving of alcoholic beverages at functions incidental to the Named Assured's business, provided the Named Assured is not engaged in the business of manufacturing, distributing, selling or serving of alcoholic beverages.

5. Premises Alienated

Property Damage to premises alienated by the First Named Assured arising out of such premises or any part thereof but this exclusion not to apply in respect of Completed Operations coverage as afforded elsewhere in this policy;

6. Loss of Use

Loss of use of tangible property which has not been physically injured or destroyed resulting from:

(a) a delay in or lack of performance by or on behalf of the Named Assured of any contract or agreement, or

(b) the failure of the Named Assured's products or work performed by or on behalf of the Named Assured to meet the level of performance, quality, fitness or durability warranted or represented by the Named Assured;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the Named Assured's products or work performed by or on behalf of the Named Assured after such products or work have been put to use by any person or organisation other than an Assured;

7. Products

(a) Property Damage to the Named Assured's products arising out of such products or any part of such products;

(b) Any liability for the withdrawal, inspection, repair, replacement, or loss of use of the Named Assured's products or work completed by or for the Named Assured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.

8. Employees

(a) Any liability of whatsoever nature of the Assured, whether the Assured may be liable as an employer or in any other capacity whatsoever, to any of its Employees, including without limiting the generality of the foregoing any liability under any Worker's Compensation Law, Unemployment Compensation Law, Disability Benefit Law, United States Longshoreman's and Harbor Workers' Compensation Act, Jones Act, Death on the High Seas Act, General Maritime Law, Federal Employers' Liability Act, or any similar laws of liabilities, and/or whether by reason of the relationship of master and servant or employer and employee or not.

(b) Any liability of whatsoever nature of the Assured to the spouse, child, parent, brother, sister, relative, dependent or estate of any Employee of the Assured arising out of bodily and/or personal injury to or illness or death of said Employee, whether the Assured may be liable as an employer or in any other capacity whatsoever.

(c) Any liability of whatsoever nature of the Assured to any other party arising out of Bodily Injury and/or Personal Injury to or illness or death of any Employee of the Assured, including without limiting the generality of the foregoing any such liability for (i) indemnity or contribution whether in tort, contract or otherwise and (ii) any liability of such other parties assumed under contract or agreement, but this exclusion does not apply to liability assumed by the Assured under an incidental contract.

(d) Any liability of any Employee of the Assured with respect to Bodily Injury and/or Personal Injury to or illness or death of another Employee of the Assured sustained in the course of such employment.

(e) Any liability of whatsoever nature which any director, officer, partner, principal, employee or stockholder of the Assured may have to any Employee of the Assured.

9. Employee Benefits

Any liability arising out of any act or omission of the Assured, or any other person or entity for whose acts or omissions the Assured is legally liable, in respect of the Assured's Employee Benefits.

As used in this exclusion, the term "Employee Benefits" includes, without limitation, Group Life Insurance, Group Health Insurance, Profit-Sharing Plans, Pension Plans, Employee Stock Subscription Plans, Worker's Compensation, Unemployment Insurance, Social Security and Disability Benefits Insurance.

Without limitation, this exclusion shall include:

(a) giving counsel to Employee with respect to Employee Benefits;

(b) interpreting the Employee Benefits;

(c) handling and keeping records in connection with Employee Benefits;

(d) effecting enrolment, termination or cancellation of Employees under the Employee Benefits;

(e) any dishonest, fraudulent, criminal, or malicious act or omission;

(f) failure of performance of contract by an Insurer

(g) lack of compliance with the terms of any contract, declaration or trust, or instrument providing Employee Benefits;

(h) lack of compliance with any law concerning Employee Benefits

(i) failure to procure or maintain satisfactory and adequate insurances on Employee Benefits assets or property;

(j) failure of stock or other securities or of any investments of whatever kind to perform as represented;

(k) advice given to an Employee to participate or not to participate in stock subscription or similar plans, or

(l) any liability arising out of the Employee Retirement Income Security Act and any other similar federal, state or other statutes, rules or regulations.

10. Seepage, Pollution and Contamination
(in respect of operations outside Airport Perimeter)

Bodily Injury, Personal Injury, Property Damage and/or Advertising Injury directly or indirectly caused by or arising out of seepage, pollution or contamination however caused or wherever happening.

Noise And Pollution And Other Perils Exclusion Clause
(in respect of operations within Airport Perimeter)

1. This Policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:-

   (a) noise (whether audible to the human ear of not), vibration, sonic boom and any phenomena associated therewith,

   (b) pollution and contamination of any kind whatsoever,

   (c) electrical and electromagnetic interference,

   (d) interference with the use of property;

   unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

2. With respect to any provision in the Policy concerning any duty of Underwriters to investigate or defend claims, such provision shall not apply and Underwriters shall not be required to defend

   (a) claims excluded by Paragraph 1 or

   (b) a claim or claims covered by the Policy when combined with any claims excluded by Paragraph 1 (referred to below as "Combined Claims").

3. In respect of any Combined Claims, Underwriters shall (subject to proof of loss and the limits of the Policy) reimburse the Assured for that portion of the following items which may be allocated to the claims covered by the Policy:

   (i) damages awarded against the Assured and

   (ii) defence fees and expenses incurred by the Assured.

4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this Policy.

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11. Waste Disposal Operations

Liability for any Bodily Injury, Personal Injury, Property Damage or Advertising Injury directly or indirectly caused by or arising from:

(a) Waste or disposal sites which were, or currently are, owned, operated, or used by the Assured or were or currently are utilised by others acting for and/or on behalf of the Assured;
(b) Disposal, dumping, conveyancing, carriage, or transportation of any seeping and/or polluting and/or contaminating substances or materials or waste substance(s) or waste material(s) of whatsoever nature; and
(c) Evaluating and/or monitoring and/or controlling and/or removing and/or nullifying and/or cleaning-up seeping and/or polluting and/or contaminating substances and materials.

The words "loss of, damage to, or loss of use of property" as used in this exclusion include, but are not limited to:

(a) The cost of evaluating and/or monitoring and/or controlling and/or removing and/or nullifying and/or cleaning-up seeping and/or polluting and/or contaminating substances and materials.
(b) Loss of, damage to or loss of use of property directly or indirectly resulting from sub-surface operations of the Assured; and
(c) Removal of, loss of, or damage to sub-surface oil, gas, or any other substances or material.

12. Fines, Penalties, Punitive Damages

Any liability for fines, penalties, punitive or exemplary damages, including treble damages or any other damages resulting from multiplication of compensatory damages.

13. Insolvency

The insolvency, bankruptcy, receivership or any refusal or inability to pay of the Assured and/or any other Insurer and/or any other Underwriter shall not operate to:

(a) Increase Underwriters' liability under this Policy;
(b) Increase any Underwriters' share of liability under this Policy.

14. Failure to Supply

Any liability arising out of the Assured's failure to supply or from fluctuations in supply of any gas, oil, electricity, chemicals, products, materials or services.

15. Care, Custody and Control

(1) To property owned or occupied by or rented to any Assured, or except with respect to the use of elevators, to property held by the Assured for sale or entrusted to the Assured for storage or safekeeping, except that property of the Port Authority of New York and New Jersey and/or its subsidiaries and/or affiliates.

(2) Except with respect to liability under a written sidetrack agreement or the use of elevators:

(a) to property while on premises owned by or rented to any Assured for the purpose of having operations performed on such property by or on behalf of any Assured;

(b) to tools or equipment while being used by any Assured in performing his operations;

(c) to property in the custody of any Assured which is to be installed, erected or used in construction by any Assured;

(d) to that particular part of any property, not on premises owned by or rented to the Assured,

(i) upon which operations are being performed by or on behalf of any Assured at the time of the Property Damage arising out of such operations, or

(ii) out of which any Property Damage arises, or

(iii) the restoration, repair or replacement of which has been made or is necessary by reason of faulty workmanship thereon by or on behalf of any Assured;

Wherever this exclusion 15 is excepted hereunder, coverage shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof) available to any Assured, such as, but not limited to, Fire, Extended Coverage, Builders Risks Coverage or Installation Risks Coverage, and the Other Insurance Condition of the Policy is amended accordingly.

16. <u>Directors and Officers</u>

(1) Actual or alleged liability arising out of an Assured's capacity, duty or responsibility as an Officer, Director or Trustee of a Corporation by reason of any breach of fiduciary duty or improper conduct or conflict of interest in the performance of an Assured's duties, responsibilities or accountability as an Officer, Director or Trustee, including, without limitation, any actual or alleged misstatement, misleading statement, gain of personal profit or advantage to which the Assured was or is not entitled legally, any dishonest act, or bad faith conduct, in the Assured's capacity as an Officer, Director or Trustee, or with respect to the capital or assets of the Corporation, or any action taken beyond the scope of the Assured's authority as an Officer, Director or Trustee;

(2) Actual or alleged liability arising out of or incident to any alleged violation(s) of any Federal or State law regulating, controlling and governing stock bonds or securities of any type or nature, including without limitation The Security Act of 1933, The Securities Exchange Act of 1934, The Trust Indenture Act of 1939, The Public Utility Holding Company Act of 1935, The Investment Company Act of 1940, The Investment Advisers Act of 1940, and the so called "Blue Sky" Laws of the various state and other jurisdictions.

(3) Actual or alleged liability arising out of or incident to any alleged violation(s) of any Federal or State law regulating, controlling and governing antitrust or the prohibition of monopolies, activities in restraint of trade, unfair methods of competition or deceptive acts and practices in trade and commerce including without limitation, the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act and the Hart-Scott Rodino Antitrust Improvements Act.

(4) Actual or alleged liability of any Officer, Director or Trustee arising out of or asserted in a shareholder's derivative action; or

(5) Actual or alleged liability arising out of or contributed to by the dishonesty or infidelity of any Assured; or

(6) Actual or alleged liability which would be payable under the terms of coverage of a Directors and Officers Liability Insurance Policy or a Directors and Company Reimbursement Indemnity Policy of the type issued by stock insurance companies of the United States, as if any Assured had obtained such coverage in an amount sufficient to pay the full amount being claimed against any Assured, whether or not any Assured has obtained such coverage.

17. Errors and Omissions

Any negligence, error or omission, malpractice or mistake of a professional nature committed or alleged to have been committed by or on behalf of the Assured in the conduct of any of the Assured's business activities. Professional services includes but is not limited to the preparation or approval of maps, plans, opinions, reports, surveys, designs or specifications and supervisory, inspection, engineering, or data processing services.

18. Asbestos

Bodily Injury, Personal Injury, Property Damage or Advertising Injury or loss of, damage to or loss of use of property directly or indirectly caused by Asbestos.

19. Polychlorinated Biphenyl (P.C.B.)

Bodily Injury or Personal Injury, or Advertising Injury caused by Polychlorinated Biphenyl.

The term PCB as used in this exclusion means Polychlorinated Biphenyl or any derivative thereof.

20. Silica

Bodily Injury or Personal Injury, Property Damage or Advertising Injury directly or indirectly caused by Silica.

21. Health Hazard

Any liability for Personal Injury and/or Property Damage for claims made by or on behalf of any person or persons directly or indirectly on account of continuous, intermittent or repeated exposure to ingestion, inhalation, or absorption of, any substance, material, product, waste, emission, radioactive substance, noise or environmental disturbance where the Assured is or may be liable as a result of the manufacture, production, extraction, sale, handling, utilisation, distribution, disposal or creation by or on behalf of the Assured of such substance, material, product, waste, emission, radioactive substance, noise or environmental disturbance.

22. Eminent Domain/Inverse Condemnation

Any liability arising out of or in any way connected with the operation of the principles of Eminent Domain, Condemnation Proceedings, or Inverse Condemnation Proceedings, or inverse condemnation by whatever name called regardless of whether such claims are made directly against the Assured or by virtue of any agreement entered into by or on behalf of the Assured; or with respect to any provisions in this Policy concerning any duty of Insurers to investigate or defend claims excluded in the above paragraph.

23. Phased Handover

Any liability for any Bodily Injury and/or Personal Injury to or illness or death of any person or loss of, damage to, or loss of use of property directly or indirectly arising out of property which is subject to phased handover.

Phased handover shall include but not be limited to any part of the project which is occupied or accepted by the principal prior to the completion of the whole project whether a certificate of acceptance has been issued or not.

However, this exclusion does not apply to Completed Operations cover attaching from hand-over.

24. Penal Statute or Ordinance

Personal Injury or Advertising Injury arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the Assured;

25. Libel or Slander

(a) Personal Injury or Advertising Injury arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the Named Assured was made prior to the effective date of this insurance;

(b) Personal Injury or Advertising Injury arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organisation or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the Assured with knowledge of the falsity thereof;

26. Joint Ventures

Bodily Injury, Property Damage, Personal Injury or Advertising Injury arising out of the conduct of any partnership or joint venture of which the Assured is a partner or member and which is not designated in the Declarations of the policy as a Named Assured.

27. Trademark

Advertising Injury arising out of infringement of trademark, services mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, or offered for sale.

28. Description/Price

Advertising Injury arising out of incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised.

29. Nuclear Hazard
(in respect of operations outside Airport Perimeter)

(a) any liability arising out of ionising radiation from any contamination by radioactivity from nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

(b) any liability arising out of the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

(c) any liability arising out of any weapon of war employing atomic or nuclear fission and/or fusion or other like radioactive force or matter;

(d) any liability arising out of radioactive contamination however caused whenever or wherever happening.

Nuclear Risks Exclusion Clause
(in respect of Operations within Airport Perimeter)

1. This Policy does not cover:

(i) loss of or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss

(ii) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from:

(a) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;

(b) the radioactive properties of, or a combination of radioactive properties with toxic, explosive or other hazardous properties of, any other radioactive material in the course of carriage as cargo, including storage or handling incidental thereto;

(c) ionizing radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.

2. It is understood and agreed that such radioactive material or other radioactive source in paragraph 1(b) and (c) above shall not include:

(i) depleted uranium and natural uranium in any form;

(ii) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.

3. This Policy, however, does not cover loss of or destruction of or damage to any property or any consequential loss or any legal liability of whatsoever nature with respect to which:

   (i) the Assured under this Policy is also an insured or an Additional Assured under any other insurance Policy, including any nuclear energy liability Policy; or

   (ii) any person or organization is required to maintain financial protection pursuant to legislation in any country; or

   (iii) the Assured under this Policy is, or had this Policy not been issued would be, entitled to indemnification from any government or agency thereof.

4. Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph 2 shall (subject to all other terms, conditions, limitations, warranties and exclusions of this Policy) be covered, provided that:

   (i) in the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereto, such carriage shall in all respects have complied with the full International Civil Aviation Organization "Technical Instructions for the Safe Transport of Dangerous Goods by Air", unless the carriage shall have been subject to any more restrictive legislation, when it shall in all respects have complied with such legislation;

   (ii) this Policy shall only apply to an incident happening during the period of this Policy and where any claim by the Assured against the Underwriters or by any claimant against the Assured arising out of such incident shall have been made within three years after the date thereof;

   (iii) in the case of any claim for the loss of or destruction of or damage to or loss of use of an aircraft caused by or contributed to by radioactive contamination the level of such contamination shall have exceeded the maximum permissible level set out in the following scale:

Emitter (IAEA Health and Safety Regulations)	Maximum permissible level of non-fixed radioactive surface contamination (Averaged over 300 cm^2)
Beta, gamma and low toxicity alpha emitters	Not exceeding 4 Bequerels/cm^2 (10^{-4} microcuries/cm^2)
All other emitters	Not exceeding 0.4 Bequerels/cm^2 (10^{-5} microcuries/cm^2)

(iv) the cover afforded hereby may be cancelled at any time by the Underwriters giving seven days' notice of cancellation.

22/7/96 AVN38B

30. Failure to Perform and/or Complete

any liability arising out of:

(a) the failure of the operations or work completed by or for any Assured to perform the function or serve the purpose intended by the Assured;

(b) fines or penalties imposed on any Assured should the operations or work completed by or for the Assured fail to reach the levels of performance set in the contract;

(c) the failure of any Assured to complete a contract on time or comply with any contractual obligation.

Subject to a first loss sub-limit of USD 250,000 any one accident, any one occurrence, this exclusion does not apply to a warranty of fitness or quality of the Named Assured's products or a warranty that work performed by or on behalf of the Named Assured will be done in a workmanlike manner.

31. Fungus Exclusion Clause as follows:

This insurance does not apply to **Bodily Injury**, **Property Damage**, **Personal Injury, Advertising Injury** or any other loss, injury, damage, cost or expense, including , but not limited to, losses, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:

(a) Any "fungus(i)", molds(s), mildew or yeast, or

(b) Any "spore(s)" or toxins created or produced by or emanating from such fungus(i), mold(s), mildew or yeast, or

(c) Any substance, vapour, gas, or other emission or organic or inorganic body or substance produced by or arising out of any "fungus(i)" , "mold(s)", mildew or yeast, or

(d) Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures or acts as a medium for any "fungus(i)" , mold(s), mildew, yeast, or "spore(s)" or toxins emanating therefrom,

regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that **Bodily Injury**, **Property Damage, Personal Injury, Advertising Injury**, loss, cost or expense.

For the purposes of this exclusion, the following definitions are added to the Policy:

"Fungus(i)" includes, but is not limited to, any of the plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including molds, rusts, mildews, smuts and mushrooms.

"Mold(s)" includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce molds.

"Spore(s)" means any dormant or reproductive body produced by or arising or emanating out of any "fungus(i)", "mold(s)', mildew, plants, organisms or microorganisms.

32. Chromium Copper Arsenate Exclusion as follows:

This insurance does not apply to any liability arising out of manufacture, installation, use, sale, handling, removal, distribution, application, inhalation or consumption of, or exposure to any chemical or product containing Chromium Copper Arsenate (CCA) or which has the same chemical formulary, or which is generally known in the chemical trade as having a substantially similar formulation, structure, or function by whatever name manufactured, formulated, structured, sold or distributed.

It is understood that to the extent any coverage may otherwise be provided under this policy or any of its endorsements, the provisions of this exclusion shall supercede.

All other terms, definitions, conditions, and exclusions of this policy remain unchanged.

SECTION 3 - CONDITIONS

1. Inspection and Audit

The Underwriter(s) shall be permitted but not obligated to inspect the Named Assured's property and operations at any time. Neither the Underwriter's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of such Named Assured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

The Underwriter(s) may examine and audit the Named Assured's books and records at any time during the Policy period and extensions thereof and within three years after the final termination of this Policy, as far as they relate to the subject matter of this Insurance.

2. Financial Responsibility Laws

When this Policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by this policy for Bodily Injury liability or for Property Damage liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by law. The Assured agrees to reimburse the Underwriter(s) for any payment made by the Underwriter(s) which it would not have been obligated to make under the terms of this policy except for the agreement contained in this paragraph.

3. Assured's Duties in the Event of Occurrence, Claim or Suit

(a) In the event of an occurrence, written notice containing the particulars sufficient to identify the Assured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the Assured to the Underwriter(s) authorised representative as soon as practicable.

(b) If claim is made or suit is brought against the Assured, the Assured shall immediately forward to the Underwriter(s) authorised representative every demand, notice, summons or other process received by him or his representative.

(c) The Assured shall co-operate with the Underwriter(s) and, upon the Underwriter(s) request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organisation who may be liable to the Assured because of injury or damage with respect to which Insurance is afforded under this policy; and the Assured shall attend hearings, trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Assured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

4. Action Against the Underwriter(s)

No action shall lie against the Underwriter(s) unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, nor until the amount of the Assured's obligation to pay shall have been finally determined either by judgement against the Assured after actual trial or by written agreement of the Assured, the claimant and Underwriter(s).

Any person or organisation or the legal representative thereof who has secured such judgement or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No person or organisation shall have any rights under this Policy to join the Underwriter(s) as a party to any action against the Assured to determine the Assured's liability, nor shall the Underwriter(s) be impleaded by the Assured or his legal representative. Bankruptcy or insolvency of the Assured or of the Assured(s) estate shall not relieve the Underwriter(s) of any of its obligations hereunder.

5. Other Insurance

The Insurance afforded by this Policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the Assured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Underwriter(s) liability under this Policy shall not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the Underwriter(s) shall not be liable under this Policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

(a) Contribution by Equal Shares. If all such other valid and collectable insurance provides for contribution by equal shares, the Underwriter(s) shall not be liable for a greater proportion of such loss than would be payable if each Underwriter contributes an equal share until the share of each Underwriter equals the lowest applicable limit of liability under any one Policy or the full amount of the loss is paid, and with respect any amount of loss not so paid the remaining Underwriter(s) then continue to contribute equal shares of the remaining amount of the loss until each such Underwriter has paid its limit in full or the full amount of the loss is paid.

(b) Contribution by Limits. If any such other insurance does not provide for contribution by equal shares, the Underwriter(s) shall not be liable for a greater proportion of such loss that the applicable limit of liability under this Policy for such loss bears to the total applicable limit of liability of all valid and collectable insurance against such loss.

6. Subrogation

In the event of any payment under this Policy, the Underwriter(s) shall be subrogated to all the Assured's right of recovery therefore against any person or organisation and the Assured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Assured shall do nothing after loss to prejudice such rights.

Notwithstanding the above, Underwriters waive their rights of subrogation against any person or organisation to whom the Named Assured is obligated by written contract to provide such waiver, but only to the extent of such obligation and only with respect to operations performed by or on behalf of the Named Assured under written contract or to the facilities of or used by the Named Assured.

7. Changes

Notice to, or knowledge possessed by, any representative of the Underwriter(s) or by any other person shall not effect a waiver or a change in any part of this Policy or stop the Underwriter(s) from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form part of this Policy.

8. Assignment

Assignment of interest under this Policy shall not bind the Underwriter(s) until its consent is endorsed hereon; If, however, the Named Assured shall die, such insurance as is afforded by this policy shall apply, (1) to the Named Assured's legal representative, as the Named Assured, but only while acting within the scope of his duties as such, and (2) with respect to the property of the Named Assured, to the person having proper temporary custody thereof, as Assured, but only until the appointment and qualification of the legal representative.

9. Cancellation

(A) **By the First Named Assured**
This Policy may be cancelled at an anniversary date only by the First Named Assured (Port Authority of New York and New Jersey) without the consent of other Assureds, by mailing to the Underwriters written notice stating at which anniversary date thereafter such cancellation shall be effective.

(B) **By the Underwriters**
This Policy may be cancelled by Underwriters for non payment of premium, in which event ten (10) days notification at any time shall apply.

It being specifically agreed, however (and notwithstanding this Policy is otherwise intended to provide cover on a "Losses Occurring" during the Policy period basis) that in the event of such cancellation during the term of this Policy, all coverages afforded hereunder, pursuant to the "Term of Job" (as defined elsewhere herein) and the First Named Assured's obligations assumed under contracts let or awarded (and/or in the process of being awarded) prior to the effective date of cancellation, shall continue in full force and effect as valid collectible insurance at rate / premium to be agreed by Underwriters until all work to be performed under the construction and/or maintenance contracts is completed, pursuant to the "Term of Job" provision (as defined) **and** the Completed Operations coverage extension (as defined) has elapsed.

10. Declarations

By acceptance of this Policy, the First Named Assured agrees that the statements in the Declarations are his agreements and representations that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between himself and The Underwriter(s) or any of its representatives relating to this insurance.

11. Notice and Knowledge of Occurrence

(A) Notice of Occurrence

When the Assured reports the Occurrence of any accident to the Worker's Compensation carrier insuring their Worker's Compensation Insurance which later develops into a liability claim, coverage for which is provided by this policy, failure to report such accident to the Underwriters at the time of the occurrence shall not be deemed in violation of the General Conditions entitled "Notice to Underwriters" upon the distinct understanding and agreement, however, that the Assured just as soon as they are definitely made aware of the fact that the particular accident is a liability case rather than a Worker's Compensation case, shall give notification of the aforesaid accident to Underwriters.

(B) Knowledge of Occurrence

It is understood and agreed that knowledge of an occurrence by the agent, servant or employee of the Assured shall not in itself constitute knowledge by the Assured, unless an executive officer of the Assured's Corporation shall have received such notice from its agent, servant or employee.

12. Cross Liability and Cross Personal Injury Liability

(A) Cross Liability

In the event of claims being made by reason of Bodily Injury, Personal Injury, Advertising Injury and/or Property Damage suffered by one Assured covered by this Policy for which another Assured covered herein is or may be liable, this Policy shall cover such Assured against whom a claim is made or may be made in the manner as if separate policies had been issued to each Assured covered herein. Nothing stated above shall operate to increase Underwriters limit of liability.

(B) Cross Personal Injury Liability

Underwriters hereon agree that an employee of one Assured shall not be construed as an employee of any other Assured, unless, at the time of the accident or occurrence such employee was directly engaged in the employment of and directly paid by such other Assured, nor shall any Assured be denied coverage or representation under this policy for any contribution or indemnity arising out of any action brought by any of its employees against any person other than the employer.

13. Defence, Settlement, Supplementary Payments

(i) With respect to such insurance as is afforded by this Policy, the Underwriters shall:

(A) Defend any suit against the Insured alleging such Bodily Injury or Personal Injury or Advertising Injury or Property Damage and seeking damages which are payable under the terms of this policy, even if such suit is groundless, false or fraudulent, but the Underwriters may make such investigation, negotiation and settlement of any claim or suit as it deems expedient, provided however, that the Port Authority of New York and New Jersey (hereinafter referred to as the "Authority") shall have the sole option to determine whether such suit or proceeding shall be defended on any grounds involving the jurisdiction of the tribunal, immunity of or governmental nature of the Authority and statutory provisions respecting suits against the Authority including, without limitation, the following:

(1) That the court has no jurisdiction thereof;

(2) That the Authority is immune from liability for the torts of its commissioners, agents, officers and employees;

(3) That the commissioners, officers and employees of the Authority are not liable for their acts committed in the course of their duties for the Authority;

(4) That a statute or rule of law or equity under which liability is alleged does not apply because of the nature of the Authority as a governmental agency of the State of New York or the State of New Jersey or both;

(5) That the Plaintiff has failed to comply with any or all of the conditions upon which the right to sue the Authority is granted in the concurrent legislation of the States of New York and New Jersey with respect to suits against the Authority (Chap. 301, Laws of New York, 1950; Chap. 204, Laws of New Jersey 1951 and any amendments thereto, heretofore or hereafter adopted).

(B) The Authority elects to raise one or more of the particular defenses specified above, as to which it has the option aforesaid, they shall be represented at such time or times and in such manner and by such counsel or attorneys as the Authority in its sole discretion may elect. If any particular defense is rejected by the court before which it is first made, then the Authority shall have the sole option to determine whether such decision shall be appealed and shall handle such appeals at such time or times and in such manner and by such counsel or attorneys as the Authority in its sole discretion may elect.

If any judgement shall be entered against the Authority in any amount and if the Authority elects not to take an appeal, the Underwriter shall nevertheless have the right to take such appeal in the name of the Authority on the question of liability or the amount thereof, but the Underwriter shall not have the right to raise any of the defenses on the grounds specified above.

(ii) The Underwriter(s) will pay, in addition to the limits stated as "any one Occurrence, any one Assured" in Clause 2 of the Insuring Agreement of this policy:

(A) all expenses incurred by the Underwriter(s), all costs taxed against the Assured in any suit defended by the Underwriter(s) and all interest on the entire amount of any judgement therein which accrue after entry of the judgement and before the Underwriter(s) has paid or tendered or deposited in court that part of the judgement which does not exceed the limit of the Underwriter(s) liability thereon.

It is agreed that this policy is also to pay appropriate costs and expenses of third party claims administrators in respect of all Occurrences under this policy;

(B) premiums on appeal bonds required in any suit, premiums on bonds to release attachment in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the Named Assured because of accident or traffic law violation arising out of the use of any vehicle to which this policy applies, not to exceed USD 250 per bail bond, but the Underwriter(s) shall have no obligation to apply for or furnish any such bonds;

(C) expenses incurred by the Named Assured for first aid to others at the time of an accident, for Bodily Injury to which this Policy applies;

(D) reasonable expenses incurred by the Named Assured at the Underwriter(s) request (in assisting the Underwriter(s) in the investigation or defense of any claim or suit), including actual loss of earnings not to exceed USD 40 per day.

14. Unintended Omissions

Insurance hereunder shall not be prejudiced by any unintentional and/or inadvertent omission, error or incorrect description in the declaration of contracts hereunder, or of the interest, risk or property insured, provided notice is given to Underwriters as soon as practical upon discovery of any such error or omission.

15. ~~Service Of Suit Clause (U.S.A.)~~

~~It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Assured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriter's rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon:~~

~~Mendes & Mount Attorneys~~
~~750, Seventh Avenue~~
~~New York, N.Y. 10019-6829~~

~~and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of appeal.~~

~~The above named are authorised and directed to accept services of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon Underwriter's behalf in the event such a suit shall be instituted.~~

~~Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above named as the person to whom the said officer is authorised to mail such process or a true copy thereof.~~

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SECTION 4 DEFINITIONS

This policy and all Endorsements attaching hereto are subject to the following Definitions:

1. ASSURED

"FIRST NAMED ASSURED":

The Port Authority of New York and New Jersey
Risk Management
New York

(A) The Port Authority Trans-Hudson Corporation, Newark Legal and Communications Centre Urban Renewal Corporation and any Subsidiary or Affiliated Company or Corporation as now or hereinafter constituted of The Port Authority of New York and New Jersey or The Port Authority Trans-Hudson Corporation.

(B) Construction Management Consultants, Contractors and all Sub-Contractors; and other parties, firms, or entities for whom the Port Authority, its Subsidiaries, and all other interests insured hereunder, (including all Contractors and Sub-Contractors), have contracted to provide this insurance, as their interests may appear.

As included hereunder, Contractors and Sub-Contractors shall include, but not be limited to, Sub-Contractors not in privity with the Authority, or Agents who perform work at the construction site, including those whose work may be in part away from the construction site, in connection with the construction of the project.

"ADDITIONAL NAMED ASSUREDS": As respects activities related to the Port Authority's Contractors Insurance Program (CIP)

(A) New York City, New York, and/or the New York City Public Development Corporation but only as respects such insurance as is specified in present or future agreements with City of New York or the New York Public Development Corporation pursuant to which the Assured is required to maintain such insurance as is specified in such agreements for occurrences arising out of the operation, control or occupancy of Port Authority facilities owned by the City of New York and leased to the Port Authority.

(B) The City of Newark, New Jersey but only as respects such insurance as is specified in present or future agreements with the City of Newark pursuant to which the Assured is required to maintain such insurance as is specified in such agreements for Occurrences arising out of the operation, control or occupancy of Port Authority facilities owned by the City of Newark and leased to the Port Authority. Including as respects the Essex County Resource Recovery facility access road.

(C) The City of Hoboken, New Jersey, but only as respects such insurance as is specified in present or future agreements with the City of Hoboken pursuant to which the Assured is required to maintain such insurance as is specified in such agreements for Occurrences arising out of the operation, control or occupancy of Port Authority facilities owned by the City of Hoboken and leased to the Port Authority.

(D) The City of Elizabeth, New Jersey, but only as respects such insurance as is specified in present or future agreements with the City of Elizabeth pursuant to which the Assured is required to maintain such insurance as is specified in such agreements for occurrences arising out of the operation, control or occupancy of Port Authority facilities owned by the City of Elizabeth and leased to the Port Authority.

(E) New York Transit Authority

(F) Consolidated Edison Co. of New York Inc.

(G) New Jersey Transit and New Jersey Transit Operations Inc.

(H) New Jersey Transit Rail Operations

(I) People of the State of New York

(J) New Jersey Turnpike Authority

(K) Conrail

(L) State of New Jersey - Department of Transportation

(M) Any organisation which is acquired or formed by another Named Assured as above and over which such Named Assured maintains ownership or majority interest, other than a joint venture, provided this insurance does not apply to Bodily Injury, Personal Injury, Property Damage, Incidental Contractual Liability or Advertising Injury with respect to which such new organisation under this policy is also an Assured under any other similar liability or indemnity policy or would be an Assured under any such policy but for the exhaustion of its limits of liability. The insurance afforded hereby shall terminate 90 days from the date such organisation is acquired or formed by such Named Assured.

(N) Any Organisation or person the First Named Assured is obligated by written contract to name as an additional Assureds hereunder, but only with respect to operations performed under written contract by or on behalf of the Assured or to the facilities of or used by the Named Assured to the extent required by such written contract.

ADDITIONAL ASSUREDS

Each of the following is an Assured under this insurance to the extent set forth below:

(a) if the Named Assured is designated in the declarations as an individual, the person so designated but only with respect to the conduct of a business of which he is sole proprietor, and the spouse of the Named Assured with respect to the conduct of such a business;

(b) if the Named Assured is designated in the declarations as a Partnership or Joint Venture, the Partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;

(c) if the Named Assured is designated in the declarations as other than an individual, Partnership or Joint Venture, the organisation so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;

(d) With respect to the "Authority", also includes its commissioners, directors, officers and employees (and any such persons who are retained after retirement as consultants) while acting within the scope of their duties as such; and, with respect to contractors and subcontractors, also includes any executive officer, director, stockholder or employee thereof while acting within the scope of his duties as such and, if the Assured is a partnership, any partner thereof but only with respect to his liability as such.

(e) any person (other than an employee of the Named Assured) or organisation while acting as Real Estate Manager for the Named Assured; and

(f) with respect to the operation, for the purpose of locomotion upon a public highway, of mobile equipment registered under any motor vehicle registration law,

(i) an employee of the Named Assured while operating any such equipment in the course of his employment, and

(ii) any other person while operating with the permission of the Named Assured only such equipment registered in the name of the Named Assured and any person or organisation legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organisation;

provided that no person or organisation shall be an Assured under this paragraph (f) with respect to:

(1) Bodily Injury to any fellow employee of such person injured in the course of his employment, or

(2) Property Damage to property owned by, rented to, in charge of or occupied by the Named Assured or the employer of any person described in subparagraph (ii).

As respects Bodily Injury, Property Damage and Personal Injury, Incidental Contractual Liability and Advertising Injury coverages, under the provision "Additional Assureds", the following are added as Assureds:

(A) Spouse - Partnership - if the Named Assured is a partnership, the spouse of a partner but only with respect to the conduct of the business of the Named Assured;

(B) Employee - Any employee (other than executive officers) of the Named Assured while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:

(1) to Bodily Injury or Personal Injury to another employee of the Named Assured arising out of or in the course of his employment;

(2) to Personal Injury or Advertising Injury to the Named Assured or, if the Named Assured is a partnership or joint venture, any partner or member thereof, or the spouse of any of the foregoing;

(3) To Property Damage to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being exercised for any purpose by another employee of the Named Assured, or by the Named Assured or, if the Named Assured is a partnership or joint venture, by any partner or member thereof or by the spouse of any of the foregoing.

2. "**Accident**" means an "occurrence" as defined elsewhere in this Policy

3. **"Advertising Injury"** means injury arising out of the Named Assured's advertising activities, if such injury arises out of any unintended libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

4. **"Assured Premises"** means all premises owned by, leased, operated, used, controlled by or rented to the Named Assured with respect to which the Named Assured is afforded coverage for Bodily Injury liability under this policy and includes the ways immediately adjoining on land.

5. **"Automobile"** means a land motor vehicle, trailer or semitrailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include mobile equipment:

6. **"Authority"** means the Port Authority of New York and New Jersey and/or Port Authority Trans-Hudson Corporation

7. **"Bodily Injury"** means all physical injury, Incidental Medical Malpractice Injury, and includes death, sickness, disease or disability and all mental injury resulting from such physical injury sustained by any person which occurs during the Policy period.

8. **"Completed Operations Hazard"** means Bodily Injury and/or Property Damage arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the Bodily Injury or Property Damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to any Named Assured (other than those premises owned or operated by the Port Authority of New York and New Jersey, its subsidiaries and/or Affiliates). "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

   (1) when all operations to be performed by or on behalf of the Named Assured under the contract have been completed,

   (2) when all operations to be performed by or on behalf of the Named Assured at the site of the operations have been completed, or

   (3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organisation other than another contractor or subcontractor engaged in performing operations for a Principal as a part of the same project.

   Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

   The Completed Operations Hazard does not include Bodily Injury or Property Damage arising out of:

   (a) operations in connection with the transportation of property, unless the Bodily Injury or Property Damage arises out of a condition in or on a vehicle created by the loading or unloading thereof;

   (b) the existence of tools, uninstalled equipment or abandoned or unused materials, or

   (c) operations for which the classification stated in the Policy or in the Underwriter's manual specifies "including completed operations".

9. **"Elevator"** means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery; but does not include an automobile servicing hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hod or material hoist used in alteration, construction or demolition operations, or an inclined conveyer used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet.

10. **"Incidental Contract"** means any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad, (3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality, (4) sidetrack agreement, or (5) elevator maintenance agreement or (6) any other oral or written contract or agreement.

11. **"Incidental Medical Malpractice Injury"** means Bodily Injury, sickness or disease sustained by any person which occurs during the policy period arising out of the rendering or failure to render during the policy period the following services:

    (A) medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith, or

    (B) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;

    This coverage does not apply to injury caused by an indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under (A) and (B) above.

12. **"Medical Expenses"** means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services.

13. **"Mobile Equipment"** means a land vehicle (including any machinery or apparatus attached thereto), whether or not self propelled, (1) not subject to motor vehicles registration, or (2) maintained for use exclusively on premises owned by or rented to the Named Assured, including the ways immediately adjoining, or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle; power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix in transit type), graders, scrapers, rollers and other road construction or repair equipment; air compressors; pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

14. **"Named Assured's Products"** means, goods or products manufactured, sold, handled or distributed by the Named Assured or by others trading under his name, including any container thereof (other than a vehicle), but "Named Assured's Products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold;

15. **"Occurrence"** means an accident, including continuous or repeated exposure to conditions, which results in Bodily Injury or Property Damage neither expected nor intended from the standpoint of the Assured;

    However, this definition includes any intentional act by or at the direction of the Assured which results in Bodily Injury, if such injury arises solely from the use of reasonable force for the purpose of protecting persons or property.

16. **"Personal Injury"** means injury arising out of one or more of the following offences committed during the policy period:

    (1) false arrest, detention, imprisonment, or malicious prosecution;

    (2) discrimination (other than unfair trade practices) except where the insurance in connection therewith is prohibited or violates the law or public policy by legislation, court decisions or administrative ruling.

    No insurance is afforded by this Policy for liability arising from discrimination suffered or alleged suffered by employees or former employees of the Assured or applicants for employment by the Assured.

    (3) wrongful entry or eviction or other invasion of the right of private occupancy;

    (4) a publication or utterance:

        (a) of a libel or slander or other defamatory or disparaging material, or

        (b) in violation of an individual's right of privacy; except publications or utterances in the course of or related to advertising, broadcasting, publishing or telecasting activities conducted by or on behalf of the Named Assured shall not be deemed Personal Injury.

17. **"Policy Territory"** means:

(1) the United States of America, its territories or possessions, or Canada, or

(2) international waters, or air space, provided the Bodily Injury or Property Damage does not occur in the course of travel or transportation to or from any other country, state or nation, or

(3) anywhere in the world with respect to damages because of Bodily Injury or Property Damage arising out of a product which was sold for use or consumption within the territory described in paragraph (1) above, provided the original suit for such damages is brought within such territory;

(4) Anywhere in the world with respect to Bodily Injury, Property Damage, Personal Injury or Advertising Injury arising out of the activities of any Assured permanently domiciled in the United States of America though temporarily outside the United States of America, its territories and possessions or Canada, provided the original suit for damages because of any such injury or damage is brought within the United States of America, its territories or Canada.

Such insurance as is afforded by Paragraph (4) above shall not apply:

(a) to Bodily Injury or Property Damage included within the Completed Operations Hazard or the Products Hazard;

(b) to Premises Medical Payments Coverage.

18. **"Products Hazard"**

Includes Bodily Injury and/or Property Damage arising out of the Named Assured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the Bodily Injury or Property Damage occurs away from the premises owned by or rented to the Named Assured and after physical possession of such products has been relinquished to others.

19. **"Project"** means all work to be done or provided at the project or work site, as defined in the contract under the programs hereto known as "Owner Controlled Insurance Program" (O.C.I.P.).

20. **"Property Damage"** means: (1) physical damage to or destruction of tangible property which occurs during the Policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an Occurrence during the Policy period;

21. **"Term of Job"** means the period from the commencement date specified in any contract entered into by the Port Authority prior to the cancellation date of this Policy as defined in Section 3 Clause 9., and designated by them as included under the Owner Controlled Insurance Program (O.C.I.P.) and continuously thereafter until a final certificate of acceptance has been issued by the Port Authority.

ENDORSEMENT NO. 1

SEEPAGE, POLLUTION AND CONTAMINATION COVERAGE BUYBACK -outside airport perimeter only

In consideration of the premium charged hereunder it is understood and agreed that **Exclusion 10** of this Policy does not apply where the First Named Assured can demonstrate that all of the following Conditions have been met :-

(a) the seepage, pollution or contamination was caused by an event, and

(b) the event first commenced at a specific time and date which the Named Assured can identify as taking place during the period of this Policy, and

(c) the event was first discovered by the Named Assured within 168 hours of such first commencement, and

(d) the Named Assured gave written notice to Underwriters of the event within 90 days after first discovery by the Named Assured of the event, notwithstanding any other notice requirement or condition in this Policy, or

(e) the event did not result from the Named Assured's intentional violation of any statute, rule, ordinance or regulation.

Even if the above conditions a. to e. are satisfied this Policy does not apply to any actual or alleged liability:-

(i) to evaluate, monitor, control, remove, nullify and/or clean-up seeping, polluting or contaminating substances to the extent such liability arises from any obligations imposed upon the Named Assured by any statute, rule, ordinance, regulation or imposed by contract;

(ii) to abate or investigate any threat of seepage onto or pollution or contamination of the property of a third party;

(iii) for seepage onto or pollution or contamination of property which is or was, at the time, owned, leased, rented or occupied by the Named Assured, or which is or was, at any time, in the care, custody or control of any Named Assured (including the soil, minerals, water or any other substance on, or in or under such owned, leased, rented or occupied property in such care, custody or control).

Nothing contained in any provision of this Policy shall impair the discovery requirement in condition (c) or the notice requirement in condition (d) of this Endorsement.

ENDORSEMENT NO. 2

ACTION OVER/INDEMNITY BUYBACK

In consideration of the premium charged hereunder, it is hereby understood and agreed that this Policy, subject to all its Insuring Agreements, Conditions, Exclusions and Definitions, is endorsed to indemnify the Assured for amounts for which it shall have become liable to pay and shall have paid on account of investigation, defense and indemnity as respects its responsibilities, if any, to third parties by virtue of defense and indemnity obligations assumed under written contract or agreement and arising from Bodily Injury of any employee(s) of the Assured, except insofar as same may arise from occupational disease.

ENDORSEMENT NO. 3

COMPLETED OPERATIONS EXTENSION (INCLUDING DISCOVERY)

(1) It is hereby understood and agreed that the Completed Operations Hazard as covered by this Policy shall extend for a period of 36 months beyond the "Term of Job" as defined elsewhere in this policy.

(2) Notwithstanding anything else to the contrary contained in this Policy, in consideration of the premium charged, it is understood and agreed by the Assured, that in respect of all coverage including "Completed Operations Hazard" as defined, that the Underwriters hereunder are not liable, under any circumstances, for any loss, damage, injury expense or claim of whatsoever nature, which is otherwise insured under the Insuring Agreements appearing in the Policy, unless notice of such loss, damage, injury, expense or claim is asserted against the Assured in writing, or suit thereon is brought against the Underwriters, or notice is given to Underwriters of an incident which may give rise to a claim hereunder, prior to expiry of 60 months after the inception of the Completion of Operations extension period referred to in the paragraph (1) above.

If the aforesaid period of limitation relating to the giving of notice to or commencement of suit against the Assured is less than the Statute of Limitations or otherwise prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

It is understood and agreed by the Assured that, in the event of any occurrence which may result in loss, damage, injury, expense or claim for which the Underwriters hereunder are or may become liable under this Policy, notice thereof shall be given to said Underwriters as soon as practicable and further, that any and every notice of claim, pleading and paper of any kind relating to such occurrence shall be forwarded promptly on behalf of the Assured to these Underwriters.

ENDORSEMENT NO. 4

FIRE AND/OR WATER DAMAGE LEGAL LIABILITY COVERAGE - REAL PROPERTY

It is understood and agreed that with respect to Property Damage to structures or portions thereof rented to or leased to the Named Assured, including fixtures permanently attached thereto, if such Property Damage arises out of fire;

(A) All of the exclusions of the Policy, other than the Nuclear Hazard Exclusion, are deleted and replaced by the following:

This insurance does not apply to liability assumed by the Assured under any contract or agreement.

(B) The Fire Legal Liability Coverage - Real Property shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof), available to the Assured, such as, but not limited to, Fire, Extended Coverage, Builder's Risk Coverage or Installation Risk Coverage, and the Other Insurance Condition of the Policy is amended accordingly.

ENDORSEMENT NO. 5

PREMIUM AND ADJUSTMENTS

It is understood and agreed that the premium shall be computed and adjusted as follows:-

(1) Deposit and Maximum Guaranteed Cost Premium USD 49,950,000, payable in instalments as clause (6) of this endorsement.

(2) Minimum Charge USD 32,450,000 (inclusive of all expenses, allowances, overhead, administrative and insurance charges, but exclusive of all loss expense).

(3) Deposit and Maximum Guaranteed Cost Premium of USD 49,950,000 less Minimum Charge of USD 32,450,000 is subject to the following Loss Experience Rebate:

Following policy expiration and the premium adjustment of this policy and after final settlement of all incurred losses under this policy, it is understood and agreed that the Assured shall be allowed a experience rebate, if applicable, as follows:

Paid Losses within Layer A less than	Experience Rebate
USD 9,500,000	USD 8,000,000 or pro rata downwards
USD 10,500,000	USD 7,000,000 or pro rata downwards
USD 11,500,000	USD 6,000,000 or pro rata downwards
USD 12,500,000	USD 5,000,000 or pro rata downwards
USD 13,500,000	USD 4,000,000 or pro rata downwards
USD 14,500,000	USD 3,000,000 or pro rata downwards
USD 15,500,000	USD 2,000,000 or pro rata downwards
USD 16,500,000	USD 1,000,000 or pro rata downwards
USD 17,500,000	0

All premiums due to Underwriters shall be paid by, and any return premiums "Due to the Assured" shall be paid to the "Authority".

(4) The Deposit and Maximum Guaranteed Cost Premium in (1) above is based upon applicable contractor payments during the period not exceeding an estimated USD 2,000,000,000.

In the event that the actual contractor payments exceed the above estimates by more than 10%, then the Maximum Guaranteed Cost Premium shall be adjusted at 2.495% on the actual payments made on contracts during the policy period.

(5) Incurred losses means the sum of:

(A) All losses, including medical payments, actually paid
(B) Reserves for unpaid losses as estimated by Underwriters and/or their Claims Agent
(C) Premium on bonds paid for by Underwriters in accordance with the provisions of the policy
(D) Interest accruing after entry of a judgement against the Assured
(E) Allocated (including legal expenses and defense costs) and unallocated loss adjustment expenses, paid and reserved therefor.
(F) Third Party Claims Administration charges and all other costs including expenses in seeking recovery against a third party.

(6) Premium instalment schedule

1st February 2005	USD 17,482,500
1st December 2005	USD 17,482,500
1st April 2006	USD 14,985,000
	US$ 49,950,000

ENDORSEMENT NO. 6

WATERCRAFT ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPREHENSIVE GENERAL LIABILITY COVERAGE FORM

Section 2, Exclusions No. 1 - Aircraft, Auto or Watercraft is amended to read:

A watercraft you do not own that is:

(a) Less than 50 feet long; and
(b) Not being used to carry persons or property for a charge

However, this exception does not apply to watercraft you do not own that is used in any pre-arranged race or speed contest.

Section 4 - Definitions

First Named Assured as defined in Policy as

(1A) The Port Authority Trans-Hudson Corporation, Newark Legal Communications Centre Urban Renewal Corporation and any Subsidiary or Affiliated Company or Corporation as now or hereinafter constituted of the Port Authority of New York and New Jersey or the Port Authority Trans-Hudson Corporation.

(1B) Construction Management Consultants, Contractors and all Sub-Contractors; and other parties, firms or entities for whom The Port Authority, its Subsidiaries, and all other interests insured hereunder, (including all Contractors and Sub-Contractors), have contracted to provide this insurance, as their interests may appear.

Coverage to apply as follows:

(1A) Non-owned less than 50 feet

(1B) Owned/Non-owned and hired less than 50 feet

ENDORSEMENT NO. 7

OFAC ENDORSEMENT

If coverage for a claim under this policy is in violation of any United States of America's economic or trade sanctions, including but not limited to, sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign assets Control ("OFAC"), then coverage for that claim shall be null and void.

All other terms, definitions, conditions and exclusions of this policy remain unchanged.

ENDORSEMENT NO. 8

10/11/2003 INSTITUTE RADIOACTIVE CONTAMINATION, CHEMCIAL, BIOLIGICAL, BIO-CHEMICAL AND ELECTROMAGENTIC EXCLUSION CLAUSE.

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

   1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

   1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

   1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

   1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

   1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

CL.370

ENDORSEMENT NO. 9

U.S. Terrorism Risk Insurance Act of 2002 New & Renewal Business Endorsement

This Endorsement is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as summarized in the disclosure notice.

In consideration of a premium of 1% included in the total premium, it is hereby noted and agreed with effect from inception that the Terrorism exclusion to which this Insurance is subject, shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002".

The coverage afforded by this Endorsement is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002". The coverage provided by this endorsement shall expire at 12.00 midnight December 31 2005, the date on which the TRIA program is scheduled to terminate, and shall not cover any losses or events which arise after that said date. The Terrorism exclusion, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

This Endorsement only affects the Terrorism exclusion to which this Insurance is subject. All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

Furthermore the Underwriter(s) will not be liable for any amounts for which they are not responsible under the terms of the U.S. Terrorism Risk Insurance Act of 2002 (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on the Underwriter's liability for payment for terrorism losses.

NMA2969A
25/11/04
Form approved by Lloyd's Market Association [Non-Marine]

ATTACHING TO AND FORMING PART OF POLICY NUMBER: 823/WE0500342

ISSUED TO: **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**
and as more fully set forth in section 4 of the wording.

LAW AND JURISDICTION

This policy will be governed by the Laws of the State of New York.

Any disputes arising hereunder will be exclusively subject to the jurisdiction of the courts of the United States of America as per CL355.

INSTITUTE SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters severally subscribing this insurance (the Underwriters) to pay any amount claimed to be due hereunder, the Underwriters, at the request of the Assured, will submit to the jurisdiction of a court of competent jurisdiction within the United States of America.

Notwithstanding any provision elsewhere in this insurance relating to jurisdiction, it is agreed that the Underwriters have the right to commence an action in any court of competent jurisdiction in the United States of America, and nothing in this clause constitutes or should be understood to constitute a waiver of the Underwriters' rights to remove an action to a United States Federal District Court or to seek remand therefrom or to seek a transfer of any suit to any other court of competent jurisdiction as permitted by the laws of the United States of America or any state therein.

Subject to the Underwriters' rights set forth above:

(a) It is further agreed that the Assured may serve process upon any senior partner in the firm of:

Mendes & Mount (Attorneys), 750 Seventh Avenue, New York, N.Y. 10019-6829

and that in any suit instituted against any one of them upon this contract the Underwriters will abide by the final decision of the Court or of any Appellate Court in the event of an appeal.

(b) The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon the Underwriters' behalf in the event such a suit shall be instituted.

(c) The right of the Assured to bring suit as provided herein shall be limited to a suit brought in its own name and for its own account. For the purpose of suit as herein provided the word Assured includes any mortgagee under a ship mortgage which is specifically named as a loss payee in this insurance and any person succeeding to the rights of any such mortgagee.

(d) Further, pursuant to any statute of any state, territory or district of the United States of America which makes provision therefor, Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office (the Officer), as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the Officer is authorized to mail such process or a true copy thereof.

If this clause is attached to a contract of reinsurance the terms insurance and Assured shall mean reinsurance and Reassured respectively.

1/11/92

CL355 © Copyright The Institute of London Underwriters

SEVERAL LIABILITY NOTICE

The subscribing reinsurers' obligations under contracts of reinsurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing reinsurers are not responsible for the subscription of any co-subscribing reinsurer who for any reason does not satisfy all or part of its obligations.

08/94
LSW1001 (Reinsurance)

The Table of Syndicates referred to on the face of this Policy follows:

BUREAU REFERENCE 61737 17/03/05 CA **BROKER NUMBER** 0823

BUREAU REFERENCE 61738 17/03/05 TT **BROKER NUMBER** 0823

PROPORTION %	SYNDICATE	UNDERWRITER'S REFERENCE
50.00	2020	V413788D0X

TOTAL LINE	No. OF SYNDICATES
50.00	1

THE LIST OF UNDERWRITING MEMBERS
OF LLOYDS IS IN RESPECT OF 2005
YEAR OF ACCOUNT

BUREAU USE ONLY
USL1 55 2020

The Table of Syndicates referred to on the face of this Policy follows:

BUREAU REFERENCE	61737 17/03/05	BROKER NUMBER	0823

PROPORTION %	SYNDICATE	UNDERWRITER'S REFERENCE
50.00	2020	V413788D0X

TOTAL LINE	No. OF SYNDICATES
50.00	1

THE LIST OF UNDERWRITING MEMBERS
OF LLOYDS IS IN RESPECT OF 2005
YEAR OF ACCOUNT

BUREAU USE ONLY
USL1 55 2020

Lloyd's Policy

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AS OWNER AND ALL CONTRACTORS AND ALL CO AND SUB-CONTRACTORS AND CONSULTANTS AND SUB-CONSULTANTS AND PROGRAMME MANAGERS AND OTHER PARTIES
WE0500342

Lloyd's, London
1 Lime Street,
London EC3M 7HA

The Assured is requested to read this Policy and, if it is incorrect, return it immediately to your broker for alteration. In all communications the Policy Number appearing in line one of the Schedule should be quoted.

COMPANY POLICY

on behalf of

LEXINGTON INSURANCE COMPANY
The Chartis Building, 58 Fenchurch Street,
London, EC3M 4AB

IN CONSIDERATION of the Insured named in the Schedule herein having paid or promised to pay the premium set forth in the said Schedule to the Insurer named above (hereinafter referred to as the Insurer)

THE INSURER HEREBY AGREES to insure the Insured or the Insured's Executors, Administrators or Assigns against loss damage liability or expense in the proportions and manner as more fully set forth in this Policy during the Period of Insurance stated in the said Schedule or during any subsequent period as may be mutually agreed upon between the Insured and the Insurer

PROVIDED that the liability of the Insurer shall not exceed the Insurer's limit(s) of liability as more fully set forth in this Policy or such other limit(s) as may be substituted therefor by endorsement hereon or attached herein signed by or on the behalf of the Insurer

IF THE INSURED shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claim hereunder shall be forfeited

IN WITNESS WHEREOF I, being a representative of the Insurer and authorised by the Insurer to sign this Policy on its behalf, have hereunto subscribed my name this 30TH day of JUNE two thousand and ten.

LEXINGTON INSURANCE COMPANY

Lexington Insurance Company is incorporated in the USA as a Limited Company and is authorised and regulated in the United Kingdom by the Financial Services Authority. Registered in England: Company Number FC006934.
Registered Address: The Chartis Building, 58 Fenchurch Street, London, EC3M 4AB, United Kingdom

Schedule

Policy or Certificate No.: 1070561 Contract No. (if any)

The name and address of the Insured:

The Port Authority of New York and New Jersey, as Principal and Named "Insured"

225 Park Avenue South,
New York, NY 10003

Period of Insurance from 1st June 2010 to 1st June 2011 both days at 12:01 a.m. Local Standard Time and for such further periods as may be mutually agreed.

The risk, interest, location and sum(s) insured hereunder

TYPE: COMPREHENSIVE GENERAL LIABILITY and as more fully defined in the attached wording.

All as more fully defined in the attached wording which is deemed incorporated herein and shall form an integral part of this Policy

This Insurance, being signed for 100.00% of 100.00% insures only that proportion of any loss, whether total or partial, including but not limited to that proportion of associated expenses, if any, to the extent and in the manner provided in this Insurance.

The percentages signed by the Insurer are percentages of 100.00% of the amount(s) of Insurance stated herein.

The Premium: USD 9,550,751 gross adjustable at 1.35 % of actual contractor payments for the period and as more fully detailed in Endorsement No. 3

USD 95,508 (1.00%) Allocation for Terrorism

Dated in LONDON: 29th June 2010

LEXINGTON INSURANCE COMPANY

PORT AUTHORITY OF NEW YORK AND NEW JERSEY CONSTRUCTION LIABILITY POLICY 2010

Owner Controlled Insurance Program - Construction Liability

THIS IS A LIABILITY POLICY. PLEASE READ THE ENTIRE DOCUMENT CAREFULLY. SOME WORDS CONTAINED HEREIN HAVE SPECIFIC MEANING. PLEASE REFER TO THE DEFINITIONS SECTION.

I. INSURING AGREEMENTS

1. COVERAGE

In consideration of the payment of the premiums set out in Item 6 of the Declarations and in reliance upon the proposal for this policy (hereinafter Policy), statements made and any supplementary information pertaining to the proposal which are all deemed incorporated herein, Underwriters agree, subject to the Insuring Agreements, Conditions, Exclusions, Definitions and Declarations contained in this Policy, to indemnify the "Insured" in respect of its operations at each "Construction Project Site" referred to in Item 1.(b) of the Declarations, that have been "Let" by the named "Insured" prior to 1st June 2011, for "Ultimate Net Loss" by reason of liability:

(a) imposed upon the "Insured" by law or

(b) assumed by the "Insured" under an "Insured Contract",

for damages in respect of:

(i) "Bodily Injury"

(ii) "Personal Injury"

(iii) "Property Damage"

(iv) "Advertising Injury"

caused by or arising out of: -

(1) "General Liability" "Occurrence"s which first commence during the Policy Period stated in Item 3 of the Declarations and which comprise:

(i) incomplete "Construction Project Site"s "Let" during a previous Policy Period;

or

(ii) new "Construction Project Site"s "Let" in the Policy Period stated in Item 3 of the Declarations whether completed or not,

LEXINGTON INSURANCE COMPANY

(2) "Product Liability" and "Completed Operations Liability" "Occurrence"s which first commence during the Policy Period stated in Item 3 of the Declarations but only in respect of the following:

(i) the balance of a "Product Liability and Completed Operations Liability Combined Period" which commenced during a previous Policy Period;

or

(ii) the start of a "Product Liability and Completed Operations Liability Combined Period" during the Policy Period stated in Item 3 of the Declarations,.

Nothing contained in this Policy shall make it subject to the terms of any other insurance.

2. LIMITS OF LIABILITY

Underwriters shall only be liable for "Ultimate Net Loss" up to the amount stated in Item 2.(a) of the Declarations in respect of each "Occurrence" plus "Defence Expenses" subject always to the provisions of Condition 2, which is in excess of the amount indicated (such amount shall not be eroded by "Defense Expenses").

Regardless of the number of "Occurrences" that may be covered by this Policy, Underwriters' total Limits of Liability shall not exceed the amount of "Ultimate Net Loss" set out in Item 2.(b) of the Declarations in the aggregate separately in respect of:

(i) "Product Liability" and "Completed Operations Liability" combined,

(ii) "Personal Injury"

plus "Defence Expenses" subject always to the provisions of Condition 2.

In respect of (i) above, the aggregate stated in Item 2.(b).(i) of the Declarations shall apply to all "Construction Project Site"s for the total period of the "Products Liability" and "Completed Operations Liability" combined set out in Item 3. (c) of the Declarations.

In respect of (ii) above, the aggregate stated in Item 2.(b).(ii) of the Declarations shall apply for each annual period of construction until completion of each project.

The inclusion or addition hereunder of more than one "Insured" shall not increase Underwriters' Limits of Liability as set out in Item 2 of the Declarations.

Where "Defence Expenses" are paid or incurred by the "Insured", all "Defence Expenses" will be paid by Underwriters in addition to the Limits of Liability of this Policy until such Limits of Liability are exhausted subject always to the provisions of Condition 2.

LEXINGTON INSURANCE COMPANY

II. CONDITIONS

This Policy is subject to the following conditions:

1. APPEALS

In the event the "Insured" elects not to appeal a judgement which may, in whole or in part, involve indemnity under this Policy, Underwriters may, following discussion with the "Insured", elect to make such appeal at their own cost and expense and shall be liable for the taxable costs, expenses and disbursements and any additional interest incidental to such appeal; but in no event shall the liability of Underwriters exceed the relevant Limits of Liability set out in Item 2 of the Declarations plus such costs, expenses, disbursements and interest.

2. APPORTIONMENT OF "DEFENCE EXPENSES"

Whenever any written demand received by the "Insured" for damages is finally resolved by a payment by Underwriters which, regardless of the amount thereof, is only covered in part by this Policy, then the percentage of any "Defence Expenses" that are paid by Underwriters in addition to the "Ultimate Net Loss" shall be calculated by dividing that part of such payment which is covered by this Policy, by the total amount paid.

3. ASSIGNMENT

Assignment of interest under this Policy shall not bind Underwriters unless and until their written agreement thereto is secured.

4. CANCELLATION OR NON-RENEWAL

(a) **By the named "Insured"**

This Policy may be cancelled at an anniversary date only by the named "Insured" without the consent of other "Insureds", by mailing to Underwriters written notice stating at which anniversary date thereafter such cancellation shall be effective.

(b) **By Underwriters**

This Policy may be cancelled by Underwriters for non payment of premium, in which event ten (10) days notification at any time shall apply.

The Policy Period stated in Item 3 of the Declarations and the coverage of each "Construction Project Site" referred to in Item 1.(b) of the Declarations will end on the day and hour stated in the cancellation notice or on the expiry date stated in Item 3.(b) of the Declarations whichever is the earlier.

If Underwriters cancel the Policy, final premium will be calculated by Underwriters by applying the rate stated in Endorsement No 3 to the declared values of "Construction Project Site"s during the shortened Policy Period.

LEXINGTON INSURANCE COMPANY

Notwithstanding the foregoing, however, in the event of cancellation by the named "Insured" during the Policy Period or non-renewal of this Policy, this Policy may continue to apply to "Insured Contract"s at "Construction Project Site"s for which the named "Insured" has committed to provide insurance prior to the effective date of cancellation or the date stated in Item 3.(b) of the Declarations, whichever is the earlier, at rate and premium to be agreed by Underwriters, until all work to be performed under such "Insured Contract"s is completed plus the "Product Liability and Completed Operations Liability Combined Period"s have elapsed.

5. CROSS LIABILITY

In the event of an "Occurrence" resulting in "Bodily Injury" to an employee of one "Insured" hereunder for which another "Insured" is, or may be, liable then this Policy shall cover such "Insured" against whom a "Claim" for damages has been made or may be made in the same manner as if separate policies had been issued to each "Insured" hereunder.

In the event of an "Occurrence" resulting in "Property Damage" to property of one "Insured" hereunder for which another "Insured" is, or may be, liable then this Policy shall cover such "Insured" against whom a "Claim" for damages has been made or may be made in the same manner as if separate policies had been issued to each "Insured" hereunder.

Nothing contained herein shall operate to increase Underwriters' Limit of Liability set out in Item 2 of the Declarations.

6. CURRENCY AND PAYMENTS OF PREMIUMS

Premiums and indemnity payments due under this Policy are payable in the currency set out in Item 5 of the Declarations. Payment of premiums shall be made by the first named "Insured" set out in Item 1.(a) of the Declarations to the person or entity set out in Item 7 of the Declarations. If the first named "Insured" or its agent fails to pay the premium due to Underwriters by the due date, Underwriters may issue notice to the named "Insured" set out in Item 1.(a) of the Declarations in accordance with the provisions of Condition 4.

7. DAMAGES PAYABLE

Any amount for which Underwriters are liable under this Policy shall be due and payable solely to the agent of the "Insured" set out in Item 8 of the Declarations within thirty (30) days after it is agreed by Underwriters.

8. DEFENCE

As detailed in Endorsement 20 but Underwriters' right and obligation to incur "Defence Expenses" in the defence of any "Occurrence" end when the Limits of Liability have been exhausted by the payment of judgements or settlements.

9. GOVERNING LAW AND INTERPRETATION

In view of the diverse locations of the parties purchasing insurance from Underwriters and the desirability of unified regulation, the parties agree that the Policy shall be construed and enforced in accordance with and governed by the internal law of the State of New York.

LEXINGTON INSURANCE COMPANY

10. INSOLVENCY

The insolvency, bankruptcy, receivership or any refusal or inability to pay of the "Insured" and/or the "Insured's" Captive and/or any Underwriter shall not operate to:

(a) increase Underwriters' liability under this Policy;

(b) increase any Underwriters' share of liability under this Policy;

(c) relieve Underwriters from the payment of "Ultimate Net Loss" under this Policy;

(d) reduce the amount indicated in Item 2. (a) of the Declarations.

11. INSPECTION AND INVESTIGATION

Underwriters may, after giving reasonable notice to the named "Insured", audit and examine the books and records of the "Insured" as they relate to this Policy at any time during the Policy Period and for up to three years after the expiration or termination of this Policy.

Underwriters have the right, but are not obligated, after giving reasonable notice to the named "Insured", to inspect the premises and operations of the "Insured". The inspections are not safety inspections. They relate only to the insurability of the premises and operations and the premiums to be charged. Underwriters may give the "Insured" reports on the conditions found. They may also recommend changes. Whilst they may help reduce losses, Underwriters do not undertake to perform the duty of any person or organisation to provide for the health or safety of the "Insured"'s employees or the public. Underwriters do not warrant that the premises or operations of the "Insured" are safe or healthful or that they comply with laws, regulations, codes or standards.

12. KNOWLEDGE OF OCCURRENCE

Other than in respect of conditions (a), (b), (c), (d) and (e) of Exclusion 18 knowledge of an "Occurrence" by the agent, servant or employee of the "Insured" shall not in itself constitute knowledge by the "Insured", unless an executive officer of the "Insured"'s Corporation shall have received such notice from its agent, servant or employee.

13. NOTICE OF OCCURRENCE

(a) In the event of an "Occurrence", written notice containing the particulars sufficient to identify the "Insured" and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the "Insured" to the entity named in Item 10 of the Declarations as soon as practicable.

(b) If claim is made or suit is brought against the "Insured", the "Insured" shall immediately forward to the entity named in Item 10 of the Declarations every demand, notice, summons or other process received by it or its representative.

LEXINGTON INSURANCE COMPANY

(c) Notwithstanding anything to the contrary in this Condition, this Policy shall not apply to any: -

(i) "General Liability" "Occurrence" unless notice of such "Occurrence" is given to Underwriters prior to expiry of five years from the date stated in Item 3.(b) of the Declarations; or

(ii) "Product Liability" and "Completed Operations Liability" "Occurrence" unless notice of such "Occurrence" is given to Underwriters prior to expiry of three years from the date stated in Item 3.(b) of the Declarations or two years from the end of the "Product Liability and Completed Operations Liability Combined Period", whichever is the earlier,

but always subject to Condition 4. Cancellation or Non-Renewal.

(d) The "Insured" shall co-operate with Underwriters and, upon Underwriters' request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organisation who may be liable to the "Insured" because of injury or damage with respect to which insurance is afforded under this Policy; and the "Insured" shall attend hearings and trials, and assist in securing and giving evidence and obtaining the attendance of witnesses. The "Insured" shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the "Occurrence".

(e) When the "Insured" reports any accident to the Workers' Compensation carrier insuring its Workers' Compensation Insurance which later develops into a claim for liability to which this Policy applies, coverage for which is provided by this Policy, failure to report such accident to Underwriters at the time of the "Occurrence" shall not be deemed in violation of (a), (b) or (c) of this Condition upon the distinct understanding and agreement, however, that the "Insured" just as soon as it is definitely made aware of the fact that the particular accident is a liability case rather than a Workers' Compensation case, shall give notification of the aforesaid accident to Underwriters.

14. OTHER INSURANCE

The insurance afforded by this Policy is primary insurance, except when stated in writing to the contrary. Where this Policy is primary and the "Insured" has other insurance which is stated to be applicable to an "Occurrence" on an excess basis, the amount of the Underwriters' liability under this Policy shall not be reduced by the existence of such other insurance.

When both this Policy and other insurance apply to an "Occurrence" on the same basis, this Policy will only contribute its proportionate share in combination with such other insurance.

LEXINGTON INSURANCE COMPANY

15. SEPARATION OF "INSUREDS"

Except with respect to Underwriters' Limits of Liability and any rights or duties specifically assigned to the named "Insured" designated in Item 1.(a) of the Declarations, this insurance applies separately to each "Insured" against whom "Claim" is made or suit brought.

16. SERVICE OF SUIT CLAUSE

(Per attached Service of Suit Clause (U.S.A.))

17. SUBROGATION

Where an amount is paid by Underwriters under this Policy, the "Insured"'s rights of recovery against any other person or entity in respect of such amount shall be exclusively subrogated to Underwriters. At Underwriters' request the "Insured" will assist, co-operate and lend its name to the exercise of Underwriters' rights of subrogation. The "Insured" shall do nothing to prejudice such rights.

All recoveries shall be applied as follows:

(a) any interests, including the "Insured", that have paid an amount in excess of Underwriters' payment under this Policy will be reimbursed first; and,

(b) Underwriters then will be reimbursed up to the amount they have paid.

Expenses incurred in the exercise of rights of recovery shall be apportioned between the interests, including the "Insured", in the ratio of their respective recoveries as finally settled.

Notwithstanding the foregoing, Underwriters waive their rights of recovery against any "Third Party" to whom the named "Insured" has undertaken, in a written contract, to obtain a written waiver of subrogation but only if such waiver has been included in such "Insured Contract" before the "Occurrence" giving rise to such payments.

This waiver shall apply only with respect to an "Occurrence" arising from operations undertaken or obligations required under the specific "Insured Contract" between the named "Insured" and such "Third Party" and shall not be construed to be a waiver with respect to other operations of such "Third Party" in which the named "Insured" has no contractual interest or obligation.

No waiver of subrogation shall directly or indirectly apply to any employee(s) of either the named "Insured" or of such "Third Party" unless required by "Insured Contract" and Underwriters reserve their rights or lien to be reimbursed from any recovery funds obtained by any employee.

This waiver does not apply in any jurisdiction where such waiver is held to be illegal or against public policy or to any "Occurrence" wherein such "Third Party" is found to be solely negligent.

LEXINGTON INSURANCE COMPANY

18. **TRANSFER OF RIGHTS AND DUTIES**

The rights and duties of the "Insured" under this Policy may not be transferred without prior written consent of Underwriters.

19. **WAIVER OR CHANGE**

Notice to any agent or knowledge possessed by any agent or any other person shall not effect a waiver of or change in any part of this Policy. This Policy can only be changed by a written endorsement that becomes a part of this Policy and is signed by or on behalf of Underwriters.

III. EXCLUSIONS

This Policy does not apply to any actual or alleged liability:

1. arising out of breach of contract other than an "Insured Contract";

2. (a) of whatsoever nature of the "Insured", whether the "Insured" may be liable as an employer or in any other capacity whatsoever, to any of its Employees, including without limiting the generality of the foregoing any liability under any Workers' Compensation Law, Unemployment Compensation Law, Disability Benefit Law, Longshore and Harbor Workers' Compensation Act, Jones Act, Death on the High Seas Act, General Maritime Law, Federal Employers' Liability Act, Employers Liability, Employers' Liability as respects Occupational Disease or any similar laws of liabilities, and/or whether by reason of the relationship of master and servant or employer and employee or not;

   (b) which any "Insured" may have to its own employee arising out of the actions or omissions of another of its own employees;

3. arising out of "Automobile Liability" other than such "Automobile Liability", including loading and unloading, on the "Construction Project Site, however such coverage shall be limited to apply only in excess of any other valid and collectible insurance whether primary, excess umbrella or contingent;

4. arising out of "Aircraft Liability";

5. arising out of "Watercraft Liability";

6. any "Claim" or suit alleging or asserting in any respect loss, injury, or damage (including consequential "Bodily Injury") in connection with "wrongful termination", and/or "discrimination", and/or "sexual harassment";

7. for "Property Damage" to property:

   (a) owned, leased, rented, borrowed or occupied by the "Insured";

   (b) in the care, custody or control of the "Insured";

LEXINGTON INSURANCE COMPANY

EXCEPT this Exclusion 7. will not apply to "Property Damage" to property of the Port Authority of New York & New Jersey caused by a contractor working on behalf of the "Insured" at a "Construction Project Site".

Notwithstanding this exception, all damage to property of the named "Insured" done by any employee of the named "Insured" remains excluded.

Such coverage as is afforded hereby shall be excess over any valid and collectible property insurance (including any deductible portion thereof) available to any "Insured", such as but not limited to Fire, Extended Coverage, Builders Risks or Installation Risks Coverage.

Notwithstanding the above Exception to Exclusion 7., the Limits of Liability of this Policy shall be applied first to a "Third Party" "Claim".

8. for "Property Damage" to the "Insured's Products" arising out of such products or any part of such products;

9. for "Property Damage" to property worked on by or on behalf of the "Insured" arising out of such work or any portion thereof, or out of any material, parts or equipment furnished in connection therewith;

10. for the withdrawal, recall, return, inspection, repair, replacement, or loss of use of the "Insured's Products" or work completed by or for the "Insured" or for any property of which such "Insured's Products" or work form a part;

11. for any fines or penalties;

12. for "Personal Injury" and/or "Advertising Injury" arising out of:

    (a) failure to perform under any contract other than an "Insured Contract";

    (b) infringement of trademark, patent, service mark or trade name, other than copyright, titles or slogans, by use thereof on or in connection with goods, products or services sold or offered for sale;

    (c) unfair competition;

13. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" arising out of: -

    (a) the failure of the operations or work completed by or for the "Insured" to perform the function or serve the purpose intended by the "Insured";

    (b) fines or penalties imposed on the "Insured" should the operations or work completed by or for the "Insured" fail to reach the levels of performance set out in the contract

    (c) the failure of the "Insured" to complete a contract on time or comply with any contractual obligation;

LEXINGTON INSURANCE COMPANY

14. for any act, negligence, error or omission, malpractice or mistake arising out of "Professional Services", committed or alleged to have been committed by or on behalf of the "Insured" in the conduct of any of the "Insured"'s business activities;

15. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" for claims made by or on behalf of any person or persons directly or indirectly on account of continuous, intermittent or repeated exposure to, ingestion, inhalation, or absorption of, any substance, material, product, waste, emission, radioactive substance, noise or environmental disturbance where the "Insured" is or may be liable as a result of the manufacture, production, extraction, sale, handling, utilisation, distribution, disposal or creation by or on behalf of the "Insured" of such substance, material, product, waste, emission, radioactive substance, noise or environmental disturbance;

16. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" arising out of or in any way connected with the operation of the principles of eminent domain, condemnation proceedings or inverse condemnation proceedings or inverse condemnation by whatever name called regardless of whether such claims are made directly against the "Insured" or by virtue of any agreement entered into by or on behalf of the "Insured"; or with respect to any provisions in this Policy concerning any duty of Underwriters to investigate or defend any "Claim" excluded by this exclusion;

17. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by or arising out of seepage, pollution or contamination however caused whenever or wherever happening;

    This exclusion shall not apply where all of the following conditions are shown by the "Insured" to have been met:

    (a) the seepage, pollution or contamination was caused by an "Occurrence"; and,

    (b) the "Occurrence" first commenced on an identified specific date during the period stated in Item 3 of the Declarations; and,

    (c) the "Occurrence" was first discovered by the "Insured" within fourteen (14) days of such first commencement; and,

    (d) written notification of the "Occurrence" was first received from the "Insured" by Underwriters within ninety (90) days of the "Insured"'s first discovery of the "Occurrence" ; and,

    (e) the "Occurrence" did not result from the "Insured"'s intentional violation of any statute, rule, ordinance or regulation.

    Even if the above conditions (a) to (e) are satisfied, this Policy does not apply to any actual or alleged liability:

        (i) to evaluate, monitor, control, remove, nullify and/or clean-up seeping, polluting or contaminating substances to the extent such liability arises solely from any obligations imposed by or on behalf of a governmental authority;

LEXINGTON INSURANCE COMPANY

(ii) to abate or investigate any threat of seepage onto or pollution or contamination of the property of a "Third Party";

(iii) for seepage, pollution or contamination at or from any premises, site or location on which any "Insured" or any "Contractor"s or "Subcontractor"s working directly or indirectly on any "Insured"'s behalf are performing operations:

(a) if the pollutants are brought on or to the premises, site or location in connection with such operations by such "Insured", "Contractor" or "Subcontractor", or

(b) if the operations are to test for, evaluate, monitor, control, remove, nullify, clean-up or in any way respond to, or assess the effects of pollutants.

18. arising out of the handling, processing, treatment, storage, disposal or dumping of any waste materials or substances, or arising out of such waste materials or substances during transportation;

19. (a) for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by, resulting from or in connection with war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

(b) for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a) above.

If the Underwriters allege that by reason of this exclusion, any "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" is not covered by this insurance the burden of proving the contrary shall be upon the "Insured".

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

20. for "Bodily Injury", "Property Damage", "Personal Injury" and/or "Advertising Injury" for which the "Insured" or its indemnitee may be held liable:

(a) as a person or organisation engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages; or

(b) if not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed

(i) by, or because of the violation of any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage, or

LEXINGTON INSURANCE COMPANY

(ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;

21. (a) arising out of an "Insured"'s capacity, duty or responsibility as an Officer, Director or Trustee of a Corporation by reason of any breach of fiduciary duty or improper conduct or conflict of interest in the performance of an "Insured"'s duties, responsibilities or accountability as an Officer, Director or Trustee, including, without limitation, any actual or alleged misstatement, misleading statement, gain of personal profit or advantage to which the Insured was or is not entitled legally, any dishonest act, or bad faith conduct, in the "Insured"'s capacity as an Officer, Director or Trustee, or with respect to the capital or assets of the Corporation, or any action taken beyond the scope of the "Insured"'s authority as an Officer, Director or Trustee;

(b) arising out of or incident to any alleged violation(s) of any Federal or State law regulating, controlling and governing stock bonds or securities of any type or nature, including without limitation The Security Act of 1933, The Securities Exchange Act of 1934, The Trust Indenture Act of 1939, The Public Utility Holding Company Act of 1935, The Investment Company Act of 1940, The Investment Advisers Act of 1940, and the so called "Blue Sky" Laws of the various state and other jurisdictions;

(c) arising out of or incident to any alleged violation(s) of any Federal or State law regulating, controlling and governing antitrust or the prohibition of monopolies, activities in restraint of trade, unfair methods of competition or deceptive acts and practices in trade and commerce including without limitation, the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act and the Hart-Scott Rodino Antitrust Improvements Act;

(d) of any Officer, Director or Trustee arising out of or asserted in a shareholder's derivative action;

(e) arising out of or contributed to by the dishonesty or infidelity of any "Insured";

(f) which would be payable under the terms of coverage of a Directors and Officers Liability Insurance Policy or a Directors and Company Reimbursement Indemnity Policy of the type issued by stock insurance companies of the United States, as if any "Insured" had obtained such coverage in an amount sufficient to pay the full amount being claimed against any "Insured", whether or not any "Insured" has obtained such coverage.

22. for "Bodily Injury", "Property Damage", "Personal Injury" and/or "Advertising Injury" arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the "Insured";

23. directly or indirectly caused by or contributed to by or arising from:

(a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

LEXINGTON INSURANCE COMPANY

(b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

(c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;

(d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;

(e) any chemical, biological, bio-chemical, or electromagnetic weapon.

This Exclusion shall be paramount and shall override anything contained in this Policy inconsistent therewith

24. (a) for "Personal Injury" and/or "Advertising Injury" arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the named "Insured" was made prior to the effective date of this Policy;

(b) for "Personal Injury" and/or "Advertising Injury" arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organisation or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the "Insured" with knowledge of the falsity thereof;

25. for "Advertising Injury" arising out of incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised.

Nothing contained in the above Exclusions shall extend this Policy to cover any liability which would not have been covered had these Exclusions not been incorporated herein.

IV. DEFINITIONS

1. ACT OF TERRORISM

The words "Act of Terrorism", wherever used in this Policy, mean an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

LEXINGTON INSURANCE COMPANY

2. ADVERTISING INJURY

The words "Advertising Injury" wherever used in this Policy, shall mean injury arising out of the named "Insured"'s advertising activities, if such injury arises out of any unintended libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

3. AIRCRAFT LIABILITY

The words "Aircraft Liability", wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of an aircraft, aeroplane or helicopter which is designed to fly in the air or atmosphere.

4. ANNUAL PERIODS OF CONSTRUCTION

The words "Annual Periods of Construction" wherever used in this Policy, shall mean the periods shown in Item 4 of the Declarations.

5. AUTOMOBILE

The word "Automobile," wherever used in this Policy, shall mean a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment, but the word "Automobile" shall not include "Mobile Equipment" or the contents of such vehicle, trailer or semi-trailer.

6. AUTOMOBILE LIABILITY

The words "Automobile Liability," wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of any "Automobile".

7. BODILY INJURY

The words "Bodily Injury", wherever used in this Policy, shall mean:

(a) bodily injury, sickness, disability, or disease;

(b) mental injury, mental anguish, humiliation, shock or death if directly resulting from bodily injury, sickness, disability or disease.

8. CLAIM

The word "Claim", wherever used in this Policy, shall mean that part of each written demand received by the "Insured" for damages, including the service of suit or institution of arbitration proceedings.

LEXINGTON INSURANCE COMPANY

9. COMPLETED OPERATIONS LIABILITY

The words "Completed Operations Liability", wherever used in this Policy, shall mean liability for "Bodily Injury" and/or "Property Damage" arising out of the "Insured"'s operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the "Bodily Injury" and/or "Property Damage" happens after such operations have been completed or abandoned and happens away from the premises owned by or rented to any "Insured" (other than those premises owned or operated by the named "Insured").

Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:-

(a) when all operations to be performed by or on behalf of the "Insured" under the contract have been completed; or,

(b) when all operations to be performed by or on behalf of the "Insured" at a "Construction Project Site" have been completed; or,

(c) when that portion of the work out of which the "Bodily Injury" and/or "Property Damage" arises has been put to its intended use by any person or entity other than another "Contractor" or "Subcontractor" engaged in performing operations for the Principal as part of the same project.

"Completed Operations Liability" does not include liability for "Bodily Injury" and/or "Property Damage" arising out of:

(a) operations in connection with the transportation of property, unless the "Bodily Injury" and/or "Property Damage" arises out of a condition in or on an "Automobile" created by the loading or unloading thereof, or,

(b) the existence of tools, uninstalled equipment or abandoned or unused materials.

10. CONSTRUCTION PROJECT SITE

The words "Construction Project Site", wherever used in this Policy, shall mean that area described in the construction contract documents including the area available for "Contractor" operations, access routes, rights-of-way and additional sites necessary or incidental thereto for which a work order has been issued by the named "Insured" other than liability relating to sites for which the named "Insured" has purchased separate policies.

Notwithstanding Condition 14 or the foregoing, in no event shall this Policy apply to any sites for which separate policies have been purchased (including those that have been cancelled, terminated or lapsed), even if the limits of such separate policies have been reduced or exhausted by any "Occurrence"s, including but not limited to the Ground Zero/World Trade Center Construction Site.

LEXINGTON INSURANCE COMPANY

11. CONTRACTOR

The word "Contractor", wherever used in this Policy, shall mean any individual, partnership, firm or corporation which has entered into a contract for construction with authority to perform "Contract Work" at any "Construction Project Site" unless such entity is specifically excluded from such coverage as is afforded by this Policy.

12. CONTRACT WORK

The words "Contract Work", wherever used in this Policy, shall mean the entire completed construction of the various separately identifiable parts required to be furnished under the contract documents.

13. DEFENCE EXPENSES

The words "Defence Expenses", wherever used in this Policy, shall mean investigation, adjustment, appraisal, defence and appeal costs and expenses and pre and post judgement interest, paid or incurred by or on behalf of the "Insured" and as detailed in Endorsement No. 20.

The salaries, expenses or administrative costs of the "Insured" or its employees or any insurer shall not be included within the meaning of "Defence Expenses".

14. DISCRIMINATION

The word "Discrimination", wherever used in this Policy, shall mean termination of an employment relationship or a demotion, or a failure or refusal to hire or promote an individual because of race, color, religion, age, sex, disability, pregnancy, natural origin, sexual orientation or other protected category or characteristic established pursuant to any applicable United States federal, state or local law, regulation or ordinance.

15. EMPLOYERS' LIABILITY

The words "Employer's Liability", wherever used in this Policy, shall mean any liability of an "Insured" to its employee arising out of the employment of that employee.

16. GENERAL LIABILITY

The words "General Liability", wherever used in this Policy, shall mean liability to which this Policy applies other than "Product Liability" and "Completed Operations Liability".

17. INAPPROPRIATE EMPLOYMENT CONDUCT

The words, "Inappropriate Employment Conduct", wherever used in this Policy, shall mean:

(a) actual or constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful or in breach of an implied employment contract or breach of the covenant of good faith or fair dealing in the employment contract;

(b) allegations of wrongful demotion, or wrongful discipline;

LEXINGTON INSURANCE COMPANY

(c) allegations of misrepresentation or defamation made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(d) allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(e) allegations of false imprisonment, detention or malicious prosecution made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(f) allegations of libel, slander, defamation of character or any invasion of right of privacy made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote; or,

(g) other injury allegations made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote.

Inappropriate Employment Conduct does not include damages determined to be owing under a written or express contract of employment or obligation to make payments, including but not limited to severance payments, in the event of the termination of employment.

Inappropriate Employment Conduct shall not include any allegations other than those set forth above.

18. INSURED

The word "Insured", wherever used in this Policy, shall mean only the following:-

(a) the named "Insured" set out in Item 1.(a) of the Declarations;

(b) i) the named "Insured"'s subsidiary, owned or controlled companies that are directly involved with the named "Insured" at the "Construction Project Site" which have been declared to and accepted by Underwriters at the inception of this Policy;

ii) any "Contractor" or "Subcontractor";

(c) any person or entity to whom the "Insured" is obliged by a written "Insured Contract" relating directly to a "Construction Project Site" entered into before any relevant "Occurrence", to provide insurance such as is afforded by this Policy but only with respect to:

i) liability arising out of operations conducted by the named "Insured" or on its behalf; or

ii) facilities owned or used by the named "Insured";

LEXINGTON INSURANCE COMPANY

iii) Limits of Liability that are not greater than those required under said "Insured Contract".

(d) any officer, director, stockholder, partner or employee of the "Insured", but only in respect of an "Occurrence" covered hereunder whilst acting within their duties.

19. INSURED CONTRACT

The words "Insured Contract", wherever used in this Policy, shall mean any written contract or agreement entered into by the "Insured" and pertaining to business under which the "Insured" assumes the tort liability of another party to pay for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" to a "Third Party" or organisation. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

20. INSURED'S PRODUCTS

The words "Insured's Products", wherever used in this Policy, shall mean goods or products manufactured, sold, handled or distributed by the "Insured" or by others trading under the name of the "Insured", including any packaging thereof.

21. LET

The word "Let", wherever used in this Policy, shall mean the commissioning by the named "Insured" of a contract for construction work with "Contractors" and/or "Subcontractors" for the performance of "Contract Work" at any "Construction Project Site" scheduled under this Policy in accordance with Endorsement No 2.

22. MOBILE EQUIPMENT

The words "Mobile Equipment", wherever used in this Policy, shall mean a land vehicle (including any machinery or apparatus attached thereto), whether or not self propelled

(a) not subject to motor vehicles registration, or

(b) maintained for use exclusively on premises owned by or rented to the named "Insured", including the ways immediately adjoining, or

(c) designed for use principally off public roads, or

(d) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: -

(i) power cranes, shovels, loaders, diggers and drills;

(ii) concrete mixers (other than the mix in transit type), graders, scrapers, rollers and other road construction or repair equipment;

(iii) air compressors; pumps and generators, including spraying, welding and building-cleaning equipment; and

(iv) geophysical exploration and well servicing equipment;

LEXINGTON INSURANCE COMPANY

23. OCCUPATIONAL DISEASE

The words "Occupational Disease", wherever used in this Policy, shall mean any injury, including death, sickness, disease or disability, defined as occupational disease in any workers compensation or disability benefits laws, statutes or regulations of any jurisdiction in which the "Occurrence" first commences or the Occupational Disease arises.

24. OCCURRENCE

The word "Occurrence", wherever used in this Policy, shall mean an accident, including continuous and repeated exposure to substantially the same general harmful conditions which results in "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury", none of which was intended by any "Insured".

25. PERSONAL INJURY

The words "Personal Injury", wherever used in this Policy, shall mean injury other than "Bodily Injury" arising from:

(a) false arrest, false imprisonment, wrongful eviction or wrongful detention of a "Third Party" human being;

(b) libel, slander, defamation of character or invasion of right of privacy of such human being;

(c) mental injury, mental anguish or shock to such human being which results from (a) or (b) above;

26. PRODUCT LIABILITY

The words "Product Liability", wherever used in this Policy, shall mean liability for "Bodily Injury" and/or "Property Damage" arising out of the "Insured's Products" or reliance upon a representation or warranty made at any time with respect thereto, but only if the "Bodily Injury" and/or "Property Damage" happens after physical possession of the "Insured's Products" has been relinquished to others and happens away from premises owned, leased, rented or occupied by the "Insured".

27. PRODUCT LIABILITY AND COMPLETED OPERATIONS LIABILITY COMBINED PERIOD

The words "Product Liability and Completed Operations Liability Combined Period", wherever used in this Policy, shall mean up to three years from completion of each "Contract Work".

28. PROFESSIONAL SERVICES

The words "Professional Services" wherever used in this Policy, shall mean the preparation or approval of audits, accounts, drawings, blue prints, maps, plans, opinions, reports, surveys, designs or specifications and supervisory, inspection, engineering or data processing services.

LEXINGTON INSURANCE COMPANY

29. PROPERTY DAMAGE

The words "Property Damage", wherever used in this Policy, shall mean physical loss of, physical damage to or physical destruction of tangible property of a "Third Party", including loss of use of the tangible property so lost, damaged or destroyed;

30. SEXUAL HARASSMENT

The words "Sexual Harassment", wherever used in this Policy, shall mean unwelcome sexual advances and/or requests for sexual favours and/or other verbal or physical conduct of a sexual nature that (1) are made a condition of employment and/or (2) are used as basis for employment decisions and/or (3) create a work environment that interferes with performance.

31. SUBCONTRACTOR

The word "Subcontractor", wherever used in this Policy, shall mean any individual, partnership, firm or corporation which has entered into a contract for construction with a "Contractor" or "Contractors" or with any tier of "Subcontractors" to perform "Contract Work" at a "Construction Project Site" unless such entity is specifically excluded from such coverage as is afforded by this Policy.

32. THIRD PARTY

The words "Third Party", wherever used in this Policy, shall mean any company, entity, or human being other than an "Insured" or other than a subsidiary, owned or controlled company or entity of an "Insured". An employee of an "Insured" shall be treated as a "Third Party".

33. ULTIMATE NET LOSS

The words "Ultimate Net Loss", wherever used in this Policy, shall mean the amount the "Insured" is obligated to pay, by judgement or settlement, as: -

(a) damages;

(b) expenses for necessary medical, surgical, x-ray and dental services including prosthetic devices;

(c) necessary ambulance, hospital, professional nursing and funeral services;

resulting from an "Occurrence" covered by this Policy.

34. UNINTENDED OMISSIONS, ERRORS OR INCORRECT DESCRIPTION

Liability to which this Policy applies shall not be prejudiced by any unintentional and/or inadvertent omission, error or incorrect description in the declaration of "Insured Contract"s provided notice is given to Underwriters as soon as practicable upon discovery of any such omission, error or incorrect description.

LEXINGTON INSURANCE COMPANY

35. WATERCRAFT LIABILITY

The words "Watercraft Liability", wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of any craft designed to float or travel on, in or under the water, including hovercraft.

36. WRONGFUL TERMINATION

The words "Wrongful Termination", wherever used in this Policy, shall mean termination of an employment relationship in a manner which is against the law, wrongful, or in breach of an implied or written agreement to continue employment.

LEXINGTON INSURANCE COMPANY

DECLARATIONS

Item 1.

(a) Name and Address of the named "Insured":

The Port Authority of New York and New Jersey, as Principal and named "Insured".

225 Park Avenue South,
12th Floor,
New York, N.Y. 10003

(b) "Construction Project Site"s:

Per Definition 10 but only those "Construction Project Site"s that are designated by and appear on the records of the named "Insured" as being insured under the Owner Controlled Insurance Program.

Item 2. Limits of Liability:

(a) "Ultimate Net Loss" in respect of each "Occurrence" which is always subject to (b) below: - USD 2,500,000

(b) Aggregate "Ultimate Net Loss" separately in respect of:

(i) "Products Liability" and "Completed Operations Liability" Combined:

USD 7,500,000

(ii) "Personal Injury":

USD 2,500,000 for each "Annual Period of Construction"

"Personal Injury" Annual Aggregate applicable as follows:

1st June 2010 – 1st June 2011

Excess of

USD 500,000 each "Occurrence" and in the aggregate as follows:

(a) "Products Liability" and "Completed Operations Liability" Combined:

USD 1,500,000

(b) "Personal Injury":

USD 500,000 for each "Annual Period of Construction"
"Personal Injury" Annual Aggregate applicable as follows:

1st June 2010 – 1st June 2011

LEXINGTON INSURANCE COMPANY

Item 3. Policy Period in respect of all "Construction Project Site"s: -

(a) Inception date: 1st June 2010

(b) Expiry date: 1st June 2011

All dates at 00.01 hours local standard time at the address of the named "Insured".

(c) "Products Liability" and "Completed Operations Liability" combined Period:

Three years from completion of each "Construction Project Site", but always subject to Condition 4. Cancellation or Non-Renewal.

Item 4. Annual Periods of Construction: -

1st June 2010 to 1st June 2011

All dates at 00.01 hours local standard time at the address of the named "Insured".

Item 5 Currency:-

United States Dollars (USD)

Item 6. Premium:-

(a) in accordance with Endorsement Number 3

(b) Payable on :- 1st June 2010

Item 7. Payment of Premium to: - Aon Limited

Item 8. Damages Payments to: - To be advised

Item 9. Service of Suit: - In accordance with the attached Service of Suit Clause: Lexington Insurance Company, 100 Summer Street, Boston, MA 02210-2103

Item 10. Notice of Occurrence: - To Lexington via Aon Limited,
North American Liability Claims Department,
8 Devonshire Square, London, EC2M 4PL
Fao: Graham Wingrove

Email: uscasualtyclaims@aon.co.uk

graham.wingrove@aon.co.uk

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 1

ACTIONS OVER/INDEMNITY BUYBACK

This Policy, subject to all its Insuring Agreements, Conditions, Exclusions and Definitions, is endorsed to indemnify the "Insured" for amounts for which it shall have become liable to pay and shall have paid on account of investigation, defense and indemnity as respects its responsibilities, if any, to any "Third Party" by virtue of defense and indemnity obligations assumed under written contract or agreement and arising from "Bodily Injury" of any employee(s) of the "Insured", except insofar as same may arise from "Occupational Disease".

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 2

PRODUCTS AND COMPLETED OPERATIONS LIABILITY EXTENSION (INCLUDING DISCOVERY)

(1) "Products Liability" and "Completed Operations Liability" shall extend for a period of 36 months from the completion of each "Construction Project Site" as referred to in Item 3.(c) of the Declarations.

(2) Notwithstanding anything else to the contrary contained in this Policy in respect of all coverage including "Products Liability" and "Completed Operations Liability" Underwriters are not liable, under any circumstances, for any liability of whatsoever nature, which is otherwise insured under this Policy, unless notice of "Occurrence" is given to Underwriters prior to expiry of 60 months after the inception of the "Products Liability" and "Completed Operations Liability" extension period referred to in paragraph (1) above.

In the event of any "Occurrence" for which Underwriters are or may become liable under this Policy, notice thereof shall be given to said Underwriters as soon as practicable and any and every notice of claim, pleading and paper of any kind relating to such "Occurrence" shall be forwarded promptly on behalf of the "Insured" to Underwriters.

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 3

PREMIUM AND ADJUSTMENTS

It is understood and agreed that the premium shall be computed and adjusted as follows:-

(1) The Minimum and Deposit premium is based upon applicable contractor payments during the period based on an estimated USD 707,463,000.

The Minimum and Deposit premium shall be adjusted at 1.35% on the actual payments made on contracts during the policy period.

(2) Premium instalment schedule

1st June, 2010	USD 9,550,751

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 4

COVERAGE TERRITORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

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

89644 (7/05)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 5

TERRORISM PREMIUM CHARGE ENDORSEMENT

The "Terrorism" charge is USD 95,508 and is included in the Policy Premium shown on the Declarations Page of this policy.

DEFINITION – The following definition of terrorism shall apply:

"Terrorism" means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm:

(1) A government;
(2) The civilian population of a country, state or community; or
(3) To disrupt the economy of a country, state or community.

So long as the Terrorism Risk Insurance Act of 2002 (the "Act") is in effect, "Terrorism" includes a certified act of terrorism defined by Section 102. Definitions, of the Act and any revisions or amendments thereto.

LX9827 (01/05)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 6

INCIDENTAL MEDICAL MALPRACTICE ENDORSEMENT

The definition of "Bodily Injury" is amended to include "Incidental Medical Malpractice Injury"

The words "Incidental Medical Malpractice Injury", wherever used in this Policy, shall mean injury arising out of the rendering of or failure to render, during the Policy Period, the following services: -

(a) medical, surgical, dental, x-ray or nursing services or the furnishing of food or beverages in connection therewith, or

(b) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to: -

(1) expenses incurred by the "Insured" for first aid at the time of an accident and Condition 13 is amended accordingly;

(2) any "Insured" engaged in the business or occupation of providing any of the services described under (a) or (b) above;

(3) injury caused by an indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under (a) or (b) above.

Coverage under this Endorsement shall not be prejudiced by Exclusion 2 of this Policy.

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 7

In respect of operations of the "Insured" within an Airport perimeter, the following Clause shall apply: -

NOISE AND POLLUTION AND OTHER PERILS EXCLUSION CLAUSE

1. This Policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:-

   (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,

   (b) pollution and contamination of any kind whatsoever,

   (c) electrical and electromagnetic interference,

   (d) interference with the use of property;

   unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

2. With respect to any provision in the Policy concerning any duty of Insurers to investigate or defend claims, such provision shall not apply and Insurers shall not be required to defend

   (a) claims excluded by Paragraph 1 or

   (b) a claim or claims covered by the Policy when combined with any claims excluded by Paragraph 1 (referred to below as "Combined Claims").

3. In respect of any Combined Claims, Insurers shall (subject to proof of loss and the limits of the Policy) reimburse the "Insured" for that portion of the following items which may be allocated to the claims covered by the Policy:

   (i) damages awarded against the "Insured" and

   (ii) defence fees and expenses incurred by the "Insured".

4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this Policy.

AVN 46B 1.10.96

Wherever used in this Clause, the word "Insurers" is deemed to read "Underwriters"

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 8

ASBESTOS EXCLUSION

This policy is amended as follows:

Section III. EXCLUSIONS, is amended to include the following additional exclusion:

1. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" in any way arising out of the use by any person or organization of or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust;

2. for "Property Damage" to real property arising out of the use by any person or organization of asbestos, asbestos products, asbestos fibers, asbestos dust, including without limitation the costs incurred with respect to the removal or abatement of asbestos, asbestos products, asbestos fibers or asbestos dust from or in such real property;

3. for any obligation of the "Insured" to indemnify any party because of damages arising out of such "Bodily Injury", "Personal Injury", "Property Damage", "Advertising Injury" and/or sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury, at any time as a result of the manufacture of, mining of, use of, sale of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust; or

4. for any obligation to defend any suit or "Claim" against the "Insured" alleging "Bodily Injury", "Personal Injury", "Advertising Injury" and/or sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury or "Property Damage" resulting from or contributed to, by any and all manufacture of, mining of, use of, sale of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust.

Extract from OCC-GL form LX9641 (10/05) (Amended)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 9

FUNGUS/MOLD EXCLUSION

This policy is amended as follows:

Section III. EXCLUSIONS, is amended to include the following additional exclusion:

for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" or any other loss, cost or expense, including, but not limited to losses, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:

1. Any "fungus(i)", "mold(s)", mildew or yeast, or

2. Any "spore(s)" or toxins created or produced by or emanating from such "fungus(i)", "mold(s)", mildew or yeast, or

3. Any substance, vapour, gas, or other emission or organic or inorganic body substance produced by or arising out of any "fungus(i)", "mold(s)", mildew or yeast, or

4. Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures or acts as a medium for any "fungus(i)", "mold(s)", mildew, yeast or "spore(s)" or toxins emanating therefrom,

regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that "Bodily Injury" or "Property Damage", loss, cost or expense.

For the purpose of this exclusion, Section IV. DEFINITIONS, is amended to include the following:

"Fungus(i)" includes, but is not limited to, any of the plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including molds, rusts, mildews, smuts, and mushrooms.

"Mold(s)" includes, but is not limited to, any superficial growth produced on damp or decaying organic matter of or on living organisms, and fungi that produces molds.

"Spore(s)" means any dormant or reproductive body produced by or arising or emanating out of any "fungus(i)", "mold(s)", mildew, plants, organisms or microorganisms.

Extract from OCC-GL form LX9641 (10/05) (Amended)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 10

CHROMIUM COPPER ARSENATE EXCLUSION

This policy is amended as follows:

Section III. EXCLUSIONS, is amended to include the following additional exclusion:

for any liability arising out of manufacture, installation, use, sale, handling, removal, distribution, application, inhalation or consumption of, or exposure to any chemical or product containing Chromium Copper Arsenate (CCA) or which has the same chemical formulary, or which is generally known in the chemical trade as having a substantially similar formulation, structure, or function by whatever name manufactured, formulated, structured, sold or distributed.

LX9546 (10/03) (Amended)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 11

EXTERIOR INSULATION AND FINISH SYSTEMS (EIFS) EXCLUSION

This policy is amended as follows:

Section III. EXCLUSIONS, is amended to include the following additional exclusion:

for "Bodily Injury", "Property Damage" or "Personal Injury" and "Advertising Injury" arising from or in any way relating to the insured's operations or interest or any other involvement in the design, manufacture, selling, construction, fabrication, preparation, installation, application, maintenance or repair, remodeling, servicing, correction, or replacement of an "Exterior Insulation and Finish System" (commonly referred to as synthetic stucco or EIFS) or any part thereof, or any substantially similar system or any part thereof, including but not limited to, the application of or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system.

Section IV. DEFINITIONS, 18. "Insured Contract" is amended to include the following:

Insured Contract shall NOT include any liability for "Bodily Injury", "Property Damage" or "Personal Injury" and "Advertising Injury" arising from or in any way relating to the insured's operations or interest or any other involvement in the design, manufacture, selling, construction, fabrication, preparation, installation, application, maintenance or repair, remodeling, servicing, correction, or replacement of an "Exterior Insulation and Finish System" (commonly referred to as synthetic stucco or EIFS) or any part thereof, or any substantially similar system or any part thereof, including but not limited to, the application of or use of conditioners, primers, accessories, flashings, coatings, caulkings or sealants in connection with such a system.

For the purposes of this exclusion, Section IV. DEFINITIONS, is amended to add the following:

"Exterior Insulation and Finish System" means an exterior cladding or finish system used in any part of any commercial or industrial structure, single or multi-family dwelling, duplex, townhouse, or any similar residential structure, and consisting of:

1. A rigid or semi-rigid insulation board made of expanded polystyrene or other materials;
2. Concrete or any other type of masonry or similar substrate;
3. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
4. A reinforced base coat; and
5. A finish coat providing surface texture and color.

LX9547 (10/02) (Amended)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 12

SILICA EXCLUSION ENDORSEMENT

This policy is amended as follows:

Section III. EXCLUSIONS, is amended to include the following additional exclusion:

This insurance does not apply to:

for any liability arising out of "Silica", "Silica" fiber(s) or "Silica Dust" or any product(s) containing "Silica", "Silica" fiber(s) or "Silica Dust".

Section IV. DEFINITIONS is amended to include the following additional definitions:

"Silica" means:

1. The substance commonly known as Silica; and

2. Any substance or product which has the same or substantially similar chemical formulation, structure or function as Silica, by whatever name manufactured, formulated, structured, sold or distributed.

"Silica Dust" means:

1. Dust comprising of Silica only; and

2. Dust comprising of Silica mixed with other dust or fiber(s) including, but not limited to, asbestos fibers.

It is understood that to the extent any coverage may otherwise be provided under this Policy or any of its endorsements, the provisions of this exclusion will supercede.

80479 (02/03) (Amended)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 13

POLYCHLORINATED BIPHENYL ("PCB") EXCLUSION ENDORSEMENT

This policy is amended as follows:

Section III. EXCLUSIONS, is amended to include the following additional exclusion:

for any liability arising out of "Polychlorinated Biphenyl ("PCB")".

Section IV. DEFINITIONS is amended to include the following additional definition:

"Polychlorinated Biphenyl ("PCB")" means:

1. The substance commonly known as Polychlorinated Biphenyl ("PCB");

2. Any substance or product sold or distributed under any of Polychlorinated Biphenyl's ("PCB") trade names; and

3. Any substance or product which has the same or substantially similar chemical formulation, structure or function as Polychlorinated Biphenyl ("PCB"), by whatever name manufactured, formulated, structured, sold or distributed.

It is understood that to the extent any coverage may otherwise be provided under this Policy or any of its endorsements, the provisions of this exclusion will supercede.

80461 (02/03) (Amended)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 14

LEAD EXCLUSION (ABSOLUTE)

This policy is amended as follows:

Section III. EXCLUSIONS, is amended to include the following additional exclusion:

for any "Bodily Injury", "Property Damage", "Personal Injury" or "Advertising Injury" for past, present or future claims arising in whole or in part, either directly or indirectly, out of the manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, exposure to, ingestion of or testing for, lead whether or not the lead is or was at any time airborne as a particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion or found in any form whatsoever.

It is further agreed that this Policy does not apply to any liability including expenses for:

(1) The costs of clean up or removal of lead or products and materials containing lead;

(2) The costs of such actions as may be necessary to monitor, assess and evaluate the release or threat of same, of lead or products and material containing lead;

(3) The cost of disposal of lead substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize or mitigate damage to the public health or welfare or to the environment, which may otherwise result;

(4) The cost of compliance with any law or regulation regarding lead.

It is further agreed that for any "Claim" made or suit brought which is excluded under the terms of this endorsement, Underwriters shall not have the obligation to defend, adjust, investigate or pay any costs for investigation, defense, adjustment or attorney fees arising out of such "Claims".

LX9505 (05/02) (Amended)

All other terms and conditions remain unchanged.

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 15

PREMISES ALIENATED EXCLUSION

This Policy does not apply to any actual or alleged liability:

arising out of "Property Damage" to premises alienated by the Named "Insured" arising out of such premises or any part thereof but this exclusion not to apply in respect of "Completed Operations Liability" coverage as afforded elsewhere in this Policy.

All other terms and conditions remain unchanged.

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 16

EXCLUSION - VIOLATION OF STATUTES IN CONNECTION WITH SENDING, TRANSMITTING OR COMMUNICATING ANY MATERIAL OR INFORMATION

This endorsement modifies insurance provided by the Policy:

This insurance does not apply to any loss, injury, damage, "Claim", suit, cost or expense arising out of or resulting from, caused directly or indirectly, in whole or in part by, any act that violates any statute, ordinance or regulation of any federal, state or local government, including any amendment of or addition to such laws, that includes, addresses or applies to the sending, transmitting or communicating of any material or information, by any means whatsoever.

To the extent any coverage may otherwise be available under this Policy, the provisions of this exclusion shall supercede the same and exclude such coverage.

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 17

SERVICE OF SUIT ENDORSEMENT

In the event of the failure of Underwriters to pay any amount claimed to be due hereunder, Underwriters, at the request of the "Insured", will submit to the jurisdiction of any court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court or seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, Lexington Insurance Company, 100 Summer Street, Boston, Massachusetts, 02110-2103 or his or her representative, and that in any suit instituted against Underwriters upon this policy, Underwriters will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters designate the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the "Insured" or any beneficiary hereunder arising out of this policy of insurance, and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

LX9476 (Ed. 12/01) (Amended)

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 18

SCHEDULES OF OPEN CONTRACTS

Schedules of open contracts will be supplied to Underwriters within 90 days of each anniversary of the date stated in Item 3.(a) of the Declarations.

These schedules will include the date each contract was started and/or completed together with the contract value.

However, all jobs with contract value's in excess of USD 100,000,000 are to be individually referred to, and agreed by Lexington Insurance Company prior to the start of Construction.

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 19

EXECUTIVE OFFICER DEFINITION

Section IV. DEFINITIONS is amended to include the following:

EXECUTIVE OFFICER

The words "Executive Officer", wherever used in this Policy, mean the Chairman of the Board, President, Chief Executive, Operating, Financial and Administrative Officers, Managing Director, or any Executive or Senior Vice President of the Insured. Where any such title is inapplicable, the equivalent level of personnel shall be substituted.

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 20

CLAIMS PROCEDURE

This endorsement is to be amended upon agreement between the Company and other applicable Insurers by 31st August 2010.

Third Party Administrator

John Riddle Claims Consultants (JRCC) are the appointed Third Party Administrator.

JRCC responsibilities are:

- Maintenance of Claim files
- Reserve posting and changes
- Monthly bordereaux to Underwriters
- Issuance of Claims Funds
- Transmittal of summons and complaints
- Management of trust fund account
- Reporting to Underwriters if and when required
- Issuing Reservation of Rights if and when required (subject to CRC/Underwriters' approval as appropriate)
- Member of CRC
- Triangulations as at the following dates; 31st January, 28th February, 31st March, 30th June, 30th September, 31st December each policy year.

JRCC will charge a flat fee of USD 300 for Property Damage Claims settled up to USD 15,000. Property Damage losses in excess of USD 15,000 and Bodily Injury losses will be billed on a hourly basis at USD 90 per hour.

Underwriters concur that JRCC will have ground up settlement authority of up to USD 100,000 per occurrence. Where practical the CRC (and insurers if appropriate) will be kept informed of all proposed settlement agreements.

Claims Review Committee (CRC) and Sub-Committee (CRSC)

The CRC will consist of the following parties:

Port Authority of New York and New Jersey, Treasury, Risk Finance, Law Departments
Approved Defence Counsel
AON – Port Authority Service Team New York and AON Limited, London
Underwriters at Interest
JRCC
Workers Compensation Carrier

The CRC will meet on a monthly basis in New York and annually in London. The list of cases for CRC meetings and attorney case summaries will be submitted to CRC members at least ten days prior to each meeting.

As a practical matter Underwriters may not attend all CRC meetings.

LEXINGTON INSURANCE COMPANY

The CRC and CRC sub-committee as appropriate will be responsible for establishing reserves for both indemnity and costs. The CRC will have ground up settlement authority of up to USD 500,000 per occurrence.

Claims Negotiation Days (Settlement Days)

In an attempt to resolve cases in a cost effective manner these should take place every forty five days where practical. It is the responsibility of the CRC to nominate the appropriate cases which will be negotiated before retired Judge Anthony Mercorella or other appropriate party to be advised.

Notice to Underwriters

Underwriters will be immediately advised in writing of losses reserved at USD 250,000 or greater or any losses involving the following criteria:

1. Fatality
2. Closed Head Injury/Neurological Injury
3. Spinal Cord Damage or paralysis
4. Loss of limb
5. Partial or full loss of sight
6. Permanent disability
7. Significant burns cases – in excess of 10% of body surface
8. Where three or more parties are injured arising out of one incident
9. Where New York labor law 240/241 may apply to present exposure into Underwriter's layer of coverage.

Defense of "Insured"

For all losses in suit where notice to Underwriters is appropriate JRCC will nominate defence counsel from a "to be agreed" panel.

Underwriters will review the nomination and promptly respond with instructions. Subject to terms of engagement approved defense counsel may thereafter file the appropriate pleadings and assume the defence of the "Insured".

Defence counsel will operate within agreed to guidelines.

Payment of Fees

Subject to policy terms and conditions Underwriters will be responsible for payment of defence costs and related expenses incurred in the defence of the "Insured". Underwriters shall not however be responsible for the fees and/or expenses of the "Insured's" own staff.

Annual Review

This endorsement is subject to annual review commencing 1st June, 2008.

All other terms of this Policy remain unchanged

LEXINGTON INSURANCE COMPANY

ENDORSEMENT NO. 21

ADDITIONAL INSURED ENDORSEMENT

Underwriters agree that, if required by written contract, any person, firm or organisation is included as an Additional "Insured" but only in respect of liability for "Bodily Injury" and/or "Property Damage" arising out of operations performed by the named "Insured" and only to the extent required under said written contract.

This Insurance applies separately to each "Insured" against whom claim is made or suit is brought except with respect to Underwriters limits of liability.

The inclusion of any person, firm or organisation as an "Insured" shall not affect any right which such person, firm or organisation would have as a claimant if not included.

All other terms, conditions and limitations of this Policy remain unchanged.

LEXINGTON INSURANCE COMPANY

Policy No.: 1070561

COMPANY POLICY

Name: The Port Authority of New York and New Jersey, as Principal and Named "Insured"

Expiry Date: 1st June 2011

MASTER OWNER CONTROLLED INSURANCE PROGRAMME (CIP) – CONSTRUCTION LIABILITY POLICY.

Policy Number: WE1000200

Renewal of: WE0700107

Contract Document

North American Casualty Division

Excess Liability Insurance

Insured:	**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**
Layer:	USD 22,000,000 excess of USD 3,000,000
Underwriter:	Various Underwriters as per Individual Security Details
Period:	1st June 2010 to 1st June 2011

8 Devonshire Square
London
EC2M 4PL
United Kingdom

Tel +44 (0) 20 7623 5500
Fax +44 (0) 20 7621 1511

Aon Limited Registered Office: 8 Devonshire Square ~ London ~ EC2M 4PL ~ United Kingdom
Registered in London No. 210725 ~ VAT Registration No. 480 8401 48

Aon Limited is authorised and regulated by the Financial Services Authority in respect of insurance mediation activities only

RISK DETAILS

MASTER OWNER CONTROLLED INSURANCE PROGRAMME (CIP) – CONSTRUCTION LIABILITY POLICY.

UMR: **BO823WE1000200**

TYPE: EXCESS WRAP UP LIABILITY INSURANCE.

NAMED INSURED: **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** as owner and all Contractors and all Co and Sub Contractors and Programme Managers and as more fully set forth in the Lead Underlying Policy.

ADDRESS: 225 Park Avenue South
12th Floor,
New York, N.Y. 10003,
United States of America.

PERIOD:

From: 1st June 2010 at 12.01 a.m. standard time at the address of the Named Insured above.

To: 1st June 2011 at 12.01 a.m. standard time at the address of the Named Insured above.

INTEREST: Coverage in respect of the Insured's liability arising out of their business operations as more fully described in the Lead Underlying Policy.

LIMITS OF LIABILITY:

USD 22,000,000	Each Occurrence (costs in addition).
USD 22,000,000	Annual Aggregate in respect of "Personal Injury"
USD 66,000,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined.
EXCESS OF:	
USD 2,500,000	Each Occurrence (costs in addition).
USD 2,500,000	Annual Aggregate in respect of "Personal Injury"
USD 7,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined.

ARK 4020

ASPEN

WHICH IN TURN EXCESS OF:

USD 500,000	Each Occurrence (costs in addition).
USD 500,000	Annual Aggregate in respect of "Personal Injury"
USD 1,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined.

SITUATION: New York and New Jersey.

CONDITIONS:

1) London Short Excess Form 01-07 (OCC) (Amended) Wording, as attached.
2) Notice of Occurrence:

To:

The Insurer as shown in the attached Individual Security Details.

And:

Aon Limited,
North American Liability Claims Department,
8 Devonshire Square,
London EC2M 4PL,
United Kingdom.

(Attention: Graham Wingrove)

E-mail: uscasualtyclaims@aon.co.uk

graham.wingrove@aon.co.uk

3) All other Notices:

via

Aon Limited,
8 Devonshire Square,
London EC2M 4PL,
United Kingdom.

To:

The Insurer or the Named Insured.

4) LMA 5091 (Amended) US Terrorism Risk Insurance Act of 2002 as amended – New and Renewal Business Endorsement, as attached.
5) Choice of Law and Jurisdiction and NMA 1998 (Amended) Service of Suite Clause (USA), as attached.

ASPEN
ARK 4020

6) CL 370 – Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause, as attached.
7) OFAC Endorsement, as attached.
8) Apportionment and Control of Losses and Costs, as attached.
9) Third Party Administrator Endorsement, as attached.
10) Exclusion Number 7 of Lead Underlying Policy is amended to read as attached.
11) Changes in Lead Underlying Policy Endorsement, as attached.
12) Endorsement for Excess Following Form Policy Issuance Prior to Issuance / Receipt of the Lead Underlying Policy, as attached.

CHOICE OF LAW AND JURISDICTION: As per attached Endorsement Number Two.

PREMIUM: As per attached Individual Security Details.

PAYMENT TERMS: Premium payment to Underwriters within 30 days of inception.

TAXES PAYABLE BY THE INSURED AND ADMINISTERED BY UNDERWRITERS:

European Economic Area (EEA) Insurance Premium Tax

Underwriters deem the European Economic Area exposure to be Nil, and EEA Insurance Premium Tax is not applicable.

TAXES PAYABLE BY THE INSURED: In respect of Surplus Lines participation: US Surplus Lines taxes as per allocation to be advised by Aon Risk Services.

RECORDING, TRANSMITTING AND STORING OF INFORMATION: Aon Limited may retain risk and claim data / information / documents electronically, and where this is done these documents shall be regarded with the same Legal effect as the original documents.

INSURER CONTRACT DOCUMENTATION: This document details the contract terms entered into by the insurer(s), and constitutes the contract document. No further Policy documentation will be issued.

This contract is subject to US state surplus lines requirements. It is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the Insured. In the event that the surplus lines notice is not affixed to the contract document the Insured should contact the surplus lines broker.

ARK 4020

ENDORSEMENT NUMBER: NINE

ENDORSEMENT FOR EXCESS FOLLOWING FORM POLICY ISSUANCE PRIOR TO ISSUANCE/RECEIPT OF THE LEAD UNDERLYING POLICY

This Excess Liability Following Form Policy has been issued on the basis that, until the Lead Underlying Policy is issued, it is following the same terms, definitions, exclusions and conditions (except as otherwise provided herein) as are contained in the attached Port Authority of New York and New Jersey Construction Liability Policy 2007 – Owner Controlled Insurance Program – Construction Liability.

Following the issuance of the Lead Underlying Policy by Port Authority Insurance Captive Entity LLC (PAICE), a copy of such policy should be forwarded to the Insurers, via Aon Limited, London, for review and agreement by the Insurers. Any difference in coverage between the above referenced 2007 Policy and the Lead Underlying Policy will not be binding upon the Insurers hereunder until agreed by the Insurers in writing.

Upon satisfactory review of the above referenced policy by the Insurers, an endorsement will be issued to this Policy deleting this endorsement in its entirety.

ALL OTHER TERMS OF THIS POLICY REMAIN UNCHANGED.

ARK 4020

ENDORSEMENT NUMBER: EIGHT

CHANGES IN LEAD UNDERLYING POLICY ENDORSEMENT

The following is added to this Policy, notwithstanding anything to the contrary in the Lead Underlying Policy:

If the terms of the Lead Underlying Policy are changed in any manner from those in effect on the inception date of this Policy, the Insured shall, as a condition precedent to its rights under this Policy, give to the Insurer as soon as practicable written notice of the full particulars thereof.

This Policy shall become subject to any such changes upon the effective date of the changes in the Lead Underlying Policy, but only upon the condition that the Insurer agrees to follow such changes by written endorsement attached hereto, and the Insured agrees to any additional premium or amendment of the provisions of this Policy required by the Insurer relating to such changes. Further, such change in coverage is conditioned upon the Insured's payment when due of any such additional premium required by the Insurer relating to such changes.

ALL OTHER TERMS OF THIS POLICY REMAIN UNCHANGED.

ENDORSEMENT NUMBER: SEVEN

AMENDMENT TO EXCLUSION NUMBER 7 OF LEAD UNDERYING POLICY

Notwithstanding Exclusion 7. of the Lead Underlying Policy, it is hereby understood and agreed that this Policy covers damage to Property of the named "Insured" by "Contractor"s, Co-Contractors and Sub-Contractors enrolled under this Policy but only in excess of all the named "Insured"'s Property Insurances and always excluding any damage to any "Contract Work".

ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

ENDORSEMENT NUMBER: SIX

THIRD PARTY ADMINISTRATOR ENDORSEMENT

Third Party Administrator
John Riddle Claims Consultants (JRCC) is the appointed Third Party Administrator.

JRCC responsibilities are:

- Maintenance of claims files
- Reserve posting and changes
- Monthly bordereaux to Underwriters
- Issuance of Claims Funds
- Transmittal of summons and complaints
- Management of trust fund account
- Reporting to Underwriters if and when required
- Issuing reservation of rights or denial letters if and when required (subject to CRC/Underwriters' approval as appropriate)
- Member of CRC
- Triangulations as at the following dates; 31st January, 28th February, 31st March, 30th June, 30th September, 31st December each policy year

JRCC will charge a flat fee as agreed by Insurers for "Property Damage" claims settled up to USD 15,000. "Property Damage" losses in excess of USD 15,000 and "Bodily Injury" losses will be billed on an hourly basis.

Underwriters concur that JRCC will have ground up settlement authority of up to USD 100,000 per occurrence. Where practical the CRC (and insurers if appropriate) will be kept informed of all proposed settlement agreements.

Claims Review Committee (CRC) and Sub-Committee (CRSC)

The CRC will consist of the following parties:

Port Authority of New York and New Jersey, Treasury, Risk Finance, Law Departments
Approved Defence Counsel
AON - Port Authority Service Team in New York and AON Limited, London
Underwriters at Interest
JRCC
Workers Compensation Carrier

The CRC will meet on a monthly basis in New York and annually in London. The list of cases for CRC meetings and attorney case summaries will be submitted to CRC members at least ten days prior to each meeting.

As a practical matter Underwriters may not attend all CRC meetings.

The CRC and CRC sub-committee as appropriate will be responsible for establishing reserves for both indemnity and costs. The CRC will have ground up settlement authority of up to USD 500,000 per occurrence.

ARK 4020

Claims Negotiation Days (Settlement Days)

In an attempt to resolve cases in a cost effective manner these should take place every forty five days where practical. It is the responsibility of the CRC to nominate the appropriate cases which will be negotiated before retired Judge Anthony Mercorella or other appropriate party to be advised.

Notice to Underwriters:

Underwriters will be immediately advised in writing of losses reserved at USD 250,000 or greater or of any losses involving the following criteria:

1. Fatality
2. Closed Head Injury/Neurological Injury
3. Spinal Cord Damage or paralysis
4. Loss of limb
5. Partial or full loss of sight
6. Permanent disability
7. Significant burns cases - in excess of 10% of body surface
8. Where three or more parties are injured arising out of one incident
9. Where New York labor law 240/241 may apply to present exposure into underwriter's layer of coverage.

Defence of "Insured"

For all losses in suit where notice to underwriters is appropriate JRCC will nominate defence counsel from a "to be agreed" panel.

Underwriters will review the nomination and promptly respond with instructions. Subject to terms of engagement approved defense counsel may thereafter file the appropriate pleadings and assume the defence of the Insured.

Defence counsel will operate within agreed to guidelines.

Payment of Fees

Subject to policy terms and conditions underwriters will be responsible for payment of defence costs and related expenses incurred in defence of the "Insured". Underwriters shall not however be responsible for the fees and/or expenses of the "Insured's own staff.

Annual Review

This endorsement is subject to annual review commencing 1st June, 2011

Information:

JRCC is responsible for and holds a trust fund of USD 200,000 per annum for which claims proceeds can be paid. This trust fund will be funded by Port Authority Insurance Captive Entity, LLC (PAICE), the Port Authority of New York and New Jersey's Captive Insurance Company.

A CRC sub-committee has been established. The principle function of the sub-committee is to expediently establish reserves on new loss notifications.

ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

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ENDORSEMENT NUMBER: FIVE

APPORTIONMENT AND CONTROL OF LOSSES AND COSTS

Where "Defence Expenses" are not included in the "Ultimate Net Loss" of the Lead Underlying Policy, the following shall be additional Conditions to this wording:-

INCURRING OF COSTS

In the event of an Occurrence which appears likely to exceed the Underlying Insurances Limits set out in Item 4 of the Declarations, no "Defence Expenses" shall be incurred by the Insured without the written consent of the Insurer.

APPORTIONMENT OF "DEFENCE EXPENSES"

"Defence Expenses" incurred by or on behalf of the Insured with the written consent of the Insurer and for which the Insured is not covered by the Underlying Insurances referred to in Item 2 of the Declarations shall be apportioned as follows:-

i. Should any claim or claims become adjustable prior to the commencement of trial for not more than the Underlying Limits, then no "Defence Expenses" shall be payable by the Insurer.

ii. Should, however, the amount for which the said claim or claims may be so adjustable exceed the Underlying Limits, then the Insurer, if it consents to the proceedings continuing, shall contribute to the "Defence Expenses" incurred by or on behalf of the Insured in the ratio that its proportion on the Ultimate Net Loss as finally adjusted bears to the whole amount of such Ultimate Net Loss.

iii. In the event that the Insured elects not to appeal a judgement in excess of the Underlying Limits, the Insurer may elect to conduct such appeal at its own cost and expense and shall be liable for the taxable court costs and interest incidental thereto, but in no event shall the total liability of the Insurer exceed its limit of liability as provided for in the wording, plus the expenses of such appeal.

ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

ARK 4020

ENDORSEMENT NUMBER: FOUR

OFAC ENDORSEMENT

If coverage for a claim under this Policy is in violation of any United States of America's economic or trade sanctions, including but not limited to, sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), then coverage for that claim shall be null and void.

ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

ENDORSEMENT NUMBER: THREE

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

   1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

   1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

   1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

   1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes

   1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

CL 370
10/11/2003

ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

ENDORSEMENT NUMBER: TWO

CHOICE OF LAW AND JURISDICTION

This policy shall be construed and enforced in accordance with and governed by the internal law of the State of New York.

Any dispute arising hereunder will be exclusively subject to the jurisdiction of the courts of the United States of America as per the following Service of Suit Clause (U.S.A.) NMA 1998 (amended):

SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon Wilson, Elser, Moskowitz, Edelman & Dicker 150 East 42nd Street, New York, NY 10017 and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

24/4/86
NMA1998 (amended)

Wherever the words "(or Reinsured)" appear in this Clause they shall be deemed deleted.

ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

ARK 4020

ENDORSEMENT NUMBER: ONE

U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED

NEW & RENEWAL BUSINESS ENDORSEMENT

This Endorsement is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

In consideration of a 1% allocation within the premium, it is hereby noted and agreed with effect from inception that the Terrorism exclusion to which this Insurance is subject (if applicable), shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002" as amended ("TRIA").

The coverage afforded by this Endorsement is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in TRIA. The coverage provided by this Endorsement shall expire at 12:00 midnight December 31, 2014, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates. The Terrorism exclusion, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

This Endorsement only affects the Terrorism exclusion to which this Insurance is subject (if applicable). All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

Furthermore the Underwriter(s) will not be liable for any amounts for which they are not responsible under the terms of TRIA (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on the Underwriter's liability for payment for terrorism losses.

LMA5091 (Amended)
21/12/2007

Form approved by Lloyd's Market Association

The term "Underwriters", wherever it appears in the above Endorsement, shall be deemed to read "Insurer".

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

ARK 4020

LONDON SHORT EXCESS FORM 01-07 (OCC) (AMENDED)

INSURING AGREEMENTS:

1. **COVERAGE** -

The Insurer (as stated in Item 8 of the Declarations) hereby agrees, subject to the limitations, terms and conditions contained herein, to indemnify the Insured for all sums which the Insured shall be obligated to pay by reason of the liability arising out of the hazards covered by and as more fully defined in the Lead Underlying Policy (as stated in Item 2. (a) of the Declarations and hereinafter referred to as "Lead Underlying Policy"); provided always however, that this Policy shall not apply until the Underlying Insurers (as stated in Items 2.(c) and 2.(d) of the Declarations and hereinafter referred to as "Underlying Insurers") have paid or have been held liable to pay the full amount of their respective ultimate net loss plus Defence Expenses in accordance with Insuring Agreement 2. – Limits of Liability.

The Insurer further agrees that this Policy will follow the same insuring agreements, conditions, exclusions and definitions (except as otherwise provided herein) as are, at the date shown in Item 5 a) of the Declarations, contained in the Lead Underlying Policy.

Notwithstanding the foregoing, in the event that any of the following amendment(s) are subsequently made to the insuring agreements, conditions, exclusions and definitions of the Lead Underlying Policy in effect at the date shown in Item 5 a) of the Declarations:

1. any change which is subject to an additional premium charge,
2. the inclusion of an additional coverage extension endorsement,
3. any change to the insuring agreements, conditions, exclusions and definitions which is intended to broaden the scope of the coverage already provided, other than Insureds or Named Insureds added without an additional premium charge,

then such amendment(s) shall not be binding upon the Insurer unless otherwise agreed in writing by the Insurer.

2 **LIMIT OF LIABILITY** -

The Insurer shall be liable only to pay sums up to:

USD (as stated in Item 3.a) of the Declarations)	ultimate net loss in all in respect of each Occurrence - subject to a limit of
USD (as stated in Item 3.b) of the Declarations)	in the aggregate during the currency of this Policy, separately in respect of each hazard insured with an aggregate limit in the Lead Underlying Policy

but liability shall attach to the Insurer only after the Underlying Insurers have paid or have been held liable to pay the full amount of their respective ultimate net loss liability as follows:

ARK 4020

USD (as stated in Item 4.a) of the Declarations)	ultimate net loss in respect of each Occurrence, but
USD (as stated in Item 4.b) of the Declarations)	in the aggregate during the currency of this Policy, separately in respect of each hazard insured with an aggregate limit in the Lead Underlying Policy

CONDITIONS:

1. **MAINTENANCE OF UNDERLYING INSURANCE** -

The Underlying Policy/ies (as stated in Items 2.(a) and 2.(b) of the Declarations and hereinafter referred to as "Underlying Policy/ies") shall be maintained in full force and effect, except for any reduction of the aggregate limits contained therein solely by payment of any loss(es) to which this Policy would otherwise apply in respect of Occurrences commencing during the Policy Period specified in Item 5. of the Declarations. In the event of the Insured's failure to maintain the Underlying Policy/ies in full force and effect and except with respect to the aforementioned aggregate reduction, coverage hereunder shall not be invalid, but shall apply to the same extent that it would have applied had there been compliance with this condition.

In the event any Underlying Policy stated in Item 2.(b) of the Declarations excludes loss(es) which are covered by the Lead Underlying Policy and subsequently covered hereunder in accordance with the provisions of Insuring Agreement 1 - Coverage, the Insurer shall not drop down to apply in place of such excluded coverage.

2. **ASSISTANCE AND CO-OPERATION** -

The Insurer shall not be called upon to assume charge of the settlement or defense of any claim made or suit brought or proceeding instituted against the Insured however the Insurer shall have the right and shall be given the opportunity to associate with the Insured or the Insured's underlying insurers, or both, in the defense and control of any claim, suit or proceeding relative to an Occurrence where the claim or suit involves, or appears reasonably likely to involve the Insurer, in which event the Insured and the Insurer shall co-operate in all things in the defense of such claim, suit or proceeding.

3. **CANCELLATION** -

The Named Insured or the Insurer shall have the right to cancel this Policy in accordance with the cancellation provisions of the Lead Underlying Policy. Such notice shall be sent to the Named Insured or the Insurer via the entity stated in Item 6.b) of the Declarations.-

4. **OTHER INSURANCE** -

If other valid and collectible insurance is available to the Insured covering a loss also covered by this Policy, other than a Policy that is specifically written to apply in excess of this Policy, the insurance afforded by this Policy shall apply in excess of and shall not contribute with such other insurance. Nothing in this Condition shall be construed to make this Policy subject to the insuring agreements, conditions, exclusions and definitions of such other insurance.

ARK 4020

5. **NOTICE OF OCCURRENCE** -

Whenever the Insured has information from which it may reasonably conclude that an Occurrence covered hereunder involves injuries or damages which, in the event that the Insured should be held liable, is likely to involve this Policy, notice shall be sent to the Insurer via the entity stated in Item 6.a) of the Declarations as soon as practicable, provided, however, that failure to give notice of any Occurrence which at the time of its happening did not appear to involve this Policy, but which, at a later date would appear to give rise to claims hereunder, shall not prejudice such claims.

ARK 4020

DECLARATIONS

Item 1.	(a)	Named Insured:	**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** as owner and all Contractors and all Co and Sub Contractors and Programme Managers and as more fully set forth in the Lead Underlying Policy.
	(b)	Address of Named Insured:	225 Park Avenue South – 12th Floor New York NY 10003 United States of America
Item 2.	(a)	Lead Underlying Policy No:	PACIPGL 1013.
	(b)	All other Underlying Policy No(s):	1070561
	(c)	Lead Underlying Insurer:	Port Authority Insurance Captive Entity LLC (PAICE)
	(d)	All other Underlying Insurer(s):	Lexington Insurance Company.

Item 3.	Limit of Liability: (Insuring Agreement 2):	a)	USD 22,000,000	Each Occurrence (costs in addition).
		b)	USD 22,000,000	Annual Aggregate in respect of "Personal Injury"
			USD 66,000,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined
Item 4.	Underlying Limits: (Insuring Agreement 2):	a) (i)	USD 2,500,000	Each Occurrence (costs in addition).
		b) (i)	USD 2,500,000	Annual Aggregate in respect of "Personal Injury"
		(ii)	USD 7,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined

ARK 4020

WHICH IN TURN IS EXCESS OF:

a) (ii)	USD 500,000	Each Occurrence (costs in addition).
b) (iii)	USD 500,000	Annual Aggregate in respect of "Personal Injury"
(iv)	USD 1,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined

Item 5. Policy Period:

a) From: 1st June 2010 at 12.01 am standard time at the address of the Named Insured.

b) To: 1st June 2011 at 12.01 am standard time at the address of the Named Insured.

Item 6. Notice to:
(Conditions 3 and 5)

a) All Notices of Occurrence:

To:

The Insurer as shown in the attached Individual Security Details.

And:

Aon Limited,
North American Liability Claims Department,
8 Devonshire Square,
London EC2M 4PL,
United Kingdom.

(Attention: Graham Wingrove)

E-mail: uscasualtyclaims@aon.co.uk

graham.wingrove@aon.co.uk

b) All other Notices:

Via:

Aon Limited,
8 Devonshire Square,
London EC2M 4PL,
United Kingdom.

To:

The Insurer or the Named Insured.

ARK 4020

Item 7.	Premium:		As per attached Individual Security Details.
Item 8.	The Insurer:	Name and Address:	As per attached Individual Security Details.
		Reference:	As per attached Individual Security Details.

ARK 4020

SECURITY DETAILS

(RE)INSURER'S LIABILITY: **LMA3333**

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

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ARK 4020

ORDER HEREON: 82.5 % of Whole.

BASIS OF WRITTEN LINES: Percentage of Whole.

SIGNING PROVISIONS: In the event that the written lines hereon exceed 100% of the order, any lines written "To Stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;

b) the (re)insured may elect for the disproportionate signing of (re)insurers' lines, without further specific agreement of (re)insurers, providing that any such variation is made prior to the commencement date of the period of insurance, and that lines written "to stand" may not be varied without the documented agreement of those (re)insurers;

c) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

1) In a co-insurance placement following (re) insurers may, but are not obliged to, follow the premium charged by the lead (re) insurer

2) (Re) insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

WRITTEN LINES: **As per attached Individual Security Details.**

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ARK 4020

INDIVIDUAL SECURITY DETAILS

INSURER: Aspen Insurance UK Limited,
30 Fenchurch Street,
London EC3M 3BD,
United Kingdom.

MINIMUM AND DEPOSIT PREMIUM: USD 4,000,000 (for 100%) annual.

The Minimum and Deposit premium shall be adjusted at 0.5165 % of the actual payments made on contracts during the Policy Period 1st June 2010 to 1st June 2011 based on an estimated USD 707,641,582.

Including TRIA Premium as per Endorsement Number One.

SIGNED LINES:	WRITTEN LINES:
60.00 %	60% Marine & Energy Aspen Insurance UK Ltd ASPEN ASPEN INSURANCE L050442 10AOV 8699(11) XIS

INDIVIDUAL SECURITY DETAILS

INSURER:

Lloyds Syndicate AUW 609,
Lloyd's,
One Lime Street,
London EC3M 7HA,
United Kingdom.

Claims to:

Aon Limited,
North American Liability Claims Department,
8 Devonshire Square,
London EC2M 4PL,
United Kingdom.

E-mail: uscasualtyclaims@aon.co.uk

MINIMUM AND DEPOSIT PREMIUM:

USD 4,000,000 (for 100%) annual.

The Minimum and Deposit premium shall be adjusted at 0.5165 % of the actual payments made on contracts during the Policy Period 1st June 2010 to 1st June 2011 based on an estimated USD 707,641,582.

Including TRIA Premium as per Endorsement Number One.

SIGNED LINES:	WRITTEN LINES:
12.50 %	12½ % ATRIUM AUW 609 WAXAWPW1DAFX 23 8 10.

INDIVIDUAL SECURITY DETAILS

INSURER:

Lloyds Syndicate ARK 4020,
Lloyd's,
One Lime Street,
London EC3M 7HA,
United Kingdom.

Claims to:

Aon Limited,
North American Liability Claims Department,
8 Devonshire Square,
London EC2M 4PL,
United Kingdom.

E-mail: uscasualtyclaims@aon.co.uk

MINIMUM AND DEPOSIT PREMIUM:

USD 4,000,000 (for 100%) annual.

The Minimum and Deposit premium shall be adjusted at 0.5165 % of the actual payments made on contracts during the Policy Period 1st June 2010 to 1st June 2011 based on an estimated USD 707,641,582.

Including TRIA Premium as per Endorsement Number One.

SIGNED LINES:	WRITTEN LINES:
10.00 %	10% ARK 4020 L1810KA00042 A N N N N A A N N N N Line to Stand 20/8/10 (Per MA)

CONTRACT ADMINISTRATION AND ADVISORY SECTIONS

The following pages include documents between the Insurer and Broker to facilitate the administration of this risk.

BROKER REMUNERATION AND DEDUCTIONS

- Provides data relating to brokerage and fees received by the Broker.

SUBJECTIVITIES

- Any subjectivities imposed by Insurers.

INFORMATION

- Details of any information provided to Insurers to support the assessment of the risk at the time of placement.

FISCAL AND REGULATORY

- Provides fiscal and regulatory information of relevance to the Insurers involved in the Risk.

SUBSCRIPTION AGREEMENT

- Establishes rules and requirements for Brokers and Insurers to be followed for processing and administration of post placement amendments and transactions, including the General Underwriting Agreement (GUA) clarifying the extent of the delegated authority. Reference to "Slip Leader" as it applies to the attached Subscription Agreement shall be deemed to only apply in respect of this Contract WE1000200, and not the leading agreement party for the whole layer.

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ARK 4020

BROKER REMUNERATION AND DEDUCTIONS SECTION

BROKERAGE: 7.5 %

Aon Limited (London office) has disclosed where required the existence and amount of any fee and/or premium commission paid or payable for this placement.

OTHER DEDUCTIONS FROM PREMIUM: None.

ARK 4020

SUBJECTIVITIES SECTION

SUBJECTIVITIES:

None.

INFORMATION REQUIREMENTS:

Underwriters require the following.

1) Aspen to agree the Lead Underlying Policy. In the interim, this Policy Number WE1000200 to follow terms and conditions of attached expiring 2007 Policy as per Endorsement Number Eight.

INFORMATION SECTION

The following information was provided to the Insurer to support the assessment of the risk and is held on file.

- PONY Contractors Insurance Program – General Liability Submission June 2010 seen and agreed by all Underwriters.

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ARK 4020

FISCAL AND REGULATORY

TAX PAYABLE BY UNDERWRITERS:	None.
COUNTRY OF ORIGIN:	United States of America.
OVERSEAS BROKER:	Aon Risk Services Northeast, Inc, Port Authority of New York and New Jersey Service Team 300 Jericho Quadrangle, Suite 300, P.O. Box 342 Jericho, NY 11753 United States of America.
US CLASSIFICATION:	US Surplus Lines

Surplus Lines Broker:	Aon Risk Services Northeast, Inc., 199 Water Street, 32nd Floor, New York, NY 10038, United States of America.
Surplus Lines License Number:	EX-648027-R
State of Filing:	New York

(The country, state or province to which a risk will be reported against for regulatory reporting)

NAIC CODES:	Not applicable.
ALLOCATION OF PREMIUM TO CODING	99 % UA (Casualty) 1 % 7T (Casualty Terrorism)
FSA CLIENT CLASSIFICATION:	Large Risk

Aon Risk Classification Code:

LNEE – Large Risk Non European Economic Area

ASPEN

ARK 4020

SUBSCRIPTION AGREEMENT

(Aon Limited Property & Casualty - December 2009)

SLIP LEADER	Aspen Insurance UK Limited
SETTLEMENT DUE DATE	1st July 2010. In respect of electronic lines, please refer to the Settlement Information shown under Security Details herein.
BASIS OF AGREEMENT TO CONTRACT CHANGES	GUA (October 2001) with Non Marine Schedule (October 2001) except as below. Agree extend for up to one calendar month at additional premium as agreed Slip Leader only. When details of Slip Leader only agreed endorsements are required by the Slip Leader to be provided to following Insurer(s), email and/or other electronic means may be used by Aon Limited.
OTHER AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR PART 2 GUA CHANGES ONLY	Slip Leader only for PART 2 changes.
AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR THEIR PROPORTION ONLY	None.
CLAIMS AGREEMENT PARTIES	All claims to be agreed by the Slip Leader and: • The first Lloyd's syndicate in the event that the Slip Leader is an IUA Company. Therefore hereon that Lloyd's Leader is _____. • The second Lloyd's Agreement Party where required by the Lloyd's 2010 Claims Scheme as amended or succeeded. Where required for this placement the 2nd Lloyd's Agreement Party is deemed to be _____. • The first company in the event that the Slip Leader is a Lloyd's syndicate. • All non-bureau insurers each for their own proportion.

ARK 4020

BASIS OF CLAIMS AGREEMENT	Claims to be managed in accordance with the Lloyd's 2010 Claims Scheme, and IUA claims agreement practices and any non bureau insurers' claims agreement practices (in each case, as applicable), or any amendments, successor scheme or agreement as may be agreed by the parties from time to time. The Claims Agreement Parties will provide to Aon when possible copies of all professional advisors reports received. In the event that Insurers deny coverage or seek to reserve any rights, Insurers (or their representative(s)) will, as soon as reasonably practicable but in any event within 14 days of such denial or reservation of rights, provide details reason(s) why coverage is denied or reserved, providing sufficient facts to allow the insured or the insured's agent to respond.
CLAIMS ADMINISTRATION	Aon Limited to enter claims advices into CLASS (as applicable). IUA Contractual Condition to apply in respect of CLASS circulations to follow market. Aon Limited will notify all claims agreement parties (and where applicable follow markets) of any claim submitted to the policy, and give updates. Where possible, such notifications and updates will be given via Aon Broking Connections Claims, Aon Limited's claims repository (which can be viewed by Lloyd's syndicates via the Xchanging Insurance Market Repository).
RULES AND EXTENT OF ANY OTHER DELEGATED CLAIMS AUTHORITY	None.
EXPERT(S) FEES COLLECTION	Aon Limited will ~~not~~ undertake the collection of any fee invoices rendered by third parties ~~unless the fees form part of the Insured's claim or the work is for the exclusive benefit of the Insured~~. ~~In the event of Aon Limited not collecting third party fees the following applies (Leader to elect as appropriate)~~ ~~√ as appropriate~~ ☐ ~~Xchanging Claims Services Limited to collect fees for all slip security, including overseas (re)insurers~~ ☐ ~~_____ fee collection agency to collect for all slip security, including overseas.~~ ☑ ~~The Leading Claims Agreement party, and the Leading Lloyd's Claims Agreement party, if different, will nominate the fee collection agency at time of appointing any third party expert.~~ ☐ ~~Any appointed third party expert is responsible for appointing their own fee collection agent.~~

ARK 4020

BUREAU ARRANGEMENTS (Xchanging)

~~Insurer(s) to sign any deferred premium instalments as Additional Premium(s). However any annual instalments to be allocated to respective year of account~~.

Where a Premium Payment Warranty or Premium Payment Condition applies, the settlement due date is deemed in all instances to be the same as the Premium Payment Warranty or Premium Payment Condition due date.

Where a Settlement Due Date or any Premium Payment Warranty or Premium Payment Condition due date falls on a weekend or public holiday, presentation to Xchanging or (Re)Insurers hereon as applicable on the next working day will be deemed in compliance with Settlement Due Date, Premium Payment Warranty or Premium Payment Condition.

If the premium is to be paid in instalments, the second and subsequent instalments to be taken down as additional premiums, if required.

In the event of partial premium payment received by Aon Limited Insurer(s) agree to accept premium as paid to and endorsed by Aon Limited.

Where payments received by Aon Limited in convertible currencies Insurer(s) agree to accept/settle accounts at rate of exchange ~~declared by Aon Limited~~ to be determined at time of settlement.

Xchanging authorised to agree issue FDO signings hereon as required, but premium settlement due dates remain unaltered.

Insurers agree that Aon Limited may settle premiums for this contract/release de-linked premiums for this contract into settlement at different times.

In the event of this Contract stating an Insurance and a Reinsurance Premium or multiple Reinsurance Premiums (each to be paid from a different source), Xchanging are authorised to ungroup the Premium Advise Notes so that each can be released separately once paid by the respective client.

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ARK 4020

GUA Non-Marine Schedule – October 2001

This Schedule applies to insurance and facultative reinsurance and the terms insurance and insured shall include facultative reinsurance and reinsured

PART 1

Alterations the Slip Leader may agree on behalf of all Underwriters each for its own proportion severally and not jointly

1.1 All Alterations that the slip specifies are to be agreed by the Slip Leader only.
1.2 Errors that are clearly typographical errors.
1.3 Changes to the name of the insured that are not deemed material by the Slip Leader.
1.4 The receipt and acknowledgement of notices of assignment or endorsements in respect of loss payees.
1.5 Any Alteration which decreases the monetary exposure of the Underwriters (or of any of them).
1.6 Restrictions in coverage.
1.7 Additional named insured where catered for on the slip.
1.8 Amendments to declarations under lineslips or other contracts for insurance within predetermined rates, conditions and limits incorporated into such contracts for insurance, subject to compliance with any terms with regard to advice of declarations to all Underwriters.
1.9 The confirmation of attachment and expiry dates provided not more than 60 days after the
Date the Slip Leader originally subscribed to the slip and provided that the underwriting year of account is not affected.
1.10 Reduction of slip deductions that results in Underwriters receiving at least net equivalent premiums.
1.11 Return Premiums where catered for in the slip.
1.12 Premium Adjustments at slip rates.
1.13 Increases in premium where no further changes have been effected.
1.14 Where the Slip Leader considers circumstances are such that agreement by all Underwriters is inappropriate, any Alteration which has the effect of extending, up to a maximum of 5 working days, the effective payment date contained in the Premium Payment Condition or Premium Payment Warranty agreed in the slip, provided:
- that no previous such Alteration shall have been made under this Part during the period to which such effective date applies,
- that the Slip Leader considers that the consequences of not so extending such effective date would not be in the interests of the Underwriters and the insured and
- that all Underwriters shall be notified of the agreement to and the reasons for the Alteration.

1.15 *** Any Alteration which has the effect of extending, up to a maximum of 5 working days, a period of notice of cancellation given by Underwriters in pursuit of the Premium Payment Clause agreed in the slip, provided that no previous such Alteration shall have been made under this Part during the period of insurance to which the notice of cancellation applies.
1.16 *** Cancellation of coverage (all or part) by insured within slip terms.
1.17 Copies or extracts of the slip to support bureau(x) procedures including signing of premium, bulk signing of premium, production of policies, agreement and settlement of claims.
1.18 The agreement of policy wording(s) in accordance with express provisions in the slip.
1.19 The signing of certificates or other evidence of insurance in the form agreed in the slip.

***** Any such Alteration, if agreed, is to be notified to all Underwriters**

ASPEN
ARK 4020

PART 2

Alterations the Slip Leader and Agreement Parties may, if unanimous, agree on behalf of all Underwriters each for its own proportion severally and not jointly

2.1 All Alterations that the slip specifies may be agreed by the Slip Leader and Agreement Parties.

2.2 All Alterations which do not fall within either Part 1 or Part 3.

PART 3

Alterations which may be agreed only by all Underwriters each for its own proportion severally and not jointly

3.1 All Alterations that the slip specifies may be agreed only by all Underwriters.

3.2 All Alterations which are judged by either the Slip Leader or by any Agreement Party to be ones which ought to be agreed by all Underwriters.

3.3 All Alterations which fall within the following list, unless the slip specifies such an Alteration may be otherwise agreed:

3.3.1 In respect of slips placed on a full value basis where the limit of liability is equal to the total value at risk, any amendment to the limit that increases Underwriters' liability by more than 10% of their signed line.
In respect of slips placed on a first loss or excess of loss basis, any amendment to the limit or deductible and any amendment increasing the total value at risk by more than 10%.

3.3.2 Any waiver of or amendment to any express or implied warranty or any condition precedent to the attachment of the risk except as provided for in Part 1.

3.3.3 Extensions of policy period in excess of one calendar month or 30 days, whichever is greater.

3.3.4 Any Alteration, other than provided for in Part 1, which has the effect of extending those terms agreed in the Premium Payment Clause in the slip or any endorsement thereto.

3.3.5 Changes that extend the geographical scope of the contract.

3.3.6 Any backdating of the policy period.

3.3.7 Changes that amend or extend the jurisdictions relevant to the insurance coverage and/or which require Underwriters to submit to regulatory regimes not agreed at the time when the slip was placed.

3.3.8 Cancellation of the policy by Underwriters in accordance with slip terms.

3.3.9 Delegation of authority to sign certificates or other evidence of cover.

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LMP101(NMS OCT01)

ARK 4020

ATTACHMENT TO ENDORSEMENT NUMBER NINE

The following as a copy of the expiring Port Authority of New York and New Jersey Construction Liability Policy 2007 – Owner Controlled Insurance Program – Construction Liability

Plus any agreed Endorsements thereto.

PORT AUTHORITY OF NEW YORK AND NEW JERSEY CONSTRUCTION LIABILITY POLICY 2007

Owner Controlled Insurance Program - Construction Liability

THIS IS A LIABILITY POLICY. PLEASE READ THE ENTIRE DOCUMENT CAREFULLY. SOME WORDS CONTAINED HEREIN HAVE SPECIFIC MEANING. PLEASE REFER TO THE DEFINITIONS SECTION.

I. INSURING AGREEMENTS

1. COVERAGE

In consideration of the payment of the premiums set out in Item 6 of the Declarations and in reliance upon the proposal for this policy (hereinafter Policy), statements made and any supplementary information pertaining to the proposal which are all deemed incorporated herein, Underwriters agree, subject to the Insuring Agreements, Conditions, Exclusions, Definitions and Declarations contained in this Policy, to indemnify the "Insured" in respect of its operations at each "Construction Project Site" referred to in Item 1.(b) of the Declarations, that have been "Let" by the named "Insured" prior to 1st June 2010, for "Ultimate Net Loss" by reason of liability:

(a) imposed upon the "Insured" by law or

(b) assumed by the "Insured" under an "Insured Contract",

for damages in respect of:

(i) "Bodily Injury"

(ii) "Personal Injury"

(iii) "Property Damage"

(iv) "Advertising Injury"

caused by or arising out of: -

(1) "General Liability" "Occurrence"s which first commence during the Policy Period stated in Item 3 of the Declarations and which comprise:

(i) incomplete "Construction Project Site"s "Let" during a previous Policy Period;

or

(ii) new "Construction Project Site"s "Let" in the Policy Period stated in Item 3 of the Declarations whether completed or not,

(2) "Product Liability" and "Completed Operations Liability" "Occurrence"s which first commence during the Policy Period stated in Item 3 of the Declarations but only in respect of the following:

(i) the balance of a "Product Liability and Completed Operations Liability Combined Period" which commenced during a previous Policy Period;

or

(ii) the start of a "Product Liability and Completed Operations Liability Combined Period" during the Policy Period stated in Item 3 of the Declarations,.

Nothing contained in this Policy shall make it subject to the terms of any other insurance.

2. LIMITS OF LIABILITY

Underwriters shall only be liable for "Ultimate Net Loss" up to the amount stated in Item 2.(a) of the Declarations plus "Defence Expenses" in respect of each "Occurrence" first commencing during the period stated in Item 3 of the Declarations subject always to the provisions of Condition 2.

Regardless of the number of "Occurrences" that may be covered by this Policy, Underwriters' total Limits of Liability shall not exceed the amount of "Ultimate Net Loss" set out in Item 2.(b) of the Declarations in the aggregate separately in respect of:

(i) "Product Liability" and "Completed Operations Liability" combined,

(ii) "Personal Injury"

plus "Defence Expenses" subject always to the provisions of Condition 2.

In respect of (i) above, the aggregate stated in Item 2.(b).(i) of the Declarations shall apply to all "Construction Project Site"s subject to the parameters stated in Insuring Agreement 1.(2).

In respect of (ii) above, the aggregate stated in Item 2.(b).(ii) of the Declarations shall apply for each "Annual Period of Construction" stated in Item 4 of the Declarations within the period stated in Item 3 of the Declarations.

The inclusion or addition hereunder of more than one "Insured" shall not increase Underwriters' Limits of Liability as set out in Item 2 of the Declarations.

Where "Defence Expenses" are paid or incurred by the "Insured", all "Defence Expenses" will be paid by Underwriters in addition to the Limits of Liability of this Policy until such Limits of Liability are exhausted subject always to the provisions of Condition 2.

II. CONDITIONS

This Policy is subject to the following conditions:

1. APPEALS

In the event the "Insured" elects not to appeal a judgement which may, in whole or in part involve indemnity under this Policy, Underwriters may, following discussion with the "Insured", elect to make such appeal at their own cost and expense and shall be liable for the taxable costs, expenses and disbursements and any additional interest incidental to such appeal; but in no event shall the liability of Underwriters exceed the relevant Limits of Liability set out in Item 2 of the Declarations plus such costs, expenses, disbursements and interest.

2. APPORTIONMENT OF "DEFENCE EXPENSES"

Whenever any written demand received by the "Insured" for damages is finally resolved by a payment by Underwriters which, regardless of the amount thereof, is only covered in part by this Policy, then the percentage of any "Defence Expenses" that are paid by Underwriters in addition to the "Ultimate Net Loss" shall be calculated by dividing that part of such payment which is covered by this Policy, by the total amount paid.

3. ASSIGNMENT

Assignment of interest under this Policy shall not bind Underwriters unless and until their written agreement thereto is secured.

4. CANCELLATION OR NON-RENEWAL

(a) **By the named "Insured"**

This Policy may be cancelled at an anniversary date only by the named "Insured" without the consent of other "Insureds", by mailing to Underwriters written notice stating at which anniversary date thereafter such cancellation shall be effective.

(b) **By Underwriters**

This Policy may be cancelled by Underwriters for non payment of premium, in which event ten (10) days notification at any time shall apply.

The Policy Period stated in Item 3 of the Declarations and the coverage of each "Construction Project Site" referred to in Item 1.(b) of the Declarations will end on the day and hour stated in the cancellation notice or on the expiry date stated in Item 3.(b) of the Declarations whichever is the earlier.

If Underwriters cancel the Policy, final premium will be calculated by Underwriters by applying the rate stated in Endorsement No 3 to the declared values of "Construction Project Site"s during the shortened Policy Period.

Notwithstanding the foregoing, however, in the event of cancellation by the named "Insured" during the Policy Period or non-renewal of this Policy, this Policy may continue to apply to "Insured Contract"s at "Construction Project Site"s for which the named "Insured" has committed to provide insurance prior to the effective date of cancellation or the date stated in Item 3.(b) of the Declarations, whichever is the earlier, at rate and premium to be agreed by Underwriters, until all work to be performed under such "Insured Contract"s is completed plus the "Product Liability and Completed Operations Liability Combined Period"s have elapsed.

5. CROSS LIABILITY

In the event of an "Occurrence" resulting in "Bodily Injury" to an employee of one "Insured" hereunder for which another "Insured" is, or may be, liable then this Policy shall cover such "Insured" against whom a "Claim" for damages has been made or may be made in the same manner as if separate policies had been issued to each "Insured" hereunder.

In the event of an "Occurrence" resulting in "Property Damage" to property of one "Insured" hereunder for which another "Insured" is, or may be, liable then this Policy shall cover such "Insured" against whom a "Claim" for damages has been made or may be made in the same manner as if separate policies had been issued to each "Insured" hereunder.

Nothing contained herein shall operate to increase Underwriters' Limit of Liability set out in Item 2 of the Declarations.

6. CURRENCY AND PAYMENTS OF PREMIUMS

Premiums and indemnity payments due under this Policy are payable in the currency set out in Item 5 of the Declarations. Payment of premiums shall be made by the first named "Insured" set out in Item 1.(a) of the Declarations to the person or entity set out in Item 7 of the Declarations. If the first named "Insured" or its agent fails to pay the premium due to Underwriters by the due date, Underwriters may issue notice to the named "Insured" set out in Item 1.(a) of the Declarations in accordance with the provisions of Condition 4.

7. DAMAGES PAYABLE

Any amount for which Underwriters are liable under this Policy shall be due and payable solely to the agent of the "Insured" set out in Item 8 of the Declarations within thirty (30) days after it is agreed by Underwriters.

8. DEFENCE

As detailed in Endorsement 6 but Underwriters' right and obligation to incur "Defence Expenses" in the defence of any "Occurrence" end when the Limits of Liability have been exhausted by the payment of judgements or settlements.

9. GOVERNING LAW AND INTERPRETATION

In view of the diverse locations of the parties purchasing insurance from Underwriters and the desirability of unified regulation, the parties agree that the Policy shall be construed and enforced in accordance with and governed by the internal law of the State of New York.

10. INSOLVENCY

The insolvency, bankruptcy, receivership or any refusal or inability to pay of the "Insured" and/or any Underwriter shall not operate to:

(a) increase Underwriters' liability under this Policy;

(b) increase any Underwriters' share of liability under this Policy;

(c) relieve Underwriters from the payment of "Ultimate Net Loss" or "Defence Expenses" under this Policy.

11. INSPECTION AND INVESTIGATION

Underwriters may, after giving reasonable notice to the named "Insured", audit and examine the books and records of the "Insured" as they relate to this Policy at any time during the Policy Period and for up to three years after the expiration or termination of this Policy.

Underwriters have the right, but are not obligated, after giving reasonable notice to the named "Insured", to inspect the premises and operations of the "Insured". The inspections are not safety inspections. They relate only to the insurability of the premises and operations and the premiums to be charged. Underwriters may give the "Insured" reports on the conditions found. They may also recommend changes. Whilst they may help reduce losses, Underwriters do not undertake to perform the duty of any person or organisation to provide for the health or safety of the "Insured"'s employees or the public. Underwriters do not warrant that the premises or operations of the "Insured" are safe or healthful or that they comply with laws, regulations, codes or standards.

12. KNOWLEDGE OF OCCURRENCE

Other than in respect of conditions (a), (b), (c), (d) and (e) of Exclusion 18 knowledge of an "Occurrence" by the agent, servant or employee of the "Insured" shall not in itself constitute knowledge by the "Insured", unless an executive officer of the "Insured"'s Corporation shall have received such notice from its agent, servant or employee.

13. NOTICE OF OCCURRENCE

(a) In the event of an "Occurrence", written notice containing the particulars sufficient to identify the "Insured" and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the "Insured" to the entity named in Item 10 of the Declarations as soon as practicable.

(b) If claim is made or suit is brought against the "Insured", the "Insured" shall immediately forward to the entity named in Item 10 of the Declarations every demand, notice, summons or other process received by it or its representative.

(c) Notwithstanding anything to the contrary in this Condition, this Policy shall not apply to any: -

(i) "General Liability" "Occurrence" unless notice of such "Occurrence" is given to Underwriters prior to expiry of five years from the date stated in Item 3.(b) of the Declarations; or

(ii) "Product Liability" and "Completed Operations Liability" "Occurrence" unless notice of such "Occurrence" is given to Underwriters prior to expiry of three years from the date stated in Item 3.(b) of the Declarations or two years from the end of the "Product Liability and Completed Operations Liability Combined Period", whichever is the earlier,

but always subject to Condition 4. Cancellation or Non-Renewal.

(d) The "Insured" shall co-operate with Underwriters and, upon Underwriters' request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organisation who may be liable to the "Insured" because of injury or damage with respect to which insurance is afforded under this Policy; and the "Insured" shall attend hearings and trials, and assist in securing and giving evidence and obtaining the attendance of witnesses. The "Insured" shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the "Occurrence".

(e) When the "Insured" reports any accident to the Workers' Compensation carrier insuring its Workers' Compensation Insurance which later develops into a claim for liability to which this Policy applies, coverage for which is provided by this Policy, failure to report such accident to Underwriters at the time of the "Occurrence" shall not be deemed in violation of (a), (b) or (c) of this Condition upon the distinct understanding and agreement, however, that the "Insured" just as soon as it is definitely made aware of the fact that the particular accident is a liability case rather than a Workers' Compensation case, shall give notification of the aforesaid accident to Underwriters.

14. OTHER INSURANCE

The insurance afforded by this Policy is primary insurance, except when stated in writing to the contrary. Where this Policy is primary and the "Insured" has other insurance which is stated to be applicable to an "Occurrence" on an excess basis, the amount of the Underwriters' liability under this Policy shall not be reduced by the existence of such other insurance.

When both this Policy and other insurance apply to an "Occurrence" on the same basis, this Policy will only contribute its proportionate share in combination with such other insurance.

15. SEPARATION OF "INSUREDS"

Except with respect to Underwriters' Limits of Liability and any rights or duties specifically assigned to the named "Insured" designated in Item 1.(a) of the Declarations, this insurance applies separately to each "Insured" against whom "Claim" is made or suit brought.

16. SERVICE OF SUIT CLAUSE

(Per attached Service of Suit Clause (U.S.A.))

17. SUBROGATION

Where an amount is paid by Underwriters under this Policy, the "Insured"'s rights of recovery against any other person or entity in respect of such amount shall be exclusively subrogated to Underwriters. At Underwriters' request the "Insured" will assist, co-operate and lend its name to the exercise of Underwriters' rights of subrogation. The "Insured" shall do nothing to prejudice such rights.

All recoveries shall be applied as follows:

(a) any interests, including the "Insured", that have paid an amount in excess of Underwriters' payment under this Policy will be reimbursed first; and,

(b) Underwriters then will be reimbursed up to the amount they have paid.

Expenses incurred in the exercise of rights of recovery shall be apportioned between the interests, including the "Insured", in the ratio of their respective recoveries as finally settled.

Notwithstanding the foregoing, Underwriters waive their rights of recovery against any "Third Party" to whom the named "Insured" has undertaken, in a written contract, to obtain a written waiver of subrogation but only if such waiver has been included in such "Insured Contract" before the "Occurrence" giving rise to such payments.

This waiver shall apply only with respect to an "Occurrence" arising from operations undertaken or obligations required under the specific "Insured Contract" between the named "Insured" and such "Third Party" and shall not be construed to be a waiver with respect to other operations of such "Third Party" in which the named "Insured" has no contractual interest or obligation.

No waiver of subrogation shall directly or indirectly apply to any employee(s) of either the named "Insured" or of such "Third Party" unless required by "Insured Contract" and Underwriters reserve their rights or lien to be reimbursed from any recovery funds obtained by any employee.

This waiver does not apply in any jurisdiction where such waiver is held to be illegal or against public policy or to any "Occurrence" wherein such "Third Party" is found to be solely negligent.

18. **TRANSFER OF RIGHTS AND DUTIES**

The rights and duties of the "Insured" under this Policy may not be transferred without prior written consent of Underwriters.

19. **WAIVER OR CHANGE**

Notice to any agent or knowledge possessed by any agent or any other person shall not effect a waiver of or change in any part of this Policy. This Policy can only be changed by a written endorsement that becomes a part of this Policy and is signed by or on behalf of Underwriters.

III. EXCLUSIONS

This Policy does not apply to any actual or alleged liability:

1. arising out of breach of contract other than an "Insured Contract";

2. (a) of whatsoever nature of the "Insured", whether the "Insured" may be liable as an employer or in any other capacity whatsoever, to any of its Employees, including without limiting the generality of the foregoing any liability under any Workers' Compensation Law, Unemployment Compensation Law, Disability Benefit Law, Longshore and Harbor Workers' Compensation Act, Jones Act, Death on the High Seas Act, General Maritime Law, Federal Employers' Liability Act, Employers Liability, Employers' Liability as respects Occupational Disease or any similar laws of liabilities, and/or whether by reason of the relationship of master and servant or employer and employee or not;

   (b) which any "Insured" may have to its own employee arising out of the actions or omissions of another of its own employees;

3. arising out of "Automobile Liability" other than such "Automobile Liability" on any "Construction Project Site";

4. arising out of "Aircraft Liability";

5. arising out of "Watercraft Liability";

6. for "Discrimination", "Sexual Harassment" and/or "Inappropriate Employment Conduct";

7. for "Property Damage" to property:

   (a) owned, leased, rented or occupied by the "Insured";

   (b) in the care, custody or control of the "Insured";

8. for "Property Damage" to the "Insured's Products" arising out of such products or any part of such products;

9. for "Property Damage" to property worked on by or on behalf of the "Insured" arising out of such work or any portion thereof, or out of any material, parts or equipment furnished in connection therewith;

10. for the withdrawal, recall, return, inspection, repair, replacement, or loss of use of the "Insured's Products" or work completed by or for the "Insured" or for any property of which such "Insured's Products" or work form a part;

11. for any fines or penalties;

12. for "Personal Injury" and/or "Advertising Injury" arising out of:

    (a) failure to perform under any contract other than an "Insured Contract";

    (b) infringement of trademark, patent, service mark or trade name, other than copyright, titles or slogans, by use thereof on or in connection with goods, products or services sold or offered for sale;

    (c) unfair competition;

13. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" arising out of: -

    (a) the failure of the operations or work completed by or for the "Insured" to perform the function or serve the purpose intended by the "Insured";

    (b) fines or penalties imposed on the "Insured" should the operations or work completed by or for the "Insured" fail to reach the levels of performance set out in the contract

    (c) the failure of the "Insured" to complete a contract on time or comply with any contractual obligation;

14. for any act, negligence, error or omission, malpractice or mistake arising out of "Professional Services", committed or alleged to have been committed by or on behalf of the "Insured" in the conduct of any of the "Insured"'s business activities;

15. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by or arising out of:- asbestos; mold; chromium copper arsenate; Exterior Insulation and Finish System (EIFS); silica, polychlorinated biphenyl (PCB) or lead; or any substance containing such material or any derivative thereof;

16. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" for claims made by or on behalf of any person or persons directly or indirectly on account of continuous, intermittent or repeated exposure to, ingestion, inhalation, or absorption of, any substance, material, product, waste, emission, radioactive substance, noise or environmental disturbance where the "Insured" is or may be liable as a result of the manufacture, production, extraction, sale, handling, utilisation, distribution, disposal or creation by or on behalf of the "Insured" of such substance, material, product, waste, emission, radioactive substance, noise or environmental disturbance;

17. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" arising out of or in any way connected with the operation of the principles of eminent domain, condemnation proceedings or inverse condemnation proceedings or inverse condemnation by whatever name called regardless of whether such claims are made directly against the "Insured" or by virtue of any agreement entered into by or on behalf of the "Insured"; or with respect to any provisions in this Policy concerning any duty of Underwriters to investigate or defend any "Claim" excluded by this exclusion;

18. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by or arising out of seepage, pollution or contamination however caused whenever or wherever happening;

This exclusion shall not apply where all of the following conditions are shown by the "Insured" to have been met:

(a) the seepage, pollution or contamination was caused by an "Occurrence"; and,

(b) the "Occurrence" first commenced on an identified specific date during the period stated in Item 3 of the Declarations; and,

(c) the "Occurrence" was first discovered by the "Insured" within fourteen (14) days of such first commencement; and,

(d) written notification of the "Occurrence" was first received from the "Insured" by Underwriters within ninety (90) days of the "Insured"'s first discovery of the "Occurrence" ; and,

(e) the "Occurrence" did not result from the "Insured"'s intentional violation of any statute, rule, ordinance or regulation.

Even if the above conditions (a) to (e) are satisfied, this Policy does not apply to any actual or alleged liability:

(i) to evaluate, monitor, control, remove, nullify and/or clean-up seeping, polluting or contaminating substances to the extent such liability arises solely from any obligations imposed by or on behalf of a governmental authority;

(ii) to abate or investigate any threat of seepage onto or pollution or contamination of the property of a "Third Party";

(iii) for seepage, pollution or contamination at or from any premises, site or location on which any "Insured" or any "Contractor"s or "Subcontractor"s working directly or indirectly on any "Insured"'s behalf are performing operations:

(a) if the pollutants are brought on or to the premises, site or location in connection with such operations by such "Insured", "Contractor" or "Subcontractor", or

(b) if the operations are to test for, evaluate, monitor, control, remove, nullify, clean-up or in any way respond to, or assess the effects of pollutants.

19. arising out of the handling, processing, treatment, storage, disposal or dumping of any waste materials or substances, or arising out of such waste materials or substances during transportation;

20. (a) for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

(i) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or

(ii) any "Act of Terrorism".

(b) for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a)(i) and/or (a)(ii) above.

If the Underwriters allege that by reason of this exclusion, any "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" is not covered by this insurance the burden of proving the contrary shall be upon the "Insured".

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

21. for "Bodily Injury", "Property Damage", "Personal Injury" and/or "Advertising Injury" for which the "Insured" or its indemnitee may be held liable:

(a) as a person or organisation engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages; or

(b) if not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed

(i) by, or because of the violation of any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage, or

(ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;

22. (a) arising out of an "Insured"'s capacity, duty or responsibility as an Officer, Director or Trustee of a Corporation by reason of any breach of fiduciary duty or improper conduct or conflict of interest in the performance of an "Insured"'s duties, responsibilities or accountability as an Officer, Director or Trustee, including, without limitation, any actual or alleged misstatement, misleading statement, gain of personal profit or advantage to which the Insured was or is not entitled legally, any dishonest act, or bad faith conduct, in the "Insured"'s capacity as an Officer, Director or Trustee, or with respect to the capital or assets of the Corporation, or any action taken beyond the scope of the "Insured"'s authority as an Officer, Director or Trustee;

(b) arising out of or incident to any alleged violation(s) of any Federal or State law regulating, controlling and governing stock bonds or securities of any type or nature, including without limitation The Security Act of 1933, The Securities Exchange Act of 1934, The Trust Indenture Act of 1939, The Public Utility Holding Company Act of 1935, The Investment Company Act of 1940, The Investment Advisers Act of 1940, and the so called "Blue Sky" Laws of the various state and other jurisdictions;

(c) arising out of or incident to any alleged violation(s) of any Federal or State law regulating, controlling and governing antitrust or the prohibition of monopolies, activities in restraint of trade, unfair methods of competition or deceptive acts and practices in trade and commerce including without limitation, the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act and the Hart-Scott Rodino Antitrust Improvements Act;

(d) of any Officer, Director or Trustee arising out of or asserted in a shareholder's derivative action;

(e) arising out of or contributed to by the dishonesty or infidelity of any "Insured";

(f) which would be payable under the terms of coverage of a Directors and Officers Liability Insurance Policy or a Directors and Company Reimbursement Indemnity Policy of the type issued by stock insurance companies of the United States, as if any "Insured" had obtained such coverage in an amount sufficient to pay the full amount being claimed against any "Insured", whether or not any "Insured" has obtained such coverage.

23. for "Bodily Injury", "Property Damage", "Personal Injury" and/or "Advertising Injury" arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the "Insured";

24. directly or indirectly caused by or contributed to by or arising from:

(a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

(b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

(c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;

(d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;

(e) any chemical, biological, bio-chemical, or electromagnetic weapon.

This Exclusion shall be paramount and shall override anything contained in this Policy inconsistent therewith

25. (a) for "Personal Injury" and/or "Advertising Injury" arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the named "Insured" was made prior to the effective date of this Policy;

(b) for "Personal Injury" and/or "Advertising Injury" arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organisation or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the "Insured" with knowledge of the falsity thereof;

26. for "Advertising Injury" arising out of incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised.

Nothing contained in the above Exclusions shall extend this Policy to cover any liability which would not have been covered had these Exclusions not been incorporated herein.

DEFINITIONS

1. ACT OF TERRORISM

The words "Act of Terrorism", wherever used in this Policy, mean an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

2. ADVERTISING INJURY

The words "Advertising Injury" wherever used in this Policy, shall mean injury arising out of the named "Insured"'s advertising activities, if such injury arises out of any unintended libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

3. AIRCRAFT LIABILITY

The words "Aircraft Liability", wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of an aircraft, aeroplane or helicopter which is designed to fly in the air or atmosphere.

4. ANNUAL PERIODS OF CONSTRUCTION

The words "Annual Periods of Construction" wherever used in this Policy, shall mean the periods shown in Item 4 of the Declarations.

5. AUTOMOBILE

The word "Automobile," wherever used in this Policy, shall mean a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment, but the word "Automobile" shall not include "Mobile Equipment" or the contents of such vehicle, trailer or semi-trailer.

6. AUTOMOBILE LIABILITY

The words "Automobile Liability," wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of any "Automobile".

7. BODILY INJURY

The words "Bodily Injury", wherever used in this Policy, shall mean:

(a) bodily injury, sickness, disability, or disease;

(b) mental injury, mental anguish, humiliation, shock or death if directly resulting from bodily injury, sickness, disability or disease.

8. CLAIM

The word "Claim", wherever used in this Policy, shall mean that part of each written demand received by the "Insured" for damages, including the service of suit or institution of arbitration proceedings.

9. COMPLETED OPERATIONS LIABILITY

The words "Completed Operations Liability", wherever used in this Policy, shall mean liability for "Bodily Injury" and/or "Property Damage" arising out of the "Insured"'s operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the "Bodily Injury" and/or "Property Damage" happens after such operations have been completed or abandoned and happens away from the premises owned by or rented to any "Insured" (other than those premises owned or operated by the named "Insured").

Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:-

(a) when all operations to be performed by or on behalf of the "Insured" under the contract have been completed; or,

(b) when all operations to be performed by or on behalf of the "Insured" at a "Construction Project Site" have been completed; or,

(c) when that portion of the work out of which the "Bodily Injury" and/or "Property Damage" arises has been put to its intended use by any person or entity other than another "Contractor" or "Subcontractor" engaged in performing operations for the Principal as part of the same project.

"Completed Operations Liability" does not include liability for "Bodily Injury" and/or "Property Damage" arising out of:

(a) operations in connection with the transportation of property, unless the "Bodily Injury" and/or "Property Damage" arises out of a condition in or on an "Automobile" created by the loading or unloading thereof, or,

(b) the existence of tools, uninstalled equipment or abandoned or unused materials.

10. CONSTRUCTION PROJECT SITE

The words "Construction Project Site", wherever used in this Policy, shall mean that area described in the construction contract documents including the area available for "Contractor" operations, access routes, rights-of-way and additional sites necessary or incidental thereto for which a work order has been issued by the named "Insured".

Notwithstanding Condition 14 or the foregoing, in no event shall this Policy apply to any sites for which separate policies have been purchased even if the limits of such separate policies have been reduced or exhausted by any "Occurrence"s.

11. CONTRACTOR

The word "Contractor", wherever used in this Policy, shall mean any individual, partnership, firm or corporation which has entered into a contract for construction with authority to perform "Contract Work" at any "Construction Project Site" unless such entity is specifically excluded from such coverage as is afforded by this Policy.

12. CONTRACT WORK

The words "Contract Work", wherever used in this Policy, shall mean the entire completed construction of the various separately identifiable parts required to be furnished under the contract documents.

13. DEFENCE EXPENSES

The words "Defence Expenses", wherever used in this Policy, shall mean investigation, adjustment, appraisal, defence and appeal costs and expenses and pre and post judgement interest, paid or incurred by or on behalf of the "Insured" and as detailed in Endorsement No. 6.

The salaries, expenses or administrative costs of the "Insured" or its employees or any insurer shall not be included within the meaning of "Defence Expenses".

14. DISCRIMINATION

The word "Discrimination", wherever used in this Policy, shall mean termination of the employment relationship, a demotion, a failure or refusal to hire or promote, denial of an employment benefit or the taking of any adverse or differential employment action because of race, colour, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by any national, federal, state or local law.

15. EMPLOYERS' LIABILITY

The words "Employer's Liability", wherever used in this Policy, shall mean any liability of an "Insured" to its employee arising out of the employment of that employee.

16. GENERAL LIABILITY

The words "General Liability", wherever used in this Policy, shall mean liability to which this Policy applies other than "Product Liability" and "Completed Operations Liability".

17. INAPPROPRIATE EMPLOYMENT CONDUCT

The words, "Inappropriate Employment Conduct", wherever used in this Policy, shall mean:

(a) actual or constructive termination of an employment relationship in a manr which is alleged to have been against the law or wrongful or in breach of implied employment contract or breach of the covenant of good faith or dealing in the employment contract;

(b) allegations of wrongful demotion, or wrongful discipline;

(c) allegations of misrepresentation or defamation made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(d) allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(e) allegations of false imprisonment, detention or malicious prosecution made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(f) allegations of libel, slander, defamation of character or any invasion of right of privacy made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote; or,

(g) other injury allegations made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote.

Inappropriate Employment Conduct does not include damages determined to be owing under a written or express contract of employment or obligation to make payments, including but not limited to severance payments, in the event of the termination of employment.

Inappropriate Employment Conduct shall not include any allegations other than those set forth above.

18. INSURED

The word "Insured", wherever used in this Policy, shall mean only the following: -

(a) the named "Insured" set out in Item 1.(a) of the Declarations;

(b) i) the named "Insured"'s subsidiary, owned or controlled companies that are directly involved with the named "Insured" at the "Construction Project Site" which have been declared to and accepted by Underwriters at the inception of this Policy;

ii) any "Contractor" or "Subcontractor";

(c) any person or entity to whom the "Insured" is obliged by a written "Insured Contract" relating directly to a "Construction Project Site" entered into before any relevant "Occurrence", to provide insurance such as is afforded by this Policy but only with respect to:

i) liability arising out of operations conducted by the named "Insured" or on its behalf; or

ii) facilities owned or used by the named "Insured";

iii) Limits of Liability that are not greater than those required under said "Insured Contract".

(d) any officer, director, stockholder, partner or employee of the "Insured", but only in respect of an "Occurrence" covered hereunder whilst acting within their duties.

19. INSURED CONTRACT

The words "Insured Contract", wherever used in this Policy, shall mean any written contract or agreement entered into by the "Insured" and pertaining to business under which the "Insured" assumes the tort liability of another party to pay for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" to a "Third Party" or organisation. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

20. INSURED'S PRODUCTS

The words "Insured's Products", wherever used in this Policy, shall mean goods or products manufactured, sold, handled or distributed by the "Insured" or by others trading under the name of the "Insured", including any packaging thereof.

21. LET

The word "Let", wherever used in this Policy, shall mean the commissioning by the named "Insured" of a contract for construction work with "Contractors" and/or "Subcontractors" for the performance of "Contract Work" at any "Construction Project Site" scheduled under this Policy in accordance with Endorsement No 2.

22. MOBILE EQUIPMENT

The words "Mobile Equipment", wherever used in this Policy, shall mean a land vehicle (including any machinery or apparatus attached thereto), whether or not self propelled

(a) not subject to motor vehicles registration, or

(b) maintained for use exclusively on premises owned by or rented to the named "Insured", including the ways immediately adjoining, or

(c) designed for use principally off public roads, or

(d) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: -

(i) power cranes, shovels, loaders, diggers and drills;

(ii) concrete mixers (other than the mix in transit type), graders, scrapers, rollers and other road construction or repair equipment;

(iii) air compressors; pumps and generators, including spraying, welding and building-cleaning equipment; and

(iv) geophysical exploration and well servicing equipment;

23. OCCUPATIONAL DISEASE

The words "Occupational Disease", wherever used in this Policy, shall mean any injury, including death, sickness, disease or disability, defined as occupational disease in any workers compensation or disability benefits laws, statutes or regulations of any jurisdiction in which the "Occurrence" first commences or the Occupational Disease arises.

24. OCCURRENCE

The word "Occurrence", wherever used in this Policy, shall mean an accident, including continuous and repeated exposure to substantially the same general harmful conditions which results in "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury", none of which was intended by any "Insured".

25. PERSONAL INJURY

The words "Personal Injury", wherever used in this Policy, shall mean injury other than "Bodily Injury" arising from:

(a) false arrest, false imprisonment, wrongful eviction or wrongful detention of a "Third Party" human being;

(b) libel, slander, defamation of character or invasion of right of privacy of such human being;

(c) mental injury, mental anguish or shock to such human being which results from (a) or (b) above;

26. PHASED HANDOVER

The words "Phased Handover" wherever used in this Policy, shall mean any part of the project which is occupied or accepted by the Principal prior to the completion of the whole project whether a certificate of acceptance has been issued or not.

27. PRODUCT LIABILITY

The words "Product Liability", wherever used in this Policy, shall mean liability for "Bodily Injury" and/or "Property Damage" arising out of the "Insured's Products" or reliance upon a representation or warranty made at any time with respect thereto, but only if the "Bodily Injury" and/or "Property Damage" happens after physical possession of the "Insured's Products" has been relinquished to others and happens away from premises owned, leased, rented or occupied by the "Insured".

28. PRODUCT LIABILITY AND COMPLETED OPERATIONS LIABILITY COMBINED PERIOD

The words "Product Liability and Completed Operations Liability Combined Period", wherever used in this Policy, shall mean up to three years from completion of each "Contract Work".

29. PROFESSIONAL SERVICES

The words "Professional Services" wherever used in this Policy, shall mean the preparation or approval of audits, accounts, drawings, blue prints, maps, plans, opinions, reports, surveys, designs or specifications and supervisory, inspection, engineering or data processing services.

30. PROPERTY DAMAGE

The words "Property Damage", wherever used in this Policy, shall mean physical loss of, physical damage to or physical destruction of tangible property of a "Third Party", including loss of use of the tangible property so lost, damaged or destroyed;

31. SEXUAL HARASSMENT

The words "Sexual Harassment", wherever used in this Policy, shall mean unwelcome sexual advances, requests for sexual favours or other verbal or physical conduct of a sexual nature that: (1) explicitly or implicitly are made a condition of employment, (2) are used as basis for employment decisions, or (3) create a work environment that interferes with performance.

32. SUBCONTRACTOR

The word "Subcontractor", wherever used in this Policy, shall mean any individual, partnership, firm or corporation which has entered into a contract for construction with a "Contractor" or "Contractors" or with any tier of "Subcontractors" to perform "Contract Work" at a "Construction Project Site" unless such entity is specifically excluded from such coverage as is afforded by this Policy.

33. THIRD PARTY

The words "Third Party", wherever used in this Policy, shall mean any company, entity, or human being other than an "Insured" or other than a subsidiary, owned or controlled company or entity of an "Insured". An employee of an "Insured" shall be treated as a "Third Party".

34. ULTIMATE NET LOSS

The words "Ultimate Net Loss", wherever used in this Policy, shall mean the amount the "Insured" is obligated to pay, by judgement or settlement, as: -

(a) damages;

(b) expenses for necessary medical, surgical, x-ray and dental services including prosthetic devices;

(c) necessary ambulance, hospital, professional nursing and funeral services;

resulting from an "Occurrence" covered by this Policy.

35. UNINTENDED OMISSIONS, ERRORS OR INCORRECT DESCRIPTION

Liability to which this Policy applies shall not be prejudiced by any unintentional and/or inadvertent omission, error or incorrect description in the declaration of "Insured Contract", provided notice is given to Underwriters as soon as practicable upon discovery of any such omission, error or incorrect description.

36. WATERCRAFT LIABILITY

The words "Watercraft Liability", wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of any craft designed to float or travel on, in or under the water, including hovercraft.

DECLARATIONS

Item 1.

(a) Name and Address of the named "Insured":

Port Authority of New York and New Jersey, as Principal and named "Insured".

225 Park Avenue South,
12th Floor,
New York, N.Y. 10003

(b) "Construction Project Site"s:

Per Definition 10 but only those "Construction Project Site"s that are "Let" by and appear on the records of the named "Insured" as being insured under the Owner Controlled Insurance Program.

Item 2. Limits of Liability:

(a) "Ultimate Net Loss" in respect of each "Occurrence" which is always subject to (b) below: - USD 500,000

(b) Aggregate "Ultimate Net Loss" separately in respect of:

(i) "Product Liability" and "Completed Operations Liability" combined:- USD 1,500,000 for all "Annual Periods of Construction" and all "Construction Project Site"s that have been completed before 1st June 2010, however Underwriters agree to one reinstatement of this Limit of Liability at terms to be agreed by the named "Insured" and Underwriters at time of reinstatement.

(ii) "Personal Injury" USD 500,000

Item 3. Policy Period in respect of all "Construction Project Site"s: -

(a) Inception date: 1st June 2007

(b) Expiry date: 1st June 2010

At 00.01 hours local standard time at the address of the named "Insured" and subject to Condition 4. Cancellation or Non-Renewal.

Item 4. Annual Periods of Construction: -

1st June 2007 to 1st June 2008
1st June 2008 to 1st June 2009
1st June 2009 to 1st June 2010

All dates at 00.01 hours local standard time at the address of the named "Insured".

Item 5 Currency:-

United States Dollars (USD)

Item 6. Premium:-

(a) in accordance with Endorsement Number 3

(b) Payable on (dates):-

1st June 2007
1st June 2008
1st June 2009

Is this the correct title please?

Item 7. Payment of Premium to: -

Aon Limited
300 Jericho Quadrangle,
Suite 300
P.O. Box 342
Jericho N.Y. 11753

Item 8. Damages Payments to: -

Aon Limited
8 Devonshire Square
London EC2M 4PL

Item 9. Service of Suit
In accordance with the attached Service of Suit Clause

Wilson, Elser, Moskowitz, Edelman & Dicker
150 East 42nd Street, New York, NY 10017

Item 10. Notice of Occurrence: -

John Riddle Claims Consultants
7804 Third Avenue, Brooklyn, NY 11209

SERVICE OF SUIT CLAUSE (U.S.A.) (Condition 16)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon the entity named in Item 9 of the Declarations and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

24/4/86
NMA1998 (amended)

Wherever the words "(or Reinsured)" appear in this Clause they shall be deemed deleted

ENDORSEMENT NO. 1

ACTIONS OVER/INDEMNITY BUYBACK

This Policy, subject to all its Insuring Agreements, Conditions, Exclusions and Definitions, is endorsed to indemnify the "Insured" for amounts for which it shall have become liable to pay and shall have paid on account of investigation, defense and indemnity as respects its responsibilities, if any, to any "Third Party" by virtue of defense and indemnity obligations assumed under written contract or agreement and arising from "Bodily Injury" of any employee(s) of the "Insured", except insofar as same may arise from "Occupational Disease".

All other terms of this Policy remain unchanged

ENDORSEMENT NO. 2

SCHEDULES OF CONSTRUCTION PROJECT SITES

Schedules of "Construction Project Site"s will be supplied to Underwriters within 90 days of each anniversary of the date stated in Item 3.(a) of the Declarations.

These schedules will include the date each "Construction Project Site" was started and/or completed.

All other terms of this Policy remain unchanged

N.B. For the purposes of this Policy, "completed" = "put to intended use or substantial completion".

ENDORSEMENT NO. 3

PREMIUM AND ADJUSTMENTS

The premium shall be computed and adjusted as follows:-

(1) Deposit and Maximum Guaranteed Cost Premium USD , payable in instalments as stated in clause (5) of this Endorsement.

(2) Deposit and Maximum Guaranteed Cost Premium of USD is subject to the following Loss Experience Rebate:

Following the date shown in Item 3.(c) of the Declarations, and the premium adjustment of this Policy and after final settlement of all incurred losses under this Policy, the "Insured" shall be allowed an experience rebate, if applicable, as follows:

Paid Losses less than	Experience Rebate	
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	Nil	

All premiums due to Underwriters shall be paid by, and any return premiums due to the named "Insured" shall be paid to the named "Insured".

(3) The Deposit and Maximum Guaranteed Cost Premium in (1) above is based upon applicable "Contractor" payments during the period not exceeding an estimated USD. 4,500,000,000

In the event that the actual "Contractor" payments exceed the above estimates by more than 10%, then the Maximum Guaranteed Cost Premium shall be adjusted at % of the actual payments made on contracts during the Policy Period.

To be completed by Underwriters

(4) Incurred losses means the sum of:

(A) All losses, including medical payments, actually paid
(B) Reserves for unpaid losses as estimated by Underwriters and/or their Third Party Claims Administrator
(C) Premium on bonds paid for by Underwriters in accordance with the provisions of the Policy
(D) Interest accruing after entry of a judgement against the "Insured"
(E) Allocated (including legal expenses and defense costs) and unallocated "Defence Expenses", paid and reserved therefor.
(F) Third Party Claims Administration charges and all other costs including expenses in seeking recovery against a third party.

(5) Premium shall be payable as follows: -

Instalment Dates:	Deposit Premium Instalments	TRIA Proportion of Premium Instalments
1st June 2007	To be completed by PAICE & subject to concurrence by Excess Underwriters	
1st June 2008		
1st June 2009		

Notwithstanding that the TRIA proportion of the premium is payable in instalments, the TRIA premium referred to in Endorsement 5 of this Policy is fully earned by Underwriters at the Inception Date referred to in Item 3 of the Declarations

All other terms of this Policy remain unchanged

ENDORSEMENT NO. 4

OFAC ENDORSEMENT

If coverage for a claim under this Policy is in violation of any United States of America's economic or trade sanctions, including but not limited to, sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), then coverage for that claim shall be null and void.

All other terms of this Policy remain unchanged

ENDORSEMENT NO. 5

U.S. Terrorism Risk Insurance Act of 2002 as amended
New & Renewal Business Endorsement

This Endorsement is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

In consideration of a 1% allocation within the premium, it is hereby noted and agreed with effect from inception that the Terrorism exclusion to which this Insurance is subject, shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002" as amended ("TRIA").

The coverage afforded by this Endorsement is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in TRIA. The coverage provided by this Endorsement shall expire at 12:00 midnight December 31, 2007, the date on which the TRIA Program is scheduled to terminate or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates. The Terrorism exclusion, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

This Endorsement only affects the Terrorism exclusion to which this Insurance is subject. All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

Furthermore the Underwriter(s) will not be liable for any amounts for which they are not responsible under the terms of TRIA (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on the Underwriter's liability for payment for terrorism losses.

LMA5052 (amended)
22/12/05
Form approved by Lloyd's Market Association and model agreed by the International Underwriting Association

ENDORSEMENT NO. 6

CLAIMS PROCEDURE

Third Party Administrator
John Riddle Claims Consultants (JRCC) is the appointed Third Party Administrator.

JRCC responsibilities are:

- Maintenance of claims files
- Reserve posting and changes
- Monthly bordereaux to Underwriters
- Issuance of Claims Funds
- Transmittal of summons and complaints
- Management of trust fund account
- Reporting to Underwriters if and when required
- Issuing reservation of rights or denial letters if and when required (subject to CRC/Underwriters' approval as appropriate)
- Member of CRC
- Triangulations as at the following dates; 31st January, 28th February, 31st March, 30th June, 30th September, 31st December each policy year

JRCC will charge a flat fee of USD 360 for "Property Damage" claims settled up to USD 15,000. "Property Damage" losses in excess of USD 15,000 and "Bodily Injury" losses will be billed on an hourly basis as follows:-

June 1st, 2007 to January 1st, 2009
USD 102.00 per hour.
January 1st, 2009 to June 1st, 2010
USD 108.00 per hour.

Underwriters concur that JRCC will have ground up settlement authority of up to USD 100,000 per occurrence. Where practicable the CRC (and insurers if appropriate) will be kept informed of all proposed settlement agreements.

Claims Review Committee (CRC) and Sub-Committee (CRSC)

The CRC will consist of the following parties:

Port Authority of New York and New Jersey, Treasury, Risk Finance, Law Departments
Approved Defence Counsel
AON - Port Authority Service Team in New York and AON Limited, London
Underwriters at Interest
JRCC
Workers Compensation Carrier

The CRC will meet on a monthly basis in New York and annually in London. The list of cases for CRC meetings and attorney case summaries will be submitted to CRC members at least ten days prior to each meeting.

As a practical matter Underwriters may not attend all CRC meetings.

The CRC and CRC sub-committee as appropriate will be responsible for establishing reserves for both indemnity and costs. The CRC will have ground up settlement authority of up to USD 500,000 per occurrence.

Claims Negotiation Days (Settlement Days)

In an attempt to resolve cases in a cost effective manner these should take place every forty five days where practical. It is the responsibility of the CRC to nominate the appropriate cases which will be negotiated before retired Judge Anthony Mercorella or other appropriate party to be advised.

Notice to Underwriters:

Underwriters will be immediately advised in writing of losses reserved at USD 250,000 or greater or of any losses involving the following criteria:

1. Fatality
2. Closed Head Injury/Neurological Injury
3. Spinal Cord Damage or paralysis
4. Loss of limb
5. Partial or full loss of sight
6. Permanent disability
7. Significant burns cases - in excess of 10% of body surface
8. Where three or more parties are injured arising out of one incident
9. Where New York labor law 240/241 may apply to present exposure into underwriter's layer of coverage.

Defence of "Insured"

For all losses in suit where notice to underwriters is appropriate JRCC will nominate defence counsel from a "to be agreed" panel.

Underwriters will review the nomination and promptly respond with instructions. Subject to terms of engagement approved defense counsel may thereafter file the appropriate pleadings and assume the defence of the Insured.

Defence counsel will operate within agreed to guidelines.

Payment of Fees

- Subject to policy terms Underwriters will be responsible for payment of defence costs and related expenses incurred in defence of the "Insured". Underwriters shall not however be responsible for the fees and/or expenses of the "Insured's own staff.

Annual Review

This endorsement is subject to annual review commencing 1st June, 2008

All other terms of this Policy remain unchanged

ENDORSEMENT NO.7

INCIDENTAL MEDICAL MALPRACTICE ENDORSEMENT

The definition of "Bodily Injury" is amended to include "Incidental Medical Malpractice Injury"

The words "Incidental Medical Malpractice Injury", wherever used in this Policy, shall mean injury arising out of the rendering of or failure to render, during the Policy Period, the following services: -

(a) medical, surgical, dental, x-ray or nursing services or the furnishing of food or beverages in connection therewith, or

(b) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to: -

(1) expenses incurred by the "Insured" for first aid at the time of an accident and Condition 13 is amended accordingly;

(2) any "Insured" engaged in the business or occupation of providing any of the services described under (a) or (b) above;

(3) injury caused by an indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under (a) or (b) above.

Coverage under this Endorsement shall not be prejudiced by Exclusion 2 of this Policy.

All other terms of this Policy remain unchanged

ENDORSEMENT NO.8

In respect of operations of the "Insured" within an Airport perimeter, the following Clauses apply: -

WAR, HI-JACKING AND OTHER PERILS EXCLUSION CLAUSE (AVIATION)

This Policy does not cover claims caused by

(a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.

(b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

(c) Strikes, riots, civil commotions or labour disturbances.

(d) Any act of one or more persons, whether or not agents of a sovereign Power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.

(e) Any malicious act or act of sabotage.

(f) Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority.

(g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the Aircraft or crew in Flight (including any attempt at such seizure or control) made by any person or persons on board the Aircraft acting without the consent of the Insured.

Furthermore this Policy does not cover claims arising whilst the Aircraft is outside the control of the Insured by reason of any of the above perils. The Aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the Aircraft to the Insured at an airfield not excluded by the geographical limits of this Policy, and entirely suitable for the operation of the Aircraft (such safe return shall require that the Aircraft be parked with engines shut down and under no duress).

AVN 48B 1.10.96

EXTENDED COVERAGE ENDORSEMENT (AVIATION LIABILITIES)

1. All sub-paragraphs other than (b) of Clause AVN 48B above are deleted SUBJECT TO all terms of this Endorsement.

2. EXCLUSION applicable only to any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48B.

   Cover shall not include liability for damage to any form of property on the ground situated outside Canada and the United States of America unless caused by or arising out of the use of aircraft.

3. LIMITATION OF LIABILITY

   The limit of Insurers' liability in respect of the coverage provided by this Endorsement shall be a sub-limit of USD 500,000 or the applicable Policy limit whichever the lesser any one Occurrence and in the annual aggregate. This sub-limit shall apply within the full Policy limit and not in addition thereto.

Nothing in this Extended Coverage Endorsement shall operate to override the effects of Exclusion 24 of this Policy.

NOISE AND POLLUTION AND OTHER PERILS EXCLUSION CLAUSE

1. This Policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:-

   (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,

   (b) pollution and contamination of any kind whatsoever,

   (c) electrical and electromagnetic interference,

   (d) interference with the use of property;

   unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

2. With respect to any provision in the Policy concerning any duty of Insurers to investigate or defend claims, such provision shall not apply and Insurers shall not be required to defend

   (a) claims excluded by Paragraph 1 or

   (b) a claim or claims covered by the Policy when combined with any claims excluded by Paragraph 1 (referred to below as "Combined Claims").

3. In respect of any Combined Claims, Insurers shall (subject to proof of loss and the limits of the Policy) reimburse the Insured for that portion of the following items which may be allocated to the claims covered by the Policy:

(i) damages awarded against the Insured and

(ii) defence fees and expenses incurred by the Insured.

4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this Policy.

AVN 46B 1.10.96

Wherever used in this Clause, the word "Insurers" is deemed to read "Underwriters"

All other terms of this Policy remain unchanged

SECURITY

This insurance has been effected with the following:-

100% Port Authority Insurance Captive Entity, LLC (PAICE)

SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

R:\Underwriting\Casualty_Insurance_London\General\Wordings\Construction\PONY OCIP wording 2007 draft 15.doc

ARK 4020

MASTER OWNER CONTROLLED INSURANCE PROGRAMME (CIP) – CONSTRUCTION LIABILITY POLICY.

Policy Number: WE1000201

Renewal of: WE0700108

Contract Document

North American Casualty Division

Excess Liability Insurance

Insured:	**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**
Layer:	USD 25,000,000 excess of USD 25,000,000
Underwriter:	Various Underwriters as per Individual Security Details
Period:	1st June 2010 to 1st June 2011

8 Devonshire Square
London
EC2M 4PL
United Kingdom

Tel +44 (0) 20 7623 5500
Fax +44 (0) 20 7621 1511

Aon Limited Registered Office: 8 Devonshire Square ~ London ~ EC2M 4PL – United Kingdom
Registered in London No. 210725 ~ VAT Registration No. 480 8401 48

Aon Limited is authorised and regulated by the Financial Services Authority in respect of insurance mediation activities only

RISK DETAILS

MASTER OWNER CONTROLLED INSURANCE PROGRAMME (CIP) – CONSTRUCTION LIABILITY POLICY.

UMR: **BO823WE1000201**

TYPE: EXCESS WRAP UP LIABILITY INSURANCE.

NAMED INSURED: **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** as owner and all Contractors and all Co and Sub Contractors and Programme Managers and as more fully set forth in the Lead Underlying Policy.

ADDRESS: 225 Park Avenue South
12th Floor,
New York, N.Y. 10003,
United States of America.

PERIOD:

From: 1st June 2010 at 12.01 a.m. standard time at the address of the Named Insured above.

To: 1st June 2011 at 12.01 a.m. standard time at the address of the Named Insured above.

INTEREST: Coverage in respect of the Insured's liability arising out of their business operations as more fully described in the Lead Underlying Policy.

LIMITS OF LIABILITY:

USD 25,000,000	Each Occurrence (costs in addition).
USD 25,000,000	Annual Aggregate in respect of "Personal Injury"
USD 25,000,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined.
EXCESS OF:	
USD 22,000,000	Each Occurrence (costs in addition).
USD 22,000,000	Annual Aggregate in respect of "Personal Injury"
USD 66,000,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined.

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EXCESS OF:

USD 2,500,000	Each Occurrence (costs in addition).
USD 2,500,000	Annual Aggregate in respect of "Personal Injury"
USD 7,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined.

WHICH IN TURN EXCESS OF:

USD 500,000	Each Occurrence (costs in addition).
USD 500,000	Annual Aggregate in respect of "Personal Injury"
USD 1,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined.

SITUATION: New York and New Jersey.

CONDITIONS:

1) London Short Excess Form 01-07 (OCC) (Amended) Wording, as attached.
2) Notice of Occurrence:

To:

The Insurer as shown in the attached Individual Security Oetails.

And:

Aon Limited,
North American Liability Claims Department,
8 Oevonshire Square,
London EC2M 4PL,
United Kingdom.

(Attention: Graham Wingrove)

E-mail: uscasualtyclaims@aon.co.uk

graham.wingrove@aon.co.uk

3) All other Notices:

via

Aon Limited,
8 Oevonshire Square,
London EC2M 4PL,
United Kingdom.

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To:

The Insurer or the Named Insured.

4) LMA 5091 (Amended) US Terrorism Risk Insurance Act of 2002 as amended – New and Renewal Business Endorsement, as attached.
5) Choice of Law and Jurisdiction and NMA 1998 (Amended) Service of Suite Clause (USA), as attached.
6) CL 370 – Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause, as attached.
7) OFAC Endorsement, as attached.
8) Apportionment and Control of Losses and Costs, as attached.
9) Third Party Administrator Endorsement, as attached.
10) Exclusion Number 7 of Lead Underlying Policy is amended to read as attached.
11) Changes in Lead Underlying Policy Endorsement, as attached.
12) Endorsement for Excess Following Form Policy Issuance Prior to Issuance / Receipt of the Lead Underlying Policy, as attached.

CHOICE OF LAW AND JURISDICTION: As per attached Endorsement Number Two.

PREMIUM: As per attached Individual Security Details.

PAYMENT TERMS: Premium payment to Underwriters within 30 days of inception.

TAXES PAYABLE BY THE INSURED AND ADMINISTERED BY UNDERWRITERS:

European Economic Area (EEA) Insurance Premium Tax

Underwriters deem the European Economic Area exposure to be Nil, and EEA Insurance Premium Tax is not applicable.

TAXES PAYABLE BY THE INSURED: In respect of Surplus Lines participation: US Surplus Lines taxes as per allocation to be advised by Aon Risk Services.

RECORDING, TRANSMITTING AND STORING OF INFORMATION: Aon Limited may retain risk and claim data / information / documents electronically, and where this is done these documents shall be regarded with the same Legal effect as the original documents.

INSURER CONTRACT DOCUMENTATION: This document details the contract terms entered into by the insurer(s), and constitutes the contract document. No further Policy documentation will be issued.

This contract is subject to US state surplus lines requirements. It is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the Insured. In the event that the surplus lines notice is not affixed to the contract document the Insured should contact the surplus lines broker.

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ENDORSEMENT NUMBER: NINE

ENDORSEMENT FOR EXCESS FOLLOWING FORM POLICY ISSUANCE PRIOR TO ISSUANCE/RECEIPT OF THE LEAD UNDERLYING POLICY

This Excess Liability Following Form Policy has been issued on the basis that, until the Lead Underlying Policy is issued, it is following the same terms, definitions, exclusions and conditions (except as otherwise provided herein) as are contained in the attached Port Authority of New York and New Jersey Construction Liability Policy 2007 – Owner Controlled Insurance Program – Construction Liability.

Following the issuance of the Lead Underlying Policy by Port Authority Insurance Captive Entity LLC (PAICE), a copy of such policy should be forwarded to the Insurers, via Aon Limited, London, for review and agreement by the Insurers. Any difference in coverage between the above referenced 2007 Policy and the Lead Underlying Policy will not be binding upon the Insurers hereunder until agreed by the Insurers in writing.

Upon satisfactory review of the above referenced policy by the Insurers, an endorsement will be issued to this Policy deleting this endorsement in its entirety.

ALL OTHER TERMS OF THIS POLICY REMAIN UNCHANGED.

ARK 4020

ENDORSEMENT NUMBER: EIGHT

CHANGES IN LEAD UNDERLYING POLICY ENDORSEMENT

The following is added to this Policy, notwithstanding anything to the contrary in the Lead Underlying Policy:

If the terms of the Lead Underlying Policy are changed in any manner from those in effect on the inception date of this Policy, the Insured shall, as a condition precedent to its rights under this Policy, give to the Insurer as soon as practicable written notice of the full particulars thereof.

This Policy shall become subject to any such changes upon the effective date of the changes in the Lead Underlying Policy, but only upon the condition that the Insurer agrees to follow such changes by written endorsement attached hereto, and the Insured agrees to any additional premium or amendment of the provisions of this Policy required by the Insurer relating to such changes. Further, such change in coverage is conditioned upon the Insured's payment when due of any such additional premium required by the Insurer relating to such changes.

ALL OTHER TERMS OF THIS POLICY REMAIN UNCHANGED.

ARK 4020

ENDORSEMENT NUMBER: SEVEN

AMENDMENT TO EXCLUSION NUMBER 7 OF LEAD UNDERYING POLICY

Notwithstanding Exclusion 7. of the Lead Underlying Policy, it is hereby understood and agreed that this Policy covers damage to Property of the named "Insured" by "Contractor"s, Co-Contractors and Sub-Contractors enrolled under this Policy but only in excess of all the named "Insured"'s Property Insurances and always excluding any damage to any "Contract Work".

ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

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ENDORSEMENT NUMBER: SIX

THIRD PARTY ADMINISTRATOR ENDORSEMENT

Third Party Administrator
John Riddle Claims Consultants (JRCC) is the appointed Third Party Administrator.

JRCC responsibilities are:

- Maintenance of claims files
- Reserve posting and changes
- Monthly bordereaux to Underwriters
- Issuance of Claims Funds
- Transmittal of summons and complaints
- Management of trust fund account
- Reporting to Underwriters if and when required
- Issuing reservation of rights or denial letters if and when required (subject to CRC/Underwriters' approval as appropriate)
- Member of CRC
- Triangulations as at the following dates; 31st January, 28th February, 31st March, 30th June, 30th September, 31st December each policy year

JRCC will charge a flat fee as agreed by Insurers for "Property Damage" claims settled up to USD 15,000. "Property Damage" losses in excess of USD 15,000 and "Bodily Injury" losses will be billed on an hourly basis.

Underwriters concur that JRCC will have ground up settlement authority of up to USD 100,000 per occurrence. Where practical the CRC (and insurers if appropriate) will be kept informed of all proposed settlement agreements.

Claims Review Committee (CRC) and Sub-Committee (CRSC)

The CRC will consist of the following parties:

Port Authority of New York and New Jersey, Treasury, Risk Finance, Law Departments
Approved Defence Counsel
AON - Port Authority Service Team in New York and AON Limited, London
Underwriters at Interest
JRCC
Workers Compensation Carrier

The CRC will meet on a monthly basis in New York and annually in London. The list of cases for CRC meetings and attorney case summaries will be submitted to CRC members at least ten days prior to each meeting.

As a practical matter Underwriters may not attend all CRC meetings.

The CRC and CRC sub-committee as appropriate will be responsible for establishing reserves for both indemnity and costs. The CRC will have ground up settlement authority of up to USD 500,000 per occurrence.

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Claims Negotiation Days (Settlement Days)

In an attempt to resolve cases in a cost effective manner these should take place every forty five days where practical. It is the responsibility of the CRC to nominate the appropriate cases which will be negotiated before retired Judge Anthony Mercorella or other appropriate party to be advised.

Notice to Underwriters:

Underwriters will be immediately advised in writing of losses reserved at USD 250,000 or greater or of any losses involving the following criteria:

1. Fatality
2. Closed Head Injury/Neurological Injury
3. Spinal Cord Damage or paralysis
4. Loss of limb
5. Partial or full loss of sight
6. Permanent disability
7. Significant burns cases - in excess of 10% of body surface
8. Where three or more parties are injured arising out of one incident
9. Where New York labor law 240/241 may apply to present exposure into underwriter's layer of coverage.

Defence of "Insured"

For all losses in suit where notice to underwriters is appropriate JRCC will nominate defence counsel from a "to be agreed" panel.

Underwriters will review the nomination and promptly respond with instructions. Subject to terms of engagement approved defense counsel may thereafter file the appropriate pleadings and assume the defence of the Insured.

Defence counsel will operate within agreed to guidelines.

Payment of Fees

Subject to policy terms and conditions underwriters will be responsible for payment of defence costs and related expenses incurred in defence of the "Insured". Underwriters shall not however be responsible for the fees and/or expenses of the "Insured's own staff.

Annual Review

This endorsement is subject to annual review commencing 1st June, 2011

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Information:

JRCC is responsible for and holds a trust fund of USD 200,000 per annum for which claims proceeds can be paid. This trust fund will be funded by Port Authority Insurance Captive Entity, LLC (PAICE), the Port Authority of New York and New Jersey's Captive Insurance Company.

A CRC sub-committee has been established. The principle function of the sub-committee is to expediently establish reserves on new loss notifications.

ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

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ENDORSEMENT NUMBER: FIVE

APPORTIONMENT AND CONTRDL OF LOSSES AND COSTS

Where "Defence Expenses" are not included in the "Ultimate Net Loss" of the Lead Underlying Policy, the following shall be additional Conditions to this wording:-

INCURRING OF COSTS

In the event of an Occurrence which appears likely to exceed the Underlying Insurances Limits set out in Item 4 of the Declarations, no "Defence Expenses" shall be incurred by the Insured without the written consent of the Insurer.

APPORTIONMENT OF "DEFENCE EXPENSES"

"Defence Expenses" incurred by or on behalf of the Insured with the written consent of the Insurer and for which the Insured is not covered by the Underlying Insurances referred to in Item 2 of the Declarations shall be apportioned as follows:-

i. Should any claim or claims become adjustable prior to the commencement of trial for not more than the Underlying Limits, then no "Defence Expenses" shall be payable by the Insurer.

ii. Should, however, the amount for which the said claim or claims may be so adjustable exceed the Underlying Limits, then the Insurer, if it consents to the proceedings continuing, shall contribute to the "Defence Expenses" incurred by or on behalf of the Insured in the ratio that its proportion on the Ultimate Net Loss as finally adjusted bears to the whole amount of such Ultimate Net Loss.

iii. In the event that the Insured elects not to appeal a judgement in excess of the Underlying Limits, the Insurer may elect to conduct such appeal at its own cost and expense and shall be liable for the taxable court costs and interest incidental thereto, but in no event shall the total liability of the Insurer exceed its limit of liability as provided for in the wording, plus the expenses of such appeal.

ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

ASPEN

ARK 4020

ENDORSEMENT NUMBER: FOUR

OFAC ENDORSEMENT

If coverage for a claim under this Policy is in violation of any United States of America's economic or trade sanctions, including but not limited to, sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), then coverage for that claim shall be null and void.

ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

ENDORSEMENT NUMBER: THREE

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

   1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

   1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

   1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

   1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes

   1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

CL 370
10/11/2003

ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

ENDORSEMENT NUMBER: TWO

CHOICE OF LAW AND JURISDICTION

This policy shall be construed and enforced in accordance with and governed by the internal law of the State of New York.

Any dispute arising hereunder will be exclusively subject to the jurisdiction of the courts of the United States of America as per the following Service of Suit Clause (U.S.A.) NMA 1998 (amended):

SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon Wilson, Elser, Moskowitz, Edelman & Dicker 150 East 42nd Street, New York, NY 10017 and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

24/4/86
NMA1998 (amended)

Wherever the words "(or Reinsured)" appear in this Clause they shall be deemed deleted.

ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

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ARK 4020

ENDORSEMENT NUMBER: ONE

U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED

NEW & RENEWAL BUSINESS ENDORSEMENT

This Endorsement is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

In consideration of a 1% allocation within the premium, it is hereby noted and agreed with effect from inception that the Terrorism exclusion to which this Insurance is subject (if applicable), shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002" as amended ("TRIA").

The coverage afforded by this Endorsement is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in TRIA. The coverage provided by this Endorsement shall expire at 12:00 midnight December 31, 2014, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates. The Terrorism exclusion, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

This Endorsement only affects the Terrorism exclusion to which this Insurance is subject (if applicable). All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

Furthermore the Underwriter(s) will not be liable for any amounts for which they are not responsible under the terms of TRIA (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on the Underwriter's liability for payment for terrorism losses.

LMA5091 (Amended)
21/12/2007

Form approved by Lloyd's Market Association

The term "Underwriters", wherever it appears in the above Endorsement, shall be deemed to read "Insurer".

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

ARK 4020

LONDON SHORT EXCESS FORM 01-07 (OCC) (AMENDED)

INSURING AGREEMENTS:

1. COVERAGE -

The Insurer (as stated in Item 8 of the Declarations) hereby agrees, subject to the limitations, terms and conditions contained herein, to indemnify the Insured for all sums which the Insured shall be obligated to pay by reason of the liability arising out of the hazards covered by and as more fully defined in the Lead Underlying Policy (as stated in Item 2. (a) of the Declarations and hereinafter referred to as "Lead Underlying Policy"); provided always however, that this Policy shall not apply until the Underlying Insurers (as stated in Items 2.(c) and 2.(d) of the Declarations and hereinafter referred to as "Underlying Insurers") have paid or have been held liable to pay the full amount of their respective ultimate net loss plus Defence Expenses in accordance with Insuring Agreement 2. – Limits of Liability.

The Insurer further agrees that this Policy will follow the same insuring agreements, conditions, exclusions and definitions (except as otherwise provided herein) as are, at the date shown in Item 5 a) of the Declarations, contained in the Lead Underlying Policy.

Notwithstanding the foregoing, in the event that any of the following amendment(s) are subsequently made to the insuring agreements, conditions, exclusions and definitions of the Lead Underlying Policy in effect at the date shown in Item 5 a) of the Declarations:

1. any change which is subject to an additional premium charge,
2. the inclusion of an additional coverage extension endorsement,
3. any change to the insuring agreements, conditions, exclusions and definitions which is intended to broaden the scope of the coverage already provided, other than Insureds or Named Insureds added without an additional premium charge,

then such amendment(s) shall not be binding upon the Insurer unless otherwise agreed in writing by the Insurer.

2 LIMIT OF LIABILITY -

The Insurer shall be liable only to pay sums up to:

USD (as stated in Item 3.a) of the Declarations)	ultimate net loss in all in respect of each Occurrence - subject to a limit of
USD (as stated in Item 3.b) of the Declarations)	in the aggregate during the currency of this Policy, separately in respect of each hazard insured with an aggregate limit in the Lead Underlying Policy

but liability shall attach to the Insurer only after the Underlying Insurers have paid or have been held liable to pay the full amount of their respective ultimate net loss liability as follows:

ARK 4020

USD (as stated in Item 4.a) of the Declarations)	ultimate net loss in respect of each Occurrence, but
USD (as stated in Item 4.b) of the Declarations)	in the aggregate during the currency of this Policy, separately in respect of each hazard insured with an aggregate limit in the Lead Underlying Policy

CONDITIONS:

1. **MAINTENANCE OF UNDERLYING INSURANCE** -

The Underlying Policy/ies (as stated in Items 2.(a) and 2.(b) of the Declarations and hereinafter referred to as "Underlying Policy/ies") shall be maintained in full force and effect, except for any reduction of the aggregate limits contained therein solely by payment of any loss(es) to which this Policy would otherwise apply in respect of Occurrences commencing during the Policy Period specified in Item 5. of the Declarations. In the event of the Insured's failure to maintain the Underlying Policy/ies in full force and effect and except with respect to the aforementioned aggregate reduction, coverage hereunder shall not be invalid, but shall apply to the same extent that it would have applied had there been compliance with this condition.

In the event any Underlying Policy stated in Item 2.(b) of the Declarations excludes loss(es) which are covered by the Lead Underlying Policy and subsequently covered hereunder in accordance with the provisions of Insuring Agreement 1 - Coverage, the Insurer shall not drop down to apply in place of such excluded coverage.

2. **ASSISTANCE AND CO-OPERATION** -

The Insurer shall not be called upon to assume charge of the settlement or defense of any claim made or suit brought or proceeding instituted against the Insured however the Insurer shall have the right and shall be given the opportunity to associate with the Insured or the Insured's underlying insurers, or both, in the defense and control of any claim, suit or proceeding relative to an Occurrence where the claim or suit involves, or appears reasonably likely to involve the Insurer, in which event the Insured and the Insurer shall co-operate in all things in the defense of such claim, suit or proceeding.

3. **CANCELLATION** -

The Named Insured or the Insurer shall have the right to cancel this Policy in accordance with the cancellation provisions of the Lead Underlying Policy. Such notice shall be sent to the Named Insured or the Insurer via the entity stated in Item 6.b) of the Declarations.-

4. **OTHER INSURANCE** -

If other valid and collectible insurance is available to the Insured covering a loss also covered by this Policy, other than a Policy that is specifically written to apply in excess of this Policy, the insurance afforded by this Policy shall apply in excess of and shall not contribute with such other insurance. Nothing in this Condition shall be construed to make this Policy subject to the insuring agreements, conditions, exclusions and definitions of such other insurance.

ARK 4020

5. **NOTICE OF OCCURRENCE** -

Whenever the Insured has information from which it may reasonably conclude that an Occurrence covered hereunder involves injuries or damages which, in the event that the Insured should be held liable, is likely to involve this Policy, notice shall be sent to the Insurer via the entity stated in Item 6.a) of the Declarations as soon as practicable, provided, however, that failure to give notice of any Occurrence which at the time of its happening did not appear to involve this Policy, but which, at a later date would appear to give rise to claims hereunder, shall not prejudice such claims.

ARK 4020

DECLARATIONS

Item 1.	(a)	Named Insured:		**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** as owner and all Contractors and all Co and Sub Contractors and Programme Managers and as more fully set forth in the Lead Underlying Policy.
	(b)	Address of Named Insured:		225 Park Avenue South – 12th Floor New York NY 10003 United States of America
Item 2.	(a)	Lead Underlying Policy No:		PACIPGL 1013
	(b)	All other Underlying Policy No(s):	(i)	1070561
			(ii)	WE1000200
			(iii)	WE1000205
	(c)	Lead Underlying Insurer:		Port Authority Insurance Captive Entity LLC (PAICE)
	(d)	All other Underlying Insurer(s):	(i)	Lexington Insurance Company.
			(ii)	Aspen Insurance UK Ltd / Lloyds Syndicate AUW 609 / Lloyds Syndicate ARK 4020
			(iii)	XL Insurance Company Limited

Item 3.	Limit of Liability:	a)	USD 25,000,000	Each Occurrence (costs in addition).
	(Insuring Agreement 2):			
		b)	USD 25,000,000	Annual Aggregate in respect of "Personal Injury"
			USD 25,000,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined

Item 4.	Underlying Limits: (Insuring Agreement 2):	a) (i)	USD 22,000,000	Each Occurrence (costs in addition).
		b) (i)	USD 22,000,000	Annual Aggregate in respect of "Personal Injury"
		(ii)	USD 66,000,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined
		EXCESS OF:		
		a) (ii)	USD 2,500,000	Each Occurrence (costs in addition).
		b) (iii)	USD 2,500,000	Annual Aggregate in respect of "Personal Injury"
		(iv)	USD 7,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined
		WHICH IN TURN IS EXCESS OF:		
		a) (iii)	USD 500,000	Each Occurrence (costs in addition).
		b) (v)	USD 500,000	Annual Aggregate in respect of "Personal Injury"
		(vi)	USD 1,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined

Item 5.	Policy Period:	a)	From: 1st June 2010 at 12.01 am standard time at the address of the Named Insured.
		b)	To: 1st June 2011 at 12.01 am standard time at the address of the Named Insured.

ARK 4020

Item 6.	Notice to: (Conditions 3 and 5)	a)	All Notices of Occurrence: **To:** The Insurer as shown in the attached Individual Security Details. **And:** Aon Limited, North American Liability Claims Department 8 Devonshire Square, London EC2M 4PL, United Kingdom. (Attention: Graham Wingrove) E-mail: uscasualtyclaims@aon.co.uk graham.wingrove@aon.co.uk
		b)	All other Notices: **Via:** Aon Limited, 8 Devonshire Square, London EC2M 4PL, United Kingdom. **To:** The Insurer or the Named Insured.
Item 7.	Premium:		As per attached Individual Security Details.
Item 8.	The Insurer:	Name and Address:	As per attached Individual Security Details.
		Reference:	As per attached Individual Security Details.

ARK 4020

SECURITY DETAILS

(RE)INSURER'S LIABILITY: **LMA3333**

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

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ORDER HEREON: 35 % of Whole.

BASIS OF WRITTEN LINES: Percentage of Whole.

SIGNING PROVISIONS: In the event that the written lines hereon exceed 100% of the order, any lines written "To Stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;

b) the (re)insured may elect for the disproportionate signing of (re)insurers' lines, without further specific agreement of (re)insurers, providing that any such variation is made prior to the commencement date of the period of insurance, and that lines written "to stand" may not be varied without the documented agreement of those (re)insurers;

c) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

1) In a co-insurance placement following (re) insurers may, but are not obliged to, follow the premium charged by the lead (re) insurer

2) (Re) insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

WRITTEN LINES: **As per attached Individual Security Details.**

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INDIVIDUAL SECURITY DETAILS

INSURER: Aspen Insurance UK Limited,
30 Fenchurch Street,
London EC3M 3BD,
United Kingdom.

MINIMUM AND DEPOSIT PREMIUM: USD 760,000 (for 100%) annual.

The Minimum and Deposit premium shall be adjusted at 0.0944 % of the actual payments made on contracts during the Policy Period 1st June 2010 to 1st June 2011 based on an estimated USD 707,641,582 .

Including TRIA Premium as per Endorsement Number One.

SIGNED LINES:	WRITTEN LINES:
25.00 %	25% Marine & Energy Aspen Insurance UK Ltd ASPEN INSURANCE L 0 8 0 0 7 2 1 0 A 0 D 3699/01/1 KIS

INDIVIDUAL SECURITY DETAILS

INSURER:

Lloyds Syndicate ARK 4020,
Lloyd's,
One Lime Street,
London EC3M 7HA,
United Kingdom.

Claims to:

Aon Limited,
North American Liability Claims Department,
8 Devonshire Square,
London EC2M 4PL,
United Kingdom.

E-mail: uscasualtyclaims@aon.co.uk

MINIMUM AND DEPOSIT PREMIUM:

USD 760,000 (for 100%) annual.

The Minimum and Deposit premium shall be adjusted at 0.0944 % of the actual payments made on contracts during the Policy Period 1st June 2010 to 1st June 2011 based on an estimated USD 707,641,582 .

Including TRIA Premium as per Endorsement Number One.

SIGNED LINES:	**WRITTEN LINES:**
	10%

ARK 4020

L	i	9	1	0	P	A	C	0	0	5	5
A	N	N	N	N	A	A	N	N	N	N	N

Line to Stand

18/8/10

(PER MA)

CONTRACT ADMINISTRATION AND ADVISORY SECTIONS

The following pages include documents between the Insurer and Broker to facilitate the administration of this risk.

BROKER REMUNERATION AND DEDUCTIONS

- Provides data relating to brokerage and fees received by the Broker.

SUBJECTIVITIES

- Any subjectivities imposed by Insurers.

INFORMATION

- Details of any information provided to Insurers to support the assessment of the risk at the time of placement.

FISCAL AND REGULATORY

- Provides fiscal and regulatory information of relevance to the Insurers involved in the Risk.

SUBSCRIPTION AGREEMENT

- Establishes rules and requirements for Brokers and Insurers to be followed for processing and administration of post placement amendments and transactions, including the General Underwriting Agreement (GUA) clarifying the extent of the delegated authority. Reference to "Slip Leader" as it applies to the attached Subscription Agreement shall be deemed to only apply in respect of this Contract WE1000201, and not the leading agreement party for the whole layer.

ARK 4020

BROKER REMUNERATION AND DEDUCTIONS SECTION

BROKERAGE: 10 %

Aon Limited (London office) has disclosed where required the existence and amount of any fee and/or premium commission paid or payable for this placement.

OTHER DEDUCTIONS FROM PREMIUM: None.

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SUBJECTIVITIES SECTION

SUBJECTIVITIES:

None.

INFORMATION REQUIREMENTS:

Underwriters require the following.

1) Aspen to agree the Lead Underlying Policy. In the interim, this Policy Number WE1000201 to follow terms and conditions of attached expiring 2007 Policy as per Endorsement Number Eight.

ARK 4020

INFORMATION SECTION

The following information was provided to the Insurer to support the assessment of the risk and is held on file.

- PONY Contractors Insurance Program – General Liability Submission June 2010 seen and agreed by all Underwriters.

ARK 4020

FISCAL AND REGULATORY

TAX PAYABLE BY UNDERWRITERS:	None.
COUNTRY OF ORIGIN:	United States of America.
OVERSEAS BROKER:	Aon Risk Services Northeast, Inc, Port Authority of New York and New Jersey Service Team 300 Jericho Quadrangle, Suite 300, P.O. Box 342 Jericho, NY 11753 United States of America.
US CLASSIFICATION:	US Surplus Lines

Surplus Lines Broker:	Aon Risk Services Northeast, Inc., 199 Water Street, 32nd Floor, New York, NY 10038, United States of America.
Surplus Lines License Number:	EX-648027-R
State of Filing:	New York

(The country, state or province to which a risk will be reported against for regulatory reporting)

NAIC CODES:	Not applicable.
ALLOCATION OF PREMIUM TO CODING	99 % UA (Casualty) 1 % 7T (Casualty Terrorism)
FSA CLIENT CLASSIFICATION:	Large Risk

Aon Risk Classification Code:

LNEE – Large Risk Non European Economic Area

ARK 4020

SUBSCRIPTION AGREEMENT

(Aon Limited Property & Casualty - December 2009)

SLIP LEADER	Aspen Insurance UK Limited
SETTLEMENT DUE DATE	1st July 2010. In respect of electronic lines, please refer to the Settlement Information shown under Security Details herein.
BASIS OF AGREEMENT TO CONTRACT CHANGES	GUA (October 2001) with Non Marine Schedule (October 2001) except as below. Agree extend for up to one calendar month at additional premium as agreed Slip Leader only. When details of Slip Leader only agreed endorsements are required by the Slip Leader to be provided to following Insurer(s), email and/or other electronic means may be used by Aon Limited.
OTHER AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR PART 2 GUA CHANGES ONLY	Slip Leader only for PART 2 changes.
AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR THEIR PROPORTION ONLY	None.
CLAIMS AGREEMENT PARTIES	All claims to be agreed by the Slip Leader and: • The first Lloyd's syndicate in the event that the Slip Leader is an IUA Company. Therefore hereon that Lloyd's Leader is Lloyds Syndicate ARK 4020. • The second Lloyd's Agreement Party where required by the Lloyd's 2010 Claims Scheme as amended or succeeded. Where required for this placement the 2nd Lloyd's Agreement Party is deemed to be (not applicable). • The first company in the event that the Slip Leader is a Lloyd's syndicate. • All non-bureau insurers each for their own proportion.

ARK 4020

BASIS OF CLAIMS AGREEMENT

Claims to be managed in accordance with the Lloyd's 2010 Claims Scheme, and IUA claims agreement practices and any non bureau insurers' claims agreement practices (in each case, as applicable), or any amendments, successor scheme or agreement as may be agreed by the parties from time to time.

The Claims Agreement Parties will provide to Aon when possible copies of all professional advisors reports received.

In the event that Insurers deny coverage or seek to reserve any rights, Insurers (or their representative(s)) will, as soon as reasonably practicable but in any event within 14 days of such denial or reservation of rights, provide details reason(s) why coverage is denied or reserved, providing sufficient facts to allow the insured or the insured's agent to respond.

CLAIMS ADMINISTRATION

Aon Limited to enter claims advices into CLASS (as applicable). IUA Contractual Condition to apply in respect of CLASS circulations to follow market.

Aon Limited will notify all claims agreement parties (and where applicable follow markets) of any claim submitted to the policy, and give updates. Where possible, such notifications and updates will be given via Aon Broking Connections Claims, Aon Limited's claims repository (which can be viewed by Lloyd's syndicates via the Xchanging Insurance Market Repository).

RULES AND EXTENT OF ANY OTHER DELEGATED CLAIMS AUTHORITY

None.

EXPERT(S) FEES COLLECTION

Aon Limited will ~~not~~ undertake the collection of any fee invoices rendered by third parties ~~unless the fees form part of the Insured's claim or the work is for the exclusive benefit of the Insured~~.

~~In the event of Aon Limited not collecting third party fees the following applies (Leader to elect as appropriate)~~

~~**√ as appropriate**~~

☐ ~~Xchanging Claims Services Limited to collect fees for all slip security, including overseas (re)insurers~~

☐ ~~_____ fee collection agency to collect for all slip security, including overseas.~~

☑ ~~The Leading Claims Agreement party, and the Leading Lloyd's Claims Agreement party, if different, will nominate the fee collection agency at time of appointing any third party expert.~~

☐ ~~Any appointed third party expert is responsible for appointing their own fee collection agent.~~

ARK 4020

BUREAU ARRANGEMENTS (Xchanging)

~~Insurer(s) to sign any deferred premium instalments as Additional Premium(s). However any annual instalments to be allocated to respective year of account~~.

Where a Premium Payment Warranty or Premium Payment Condition applies, the settlement due date is deemed in all instances to be the same as the Premium Payment Warranty or Premium Payment Condition due date.

Where a Settlement Due Date or any Premium Payment Warranty or Premium Payment Condition due date falls on a weekend or public holiday, presentation to Xchanging or (Re)Insurers hereon as applicable on the next working day will be deemed in compliance with Settlement Due Date, Premium Payment Warranty or Premium Payment Condition.

If the premium is to be paid in instalments, the second and subsequent instalments to be taken down as additional premiums, if required.

In the event of partial premium payment received by Aon Limited Insurer(s) agree to accept premium as paid to and endorsed by Aon Limited.

Where payments received by Aon Limited in convertible currencies Insurer(s) agree to accept/settle accounts at rate of exchange ~~declared by Aon Limited~~ to be determined at time of settlement.

Xchanging authorised to agree issue FDO signings hereon as required, but premium settlement due dates remain unaltered.

Insurers agree that Aon Limited may settle premiums for this contract/release de-linked premiums for this contract into settlement at different times.

In the event of this Contract stating an Insurance and a Reinsurance Premium or multiple Reinsurance Premiums (each to be paid from a different source), Xchanging are authorised to ungroup the Premium Advise Notes so that each can be released separately once paid by the respective client.

ARK 4020

GUA Non-Marine Schedule – October 2001

This Schedule applies to insurance and facultative reinsurance and the terms insurance and insured shall include facultative reinsurance and reinsured

PART 1

Alterations the Slip Leader may agree on behalf of all Underwriters each for its own proportion severally and not jointly

1.1 All Alterations that the slip specifies are to be agreed by the Slip Leader only.
1.2 Errors that are clearly typographical errors.
1.3 Changes to the name of the insured that are not deemed material by the Slip Leader.
1.4 The receipt and acknowledgement of notices of assignment or endorsements in respect of loss payees.
1.5 Any Alteration which decreases the monetary exposure of the Underwriters (or of any of them).
1.6 Restrictions in coverage.
1.7 Additional named insured where catered for on the slip.
1.8 Amendments to declarations under lineslips or other contracts for insurance within predetermined rates, conditions and limits incorporated into such contracts for insurance, subject to compliance with any terms with regard to advice of declarations to all Underwriters.
1.9 The confirmation of attachment and expiry dates provided not more than 60 days after the
Date the Slip Leader originally subscribed to the slip and provided that the underwriting year of account is not affected.
1.10 Reduction of slip deductions that results in Underwriters receiving at least net equivalent premiums.
1.11 Return Premiums where catered for in the slip.
1.12 Premium Adjustments at slip rates.
1.13 Increases in premium where no further changes have been effected.
1.14 Where the Slip Leader considers circumstances are such that agreement by all Underwriters is inappropriate, any Alteration which has the effect of extending, up to a maximum of 5 working days, the effective payment date contained in the Premium Payment Condition or Premium Payment Warranty agreed in the slip, provided:
- that no previous such Alteration shall have been made under this Part during the period to which such effective date applies,
- that the Slip Leader considers that the consequences of not so extending such effective date would not be in the interests of the Underwriters and the insured and
- that all Underwriters shall be notified of the agreement to and the reasons for the Alteration.

1.15 *** Any Alteration which has the effect of extending, up to a maximum of 5 working days, a period of notice of cancellation given by Underwriters in pursuit of the Premium Payment Clause agreed in the slip, provided that no previous such Alteration shall have been made under this Part during the period of insurance to which the notice of cancellation applies.
1.16 *** Cancellation of coverage (all or part) by insured within slip terms.
1.17 Copies or extracts of the slip to support bureau(x) procedures including signing of premium, bulk signing of premium, production of policies, agreement and settlement of claims.
1.18 The agreement of policy wording(s) in accordance with express provisions in the slip.
1.19 The signing of certificates or other evidence of insurance in the form agreed in the slip.

***** Any such Alteration, if agreed, is to be notified to all Underwriters**

ARK 4020

PART 2

Alterations the Slip Leader and Agreement Parties may, if unanimous, agree on behalf of all Underwriters each for its own proportion severally and not jointly

2.1 All Alterations that the slip specifies may be agreed by the Slip Leader and Agreement Parties.

2.2 All Alterations which do not fall within either Part 1 or Part 3.

PART 3

Alterations which may be agreed only by all Underwriters each for its own proportion severally and not jointly

3.1 All Alterations that the slip specifies may be agreed only by all Underwriters.

3.2 All Alterations which are judged by either the Slip Leader or by any Agreement Party to be ones which ought to be agreed by all Underwriters.

3.3 All Alterations which fall within the following list, unless the slip specifies such an Alteration may be otherwise agreed:

3.3.1 In respect of slips placed on a full value basis where the limit of liability is equal to the total value at risk, any amendment to the limit that increases Underwriters' liability by more than 10% of their signed line.
In respect of slips placed on a first loss or excess of loss basis, any amendment to the limit or deductible and any amendment increasing the total value at risk by more than 10%.

3.3.2 Any waiver of or amendment to any express or implied warranty or any condition precedent to the attachment of the risk except as provided for in Part 1.

3.3.3 Extensions of policy period in excess of one calendar month or 30 days, whichever is greater.

3.3.4 Any Alteration, other than provided for in Part 1, which has the effect of extending those terms agreed in the Premium Payment Clause in the slip or any endorsement thereto.

3.3.5 Changes that extend the geographical scope of the contract.

3.3.6 Any backdating of the policy period.

3.3.7 Changes that amend or extend the jurisdictions relevant to the insurance coverage and/or which require Underwriters to submit to regulatory regimes not agreed at the time when the slip was placed.

3.3.8 Cancellation of the policy by Underwriters in accordance with slip terms.

3.3.9 Delegation of authority to sign certificates or other evidence of cover.

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ATTACHMENT TO ENDORSEMENT NUMBER NINE

The following as a copy of the expiring Port Authority of New York and New Jersey Construction Liability Policy 2007 – Owner Controlled Insurance Program – Construction Liability.

Plus any agreed Endorsements thereto.

PORT AUTHORITY OF NEW YORK AND NEW JERSEY CONSTRUCTION LIABILITY POLICY 2007

Owner Controlled Insurance Program - Construction Liability

THIS IS A LIABILITY POLICY. PLEASE READ THE ENTIRE DOCUMENT CAREFULLY. SOME WORDS CONTAINED HEREIN HAVE SPECIFIC MEANING. PLEASE REFER TO THE DEFINITIONS SECTION.

I. INSURING AGREEMENTS

1. COVERAGE

In consideration of the payment of the premiums set out in Item 6 of the Declarations and in reliance upon the proposal for this policy (hereinafter Policy), statements made and any supplementary information pertaining to the proposal which are all deemed incorporated herein, Underwriters agree, subject to the Insuring Agreements, Conditions, Exclusions, Definitions and Declarations contained in this Policy, to indemnify the "Insured" in respect of its operations at each "Construction Project Site" referred to in Item 1.(b) of the Declarations, that have been "Let" by the named "Insured" prior to 1st June 2010, for "Ultimate Net Loss" by reason of liability:

(a) imposed upon the "Insured" by law or

(b) assumed by the "Insured" under an "Insured Contract",

for damages in respect of:

(i) "Bodily Injury"

(ii) "Personal Injury"

(iii) "Property Damage"

(iv) "Advertising Injury"

ARK 4020

caused by or arising out of: -

(1) "General Liability" "Occurrence"s which first commence during the Policy Period stated in Item 3 of the Declarations and which comprise:

(i) incomplete "Construction Project Site"s "Let" during a previous Policy Period;

or

(ii) new "Construction Project Site"s "Let" in the Policy Period stated in Item 3 of the Declarations whether completed or not,

(2) "Product Liability" and "Completed Operations Liability" "Occurrence"s which first commence during the Policy Period stated in Item 3 of the Declarations but only in respect of the following:

(i) the balance of a "Product Liability and Completed Operations Liability Combined Period" which commenced during a previous Policy Period;

or

(ii) the start of a "Product Liability and Completed Operations Liability Combined Period" during the Policy Period stated in Item 3 of the Declarations,.

Nothing contained in this Policy shall make it subject to the terms of any other insurance.

2. LIMITS OF LIABILITY

Underwriters shall only be liable for "Ultimate Net Loss" up to the amount stated in Item 2.(a) of the Declarations plus "Defence Expenses" in respect of each "Occurrence" first commencing during the period stated in Item 3 of the Declarations subject always to the provisions of Condition 2.

Regardless of the number of "Occurrences" that may be covered by this Policy, Underwriters' total Limits of Liability shall not exceed the amount of "Ultimate Net Loss" set out in Item 2.(b) of the Declarations in the aggregate separately in respect of:

(i) "Product Liability" and "Completed Operations Liability" combined,

(ii) "Personal Injury"

plus "Defence Expenses" subject always to the provisions of Condition 2.

In respect of (i) above, the aggregate stated in Item 2.(b).(i) of the Declarations shall apply to all "Construction Project Site"s subject to the parameters stated in Insuring Agreement 1.(2).

In respect of (ii) above, the aggregate stated in Item 2.(b).(ii) of the Declarations shall apply for each "Annual Period of Construction" stated in Item 4 of the Declarations within the period stated in Item 3 of the Declarations.

The inclusion or addition hereunder of more than one "Insured" shall not increase Underwriters' Limits of Liability as set out in Item 2 of the Declarations.

Where "Defence Expenses" are paid or incurred by the "Insured", all "Defence Expenses" will be paid by Underwriters in addition to the Limits of Liability of this Policy until such Limits of Liability are exhausted subject always to the provisions of Condition 2.

II. CONDITIONS

This Policy is subject to the following conditions:

1. APPEALS

In the event the "Insured" elects not to appeal a judgement which may, in whole or in part, involve indemnity under this Policy, Underwriters may, following discussion with the "Insured", elect to make such appeal at their own cost and expense and shall be liable for the taxable costs, expenses and disbursements and any additional interest incidental to such appeal; but in no event shall the liability of Underwriters exceed the relevant Limits of Liability set out in Item 2 of the Declarations plus such costs, expenses, disbursements and interest.

2. APPORTIONMENT OF "DEFENCE EXPENSES"

Whenever any written demand received by the "Insured" for damages is finally resolved by a payment by Underwriters which, regardless of the amount thereof, is only covered in part by this Policy, then the percentage of any "Defence Expenses" that are paid by Underwriters in addition to the "Ultimate Net Loss" shall be calculated by dividing that part of such payment which is covered by this Policy, by the total amount paid.

3. ASSIGNMENT

Assignment of interest under this Policy shall not bind Underwriters unless and until their written agreement thereto is secured.

4. CANCELLATION OR NON-RENEWAL

(a) **By the named "Insured"**

This Policy may be cancelled at an anniversary date only by the named "Insured" without the consent of other "Insureds", by mailing to Underwriters written notice stating at which anniversary date thereafter such cancellation shall be effective.

(b) **By Underwriters**

This Policy may be cancelled by Underwriters for non payment of premium, in which event ten (10) days notification at any time shall apply.

The Policy Period stated in Item 3 of the Declarations and the coverage of each "Construction Project Site" referred to in Item 1.(b) of the Declarations will end on the day and hour stated in the cancellation notice or on the expiry date stated in Item 3.(b) of the Declarations whichever is the earlier.

If Underwriters cancel the Policy, final premium will be calculated by Underwriters by applying the rate stated in Endorsement No 3 to the declared values of "Construction Project Site"s during the shortened Policy Period.

Notwithstanding the foregoing, however, in the event of cancellation by the named "Insured" during the Policy Period or non-renewal of this Policy, this Policy may continue to apply to "Insured Contract"s at "Construction Project Site"s for which the named "Insured" has committed to provide insurance prior to the effective date of cancellation or the date stated in Item 3.(b) of the Declarations, whichever is the earlier, at rate and premium to be agreed by Underwriters, until all work to be performed under such "Insured Contract"s is completed plus the "Product Liability and Completed Operations Liability Combined Period"s have elapsed.

5. CROSS LIABILITY

In the event of an "Occurrence" resulting in "Bodily Injury" to an employee of one "Insured" hereunder for which another "Insured" is, or may be, liable then this Policy shall cover such "Insured" against whom a "Claim" for damages has been made or may be made in the same manner as if separate policies had been issued to each "Insured" hereunder.

In the event of an "Occurrence" resulting in "Property Damage" to property of one "Insured" hereunder for which another "Insured" is, or may be, liable then this Policy shall cover such "Insured" against whom a "Claim" for damages has been made or may be made in the same manner as if separate policies had been issued to each "Insured" hereunder.

Nothing contained herein shall operate to increase Underwriters' Limit of Liability set out in Item 2 of the Declarations.

6. CURRENCY AND PAYMENTS OF PREMIUMS

Premiums and indemnity payments due under this Policy are payable in the currency set out in Item 5 of the Declarations. Payment of premiums shall be made by the first named "Insured" set out in Item 1.(a) of the Declarations to the person or entity set out in Item 7 of the Declarations. If the first named "Insured" or its agent fails to pay the premium due to Underwriters by the due date, Underwriters may issue notice to the named "Insured" set out in Item 1.(a) of the Declarations in accordance with the provisions of Condition 4.

7. DAMAGES PAYABLE

Any amount for which Underwriters are liable under this Policy shall be due and payable solely to the agent of the "Insured" set out in Item 8 of the Declarations within thirty (30) days after it is agreed by Underwriters.

8. DEFENCE

As detailed in Endorsement 6 but Underwriters' right and obligation to incur "Defence Expenses" in the defence of any "Occurrence" end when the Limits of Liability have been exhausted by the payment of judgements or settlements.

9. GOVERNING LAW AND INTERPRETATION

In view of the diverse locations of the parties purchasing insurance from Underwriters and the desirability of unified regulation, the parties agree that the Policy shall be construed and enforced in accordance with and governed by the internal law of the State of New York.

10. INSOLVENCY

The insolvency, bankruptcy, receivership or any refusal or inability to pay of the "Insured" and/or any Underwriter shall not operate to:

(a) increase Underwriters' liability under this Policy;

(b) increase any Underwriters' share of liability under this Policy;

(c) relieve Underwriters from the payment of "Ultimate Net Loss" or "Defence Expenses" under this Policy.

11. INSPECTION AND INVESTIGATION

Underwriters may, after giving reasonable notice to the named "Insured", audit and examine the books and records of the "Insured" as they relate to this Policy at any time during the Policy Period and for up to three years after the expiration or termination of this Policy.

Underwriters have the right, but are not obligated, after giving reasonable notice to the named "Insured", to inspect the premises and operations of the "Insured". The inspections are not safety inspections. They relate only to the insurability of the premises and operations and the premiums to be charged. Underwriters may give the "Insured" reports on the conditions found. They may also recommend changes. Whilst they may help reduce losses, Underwriters do not undertake to perform the duty of any person or organisation to provide for the health or safety of the "Insured"'s employees or the public. Underwriters do not warrant that the premises or operations of the "Insured" are safe or healthful or that they comply with laws, regulations, codes or standards.

12. KNOWLEDGE OF OCCURRENCE

Other than in respect of conditions (a), (b), (c), (d) and (e) of Exclusion 18 knowledge of an "Occurrence" by the agent, servant or employee of the "Insured" shall not in itself constitute knowledge by the "Insured", unless an executive officer of the "Insured"'s Corporation shall have received such notice from its agent, servant or employee.

13. NOTICE OF OCCURRENCE

(a) In the event of an "Occurrence", written notice containing the particulars sufficient to identify the "Insured" and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the "Insured" to the entity named in Item 10 of the Declarations as soon as practicable.

(b) If claim is made or suit is brought against the "Insured", the "Insured" shall immediately forward to the entity named in Item 10 of the Declarations every demand, notice, summons or other process received by it or its representative.

(c) Notwithstanding anything to the contrary in this Condition, this Policy shall not apply to any: -

(i) "General Liability" "Occurrence" unless notice of such "Occurrence" is given to Underwriters prior to expiry of five years from the date stated in Item 3.(b) of the Declarations; or

(ii) "Product Liability" and "Completed Operations Liability" "Occurrence" unless notice of such "Occurrence" is given to Underwriters prior to expiry of three years from the date stated in Item 3.(b) of the Declarations or two years from the end of the "Product Liability and Completed Operations Liability Combined Period", whichever is the earlier,

but always subject to Condition 4. Cancellation or Non-Renewal.

(d) The "Insured" shall co-operate with Underwriters and, upon Underwriters' request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organisation who may be liable to the "Insured" because of injury or damage with respect to which insurance is afforded under this Policy; and the "Insured" shall attend hearings and trials, and assist in securing and giving evidence and obtaining the attendance of witnesses. The "Insured" shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the "Occurrence".

(e) When the "Insured" reports any accident to the Workers' Compensation carrier insuring its Workers' Compensation Insurance which later develops into a claim for liability to which this Policy applies, coverage for which is provided by this Policy, failure to report such accident to Underwriters at the time of the "Occurrence" shall not be deemed in violation of (a), (b) or (c) of this Condition upon the distinct understanding and agreement, however, that the "Insured" just as soon as it is definitely made aware of the fact that the particular accident is a liability case rather than a Workers' Compensation case, shall give notification of the aforesaid accident to Underwriters.

14. OTHER INSURANCE

The insurance afforded by this Policy is primary insurance, except when stated in writing to the contrary. Where this Policy is primary and the "Insured" has other insurance which is stated to be applicable to an "Occurrence" on an excess basis, the amount of the Underwriters' liability under this Policy shall not be reduced by the existence of such other insurance.

When both this Policy and other insurance apply to an "Occurrence" on the same basis, this Policy will only contribute its proportionate share in combination with such other insurance.

15. SEPARATION OF "INSUREDS"

Except with respect to Underwriters' Limits of Liability and any rights or duties specifically assigned to the named "Insured" designated in Item 1.(a) of the Declarations, this insurance applies separately to each "Insured" against whom "Claim" is made or suit brought.

16. SERVICE OF SUIT CLAUSE

(Per attached Service of Suit Clause (U.S.A.))

17. SUBROGATION

Where an amount is paid by Underwriters under this Policy, the "Insured"'s rights of recovery against any other person or entity in respect of such amount shall be exclusively subrogated to Underwriters. At Underwriters' request the "Insured" will assist, co-operate and lend its name to the exercise of Underwriters' rights of subrogation. The "Insured" shall do nothing to prejudice such rights.

All recoveries shall be applied as follows:

(a) any interests, including the "Insured", that have paid an amount in excess of Underwriters' payment under this Policy will be reimbursed first; and,

(b) Underwriters then will be reimbursed up to the amount they have paid.

Expenses incurred in the exercise of rights of recovery shall be apportioned between the interests, including the "Insured", in the ratio of their respective recoveries as finally settled.

Notwithstanding the foregoing, Underwriters waive their rights of recovery against any "Third Party" to whom the named "Insured" has undertaken, in a written contract, to obtain a written waiver of subrogation but only if such waiver has been included in such "Insured Contract" before the "Occurrence" giving rise to such payments.

This waiver shall apply only with respect to an "Occurrence" arising from operations undertaken or obligations required under the specific "Insured Contract" between the named "Insured" and such "Third Party" and shall not be construed to be a waiver with respect to other operations of such "Third Party" in which the named "Insured" has no contractual interest or obligation.

No waiver of subrogation shall directly or indirectly apply to any employee(s) of either the named "Insured" or of such "Third Party" unless required by "Insured Contract" and Underwriters reserve their rights or lien to be reimbursed from any recovery funds obtained by any employee.

This waiver does not apply in any jurisdiction where such waiver is held to be illegal or against public policy or to any "Occurrence" wherein such "Third Party" is found to be solely negligent.

18. **TRANSFER OF RIGHTS AND DUTIES**

The rights and duties of the "Insured" under this Policy may not be transferred without prior written consent of Underwriters.

19. **WAIVER OR CHANGE**

Notice to any agent or knowledge possessed by any agent or any other person shall not effect a waiver of or change in any part of this Policy. This Policy can only be changed by a written endorsement that becomes a part of this Policy and is signed by or on behalf of Underwriters.

III. EXCLUSIONS

This Policy does not apply to any actual or alleged liability:

1. arising out of breach of contract other than an "Insured Contract";

2. (a) of whatsoever nature of the "Insured", whether the "Insured" may be liable as an employer or in any other capacity whatsoever, to any of its Employees, including without limiting the generality of the foregoing any liability under any Workers' Compensation Law, Unemployment Compensation Law, Disability Benefit Law, Longshore and Harbor Workers' Compensation Act, Jones Act, Death on the High Seas Act, General Maritime Law, Federal Employers' Liability Act, Employers Liability, Employers' Liability as respects Occupational Disease or any similar laws of liabilities, and/or whether by reason of the relationship of master and servant or employer and employee or not;

   (b) which any "Insured" may have to its own employee arising out of the actions or omissions of another of its own employees;

3. arising out of "Automobile Liability" other than such "Automobile Liability" on any "Construction Project Site";

4. arising out of "Aircraft Liability";

5. arising out of "Watercraft Liability";

6. for "Discrimination", "Sexual Harassment" and/or "Inappropriate Employment Conduct";

7. for "Property Damage" to property:

   (a) owned, leased, rented or occupied by the "Insured";

   (b) in the care, custody or control of the "Insured";

8. for "Property Damage" to the "Insured's Products" arising out of such products or any part of such products;

9. for "Property Damage" to property worked on by or on behalf of the "Insured" arising out of such work or any portion thereof, or out of any material, parts or equipment furnished in connection therewith;

10. for the withdrawal, recall, return, inspection, repair, replacement, or loss of use of the "Insured's Products" or work completed by or for the "Insured" or for any property of which such "Insured's Products" or work form a part;

11. for any fines or penalties;

12. for "Personal Injury" and/or "Advertising Injury" arising out of:

    (a) failure to perform under any contract other than an "Insured Contract";

    (b) infringement of trademark, patent, service mark or trade name, other than copyright, titles or slogans, by use thereof on or in connection with goods, products or services sold or offered for sale;

    (c) unfair competition;

13. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" arising out of: -

    (a) the failure of the operations or work completed by or for the "Insured" to perform the function or serve the purpose intended by the "Insured";

    (b) fines or penalties imposed on the "Insured" should the operations or work completed by or for the "Insured" fail to reach the levels of performance set out in the contract

    (c) the failure of the "Insured" to complete a contract on time or comply with any contractual obligation;

14. for any act, negligence, error or omission, malpractice or mistake arising out of "Professional Services", committed or alleged to have been committed by or on behalf of the "Insured" in the conduct of any of the "Insured"'s business activities;

15. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by or arising out of:- asbestos; mold; chromium copper arsenate; Exterior Insulation and Finish System (EIFS); silica, polychlorinated biphenyl (PCB) or lead; or any substance containing such material or any derivative thereof;

16. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" for claims made by or on behalf of any person or persons directly or indirectly on account of continuous, intermittent or repeated exposure to, ingestion, inhalation, or absorption of, any substance, material, product, waste, emission, radioactive substance, noise or environmental disturbance where the "Insured" is or may be liable as a result of the manufacture, production, extraction, sale, handling, utilisation, distribution, disposal or creation by or on behalf of the "Insured" of such substance, material, product, waste, emission, radioactive substance, noise or environmental disturbance;

17. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" arising out of or in any way connected with the operation of the principles of eminent domain, condemnation proceedings or inverse condemnation proceedings or inverse condemnation by whatever name called regardless of whether such claims are made directly against the "Insured" or by virtue of any agreement entered into by or on behalf of the "Insured"; or with respect to any provisions in this Policy concerning any duty of Underwriters to investigate or defend any "Claim" excluded by this exclusion;

18. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by or arising out of seepage, pollution or contamination however caused whenever or wherever happening;

This exclusion shall not apply where all of the following conditions are shown by the "Insured" to have been met:

(a) the seepage, pollution or contamination was caused by an "Occurrence"; and,

(b) the "Occurrence" first commenced on an identified specific date during the period stated in Item 3 of the Declarations; and,

(c) the "Occurrence" was first discovered by the "Insured" within fourteen (14) days of such first commencement; and,

(d) written notification of the "Occurrence" was first received from the "Insured" by Underwriters within ninety (90) days of the "Insured"'s first discovery of the "Occurrence" ; and,

(e) the "Occurrence" did not result from the "Insured"'s intentional violation of any statute, rule, ordinance or regulation.

Even if the above conditions (a) to (e) are satisfied, this Policy does not apply to any actual or alleged liability:

(i) to evaluate, monitor, control, remove, nullify and/or clean-up seeping, polluting or contaminating substances to the extent such liability arises solely from any obligations imposed by or on behalf of a governmental authority;

(ii) to abate or investigate any threat of seepage onto or pollution or contamination of the property of a "Third Party";

(iii) for seepage, pollution or contamination at or from any premises, site or location on which any "Insured" or any "Contractor"s or "Subcontractor"s working directly or indirectly on any "Insured"'s behalf are performing operations:

(a) if the pollutants are brought on or to the premises, site or location in connection with such operations by such "Insured", "Contractor" or "Subcontractor", or

(b) if the operations are to test for, evaluate, monitor, control, remove, nullify, clean-up or in any way respond to, or assess the effects of pollutants.

19. arising out of the handling, processing, treatment, storage, disposal or dumping of any waste materials or substances, or arising out of such waste materials or substances during transportation;

20. (a) for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

(i) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or

(ii) any "Act of Terrorism".

(b) for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a)(i) and/or (a)(ii) above.

If the Underwriters allege that by reason of this exclusion, any "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" is not covered by this insurance the burden of proving the contrary shall be upon the "Insured".

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

21. for "Bodily Injury", "Property Damage", "Personal Injury" and/or "Advertising Injury" for which the "Insured" or its indemnitee may be held liable:

(a) as a person or organisation engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages; or

(b) if not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed

(i) by, or because of the violation of any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage, or

(ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;

22. (a) arising out of an "Insured"'s capacity, duty or responsibility as an Officer, Director or Trustee of a Corporation by reason of any breach of fiduciary duty or improper conduct or conflict of interest in the performance of an "Insured"'s duties, responsibilities or accountability as an Officer, Director or Trustee, including, without limitation, any actual or alleged misstatement, misleading statement, gain of personal profit or advantage to which the Insured was or is not entitled legally, any dishonest act, or bad faith conduct, in the "Insured"'s capacity as an Officer, Director or Trustee, or with respect to the capital or assets of the Corporation, or any action taken beyond the scope of the "Insured"'s authority as an Officer, Director or Trustee;

(b) arising out of or incident to any alleged violation(s) of any Federal or State law regulating, controlling and governing stock bonds or securities of any type or nature, including without limitation The Security Act of 1933, The Securities Exchange Act of 1934, The Trust Indenture Act of 1939, The Public Utility Holding Company Act of 1935, The Investment Company Act of 1940, The Investment Advisers Act of 1940, and the so called "Blue Sky" Laws of the various state and other jurisdictions;

(c) arising out of or incident to any alleged violation(s) of any Federal or State law regulating, controlling and governing antitrust or the prohibition of monopolies, activities in restraint of trade, unfair methods of competition or deceptive acts and practices in trade and commerce including without limitation, the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act and the Hart-Scott Rodino Antitrust Improvements Act;

(d) of any Officer, Director or Trustee arising out of or asserted in a shareholder's derivative action;

(e) arising out of or contributed to by the dishonesty or infidelity of any "Insured";

(f) which would be payable under the terms of coverage of a Directors and Officers Liability Insurance Policy or a Directors and Company Reimbursement Indemnity Policy of the type issued by stock insurance companies of the United States, as if any "Insured" had obtained such coverage in an amount sufficient to pay the full amount being claimed against any "Insured", whether or not any "Insured" has obtained such coverage.

23. for "Bodily Injury", "Property Damage", "Personal Injury" and/or "Advertising Injury" arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the "Insured";

24. directly or indirectly caused by or contributed to by or arising from:

(a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

(b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

(c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;

(d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;

(e) any chemical, biological, bio-chemical, or electromagnetic weapon.

This Exclusion shall be paramount and shall override anything contained in this Policy inconsistent therewith

25. (a) for "Personal Injury" and/or "Advertising Injury" arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the named "Insured" was made prior to the effective date of this Policy;

(b) for "Personal Injury" and/or "Advertising Injury" arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organisation or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the "Insured" with knowledge of the falsity thereof;

26. for "Advertising Injury" arising out of incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised.

Nothing contained in the above Exclusions shall extend this Policy to cover any liability which would not have been covered had these Exclusions not been incorporated herein.

DEFINITIONS

1. ACT OF TERRORISM

The words "Act of Terrorism", wherever used in this Policy, mean an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

2. ADVERTISING INJURY

The words "Advertising Injury" wherever used in this Policy, shall mean injury arising out of the named "Insured"'s advertising activities, if such injury arises out of any unintended libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

3. AIRCRAFT LIABILITY

The words "Aircraft Liability", wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of an aircraft, aeroplane or helicopter which is designed to fly in the air or atmosphere.

4. ANNUAL PERIODS OF CONSTRUCTION

The words "Annual Periods of Construction" wherever used in this Policy, shall mean the periods shown in Item 4 of the Declarations.

5. AUTOMOBILE

The word "Automobile," wherever used in this Policy, shall mean a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment, but the word "Automobile" shall not include "Mobile Equipment" or the contents of such vehicle, trailer or semi-trailer.

6. AUTOMOBILE LIABILITY

The words "Automobile Liability," wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of any "Automobile".

7. BODILY INJURY

The words "Bodily Injury", wherever used in this Policy, shall mean:

(a) bodily injury, sickness, disability, or disease;

(b) mental injury, mental anguish, humiliation, shock or death if directly resulting from bodily injury, sickness, disability or disease.

8. CLAIM

The word "Claim", wherever used in this Policy, shall mean that part of each written demand received by the "Insured" for damages, including the service of suit or institution of arbitration proceedings.

9. COMPLETED OPERATIONS LIABILITY

The words "Completed Operations Liability", wherever used in this Policy, shall mean liability for "Bodily Injury" and/or "Property Damage" arising out of the "Insured"'s operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the "Bodily Injury" and/or "Property Damage" happens after such operations have been completed or abandoned and happens away from the premises owned by or rented to any "Insured" (other than those premises owned or operated by the named "Insured").

Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:-

(a) when all operations to be performed by or on behalf of the "Insured" under the contract have been completed; or,

(b) when all operations to be performed by or on behalf of the "Insured" at a "Construction Project Site" have been completed; or,

(c) when that portion of the work out of which the "Bodily Injury" and/or "Property Damage" arises has been put to its intended use by any person or entity other than another "Contractor" or "Subcontractor" engaged in performing operations for the Principal as part of the same project.

"Completed Operations Liability" does not include liability for "Bodily Injury" and/or "Property Damage" arising out of:

(a) operations in connection with the transportation of property, unless the "Bodily Injury" and/or "Property Damage" arises out of a condition in or on an "Automobile" created by the loading or unloading thereof, or,

(b) the existence of tools, uninstalled equipment or abandoned or unused materials.

10. CONSTRUCTION PROJECT SITE

The words "Construction Project Site", wherever used in this Policy, shall mean that area described in the construction contract documents including the area available for "Contractor" operations, access routes, rights-of-way and additional sites necessary or incidental thereto for which a work order has been issued by the named "Insured".

Notwithstanding Condition 14 or the foregoing, in no event shall this Policy apply to any sites for which separate policies have been purchased even if the limits of such separate policies have been reduced or exhausted by any "Occurrence"s.

11. CONTRACTOR

The word "Contractor", wherever used in this Policy, shall mean any individual, partnership, firm or corporation which has entered into a contract for construction with authority to perform "Contract Work" at any "Construction Project Site" unless such entity is specifically excluded from such coverage as is afforded by this Policy.

12. CONTRACT WORK

The words "Contract Work", wherever used in this Policy, shall mean the entire completed construction of the various separately identifiable parts required to be furnished under the contract documents.

13. DEFENCE EXPENSES

The words "Defence Expenses", wherever used in this Policy, shall mean investigation, adjustment, appraisal, defence and appeal costs and expenses and pre and post judgement interest, paid or incurred by or on behalf of the "Insured" and as detailed in Endorsement No. 6.

The salaries, expenses or administrative costs of the "Insured" or its employees or any insurer shall not be included within the meaning of "Defence Expenses".

14. DISCRIMINATION

The word "Discrimination", wherever used in this Policy, shall mean termination of the employment relationship, a demotion, a failure or refusal to hire or promote, denial of an employment benefit or the taking of any adverse or differential employment action because of race, colour, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by any national, federal, state or local law.

15. EMPLOYERS' LIABILITY

The words "Employer's Liability", wherever used in this Policy, shall mean any liability of an "Insured" to its employee arising out of the employment of that employee.

16. GENERAL LIABILITY

The words "General Liability", wherever used in this Policy, shall mean liability to which this Policy applies other than "Product Liability" and "Completed Operations Liability".

17. INAPPROPRIATE EMPLOYMENT CONDUCT

The words, "Inappropriate Employment Conduct", wherever used in this Policy, shall mean:

(a) actual or constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful or in breach of an implied employment contract or breach of the covenant of good faith or fair dealing in the employment contract;

(b) allegations of wrongful demotion, or wrongful discipline;

(c) allegations of misrepresentation or defamation made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(d) allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(e) allegations of false imprisonment, detention or malicious prosecution made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(f) allegations of libel, slander, defamation of character or any invasion of right of privacy made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote; or,

(g) other injury allegations made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote.

Inappropriate Employment Conduct does not include damages determined to be owing under a written or express contract of employment or obligation to make payments, including but not limited to severance payments, in the event of the termination of employment.

Inappropriate Employment Conduct shall not include any allegations other than those set forth above.

18. INSURED

The word "Insured", wherever used in this Policy, shall mean only the following: -

(a) the named "Insured" set out in Item 1.(a) of the Declarations;

(b) i) the named "Insured"'s subsidiary, owned or controlled companies that are directly involved with the named "Insured" at the "Construction Project Site" which have been declared to and accepted by Underwriters at the inception of this Policy;

ii) any "Contractor" or "Subcontractor";

(c) any person or entity to whom the "Insured" is obliged by a written "Insured Contract" relating directly to a "Construction Project Site" entered into before any relevant "Occurrence", to provide insurance such as is afforded by this Policy but only with respect to:

i) liability arising out of operations conducted by the named "Insured" or on its behalf; or

ii) facilities owned or used by the named "Insured";

iii) Limits of Liability that are not greater than those required under said "Insured Contract".

(d) any officer, director, stockholder, partner or employee of the "Insured", but only in respect of an "Occurrence" covered hereunder whilst acting within their duties.

19. INSURED CONTRACT

The words "Insured Contract", wherever used in this Policy, shall mean any written contract or agreement entered into by the "Insured" and pertaining to business under which the "Insured" assumes the tort liability of another party to pay for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" to a "Third Party" or organisation. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

20. INSURED'S PRODUCTS

The words "Insured's Products", wherever used in this Policy, shall mean goods or products manufactured, sold, handled or distributed by the "Insured" or by others trading under the name of the "Insured", including any packaging thereof.

21. LET

The word "Let", wherever used in this Policy, shall mean the commissioning by the named "Insured" of a contract for construction work with "Contractors" and/or "Subcontractors" for the performance of "Contract Work" at any "Construction Project Site" scheduled under this Policy in accordance with Endorsement No 2.

22. MOBILE EQUIPMENT

The words "Mobile Equipment", wherever used in this Policy, shall mean a land vehicle (including any machinery or apparatus attached thereto), whether or not self propelled

(a) not subject to motor vehicles registration, or

(b) maintained for use exclusively on premises owned by or rented to the named "Insured", including the ways immediately adjoining, or

(c) designed for use principally off public roads, or

(d) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: -

(i) power cranes, shovels, loaders, diggers and drills;

(ii) concrete mixers (other than the mix in transit type), graders, scrapers, rollers and other road construction or repair equipment;

(iii) air compressors; pumps and generators, including spraying, welding and building-cleaning equipment; and

(iv) geophysical exploration and well servicing equipment;

23. OCCUPATIONAL DISEASE

The words "Occupational Disease", wherever used in this Policy, shall mean any injury, including death, sickness, disease or disability, defined as occupational disease in any workers compensation or disability benefits laws, statutes or regulations of any jurisdiction in which the "Occurrence" first commences or the Occupational Disease arises.

24. OCCURRENCE

The word "Occurrence", wherever used in this Policy, shall mean an accident, including continuous and repeated exposure to substantially the same general harmful conditions which results in "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury", none of which was intended by any "Insured".

25. PERSONAL INJURY

The words "Personal Injury", wherever used in this Policy, shall mean injury other than "Bodily Injury" arising from:

(a) false arrest, false imprisonment, wrongful eviction or wrongful detention of a "Third Party" human being;

(b) libel, slander, defamation of character or invasion of right of privacy of such human being;

(c) mental injury, mental anguish or shock to such human being which results from (a) or (b) above;

26. PHASED HANDOVER

The words "Phased Handover" wherever used in this Policy, shall mean any part of the project which is occupied or accepted by the Principal prior to the completion of the whole project whether a certificate of acceptance has been issued or not.

27. PRODUCT LIABILITY

The words "Product Liability", wherever used in this Policy, shall mean liability for "Bodily Injury" and/or "Property Damage" arising out of the "Insured's Products" or reliance upon a representation or warranty made at any time with respect thereto, but only if the "Bodily Injury" and/or "Property Damage" happens after physical possession of the "Insured's Products" has been relinquished to others and happens away from premises owned, leased, rented or occupied by the "Insured".

28. PRODUCT LIABILITY AND COMPLETED OPERATIONS LIABILITY COMBINED PERIOD

The words "Product Liability and Completed Operations Liability Combined Period", wherever used in this Policy, shall mean up to three years from completion of each "Contract Work".

29. PROFESSIONAL SERVICES

The words "Professional Services" wherever used in this Policy, shall mean the preparation or approval of audits, accounts, drawings, blue prints, maps, plans, opinions, reports, surveys, designs or specifications and supervisory, inspection, engineering or data processing services.

30. PROPERTY DAMAGE

The words "Property Damage", wherever used in this Policy, shall mean physical loss of, physical damage to or physical destruction of tangible property of a "Third Party", including loss of use of the tangible property so lost, damaged or destroyed;

31. SEXUAL HARASSMENT

The words "Sexual Harassment", wherever used in this Policy, shall mean unwelcome sexual advances, requests for sexual favours or other verbal or physical conduct of a sexual nature that: (1) explicitly or implicitly are made a condition of employment, (2) are used as basis for employment decisions, or (3) create a work environment that interferes with performance.

32. SUBCONTRACTOR

The word "Subcontractor", wherever used in this Policy, shall mean any individual, partnership, firm or corporation which has entered into a contract for construction with a "Contractor" or "Contractors" or with any tier of "Subcontractors" to perform "Contract Work" at a "Construction Project Site" unless such entity is specifically excluded from such coverage as is afforded by this Policy.

33. THIRD PARTY

The words "Third Party", wherever used in this Policy, shall mean any company, entity, or human being other than an "Insured" or other than a subsidiary, owned or controlled company or entity of an "Insured". An employee of an "Insured" shall be treated as a "Third Party".

34. ULTIMATE NET LOSS

The words "Ultimate Net Loss", wherever used in this Policy, shall mean the amount the "Insured" is obligated to pay, by judgement or settlement, as: -

(a) damages;

(b) expenses for necessary medical, surgical, x-ray and dental services including prosthetic devices;

(c) necessary ambulance, hospital, professional nursing and funeral services;

resulting from an "Occurrence" covered by this Policy.

35. UNINTENDED OMISSIONS, ERRORS OR INCORRECT DESCRIPTION

Liability to which this Policy applies shall not be prejudiced by any unintentional and/or inadvertent omission, error or incorrect description in the declaration of "Insured Contract"s provided notice is given to Underwriters as soon as practicable upon discovery of any such omission, error or incorrect description.

36. WATERCRAFT LIABILITY

The words "Watercraft Liability", wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of any craft designed to float or travel on, in or under the water, including hovercraft.

DECLARATIONS

Item 1.

(a) Name and Address of the named "Insured":

Port Authority of New York and New Jersey, as Principal and named "Insured".

225 Park Avenue South,
12th Floor,
New York, N.Y. 10003

(b) "Construction Project Site"s:

Per Definition 10 but only those "Construction Project Site"s that are "Let" by and appear on the records of the named "Insured" as being insured under the Owner Controlled Insurance Program.

Item 2. Limits of Liability:

(a) "Ultimate Net Loss" in respect of each "Occurrence" which is always subject to (b) below: - USD 500,000

(b) Aggregate "Ultimate Net Loss" separately in respect of:

(i) "Product Liability" and "Completed Operations Liability" combined:- USD 1,500,000 for all "Annual Periods of Construction" and all "Construction Project Site"s that have been completed before 1st June 2010, however Underwriters agree to one reinstatement of this Limit of Liability at terms to be agreed by the named "Insured" and Underwriters at time of reinstatement.

(ii) "Personal Injury" USD 500,000

Item 3. Policy Period in respect of all "Construction Project Site"s: -

(a) Inception date: 1st June 2007

(b) Expiry date: 1st June 2010

At 00.01 hours local standard time at the address of the named "Insured" and subject to Condition 4. Cancellation or Non-Renewal.

Item 4. Annual Periods of Construction: -

1st June 2007 to 1st June 2008
1st June 2008 to 1st June 2009
1st June 2009 to 1st June 2010

All dates at 00.01 hours local standard time at the address of the named "Insured".

Item 5 Currency:-

United States Dollars (USD)

Item 6. Premium:-

(a) in accordance with Endorsement Number 3

(b) Payable on (dates):-

1st June 2007
1st June 2008
1st June 2009

Is this the correct title please?

Item 7. Payment of Premium to: -

Aon Limited
300 Jericho Quadrangle,
Suite 300
P.O. Box 342
Jericho N.Y. 11753

Item 8. Damages Payments to: -

Aon Limited
8 Devonshire Square
London EC2M 4PL

Item 9. Service of Suit
In accordance with the attached Service of Suit Clause
Wilson, Elser, Moskowitz, Edelman & Dicker
150 East 42nd Street, New York, NY 10017

Item 10. Notice of Occurrence: - John Riddle Claims Consultants
7804 Third Avenue, Brooklyn, NY 11209

SERVICE OF SUIT CLAUSE (U.S.A.) (Condition 16)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon the entity named in Item 9 of the Declarations and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

24/4/86
NMA1998 (amended)

Wherever the words "(or Reinsured)" appear in this Clause they shall be deemed deleted

ENDORSEMENT NO. 1

ACTIONS OVER/INDEMNITY BUYBACK

This Policy, subject to all its Insuring Agreements, Conditions, Exclusions and Definitions, is endorsed to indemnify the "Insured" for amounts for which it shall have become liable to pay and shall have paid on account of investigation, defense and indemnity as respects its responsibilities, if any, to any "Third Party" by virtue of defense and indemnity obligations assumed under written contract or agreement and arising from "Bodily Injury" of any employee(s) of the "Insured", except insofar as same may arise from "Occupational Disease".

All other terms of this Policy remain unchanged

ENDORSEMENT NO. 2

SCHEDULES OF CONSTRUCTION PROJECT SITES

Schedules of "Construction Project Site"s will be supplied to Underwriters within 90 days of each anniversary of the date stated in Item 3.(a) of the Declarations.

These schedules will include the date each "Construction Project Site" was started and/or completed.

All other terms of this Policy remain unchanged

N.B. For the purposes of this Policy, "completed" = "put to intended use or substantial completion".

ENDORSEMENT NO. 3

PREMIUM AND ADJUSTMENTS

The premium shall be computed and adjusted as follows:-

(1) Deposit and Maximum Guaranteed Cost Premium USD , payable in instalments as stated in clause (5) of this Endorsement.

(2) Deposit and Maximum Guaranteed Cost Premium of USD is subject to the following Loss Experience Rebate:

Following the date shown in Item 3.(c) of the Declarations, and the premium adjustment of this Policy and after final settlement of all incurred losses under this Policy, the "Insured" shall be allowed an experience rebate, if applicable, as follows:

Paid Losses less than	Experience Rebate	
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	Nil	

All premiums due to Underwriters shall be paid by, and any return premiums due to the named "Insured" shall be paid to the named "Insured".

(3) The Deposit and Maximum Guaranteed Cost Premium in (1) above is based upon applicable "Contractor" payments during the period not exceeding an estimated USD. 4,500,000,000

In the event that the actual "Contractor" payments exceed the above estimates by more than 10%, then the Maximum Guaranteed Cost Premium shall be adjusted at % of the actual payments made on contracts during the Policy Period.

To be completed by Underwriters

(4) Incurred losses means the sum of:

(A) All losses, including medical payments, actually paid
(B) Reserves for unpaid losses as estimated by Underwriters and/or their Third Party Claims Administrator
(C) Premium on bonds paid for by Underwriters in accordance with the provisions of the Policy
(D) Interest accruing after entry of a judgement against the "Insured"
(E) Allocated (including legal expenses and defense costs) and unallocated "Defence Expenses", paid and reserved therefor.
(F) Third Party Claims Administration charges and all other costs including expenses in seeking recovery against a third party.

(5) Premium shall be payable as follows: -

Instalment Dates:	Deposit Premium Instalments	TRIA Proportion of Premium Instalments
1st June 2007	To be completed by PAICE & subject to concurrence by Excess Underwriters	
1st June 2008		
1st June 2009		

Notwithstanding that the TRIA proportion of the premium is payable in instalments, the TRIA premium referred to in Endorsement 5 of this Policy is fully earned by Underwriters at the Inception Date referred to in Item 3 of the Declarations

All other terms of this Policy remain unchanged

ENDORSEMENT NO. 4

OFAC ENDORSEMENT

If coverage for a claim under this Policy is in violation of any United States of America's economic or trade sanctions, including but not limited to, sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), then coverage for that claim shall be null and void.

All other terms of this Policy remain unchanged

ENDORSEMENT NO. 5

U.S. Terrorism Risk Insurance Act of 2002 as amended
New & Renewal Business Endorsement

This Endorsement is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

In consideration of a 1% allocation within the premium, it is hereby noted and agreed with effect from inception that the Terrorism exclusion to which this Insurance is subject, shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002" as amended ("TRIA").

The coverage afforded by this Endorsement is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in TRIA. The coverage provided by this Endorsement shall expire at 12:00 midnight December 31, 2007, the date on which the TRIA Program is scheduled to terminate or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates. The Terrorism exclusion, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

This Endorsement only affects the Terrorism exclusion to which this Insurance is subject. All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

Furthermore the Underwriter(s) will not be liable for any amounts for which they are not responsible under the terms of TRIA (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on the Underwriter's liability for payment for terrorism losses.

LMA5052 (amended)
22/12/05
Form approved by Lloyd's Market Association and model agreed by the International Underwriting Association

ENDORSEMENT NO. 6

CLAIMS PROCEDURE

Third Party Administrator
John Riddle Claims Consultants (JRCC) is the appointed Third Party Administrator.

JRCC responsibilities are:

- Maintenance of claims files
- Reserve posting and changes
- Monthly bordereaux to Underwriters
- Issuance of Claims Funds
- Transmittal of summons and complaints
- Management of trust fund account
- Reporting to Underwriters if and when required
- Issuing reservation of rights or denial letters if and when required (subject to CRC/Underwriters' approval as appropriate)
- Member of CRC
- Triangulations as at the following dates; 31st January, 28th February, 31st March, 30th June, 30th September, 31st December each policy year

JRCC will charge a flat fee of USD 360 for "Property Damage" claims settled up to USD 15,000. "Property Damage" losses in excess of USD 15,000 and "Bodily Injury" losses will be billed on an hourly basis as follows:-

June 1st, 2007 to January 1st, 2009
USD 102.00 per hour.
January 1st, 2009 to June 1st, 2010
USD 108.00 per hour.

Underwriters concur that JRCC will have ground up settlement authority of up to USD 100,000 per occurrence. Where practicable the CRC (and insurers if appropriate) will be kept informed of all proposed settlement agreements.

Claims Review Committee (CRC) and Sub-Committee (CRSC)

The CRC will consist of the following parties:

Port Authority of New York and New Jersey, Treasury, Risk Finance, Law Departments
Approved Defence Counsel
AON - Port Authority Service Team in New York and AON Limited, London
Underwriters at Interest
JRCC
Workers Compensation Carrier

The CRC will meet on a monthly basis in New York and annually in London. The list of cases for CRC meetings and attorney case summaries will be submitted to CRC members at least ten days prior to each meeting.

As a practical matter Underwriters may not attend all CRC meetings.

The CRC and CRC sub-committee as appropriate will be responsible for establishing reserves for both indemnity and costs. The CRC will have ground up settlement authority of up to USD 500,000 per occurrence.

Claims Negotiation Days (Settlement Days)

In an attempt to resolve cases in a cost effective manner these should take place every forty five days where practical. It is the responsibility of the CRC to nominate the appropriate cases which will be negotiated before retired Judge Anthony Mercorella or other appropriate party to be advised.

Notice to Underwriters:

Underwriters will be immediately advised in writing of losses reserved at USD 250,000 or greater or of any losses involving the following criteria:

1. Fatality
2. Closed Head Injury/Neurological Injury
3. Spinal Cord Damage or paralysis
4. Loss of limb
5. Partial or full loss of sight
6. Permanent disability
7. Significant burns cases - in excess of 10% of body surface
8. Where three or more parties are injured arising out of one incident
9. Where New York labor law 240/241 may apply to present exposure into underwriter's layer of coverage.

Defence of "Insured"

For all losses in suit where notice to underwriters is appropriate JRCC will nominate defence counsel from a "to be agreed" panel.

Underwriters will review the nomination and promptly respond with instructions. Subject to terms of engagement approved defense counsel may thereafter file the appropriate pleadings and assume the defence of the Insured.

Defence counsel will operate within agreed to guidelines.

Payment of Fees

- Subject to policy terms Underwriters will be responsible for payment of defence costs and related expenses incurred in defence of the "Insured". Underwriters shall not however be responsible for the fees and/or expenses of the "Insured's own staff.

Annual Review

This endorsement is subject to annual review commencing 1st June, 2008

All other terms of this Policy remain unchanged

ENDORSEMENT NO.7

INCIDENTAL MEDICAL MALPRACTICE ENDORSEMENT

The definition of "Bodily Injury" is amended to include "Incidental Medical Malpractice Injury"

The words "Incidental Medical Malpractice Injury", wherever used in this Policy, shall mean injury arising out of the rendering of or failure to render, during the Policy Period, the following services: -

(a) medical, surgical, dental, x-ray or nursing services or the furnishing of food or beverages in connection therewith, or

(b) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to: -

(1) expenses incurred by the "Insured" for first aid at the time of an accident and Condition 13 is amended accordingly;

(2) any "Insured" engaged in the business or occupation of providing any of the services described under (a) or (b) above;

(3) injury caused by an indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under (a) or (b) above.

Coverage under this Endorsement shall not be prejudiced by Exclusion 2 of this Policy.

All other terms of this Policy remain unchanged

ENDORSEMENT NO.8

In respect of operations of the "Insured" within an Airport perimeter, the following Clauses apply: -

WAR, HI-JACKING AND OTHER PERILS EXCLUSION CLAUSE (AVIATION)

This Policy does not cover claims caused by

(a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.

(b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

(c) Strikes, riots, civil commotions or labour disturbances.

(d) Any act of one or more persons, whether or not agents of a sovereign Power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.

(e) Any malicious act or act of sabotage.

(f) Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority.

(g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the Aircraft or crew in Flight (including any attempt at such seizure or control) made by any person or persons on board the Aircraft acting without the consent of the Insured.

Furthermore this Policy does not cover claims arising whilst the Aircraft is outside the control of the Insured by reason of any of the above perils. The Aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the Aircraft to the Insured at an airfield not excluded by the geographical limits of this Policy, and entirely suitable for the operation of the Aircraft (such safe return shall require that the Aircraft be parked with engines shut down and under no duress).

AVN 48B 1.10.96

EXTENDED COVERAGE ENDORSEMENT (AVIATION LIABILITIES)

1. All sub-paragraphs other than (b) of Clause AVN 48B above are deleted SUBJECT TO all terms of this Endorsement.

2. EXCLUSION applicable only to any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48B.

   Cover shall not include liability for damage to any form of property on the ground situated outside Canada and the United States of America unless caused by or arising out of the use of aircraft.

3. LIMITATION OF LIABILITY

   The limit of Insurers' liability in respect of the coverage provided by this Endorsement shall be a sub-limit of USD 500,000 or the applicable Policy limit whichever the lesser any one Occurrence and in the annual aggregate. This sub-limit shall apply within the full Policy limit and not in addition thereto.

Nothing in this Extended Coverage Endorsement shall operate to override the effects of Exclusion 24 of this Policy.

NOISE AND POLLUTION AND OTHER PERILS EXCLUSION CLAUSE

1. This Policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:-

   (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,

   (b) pollution and contamination of any kind whatsoever,

   (c) electrical and electromagnetic interference,

   (d) interference with the use of property;

   unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

2. With respect to any provision in the Policy concerning any duty of Insurers to investigate or defend claims, such provision shall not apply and Insurers shall not be required to defend

   (a) claims excluded by Paragraph 1 or

   (b) a claim or claims covered by the Policy when combined with any claims excluded by Paragraph 1 (referred to below as "Combined Claims").

3. In respect of any Combined Claims, Insurers shall (subject to proof of loss and the limits of the Policy) reimburse the Insured for that portion of the following items which may be allocated to the claims covered by the Policy:

(i) damages awarded against the Insured and

(ii) defence fees and expenses incurred by the Insured.

4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this Policy.

AVN 46B 1.10.96

Wherever used in this Clause, the word "Insurers" is deemed to read "Underwriters"

All other terms of this Policy remain unchanged

SECURITY

This insurance has been effected with the following:-

100% Port Authority Insurance Captive Entity, LLC (PAICE)

SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

R:\Underwriting\Casualty_Insurance_London\General\Wordings\Construction\PONY OCIP wording 2007 draft 15.doc

ARK 4020

MASTER OWNER CONTROLLED INSURANCE PROGRAM (CIP) – CONSTRUCTION LIABILITY POLICY.

Policy Number: WE1100200

Renewal of: WE1000201

Contract Document

North American Casualty Division

Excess Liability Insurance

Insured:	**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**
Layer:	USD 25,000,000 excess of USD 25,000,000
Underwriter:	Various Underwriters as per Individual Security Details
Period:	1st June 2011 to 1st June 2014

8 Devonshire Square
London
EC2M 4PL
United Kingdom

Tel +44 (0) 20 7623 5500
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Aon Limited Registered Office: 8 Devonshire Square ~ London ~ EC2M 4PL – United Kingdom
Registered in London No. 210725 ~ VAT Registration No. 480 8401 48

Aon Limited is authorised and regulated by the Financial Services Authority in respect of insurance mediation activities only

CONTRACT DOCUMENT

The attached document is the Insurer agreed Contract of Insurance which is being sent to you electronically.

This Contract of Insurance document replaces the traditional London policy and will be the only evidence of cover issued in accordance with the heading "Insurer Contract Documentation" in the Risk Details.

This approach is part of the overall London market drive towards achieving contract certainty at or before inception, with full documentation being issued as soon as possible.

The document includes Contract Administration and Advisory Sections between the Insurer and Broker which are used to facilitate the administration of the placement (i.e. Broker Remuneration and Deductions; Subjectivities; Information; Fiscal & Regulatory; and Subscription Agreement, if applicable).

Please review this document carefully which we trust that you will find to be in good order, but in the event of any queries, please do not hesitate to contact us to discuss.

2.5 - 2.5

Attaching to and forming part of Policy No. WE1100200

Named Insured: THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY and as more fully defined in the Risk Details and Declarations.

CONTRACT CHANGES

ADDENDUM NUMBER: THREE

Effective 1st June 2011 for the period 1st June 2011 to 1st June 2014, it is agreed that DECLARATIONS Item 2. (a) Lead Underlying Policy No: is amended to read PACIPGL 1114, and furthermore a copy of the PAICE Policy is attached hereto following the issuance of the 2011 – 2014 policy wording.

As a consequence of the foregoing ENDORSEMENT NUMBER: FIVE (ENDORSEMENT FOR EXCESS FOLLOWING FORM POLICY ISSUANCE PRIOR TO ISSUANCE/RECEIPT OF LEAD UNDERLYING POLICY) and ENDORSEMENT NUMBER SIX (AMENDED AUTOMOBILE EXCLUSION) are deleted.

ALL OTHER TERMS OF THIS POLICY REMAIN UNCHANGED.

AGREEMENT PARTIES

8/2/12	6 2 12			
	IN 20373 HADA			

Attaching to and forming part of Policy No. WE1100200

Named Insured: THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY and as more fully defined in the Risk Details and Declarations.

CONTRACT CHANGES

ADDENDUM NUMBER: TWO

It is hereby understood and agreed that with effect from Inception 1st June 2011, the words "Contractors Payments" are defined as follows:

CONTRACTORS PAYMENTS

The words "Contractors Payments", wherever used in this Policy, shall mean that element of the total payments made by the named "Insured" to their "Contractor"s known as Hard Costs which exclude non-recurring costs such as, but not limited to, design costs, architects and consulting engineers fees, planning consent application costs, security and environmental costs.

ALL OTHER TERMS OF THIS POLICY REMAIN UNCHANGED.

AGREEMENT PARTIES

9/11/11				

Attaching to and forming part of Policy No. WE1100200

Named Insured: THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY and as more fully defined in the Risk Details and Declarations.

CONTRACT CHANGES

ADDENDUM NUMBER: ONE

It is hereby understood and agreed that with effect from Inception 1st June 2011, **CONDITION 4. OTHER INSURANCE** contained within the **LONDON SHORT EXCESS FORM 01-07 (OCC) (AMENDED)** is deleted in its entirety and of no further effect.

ALL OTHER TERMS OF THIS POLICY REMAIN UNCHANGED.

INFORMATION

It was always the intention to Follow Form the Other Insurance clause contained within the Lead Underlying Policy (PAICE).

AGREEMENT PARTIES

9/11/11	AES 9/11			

RISK DETAILS

MASTER OWNER CONTROLLED INSURANCE PROGRAM (CIP) – CONSTRUCTION LIABILITY POLICY.

UMR:	**B0823WE1100200**
TYPE:	EXCESS WRAP UP LIABILITY INSURANCE.
NAMED INSURED:	**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** as owner and all Contractors and all Co and Sub Contractors and Program Managers and as more fully set forth in the Lead Underlying Policy.
ADDRESS:	225 Park Avenue South 12th Floor, New York, N.Y. 10003, United States of America.
PERIOD:	From: 1st June 2011 at 12.01 a.m. standard time at the address of the Named Insured above. To: 1st June 2014 at 12.01 a.m. standard time at the address of the Named Insured above.
INTEREST:	Coverage in respect of the Insured's liability arising out of their business operations as more fully described in the Lead Underlying Policy.

LIMITS OF LIABILITY:	USD 25,000,000	Each Occurrence (costs in addition).
	USD 25,000,000	Annual Aggregate in respect of "Personal Injury"
	USD 25,000,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined.
	EXCESS OF:	
	USD 22,000,000	Each Occurrence (costs in addition).
	USD 22,000,000	Annual Aggregate in respect of "Personal Injury"
	USD 66,000,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined.

EXCESS OF:

USD 2,500,000	Each Occurrence (costs in addition).
USD 2,500,000	Annual Aggregate in respect of "Personal Injury"
USD 7,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined.

WHICH IN TURN EXCESS OF:

USD 500,000	Each Occurrence (costs in addition).
USD 500,000	Annual Aggregate in respect of "Personal Injury"
USD 1,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined.

SITUATION: New York and New Jersey.

CONDITIONS:

1) London Short Excess Form 01-07 (OCC) (Amended) Wording, as attached.
2) Notice of Occurrence:

   To:

   The Insurer as shown in the attached Individual Security Details.

   And:

   Aon Limited,
   North American Liability Claims Department,
   8 Devonshire Square,
   London EC2M 4PL,
   United Kingdom.

   (Attention: Graham Wingrove)

   E-mail: uscasualtyclaims@aon.co.uk

   graham.wingrove@aon.co.uk

3) All other Notices:

   via

   Aon Limited,
   8 Devonshire Square,
   London EC2M 4PL,
   United Kingdom.

To:

The Insurer or the Named Insured.

4) LMA 5090 (Amended) US Terrorism Risk Insurance Act of 2002 as amended – In Force Business Endorsement, as attached. 1% allocation within the premium hereon.
5) CL370 Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause, as attached.
6) OFAC Endorsement, as per Endorsement No: 4 of the Lead Underlying Policy.
7) Third Party Administrator Endorsement, as attached.
8) Endorsement for Excess Following Form Policy Issuance Prior to Issuance / Receipt of the Lead Underlying Policy, as attached.
9) Amended Automobile Liability Exclusion, as attached.

CHOICE OF LAW AND JURISDICTION: As stated in Endorsement Number: 2 attached.

PREMIUM: As per attached Individual Security Details.

PAYMENT TERMS: As per attached LSW3001 (Amended), Individual Security Details and Settlement Due Date in Subscription Agreement.

TAXES PAYABLE BY THE INSURED AND ADMINISTERED BY UNDERWRITERS:

European Economic Area (EEA) Insurance Premium Tax

Underwriters deem the European Economic Area exposure to be Nil, and EEA Insurance Premium Tax is not applicable.

TAXES PAYABLE BY THE INSURED: In respect of Surplus Lines participation: US Surplus Lines taxes as per allocation to be advised by Aon Risk Services.

RECORDING, TRANSMITTING AND STORING OF INFORMATION: Aon Limited may retain risk and claim data / information / documents electronically, and where this is done these documents shall be regarded with the same Legal effect as the original documents.

INSURER CONTRACT DOCUMENTATION: This document details the contract terms entered into by the insurer(s), and constitutes the contract document. No further Policy documentation will be issued.

This contract is subject to US state surplus lines requirements. It is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the Insured. In the event that the surplus lines notice is not affixed to the contract document the Insured should contact the surplus lines broker.

MASTER CIP SCHEDULE EXCESS LIABILITY $25M XS $25M

#1
U.S. Terrorism Risk Insurance Acto of 2002 Amended

#2
Choice of Law and Jurisdiction

#3
Radioactive/Chemical/Biological/Biochemical & Electromagnetic Weapons Exclusion

#4
TPA

#5
Excess follow form endorsement

#6
Amended auto exclusion

#7
Premium Payment Clause

Addendum #1
Condition #4 London Short Form deleted

Addendum #2
Contractor Payments defined

Addendum #3
Correcting PAICE policy number, deleting endorsements 5 and 6

ENDORSEMENT NUMBER: SEVEN

PREMIUM PAYMENT CLAUSE

Notwithstanding any provision to the contrary within this contract or any endorsement hereto, in respect of non payment of premium only the following clause will apply.

The (Re)Insured undertakes that the 1st instalment premium will be paid to (Re)Insurers by the 22nd July 2011 (and in respect of subsequent instalment premiums, when due).

If the premium due under this contract has not been so paid to (Re)Insurers by the dates shown above (Re)Insurers shall have the right to cancel this contract by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to (Re)Insurers on a pro rata basis for the period that (Re)Insurers are on risk but the full contract premium shall be payable to (Re)Insurers in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this contract.

It is agreed that (Re)Insurers shall give not less than 15 days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid in full to (Re)Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, the contract shall automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

30/09/08
LSW3001 (amended to note that premiums are on an instalment basis as opposed to premium payable within a certain number of days from inception).

ENDORSEMENT NUMBER: SIX

AMENDED AUTOMOBILE LIABILITY EXCLUSION

It is hereby understood and agreed that Exclusion 3 of the Lead Underlying Policy is amended to read as follows:

(This Policy does not apply to any actual or alleged liability:.....)

3. arising out of "Automobile Liability" other than such "Automobile Liability", including loading and unloading, on the "Construction Project Site", however such coverage shall be limited to apply only in excess of any other valid and collectible insurance whether primary, excess umbrella or contingent;

ALL OTHER TERMS OF THIS POLICY REMAIN UNCHANGED.

ENDORSEMENT NUMBER: FIVE

ENDORSEMENT FOR EXCESS FOLLOWING FORM POLICY ISSUANCE PRIOR TO ISSUANCE/RECEIPT OF THE LEAD UNDERLYING POLICY

Attached is a copy of the expiring Port Authority of New York and New Jersey Construction Liability Policy 2007 – Owner Controlled Insurance Program – Construction Liability.

Plus any agreed Endorsements thereto.

This wording will apply to the primary layer of USD 500,000 for the period 1st June 2011 to 1st June 2014. The Short Excess wording with a Limit of Liability of USD 25,000,000 excess of USD 25,000,000 will follow this attached primary wording. No amendments to the primary wording attached will be binding on Insurers to this Policy until agreed by said Insurers in writing.

ALL OTHER TERMS OF THIS POLICY REMAIN UNCHANGED.

ENDORSEMENT NUMBER: FOUR

THIRD PARTY ADMINISTRATOR ENDORSEMENT

It is agreed that John Riddle & Associates Inc. (JRA) are the appointed Third Party Administrator / Negotiator.

Responsibilities

JRA administrative duties include:

- Maintenance of Claim files
- Reserve posting and changes
- Monthly bordereaux to underwriters
- Issuance of Claims Funds
- Transmittal of summons and complaints
- Management of trust fund account
- Reporting to Underwriters if and when required
- Issuing Reservation of Rights if and when required (subject to Underwriters prior agreement)
- Recording all costs and the allocation of their respective shares to each Underwriter on each policy year.

Trust Funds

JRA is responsible for and holds a trust fund of USD 200,000 per annum for which claims proceeds can be paid. This trust fund will be funded by Port Authority Insurance Captive Entity, LLC (PAICE), the Port Authority of New York and New Jersey's Captive Insurance Company.

Charges

JRA will charge for both Property Damage and Bodily Injury claim on an hourly basis at USD 175 per hour.

Authority

Underwriters agree that JRA will have settlement authority of USD 50,000 in respect of both Physical Damage and Bodily Injury losses.

Defence of Assured/Contractors

From the following Panel Counsel:

Conway, Farrell, Curtin & Kelly, P.C.
Fabiani Cohen & Hall, L.L.P.
Florio & Kenny, L.L.P.
Furman Kornfeld & Brennan L.L.P.
Goldberg Segalla L.L.P.
Segal McCambridge Singer & Mahoney.

Payment of Fees

Underwriters will be responsible for payment of all fees and expenses reasonably incurred in defence of the Insureds. In no event shall underwriters be responsible for the fees and/or expenses of the Insureds' own staff.

Reporting

Claims involving the defence of the Insureds and that exceed the settlement authority of the Claims Review Committee, shall be reported to underwriters in accordance with the Lloyds Terms of Engagement for defence counsel.

Losses that have been set an indemnity reserve of USD 150,000 and above are to be reported to underwriters by Panel Counsel for noting on the same basis as set out above.

Claims Review Committee

It is noted that the Claims review committee will consist of the following parties:

Port Authority of New York and New Jersey	-	Treasury and Risk Finance.
Port Authority of New York and New Jersey	-	Law Department
Panel Counsel	-	Defence counsel.
AON – Port Authority Service Team New York	-	Insurance Brokers
John Riddle & Associates Inc.	-	TPA/Negotiator
Underwriters at Interest	-	Insurers.
Aon Limited, London	-	Insurance Brokers

The Claims Review Committee (CRC) will meet on a monthly basis to review cases and provide consensus as to early and cost effective resolution of cases. Underwriters at Interest and Aon Limited, London appearances at the meetings are not essential unless:

(a) The Insured requests them
(b) They wish to attend for audit purposes.
(c) Contentious issues / claims will be discussed.

The CRC will have the authority to settle cases up to USD 250,000. Any losses in excess of this amount will need to be referred to Underwriters for their approval.

Underwriters will have the right to audit any settlements made or attend anY CRC meeting, at any time, subject to notice being given to the appropriate parties.

The costs of one underwriting representative in attending the CRC meetings will be reimbursed by the trust fund, but are limited to two trips per annum and actual costs expended being in relation to work on the Port Authority of New York and New Jersey account.

A CRC sub-committee has been established. The principle function of the sub-committee is to expediently establish reserves on new loss notifications.

Reserving

It will be the responsibility of the CRC to set and establish reserves for both indemnity and costs.

Settlement Days

It is agreed that subject to availability, settlement days should take place every 45 days in an attempt to resolve cases in a cost effective manner. It is the responsibility of the CRC to select cases suitable for a settlement day.

Settlement days should take place before a JAMS Mediator or other appropriate party to be advised.

ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

ENDORSEMENT NUMBER: THREE

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

   1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

   1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

   1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

   1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes

   1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

CL 370
10/11/2003

ENDORSEMENT NUMBER: TWO

CHOICE OF LAW AND JURISDICTION

This policy shall be construed and enforced in accordance with and governed by the internal law of the State of New York.

Any dispute arising hereunder will be exclusively subject to the jurisdiction of the courts of the United States of America as per the following Service of Suit Clause (U.S.A.) NMA 1998 (amended):

SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon Wilson, Elser, Moskowitz, Edelman & Dicker 150 East 42nd Street, New York, NY 10017 and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

24/4/86
NMA1998 (amended)

Wherever the words "(or Reinsured)" appear in this Clause they shall be deemed deleted and wherever the word "Underwriters" appears this shall be deemed to read "Insurers".

ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

ENDORSEMENT NUMBER: ONE

U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED IN FORCE BUSINESS ENDORSEMENT

This Endorsement is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

In consideration of a 1% allocation within the original premium(s), it is hereby noted and agreed with effect from 1st June 2011 that the Terrorism exclusion to which this Insurance is subject, shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA").

The coverage afforded by this Endorsement is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in TRIA. The Terrorism exclusion, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

This Endorsement only affects the Terrorism exclusion to which this Insurance is subject. All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

Furthermore the Underwriter(s) will not be liable for any amounts for which they are not responsible under the terms of TRIA (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on the Underwriter's liability for payments for terrorism losses.

21/12/2007
LMA5090 (amended to note that 1% allocation within original premium as opposed to an additional premium amount)
Form approved by Lloyd's Market Association

The term "Underwriters", wherever it appears in the above Endorsement, shall be deemed to read "Insurer".

LONDON SHORT EXCESS FORM 01-07 (OCC) (AMENDED)

INSURING AGREEMENTS:

1. **COVERAGE** -

The Insurer (as stated in Item 8 of the Declarations) hereby agrees, subject to the limitations, terms and conditions contained herein, to indemnify the Insured for all sums which the Insured shall be obligated to pay by reason of the liability arising out of the hazards covered by and as more fully defined in the Lead Underlying Policy (as stated in Item 2. (a) of the Declarations and hereinafter referred to as "Lead Underlying Policy"); provided always however, that this Policy shall not apply until the Underlying Insurers (as stated in Items 2.(c) and 2.(d) of the Declarations and hereinafter referred to as "Underlying Insurers") have paid or have been held liable to pay the full amount of their respective ultimate net loss plus Defence Expenses in accordance with Insuring Agreement 2. – Limits of Liability.

The Insurer further agrees that this Policy will follow the same insuring agreements, conditions, exclusions and definitions (except as otherwise provided herein) as are, at the date shown in Item 5 a) of the Declarations, contained in the Lead Underlying Policy.

Notwithstanding the foregoing, in the event that any of the following amendment(s) are subsequently made to the insuring agreements, conditions, exclusions and definitions of the Lead Underlying Policy in effect at the date shown in Item 5 a) of the Declarations:

1. any change which is subject to an additional premium charge,
2. the inclusion of an additional coverage extension endorsement,
3. any change to the insuring agreements, conditions, exclusions and definitions which is intended to broaden the scope of the coverage already provided, other than Insureds or Named Insureds added without an additional premium charge,

then such amendment(s) shall not be binding upon the Insurer unless otherwise agreed in writing by the Insurer.

2 **LIMIT OF LIABILITY** -

The Insurer shall be liable only to pay sums up to:

USD (as stated in Item 3.a) of the Declarations)	ultimate net loss in all in respect of each Occurrence - subject to a limit of
USD (as stated in Item 3.b) of the Declarations)	in the aggregate during the currency of this Policy, separately in respect of each hazard insured with an aggregate limit in the Lead Underlying Policy

but liability shall attach to the Insurer only after the Underlying Insurers have paid or have been held liable to pay the full amount of their respective ultimate net loss liability as follows:

USD (as stated in Item 4.a) of the Declarations)	ultimate net loss in respect of each Occurrence, but
USD (as stated in Item 4.b) of the Declarations)	in the aggregate during the currency of this Policy, separately in respect of each hazard insured with an aggregate limit in the Lead Underlying Policy

CONDITIONS:

1. MAINTENANCE OF UNDERLYING INSURANCE -

The Underlying Policy/ies (as stated in Items 2.(a) and 2.(b) of the Declarations and hereinafter referred to as "Underlying Policy/ies") shall be maintained in full force and effect, except for any reduction of the aggregate limits contained therein solely by payment of any loss(es) to which this Policy would otherwise apply in respect of Occurrences commencing during the Policy Period specified in Item 5. of the Declarations. In the event of the Insured's failure to maintain the Underlying Policy/ies in full force and effect and except with respect to the aforementioned aggregate reduction, coverage hereunder shall not be invalid, but shall apply to the same extent that it would have applied had there been compliance with this condition.

In the event any Underlying Policy stated in Item 2.(b) of the Declarations excludes loss(es) which are covered by the Lead Underlying Policy and subsequently covered hereunder in accordance with the provisions of Insuring Agreement 1 - Coverage, the Insurer shall not drop down to apply in place of such excluded coverage.

2. ASSISTANCE AND CO-OPERATION -

The Insurer shall not be called upon to assume charge of the settlement or defense of any claim made or suit brought or proceeding instituted against the Insured however the Insurer shall have the right and shall be given the opportunity to associate with the Insured or the Insured's underlying insurers, or both, in the defense and control of any claim, suit or proceeding relative to an Occurrence where the claim or suit involves, or appears reasonably likely to involve the Insurer, in which event the Insured and the Insurer shall co-operate in all things in the defense of such claim, suit or proceeding.

3. CANCELLATION -

The Named Insured or the Insurer shall have the right to cancel this Policy in accordance with the cancellation provisions of the Lead Underlying Policy. Such notice shall be sent to the Named Insured or the Insurer via the entity stated in Item 6.b) of the Declarations.

4. OTHER INSURANCE -

If other valid and collectible insurance is available to the Insured covering a loss also covered by this Policy, other than a Policy that is specifically written to apply in excess of this Policy, the insurance afforded by this Policy shall apply in excess of and shall not contribute with such other insurance. Nothing in this Condition shall be construed to make this Policy subject to the insuring agreements, conditions, exclusions and definitions of such other insurance.

5. **NOTICE OF OCCURRENCE** -

Whenever the Insured has information from which it may reasonably conclude that an Occurrence covered hereunder involves injuries or damages which, in the event that the Insured should be held liable, is likely to involve this Policy, notice shall be sent to the Insurer via the entity stated in Item 6.a) of the Declarations as soon as practicable, provided, however, that failure to give notice of any Occurrence which at the time of its happening did not appear to involve this Policy, but which, at a later date would appear to give rise to claims hereunder, shall not prejudice such claims.

DECLARATIONS

Item 1.	(a)	Named Insured:		**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** as owner and all Contractors and all Co and Sub Contractors and Programme Managers and as more fully set forth in the Lead Underlying Policy.
	(b)	Address of Named Insured:		225 Park Avenue South – 12th Floor New York NY 10003 United States of America
Item 2.	(a)	Lead Underlying Policy No:		PACIPGL 1013.
	(b)	All other Underlying Policy No(s):	(i)	1070561
			(ii)	WE1100171
			(iii)	To be determined
	(c)	Lead Underlying Insurer:		Port Authority Insurance Captive Entity LLC (PAICE)
	(d)	All other Underlying Insurer(s):	(i)	Lexington Insurance Company.
			(ii)	Aspen Insurance UK Ltd / Starr Surplus Lines Insurance Company/ Lloyds Syndicate AES 1225/ Assicurazioni Generali S.p.A
			(iii)	XL Insurance Company Limited

Item 3.	Limit of Liability: (Insuring Agreement 2):	a)	USD 25,000,000	Each Occurrence (costs in addition).
		b)	USD 25,000,000	Annual Aggregate in respect of "Personal Injury"
			USD 25,000,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined

Item 4.	Underlying Limits: (Insuring Agreement 2):	a) (i)	USD 22,000,000	Each Occurrence (costs in addition).
		b) (i)	USD 22,000,000	Annual Aggregate in respect of "Personal Injury"
		(ii)	USD 66,000,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined
		EXCESS OF:		
		a) (ii)	USD 2,500,000	Each Occurrence (costs in addition).
		b) (iii)	USD 2,500,000	Annual Aggregate in respect of "Personal Injury"
		(iv)	USD 7,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined
		WHICH IN TURN IS EXCESS OF:		
		a) (iii)	USD 500,000	Each Occurrence (costs in addition).
		b) (v)	USD 500,000	Annual Aggregate in respect of "Personal Injury"
		(vi)	USD 1,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined

Item 5.	Policy Period:	a)	From: 1st June 2011 at 12.01 am standard time at the address of the Named Insured.
		b)	To: 1st June 2014 at 12.01 am standard time at the address of the Named Insured.

Item 6.	Notice to: (Conditions 3 and 5)	a)	All Notices of Occurrence: **To:** The Insurer as shown in the attached Individual Security Details. **And:** Aon Limited, North American Liability Claims Department, 8 Devonshire Square, London EC2M 4PL, United Kingdom. (Attention: Graham Wingrove) E-mail: uscasualtyclaims@aon.co.uk graham.wingrove@aon.co.uk
		b)	All other Notices: **Via:** Aon Limited, 8 Devonshire Square, London EC2M 4PL, United Kingdom. **To:** The Insurer or the Named Insured.
Item 7.	Premium:		As per attached Individual Security Details.
Item 8.	The Insurer:	Name and Address:	As per attached Individual Security Details.
		Reference:	As per attached Individual Security Details.

SECURITY DETAILS

(RE)INSURER'S LIABILITY: LMA3333

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

ORDER HEREON: 35 % of Whole.

BASIS OF WRITTEN LINES: Percentage of Whole.

SIGNING PROVISIONS: In the event that the written lines hereon exceed 100% of the order, any lines written "To Stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;

b) the (re)insured may elect for the disproportionate signing of (re)insurers' lines, without further specific agreement of (re)insurers, providing that any such variation is made prior to the commencement date of the period of insurance, and that lines written "to stand" may not be varied without the documented agreement of those (re)insurers;

c) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

1) In a co-insurance placement following (re) insurers may, but are not obliged to, follow the premium charged by the lead (re) insurer

2) (Re) insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

WRITTEN LINES: As per attached Individual Security Details.

INDIVIDUAL SECURITY DETAILS

INSURER: Aspen Insurance UK Limited,
30 Fenchurch Street,
London EC3M 3BD,
United Kingdom.

PREMIUM: USD 2,175,000 (for 100%) for period payable in three instalments as follows:

a) 1st June 2011: USD 725,000 (for 100%)
b) 1st June 2012: USD 725,000 (for 100%)
c) 1st June 2013: USD 725,000 (for 100%)

The above premium is flat and non adjustable.

Including TRIA Premium as per Endorsement Number One.

SIGNED LINES:	WRITTEN LINES:
25%	25%

6/7/11

Marine & Energy
Aspen Insurance UK Ltd

ASPEN
ASPEN INSURANCE

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INDIVIDUAL SECURITY DETAILS

INSURER:

Lloyds Syndicate AES 1225,
Lloyd's,
One Lime Street,
London EC3M 7HA,
United Kingdom.

Claims to:

Aon Limited,
North American Liability Claims Department,
8 Devonshire Square,
London EC2M 4PL,
United Kingdom.

E-mail: uscasualtyclaims@aon.co.uk

PREMIUM:

USD 2,175,000 (for 100%) for period payable in three instalments as follows:

a) 1st June 2011: USD 725,000 (for 100%)
b) 1st June 2012: USD 725,000 (for 100%)
c) 1st June 2013: USD 725,000 (for 100%)

The above premium is flat and non adjustable.

Including TRIA Premium as per Endorsement Number One.

SIGNED LINES:	WRITTEN LINES:
10%	10% AES AEGIS AES 1225 11N20373HAWA

CONTRACT ADMINISTRATION AND ADVISORY SECTIONS

The following pages include documents between the Insurer and Broker to facilitate the administration of this risk.

BROKER REMUNERATION AND DEDUCTIONS

- Provides data relating to brokerage and fees received by the Broker.

SUBJECTIVITIES

- Any subjectivities imposed by Insurers.

INFORMATION

- Details of any information provided to Insurers to support the assessment of the risk at the time of placement.

FISCAL AND REGULATORY

- Provides fiscal and regulatory information of relevance to the Insurers involved in the Risk.

SUBSCRIPTION AGREEMENT

- Establishes rules and requirements for Brokers and Insurers to be followed for processing and administration of post placement amendments and transactions, including the General Underwriting Agreement (GUA) clarifying the extent of the delegated authority. Reference to "Slip Leader" as it applies to the attached Subscription Agreement shall be deemed to only apply in respect of this Contract WE1100200, and not the leading agreement party for the whole layer.

AES 1225

BROKER REMUNERATION AND DEDUCTIONS SECTION

BROKERAGE:	10 %
	Aon Limited (London office) has disclosed where required the existence and amount of any fee and/or premium commission paid or payable for this placement.
OTHER DEDUCTIONS FROM PREMIUM:	None.

AES 1225

SUBJECTIVITIES SECTION

SUBJECTIVITIES:

None.

INFORMATION REQUIREMENTS:

Underwriters require the following.

1) Aspen to agree the Lead Underlying Policy. In the interim, this Policy Number WE1100200 to follow terms and conditions of attached expiring 2007 Policy as per Endorsement Number Five.

INFORMATION SECTION

The following information was provided to the Insurer to support the assessment of the risk and is held on file.

- PONY Contractors Insurance Program – General Liability Submission 21st April 2011 seen and agreed by all Underwriters.

FISCAL AND REGULATORY

TAX PAYABLE BY UNDERWRITERS:	None.
COUNTRY OF ORIGIN:	United States of America.
OVERSEAS BROKER:	Aon Risk Services Northeast, Inc, Port Authority of New York and New Jersey Service Team 300 Jericho Quadrangle, Suite 300, P.O. Box 342 Jericho, NY 11753 United States of America.
US CLASSIFICATION:	US Surplus Lines
	Surplus Lines Broker: Aon Risk Services Northeast, Inc., 199 Water Street, 32nd Floor, New York, NY 10038, United States of America.
	Surplus Lines License Number: EX-648027-R
	State of Filing: New York *(The country, state or province to which a risk will be reported against for regulatory reporting)*
NAIC CODES:	Not applicable.
ALLOCATION OF PREMIUM TO CODING	99 % UA (Casualty) 1 % 7T (Casualty Terrorism)
FSA CLIENT CLASSIFICATION:	Large Risk
	<u>Aon Risk Classification Code</u>:
	LNEE – Large Risk Non European Economic Area

SUBSCRIPTION AGREEMENT

(Aon Limited Property & Casualty - December 2009)

SLIP LEADER	Aspen Insurance UK Limited
SETTLEMENT DUE DATE	1st Instalment – 22nd July 2011. 2nd Instalment – 1st June 2012. 3rd Instalment – 1st June 2013. In respect of electronic lines, please refer to the Settlement Information shown under Security Details herein.
BASIS OF AGREEMENT TO CONTRACT CHANGES	GUA (October 2001) with Non Marine Schedule (October 2001) except as below. Agree extend for up to one calendar month at additional premium as agreed Slip Leader only. When details of Slip Leader only agreed endorsements are required by the Slip Leader to be provided to following insurer(s), email and/or other electronic means may be used by Aon Limited.
OTHER AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR PART 2 GUA CHANGES ONLY	Slip Leader only for PART 2 changes.
AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR THEIR PROPORTION ONLY	None.
CLAIMS AGREEMENT PARTIES	All claims to be agreed by the Slip Leader and: • The first Lloyd's syndicate in the event that the Slip Leader is an IUA Company. Therefore hereon that Lloyd's Leader is Lloyds Syndicate AEG 1225. • The second Lloyd's Agreement Party where required by the Lloyd's 2010 Claims Scheme as amended or succeeded. Where required for this placement the 2nd Lloyd's Agreement Party is deemed to be (not applicable). • The first company in the event that the Slip Leader is a Lloyd's syndicate. • All non-bureau insurers each for their own proportion.

BASIS OF CLAIMS AGREEMENT	Claims to be managed in accordance with the Lloyd's 2010 Claims Scheme, and IUA claims agreement practices and any non bureau insurers' claims agreement practices (in each case, as applicable), or any amendments, successor scheme or agreement as may be agreed by the parties from time to time. The Claims Agreement Parties will provide to Aon when possible copies of all professional advisors reports received. In the event that Insurers deny coverage or seek to reserve any rights, Insurers (or their representative(s)) will, as soon as reasonably practicable but in any event within 14 days of such denial or reservation of rights, provide details reason(s) why coverage is denied or reserved, providing sufficient facts to allow the insured or the insured's agent to respond.
CLAIMS ADMINISTRATION	Aon Limited to enter claims advices into CLASS (as applicable). IUA Contractual Condition to apply in respect of CLASS circulations to follow market. Aon Limited will notify all claims agreement parties (and where applicable follow markets) of any claim submitted to the policy, and give updates. Where possible, such notifications and updates will be given via Aon Broking Connections Claims, Aon Limited's claims repository (which can be viewed by Lloyd's syndicates via the Xchanging Insurance Market Repository).
RULES AND EXTENT OF ANY OTHER DELEGATED CLAIMS AUTHORITY	None.
EXPERT(S) FEES COLLECTION	Aon Limited will ~~not~~ undertake the collection of any fee invoices rendered by third parties ~~unless the fees form part of the Insured's claim or the work is for the exclusive benefit of the Insured~~. ~~In the event of Aon Limited not collecting third party fees the following applies (Leader to elect as appropriate)~~ ~~√ as appropriate~~ ☐ ~~Xchanging Claims Services Limited to collect fees for all slip security, including overseas (re)insurers~~ ☐ ~~_____ fee collection agency to collect for all slip security, including overseas.~~ ☑ ~~The Leading Claims Agreement party, and the Leading Lloyd's Claims Agreement party, if different, will nominate the fee collection agency at time of appointing any third party expert.~~ ☐ ~~Any appointed third party expert is responsible for appointing their own fee collection agent.~~

BUREAU ARRANGEMENTS (Xchanging)

~~Insurer(s) to sign any deferred premium instalments as Additional Premium(s). However any annual instalments to be allocated to respective year of account~~.

Where a Premium Payment Warranty or Premium Payment Condition applies, the settlement due date is deemed in all instances to be the same as the Premium Payment Warranty or Premium Payment Condition due date.

Where a Settlement Due Date or any Premium Payment Warranty or Premium Payment Condition due date falls on a weekend or public holiday, presentation to Xchanging or (Re)Insurers hereon as applicable on the next working day will be deemed in compliance with Settlement Due Date, Premium Payment Warranty or Premium Payment Condition.

If the premium is to be paid in instalments, the second and subsequent instalments to be taken down as additional premiums, if required.

In the event of partial premium payment received by Aon Limited Insurer(s) agree to accept premium as paid to and endorsed by Aon Limited.

Where payments received by Aon Limited in convertible currencies Insurer(s) agree to accept/settle accounts at rate of exchange ~~declared by Aon Limited~~ to be determined at time of settlement.

Xchanging authorised to agree issue FDO signings hereon as required, but premium settlement due dates remain unaltered.

Insurers agree that Aon Limited may settle premiums for this contract/release de-linked premiums for this contract into settlement at different times.

In the event of this Contract stating an Insurance and a Reinsurance Premium or multiple Reinsurance Premiums (each to be paid from a different source), Xchanging are authorised to ungroup the Premium Advise Notes so that each can be released separately once paid by the respective client.

GUA Non-Marine Schedule – October 2001

This Schedule applies to insurance and facultative reinsurance and the terms insurance and insured shall include facultative reinsurance and reinsured

PART 1

Alterations the Slip Leader may agree on behalf of all Underwriters each for its own proportion severally and not jointly

1.1 All Alterations that the slip specifies are to be agreed by the Slip Leader only.
1.2 Errors that are clearly typographical errors.
1.3 Changes to the name of the insured that are not deemed material by the Slip Leader.
1.4 The receipt and acknowledgement of notices of assignment or endorsements in respect of loss payees.
1.5 Any Alteration which decreases the monetary exposure of the Underwriters (or of any of them).
1.6 Restrictions in coverage.
1.7 Additional named insured where catered for on the slip.
1.8 Amendments to declarations under lineslips or other contracts for insurance within predetermined rates, conditions and limits incorporated into such contracts for insurance, subject to compliance with any terms with regard to advice of declarations to all Underwriters.
1.9 The confirmation of attachment and expiry dates provided not more than 60 days after the
Date the Slip Leader originally subscribed to the slip and provided that the underwriting year of account is not affected.
1.10 Reduction of slip deductions that results in Underwriters receiving at least net equivalent premiums.
1.11 Return Premiums where catered for in the slip.
1.12 Premium Adjustments at slip rates.
1.13 Increases in premium where no further changes have been effected.
1.14 Where the Slip Leader considers circumstances are such that agreement by all Underwriters is inappropriate, any Alteration which has the effect of extending, up to a maximum of 5 working days, the effective payment date contained in the Premium Payment Condition or Premium Payment Warranty agreed in the slip, provided:
- that no previous such Alteration shall have been made under this Part during the period to which such effective date applies,
- that the Slip Leader considers that the consequences of not so extending such effective date would not be in the interests of the Underwriters and the insured and
- that all Underwriters shall be notified of the agreement to and the reasons for the Alteration.

1.15 *** Any Alteration which has the effect of extending, up to a maximum of 5 working days, a period of notice of cancellation given by Underwriters in pursuit of the Premium Payment Clause agreed in the slip, provided that no previous such Alteration shall have been made under this Part during the period of insurance to which the notice of cancellation applies.
1.16 *** Cancellation of coverage (all or part) by insured within slip terms.
1.17 Copies or extracts of the slip to support bureau(x) procedures including signing of premium, bulk signing of premium, production of policies, agreement and settlement of claims.
1.18 The agreement of policy wording(s) in accordance with express provisions in the slip.
1.19 The signing of certificates or other evidence of insurance in the form agreed in the slip.

***** Any such Alteration, if agreed, is to be notified to all Underwriters**

PART 2

Alterations the Slip Leader and Agreement Parties may, if unanimous, agree on behalf of all Underwriters each for its own proportion severally and not jointly

2.1 All Alterations that the slip specifies may be agreed by the Slip Leader and Agreement Parties.

2.2 All Alterations which do not fall within either Part 1 or Part 3.

PART 3

Alterations which may be agreed only by all Underwriters each for its own proportion severally and not jointly

3.1 All Alterations that the slip specifies may be agreed only by all Underwriters.

3.2 All Alterations which are judged by either the Slip Leader or by any Agreement Party to be ones which ought to be agreed by all Underwriters.

3.3 All Alterations which fall within the following list, unless the slip specifies such an Alteration may be otherwise agreed:

3.3.1 In respect of slips placed on a full value basis where the limit of liability is equal to the total value at risk, any amendment to the limit that increases Underwriters' liability by more than 10% of their signed line.
In respect of slips placed on a first loss or excess of loss basis, any amendment to the limit or deductible and any amendment increasing the total value at risk by more than 10%.

3.3.2 Any waiver of or amendment to any express or implied warranty or any condition precedent to the attachment of the risk except as provided for in Part 1.

3.3.3 Extensions of policy period in excess of one calendar month or 30 days, whichever is greater.

3.3.4 Any Alteration, other than provided for in Part 1, which has the effect of extending those terms agreed in the Premium Payment Clause in the slip or any endorsement thereto.

3.3.5 Changes that extend the geographical scope of the contract.

3.3.6 Any backdating of the policy period.

3.3.7 Changes that amend or extend the jurisdictions relevant to the insurance coverage and/or which require Underwriters to submit to regulatory regimes not agreed at the time when the slip was placed.

3.3.8 Cancellation of the policy by Underwriters in accordance with slip terms.

3.3.9 Delegation of authority to sign certificates or other evidence of cover.

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ATTACHMENT TO ENDORSEMENT NUMBER FIVE

The following is a copy of the expiring Port Authority of New York and New Jersey Construction Liability Policy 2007 – Owner Controlled Insurance Program – Construction Liability.

Plus any agreed Endorsements thereto.

PORT AUTHORITY OF NEW YORK AND NEW JERSEY
CONSTRUCTION LIABILITY POLICY 2007

Owner Controlled Insurance Program - Construction Liability

THIS IS A LIABILITY POLICY. PLEASE READ THE ENTIRE DOCUMENT CAREFULLY. SOME WORDS CONTAINED HEREIN HAVE SPECIFIC MEANING. PLEASE REFER TO THE DEFINITIONS SECTION.

I. INSURING AGREEMENTS

1. COVERAGE

In consideration of the payment of the premiums set out in Item 6 of the Declarations and in reliance upon the proposal for this policy (hereinafter Policy), statements made and any supplementary information pertaining to the proposal which are all deemed incorporated herein, Underwriters agree, subject to the Insuring Agreements, Conditions, Exclusions, Definitions and Declarations contained in this Policy, to indemnify the "Insured" in respect of its operations at each "Construction Project Site" referred to in Item 1.(b) of the Declarations, that have been "Let" by the named "Insured" prior to 1st June 2010, for "Ultimate Net Loss" by reason of liability:

(a) imposed upon the "Insured" by law or

(b) assumed by the "Insured" under an "Insured Contract",

for damages in respect of:

(i) "Bodily Injury"

(ii) "Personal Injury"

(iii) "Property Damage"

(iv) "Advertising Injury"

AES 1225

caused by or arising out of: -

(1) "General Liability" "Occurrence"s which first commence during the Policy Period stated in Item 3 of the Declarations and which comprise:

(i) incomplete "Construction Project Site"s "Let" during a previous Policy Period;

or

(ii) new "Construction Project Site"s "Let" in the Policy Period stated in Item 3 of the Declarations whether completed or not,

(2) "Product Liability" and "Completed Operations Liability" "Occurrence"s which first commence during the Policy Period stated in Item 3 of the Declarations but only in respect of the following:

(i) the balance of a "Product Liability and Completed Operations Liability Combined Period" which commenced during a previous Policy Period;

or

(ii) the start of a "Product Liability and Completed Operations Liability Combined Period" during the Policy Period stated in Item 3 of the Declarations,.

Nothing contained in this Policy shall make it subject to the terms of any other insurance.

2. LIMITS OF LIABILITY

Underwriters shall only be liable for "Ultimate Net Loss" up to the amount stated in Item 2.(a) of the Declarations plus "Defence Expenses" in respect of each "Occurrence" first commencing during the period stated in Item 3 of the Declarations subject always to the provisions of Condition 2.

Regardless of the number of "Occurrences" that may be covered by this Policy, Underwriters' total Limits of Liability shall not exceed the amount of "Ultimate Net Loss" set out in Item 2.(b) of the Declarations in the aggregate separately in respect of:

(i) "Product Liability" and "Completed Operations Liability" combined,

(ii) "Personal Injury"

plus "Defence Expenses" subject always to the provisions of Condition 2.

In respect of (i) above, the aggregate stated in Item 2.(b).(i) of the Declarations shall apply to all "Construction Project Site"s subject to the parameters stated in Insuring Agreement 1.(2).

In respect of (ii) above, the aggregate stated in Item 2.(b).(ii) of the Declarations shall apply for each "Annual Period of Construction" stated in Item 4 of the Declarations within the period stated in Item 3 of the Declarations.

AES 1225

The inclusion or addition hereunder of more than one "Insured" shall not increase Underwriters' Limits of Liability as set out in Item 2 of the Declarations.

Where "Defence Expenses" are paid or incurred by the "Insured", all "Defence Expenses" will be paid by Underwriters in addition to the Limits of Liability of this Policy until such Limits of Liability are exhausted subject always to the provisions of Condition 2.

II. CONDITIONS

This Policy is subject to the following conditions:

1. APPEALS

In the event the "Insured" elects not to appeal a judgement which may, in whole or in part, involve indemnity under this Policy, Underwriters may, following discussion with the "Insured", elect to make such appeal at their own cost and expense and shall be liable for the taxable costs, expenses and disbursements and any additional interest incidental to such appeal; but in no event shall the liability of Underwriters exceed the relevant Limits of Liability set out in Item 2 of the Declarations plus such costs, expenses, disbursements and interest.

2. APPORTIONMENT OF "DEFENCE EXPENSES"

Whenever any written demand received by the "Insured" for damages is finally resolved by a payment by Underwriters which, regardless of the amount thereof, is only covered in part by this Policy, then the percentage of any "Defence Expenses" that are paid by Underwriters in addition to the "Ultimate Net Loss" shall be calculated by dividing that part of such payment which is covered by this Policy, by the total amount paid.

3. ASSIGNMENT

Assignment of interest under this Policy shall not bind Underwriters unless and until their written agreement thereto is secured.

4. CANCELLATION OR NON-RENEWAL

(a) **By the named "Insured"**

This Policy may be cancelled at an anniversary date only by the named "Insured" without the consent of other "Insureds", by mailing to Underwriters written notice stating at which anniversary date thereafter such cancellation shall be effective.

(b) **By Underwriters**

This Policy may be cancelled by Underwriters for non payment of premium, in which event ten (10) days notification at any time shall apply.

The Policy Period stated in Item 3 of the Declarations and the coverage of each "Construction Project Site" referred to in Item 1.(b) of the Declarations will end on the day and hour stated in the cancellation notice or on the expiry date stated in Item 3.(b) of the Declarations whichever is the earlier.

AES 1

If Underwriters cancel the Policy, final premium will be calculated by Underwriters by applying the rate stated in Endorsement No 3 to the declared values of "Construction Project Site"s during the shortened Policy Period.

Notwithstanding the foregoing, however, in the event of cancellation by the named "Insured" during the Policy Period or non-renewal of this Policy, this Policy may continue to apply to "Insured Contract"s at "Construction Project Site"s for which the named "Insured" has committed to provide insurance prior to the effective date of cancellation or the date stated in Item 3.(b) of the Declarations, whichever is the earlier, at rate and premium to be agreed by Underwriters, until all work to be performed under such "Insured Contract"s is completed plus the "Product Liability and Completed Operations Liability Combined Period"s have elapsed.

5. CROSS LIABILITY

In the event of an "Occurrence" resulting in "Bodily Injury" to an employee of one "Insured" hereunder for which another "Insured" is, or may be, liable then this Policy shall cover such "Insured" against whom a "Claim" for damages has been made or may be made in the same manner as if separate policies had been issued to each "Insured" hereunder.

In the event of an "Occurrence" resulting in "Property Damage" to property of one "Insured" hereunder for which another "Insured" is, or may be, liable then this Policy shall cover such "Insured" against whom a "Claim" for damages has been made or may be made in the same manner as if separate policies had been issued to each "Insured" hereunder.

Nothing contained herein shall operate to increase Underwriters' Limit of Liability set out in Item 2 of the Declarations.

6. CURRENCY AND PAYMENTS OF PREMIUMS

Premiums and indemnity payments due under this Policy are payable in the currency set out in Item 5 of the Declarations. Payment of premiums shall be made by the first named "Insured" set out in Item 1.(a) of the Declarations to the person or entity set out in Item 7 of the Declarations. If the first named "Insured" or its agent fails to pay the premium due to Underwriters by the due date, Underwriters may issue notice to the named "Insured" set out in Item 1.(a) of the Declarations in accordance with the provisions of Condition 4.

7. DAMAGES PAYABLE

Any amount for which Underwriters are liable under this Policy shall be due and payable solely to the agent of the "Insured" set out in Item 8 of the Declarations within thirty (30) days after it is agreed by Underwriters.

AES 1225

8. DEFENCE

As detailed in Endorsement 6 but Underwriters' right and obligation to incur "Defence Expenses" in the defence of any "Occurrence" end when the Limits of Liability have been exhausted by the payment of judgements or settlements.

9. GOVERNING LAW AND INTERPRETATION

In view of the diverse locations of the parties purchasing insurance from Underwriters and the desirability of unified regulation, the parties agree that the Policy shall be construed and enforced in accordance with and governed by the internal law of the State of New York.

10. INSOLVENCY

The insolvency, bankruptcy, receivership or any refusal or inability to pay of the "Insured" and/or any Underwriter shall not operate to:

(a) increase Underwriters' liability under this Policy;

(b) increase any Underwriters' share of liability under this Policy;

(c) relieve Underwriters from the payment of "Ultimate Net Loss" or "Defence Expenses" under this Policy.

11. INSPECTION AND INVESTIGATION

Underwriters may, after giving reasonable notice to the named "Insured", audit and examine the books and records of the "Insured" as they relate to this Policy at any time during the Policy Period and for up to three years after the expiration or termination of this Policy.

Underwriters have the right, but are not obligated, after giving reasonable notice to the named "Insured", to inspect the premises and operations of the "Insured". The inspections are not safety inspections. They relate only to the insurability of the premises and operations and the premiums to be charged. Underwriters may give the "Insured" reports on the conditions found. They may also recommend changes. Whilst they may help reduce losses, Underwriters do not undertake to perform the duty of any person or organisation to provide for the health or safety of the "Insured"'s employees or the public. Underwriters do not warrant that the premises or operations of the "Insured" are safe or healthful or that they comply with laws, regulations, codes or standards.

12. KNOWLEDGE OF OCCURRENCE

Other than in respect of conditions (a), (b), (c), (d) and (e) of Exclusion 18 knowledge of an "Occurrence" by the agent, servant or employee of the "Insured" shall not in itself constitute knowledge by the "Insured", unless an executive officer of the "Insured"'s Corporation shall have received such notice from its agent, servant or employee.

AES 1225

13. NOTICE OF OCCURRENCE

(a) In the event of an "Occurrence", written notice containing the particulars sufficient to identify the "Insured" and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the "Insured" to the entity named in Item 10 of the Declarations as soon as practicable.

(b) If claim is made or suit is brought against the "Insured", the "Insured" shall immediately forward to the entity named in Item 10 of the Declarations every demand, notice, summons or other process received by it or its representative.

(c) Notwithstanding anything to the contrary in this Condition, this Policy shall not apply to any: -

(i) "General Liability" "Occurrence" unless notice of such "Occurrence" is given to Underwriters prior to expiry of five years from the date stated in Item 3.(b) of the Declarations; or

(ii) "Product Liability" and "Completed Operations Liability" "Occurrence" unless notice of such "Occurrence" is given to Underwriters prior to expiry of three years from the date stated in Item 3.(b) of the Declarations or two years from the end of the "Product Liability and Completed Operations Liability Combined Period", whichever is the earlier,

but always subject to Condition 4. Cancellation or Non-Renewal.

(d) The "Insured" shall co-operate with Underwriters and, upon Underwriters' request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organisation who may be liable to the "Insured" because of injury or damage with respect to which insurance is afforded under this Policy; and the "Insured" shall attend hearings and trials, and assist in securing and giving evidence and obtaining the attendance of witnesses. The "Insured" shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the "Occurrence".

(e) When the "Insured" reports any accident to the Workers' Compensation carrier insuring its Workers' Compensation Insurance which later develops into a claim for liability to which this Policy applies, coverage for which is provided by this Policy, failure to report such accident to Underwriters at the time of the "Occurrence" shall not be deemed in violation of (a), (b) or (c) of this Condition upon the distinct understanding and agreement, however, that the "Insured" just as soon as it is definitely made aware of the fact that the particular accident is a liability case rather than a Workers' Compensation case, shall give notification of the aforesaid accident to Underwriters.

1225

14. OTHER INSURANCE

The insurance afforded by this Policy is primary insurance, except when stated in writing to the contrary. Where this Policy is primary and the "Insured" has other insurance which is stated to be applicable to an "Occurrence" on an excess basis, the amount of the Underwriters' liability under this Policy shall not be reduced by the existence of such other insurance.

When both this Policy and other insurance apply to an "Occurrence" on the same basis, this Policy will only contribute its proportionate share in combination with such other insurance.

15. SEPARATION OF "INSUREDS"

Except with respect to Underwriters' Limits of Liability and any rights or duties specifically assigned to the named "Insured" designated in Item 1.(a) of the Declarations, this insurance applies separately to each "Insured" against whom "Claim" is made or suit brought.

16. SERVICE OF SUIT CLAUSE

(Per attached Service of Suit Clause (U.S.A.))

17. SUBROGATION

Where an amount is paid by Underwriters under this Policy, the "Insured"'s rights of recovery against any other person or entity in respect of such amount shall be exclusively subrogated to Underwriters. At Underwriters' request the "Insured" will assist, co-operate and lend its name to the exercise of Underwriters' rights of subrogation. The "Insured" shall do nothing to prejudice such rights.

All recoveries shall be applied as follows:

(a) any interests, including the "Insured", that have paid an amount in excess of Underwriters' payment under this Policy will be reimbursed first; and,

(b) Underwriters then will be reimbursed up to the amount they have paid.

Expenses incurred in the exercise of rights of recovery shall be apportioned between the interests, including the "Insured", in the ratio of their respective recoveries as finally settled.

Notwithstanding the foregoing, Underwriters waive their rights of recovery against any "Third Party" to whom the named "Insured" has undertaken, in a written contract, to obtain a written waiver of subrogation but only if such waiver has been included in such "Insured Contract" before the "Occurrence" giving rise to such payments.

This waiver shall apply only with respect to an "Occurrence" arising from operations undertaken or obligations required under the specific "Insured Contract" between the named "Insured" and such "Third Party" and shall not be construed to be a waiver with respect to other operations of such "Third Party" in which the named "Insured" has no contractual interest or obligation.

AES 1225

No waiver of subrogation shall directly or indirectly apply to any employee(s) of either the named "Insured" or of such "Third Party" unless required by "Insured Contract" and Underwriters reserve their rights or lien to be reimbursed from any recovery funds obtained by any employee.

This waiver does not apply in any jurisdiction where such waiver is held to be illegal or against public policy or to any "Occurrence" wherein such "Third Party" is found to be solely negligent.

18. TRANSFER OF RIGHTS AND DUTIES

The rights and duties of the "Insured" under this Policy may not be transferred without prior written consent of Underwriters.

19. WAIVER OR CHANGE

Notice to any agent or knowledge possessed by any agent or any other person shall not effect a waiver of or change in any part of this Policy. This Policy can only be changed by a written endorsement that becomes a part of this Policy and is signed by or on behalf of Underwriters.

III. EXCLUSIONS

This Policy does not apply to any actual or alleged liability:

1. arising out of breach of contract other than an "Insured Contract";

2. (a) of whatsoever nature of the "Insured", whether the "Insured" may be liable as an employer or in any other capacity whatsoever, to any of its Employees, including without limiting the generality of the foregoing any liability under any Workers' Compensation Law, Unemployment Compensation Law, Disability Benefit Law, Longshore and Harbor Workers' Compensation Act, Jones Act, Death on the High Seas Act, General Maritime Law, Federal Employers' Liability Act, Employers Liability, Employers' Liability as respects Occupational Disease or any similar laws of liabilities, and/or whether by reason of the relationship of master and servant or employer and employee or not;

   (b) which any "Insured" may have to its own employee arising out of the actions or omissions of another of its own employees;

3. arising out of "Automobile Liability" other than such "Automobile Liability" on any "Construction Project Site";

4. arising out of "Aircraft Liability";

5. arising out of "Watercraft Liability";

6. for "Discrimination", "Sexual Harassment" and/or "Inappropriate Employment Conduct";

AES 1225

7. for "Property Damage" to property:

   (a) owned, leased, rented or occupied by the "Insured";

   (b) in the care, custody or control of the "Insured";

8. for "Property Damage" to the "Insured's Products" arising out of such products or any part of such products;

9. for "Property Damage" to property worked on by or on behalf of the "Insured" arising out of such work or any portion thereof, or out of any material, parts or equipment furnished in connection therewith;

10. for the withdrawal, recall, return, inspection, repair, replacement, or loss of use of the "Insured's Products" or work completed by or for the "Insured" or for any property of which such "Insured's Products" or work form a part;

11. for any fines or penalties;

12. for "Personal Injury" and/or "Advertising Injury" arising out of:

    (a) failure to perform under any contract other than an "Insured Contract";

    (b) infringement of trademark, patent, service mark or trade name, other than copyright, titles or slogans, by use thereof on or in connection with goods, products or services sold or offered for sale;

    (c) unfair competition;

13. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" arising out of: -

    (a) the failure of the operations or work completed by or for the "Insured" to perform the function or serve the purpose intended by the "Insured";

    (b) fines or penalties imposed on the "Insured" should the operations or work completed by or for the "Insured" fail to reach the levels of performance set out in the contract

    (c) the failure of the "Insured" to complete a contract on time or comply with any contractual obligation;

14. for any act, negligence, error or omission, malpractice or mistake arising out of "Professional Services", committed or alleged to have been committed by or on behalf of the "Insured" in the conduct of any of the "Insured"'s business activities;

15. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by or arising out of:- asbestos; mold; chromium copper arsenate; Exterior Insulation and Finish System (EIFS); silica, polychlorinated biphenyl (PCB) or lead; or any substance containing such material or any derivative thereof;

AES 1225

16. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" for claims made by or on behalf of any person or persons directly or indirectly on account of continuous, intermittent or repeated exposure to, ingestion, inhalation, or absorption of, any substance, material, product, waste, emission, radioactive substance, noise or environmental disturbance where the "Insured" is or may be liable as a result of the manufacture, production, extraction, sale, handling, utilisation, distribution, disposal or creation by or on behalf of the "Insured" of such substance, material, product, waste, emission, radioactive substance, noise or environmental disturbance;

17. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" arising out of or in any way connected with the operation of the principles of eminent domain, condemnation proceedings or inverse condemnation proceedings or inverse condemnation by whatever name called regardless of whether such claims are made directly against the "Insured" or by virtue of any agreement entered into by or on behalf of the "Insured"; or with respect to any provisions in this Policy concerning any duty of Underwriters to investigate or defend any "Claim" excluded by this exclusion;

18. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by or arising out of seepage, pollution or contamination however caused whenever or wherever happening;

This exclusion shall not apply where all of the following conditions are shown by the "Insured" to have been met:

(a) the seepage, pollution or contamination was caused by an "Occurrence"; and,

(b) the "Occurrence" first commenced on an identified specific date during the period stated in Item 3 of the Declarations; and,

(c) the "Occurrence" was first discovered by the "Insured" within fourteen (14) days of such first commencement; and,

(d) written notification of the "Occurrence" was first received from the "Insured" by Underwriters within ninety (90) days of the "Insured"'s first discovery of the "Occurrence" ; and,

(e) the "Occurrence" did not result from the "Insured"'s intentional violation of any statute, rule, ordinance or regulation.

Even if the above conditions (a) to (e) are satisfied, this Policy does not apply to any actual or alleged liability:

(i) to evaluate, monitor, control, remove, nullify and/or clean-up seeping, polluting or contaminating substances to the extent such liability arises solely from any obligations imposed by or on behalf of a governmental authority;

(ii) to abate or investigate any threat of seepage onto or pollution or contamination of the property of a "Third Party";

AES 1225

(iii) for seepage, pollution or contamination at or from any premises, site or location on which any "Insured" or any "Contractor"s or "Subcontractor"s working directly or indirectly on any "Insured"'s behalf are performing operations:

(a) if the pollutants are brought on or to the premises, site or location in connection with such operations by such "Insured", "Contractor" or "Subcontractor", or

(b) if the operations are to test for, evaluate, monitor, control, remove, nullify, clean-up or in any way respond to, or assess the effects of pollutants.

19. arising out of the handling, processing, treatment, storage, disposal or dumping of any waste materials or substances, or arising out of such waste materials or substances during transportation;

20. (a) for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

(i) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or

(ii) any "Act of Terrorism".

(b) for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a)(i) and/or (a)(ii) above.

If the Underwriters allege that by reason of this exclusion, any "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" is not covered by this insurance the burden of proving the contrary shall be upon the "Insured".

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

21. for "Bodily Injury", "Property Damage", "Personal Injury" and/or "Advertising Injury" for which the "Insured" or its indemnitee may be held liable:

(a) as a person or organisation engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages; or

(b) if not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed

(i) by, or because of the violation of any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage, or

(ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;

22. (a) arising out of an "Insured"'s capacity, duty or responsibility as an Officer, Director or Trustee of a Corporation by reason of any breach of fiduciary duty or improper conduct or conflict of interest in the performance of an "Insured"'s duties, responsibilities or accountability as an Officer, Director or Trustee, including, without limitation, any actual or alleged misstatement, misleading statement, gain of personal profit or advantage to which the Insured was or is not entitled legally, any dishonest act, or bad faith conduct, in the "Insured"'s capacity as an Officer, Director or Trustee, or with respect to the capital or assets of the Corporation, or any action taken beyond the scope of the "Insured"'s authority as an Officer, Director or Trustee;

(b) arising out of or incident to any alleged violation(s) of any Federal or State law regulating, controlling and governing stock bonds or securities of any type or nature, including without limitation The Security Act of 1933, The Securities Exchange Act of 1934, The Trust Indenture Act of 1939, The Public Utility Holding Company Act of 1935, The Investment Company Act of 1940, The Investment Advisers Act of 1940, and the so called "Blue Sky" Laws of the various state and other jurisdictions;

(c) arising out of or incident to any alleged violation(s) of any Federal or State law regulating, controlling and governing antitrust or the prohibition of monopolies, activities in restraint of trade, unfair methods of competition or deceptive acts and practices in trade and commerce including without limitation, the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act and the Hart-Scott Rodino Antitrust Improvements Act;

(d) of any Officer, Director or Trustee arising out of or asserted in a shareholder's derivative action;

(e) arising out of or contributed to by the dishonesty or infidelity of any "Insured";

(f) which would be payable under the terms of coverage of a Directors and Officers Liability Insurance Policy or a Directors and Company Reimbursement Indemnity Policy of the type issued by stock insurance companies of the United States, as if any "Insured" had obtained such coverage in an amount sufficient to pay the full amount being claimed against any "Insured", whether or not any "Insured" has obtained such coverage.

23. for "Bodily Injury", "Property Damage", "Personal Injury" and/or "Advertising Injury" arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the "Insured";

AES 12

24. directly or indirectly caused by or contributed to by or arising from:

(a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

(b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

(c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;

(d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;

(e) any chemical, biological, bio-chemical, or electromagnetic weapon.

This Exclusion shall be paramount and shall override anything contained in this Policy inconsistent therewith

25. (a) for "Personal Injury" and/or "Advertising Injury" arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the named "Insured" was made prior to the effective date of this Policy;

(b) for "Personal Injury" and/or "Advertising Injury" arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organisation or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the "Insured" with knowledge of the falsity thereof;

26. for "Advertising Injury" arising out of incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised.

Nothing contained in the above Exclusions shall extend this Policy to cover any liability which would not have been covered had these Exclusions not been incorporated herein.

AES 1225

DEFINITIONS

1. ACT OF TERRORISM

The words "Act of Terrorism", wherever used in this Policy, mean an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

2. ADVERTISING INJURY

The words "Advertising Injury" wherever used in this Policy, shall mean injury arising out of the named "Insured"'s advertising activities, if such injury arises out of any unintended libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

3. AIRCRAFT LIABILITY

The words "Aircraft Liability", wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of an aircraft, aeroplane or helicopter which is designed to fly in the air or atmosphere.

4. ANNUAL PERIODS OF CONSTRUCTION

The words "Annual Periods of Construction" wherever used in this Policy, shall mean the periods shown in Item 4 of the Declarations.

5. AUTOMOBILE

The word "Automobile," wherever used in this Policy, shall mean a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment, but the word "Automobile" shall not include "Mobile Equipment" or the contents of such vehicle, trailer or semi-trailer.

6. AUTOMOBILE LIABILITY

The words "Automobile Liability," wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of any "Automobile".

7. BODILY INJURY

The words "Bodily Injury", wherever used in this Policy, shall mean:

(a) bodily injury, sickness, disability, or disease;

(b) mental injury, mental anguish, humiliation, shock or death if directly resulting from bodily injury, sickness, disability or disease.

AES 1225

8. CLAIM

The word "Claim", wherever used in this Policy, shall mean that part of each written demand received by the "Insured" for damages, including the service of suit or institution of arbitration proceedings.

9. COMPLETED OPERATIONS LIABILITY

The words "Completed Operations Liability", wherever used in this Policy, shall mean liability for "Bodily Injury" and/or "Property Damage" arising out of the "Insured"'s operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the "Bodily Injury" and/or "Property Damage" happens after such operations have been completed or abandoned and happens away from the premises owned by or rented to any "Insured" (other than those premises owned or operated by the named "Insured").

Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:-

(a) when all operations to be performed by or on behalf of the "Insured" under the contract have been completed; or,

(b) when all operations to be performed by or on behalf of the "Insured" at a "Construction Project Site" have been completed; or,

(c) when that portion of the work out of which the "Bodily Injury" and/or "Property Damage" arises has been put to its intended use by any person or entity other than another "Contractor" or "Subcontractor" engaged in performing operations for the Principal as part of the same project.

"Completed Operations Liability" does not include liability for "Bodily Injury" and/or "Property Damage" arising out of:

(a) operations in connection with the transportation of property, unless the "Bodily Injury" and/or "Property Damage" arises out of a condition in or on an "Automobile" created by the loading or unloading thereof, or,

(b) the existence of tools, uninstalled equipment or abandoned or unused materials.

10. CONSTRUCTION PROJECT SITE

The words "Construction Project Site", wherever used in this Policy, shall mean that area described in the construction contract documents including the area available for "Contractor" operations, access routes, rights-of-way and additional sites necessary or incidental thereto for which a work order has been issued by the named "Insured".

Notwithstanding Condition 14 or the foregoing, in no event shall this Policy apply to any sites for which separate policies have been purchased even if the limits of such separate policies have been reduced or exhausted by any "Occurrence"s.

AES 1225

11. CONTRACTOR

The word "Contractor", wherever used in this Policy, shall mean any individual, partnership, firm or corporation which has entered into a contract for construction with authority to perform "Contract Work" at any "Construction Project Site" unless such entity is specifically excluded from such coverage as is afforded by this Policy.

12. CONTRACT WORK

The words "Contract Work", wherever used in this Policy, shall mean the entire completed construction of the various separately identifiable parts required to be furnished under the contract documents.

13. DEFENCE EXPENSES

The words "Defence Expenses", wherever used in this Policy, shall mean investigation, adjustment, appraisal, defence and appeal costs and expenses and pre and post judgement interest, paid or incurred by or on behalf of the "Insured" and as detailed in Endorsement No. 6.

The salaries, expenses or administrative costs of the "Insured" or its employees or any insurer shall not be included within the meaning of "Defence Expenses".

14. DISCRIMINATION

The word "Discrimination", wherever used in this Policy, shall mean termination of the employment relationship, a demotion, a failure or refusal to hire or promote, denial of an employment benefit or the taking of any adverse or differential employment action because of race, colour, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by any national, federal, state or local law.

15. EMPLOYERS' LIABILITY

The words "Employer's Liability", wherever used in this Policy, shall mean any liability of an "Insured" to its employee arising out of the employment of that employee.

16. GENERAL LIABILITY

The words "General Liability", wherever used in this Policy, shall mean liability to which this Policy applies other than "Product Liability" and "Completed Operations Liability".

17. INAPPROPRIATE EMPLOYMENT CONDUCT

The words, "Inappropriate Employment Conduct", wherever used in this Policy, shall mean:

(a) actual or constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful or in breach of an implied employment contract or breach of the covenant of good faith or fair dealing in the employment contract;

(b) allegations of wrongful demotion, or wrongful discipline;

AES 1225

(c) allegations of misrepresentation or defamation made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(d) allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(e) allegations of false imprisonment, detention or malicious prosecution made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(f) allegations of libel, slander, defamation of character or any invasion of right of privacy made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote; or,

(g) other injury allegations made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote.

Inappropriate Employment Conduct does not include damages determined to be owing under a written or express contract of employment or obligation to make payments, including but not limited to severance payments, in the event of the termination of employment.

Inappropriate Employment Conduct shall not include any allegations other than those set forth above.

18. **INSURED**

The word "Insured", wherever used in this Policy, shall mean only the following: -

(a) the named "Insured" set out in Item 1.(a) of the Declarations;

(b) i) the named "Insured"'s subsidiary, owned or controlled companies that are directly involved with the named "Insured" at the "Construction Project Site" which have been declared to and accepted by Underwriters at the inception of this Policy;

ii) any "Contractor" or "Subcontractor";

(c) any person or entity to whom the "Insured" is obliged by a written "Insured Contract" relating directly to a "Construction Project Site" entered into before any relevant "Occurrence", to provide insurance such as is afforded by this Policy but only with respect to:

i) liability arising out of operations conducted by the named "Insured" or on its behalf; or

ii) facilities owned or used by the named "Insured";

AES 1225

iii) Limits of Liability that are not greater than those required under said "Insured Contract".

(d) any officer, director, stockholder, partner or employee of the "Insured", but only in respect of an "Occurrence" covered hereunder whilst acting within their duties.

19. INSURED CONTRACT

The words "Insured Contract", wherever used in this Policy, shall mean any written contract or agreement entered into by the "Insured" and pertaining to business under which the "Insured" assumes the tort liability of another party to pay for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" to a "Third Party" or organisation. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

20. INSURED'S PRODUCTS

The words "Insured's Products", wherever used in this Policy, shall mean goods or products manufactured, sold, handled or distributed by the "Insured" or by others trading under the name of the "Insured", including any packaging thereof.

21. LET

The word "Let", wherever used in this Policy, shall mean the commissioning by the named "Insured" of a contract for construction work with "Contractors" and/or "Subcontractors" for the performance of "Contract Work" at any "Construction Project Site" scheduled under this Policy in accordance with Endorsement No 2.

22. MOBILE EQUIPMENT

The words "Mobile Equipment", wherever used in this Policy, shall mean a land vehicle (including any machinery or apparatus attached thereto), whether or not self propelled

(a) not subject to motor vehicles registration, or

(b) maintained for use exclusively on premises owned by or rented to the named "Insured", including the ways immediately adjoining, or

(c) designed for use principally off public roads, or

(d) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: -

(i) power cranes, shovels, loaders, diggers and drills;

(ii) concrete mixers (other than the mix in transit type), graders, scrapers, rollers and other road construction or repair equipment;

(iii) air compressors; pumps and generators, including spraying, welding and building-cleaning equipment; and

(iv) geophysical exploration and well servicing equipment;

23. OCCUPATIONAL DISEASE

The words "Occupational Disease", wherever used in this Policy, shall mean any injury, including death, sickness, disease or disability, defined as occupational disease in any workers compensation or disability benefits laws, statutes or regulations of any jurisdiction in which the "Occurrence" first commences or the Occupational Disease arises.

24. OCCURRENCE

The word "Occurrence", wherever used in this Policy, shall mean an accident, including continuous and repeated exposure to substantially the same general harmful conditions which results in "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury", none of which was intended by any "Insured".

25. PERSONAL INJURY

The words "Personal Injury", wherever used in this Policy, shall mean injury other than "Bodily Injury" arising from:

(a) false arrest, false imprisonment, wrongful eviction or wrongful detention of a "Third Party" human being;

(b) libel, slander, defamation of character or invasion of right of privacy of such human being;

(c) mental injury, mental anguish or shock to such human being which results from (a) or (b) above;

26. PHASED HANDOVER

The words "Phased Handover" wherever used in this Policy, shall mean any part of the project which is occupied or accepted by the Principal prior to the completion of the whole project whether a certificate of acceptance has been issued or not.

27. PRODUCT LIABILITY

The words "Product Liability", wherever used in this Policy, shall mean liability for "Bodily Injury" and/or "Property Damage" arising out of the "Insured's Products" or reliance upon a representation or warranty made at any time with respect thereto, but only if the "Bodily Injury" and/or "Property Damage" happens after physical possession of the "Insured's Products" has been relinquished to others and happens away from premises owned, leased, rented or occupied by the "Insured".

28. PRODUCT LIABILITY AND COMPLETED OPERATIONS LIABILITY COMBINED PERIOD

The words "Product Liability and Completed Operations Liability Combined Period", wherever used in this Policy, shall mean up to three years from completion of each "Contract Work".

AES 1225

29. PROFESSIONAL SERVICES

The words "Professional Services" wherever used in this Policy, shall mean the preparation or approval of audits, accounts, drawings, blue prints, maps, plans, opinions, reports, surveys, designs or specifications and supervisory, inspection, engineering or data processing services.

30. PROPERTY DAMAGE

The words "Property Damage", wherever used in this Policy, shall mean physical loss of, physical damage to or physical destruction of tangible property of a "Third Party", including loss of use of the tangible property so lost, damaged or destroyed;

31. SEXUAL HARASSMENT

The words "Sexual Harassment", wherever used in this Policy, shall mean unwelcome sexual advances, requests for sexual favours or other verbal or physical conduct of a sexual nature that: (1) explicitly or implicitly are made a condition of employment, (2) are used as basis for employment decisions, or (3) create a work environment that interferes with performance.

32. SUBCONTRACTOR

The word "Subcontractor", wherever used in this Policy, shall mean any individual, partnership, firm or corporation which has entered into a contract for construction with a "Contractor" or "Contractors" or with any tier of "Subcontractors" to perform "Contract Work" at a "Construction Project Site" unless such entity is specifically excluded from such coverage as is afforded by this Policy.

33. THIRD PARTY

The words "Third Party", wherever used in this Policy, shall mean any company, entity, or human being other than an "Insured" or other than a subsidiary, owned or controlled company or entity of an "Insured". An employee of an "Insured" shall be treated as a "Third Party".

34. ULTIMATE NET LOSS

The words "Ultimate Net Loss", wherever used in this Policy, shall mean the amount the "Insured" is obligated to pay, by judgement or settlement, as: -

(a) damages;

(b) expenses for necessary medical, surgical, x-ray and dental services including prosthetic devices;

(c) necessary ambulance, hospital, professional nursing and funeral services;

resulting from an "Occurrence" covered by this Policy.

AES 1225

35. UNINTENDED OMISSIONS, ERRORS OR INCORRECT DESCRIPTION

Liability to which this Policy applies shall not be prejudiced by any unintentional and/or inadvertent omission, error or incorrect description in the declaration of "Insured Contract"s provided notice is given to Underwriters as soon as practicable upon discovery of any such omission, error or incorrect description.

36. WATERCRAFT LIABILITY

The words "Watercraft Liability", wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of any craft designed to float or travel on, in or under the water, including hovercraft.

AES 1225

DECLARATIONS

Item 1.

(a) Name and Address of the named "Insured":

Port Authority of New York and New Jersey, as Principal and named "Insured".

225 Park Avenue South,
12th Floor,
New York, N.Y. 10003

(b) "Construction Project Site"s:

Per Definition 10 but only those "Construction Project Site"s that are "Let" by and appear on the records of the named "Insured" as being insured under the Owner Controlled Insurance Program.

Item 2. Limits of Liability:

(a) "Ultimate Net Loss" in respect of each "Occurrence" which is always subject to (b) below: - USD 500,000

(b) Aggregate "Ultimate Net Loss" separately in respect of:

(i) "Product Liability" and "Completed Operations Liability" combined:- USD 1,500,000 for all "Annual Periods of Construction" and all "Construction Project Site"s that have been completed before 1st June 2010, however Underwriters agree to one reinstatement of this Limit of Liability at terms to be agreed by the named "Insured" and Underwriters at time of reinstatement.

(ii) "Personal Injury" USD 500,000

Item 3. Policy Period in respect of all "Construction Project Site"s: -

(a) Inception date: 1st June 2007

(b) Expiry date: 1st June 2010

AES 1225

At 00.01 hours local standard time at the address of the named "Insured" and subject to Condition 4. Cancellation or Non-Renewal.

Item 4. Annual Periods of Construction: -

1st June 2007 to 1st June 2008
1st June 2008 to 1st June 2009
1st June 2009 to 1st June 2010

All dates at 00.01 hours local standard time at the address of the named "Insured".

Item 5 Currency:-

United States Dollars (USD)

Item 6. Premium:-

(a) in accordance with Endorsement Number 3

(b) Payable on (dates):-

1st June 2007
1st June 2008
1st June 2009

Is this the correct title please?

Item 7. Payment of Premium to: -

Aon Limited
300 Jericho Quadrangle,
Suite 300
P.O. Box 342
Jericho N.Y. 11753

Item 8. Damages Payments to: -

Aon Limited
8 Devonshire Square
London EC2M 4PL

Item 9. Service of Suit
In accordance with the attached Service of Suit Clause
Wilson, Elser, Moskowitz, Edelman & Dicker
150 East 42nd Street, New York, NY 10017

Item 10. Notice of Occurrence: - John Riddle Claims Consultants
7804 Third Avenue, Brooklyn, NY 11209

AES 1225

SERVICE OF SUIT CLAUSE (U.S.A.) (Condition 16)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon the entity named in Item 9 of the Declarations and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

24/4/86
NMA1998 (amended)

Wherever the words "(or Reinsured)" appear in this Clause they shall be deemed deleted

AES 1225

ENDORSEMENT NO. 1

ACTIONS OVER/INDEMNITY BUYBACK

This Policy, subject to all its Insuring Agreements, Conditions, Exclusions and Definitions, is endorsed to indemnify the "Insured" for amounts for which it shall have become liable to pay and shall have paid on account of investigation, defense and indemnity as respects its responsibilities, if any, to any "Third Party" by virtue of defense and indemnity obligations assumed under written contract or agreement and arising from "Bodily Injury" of any employee(s) of the "Insured", except insofar as same may arise from "Occupational Disease".

All other terms of this Policy remain unchanged

AES 1225

ENDORSEMENT NO. 2

SCHEDULES OF CONSTRUCTION PROJECT SITES

Schedules of "Construction Project Site"s will be supplied to Underwriters within 90 days of each anniversary of the date stated in Item 3.(a) of the Declarations.

These schedules will include the date each "Construction Project Site" was started and/or completed.

All other terms of this Policy remain unchanged

N.B. For the purposes of this Policy, "completed" = "put to intended use or substantial completion".

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122

ENDORSEMENT NO. 3

PREMIUM AND ADJUSTMENTS

The premium shall be computed and adjusted as follows:-

(1) Deposit and Maximum Guaranteed Cost Premium USD , payable in instalments as stated in clause (5) of this Endorsement.

(2) Deposit and Maximum Guaranteed Cost Premium of USD is subject to the following Loss Experience Rebate:

Following the date shown in Item 3.(c) of the Declarations, and the premium adjustment of this Policy and after final settlement of all incurred losses under this Policy, the "Insured" shall be allowed an experience rebate, if applicable, as follows:

Paid Losses less than	Experience Rebate	
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	Nil	

All premiums due to Underwriters shall be paid by, and any return premiums due to the named "Insured" shall be paid to the named "Insured".

(3) The Deposit and Maximum Guaranteed Cost Premium in (1) above is based upon applicable "Contractor" payments during the period not exceeding an estimated USD. 4,500,000,000

In the event that the actual "Contractor" payments exceed the above estimates by more than 10%, then the Maximum Guaranteed Cost Premium shall be adjusted at % of the actual payments made on contracts during the Policy Period.

To be completed by Underwriters

AES 1225

(4) Incurred losses means the sum of:

(A) All losses, including medical payments, actually paid
(B) Reserves for unpaid losses as estimated by Underwriters and/or their Third Party Claims Administrator
(C) Premium on bonds paid for by Underwriters in accordance with the provisions of the Policy
(D) Interest accruing after entry of a judgement against the "Insured"
(E) Allocated (including legal expenses and defense costs) and unallocated "Defence Expenses", paid and reserved therefor.
(F) Third Party Claims Administration charges and all other costs including expenses in seeking recovery against a third party.

(5) Premium shall be payable as follows: -

Instalment Dates:	Deposit Premium Instalments	TRIA Proportion of Premium Instalments
1st June 2007	To be completed by PAICE & subject to concurrence by Excess Underwriters	
1st June 2008		
1st June 2009		

Notwithstanding that the TRIA proportion of the premium is payable in instalments, the TRIA premium referred to in Endorsement 5 of this Policy is fully earned by Underwriters at the Inception Date referred to in Item 3 of the Declarations

All other terms of this Policy remain unchanged

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ENDORSEMENT NO. 4

OFAC ENDORSEMENT

If coverage for a claim under this Policy is in violation of any United States of America's economic or trade sanctions, including but not limited to, sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), then coverage for that claim shall be null and void.

All other terms of this Policy remain unchanged

AES 1225

ENDORSEMENT NO. 5

U.S. Terrorism Risk Insurance Act of 2002 as amended
New & Renewal Business Endorsement

This Endorsement is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

In consideration of a 1% allocation within the premium, it is hereby noted and agreed with effect from inception that the Terrorism exclusion to which this Insurance is subject, shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002" as amended ("TRIA").

The coverage afforded by this Endorsement is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in TRIA. The coverage provided by this Endorsement shall expire at 12:00 midnight December 31, 2007, the date on which the TRIA Program is scheduled to terminate or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates. The Terrorism exclusion, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

This Endorsement only affects the Terrorism exclusion to which this Insurance is subject. All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

Furthermore the Underwriter(s) will not be liable for any amounts for which they are not responsible under the terms of TRIA (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on the Underwriter's liability for payment for terrorism losses.

LMA5052 (amended)
22/12/05
Form approved by Lloyd's Market Association and model agreed by the International Underwriting Association

AES 1225

ENDORSEMENT NO. 6

CLAIMS PROCEDURE

Third Party Administrator
John Riddle Claims Consultants (JRCC) is the appointed Third Party Administrator.

JRCC responsibilities are:

- Maintenance of claims files
- Reserve posting and changes
- Monthly bordereaux to Underwriters
- Issuance of Claims Funds
- Transmittal of summons and complaints
- Management of trust fund account
- Reporting to Underwriters if and when required
- Issuing reservation of rights or denial letters if and when required (subject to CRC/Underwriters' approval as appropriate)
- Member of CRC
- Triangulations as at the following dates; 31st January, 28th February, 31st March, 30th June, 30th September, 31st December each policy year

JRCC will charge a flat fee of USD 360 for "Property Damage" claims settled up to USD 15,000. "Property Damage" losses in excess of USD 15,000 and "Bodily Injury" losses will be billed on an hourly basis as follows:-

June 1st, 2007 to January 1st, 2009
USD 102.00 per hour.
January 1st, 2009 to June 1st, 2010
USD 108.00 per hour.

Underwriters concur that JRCC will have ground up settlement authority of up to USD 100,000 per occurrence. Where practicable the CRC (and insurers if appropriate) will be kept informed of all proposed settlement agreements.

Claims Review Committee (CRC) and Sub-Committee (CRSC)

The CRC will consist of the following parties:

Port Authority of New York and New Jersey, Treasury, Risk Finance, Law Departments
Approved Defence Counsel
AON - Port Authority Service Team in New York and AON Limited, London
Underwriters at Interest
JRCC
Workers Compensation Carrier

AES 12

The CRC will meet on a monthly basis in New York and annually in London. The list of cases for CRC meetings and attorney case summaries will be submitted to CRC members at least ten days prior to each meeting.

As a practical matter Underwriters may not attend all CRC meetings.

The CRC and CRC sub-committee as appropriate will be responsible for establishing reserves for both indemnity and costs. The CRC will have ground up settlement authority of up to USD 500,000 per occurrence.

Claims Negotiation Days (Settlement Days)

In an attempt to resolve cases in a cost effective manner these should take place every forty five days where practical. It is the responsibility of the CRC to nominate the appropriate cases which will be negotiated before retired Judge Anthony Mercorella or other appropriate party to be advised.

Notice to Underwriters:

Underwriters will be immediately advised in writing of losses reserved at USD 250,000 or greater or of any losses involving the following criteria:

1. Fatality
2. Closed Head Injury/Neurological Injury
3. Spinal Cord Damage or paralysis
4. Loss of limb
5. Partial or full loss of sight
6. Permanent disability
7. Significant burns cases - in excess of 10% of body surface
8. Where three or more parties are injured arising out of one incident
9. Where New York labor law 240/241 may apply to present exposure into underwriter's layer of coverage.

Defence of "Insured"

For all losses in suit where notice to underwriters is appropriate JRCC will nominate defence counsel from a "to be agreed" panel.

Underwriters will review the nomination and promptly respond with instructions. Subject to terms of engagement approved defense counsel may thereafter file the appropriate pleadings and assume the defence of the Insured.

Defence counsel will operate within agreed to guidelines.

Payment of Fees

- Subject to policy terms Underwriters will be responsible for payment of defence costs and related expenses incurred in defence of the "Insured". Underwriters shall not however be responsible for the fees and/or expenses of the "Insured's own staff.

AES 1225

Annual Review

This endorsement is subject to annual review commencing 1st June, 2008

All other terms of this Policy remain unchanged

AES 1225

ENDORSEMENT NO.7

INCIDENTAL MEDICAL MALPRACTICE ENDORSEMENT

The definition of "Bodily Injury" is amended to include "Incidental Medical Malpractice Injury"

The words "Incidental Medical Malpractice Injury", wherever used in this Policy, shall mean injury arising out of the rendering of or failure to render, during the Policy Period, the following services: -

(a) medical, surgical, dental, x-ray or nursing services or the furnishing of food or beverages in connection therewith, or

(b) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to: -

(1) expenses incurred by the "Insured" for first aid at the time of an accident and Condition 13 is amended accordingly;

(2) any "Insured" engaged in the business or occupation of providing any of the services described under (a) or (b) above;

(3) injury caused by an indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under (a) or (b) above.

Coverage under this Endorsement shall not be prejudiced by Exclusion 2 of this Policy.

All other terms of this Policy remain unchanged

AES 1225

ENDORSEMENT NO.8

In respect of operations of the "Insured" within an Airport perimeter, the following Clauses apply: -

WAR, HI-JACKING AND OTHER PERILS EXCLUSION CLAUSE (AVIATION)

This Policy does not cover claims caused by

(a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.

(b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

(c) Strikes, riots, civil commotions or labour disturbances.

(d) Any act of one or more persons, whether or not agents of a sovereign Power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.

(e) Any malicious act or act of sabotage.

(f) Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority.

(g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the Aircraft or crew in Flight (including any attempt at such seizure or control) made by any person or persons on board the Aircraft acting without the consent of the Insured.

Furthermore this Policy does not cover claims arising whilst the Aircraft is outside the control of the Insured by reason of any of the above perils. The Aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the Aircraft to the Insured at an airfield not excluded by the geographical limits of this Policy, and entirely suitable for the operation of the Aircraft (such safe return shall require that the Aircraft be parked with engines shut down and under no duress).

AVN 48B 1.10.96

AES 1225

EXTENDED COVERAGE ENDORSEMENT (AVIATION LIABILITIES)

1. All sub-paragraphs other than (b) of Clause AVN 48B above are deleted SUBJECT TO all terms of this Endorsement.

2. EXCLUSION applicable only to any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48B.

   Cover shall not include liability for damage to any form of property on the ground situated outside Canada and the United States of America unless caused by or arising out of the use of aircraft.

3. LIMITATION OF LIABILITY

   The limit of Insurers' liability in respect of the coverage provided by this Endorsement shall be a sub-limit of USD 500,000 or the applicable Policy limit whichever the lesser any one Occurrence and in the annual aggregate. This sub-limit shall apply within the full Policy limit and not in addition thereto.

Nothing in this Extended Coverage Endorsement shall operate to override the effects of Exclusion 24 of this Policy.

NOISE AND POLLUTION AND OTHER PERILS EXCLUSION CLAUSE

1. This Policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:-

   (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,

   (b) pollution and contamination of any kind whatsoever,

   (c) electrical and electromagnetic interference,

   (d) interference with the use of property;

   unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

2. With respect to any provision in the Policy concerning any duty of Insurers to investigate or defend claims, such provision shall not apply and Insurers shall not be required to defend

   (a) claims excluded by Paragraph 1 or

   (b) a claim or claims covered by the Policy when combined with any claims excluded by Paragraph 1 (referred to below as "Combined Claims").

3. In respect of any Combined Claims, Insurers shall (subject to proof of loss and the limits of the Policy) reimburse the Insured for that portion of the following items which may be allocated to the claims covered by the Policy:

AES 122

(i) damages awarded against the Insured and

(ii) defence fees and expenses incurred by the Insured.

4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this Policy.

AVN 46B 1.10.96

Wherever used in this Clause, the word "Insurers" is deemed to read "Underwriters"

All other terms of this Policy remain unchanged

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SECURITY

This insurance has been effected with the following:-

100% Port Authority Insurance Captive Entity, LLC (PAICE)

SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

R:\Underwriting\Casualty_Insurance_London\General\Wordings\Construction\PONY OCIP wording 2007 draft 15.doc

MASTER OWNER CONTROLLED INSURANCE PROGRAM (CIP) – CONSTRUCTION LIABILITY POLICY.

Policy Number: WE1100171

Renewal of: WE1000200

Contract Document

North American Casualty Division

Excess Liability Insurance

Insured:	**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**
Layer:	USD 22,000,000 excess of USD 3,000,000
Underwriter:	Various Underwriters as per Individual Security Details
Period:	1st June 2011 to 1st June 2014

8 Devonshire Square
London
EC2M 4PL
United Kingdom

Tel +44 (0) 20 7623 5500
Fax +44 (0) 20 7621 1511

Aon Limited Registered Office: 8 Devonshire Square ~ London ~ EC2M 4PL ~ United Kingdom
Registered in London No. 210725 ~ VAT Registration No. 480 8401 48

Aon Limited is authorised and regulated by the Financial Services Authority in respect of insurance mediation activities only

CONTRACT DOCUMENT

The attached document is the Insurer agreed Contract of Insurance which is being sent to you electronically.

This Contract of Insurance document replaces the traditional London policy and will be the only evidence of cover issued in accordance with the heading "Insurer Contract Documentation" in the Risk Details.

This approach is part of the overall London market drive towards achieving contract certainty at or before inception, with full documentation being issued as soon as possible.

The document includes Contract Administration and Advisory Sections between the Insurer and Broker which are used to facilitate the administration of the placement (i.e. Broker Remuneration and Deductions; Subjectivities; Information; Fiscal & Regulatory; and Subscription Agreement, if applicable).

Please review this document carefully which we trust that you will find to be in good order, but in the event of any queries, please do not hesitate to contact us to discuss.

Attaching to and forming part of Policy No. WE1100171

Named Insured: THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY and as more fully defined in the Risk Details and Declarations.

CONTRACT CHANGES

ADDENDUM NUMBER: THREE

Effective 1st June 2011 for the period 1st June 2011 to 1st June 2014, it is agreed that **DECLARATIONS** Item 2. (a) Lead Underlying Policy No: is amended to read PACIPGL 1114, and furthermore a copy of the PAICE Policy is attached hereto following the issuance of the 2011 – 2014 policy wording by PAICE.

As a consequence of the foregoing **ENDORSEMENT NUMBER: FIVE (ENDORSEMENT FOR EXCESS FOLLOWING FORM POLICY ISSUANCE PRIOR TO ISSUANCE/RECEIPT OF LEAD UNDERLYING POLICY)** and **ENDORSEMENT NUMBER 6 (AMENDED AUTOMOBILE EXCLUSION)** are deleted.

ALL OTHER TERMS OF THIS POLICY REMAIN UNCHANGED.

AGREEMENT PARTIES

7/2/12	AES			
	IN20371 DAVA		11/3/12	

Attaching to and forming part of Policy No. WE1100171

Named Insured: THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY and as more fully defined in the Risk Details and Declarations.

CONTRACT CHANGES

ADDENDUM NUMBER: TWO

It is hereby understood and agreed that with effect from Inception 1st June 2011, the words "Contractors Payments" are defined as follows:

CONTRACTORS PAYMENTS

The words "Contractors Payments", wherever used in this Policy, shall mean that element of the total payments made by the named "Insured" to their "Contractor"s known as Hard Costs which exclude non-recurring costs such as, but not limited to, design costs, architects and consulting engineers fees, planning consent application costs, security and environmental costs.

ALL OTHER TERMS OF THIS POLICY REMAIN UNCHANGED.

AGREEMENT PARTIES

22.43

Attaching to and forming part of Policy No. WE1100171

Named Insured: THE PORT AUTHORITY OF NEW YORK AND NEW JERSEYand as more fully defined in the Risk Details and Declarations.

CONTRACT CHANGES

ADDENDUM NUMBER: ONE

It is hereby understood and agreed that with effect from Inception 1st June 2011, **CONDITION 4. OTHER INSURANCE** contained within the **LONDON SHORT EXCESS FORM 01-07 (OCC) (AMENDED)** is deleted in its entirety and of no further effect.

ALL OTHER TERMS OF THIS POLICY REMAIN UNCHANGED.

INFORMATION

It was always the intention to Follow Form the Other Insurance clause contained within the Lead Underlying Policy (PAICE).

AGREEMENT PARTIES

9/11/11	9/11	21/11		
[illegible]	AES 1225	SSLIC	[illegible]	

RISK DETAILS

MASTER OWNER CONTROLLED INSURANCE PROGRAM (CIP) – CONSTRUCTION LIABILITY POLICY.

UMR: B0823WE1100171

TYPE: EXCESS WRAP UP LIABILITY INSURANCE.

NAMED INSURED: **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** as owner and all Contractors and all Co and Sub Contractors and Program Managers and as more fully set forth in the Lead Underlying Policy.

ADDRESS: 225 Park Avenue South
12th Floor,
New York, N.Y. 10003,
United States of America.

PERIOD:

From: 1st June 2011 at 12.01 a.m. standard time at the address of the Named Insured above.

To: 1st June 2014 at 12.01 a.m. standard time at the address of the Named Insured above.

INTEREST: Coverage in respect of the Insured's liability arising out of their business operations as more fully described in the Lead Underlying Policy.

LIMITS OF LIABILITY:

USD 22,000,000	Each Occurrence (costs in addition).
USD 22,000,000	Annual Aggregate in respect of "Personal Injury"
USD 66,000,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined.
EXCESS OF:	
USD 2,500,000	Each Occurrence (costs in addition).
USD 2,500,000	Annual Aggregate in respect of "Personal Injury"
USD 7,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined.

SSLIC

WHICH IN TURN EXCESS OF:

USD 500,000	Each Occurrence (costs in addition).
USD 500,000	Annual Aggregate in respect of "Personal Injury"
USD 1,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined.

SITUATION: New York and New Jersey.

CONDITIONS:

1) London Short Excess Form 01-07 (OCC) (Amended) Wording, as attached.
2) Notice of Occurrence:

To:

The Insurer as shown in the attached Individual Security Details.

And:

Aon Limited,
North American Liability Claims Department,
8 Devonshire Square,
London EC2M 4PL,
United Kingdom.

(Attention: Graham Wingrove)

E-mail: uscasualtyclaims@aon.co.uk

graham.wingrove@aon.co.uk

3) All other Notices:

via

Aon Limited,
8 Devonshire Square,
London EC2M 4PL,
United Kingdom.

To:

The Insurer or the Named Insured.

4) LMA 5090 (Amended) US Terrorism Risk Insurance Act of 2002 as amended – In Force Business Endorsement, as attached. 1% allocation within the premium hereon.

5) CL370 Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause, as attached.
6) OFAC Endorsement, as per Endorsement No: 4 of the Lead Underlying Policy.
7) Third Party Administrator Endorsement, as attached.
8) Endorsement for Excess Following Form Policy Issuance Prior to Issuance / Receipt of the Lead Underlying Policy, as attached.
9) Amended Automobile Liability Exclusion, as attached.
10) Experience Dividend Clause, as attached.

CHOICE OF LAW AND JURISDICTION: As stated in Endorsement Number 2 attached.

PREMIUM: As per attached Individual Security Details.

PAYMENT TERMS: As per attached LSW3001 (Amended), Individual Security Details and Settlement Due Date in Subscription Agreement.

TAXES PAYABLE BY THE INSURED AND ADMINISTERED BY UNDERWRITERS:

European Economic Area (EEA) Insurance Premium Tax

Underwriters deem the European Economic Area exposure to be Nil, and EEA Insurance Premium Tax is not applicable.

TAXES PAYABLE BY THE INSURED: In respect of Surplus Lines participation: US Surplus Lines taxes as per allocation to be advised by Aon Risk Services.

RECORDING, TRANSMITTING AND STORING OF INFORMATION: Aon Limited may retain risk and claim data / information / documents electronically, and where this is done these documents shall be regarded with the same Legal effect as the original documents.

INSURER CONTRACT DOCUMENTATION: This document details the contract terms entered into by the insurer(s), and constitutes the contract document. No further Policy documentation will be issued.

This contract is subject to US state surplus lines requirements. It is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the Insured. In the event that the surplus lines notice is not affixed to the contract document the Insured should contact the surplus lines broker.

MASTER CIP SCHEDULE
EXCESS LIABILITY $22M XS3M

#1
U.S. Terrorism Risk Insurance Acto of 2002 Amended

#2
Choice of Law and Jurisdiction

#3
Radioactive/Chemical/Biological/Biochemical & Electromagnetic Weapons Exclusion

#4
TPA

#5
Follow form endorsement

#6
Amended auto exclusion

#7
Experience dividend

#8
Premium payment clause

Addendum #1
Condition #4 London Short Form deleted

Addendum #2
Contractor Payments defined

Addendum #3
Correcting PAICE policy number, deleting endorsements 5 and 6

Policy Number: WE1100171

ENDORSEMENT NUMBER: EIGHT

PREMIUM PAYMENT CLAUSE

Notwithstanding any provision to the contrary within this contract or any endorsement hereto, in respect of non payment of premium only the following clause will apply.

The (Re)Insured undertakes that the 1st instalment premium will be paid to (Re)Insurers by the 22nd July 2011 (and in respect of subsequent instalment premiums, when due).

If the premium due under this contract has not been so paid to (Re)Insurers by the dates shown above (Re)Insurers shall have the right to cancel this contract by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to (Re)Insurers on a pro rata basis for the period that (Re)Insurers are on risk but the full contract premium shall be payable to (Re)Insurers in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this contract.

It is agreed that (Re)Insurers shall give not less than 15 days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid in full to (Re)Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, the contract shall automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

30/09/08
LSW3001 (amended to note that premiums are on an instalment basis as opposed to premium payable within a certain number of days from inception).

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ENDORSEMENT NUMBER: SEVEN

EXPERIENCE DIVIDEND

It is hereby understood and agreed that the following Experience Dividend will apply:

Losses not exceeding	Dividend Payable
Nil	USD 5,000,000
USD 1,000,000	USD 4,000,000
USD 2,000,000	USD 3,000,000
USD 3,000,000	USD 2,000,000
USD 4,000,000	USD 1,000,000
USD 5,000,000 or more	Nil

The Dividend will be calculated based on the loss record for the period 1st June 2011 to 1st June 2014. A first estimate will be made after 1st June 2014 based on the incurred losses plus a provision for IBNR, which will be determined at sole discretion of Insurers at any time and is to be agreed by Insurers only hereon at any time. At this time Insurers may pay a provisional amount but this will be annually adjustable up until 1st June 2017 depending upon improvement or deterioration in the loss experience. Any Dividend would be payable if the loss record deteriorates prior to the final adjustment on 1st June 2017 in line with such deterioration.

In the event the policy is cancelled prior to the end of the 3 year period, Insurers reserve the right to cancel or recalculate this Experience Dividend.

ALL OTHER TERMS OF THIS POLICY UNCHANGED.

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GENERALI

Policy Number: WE1100171

ENDORSEMENT NUMBER: SIX

AMENDED AUTOMOBILE LIABILITY EXCLUSION

It is hereby understood and agreed that Exclusion 3 of the Lead Underlying Policy is amended to read as follows:

(This Policy does not apply to any actual or alleged liability:.....)

3. arising out of "Automobile Liability" other than on the "Construction Project Site" (including loading and unloading) provided however that such coverage shall only apply in excess of any other valid and collectible insurance whether primary, excess umbrella or contingent;

ALL OTHER TERMS OF THIS POLICY REMAIN UNCHANGED.

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Policy Number: WE1100171

ENDORSEMENT NUMBER: FIVE

ENDORSEMENT FOR EXCESS FOLLOWING FORM POLICY ISSUANCE PRIOR TO ISSUANCE/RECEIPT OF THE LEAD UNDERLYING POLICY

Attached is a copy of the expiring Port Authority of New York and New Jersey Construction Liability Policy 2007 – Owner Controlled Insurance Program – Construction Liability.

Plus any agreed Endorsements thereto.

This wording will apply to the primary layer of USD 500,000 for the period 1st June 2011 to 1st June 2014. The Short Excess wording with a Limit of Liability of USD 23,000,000 excess of USD 2,000,000 will follow this attached primary wording. No amendments to the primary wording attached will be binding on Insurers to this Policy until agreed by said Insurers in writing.

ALL OTHER TERMS OF THIS POLICY REMAIN UNCHANGED.

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AFS 1425

ENDORSEMENT NUMBER: FOUR

THIRD PARTY ADMINISTRATOR ENDORSEMENT

It is agreed that John Riddle & Associates Inc. (JRA) are the appointed Third Party Administrator / Negotiator.

Responsibilities

JRA administrative duties include:

- Maintenance of Claim files
- Reserve posting and changes
- Monthly bordereaux to underwriters
- Issuance of Claims Funds
- Transmittal of summons and complaints
- Management of trust fund account
- Reporting to Underwriters if and when required
- Issuing Reservation of Rights if and when required (subject to Underwriters prior agreement)
- Recording all costs and the allocation of their respective shares to each Underwriter on each policy year.

Trust Funds

JRA is responsible for and holds a trust fund of USD 200,000 per annum for which claims proceeds can be paid. This trust fund will be funded by Port Authority Insurance Captive Entity, LLC (PAICE), the Port Authority of New York and New Jersey's Captive Insurance Company.

Charges

JRA will charge for both Property Damage and Bodily Injury claim on an hourly basis at USD 175 per hour.

Authority

Underwriters agree that JRA will have settlement authority of USD 50,000 in respect of both Physical Damage and Bodily Injury losses.

Defence of Assured/Contractors

From the following Panel Counsel:

Conway, Farrell, Curtin & Kelly, P.C.
Fabiani Cohen & Hall, L.L.P.
Florio & Kenny, L.L.P.
Furman Kornfeld & Brennan L.L.P.
Goldberg Segalla L.L.P.
Segal McCambridge Singer & Mahoney.

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Payment of Fees

Underwriters will be responsible for payment of all fees and expenses reasonably incurred in defence of the Insureds. In no event shall underwriters be responsible for the fees and/or expenses of the Insureds' own staff.

Reporting

Claims involving the defence of the Insureds and that exceed the settlement authority of the Claims Review Committee, shall be reported to underwriters in accordance with the Lloyds Terms of Engagement for defence counsel.

Losses that have been set an indemnity reserve of USD 150,000 and above are to be reported to underwriters by Panel Counsel for noting on the same basis as set out above.

Claims Review Committee

It is noted that the Claims review committee will consist of the following parties:

Port Authority of New York and New Jersey	- Treasury and Risk Finance.
Port Authority of New York and New Jersey	- Law Department
Panel Counsel	- Defence counsel.
AON – Port Authority Service Team New York	- Insurance Brokers
John Riddle & Associates Inc.	- TPA/Negotiator
Underwriters at Interest	- Insurers.
Aon Limited, London	- Insurance Brokers

The Claims Review Committee (CRC) will meet on a monthly basis to review cases and provide consensus as to early and cost effective resolution of cases. Underwriters at Interest and Aon Limited, London appearances at the meetings are not essential unless:

(a) The Insured requests them
(b) They wish to attend for audit purposes.
(c) Contentious issues / claims will be discussed.

The CRC will have the authority to settle cases up to USD 250,000. Any losses in excess of this amount will need to be referred to Underwriters for their approval.

Underwriters will have the right to audit any settlements made or attend any CRC meeting, at any time, subject to notice being given to the appropriate parties.

The costs of one underwriting representative in attending the CRC meetings will be reimbursed by the trust fund, but are limited to two trips per annum and actual costs expended being in relation to work on the Port Authority of New York and New Jersey account.

A CRC sub-committee has been established. The principle function of the sub-committee is to expediently establish reserves on new loss notifications.

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Reserving

It will be the responsibility of the CRC to set and establish reserves for both indemnity and costs.

Settlement Days

It is agreed that subject to availability, settlement days should take place every 45 days in an attempt to resolve cases in a cost effective manner. It is the responsibility of the CRC to select cases suitable for a settlement day.

Settlement days should take place before a JAMS Mediator or other appropriate party to be advised.

ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

ENDORSEMENT NUMBER: THREE

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

   1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

   1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

   1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

   1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes

   1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

CL 370
10/11/2003

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GENERALI

Policy Number: WE1100171

ENDORSEMENT NUMBER: TWO

CHOICE OF LAW AND JURISDICTION

This policy shall be construed and enforced in accordance with and governed by the internal law of the State of New York.

Any dispute arising hereunder will be exclusively subject to the jurisdiction of the courts of the United States of America as per the following Service of Suit Clause (U.S.A.) NMA 1998 (amended):

SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon Wilson, Elser, Moskowitz, Edelman & Dicker 150 East 42nd Street, New York, NY 10017 and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

24/4/86
NMA1998 (amended)

Wherever the words "(or Reinsured)" appear in this Clause they shall be deemed deleted and wherever the word "Underwriters" appears this shall be deemed to read "Insurers".

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ALL OTHERS TERMS OF THIS POLICY REMAIN UNCHANGED.

GENERALI

ENDORSEMENT NUMBER: ONE

U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED IN FORCE BUSINESS ENDORSEMENT

This Endorsement is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

In consideration of a 1% allocation within the original premium(s), it is hereby noted and agreed with effect from 1st June 2011 that the Terrorism exclusion to which this Insurance is subject, shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA").

The coverage afforded by this Endorsement is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in TRIA. The Terrorism exclusion, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

This Endorsement only affects the Terrorism exclusion to which this Insurance is subject. All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

Furthermore the Underwriter(s) will not be liable for any amounts for which they are not responsible under the terms of TRIA (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on the Underwriter's liability for payments for terrorism losses.

21/12/2007
LMA5090 (amended to note that 1% allocation within original premium as opposed to an additional premium amount)
Form approved by Lloyd's Market Association

The term "Underwriters", wherever it appears in the above Endorsement, shall be deemed to read "Insurer".

ALL OTHER TERMS OF THIS POLICY REMAIN UNCHANGED.

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LONDON SHORT EXCESS FORM 01-07 (OCC) (AMENDED)

INSURING AGREEMENTS:

1. COVERAGE -

The Insurer (as stated in Item 8 of the Declarations) hereby agrees, subject to the limitations, terms and conditions contained herein, to indemnify the Insured for all sums which the Insured shall be obligated to pay by reason of the liability arising out of the hazards covered by and as more fully defined in the Lead Underlying Policy (as stated in Item 2. (a) of the Declarations and hereinafter referred to as "Lead Underlying Policy"); provided always however, that this Policy shall not apply until the Underlying Insurers (as stated in Items 2.(c) and 2.(d) of the Declarations and hereinafter referred to as "Underlying Insurers") have paid or have been held liable to pay the full amount of their respective ultimate net loss plus Defence Expenses in accordance with Insuring Agreement 2. – Limits of Liability.

The Insurer further agrees that this Policy will follow the same insuring agreements, conditions, exclusions and definitions (except as otherwise provided herein) as are, at the date shown in Item 5 a) of the Declarations, contained in the Lead Underlying Policy.

Notwithstanding the foregoing, in the event that any of the following amendment(s) are subsequently made to the insuring agreements, conditions, exclusions and definitions of the Lead Underlying Policy in effect at the date shown in Item 5 a) of the Declarations:

1. any change which is subject to an additional premium charge,
2. the inclusion of an additional coverage extension endorsement,
3. any change to the insuring agreements, conditions, exclusions and definitions which is intended to broaden the scope of the coverage already provided, other than Insureds or Named Insureds added without an additional premium charge,

then such amendment(s) shall not be binding upon the Insurer unless otherwise agreed in writing by the Insurer.

2 LIMIT OF LIABILITY -

The Insurer shall be liable only to pay sums up to:

USD (as stated in Item 3.a) of the Declarations)	ultimate net loss in all in respect of each Occurrence - subject to a limit of
USD (as stated in Item 3.b) of the Declarations)	in the aggregate during the currency of this Policy, separately in respect of each hazard insured with an aggregate limit in the Lead Underlying Policy

but liability shall attach to the Insurer only after the Underlying Insurers have paid or have been held liable to pay the full amount of their respective ultimate net loss liability as follows:

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USD (as stated in Item 4.a) of the Declarations)	ultimate net loss in respect of each Occurrence, but
USD (as stated in Item 4.b) of the Declarations)	in the aggregate during the currency of this Policy, separately in respect of each hazard insured with an aggregate limit in the Lead Underlying Policy

CONDITIONS:

1. **MAINTENANCE OF UNDERLYING INSURANCE -**

The Underlying Policy/ies (as stated in Items 2.(a) and 2.(b) of the Declarations and hereinafter referred to as "Underlying Policy/ies") shall be maintained in full force and effect, except for any reduction of the aggregate limits contained therein solely by payment of any loss(es) to which this Policy would otherwise apply in respect of Occurrences commencing during the Policy Period specified in Item 5. of the Declarations. In the event of the Insured's failure to maintain the Underlying Policy/ies in full force and effect and except with respect to the aforementioned aggregate reduction, coverage hereunder shall not be invalid, but shall apply to the same extent that it would have applied had there been compliance with this condition.

In the event any Underlying Policy stated in Item 2.(b) of the Declarations excludes loss(es) which are covered by the Lead Underlying Policy and subsequently covered hereunder in accordance with the provisions of Insuring Agreement 1 - Coverage, the Insurer shall not drop down to apply in place of such excluded coverage.

2. **ASSISTANCE AND CO-OPERATION -**

The Insurer shall not be called upon to assume charge of the settlement or defense of any claim made or suit brought or proceeding instituted against the Insured however the Insurer shall have the right and shall be given the opportunity to associate with the Insured or the Insured's underlying insurers, or both, in the defense and control of any claim, suit or proceeding relative to an Occurrence where the claim or suit involves, or appears reasonably likely to involve the Insurer, in which event the Insured and the Insurer shall co-operate in all things in the defense of such claim, suit or proceeding.

3. **CANCELLATION -**

The Named Insured or the Insurer shall have the right to cancel this Policy in accordance with the cancellation provisions of the Lead Underlying Policy. Such notice shall be sent to the Named Insured or the Insurer via the entity stated in Item 6.b) of the Declarations.

4. **OTHER INSURANCE -**

If other valid and collectible insurance is available to the Insured covering a loss also covered by this Policy, other than a Policy that is specifically written to apply in excess of this Policy, the insurance afforded by this Policy shall apply in excess of and shall not contribute with such other insurance. Nothing in this Condition shall be construed to make this Policy subject to the insuring agreements, conditions, exclusions and definitions of such other insurance.

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5. **NOTICE OF OCCURRENCE -**

Whenever the Insured has information from which it may reasonably conclude that an Occurrence covered hereunder involves injuries or damages which, in the event that the Insured should be held liable, is likely to involve this Policy, notice shall be sent to the Insurer via the entity stated in Item 6.a) of the Declarations as soon as practicable, provided, however, that failure to give notice of any Occurrence which at the time of its happening did not appear to involve this Policy, but which, at a later date would appear to give rise to claims hereunder, shall not prejudice such claims.

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DECLARATIONS

Item 1.	(a)	Named Insured:	**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** as owner and all Contractors and all Co and Sub Contractors and Programme Managers and as more fully set forth in the Lead Underlying Policy.
	(b)	Address of Named Insured:	225 Park Avenue South – 12th Floor New York NY 10003 United States of America
Item 2.	(a)	Lead Underlying Policy No:	PACIPGL 1013.
	(b)	All other Underlying Policy No(s):	1070561
	(c)	Lead Underlying Insurer:	Port Authority Insurance Captive Entity LLC (PAICE)
	(d)	All other Underlying Insurer(s):	Lexington Insurance Company.

Item 3.	Limit of Liability: (Insuring Agreement 2):	a)	USD 22,000,000	Each Occurrence (costs in addition).
		b)	USD 22,000,000	Annual Aggregate in respect of "Personal Injury"
			USD 66,000,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined
Item 4.	Underlying Limits: (Insuring Agreement 2):	a) (i)	USD 2,500,000	Each Occurrence (costs in addition).
		b) (i)	USD 2,500,000	Annual Aggregate in respect of "Personal Injury"
		(ii)	USD 7,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined

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WHICH IN TURN IS EXCESS OF:

a) (ii)	USD 500,000	Each Occurrence (costs in addition).
b) (iii)	USD 500,000	Annual Aggregate in respect of "Personal Injury"
(iv)	USD 1,500,000	Aggregate for 36 months in respect of "Products Liability" and "Completed Operations Liability" combined

Item 5. Policy Period:

a) From: 1st June 2011 at 12.01 am standard time at the address of the Named Insured.

b) To: 1st June 2014 at 12.01 am standard time at the address of the Named Insured.

Item 6. Notice to:
(Conditions 3 and 5)

a) All Notices of Occurrence:

To:

The Insurer as shown in the attached Individual Security Details.

And:

Aon Limited,
North American Liability Claims Department,
8 Devonshire Square,
London EC2M 4PL,
United Kingdom.

(Attention: Graham Wingrove)

E-mail: uscasualtyclaims@aon.co.uk

graham.wingrove@aon.co.uk

b) All other Notices:

Via:

Aon Limited,
8 Devonshire Square,
London EC2M 4PL,
United Kingdom.

To:

The Insurer or the Named Insured.

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AES 4229

Item 7.	Premium:		As per attached Individual Security Details.
Item 8.	The Insurer:	Name and Address:	As per attached Individual Security Details.
		Reference:	As per attached Individual Security Details.

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AES 1225

SECURITY DETAILS

(RE)INSURER'S LIABILITY: **LMA3333**

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

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Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

ORDER HEREON: 100% of Whole.

BASIS OF WRITTEN LINES: Percentage of Whole.

SIGNING PROVISIONS: In the event that the written lines hereon exceed 100% of the order, any lines written "To Stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;

b) the (re)insured may elect for the disproportionate signing of (re)insurers' lines, without further specific agreement of (re)insurers, providing that any such variation is made prior to the commencement date of the period of insurance, and that lines written "to stand" may not be varied without the documented agreement of those (re)insurers;

c) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

1) In a co-insurance placement following (re) insurers may, but are not obliged to, follow the premium charged by the lead (re) insurer

2) (Re) insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

WRITTEN LINES: **As per attached Individual Security Details.**

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INDIVIDUAL SECURITY DETAILS

INSURER: Aspen Insurance UK Limited,
30 Fenchurch Street,
London EC3M 3BD,
United Kingdom.

MINIMUM AND DEPOSIT PREMIUM: USD 10,000,000 (for 100%) for period payable in three instalments as follows:

a)	1st June 2011:	USD 3,000,000	(for 100%)
b)	1st June 2012:	USD 3,750,000	(for 100%)
c)	1st June 2013:	USD 3,250,000	(for 100%)

The Minimum and Deposit premium shall be adjusted at 0.523% of the actual payments made on contracts during the Policy Period 1st June 2011 to 1st June 2014 in excess of USD 1,900,000,000

Including TRIA Premium as per Endorsement Number One.

SIGNED LINES:	WRITTEN LINES:
60%	60% 6/7/11 Marine & Energy Aspen Insurance UK Ltd ASPEN ASPEN INSURANCE L 0 5 0 4 4 2 1 1 A 0 V 3699/017 XIS

INDIVIDUAL SECURITY DETAILS

UNDERWRITER:

Lloyds Syndicate AES 1225,
Lloyd's,
One Lime Street,
London EC3M 7HA,
United Kingdom.

Claims to:

Aon Limited,
North American Liability Claims Department,
8 Devonshire Square,
London EC2M 4PL,
United Kingdom.

E-mail: uscasualtyclaims@aon.co.uk

MINIMUM AND DEPOSIT PREMIUM:

USD 10,000,000 (for 100%) for period payable in three instalments as follows:

a)	1st June 2011:	USD 3,000,000	(for 100%)
b)	1st June 2012:	USD 3,750,000	(for 100%)
c)	1st June 2013:	USD 3,250,000	(for 100%)

The Minimum and Deposit premium shall be adjusted at 0.523% of the actual payments made on contracts during the Policy Period 1st June 2011 to 1st June 2014 in excess of USD 1,900,000,000.

Including TRIA Premium as per Endorsement Number One.

SIGNED LINES:	WRITTEN LINES:
29.091%	40% AEGIS AES 1225 11N203710AMA

INDIVIDUAL SECURITY DETAILS

UNDERWRITER:

Starr Surplus Lines Insurance Company,
Administrative Office,
399 Park Avenue,
8th Floor,
New York,
NY 10022,
United States of America.

Claims to:

Aon Limited,
North American Liability Claims Department,
8 Devonshire Square,
London EC2M 4PL,
United Kingdom.

E-mail: uscasualtyclaims@aon.co.uk

MINIMUM AND DEPOSIT PREMIUM:

USD 10,000,000 (for 100%) for period payable in three instalments as follows:

a)	1st June 2011:	USD 3,000,000	(for 100%)
b)	1st June 2012:	USD 3,750,000	(for 100%)
c)	1st June 2013:	USD 3,250,000	(for 100%)

The Minimum and Deposit premium shall be adjusted at 0.523% of the actual payments made on contracts during the Policy Period 1st June 2011 to 1st June 2014 in excess of USD 1,900,000,000.

Including TRIA Premium as per Endorsement Number One.

SIGNED LINES:	WRITTEN LINES:
7.273%	Starr Surplus Lines Insurance Company A Member of Starr Companies % SLSLXC06 7 0 0 3 1 1 SIGNED / DATED 7/7/11

INDIVIDUAL SECURITY DETAILS

UNDERWRITER: Assicurazioni Generali S.p.A
100 Leman Street
London
E1 8AJ

MINIMUM AND DEPOSIT PREMIUM: USD 10,000,000 (for 100%) for period payable in three instalments as follows:

a)	1st June 2011:	USD 3,000,000	(for 100%)
b)	1st June 2012:	USD 3,750,000	(for 100%)
c)	1st June 2013:	USD 3,250,000	(for 100%)

The Minimum and Deposit premium shall be adjusted at 0.523% of the actual payments made on contracts during the Policy Period 1st June 2011 to 1st June 2014 in excess of USD 1,900,000,000.

Including TRIA Premium as per Endorsement Number One.

SIGNED LINES:	WRITTEN LINES:
3.636%	Assicurazioni Generali S.p.A. UK Branch GENERALI GLOBAL FINK 1 1 6 L 0 1 5 1 0 0 0 0 0 0 0 0 Authorised Signatory 7/7/11 5% Authorised Signatory

CONTRACT ADMINISTRATION AND ADVISORY SECTIONS

The following pages include documents between the Insurer and Broker to facilitate the administration of this risk.

BROKER REMUNERATION AND DEDUCTIONS

- Provides data relating to brokerage and fees received by the Broker.

SUBJECTIVITIES

- Any subjectivities imposed by Insurers.

INFORMATION

- Details of any information provided to Insurers to support the assessment of the risk at the time of placement.

FISCAL AND REGULATORY

- Provides fiscal and regulatory information of relevance to the Insurers involved in the Risk.

SUBSCRIPTION AGREEMENT

- Establishes rules and requirements for Brokers and Insurers to be followed for processing and administration of post placement amendments and transactions, including the General Underwriting Agreement (GUA) clarifying the extent of the delegated authority. Reference to "Slip Leader" as it applies to the attached Subscription Agreement shall be deemed to only apply in respect of this Contract WE1100171, and not the leading agreement party for the whole layer.

SSLIC
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GENERALI

BROKER REMUNERATION AND DEDUCTIONS SECTION

BROKERAGE: 7.5 %

Aon Limited (London office) has disclosed where required the existence and amount of any fee and/or premium commission paid or payable for this placement.

OTHER DEDUCTIONS FROM PREMIUM: None.

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GENERALI

SUBJECTIVITIES SECTION

SUBJECTIVITIES:

None.

INFORMATION REQUIREMENTS:

Underwriters require the following.

1) Aspen to agree the Lead Underlying Policy. In the interim, this Policy Number WE1100171 to follow terms and conditions of the attached expiring 2007 Policy as per Endorsement Number Five

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GENERALI

INFORMATION SECTION

The following information was provided to the Insurer to support the assessment of the risk and is held on file.

- PONY Contractors Insurance Program – General Liability Submission 21st April 2011 seen and agreed by all Underwriters.

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FISCAL AND REGULATORY

TAX PAYABLE BY UNDERWRITERS: None.

COUNTRY OF ORIGIN: United States of America.

OVERSEAS BROKER: Aon Risk Services Northeast, Inc,
Port Authority of New York and New Jersey Service Team
300 Jericho Quadrangle, Suite 300,
P.O. Box 342
Jericho, NY 11753
United States of America.

US CLASSIFICATION: US Surplus Lines

Surplus Lines Broker: Aon Risk Services Northeast, Inc.,
199 Water Street, 32nd Floor,
New York,
NY 10038,
United States of America.

Surplus Lines License Number: EX-648027-R

State of Filing: New York
(The country, state or province to which a risk will be reported against for regulatory reporting)

NAIC CODES: Not applicable.

ALLOCATION OF PREMIUM TO CODING

99 % UA (Casualty)

1 % 7T (Casualty Terrorism)

FSA CLIENT CLASSIFICATION: Large Risk

Aon Risk Classification Code:

LNEE – Large Risk Non European Economic Area

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GENERALI

SUBSCRIPTION AGREEMENT

(Aon Limited Property & Casualty - December 2009)

SLIP LEADER	Aspen Insurance UK Limited
SETTLEMENT DUE DATE	1st Instalment – 22nd July 2011. 2nd Instalment – 1st June 2012. 3rd Instalment – 1st June 2013. In respect of electronic lines, please refer to the Settlement Information shown under Security Details herein.
BASIS OF AGREEMENT TO CONTRACT CHANGES	GUA (October 2001) with Non Marine Schedule (October 2001) except as below. Agree extend for up to one calendar month at additional premium as agreed Slip Leader only. When details of Slip Leader only agreed endorsements are required by the Slip Leader to be provided to following Insurer(s), email and/or other electronic means may be used by Aon Limited.
OTHER AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR PART 2 GUA CHANGES ONLY	Slip Leader only for PART 2 changes.
AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR THEIR PROPORTION ONLY	None.
CLAIMS AGREEMENT PARTIES	All claims to be agreed by the Slip Leader and: • The first Lloyd's syndicate in the event that the Slip Leader is an IUA Company. Therefore hereon that Lloyd's Leader is Lloyds Syndicate AEG 1225. • The second Lloyd's Agreement Party where required by the Lloyd's 2010 Claims Scheme as amended or succeeded. Where required for this placement the 2nd Lloyd's Agreement Party is deemed to be Lloyds Syndicate _____ • The first company in the event that the Slip Leader is a Lloyd's syndicate. • All non-bureau insurers each for their own proportion.

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BASIS OF CLAIMS AGREEMENT	Claims to be managed in accordance with the Lloyd's 2010 Claims Scheme, and IUA claims agreement practices and any non bureau insurers' claims agreement practices (in each case, as applicable), or any amendments, successor scheme or agreement as may be agreed by the parties from time to time. The Claims Agreement Parties will provide to Aon when possible copies of all professional advisors reports received. In the event that Insurers deny coverage or seek to reserve any rights, Insurers (or their representative(s)) will, as soon as reasonably practicable but in any event within 14 days of such denial or reservation of rights, provide details reason(s) why coverage is denied or reserved, providing sufficient facts to allow the insured or the insured's agent to respond.
CLAIMS ADMINISTRATION	Aon Limited to enter claims advices into CLASS (as applicable). IUA Contractual Condition to apply in respect of CLASS circulations to follow market. Aon Limited will notify all claims agreement parties (and where applicable follow markets) of any claim submitted to the policy, and give updates. Where possible, such notifications and updates will be given via Aon Broking Connections Claims, Aon Limited's claims repository (which can be viewed by Lloyd's syndicates via the Xchanging Insurance Market Repository).
RULES AND EXTENT OF ANY OTHER DELEGATED CLAIMS AUTHORITY	None.
EXPERT(S) FEES COLLECTION	Aon Limited will not undertake the collection of any fee invoices rendered by third parties ~~unless the fees form part of the Insured's claim or the work is for the exclusive benefit of the Insured~~. ~~In the event of Aon Limited not collecting third party fees the following applies (Leader to elect as appropriate)~~ ~~√ as appropriate~~ ☐ ~~Xchanging Claims Services Limited to collect fees for all slip security, including overseas (re)insurers~~ ☐ ~~_____ fee collection agency to collect for all slip security, including overseas.~~ ☑ ~~The Leading Claims Agreement party, and the Leading Lloyd's Claims Agreement party, if different, will nominate the fee collection agency at time of appointing any third party expert.~~ ☐ ~~Any appointed third party expert is responsible for appointing their own fee collection agent.~~

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AES 1225

GENERALI

BUREAU ARRANGEMENTS (Xchanging)

~~Insurer(s) to sign any deferred premium instalments as Additional Premium(s). However any annual instalments to be allocated to respective year of account.~~

Where a Premium Payment Warranty or Premium Payment Condition applies, the settlement due date is deemed in all instances to be the same as the Premium Payment Warranty or Premium Payment Condition due date.

Where a Settlement Due Date or any Premium Payment Warranty or Premium Payment Condition due date falls on a weekend or public holiday, presentation to Xchanging or (Re)Insurers hereon as applicable on the next working day will be deemed in compliance with Settlement Due Date, Premium Payment Warranty or Premium Payment Condition.

If the premium is to be paid in instalments, the second and subsequent instalments to be taken down as additional premiums, if required.

In the event of partial premium payment received by Aon Limited Insurer(s) agree to accept premium as paid to and endorsed by Aon Limited.

Where payments received by Aon Limited in convertible currencies Insurer(s) agree to accept/settle accounts at rate of exchange ~~declared by Aon Limited~~ to be determined at time of settlement.

Xchanging authorised to agree issue FDO signings hereon as required, but premium settlement due dates remain unaltered.

Insurers agree that Aon Limited may settle premiums for this contract/release de-linked premiums for this contract into settlement at different times.

In the event of this Contract stating an Insurance and a Reinsurance Premium or multiple Reinsurance Premiums (each to be paid from a different source), Xchanging are authorised to ungroup the Premium Advise Notes so that each can be released separately once paid by the respective client.

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GENERALI

AES 1225

GUA Non-Marine Schedule – October 2001

This Schedule applies to insurance and facultative reinsurance and the terms insurance and insured shall include facultative reinsurance and reinsured

PART 1
Alterations the Slip Leader may agree on behalf of all Underwriters each for its own proportion severally and not jointly

1.1 All Alterations that the slip specifies are to be agreed by the Slip Leader only.
1.2 Errors that are clearly typographical errors.
1.3 Changes to the name of the insured that are not deemed material by the Slip Leader.
1.4 The receipt and acknowledgement of notices of assignment or endorsements in respect of loss payees.
1.5 Any Alteration which decreases the monetary exposure of the Underwriters (or of any of them).
1.6 Restrictions in coverage.
1.7 Additional named insured where catered for on the slip.
1.8 Amendments to declarations under lineslips or other contracts for insurance within predetermined rates, conditions and limits incorporated into such contracts for insurance, subject to compliance with any terms with regard to advice of declarations to all Underwriters.
1.9 The confirmation of attachment and expiry dates provided not more than 60 days after the
Date the Slip Leader originally subscribed to the slip and provided that the underwriting year of account is not affected.
1.10 Reduction of slip deductions that results in Underwriters receiving at least net equivalent premiums.
1.11 Return Premiums where catered for in the slip.
1.12 Premium Adjustments at slip rates.
1.13 Increases in premium where no further changes have been effected.
1.14 Where the Slip Leader considers circumstances are such that agreement by all Underwriters is inappropriate, any Alteration which has the effect of extending, up to a maximum of 5 working days, the effective payment date contained in the Premium Payment Condition or Premium Payment Warranty agreed in the slip, provided:
- that no previous such Alteration shall have been made under this Part during the period to which such effective date applies,
- that the Slip Leader considers that the consequences of not so extending such effective date would not be in the interests of the Underwriters and the insured and
- that all Underwriters shall be notified of the agreement to and the reasons for the Alteration.

1.15 *** Any Alteration which has the effect of extending, up to a maximum of 5 working days, a period of notice of cancellation given by Underwriters in pursuit of the Premium Payment Clause agreed in the slip, provided that no previous such Alteration shall have been made under this Part during the period of insurance to which the notice of cancellation applies.
1.16 *** Cancellation of coverage (all or part) by insured within slip terms.
1.17 Copies or extracts of the slip to support bureau(x) procedures including signing of premium, bulk signing of premium, production of policies, agreement and settlement of claims.
1.18 The agreement of policy wording(s) in accordance with express provisions in the slip.
1.19 The signing of certificates or other evidence of insurance in the form agreed in the slip.

***** Any such Alteration, if agreed, is to be notified to all Underwriters**

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GENERALI
AES 1225

PART 2

Alterations the Slip Leader and Agreement Parties may, if unanimous, agree on behalf of all Underwriters each for its own proportion severally and not jointly

2.1 All Alterations that the slip specifies may be agreed by the Slip Leader and Agreement Parties.

2.2 All Alterations which do not fall within either Part 1 or Part 3.

PART 3

Alterations which may be agreed only by all Underwriters each for its own proportion severally and not jointly

3.1 All Alterations that the slip specifies may be agreed only by all Underwriters.

3.2 All Alterations which are judged by either the Slip Leader or by any Agreement Party to be ones which ought to be agreed by all Underwriters.

3.3 All Alterations which fall within the following list, unless the slip specifies such an Alteration may be otherwise agreed:

3.3.1 In respect of slips placed on a full value basis where the limit of liability is equal to the total value at risk, any amendment to the limit that increases Underwriters' liability by more than 10% of their signed line.
In respect of slips placed on a first loss or excess of loss basis, any amendment to the limit or deductible and any amendment increasing the total value at risk by more than 10%.

3.3.2 Any waiver of or amendment to any express or implied warranty or any condition precedent to the attachment of the risk except as provided for in Part 1.

3.3.3 Extensions of policy period in excess of one calendar month or 30 days, whichever is greater.

3.3.4 Any Alteration, other than provided for in Part 1, which has the effect of extending those terms agreed in the Premium Payment Clause in the slip or any endorsement thereto.

3.3.5 Changes that extend the geographical scope of the contract.

3.3.6 Any backdating of the policy period.

3.3.7 Changes that amend or extend the jurisdictions relevant to the insurance coverage and/or which require Underwriters to submit to regulatory regimes not agreed at the time when the slip was placed.

3.3.8 Cancellation of the policy by Underwriters in accordance with slip terms.

3.3.9 Delegation of authority to sign certificates or other evidence of cover.

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ATTACHMENT TO ENDORSEMENT NUMBER FIVE

The following is a copy of the expiring Port Authority of New York and New Jersey Construction Liability Policy 2007 – Owner Controlled Insurance Program – Construction Liability.

Plus any agreed Endorsements thereto.

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PORT AUTHORITY OF NEW YORK AND NEW JERSEY CONSTRUCTION LIABILITY POLICY 2007

Owner Controlled Insurance Program - Construction Liability

THIS IS A LIABILITY POLICY. PLEASE READ THE ENTIRE DOCUMENT CAREFULLY. SOME WORDS CONTAINED HEREIN HAVE SPECIFIC MEANING. PLEASE REFER TO THE DEFINITIONS SECTION.

I. INSURING AGREEMENTS

1. COVERAGE

In consideration of the payment of the premiums set out in Item 6 of the Declarations and in reliance upon the proposal for this policy (hereinafter Policy), statements made and any supplementary information pertaining to the proposal which are all deemed incorporated herein, Underwriters agree, subject to the Insuring Agreements, Conditions, Exclusions, Definitions and Declarations contained in this Policy, to indemnify the "Insured" in respect of its operations at each "Construction Project Site" referred to in Item 1.(b) of the Declarations, that have been "Let" by the named "Insured" prior to 1st June 2010, for "Ultimate Net Loss" by reason of liability:

(a) imposed upon the "Insured" by law or

(b) assumed by the "Insured" under an "Insured Contract",

for damages in respect of:

(i) "Bodily Injury"

(ii) "Personal Injury"

(iii) "Property Damage"

(iv) "Advertising Injury"

GENERALI
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AES 1225

caused by or arising out of: -

(1) "General Liability" "Occurrence"s which first commence during the Policy Period stated in Item 3 of the Declarations and which comprise:

(i) incomplete "Construction Project Site"s "Let" during a previous Policy Period;

or

(ii) new "Construction Project Site"s "Let" in the Policy Period stated in Item 3 of the Declarations whether completed or not,

(2) "Product Liability" and "Completed Operations Liability" "Occurrence"s which first commence during the Policy Period stated in Item 3 of the Declarations but only in respect of the following:

(i) the balance of a "Product Liability and Completed Operations Liability Combined Period" which commenced during a previous Policy Period;

or

(ii) the start of a "Product Liability and Completed Operations Liability Combined Period" during the Policy Period stated in Item 3 of the Declarations,.

Nothing contained in this Policy shall make it subject to the terms of any other insurance.

2. LIMITS OF LIABILITY

Underwriters shall only be liable for "Ultimate Net Loss" up to the amount stated in Item 2.(a) of the Declarations plus "Defence Expenses" in respect of each "Occurrence" first commencing during the period stated in Item 3 of the Declarations subject always to the provisions of Condition 2.

Regardless of the number of "Occurrences" that may be covered by this Policy, Underwriters' total Limits of Liability shall not exceed the amount of "Ultimate Net Loss" set out in Item 2.(b) of the Declarations in the aggregate separately in respect of:

(i) "Product Liability" and "Completed Operations Liability" combined,

(ii) "Personal Injury"

plus "Defence Expenses" subject always to the provisions of Condition 2.

In respect of (i) above, the aggregate stated in Item 2.(b).(i) of the Declarations shall apply to all "Construction Project Site"s subject to the parameters stated in Insuring Agreement 1.(2).

In respect of (ii) above, the aggregate stated in Item 2.(b).(ii) of the Declarations shall apply for each "Annual Period of Construction" stated in Item 4 of the Declarations within the period stated in Item 3 of the Declarations.

AES 1225

The inclusion or addition hereunder of more than one "Insured" shall not increase Underwriters' Limits of Liability as set out in Item 2 of the Declarations.

Where "Defence Expenses" are paid or incurred by the "Insured", all "Defence Expenses" will be paid by Underwriters in addition to the Limits of Liability of this Policy until such Limits of Liability are exhausted subject always to the provisions of Condition 2.

II. CONDITIONS

This Policy is subject to the following conditions:

1. APPEALS

In the event the "Insured" elects not to appeal a judgement which may, in whole or in part, involve indemnity under this Policy, Underwriters may, following discussion with the "Insured", elect to make such appeal at their own cost and expense and shall be liable for the taxable costs, expenses and disbursements and any additional interest incidental to such appeal; but in no event shall the liability of Underwriters exceed the relevant Limits of Liability set out in Item 2 of the Declarations plus such costs, expenses, disbursements and interest.

2. APPORTIONMENT OF "DEFENCE EXPENSES"

Whenever any written demand received by the "Insured" for damages is finally resolved by a payment by Underwriters which, regardless of the amount thereof, is only covered in part by this Policy, then the percentage of any "Defence Expenses" that are paid by Underwriters in addition to the "Ultimate Net Loss" shall be calculated by dividing that part of such payment which is covered by this Policy, by the total amount paid.

3. ASSIGNMENT

Assignment of interest under this Policy shall not bind Underwriters unless and until their written agreement thereto is secured.

4. CANCELLATION OR NON-RENEWAL

(a) **By the named "Insured"**

This Policy may be cancelled at an anniversary date only by the named "Insured" without the consent of other "Insureds", by mailing to Underwriters written notice stating at which anniversary date thereafter such cancellation shall be effective.

(b) **By Underwriters**

This Policy may be cancelled by Underwriters for non payment of premium, in which event ten (10) days notification at any time shall apply.

The Policy Period stated in Item 3 of the Declarations and the coverage of each "Construction Project Site" referred to in Item 1.(b) of the Declarations will end on the day and hour stated in the cancellation notice or on the expiry date stated in Item 3.(b) of the Declarations whichever is the earlier.

AES 12

If Underwriters cancel the Policy, final premium will be calculated by Underwriters by applying the rate stated in Endorsement No 3 to the declared values of "Construction Project Site"s during the shortened Policy Period.

Notwithstanding the foregoing, however, in the event of cancellation by the named "Insured" during the Policy Period or non-renewal of this Policy, this Policy may continue to apply to "Insured Contract"s at "Construction Project Site"s for which the named "Insured" has committed to provide insurance prior to the effective date of cancellation or the date stated in Item 3.(b) of the Declarations, whichever is the earlier, at rate and premium to be agreed by Underwriters, until all work to be performed under such "Insured Contract"s is completed plus the "Product Liability and Completed Operations Liability Combined Period"s have elapsed.

5. CROSS LIABILITY

In the event of an "Occurrence" resulting in "Bodily Injury" to an employee of one "Insured" hereunder for which another "Insured" is, or may be, liable then this Policy shall cover such "Insured" against whom a "Claim" for damages has been made or may be made in the same manner as if separate policies had been issued to each "Insured" hereunder.

In the event of an "Occurrence" resulting in "Property Damage" to property of one "Insured" hereunder for which another "Insured" is, or may be, liable then this Policy shall cover such "Insured" against whom a "Claim" for damages has been made or may be made in the same manner as if separate policies had been issued to each "Insured" hereunder.

Nothing contained herein shall operate to increase Underwriters' Limit of Liability set out in Item 2 of the Declarations.

6. CURRENCY AND PAYMENTS OF PREMIUMS

Premiums and indemnity payments due under this Policy are payable in the currency set out in Item 5 of the Declarations. Payment of premiums shall be made by the first named "Insured" set out in Item 1.(a) of the Declarations to the person or entity set out in Item 7 of the Declarations. If the first named "Insured" or its agent fails to pay the premium due to Underwriters by the due date, Underwriters may issue notice to the named "Insured" set out in Item 1.(a) of the Declarations in accordance with the provisions of Condition 4.

7. DAMAGES PAYABLE

Any amount for which Underwriters are liable under this Policy shall be due and payable solely to the agent of the "Insured" set out in Item 8 of the Declarations within thirty (30) days after it is agreed by Underwriters.

AES 1225

8. DEFENCE

As detailed in Endorsement 6 but Underwriters' right and obligation to incur "Defence Expenses" in the defence of any "Occurrence" end when the Limits of Liability have been exhausted by the payment of judgements or settlements.

9. GOVERNING LAW AND INTERPRETATION

In view of the diverse locations of the parties purchasing insurance from Underwriters and the desirability of unified regulation, the parties agree that the Policy shall be construed and enforced in accordance with and governed by the internal law of the State of New York.

10. INSOLVENCY

The insolvency, bankruptcy, receivership or any refusal or inability to pay of the "Insured" and/or any Underwriter shall not operate to:

(a) increase Underwriters' liability under this Policy;

(b) increase any Underwriters' share of liability under this Policy;

(c) relieve Underwriters from the payment of "Ultimate Net Loss" or "Defence Expenses" under this Policy.

11. INSPECTION AND INVESTIGATION

Underwriters may, after giving reasonable notice to the named "Insured", audit and examine the books and records of the "Insured" as they relate to this Policy at any time during the Policy Period and for up to three years after the expiration or termination of this Policy.

Underwriters have the right, but are not obligated, after giving reasonable notice to the named "Insured", to inspect the premises and operations of the "Insured". The inspections are not safety inspections. They relate only to the insurability of the premises and operations and the premiums to be charged. Underwriters may give the "Insured" reports on the conditions found. They may also recommend changes. Whilst they may help reduce losses, Underwriters do not undertake to perform the duty of any person or organisation to provide for the health or safety of the "Insured"'s employees or the public. Underwriters do not warrant that the premises or operations of the "Insured" are safe or healthful or that they comply with laws, regulations, codes or standards.

12. KNOWLEDGE OF OCCURRENCE

Other than in respect of conditions (a), (b), (c), (d) and (e) of Exclusion 18 knowledge of an "Occurrence" by the agent, servant or employee of the "Insured" shall not in itself constitute knowledge by the "Insured", unless an executive officer of the "Insured"'s Corporation shall have received such notice from its agent, servant or employee.

AES 1225

13. NOTICE OF OCCURRENCE

(a) In the event of an "Occurrence", written notice containing the particulars sufficient to identify the "Insured" and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the "Insured" to the entity named in Item 10 of the Declarations as soon as practicable.

(b) If claim is made or suit is brought against the "Insured", the "Insured" shall immediately forward to the entity named in Item 10 of the Declarations every demand, notice, summons or other process received by it or its representative.

(c) Notwithstanding anything to the contrary in this Condition, this Policy shall not apply to any: -

(i) "General Liability" "Occurrence" unless notice of such "Occurrence" is given to Underwriters prior to expiry of five years from the date stated in Item 3.(b) of the Declarations; or

(ii) "Product Liability" and "Completed Operations Liability" "Occurrence" unless notice of such "Occurrence" is given to Underwriters prior to expiry of three years from the date stated in Item 3.(b) of the Declarations or two years from the end of the "Product Liability and Completed Operations Liability Combined Period", whichever is the earlier,

but always subject to Condition 4. Cancellation or Non-Renewal.

(d) The "Insured" shall co-operate with Underwriters and, upon Underwriters' request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organisation who may be liable to the "Insured" because of injury or damage with respect to which insurance is afforded under this Policy; and the "Insured" shall attend hearings and trials, and assist in securing and giving evidence and obtaining the attendance of witnesses. The "Insured" shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the "Occurrence".

(e) When the "Insured" reports any accident to the Workers' Compensation carrier insuring its Workers' Compensation Insurance which later develops into a claim for liability to which this Policy applies, coverage for which is provided by this Policy, failure to report such accident to Underwriters at the time of the "Occurrence" shall not he deemed in violation of (a), (b) or (c) of this Condition upon the distinct understanding and agreement, however, that the "Insured" just as soon as it is definitely made aware of the fact that the particular accident is a liability case rather than a Workers' Compensation case, shall give notification of the aforesaid accident to Underwriters.

1225

14. OTHER INSURANCE

The insurance afforded by this Policy is primary insurance, except when stated in writing to the contrary. Where this Policy is primary and the "Insured" has other insurance which is stated to be applicable to an "Occurrence" on an excess basis, the amount of the Underwriters' liability under this Policy shall not be reduced by the existence of such other insurance.

When both this Policy and other insurance apply to an "Occurrence" on the same basis, this Policy will only contribute its proportionate share in combination with such other insurance.

15. SEPARATION OF "INSUREDS"

Except with respect to Underwriters' Limits of Liability and any rights or duties specifically assigned to the named "Insured" designated in Item 1.(a) of the Declarations, this insurance applies separately to each "Insured" against whom "Claim" is made or suit brought.

16. SERVICE OF SUIT CLAUSE

(Per attached Service of Suit Clause (U.S.A.))

17. SUBROGATION

Where an amount is paid by Underwriters under this Policy, the "Insured"'s rights of recovery against any other person or entity in respect of such amount shall be exclusively subrogated to Underwriters. At Underwriters' request the "Insured" will assist, co-operate and lend its name to the exercise of Underwriters' rights of subrogation. The "Insured" shall do nothing to prejudice such rights.

All recoveries shall be applied as follows:

(a) any interests, including the "Insured", that have paid an amount in excess of Underwriters' payment under this Policy will be reimbursed first; and,

(b) Underwriters then will be reimbursed up to the amount they have paid.

Expenses incurred in the exercise of rights of recovery shall be apportioned between the interests, including the "Insured", in the ratio of their respective recoveries as finally settled.

Notwithstanding the foregoing, Underwriters waive their rights of recovery against any "Third Party" to whom the named "Insured" has undertaken, in a written contract, to obtain a written waiver of subrogation but only if such waiver has been included in such "Insured Contract" before the "Occurrence" giving rise to such payments.

This waiver shall apply only with respect to an "Occurrence" arising from operations undertaken or obligations required under the specific "Insured Contract" between the named "Insured" and such "Third Party" and shall not be construed to be a waiver with respect to other operations of such "Third Party" in which the named "Insured" has no contractual interest or obligation.

AES 1225

No waiver of subrogation shall directly or indirectly apply to any employee(s) of either the named "Insured" or of such "Third Party" unless required by "Insured Contract" and Underwriters reserve their rights or lien to be reimbursed from any recovery funds obtained by any employee.

This waiver does not apply in any jurisdiction where such waiver is held to be illegal or against public policy or to any "Occurrence" wherein such "Third Party" is found to be solely negligent.

18. TRANSFER OF RIGHTS AND DUTIES

The rights and duties of the "Insured" under this Policy may not be transferred without prior written consent of Underwriters.

19. WAIVER OR CHANGE

Notice to any agent or knowledge possessed by any agent or any other person shall not effect a waiver of or change in any part of this Policy. This Policy can only be changed by a written endorsement that becomes a part of this Policy and is signed by or on behalf of Underwriters.

III. EXCLUSIONS

This Policy does not apply to any actual or alleged liability:

1. arising out of breach of contract other than an "Insured Contract";

2. (a) of whatsoever nature of the "Insured", whether the "Insured" may be liable as an employer or in any other capacity whatsoever, to any of its Employees, including without limiting the generality of the foregoing any liability under any Workers' Compensation Law, Unemployment Compensation Law, Disability Benefit Law, Longshore and Harbor Workers' Compensation Act, Jones Act, Death on the High Seas Act, General Maritime Law, Federal Employers' Liability Act, Employers Liability, Employers' Liability as respects Occupational Disease or any similar laws of liabilities, and/or whether by reason of the relationship of master and servant or employer and employee or not;

   (b) which any "Insured" may have to its own employee arising out of the actions or omissions of another of its own employees;

3. arising out of "Automobile Liability" other than such "Automobile Liability" on any "Construction Project Site";

4. arising out of "Aircraft Liability";

5. arising out of "Watercraft Liability";

6. for "Discrimination", "Sexual Harassment" and/or "Inappropriate Employment Conduct";

AES 1225

7. for "Property Damage" to property:

   (a) owned, leased, rented or occupied by the "Insured";

   (b) in the care, custody or control of the "Insured";

8. for "Property Damage" to the "Insured's Products" arising out of such products or any part of such products;

9. for "Property Damage" to property worked on by or on behalf of the "Insured" arising out of such work or any portion thereof, or out of any material, parts or equipment furnished in connection therewith;

10. for the withdrawal, recall, return, inspection, repair, replacement, or loss of use of the "Insured's Products" or work completed by or for the "Insured" or for any property of which such "Insured's Products" or work form a part;

11. for any fines or penalties;

12. for "Personal Injury" and/or "Advertising Injury" arising out of:

    (a) failure to perform under any contract other than an "Insured Contract";

    (b) infringement of trademark, patent, service mark or trade name, other than copyright, titles or slogans, by use thereof on or in connection with goods, products or services sold or offered for sale;

    (c) unfair competition;

13. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" arising out of: -

    (a) the failure of the operations or work completed by or for the "Insured" to perform the function or serve the purpose intended by the "Insured";

    (b) fines or penalties imposed on the "Insured" should the operations or work completed by or for the "Insured" fail to reach the levels of performance set out in the contract

    (c) the failure of the "Insured" to complete a contract on time or comply with any contractual obligation;

14. for any act, negligence, error or omission, malpractice or mistake arising out of "Professional Services", committed or alleged to have been committed by or on behalf of the "Insured" in the conduct of any of the "Insured""s business activities;

15. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by or arising out of:- asbestos; mold; chromium copper arsenate; Exterior Insulation and Finish System (EIFS); silica, polychlorinated biphenyl (PCB) or lead; or any substance containing such material or any derivative thereof;

AES 1225

16. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" for claims made by or on behalf of any person or persons directly or indirectly on account of continuous, intermittent or repeated exposure to, ingestion, inhalation, or absorption of, any substance, material, product, waste, emission, radioactive substance, noise or environmental disturbance where the "Insured" is or may be liable as a result of the manufacture, production, extraction, sale, handling, utilisation, distribution, disposal or creation by or on behalf of the "Insured" of such substance, material, product, waste, emission, radioactive substance, noise or environmental disturbance;

17. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" arising out of or in any way connected with the operation of the principles of eminent domain, condemnation proceedings or inverse condemnation proceedings or inverse condemnation by whatever name called regardless of whether such claims are made directly against the "Insured" or by virtue of any agreement entered into by or on behalf of the "Insured"; or with respect to any provisions in this Policy concerning any duty of Underwriters to investigate or defend any "Claim" excluded by this exclusion;

18. for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by or arising out of seepage, pollution or contamination however caused whenever or wherever happening;

This exclusion shall not apply where all of the following conditions are shown by the "Insured" to have been met:

(a) the seepage, pollution or contamination was caused by an "Occurrence"; and,

(b) the "Occurrence" first commenced on an identified specific date during the period stated in Item 3 of the Declarations; and,

(c) the "Occurrence" was first discovered by the "Insured" within fourteen (14) days of such first commencement; and,

(d) written notification of the "Occurrence" was first received from the "Insured" by Underwriters within ninety (90) days of the "Insured"'s first discovery of the "Occurrence" ; and,

(e) the "Occurrence" did not result from the "Insured"'s intentional violation of any statute, rule, ordinance or regulation.

Even if the above conditions (a) to (e) are satisfied, this Policy does not apply to any actual or alleged liability:

(i) to evaluate, monitor, control, remove, nullify and/or clean-up seeping, polluting or contaminating substances to the extent such liability arises solely from any obligations imposed by or on behalf of a governmental authority;

(ii) to abate or investigate any threat of seepage onto or pollution or contamination of the property of a "Third Party";

AES 1225

(iii) for seepage, pollution or contamination at or from any premises, site or location on which any "Insured" or any "Contractor"s or "Subcontractor"s working directly or indirectly on any "Insured""s behalf are performing operations:

(a) if the pollutants are brought on or to the premises, site or location in connection with such operations by such "Insured", "Contractor" or "Subcontractor", or

(b) if the operations are to test for, evaluate, monitor, control, remove, nullify, clean-up or in any way respond to, or assess the effects of pollutants.

19. arising out of the handling, processing, treatment, storage, disposal or dumping of any waste materials or substances, or arising out of such waste materials or substances during transportation;

20. (a) for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

(i) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or

(ii) any "Act of Terrorism".

(b) for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a)(i) and/or (a)(ii) above.

If the Underwriters allege that by reason of this exclusion, any "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" is not covered by this insurance the burden of proving the contrary shall be upon the "Insured".

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

21. for "Bodily Injury", "Property Damage", "Personal Injury" and/or "Advertising Injury" for which the "Insured" or its indemnitee may be held liable:

(a) as a person or organisation engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages; or

(b) if not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed

(i) by, or because of the violation of any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage, or

AES 1225

(ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;

22. (a) arising out of an "Insured"'s capacity, duty or responsibility as an Officer, Director or Trustee of a Corporation by reason of any breach of fiduciary duty or improper conduct or conflict of interest in the performance of an "Insured"'s duties, responsibilities or accountability as an Officer, Director or Trustee, including, without limitation, any actual or alleged misstatement, misleading statement, gain of personal profit or advantage to which the Insured was or is not entitled legally, any dishonest act, or bad faith conduct, in the "Insured"'s capacity as an Officer, Director or Trustee, or with respect to the capital or assets of the Corporation, or any action taken beyond the scope of the "Insured"'s authority as an Officer, Director or Trustee;

(b) arising out of or incident to any alleged violation(s) of any Federal or State law regulating, controlling and governing stock bonds or securities of any type or nature, including without limitation The Security Act of 1933, The Securities Exchange Act of 1934, The Trust Indenture Act of 1939, The Public Utility Holding Company Act of 1935, The Investment Company Act of 1940, The Investment Advisers Act of 1940, and the so called "Blue Sky" Laws of the various state and other jurisdictions;

(c) arising out of or incident to any alleged violation(s) of any Federal or State law regulating, controlling and governing antitrust or the prohibition of monopolies, activities in restraint of trade, unfair methods of competition or deceptive acts and practices in trade and commerce including without limitation, the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act and the Hart-Scott Rodino Antitrust Improvements Act;

(d) of any Officer, Director or Trustee arising out of or asserted in a shareholder's derivative action;

(e) arising out of or contributed to by the dishonesty or infidelity of any "Insured";

(f) which would be payable under the terms of coverage of a Directors and Officers Liability Insurance Policy or a Directors and Company Reimbursement Indemnity Policy of the type issued by stock insurance companies of the United States, as if any "Insured" had obtained such coverage in an amount sufficient to pay the full amount being claimed against any "Insured", whether or not any "Insured" has obtained such coverage.

23. for "Bodily Injury", "Property Damage", "Personal Injury" and/or "Advertising Injury" arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the "Insured";

AES 12

24. directly or indirectly caused by or contributed to by or arising from:

(a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

(b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

(c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;

(d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;

(e) any chemical, biological, bio-chemical, or electromagnetic weapon.

This Exclusion shall be paramount and shall override anything contained in this Policy inconsistent therewith

25. (a) for "Personal Injury" and/or "Advertising Injury" arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the named "Insured" was made prior to the effective date of this Policy;

(b) for "Personal Injury" and/or "Advertising Injury" arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organisation or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the "Insured" with knowledge of the falsity thereof;

26. for "Advertising Injury" arising out of incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised.

Nothing contained in the above Exclusions shall extend this Policy to cover any liability which would not have been covered had these Exclusions not been incorporated herein.

AES 1225

DEFINITIONS

1. ACT OF TERRORISM

The words "Act of Terrorism", wherever used in this Policy, mean an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

2. ADVERTISING INJURY

The words "Advertising Injury" wherever used in this Policy, shall mean injury arising out of the named "Insured"'s advertising activities, if such injury arises out of any unintended libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

3. AIRCRAFT LIABILITY

The words "Aircraft Liability", wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of an aircraft, aeroplane or helicopter which is designed to fly in the air or atmosphere.

4. ANNUAL PERIODS OF CONSTRUCTION

The words "Annual Periods of Construction" wherever used in this Policy, shall mean the periods shown in Item 4 of the Declarations.

5. AUTOMOBILE

The word "Automobile," wherever used in this Policy, shall mean a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment, but the word "Automobile" shall not include "Mobile Equipment" or the contents of such vehicle, trailer or semi-trailer.

6. AUTOMOBILE LIABILITY

The words "Automobile Liability," wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of any "Automobile".

7. BODILY INJURY

The words "Bodily Injury", wherever used in this Policy, shall mean:

(a) bodily injury, sickness, disability, or disease;

(b) mental injury, mental anguish, humiliation, shock or death if directly resulting from bodily injury, sickness, disability or disease.

AES 1225

8. CLAIM

The word "Claim", wherever used in this Policy, shall mean that part of each written demand received by the "Insured" for damages, including the service of suit or institution of arbitration proceedings.

9. COMPLETED OPERATIONS LIABILITY

The words "Completed Operations Liability", wherever used in this Policy, shall mean liability for "Bodily Injury" and/or "Property Damage" arising out of the "Insured"'s operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the "Bodily Injury" and/or "Property Damage" happens after such operations have been completed or abandoned and happens away from the premises owned by or rented to any "Insured" (other than those premises owned or operated by the named "Insured").

Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:-

(a) when all operations to be performed by or on behalf of the "Insured" under the contract have been completed; or,

(b) when all operations to be performed by or on behalf of the "Insured" at a "Construction Project Site" have been completed; or,

(c) when that portion of the work out of which the "Bodily Injury" and/or "Property Damage" arises has been put to its intended use by any person or entity other than another "Contractor" or "Subcontractor" engaged in performing operations for the Principal as part of the same project.

"Completed Operations Liability" does not include liability for "Bodily Injury" and/or "Property Damage" arising out of:

(a) operations in connection with the transportation of property, unless the "Bodily Injury" and/or "Property Damage" arises out of a condition in or on an "Automobile" created by the loading or unloading thereof, or,

(b) the existence of tools, uninstalled equipment or abandoned or unused materials.

10. CONSTRUCTION PROJECT SITE

The words "Construction Project Site", wherever used in this Policy, shall mean that area described in the construction contract documents including the area available for "Contractor" operations, access routes, rights-of-way and additional sites necessary or incidental thereto for which a work order has been issued by the named "Insured".

Notwithstanding Condition 14 or the foregoing, in no event shall this Policy apply to any sites for which separate policies have been purchased even if the limits of such separate policies have been reduced or exhausted by any "Occurrence"s.

AES 1225

11. CONTRACTOR

The word "Contractor", wherever used in this Policy, shall mean any individual, partnership, firm or corporation which has entered into a contract for construction with authority to perform "Contract Work" at any "Construction Project Site" unless such entity is specifically excluded from such coverage as is afforded by this Policy.

12. CONTRACT WORK

The words "Contract Work", wherever used in this Policy, shall mean the entire completed construction of the various separately identifiable parts required to be furnished under the contract documents.

13. DEFENCE EXPENSES

The words "Defence Expenses", wherever used in this Policy, shall mean investigation, adjustment, appraisal, defence and appeal costs and expenses and pre and post judgement interest, paid or incurred by or on behalf of the "Insured" and as detailed in Endorsement No. 6.

The salaries, expenses or administrative costs of the "Insured" or its employees or any insurer shall not be included within the meaning of "Defence Expenses".

14. DISCRIMINATION

The word "Discrimination", wherever used in this Policy, shall mean termination of the employment relationship, a demotion, a failure or refusal to hire or promote, denial of an employment benefit or the taking of any adverse or differential employment action because of race, colour, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by any national, federal, state or local law.

15. EMPLOYERS' LIABILITY

The words "Employer's Liability", wherever used in this Policy, shall mean any liability of an "Insured" to its employee arising out of the employment of that employee.

16. GENERAL LIABILITY

The words "General Liability", wherever used in this Policy, shall mean liability to which this Policy applies other than "Product Liability" and "Completed Operations Liability".

17. INAPPROPRIATE EMPLOYMENT CONDUCT

The words, "Inappropriate Employment Conduct", wherever used in this Policy, shall mean:

(a) actual or constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful or in breach of an implied employment contract or breach of the covenant of good faith or fair dealing in the employment contract;

(b) allegations of wrongful demotion, or wrongful discipline;

AES 1225

(c) allegations of misrepresentation or defamation made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(d) allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(e) allegations of false imprisonment, detention or malicious prosecution made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote;

(f) allegations of libel, slander, defamation of character or any invasion of right of privacy made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote; or,

(g) other injury allegations made by an employee, a former employee or an applicant for employment which arise from an employment decision to hire, fire, promote or demote.

Inappropriate Employment Conduct does not include damages determined to be owing under a written or express contract of employment or obligation to make payments, including but not limited to severance payments, in the event of the termination of employment.

Inappropriate Employment Conduct shall not include any allegations other than those set forth above.

18. **INSURED**

The word "Insured", wherever used in this Policy, shall mean only the following: -

(a) the named "Insured" set out in Item 1.(a) of the Declarations;

(b) i) the named "Insured""s subsidiary, owned or controlled companies that are directly involved with the named "Insured" at the "Construction Project Site" which have been declared to and accepted by Underwriters at the inception of this Policy;

ii) any "Contractor" or "Subcontractor";

(c) any person or entity to whom the "Insured" is obliged by a written "Insured Contract" relating directly to a "Construction Project Site" entered into before any relevant "Occurrence", to provide insurance such as is afforded by this Policy but only with respect to:

i) liability arising out of operations conducted by the named "Insured" or on its behalf; or

ii) facilities owned or used by the named "Insured";

AES 1225

iii) Limits of Liability that are not greater than those required under said "Insured Contract".

(d) any officer, director, stockholder, partner or employee of the "Insured", but only in respect of an "Occurrence" covered hereunder whilst acting within their duties.

19. INSURED CONTRACT

The words "Insured Contract", wherever used in this Policy, shall mean any written contract or agreement entered into by the "Insured" and pertaining to business under which the "Insured" assumes the tort liability of another party to pay for "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury" to a "Third Party" or organisation. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

20. INSURED'S PRODUCTS

The words "Insured's Products", wherever used in this Policy, shall mean goods or products manufactured, sold, handled or distributed by the "Insured" or by others trading under the name of the "Insured", including any packaging thereof.

21. LET

The word "Let", wherever used in this Policy, shall mean the commissioning by the named "Insured" of a contract for construction work with "Contractors" and/or "Subcontractors" for the performance of "Contract Work" at any "Construction Project Site" scheduled under this Policy in accordance with Endorsement No 2.

22. MOBILE EQUIPMENT

The words "Mobile Equipment", wherever used in this Policy, shall mean a land vehicle (including any machinery or apparatus attached thereto), whether or not self propelled

(a) not subject to motor vehicles registration, or

(b) maintained for use exclusively on premises owned by or rented to the named "Insured", including the ways immediately adjoining, or

(c) designed for use principally off public roads, or

(d) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: -

(i) power cranes, shovels, loaders, diggers and drills;

(ii) concrete mixers (other than the mix in transit type), graders, scrapers, rollers and other road construction or repair equipment;

(iii) air compressors; pumps and generators, including spraying, welding and building-cleaning equipment; and

AES 1225

(iv) geophysical exploration and well servicing equipment;

23. OCCUPATIONAL DISEASE

The words "Occupational Disease", wherever used in this Policy, shall mean any injury, including death, sickness, disease or disability, defined as occupational disease in any workers compensation or disability benefits laws, statutes or regulations of any jurisdiction in which the "Occurrence" first commences or the Occupational Disease arises.

24. OCCURRENCE

The word "Occurrence", wherever used in this Policy, shall mean an accident, including continuous and repeated exposure to substantially the same general harmful conditions which results in "Bodily Injury", "Personal Injury", "Property Damage" and/or "Advertising Injury", none of which was intended by any "Insured".

25. PERSONAL INJURY

The words "Personal Injury", wherever used in this Policy, shall mean injury other than "Bodily Injury" arising from:

(a) false arrest, false imprisonment, wrongful eviction or wrongful detention of a "Third Party" human being;

(b) libel, slander, defamation of character or invasion of right of privacy of such human being;

(c) mental injury, mental anguish or shock to such human being which results from (a) or (b) above;

26. PHASED HANDOVER

The words "Phased Handover" wherever used in this Policy, shall mean any part of the project which is occupied or accepted by the Principal prior to the completion of the whole project whether a certificate of acceptance has been issued or not.

27. PRODUCT LIABILITY

The words "Product Liability", wherever used in this Policy, shall mean liability for "Bodily Injury" and/or "Property Damage" arising out of the "Insured's Products" or reliance upon a representation or warranty made at any time with respect thereto, but only if the "Bodily Injury" and/or "Property Damage" happens after physical possession of the "Insured's Products" has been relinquished to others and happens away from premises owned, leased, rented or occupied by the "Insured".

28. PRODUCT LIABILITY AND COMPLETED OPERATIONS LIABILITY COMBINED PERIOD

The words "Product Liability and Completed Operations Liability Combined Period", wherever used in this Policy, shall mean up to three years from completion of each "Contract Work".

AES 1225

29. PROFESSIONAL SERVICES

The words "Professional Services" wherever used in this Policy, shall mean the preparation or approval of audits, accounts, drawings, blue prints, maps, plans, opinions, reports, surveys, designs or specifications and supervisory, inspection, engineering or data processing services.

30. PROPERTY DAMAGE

The words "Property Damage", wherever used in this Policy, shall mean physical loss of, physical damage to or physical destruction of tangible property of a "Third Party", including loss of use of the tangible property so lost, damaged or destroyed;

31. SEXUAL HARASSMENT

The words "Sexual Harassment", wherever used in this Policy, shall mean unwelcome sexual advances, requests for sexual favours or other verbal or physical conduct of a sexual nature that: (1) explicitly or implicitly are made a condition of employment, (2) are used as basis for employment decisions, or (3) create a work environment that interferes with performance.

32. SUBCONTRACTOR

The word "Subcontractor", wherever used in this Policy, shall mean any individual, partnership, firm or corporation which has entered into a contract for construction with a "Contractor" or "Contractors" or with any tier of "Subcontractors" to perform "Contract Work" at a "Construction Project Site" unless such entity is specifically excluded from such coverage as is afforded by this Policy.

33. THIRD PARTY

The words "Third Party", wherever used in this Policy, shall mean any company, entity, or human being other than an "Insured" or other than a subsidiary, owned or controlled company or entity of an "Insured". An employee of an "Insured" shall be treated as a "Third Party".

34. ULTIMATE NET LOSS

The words "Ultimate Net Loss", wherever used in this Policy, shall mean the amount the "Insured" is obligated to pay, by judgement or settlement, as: -

(a) damages;

(b) expenses for necessary medical, surgical, x-ray and dental services including prosthetic devices;

(c) necessary ambulance, hospital, professional nursing and funeral services;

resulting from an "Occurrence" covered by this Policy.

AES 1225

35. UNINTENDED OMISSIONS, ERRORS OR INCORRECT DESCRIPTION

Liability to which this Policy applies shall not be prejudiced by any unintentional and/or inadvertent omission, error or incorrect description in the declaration of "Insured Contract"s provided notice is given to Underwriters as soon as practicable upon discovery of any such omission, error or incorrect description.

36. WATERCRAFT LIABILITY

The words "Watercraft Liability", wherever used in this Policy, shall mean liability arising out of the maintenance, operation or use of any craft designed to float or travel on, in or under the water, including hovercraft.

AES 1225

DECLARATIONS

Item 1.

(a) Name and Address of the named "Insured":

Port Authority of New York and New Jersey, as Principal and named "Insured".

225 Park Avenue South,
12th Floor,
New York, N.Y. 10003

(b) "Construction Project Site"s:

Per Definition 10 but only those "Construction Project Site"s that are "Let" by and appear on the records of the named "Insured" as being insured under the Owner Controlled Insurance Program.

Item 2. Limits of Liability:

(a) "Ultimate Net Loss" in respect of each "Occurrence" which is always subject to (b) below: - USD 500,000

(b) Aggregate "Ultimate Net Loss" separately in respect of:

(i) "Product Liability" and "Completed Operations Liability" combined:- USD 1,500,000 for all "Annual Periods of Construction" and all "Construction Project Site"s that have been completed before 1st June 2010, however Underwriters agree to one reinstatement of this Limit of Liability at terms to be agreed by the named "Insured" and Underwriters at time of reinstatement.

(ii) "Personal Injury" USD 500,000.

Item 3. Policy Period in respect of all "Construction Project Site"s: -

(a) Inception date: 1st June 2007

(b) Expiry date: 1st June 2010

AES 1225

At 00.01 hours local standard time at the address of the named "Insured" and subject to Condition 4. Cancellation or Non-Renewal.

Item 4. Annual Periods of Construction: -

1st June 2007 to 1st June 2008
1st June 2008 to 1st June 2009
1st June 2009 to 1st June 2010

All dates at 00.01 hours local standard time at the address of the named "Insured".

Item 5 Currency:-

United States Dollars (USD)

Item 6. Premium:-

(a) in accordance with Endorsement Number 3

(b) Payable on (dates):-

1st June 2007
1st June 2008
1st June 2009

Is this the correct title please?

Item 7. Payment of Premium to: -

Aon Limited
300 Jericho Quadrangle,
Suite 300
P.O. Box 342
Jericho N.Y. 11753

Item 8. Damages Payments to: -

Aon Limited
8 Devonshire Square
London EC2M 4PL

Item 9. Service of Suit
In accordance with the attached Service of Suit Clause
Wilson, Elser, Moskowitz, Edelman & Dicker
150 East 42nd Street, New York, NY 10017

Item 10. Notice of Occurrence: - John Riddle Claims Consultants
7804 Third Avenue, Brooklyn, NY 11209

AES 1225

SERVICE OF SUIT CLAUSE (U.S.A.) (Condition 16)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon the entity named in Item 9 of the Declarations and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

24/4/86
NMA1998 (amended)

Wherever the words "(or Reinsured)" appear in this Clause they shall be deemed deleted

AES 1225

ENDORSEMENT NO. 1

ACTIONS OVER/INDEMNITY BUYBACK

This Policy, subject to all its Insuring Agreements, Conditions, Exclusions and Definitions, is endorsed to indemnify the "Insured" for amounts for which it shall have become liable to pay and shall have paid on account of investigation, defense and indemnity as respects its responsibilities, if any, to any "Third Party" by virtue of defense and indemnity obligations assumed under written contract or agreement and arising from "Bodily Injury" of any employee(s) of the "Insured", except insofar as same may arise from "Occupational Disease".

All other terms of this Policy remain unchanged

AES 1225

ENDORSEMENT NO. 2

SCHEDULES OF CONSTRUCTION PROJECT SITES

Schedules of "Construction Project Site"s will be supplied to Underwriters within 90 days of each anniversary of the date stated in Item 3.(a) of the Declarations.

These schedules will include the date each "Construction Project Site" was started and/or completed.

All other terms of this Policy remain unchanged

N.B. For the purposes of this Policy, "completed" = "put to intended use or substantial completion".

AES
122

ENDORSEMENT NO. 3

PREMIUM AND ADJUSTMENTS

The premium shall be computed and adjusted as follows:-

(1) Deposit and Maximum Guaranteed Cost Premium USD , payable in instalments as stated in clause (5) of this Endorsement.

(2) Deposit and Maximum Guaranteed Cost Premium of USD is subject to the following Loss Experience Rebate:

Following the date shown in Item 3.(c) of the Declarations, and the premium adjustment of this Policy and after final settlement of all incurred losses under this Policy, the "Insured" shall be allowed an experience rebate, if applicable, as follows:

Paid Losses less than	Experience Rebate	
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	USD	or pro rata downwards
USD	Nil	

All premiums due to Underwriters shall be paid by, and any return premiums due to the named "Insured" shall be paid to the named "Insured".

(3) The Deposit and Maximum Guaranteed Cost Premium in (1) above is based upon applicable "Contractor" payments during the period not exceeding an estimated USD. 4,500,000,000

In the event that the actual "Contractor" payments exceed the above estimates by more than 10%, then the Maximum Guaranteed Cost Premium shall be adjusted at % of the actual payments made on contracts during the Policy Period.

To be completed by Underwriters

AES 1225

(4) Incurred losses means the sum of:

(A) All losses, including medical payments, actually paid
(B) Reserves for unpaid losses as estimated by Underwriters and/or their Third Party Claims Administrator
(C) Premium on bonds paid for by Underwriters in accordance with the provisions of the Policy
(D) Interest accruing after entry of a judgement against the "Insured"
(E) Allocated (including legal expenses and defense costs) and unallocated "Defence Expenses", paid and reserved therefor.
(F) Third Party Claims Administration charges and all other costs including expenses in seeking recovery against a third party.

(5) Premium shall be payable as follows: -

Instalment Dates:	Deposit Premium Instalments	TRIA Proportion of Premium Instalments
1st June 2007	To be completed by PAICE & subject to concurrence by Excess Underwriters	
1st June 2008		
1st June 2009		

Notwithstanding that the TRIA proportion of the premium is payable in instalments, the TRIA premium referred to in Endorsement 5 of this Policy is fully earned by Underwriters at the Inception Date referred to in Item 3 of the Declarations

All other terms of this Policy remain unchanged

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ENDORSEMENT NO. 4

OFAC ENDORSEMENT

If coverage for a claim under this Policy is in violation of any United States of America's economic or trade sanctions, including but not limited to, sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), then coverage for that claim shall be null and void.

All other terms of this Policy remain unchanged

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ENDORSEMENT NO. 5

U.S. Terrorism Risk Insurance Act of 2002 as amended
New & Renewal Business Endorsement

This Endorsement is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

In consideration of a 1% allocation within the premium, it is hereby noted and agreed with effect from inception that the Terrorism exclusion to which this Insurance is subject, shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002" as amended ("TRIA").

The coverage afforded by this Endorsement is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in TRIA. The coverage provided by this Endorsement shall expire at 12:00 midnight December 31, 2007, the date on which the TRIA Program is scheduled to terminate or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates. The Terrorism exclusion, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

This Endorsement only affects the Terrorism exclusion to which this Insurance is subject. All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

Furthermore the Underwriter(s) will not be liable for any amounts for which they are not responsible under the terms of TRIA (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on the Underwriter's liability for payment for terrorism losses.

LMA5052 (amended)
22/12/05
Form approved by Lloyd's Market Association and model agreed by the International Underwriting Association

AES 1225

ENDORSEMENT NO. 6

CLAIMS PROCEDURE

Third Party Administrator
John Riddle Claims Consultants (JRCC) is the appointed Third Party Administrator.

JRCC responsibilities are:

- Maintenance of claims files
- Reserve posting and changes
- Monthly bordereaux to Underwriters
- Issuance of Claims Funds
- Transmittal of summons and complaints
- Management of trust fund account
- Reporting to Underwriters if and when required
- Issuing reservation of rights or denial letters if and when required (subject to CRC/Underwriters' approval as appropriate)
- Member of CRC
- Triangulations as at the following dates; 31st January, 28th February, 31st March, 30th June, 30th September, 31st December each policy year

JRCC will charge a flat fee of USD 360 for "Property Damage" claims settled up to USD 15,000. "Property Damage" losses in excess of USD 15,000 and "Bodily Injury" losses will be billed on an hourly basis as follows:-

June 1st, 2007 to January 1st, 2009
USD 102.00 per hour.
January 1st, 2009 to June 1st, 2010
USD 108.00 per hour.

Underwriters concur that JRCC will have ground up settlement authority of up to USD 100,000 per occurrence. Where practicable the CRC (and insurers if appropriate) will be kept informed of all proposed settlement agreements.

Claims Review Committee (CRC) and Sub-Committee (CRSC)

The CRC will consist of the following parties:

Port Authority of New York and New Jersey, Treasury, Risk Finance, Law Departments
Approved Defence Counsel
AON - Port Authority Service Team in New York and AON Limited, London
Underwriters at Interest
JRCC
Workers Compensation Carrier

AES 12

The CRC will meet on a monthly basis in New York and annually in London. The list of cases for CRC meetings and attorney case summaries will be submitted to CRC members at least ten days prior to each meeting.

As a practical matter Underwriters may not attend all CRC meetings.

The CRC and CRC sub-committee as appropriate will be responsible for establishing reserves for both indemnity and costs. The CRC will have ground up settlement authority of up to USD 500,000 per occurrence.

Claims Negotiation Days (Settlement Days)

In an attempt to resolve cases in a cost effective manner these should take place every forty five days where practical. It is the responsibility of the CRC to nominate the appropriate cases which will be negotiated before retired Judge Anthony Mereorella or other appropriate party to be advised.

Notice to Underwriters:

Underwriters will be immediately advised in writing of losses reserved at USD 250,000 or greater or of any losses involving the following criteria:

1. Fatality
2. Closed Head Injury/Neurological Injury
3. Spinal Cord Damage or paralysis
4. Loss of limb
5. Partial or full loss of sight
6. Permanent disability
7. Significant burns cases - in excess of 10% of body surface
8. Where three or more parties are injured arising out of one incident
9. Where New York labor law 240/241 may apply to present exposure into underwriter's layer of coverage.

Defence of "Insured"

For all losses in suit where notice to underwriters is appropriate JRCC will nominate defence counsel from a "to be agreed" panel.

Underwriters will review the nomination and promptly respond with instructions. Subject to terms of engagement approved defense counsel may thereafter file the appropriate pleadings and assume the defence of the Insured.

Defence counsel will operate within agreed to guidelines.

Payment of Fees

- Subject to policy terms Underwriters will be responsible for payment of defence costs and related expenses incurred in defence of the "Insured". Underwriters shall not however be responsible for the fees and/or expenses of the "Insured's own staff.

AES 1225

Annual Review

This endorsement is subject to annual review commencing 1st June, 2008

All other terms of this Policy remain unchanged

AES 1225

ENDORSEMENT NO.7

INCIDENTAL MEDICAL MALPRACTICE ENDORSEMENT

The definition of "Bodily Injury" is amended to include "Incidental Medical Malpractice Injury"

The words "Incidental Medical Malpractice Injury", wherever used in this Policy, shall mean injury arising out of the rendering of or failure to render, during the Policy Period, the following services: -

(a) medical, surgical, dental, x-ray or nursing services or the furnishing of food or beverages in connection therewith, or

(b) the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

This coverage does not apply to: -

(1) expenses incurred by the "Insured" for first aid at the time of an accident and Condition 13 is amended accordingly;

(2) any "Insured" engaged in the business or occupation of providing any of the services described under (a) or (b) above;

(3) injury caused by an indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under (a) or (b) above.

Coverage under this Endorsement shall not be prejudiced by Exclusion 2 of this Policy.

All other terms of this Policy remain unchanged

AES 1225

ENDORSEMENT NO.8

In respect of operations of the "Insured" within an Airport perimeter, the following Clauses apply: -

WAR, HI-JACKING AND OTHER PERILS EXCLUSION CLAUSE (AVIATION)

This Policy does not cover claims caused by

(a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.

(b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

(c) Strikes, riots, civil commotions or labour disturbances.

(d) Any act of one or more persons, whether or not agents of a sovereign Power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.

(e) Any malicious act or act of sabotage.

(f) Confiscation, nationalisation, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority.

(g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the Aircraft or crew in Flight (including any attempt at such seizure or control) made by any person or persons on board the Aircraft acting without the consent of the Insured.

Furthermore this Policy does not cover claims arising whilst the Aircraft is outside the control of the Insured by reason of any of the above perils. The Aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the Aircraft to the Insured at an airfield not excluded by the geographical limits of this Policy, and entirely suitable for the operation of the Aircraft (such safe return shall require that the Aircraft be parked with engines shut down and under no duress).

AVN 48B 1.10.96

AES 1225

EXTENDED COVERAGE ENDORSEMENT (AVIATION LIABILITIES)

1. All sub-paragraphs other than (b) of Clause AVN 48B above are deleted SUBJECT TO all terms of this Endorsement.

2. EXCLUSION applicable only to any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48B.

   Cover shall not include liability for damage to any form of property on the ground situated outside Canada and the United States of America unless caused by or arising out of the use of aircraft.

3. LIMITATION OF LIABILITY

   The limit of Insurers' liability in respect of the coverage provided by this Endorsement shall be a sub-limit of USD 500,000 or the applicable Policy limit whichever the lesser any one Occurrence and in the annual aggregate. This sub-limit shall apply within the full Policy limit and not in addition thereto.

Nothing in this Extended Coverage Endorsement shall operate to override the effects of Exclusion 24 of this Policy.

NOISE AND POLLUTION AND OTHER PERILS EXCLUSION CLAUSE

1. This Policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:-

   (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,

   (b) pollution and contamination of any kind whatsoever,

   (c) electrical and electromagnetic interference,

   (d) interference with the use of property;

   unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

2. With respect to any provision in the Policy concerning any duty of Insurers to investigate or defend claims, such provision shall not apply and Insurers shall not be required to defend

   (a) claims excluded by Paragraph 1 or

   (b) a claim or claims covered by the Policy when combined with any claims excluded by Paragraph 1 (referred to below as "Combined Claims").

3. In respect of any Combined Claims, Insurers shall (subject to proof of loss and the limits of the Policy) reimburse the Insured for that portion of the following items which may be allocated to the claims covered by the Policy:

AES 122

(i) damages awarded against the Insured and

(ii) defence fees and expenses incurred by the Insured.

4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this Policy.

AVN 46B 1.10.96

Wherever used in this Clause, the word "Insurers" is deemed to read "Underwriters"

All other terms of this Policy remain unchanged

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SECURITY

This insurance has been effected with the following:-

100% Port Authority Insurance Captive Entity, LLC (PAICE)

SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

COVER NOTE
PORT AUTHORITY INSURANCE CAPTIVE ENTITY, LLC

RISK DETAILS:

TYPE:	Contractors Insurance Program – General Liability	
FORM:	Manuscript	
ASSURED:	THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY and all of its wholly-owned corporate entities, as well as all of its enrolled contractors.	
PERIOD:	Effective from:	1st June 2011 12:01 am Local Standard Time at the address of the Named Assured.
	To:	1st June 2014 12:01 am Local Standard Time at the address of the Named Assured.
INTEREST:	Commercial General Liability in respect of the Assured's operations.	
LIMIT:	USD 500,000 per claim.	
DEDUCTIBLE:	None	
ORDER HEREON:	100% of limits as above.	
TERRITORY:	New York and New Jersey.	
CONDITIONS:	All as per Form	
CANCELLATION:	10 days with respect to non-payment of premium, otherwise this policy is non-cancellable by underwriters. Cancellation by Assured as per Form.	
EXPRESS WARRANTIES:	None	
CONDITIONS PRECEDENT:	None	
CHOICE OF LAW & JURISDICTION:	This insurance shall be governed by and construed in accordance with the laws of New York and the exclusive jurisdiction of New York.	
PREMIUM:	USD 29,794,974 Flat (100%) for period.	

Payable in the following installments:

7/01/11	USD 9,931,658
7/01/12	USD 9,931,658
7/01/13	USD 9,931,658

COVER NOTE
PORT AUTHORITY INSURANCE CAPTIVE ENTITY, LLC

INITIAL PAYMENT TERMS:	30 days from effective date of coverage, then as per installment schedule.
BROKERAGE:	None
OTHER DEDUCTIONS FROM PREMIUM:	None
TAXES PAYABLE BY THE ASSURED AND ADMINISTERED BY UNDERWRITERS:	None

Form to follow.

ACKNOWLEDGED ON BEHALF OF:

PAICE, LLC

By: _____

Title: **Captive Secretary**

Date: **July 1, 2011**

COMPANY POLICY

on behalf of

Port Authority Insurance Captive Entity, LLC (PAICE)

IN CONSIDERATION of the Insured named in the Schedule herein having paid or promised to pay the premium set forth in the said Schedule to the Insurer named above (hereinafter referred to as the Insurer)

THE INSURER HEREBY AGREES to insure the Insured or the Insured's Executors, Administrators or Assigns against loss damage liability or expense in the proportions and manner as more fully set forth in this Policy during the Period of Insurance stated in the said Schedule or during any subsequent period as may be mutually agreed upon between the Insured and the Insurer

PROVIDED that the liability of the Insurer shall not exceed the Insurer's limit(s) of liability as more fully set forth in this Policy or such other limit(s) as may be substituted therefor by endorsement hereon or attached herein signed by or on the behalf of the Insurer

IF THE INSURED shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claim hereunder shall be forfeited

IN WITNESS WHEREOF I, being a representative of the Insurer and authorised by the Insurer to sign this Policy on its behalf, have hereunto subscribed my name this ..... day of ..... 2014.

Policy Number: B080116335U14
Insurer Reference:

Schedule

PRODUCER: Willis Limited

NAMED INSURED AND ADDRESS: **The Port Authority of New York and New Jersey** as owner and all Contractors and all Co and Sub-Contractors and Program Managers and as more fully set forth in the Lead Underlying Policy

225 Park Avenue South
12th Floor
New York
N.Y. 10003
United States of America

POLICY PERIOD: As per wording attached hereto

TYPE OF COVERAGE: Excess Construction Liability Insurance

LIMITS OF LIABILITY: 25% of the Limits of Liability set forth within the attached wording

PREMIUM: MINIMUM & DEPOSIT USD 5,200,000 (100%) (of which PAICE's proportion for their 25% participation is USD1,300,000 (Including TRIA premium))

payable in three (3) instalments as follows:

1st instalment – due 1 June 2014: USD1,733,334 (100%)
2nd instalment – due 1 June 2015: USD1,733,333 (100%)
3rd instalment – due 1 June 2016: USD1,733,333 (100%)

The Minimum and Deposit Premium shall be adjusted, as follows:

0.27% of the actual payments made on contracts during the Period 1 June 2014 to 1 June 2017

Estimated Contractor Payments for 1 June 2014 to 1 June 2017 period: USD 2,448,224,000

HERETO: As per Security Details

ATTACHMENTS: Short Excess Form 01-08 (Occ) Amended plus Endorsements up to Number 6

IN WITNESS WHEREOF, this Policy has been entered into and executed by the undersigned in

..... this ..... day of ..... , 2014

LONDON SHORT EXCESS FORM 01-08 (OCC) Amended

INSURING AGREEMENTS:

1. **COVERAGE** -

The Insurer(s) as stated within the Security Details (hereinafter called "the Company") hereby agrees, subject to the limitations, terms and conditions contained herein, to pay all sums which the Insured shall be obligated to pay by reason of the liability arising out of the hazards covered by and as more fully defined in the Lead Underlying Policy (as stated in Item 2. a) of the Declarations and hereinafter referred to as "Lead Underlying Policy"); provided always however, that this Policy shall not apply until the Underlying Insurers (as stated in Items 2.c) and 2.d) of the Declarations and hereinafter referred to as "Underlying Insurers") and/or the Insured have paid or have been held liable to pay the full amount of their respective Limit(s) of Liability in accordance with Insuring Agreement 2.

The Company further agrees that this Policy will follow the same terms, definitions, exclusions and conditions (except as otherwise provided herein) as are, at inception hereof, contained in the Lead Underlying Policy.

Notwithstanding the foregoing, in the event that any of the following amendment(s) are subsequently made to the terms, definitions, exclusions and conditions of the Lead Underlying Policy in effect at inception hereof:

1. any change which is subject to an additional premium charge,
2. the inclusion of an additional coverage extension endorsement,
3. any change to the insuring agreements, definitions and exclusions which is intended to broaden the scope of the coverage already provided, other than Insureds or Named Insureds added without an additional premium charge,

then such amendment(s) shall not be binding upon the Company unless otherwise agreed in writing by the Company.

2. **LIMIT OF LIABILITY** -

The Company shall be liable only to pay sums up to:

USD (as stated in Item 3.a) of the Declarations)	in respect of each Occurrence - subject to a limit of
USD (as stated in Item 3.b) of the Declarations)	in the aggregate during the currency of this Policy, separately in respect of each hazard insured with an aggregate limit in the Lead Underlying Policy

but liability shall attach to the Company only after the Underlying Insurers and/or the Insured have paid or have been held liable to pay the full amount of their respective Limit(s) of Liability as follows:

USD (as stated in Item 4.a) of the Declarations)	in respect of each Occurrence, but
USD (as stated in Item 4.b) of the Declarations)	in the aggregate during the currency of this Policy, separately in respect of each hazard insured with an aggregate limit in the Lead Underlying Policy.

CONDITIONS:

1. **MAINTENANCE OF UNDERLYING INSURANCE** -

It is a condition of this Policy that the Underlying Policy/ies (as stated in Items 2.a) and 2.b) of the Declarations and hereinafter referred to as "Underlying Policy/ies") shall be maintained in full force and effect, except for any reduction of the aggregate limits contained therein solely by payment of any loss(es). In the event of the Insured's failure to maintain the Underlying Policy/ies in full force and effect and except with respect to the aforementioned aggregate reduction, coverage hereunder shall not be invalid, but shall apply to the same extent that it would have applied had there been compliance with this condition.

In the event any Underlying Policy stated in Item 2.b) of the Declarations excludes loss(es) which are covered by the Lead Underlying Policy and subsequently covered hereunder in accordance with the provisions of Insuring Agreement 1 - Coverage, the Insurer shall not drop down to apply in place of such excluded coverage.

2. **ASSISTANCE AND CO-OPERATION** -

The Insurer shall not be called upon to assume charge of the settlement or defense of any claim made or suit brought or proceeding instituted against the Insured however the Insurer shall have the right and shall be given the opportunity to associate with the Insured or the Insured's underlying insurers, or both, in the defense and control of any claim, suit or proceeding relative to an Occurrence where the claim or suit involves, or appears reasonably likely to involve the Insurer, in which event the Insured and the Insurer shall co-operate in all things in the defense of such claim, suit or proceeding.

3. **CANCELLATION** -

The Named Insured or the Insurer hereon shall have the right to cancel this Policy in accordance with the cancellation provisions of the Lead Underlying Policy. Such notice shall be sent to the Insurer via the entity stated in Item 6.b) of the Declarations.

4. **NOTICE OF OCCURRENCE** -

Whenever the Insured has information from which they may reasonably conclude that an Occurrence covered hereunder involves injuries or damages which, in the event that the Insured should be held liable, is likely to involve this Policy, notice shall be sent to the Insurer via the entity stated in Item 6.a) of the Declarations as soon as practicable, provided, however, that failure to give notice of any Occurrence which at the time of its happening did not appear to involve this Policy, but which, at a later date would appear to give rise to claims hereunder, shall not prejudice such claims.

Policy Number: B080116335U14
Insurer Reference:

DECLARATIONS

Item 1. a) Named Insured: The Port Authority of New York and New Jersey as owner and all Contractors and all Co and Sub-Contractors and Program Managers and as more fully set forth in the Lead Underlying Policy

b) Address of Named Insured: 225 Park Avenue South
12th Floor
New York
N.Y. 10003
United States of America

Item 2. a) Lead Underlying Policy Number: 1070561

b) All other Underlying Policy Number(s): Renewal of PACIPGL1114 and/or to be advised

c) Lead Underlying Insurer: LEX-London a division of AIG Europe Limited

d) All other Underlying Insurer(s): Port Authority Insurance Captive Entity LLC (PAICE) and others

Item 3. Limit of Liability:
(Insuring Agreement 2)

a)		USD2,000,000	Each Occurrence (Costs in addition)
b)	(i)	USD2,000,000	Annual Aggregate in respect of Personal Injury
	(ii)	USD6,000,000	Aggregate for 72 months in respect of Products Liability and Completed Operations Liability combined (Costs in addition)

Item 4. Underlying Limits:
(Insuring Agreement 2)

i) AIRPORT/NON-AIRPORT <u>EXCEPT</u> BAYONNE BRIDGE NAVIGATIONAL CLEARANCE PROGRAM

a)		USD2,500,000	Each Occurrence (Costs in addition)
b)	(i)	USD2,500,000	Annual Aggregate in respect of Personal Injury
	(ii)	USD7,500,000	Aggregate for 72 months in respect of Products Liability and Completed Operations Liability combined (Costs in addition)

ii) BAYONNE BRIDGE NAVIGATIONAL CLEARANCE PROGRAM

a)	USD2,000,000	Each Occurrence (Costs in addition)
b)	(i) USD2,000,000	Annual Aggregate in respect of Personal Injury
	(ii) USD6,000,000	Aggregate for 72 months in respect of Products Liability and Completed Operations Liability combined (Costs in addition)

Which in turn is excess of:

i) AIRPORT/NON-AIRPORT EXCEPT BAYONNE BRIDGE NAVIGATIONAL CLEARANCE PROGRAM

a)	USD 500,000	Each Occurrence (Costs in addition)
b)	(i) USD 500,000	Annual Aggregate in respect of Personal Injury
	(ii)USD1,500,000	Aggregate for 72 months in respect of Products Liability and Completed Operations Liability combined (Costs in addition)

ii) BAYONNE BRIDGE NAVIGATIONAL CLEARANCE PROGRAM

a)	USD 1,000,000	Each Occurrence (Costs in addition)
b)	(i) USD 1,000,000	Annual Aggregate in respect of Personal Injury
	(ii)USD3,000,000	Aggregate for 72 months in respect of Products Liability and Completed Operations Liability combined (Costs in addition)

Item 5. Policy Period:	From: 1st June 2014 to 1st June 2017 both days at 00:01 a.m. Local Standard Time at the above address of the Named Insured Plus the Products Liability and Completed Operations Liability combined Period as Lead Underlying Policy.
Item 6. Notice to: (Conditions 3 and 4)	a) All Notices of Occurrence to: The Insurer via Willis Limited The Willis Building Energy, Property & Casualty Claims Department 51 Lime Street London EC3M 7DQ b) All other Notices: Willis Limited The Willis Building Willis North America London – N A Casualty Dept 51 Lime Street London EC3M 7DQ
Item 7. Premium:	As set forth within the Schedule attached hereto

Policy Number: B080116335U14

Named Insured: **The Port Authority of New York and New Jersey**

Endorsement Number: 1

Effective Date: 1st June 2014

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIOCHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

   1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

   1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

   1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

   1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes

   1.5 any chemical, biological, bio-chemical or electromagnetic weapon.

CL370

All other terms and conditions of this Policy remain unchanged.

Policy Number: B080116335U14

Named Insured: **The Port Authority of New York and New Jersey**

Endorsement Number: 2

Effective Date: 1st June 2014

THIRD PARTY ADMINISTRATOR ENDORSEMENT

It is agreed that John Riddle & Associates Inc. (JRA) are the appointed Third Party Administrator /Negotiator.

Responsibilities

JRA administrative duties include:

- Maintenance of Claim files
- Reserve posting and changes
- Monthly bordereaux to Underwriters
- Issuance of Claims Funds
- Transmittal of summons and complaints
- Management of trust fund account
- Reporting to Underwriters if and when required
- Issuing Reservation of Rights if and when required (subject to Underwriters prior agreement)
- Recording all costs and the allocation of their respective shares to each Underwriter on each policy year.

Trust Funds

JRA is responsible for and holds a trust fund of USD 200,000 per annum for which claims proceeds can be paid. This trust fund will be funded by Port Authority Insurance Captive Entity, LLC (PAICE), the Port Authority of New York and New Jersey's Captive Insurance Company

Charges

JRCC will charge for both Property Damage and Bodily Injury Claims on an hourly basis at USD 175 per hour.

Authority

Underwriters agree that JRA will have settlement authority of USD 50,000 in respect of both Physical Damage and Bodily Injury losses.

Defence of Assured/Contractors

From the following Panel Counsel:

Conway, Farrell, Curtin & Kelly, P.C.
Fabiani Cohen & Hall, L.L.P.
Florio & Kenny, LL.P.
Furman Kornfeld & Brennan L.L.P.
Goldberg Segalla L.L.P.
Segal McCambridge Singer & Mahoney.

Payment of Fees

Underwriters will be responsible for payment of all fees and expenses reasonably incurred in defence of the Insureds. In no event shall Underwriters be responsible for the fees and/or expenses of the Insureds' own staff.

Reporting

Claims involving the defence of the Insureds and that exceed the settlement authority of the Claims Review Committee, shall be reported to Underwriters in accordance with the Lloyds terms of Engagement for defense counsel.

Losses that have been set an indemnity reserve of USD 150,000 and above are to be reported to Underwriters by Panel Counsel for noting on the same basis as set out above.

Claims Review Committee

It is noted that the Claims Review Committee will consist of the following parties:

Port Authority of New York and New Jersey	- Treasury and Risk Finance.
Port Authority of New York and New Jersey	- Law Department
Panel Counsel	- Defence Counsel.
Willis-Port Authority Service Team New York	- Insurance Brokers
John Riddle & Associates Inc.	- TPA/Negotiator
Underwriters at Interest	- Insurers.
Willis Limited, London	- Insurance Brokers

The Claims Review Committee (CRC) will meet on a monthly basis to review cases and provide consensus as to early and cost effective resolution of cases, Underwriters at interest and Willis Limited, London appearances at the meetings are not essential unless:

(a) The Insured requests them
(b) They wish to attend for audit purposes
(c) Contentious issues / claims will be discussed.

The CRC will have the authority to settle cases up to USD 250,000. Any losses in excess of this amount will need to be referred to Underwriters for their approval.

Underwriters will have the right to audit any settlements made or attend any CRC meeting, at any time, subject to notice being given to the appropriate parties.

The costs of one underwriting representative in attending the CRC meetings will be reimbursed by the trust fund, but are limited to two trips per annum and actual costs expended being in relation to work on the Port Authority of New York and New Jersey account.

A CRC sub-committee has been established. The principle function of the sub-committee is to expediently establish reserves on new loss notifications.

Reserving

It will be the responsibility of the CRC to set and establish reserves for both indemnity and costs.

Settlement Days

It is agreed that subject to availability, settlement days should take place every 45 days in an attempt to resolve cases in a cost effective manner. It is the responsibility of the CRC to select cases suitable for a settlement day.

Settlement days should take place before a JAMS Mediator or other appropriate party to be advised.

All other terms and conditions of this Policy remain unchanged.

Policy Number: B080116335U14

Named Insured: **The Port Authority of New York and New Jersey**

Endorsement Number: 3

Effective Date: 1st June 2014

It is hereby understood and agreed that the words "Contractor Payments" are defined as follows:

CONTRACTORS PAYMENTS

The words "Contractors Payments", wherever used in this Policy, shall mean that element of the total payments made by the named "Insured" to their "Contractors" known as Hard Costs which exclude non-recurring costs such as, but not limited to, design costs, architects and consulting engineers fees, planning consent application costs, security and environmental costs.

All other terms and conditions of this Policy remain unchanged

Policy Number: B080116335U14

Named Insured: **The Port Authority of New York and New Jersey**

Endorsement Number: 4

Effective Date: 1st June 2014

The following provision shall apply solely at the option of the Named Insured:

EXPERIENCE DIVIDEND

It is hereby understood and agreed that the following Experience Dividend will apply:

Losses not exceeding	Dividend Payable
Nil	USD1,820,000
USD 455,000	USD1,365,000
USD 910,000	USD 910,000
USD1,365,000	USD 455,000
USD1,820,000	Nil

The Dividend will be calculated based on the loss record for the period 1st June 2014 to 1st June 2017. A first estimate will be made after 1st June 2017 based on the incurred losses plus a provision of IBNR, which will be determined at sole discretion of Insurers at any time and is to be agreed by Insurers only hereon at any time. At this time Insurers may pay a provisional amount but this will be annually adjustable up until 1st June 2025 depending on improvement or deterioration in the loss experience. Any Dividend would be repayable if the loss record deteriorates prior to the final adjustment on 1st June 2025 in line with such deterioration.

At the time of premium adjustment being 1st June 2017, in the event that the Actual Contractor Payments for the period 1st June 2014 to 1st June 2017 generates an additional premium payable hereunder, the dividends as stated above will be increased in the same ratio as the final adjusted premium bears to the total deposit premium(s) paid.

In the event the policy is cancelled prior to the end of the 3 year period, Insurers reserve the right to cancel or recalculate this Experience Dividend.

At the time of the final adjustment based on the loss experience, being 1st June 2025, the dividend payable shall be in full and final settlement of all liabilities attaching to this Policy.

All other terms and conditions of this Policy remain unchanged

Policy Number: B080116335U14

Named Insured: **The Port Authority of New York and New Jersey**

Endorsement Number: 5

Effective Date: 1st June 2014

SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon

Mendes & Mount LLP (or their Nominees)
750 Seventh Avenue,
New York, N.Y. 10019-6829
U.S.A.

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

N.M.A. 1998 (24/4/86) Form approved by Lloyd's Underwriters' Non -Marine Association

All other terms and conditions of this Policy remain unchanged

Policy Number: B080116335U14

Named Insured: **The Port Authority of New York and New Jersey**

Endorsement Number: 6

Effective Date: 1st June 2014

PREMIUM PAYMENT CLAUSE

Notwithstanding any provision to the contrary within this contract or any endorsement hereto, in respect of non payment of premium only the following clause will apply.

The (Re)Insured undertakes that premium will be paid in full to (Re)Insurers by **30 July 2014** (or, in respect of instalment premiums, when due).

If the premium due under this contract has not been so paid to (Re)Insurers by **30 July 2014** (and, in respect of instalment premiums, by the date they are due) (Re)Insurers shall have the right to cancel this contract by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to (Re)Insurers on a pro rata basis for the period that (Re)Insurers are on risk but the full contract premium shall be payable to (Re)Insurers in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this contract.

It is agreed that (Re)Insurers shall give not less than 15 days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid in full to (Re)Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, the contract shall automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

LSW3001 (Amended)
30/9/08

All other terms and conditions of this Policy remain unchanged

SECURITY DETAILS

This Insurance has been effected with the following:

Participation	Insurer
25% (being USD500,000)	Port Authority Insurance Captive Entity, LLC (PAICE)

SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

08/94
LSW1001 (Insurance)

COVER NOTE

PORT AUTHORITY INSURANCE CAPTIVE ENTITY, LLC

PACIPGL0710

RISK DETAILS:

TYPE:	Contractors Insurance Program – General Liability	
FORM:	Manuscript	
ASSURED:	THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY and all of its wholly-owned corporate entities, as well as all of its enrolled contractors.	
PERIOD:	Effective from:	1st June 2007 12:01 am Local Standard Time at the address of the Named Assured.
	To:	1st June 2010 12:01 am Local Standard Time at the address of the Named Assured.
INTEREST:	Commercial General Liability in respect of the Assured's operations.	
LIMIT:	USD 500,000 per claim.	
DEDUCTIBLE:	None	
ORDER HEREON:	100% of limits as above.	
TERRITORY:	New York and New Jersey.	
CONDITIONS:	All as per Form	
CANCELLATION:	10 days with respect to non-payment of premium, otherwise this policy is non-cancellable by underwriters. Cancellation by Assured as per Form.	
EXPRESS WARRANTIES:	None	
CONDITIONS PRECEDENT:	None	
CHOICE OF LAW & JURISDICTION:	This insurance shall be governed by and construed in accordance with the laws of New York and the exclusive jurisdiction of New York.	
PREMIUM:	USD 74,344,500	Flat (100%) pre-paid for period.

COVER NOTE

PORT AUTHORITY INSURANCE CAPTIVE ENTITY, LLC

PACIPGL0710

Payable in the following installments:

7/01/07	USD 24,781,500
7/01/08	USD 24,781,500
7/01/09	USD 24,781,500

PAYMENT TERMS: 30 days from effective date of coverage.

BROKERAGE: None

OTHER DEDUCTIONS FROM PREMIUM: None

TAXES PAYABLE BY THE ASSURED AND ADMINISTERED BY UNDERWRITERS: None

Form to follow.

COVER NOTE
PORT AUTHORITY INSURANCE CAPTIVE ENTITY, LLC

PACIPGL1013

RISK DETAILS:

TYPE:	Contractors Insurance Program – General Liability
FORM:	Manuscript
ASSURED:	THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY and all of its wholly-owned corporate entities, as well as all of its enrolled contractors.
PERIOD:	Effective from: 1st June 2010 12:01 am Local Standard Time at the address of the Named Assured. To: 1st June 2011 12:01 am Local Standard Time at the address of the Named Assured.
INTEREST:	Commercial General Liability in respect of the Assured's operations.
LIMIT:	USD 500,000 per claim.
DEDUCTIBLE:	None
ORDER HEREON:	100% of limits as above.
TERRITORY:	New York and New Jersey.
CONDITIONS:	All as per Form
CANCELLATION:	10 days with respect to non-payment of premium, otherwise this policy is non-cancellable by underwriters. Cancellation by Assured as per Form.
EXPRESS WARRANTIES:	None
CONDITIONS PRECEDENT:	None
CHOICE OF LAW & JURISDICTION:	This insurance shall be governed by and construed in accordance with the laws of New York and the exclusive jurisdiction of New York.
PREMIUM:	USD 11,796,385 Flat (100%) pre-paid for period.

COVER NOTE

PORT AUTHORITY INSURANCE CAPTIVE ENTITY, LLC

PACIPGL1013

PAYMENT TERMS: 30 days from effective date of coverage.

BROKERAGE: None

OTHER DEDUCTIONS FROM PREMIUM: None

TAXES PAYABLE BY THE ASSURED AND ADMINISTERED BY UNDERWRITERS: None

Form to follow.

ISSUED BY THE STOCK INSURANCE COMPANY HEREIN CALLED THE COMPANY

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA
13889

AGENT NUMBER
01382-0000

POLICY NUMBER
WC 367-91-86
082-01-1207-00

INCORPORATED UNDER THE LAWS OF PENNSYLVANIA

ITEM 1. NAMED INSURED:	MAILING ADDRESS	IDENTIFICATION NO.:
THE PORT AUTHORITY OF NEW YORK & NEW JERSEY	225 PARK AVENUE SOUTH NEW YORK, NY 10003-1604	
SEE NAME AND ADDRESS SCHEDULE - WC990610		

I.D#

Member Companies of American International Group

EXECUTIVE OFFICES:
70 PINE STREET, NEW YORK, N.Y. 10270

PRODUCERS NAME & MAILING ADDRESS

AON RISK SERVICES, INC. OF NEW YORK
300 JERICHO QUADRANGLE
JERICHO, NY 11753-0000

WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY INFORMATION PAGE

INSURED IS
PUBLIC ENTITY

PREVIOUS POLICY NUMBER
RENEWAL 003678826

OTHER WORKPLACES NOT SHOWN ABOVE: SEE NAME AND ADDRESS SCHEDULE - WC990610

ITEM 2 POLICY PERIOD 12:01 A.M. standard time at the insured's mailing address FROM 12/31/07 TO 12/31/08

ITEM 3

A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here:

NJ NY

B. Employers Liability Insurance: Part Two of the policy applies to the work in each state listed in item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident $ 2,000,000 each accident
Bodily Injury by Disease $ 2,000,000 policy limit
Bodily Injury by Disease $ 2,000,000 each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:
NONE

ITEM 4 The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Classifications	Code Number	Estimated Total Remuneration [X] Annual [ ] 3 Year	Rate Per $100 OF Remuneration	Estimated Premium [X] Annual [ ] 3 Year
SEE EXTENSION OF INFORMATION PAGE - WC7754 TAXES/ASSESSMENTS/SURCHARGES				

EXPENSE CONSTANT (EXCEPT WHERE APPLICABLE BY STATE) NY

MINIMUM PREMIUM NY

TOTAL ESTIMATED PREMIUM

If indicated below, interim adjustments of premium shall be made:

[ ] Semi-Annually [ ] Quarterly [ ] Monthly

DEPOSIT PREMIUM

ENDORSEMENTS (FORM NUMBER) SEE ATTACHED FORM SCHEDULE - WC990612

12/19/07 NEW YORK — Issue Date

01 — Issuing Office

Authorized Representative

WC 00 00 01

39967

FORMS SCHEDULE

Policy Number: WC 367-91-86

Effective Date: 12/31/2007

FORTRSM	FOREIGN TERRORISM POLHOLDR NOT-PREM DTMN
WC000104A	FEDERAL EMPLOYERS LIABILITY ACT COV ENDT
WC000106A	LONGSHORE AND HARBOR WC ACT COVERAGE
WC000113	TRIA EXTENSION ACT ENDT.
WC000201A	MARITIME COVERAGE ENDORSEMENT
WC000301A	ALTERNATE EMPLOYER ENDORSEMENT
WC000302	DESIGNATED WORKPLACES EXCLUSION ENDT
WC000310	SOLE PRDPRIETDRS PARTNERS OFFICERS OTHER
WC000311A	VOLUNTARY COMP AND EMPLOYERS LIAB COV
WC000313	WAIVER OF OUR RIGHT TO RECDVER
WC000414	NOTIFICATION OF CHANGE IN OWNERSHIP ENDT
WC000421A	D-TEC PREMIUM ENDT.
WC000422	FOREIGN TERRORISM PREMIUM ENDT.
WCOFAC	NOTICE REG DFFICE OF FOREIGN ASSET CTRL
WC58509A	WC - PREMIUM CREDIT APPLICATIDN
78052D	PRIVACY POLICY
WC000419	PREMIUM DUE DATE ENDDRSEMENT
WC990009A	CONS TO TRANS OF YR RIGHTS AND DUTI ENDT
WC990039	ADV NOTICE OF CANC DR NON-REN BY US EXTN
LWNNJSIF	NJ SECOND INJURY FUND
LWNNJUFEF	NJ UNINSURED EMPLDYER FUND
WC290306B	NJ PART II EMPLOYERS LIABILITY ENDT
WC290410	NJ CONSTRUCTION CLASS PREMIUM ADJUSTMENT
WC290509C	NJ RETRO PREM-PART 2 EL EXCESS EXCLUSION
WC290513C	NJ RETRO PREM LARGE RISK ONE YEAR
WC290514C	NJ RETRO PREM LARGE RISK THREE YEARS
WC310308	NY LIMIT DF LIABILITY ENDORSEMENT
WC310319D	NY CDNSTRUCTION CLASSIFICATIDN PREM ADJ
WC310404	NY PENDING PAYRDLL LIMITATION & PREMIUM
WC9931021	NY NOTICE TO POLICY HOLDERS
WC993107	NY NOTICE TO POLICYHOLDER
WC993118	NY SE FUND SCH NDT - IMP NOT TO PHOLDERS
WC990610	NAMED INSUREDS/ADDRESSES

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

INSURANCE POLICY

National Union Fire Insurance
Company of Pittsburgh, Pa.

American Home Assurance Company

The Insurance Company of
The State of Pennsylvania

AIG Casualty Company

Commerce and Industry
Insurance Company

Member Companies of
American International Group, Inc.
EXECUTIVE OFFICES
70 PINE STREET
NEW YORK, N.Y. 10270

Coverage is provided by the Company designated on the Information Page
A Stock Insurance Company

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
QUICK REFERENCE

BEGINNING ON PAGE

Information Page i

GENERAL SECTION 1
- A. The Policy 1
- B. Who Is Insured 1
- C. Workers Compensation Law 1
- D. State 1
- E. Locations 1

PART ONE-WORKERS COMPENSATION INSURANCE 1
- A. How This Insurance Applies 1
- B. We Will Pay 1
- C. We Will Defend 1
- O. We Will Also Pay 1
- E. Other Insurance 2
- F. Payments You Must Make 2
- G. Recovery From Others 2
- H. Statutory Provisions 2

THESE POLICY PROVISIONS WITH THE INFORMATION PAGE AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THIS POLICY.

"INCLUDES COPYRIGHT MATERIAL OF THE NATIONAL COUNCIL ON COMPENSATION INSURANCE, USED WITH ITS PERMISSION.

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QUICK REFERENCE – CONTINUED

BEGINNING ON PAGE

PART TWO - EMPLOYERS LIABILITY INSURANCE 2
- A. How This Insurance Applies 2
- B. We Will Pay 3
- C. Exclusions 3
- D. We Will Defend 3
- E. We Will Also Pay 4
- F. Other Insurance 4
- G. Limits of Liability 4
- H. Recovery From Others 4
- I. Action Against Us 4

PART THREE - OTHER STATES INSURANCE 4
- A. How This Insurance Applies 4
- B. Notice 5

PART FOUR - YOUR DUTIES IF INJURY OCCURS 5

PART FIVE - PREMIUM 5
- A. Our Manuals 5
- B. Classifications 5
- C. Remuneration 5
- D. Premium Payments 5
- E. Final Premium 5
- F. Records 6
- G. Audit 6

PART SIX - CONDITIONS 6
- A. Inspection 6
- B. Long Term Policy 6
- C. Transfer of Your Rights and Duties 6
- D. Cancellation 6
- E. Sole Representative 6

IMPORTANT: This Quick Reference is **not** part of the Workers Compensation and Employers Liability Policy and does **not** provide coverage. Refer to the Workers Compensation and Employers Liability Policy itself for actual contractual provisions.

PLEASE READ THE WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY CAREFULLY

ATTACH FORM AND ENDORSEMENTS (IF ANY) HERE

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows.

GENERAL SECTION

A. The Policy

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who Is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. State

State means any state of the United States of America, and the District of Columbia.

E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A states unless you have other insurance or are self-insured for such workplaces.

PART ONE - WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;

3. litigation costs taxed against you;

4. interest on a judgment as required by law until we offer the amount due under this insurance; and

5. expenses we incur.

E. **Other Insurance**

We will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. **Payments You Must Make**

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;

2. you knowingly employ an employee in violation of law;

3. you fail to comply with a health or safety law or regulation; or

4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. **Recovery From Others**

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

H. **Statutory Provisions**

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.

2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.

3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.

4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.

5. This insurance conforms to the parts of the workers compensation law that apply to:

   a. benefits payable by this insurance or;

   b. special taxes, payments into security or other special funds, and assessments payable by us under that law.

6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

PART TWO - EMPLOYERS LIABILITY INSURANCE

A. **How This Insurance Applies**

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.

2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.

3. Bodily injury by accident must occur during the policy period.

4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

5. If you are sued, the original suit and any related legal actions for damages for bodily injury

by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. **We Will Pay**

We will pay all sums you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. for which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;

2. for care and loss of services; and

3. for consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee;

provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and

4. because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

C. **Exclusions**

This insurance does not cover:

1. liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;

2. punitive or exemplary damages because of bodily injury to an employee employed in violation of law;

3. bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;

4. any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;

5. bodily injury intentionally caused or aggravated by you;

6. bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;

7. damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions.

8. bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws.

9. bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws.

10. bodily injury to a master or member of the crew of any vessel.

11. fines or penalties imposed for violation of federal or state law.

12. damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

D. **We Will Defend**

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. **We Will Also Pay**

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim proceeding, or suit we defend;

1. reasonable expenses incurred at our request; but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

F. **Other Insurance**

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. **Limits of Liability**

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease-policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease-each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.

   Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. **Recovery From Others**

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. **Actions Against Us**

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE - OTHER STATES INSURANCE

A. **How This Insurance Applies**

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.
4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the

Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. **Notice**

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR - YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.
4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE - PREMIUM

A. **Our Manuals**

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. **Classifications**

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. **Remuneration**

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. All your officers and employees engaged in work covered by this policy; and
2. All other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

D. **Premium Payments**

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. **Final Premium**

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise.

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short rate

cancellation table and procedure. Final premium will not be less than the minimum premium.

F. **Records**

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. **Audit**

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

PART SIX - CONDITIONS

A. **Inspection**

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

B. **Long Term Policy**

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. **Transfer of Your Rights and Duties**

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. **Cancellation**

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.

2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.

3. The policy period will end on the day and hour stated in the cancellation notice.

4. Any of these provisions that conflicts with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with that law.

E. **Sole Representative**

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

In Witness Whereof, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.

The Insurance Company
of The State of Pennsylvania

President
National Union Fire
Insurance Company of
Pittsburgh, PA

President
Commerce and Industry
Insurance Company

President
American Home
Assurance Company

President
AIG Casualty Company

Secretary
National Union Fire Insurance Company of Pittsburgh, PA
American Home Assurance Company
The Insurance Company of The State of Pennsylvania
AIG Casualty Company
Commerce and Industry Insurance Company

STANDARD WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY EXTENSION FORM

WC 367-91-86
Policy Prefix & No.

NEW JERSEY
Schedule

INTRA/Independent State Risk ID

082-01-1207-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Premium Basis	Rates	
Entries in this item, except as specifically provided elsewhere in this policy, do not modify any of the other provisions of this policy.	Code No.	Estimated Total Annual Remuneration	Per $100 of Remuneration	Estimated Annual Premiums
RATING GROUP: 0002-01				
LANDSCAPE GARDENING & DRIVERS	0042			
FLINT OR SPAR GRINDING & DRIVERS	1741			
IRON OR STEEL FABRICATION: IRON OR STEEL WORKS-SHOP-STRUCTURAL-& DRIVERS	3030			
IRON OR STEEL FABRICATION: IRON WORKS-SHOP-ORNAMENTAL-& DRIVERS	3040			
IRON OR STEEL FABRICATION: IRON WORKS-SHOP-DECORATIVE OR ARTISTIC-& FOUNDRIES, DRIVERS	3041			
WIRE DRAWING-IRON OR STEEL	3241			
HEAT TREATING-METAL NPD	3307			
WELDING OR CUTTING NOC & DRIVERS	3365			
MACHINE SHOP NOC	3632			
ELECTRIC POWER OR TRANSMISSION EQUIPMENT MFG	3643			
THERMOMETER MFG	3685			
MACHINERY OR EQUIPMENT ERECTION OR REPAIR NOC & DRIVERS	3724			
MILLWRIGHT WORK NOC & DRIVERS	3724			
ANALYTICAL CHEMIST-NPD (4571)	4571			
ANALYTICAL CHEMIST-NPD (4572)	4572			
MASONRY NOC	5022			
PAINTING: STEEL STRUCTURES OR BRIDGES	5038			
IRON OR STEEL ERECTION: ERECTION-FRAME STRUCTURES	5040			
IRON OR STEEL ERECTION: ERECTION NOC	5057			
IRON OR STEEL ERECTION: ERECTION-FRAME STRUCTURES NOT OVER TWO STORIES IN HEIGHT	5059			
IRON OR STEEL ERECTION: ERECTION-CONSTRUCTION OF DWELLINGS NOT OVER TWO STORIES IN HEIGHT	5069			
IRON OR STEEL ERECTION: DOOR, DOOR FRAME OR SASH ERECTION OR REPAIR METAL OR METAL COVERED & DRIVERS	5103			
ELEVATOR ERECTION OR REPAIR	5160			
PLUMBING NOC & DRIVERS	5183			
BOILER OR STEAM PIPE INSULATING & SHOP, DRIVERS	5184			
AUTOMATIC SPRINKLER INSTALLATION & DRIVERS	5188			
ELECTRICAL WIRING-WITHIN BUILDINGS & DRIVERS	5190			
ELECTRICAL WIRING-WITHIN BUILDINGS &	5190			

See Name and Address Schedule - WC990610

STANDARD WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY EXTENSION FORM

WC 367-91-86	NEW JERSEY	
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082-01-1207-00	THE PORT AUTHORITY OF NEW YORK & NEW JERSEY	

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DRIVERS				
OFFICE MACHINE OR APPLIANCE INSTALLATION, INSPECTION, ADJUSTMENT OR REPAIR	5191			
CEMENT WORK-SIDEWALKS, CELLAR FLOORS, DRIVEWAYS & DRIVERS	5200			
CONCRETE CONSTRUCTION NOC & DRIVERS	5213			
CONCRETE CONSTRUCTION IN CONNECTION WITH BRIDGES OR CULVERTS	5222			
MARBLE OR STONE SETTING-INSIDE	5348			
BUILDING SIDING OR RE-SIDING & DRIVERS	5403			
CEILINGS-SUSPENDED OR CEMENTED-INSTALLATION & DRIVERS	5409			
CARPENTY-INSTALLATION OF CABINET WORK OR INTERIOR TRIM	5437			
WALLBOARD-INSTALLATION-WITHIN BUILDINGS-& DRIVERS	5445			
GLAZIER-AWAY FROM SHOP-& DRIVERS	5462			
WATERPROOFING - & YARD EMPLOYEES, DRIVERS	5466			
ASBESTOS CONTRACTOR-EMPLOYEES ENGAGED IN ASBESTOS REMOVAL, REPLACEMENT, REPAIR, ENCLOSURE OR ENCAPSULATION & DRIVERS	5473			
PAINTING OR DECORATING-INTERIOR OR EXTERIOR WORK NOC & DRIVERS	5474			
INSULATION WORK NOC & DRIVERS	5479			
PLASTERING NOC & DRIVERS	5480			
STREET OR ROAD PAVING, SURFACING OR RESURFACING, DRIVERS - NPD WITH 6042 STREET OR ROAD CONSTRUCTION	5500			
METAL CEILING OR WALL COVERING INSTALLATION & SHOP DRIVERS	5538			
HEATING OR AIR CONDITIONING DUCT WORK-SHOP AND OUTSIDE-& DRIVERS	5538			
ROOFING-ALL KINDS & DRIVERS	5551			
CONTRACTOR-EXECUTIVE SUPERVISOR	5606			
CLEANER-DEBRIS REMOVAL	5610			
WRECKING: BUILDINGS OR STRUCTURES-NOT MARINE	5701			
PILE DRIVING & DRIVERS	6003			
GRADING OF LAND NOC & DRIVERS	6039			
STREET OR ROAD CONSTRUCTION & DRIVERS	6042			
DRILLING NOC & DRIVERS NPD	6204			
EXCAVATION NOC & DRIVERS	6217			
IRRIGATION OR DRAINAGE SYSTEM CONSTRUCTION & DRIVERS	6229			

See Name and Address Schedule - WC990610

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CAISSON WORK	6252			
SEWER CONSTRUCTION & DRIVERS	6306			
GAS MAIN DR CONNECTION CDNSTRUCTIDN & DRIVERS	6319			
CONDUIT CDNSTRUCTIDN-FDR CABLES DR WIRES-& DRIVERS	6325			
FENCE ERECTIDN-METAL	6400			
RAILROAD CONSTRUCTIDN-INCLUDING CLERICAL DFFICE EMPLOYEES; SALESMEN; DRIVERS, CHAUFFEURS AND THEIR HELPERS - COVERAGE I	6702			
MARINE RAILWAY OPERATION & DRIVERS	6872			
TRUCKMEN: NOC-& DRIVERS	7219			
DRIVERS, CHAUFFEURS AND THEIR HELPERS NOC-CDMMERCIAL	7380			
WRECKING-MARINE-INCLUDING SALVAGE OPERATIONS-CDVERAGE I	7394			
ELECTRIC LIGHT DR PDWER LINE CONSTRUCTION & DRIVERS	7538			
TELEPHONE, TELEGRAPH OR FIRE ALARM LINE CDNSTRUCTIDN & DRIVERS	7601			
FIRE ALARM INSTALLATION DR REPAIR & DRIVERS	7605			
DETECTIVE OR PATROL AGENCY-& DRIVERS	7723			
RAILROAD CDNSTRUCTIDN BY CONTRACTOR-LAYING DR RELAYING DF TRACKS OR MAINTENANCE OF WAY-DRIVERS	7855			
CONSTRUCTIDN DR ERECTIDN PERMANENT YARD	8227			
JUNK DEALER & DRIVERS NPD	8263			
IRON DR STEEL SCRAP DEALER & DRIVERS NPD	8265			
GASDLINE OR OIL DEALER & DRIVERS	8350			
ENGINEER DR ARCHITECT-CDNSULTING NPD	8601			
INSPECTIDN DF RISKS FDR INSURANCE OR VALUATION PURPDSES NOC	8720			
REAL ESTATE AGENCY-DUTSIDE EMPLDYEES & COLLETDRS	8742			
LABDR UNIDN	8755			
AUDITDR, DR FACTORY CDST DR OFFICE SYSTEMATIZER-TRAVELING	8803			
CLERICAL OFFICE EMPLDYEES NOC	8810			
BUILDINGS-DPERATIDN BY CONTRACTOR & DRIVERS	9014			
PARK NDC-& DRIVERS	9102			
SEWER CLEANING & DRIVERS	9402			
RADID OR TELEVISION SET INSTALLATIDN, SERVICE OR REPAIR & DRIVERS	9519			

See Name and Address Schedule - WC990610

STANDARD WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY EXTENSION FORM

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HOUSE FURNISHINGS INSTALLATION NOC & UPHOLSTERING		9521			
SCAFFOLDS OR SIDEWALK BRIDGES-INSTALLATION, REPAIR OR REMOVAL-& DRIVERS		9529			
RIGGING NOC & DRIVERS		9530			
SIGN ERECTION OR REMOVAL-& DRIVERS NPD		9554			
STATE OF NEW JERSEY TOTALS					
TOTAL CLASSIFICATION PREMIUM					
FELA INCREASE	258.00%	6198			
ADMIR INCREASE	258.00%	6198			
INCREASE LIMITS	5.20%	6199			
TOTAL UNMODIFIED PREMIUM					
MODIFIED STANDARD PREMIUM					
UNDISCOUNTED PREMIUM					
DISCOUNTED PREMIUM					
RETROSPECTIVE RATING PROGRAM		0945			
FOREIGN TERRORISM (TRIA)	0.06	9740			
DOMESTIC TERRORISM, ET AL	0.01	9741			
TOTAL ESTIMATED PREMIUM					
SECOND INJURY FUND SURCHARGE	6.31%	0935			
TOTAL DUE					

See Name and Address Schedule – WC990610

STANDARD WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY EXTENSION FORM

WC 367-91-86
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082-01-1207-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

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RATING GROUP: 0001-01				
LOC ID. 0001				
LANDSCAPE GARDENING & DRIVERS	0042			
DOOR, DOOR FRAME OR SASH MFG-WOOD-METAL COVERED	3060			
WELDING OR CUTTING NOC & DRIVERS	3365			
ELECTRICAL APPARATUS INSTALLATION & DRIVERS	3724			
BOILER INSTALLATION OR REPAIR-STEAM	3726			
MASONRY NOC	5022			
PAINTING: METAL BRIDGES & SHOP OPERATIONS, DRIVERS	5037			
IRON OR STEEL: ERECTION: FRAME STRUCTURES	5040			
IRON OR STEEL: ERECTION: NOC	5057			
IRON OR STEEL: ERECTION: FRAME STRUCTURES-NOT OVER TWO STORIES IN HEIGHT	5059			
IRON OR STEEL: ERECTION: DOOR, DOOR FRAME OR SASH ERECTION-METAL OR METAL COVERED	5102			
ELEVATOR ERECTION OR REPAIR	5160			
PLUMBING NOC & DRIVERS	5183			
BOILER OR STEAM PIPE INSULATING & DRIVERS	5184			
AUTOMATIC SPRINKLER INSTALLATION & DRIVERS	5188			
ELECTRICAL WIRING WITHIN BUILDINGS	5190V			
ELECTRICAL WIRING-WITHIN BUILDINGS & DRIVERS	5190			
OIL OR GAS BURNER INSTALLATION, SERVICE OR REPAIR & SHOP, DRIVERS	5193			
CONCRETE CONSTRUCTION NOC	5213			
CONCRETE OR CEMENT WORK-FLOORS, DRIVEWAYS, YARDS OR SIDEWALKS-& DRIVERS	5221			
CONCRETE CONSTRUCTION IN CONNECTION WITH BRIDGES OR CULVERTS	5222			
MARBLE OR STONE SETTING-INSIDE	5348			
HOT HOUSE ERECTION-ALL OPERATIONS	5402			
CARPENTRY NOC	5403			
FURNITURE OR FIXTURES INSTALLATION IN OFFICES OR STORES NOC	5429			
LATHING & DRIVERS	5443			
WALLBOARD INSTALLATION-WITHIN BUILDINGS- & DRIVERS	5445			
GLAZIER-AWAY FROM SHOP-& DRIVERS	5462			

See Name and Address Schedule – WC990610

STANDARD WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY EXTENSION FORM

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THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

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ASBESTOS: REMOVAL OR ENCAPSULATION	5473			
PAINTING OR DECORATING NOC & DRIVERS	5474			
INSULATION WORK NOC & DRIVERS	5479			
PLASTERING NOC & DRIVERS	5480			
PAPER HANGING & DRIVERS	5491			
STREET OR ROAD CONSTRUCTION: PAVING OR REPAVING & DRIVERS	5506			
STREET OR ROAD CONSTRUCTION: SUB-SURFACE WORK & DRIVERS	5507			
GEOPHYSICAL EXPLORATION-SEISMIC & DRIVERS	5508			
HEATING AND AIR CONDITIONING DUCT WORK-SHOP AND OUTSIDE-& DRIVERS	5536			
SHEET METAL WORK ERECTION, INSTALLATION OR REPAIR NOC-SHOP OR DUTSIDE-& DRIVERS	5538			
ROOFING NOC & DRIVERS	5545			
DAM CONSTRUCTION: ROOFING OF PERMANENT BUILDINGS OR STRUCTURES (5547)	5547			
CLEANER-DEBRIS REMOVAL	5610			
SALVAGE OPERATIONS & INCIDENTAL WRECKING	5709			
PILE DRIVING NOC & DRIVERS	6003			
DIKE OR REVETMENT CONSTRUCTION & DRIVERS	6005			
DRILLING NOC & DRIVERS	6204			
BUILDING CLEANING, MAINTENANCE OR REPAIR: CLEANING OUT DEBRIS LEFT BY BUILDING DEMOLITION CONCERNS-INCL. DRIVERS	6217			
GRADING OF LAND NOC & DRIVERS	6217			
DRAINAGE OR IRRIGATIDN SYSTEM CONSTRUCTION & DRIVERS	6229			
CAISSON WORK-ALL OPERATIONS TO COMPLETIDN	6252			
SEWER CONSTRUCTION-ALL OPERATIONS-& DRIVERS	6306			
GAS MAIN OR CONNECTION CONSTRUCTION & DRIVERS	6319			
CONDUIT CONSTRUCTION - FOR CABLES OR WIRES-& DRIVERS	6325			
FENCE ERECTION-METAL	6400			
FENCE ERECTIDN-METAL	6400F			
SUPPLY BOATS: PROGRAM I	7016			
ELECTRIC LIGHT OR POWER LINE CONSTRUCTION & DRIVERS	7538			
TELEPHONE, TELEGRAPH OR FIRE ALARM LINE CONSTRUCTION & DRIVERS	7601			
RAILROAD CONSTRUCTION: LAYING OR	7855			49,167

See Name and Address Schedule - WC990610

STANDARD WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY EXTENSION FORM

WC 367-91-86
Policy Prefix & No.

NEW YORK
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THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations			Premium Basis	Rates	
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RELAYING TRACKS-NO WORK ON ELEVATED RAILROADS & DRIVERS					
YARD-CONSTRUCTION OR ERECTION-PERMANENT		8227			
CARPET INSTALLATION		9521			
SCAFFOLDS, HOD HOIST OR CONSTRUCTION		9526			
ELEVATORS-BUILT UP FROM THE GROUND INSTALLATION, REPAIR OR REMOVAL & DRIVERS					
SCAFFOLDS-SIDEWALK BRIDGES-NOT OVER ONE STORY IN HEIGHT-INSTALLATION, REPAIR OR REMOVAL & DRIVERS		9527			
MOBILE CRANE AND HOISTING SERVICE CONTRACTORS NOC & DRIVERS		9534			
AWNING, TENT OR CANVAS GODDS ERECTION, REMOVAL OR REPAIR & DRIVERS		9539			
TOTAL CLASSIFICATION PREMIUM					
FELA INCREASE	121.00%	9840			
ADMIR INCREASE	121.00%	9840			
INCREASE LIMITS	4.30%	9816			
CONST PAYROLL LIMITATION	8.50%	9126			
CONST PAYROLL LIMITATION	8.50%	9126			
CONST PAYROLL LIMITATION	8.50%	9126			
CONST PAYROLL LIMITATION	8.50%	9126			
TOTAL UNMODIFIED PREMIUM					
MODIFIED STANDARD PREMIUM					
UNDISCOUNTED PREMIUM					
DISCOUNTED PREMIUM					
EXPENSE CONSTANT		0900			
FOREIGN TERRORISM (TRIA)		9740			
DOMESTIC TERRORISM, ET AL	0.01	9741			
ESTIMATED PREMIUM					
TAX/ASSESSMENT SURCHARGE	15.50%	0932			
WC SECURITY FUND SURCHARGE	2.00%	9749			
RATING GROUP TOTAL					
RATING GROUP: 0003-01					
LOC ID. 0003					
ASPHALT WORKS-OPERATED BY PAVING CONTRACTORS		1463			
AWNING OR TENT MFG-SHOP ONLY		2576			
IRON OR STEEL: FABRICATION: IRON OR STEEL WORKS-SHOP- STRUCTURAL-& DRIVERS		3030			
IRON OR STEEL: FABRICATION: IRON OR		3040			

See Name and Address Schedule - WC990610

STANDARD WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY EXTENSION FORM

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Item 4. Classification of Operations		Premium Basis	Rates	
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STEEL WORKS-SHOP-ORNAMENTAL-& DRIVERS				
ELEVATOR OR ESCALATOR MFG	3042			
SIGN MFG. OR REPAIR-METAL-SHOP ONLY	3064			
SHEET METAL WORK-SHOP ONLY	3066			
HEAT TREATING-METAL	3307			
THERMOMETER MFG	3685			
ELECTRICAL APPARATUS REPAIR OR SERVICING AT CUSTOMERS' PREMISES & DRIVERS	3737			
FILM DEVELOPING-NOC	4361			
ANALYTICAL CHEMIST	4511			
FIRE ALARM SYSTEMS-INSTALLATION IN BUILDINGS-LOW VOLTAGE BATTERY SYSTEMS	5191			
CONTRACTOR-EXECUTIVE SUPERVISOR, CONSTRUCTION EXECUTIVE, CONSTRUCTION MANAGER, CONSTRUCTION SUPERINTENDENT OR PROJECT MANAGER	5606			
CARPENTRY-DETACHED ONE OR TWO FAMILY DWELLINGS	5645			
WRECKING-MARINE & SALVAGE OPERATIONS	5701			
VESSELS-NOC: PROGRAM I	7016			
TRUCKING: TRUCKING NOC-ALL EMPLOYEES & DRIVERS	7219			
DREDGING-ALL TYPES: PROGRAM I	7333			
DRIVERS AND HELPERS NOC-COMMERCIAL	7380			
DIVING-MARINE: PROGRAM I	7394			
SEWAGE TREATMENT	7580			
DETECTIVE OR PATROL AGENCY & DRIVERS	7723			
LOCKSMITHS-INCLUDING OPERATIONS AWAY FROM PREMISES	7998			
CONTRACTORS' MACHINERY DEALER-STORE OR YARD & DRIVERS	8107			
BUILDING MATERIAL DEALER-NO SECOND HAND MATERIAL & LOCAL MANAGERS, DRIVERS	8232			
METAL SCRAP DEALER & DRIVERS	8500			
ENGINEER OR ARCHITECT-CONSULTING	8601			
INSPECTION OF RISKS FOR INSURANCE OR VALUATION PURPOSES NOC	8720			
SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	8742			
LABOR UNION-ALL EMPLOYEES	8755			
ACCOUNTANT, AUDITOR OR FACTORY COST OR OFFICE SYSTEMATIZER-TRAVELING	8803			
EXECUTIVE OFFICERS NOC-NOT FOREMEN, WORKERS OR SALESPERSONS	8809			
CLERICAL OFFICE EMPLOYEES NOC	8810			
EXTERMINATOR & DRIVERS	9014			

See Name and Address Schedule - WC990610

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BUILDING CLEANING, MAINTENANCE OR REPAIR: CLEANING OUTSIDE SURFACES OF STRUCTURES: ALL OTHER SURFACES REGARDLESS OF HEIGHT OR METHOD-INCL. DRIVERS		9025			
BUILDING SERVICE CONTRACTOR		9030			
SEWER CLEANING & DRIVERS		9402			
GARBAGE, ASHES OR REFUSE COLLECTION & DRIVERS		9403			
SIGN PAINTING OR LETTERING IN BUILDINGS & DRIVERS		9501			
AIR CONDITIONING: WINDOW UNITS-INSTALLATION SERVICE OR REPAIR AND DRIVERS		9519			
HOUSE FURNISHINGS INSTALLATION NOC & UPHOLSTERING		9521			
SIGN ERECTION OR REPAIR-AWAY FROM SHOP-NOT OUTDOOR ADVERTISING COMPANIES & DRIVERS		9552			
SIGN PAINTING OR LETTERING ON BUILDINGS OR STRUCTURES & DRIVERS		9553			
TOTAL CLASSIFICATION PREMIUM					
FELA INCREASE	121.00%	9840			
ADMIR INCREASE	121.00%	9840			
INCREASE LIMITS	4.30%	9816			
TOTAL UNMODIFIED PREMIUM					
MODIFIED STANDARD PREMIUM					
UNDISCOUNTED PREMIUM					
DISCOUNTED PREMIUM					
FOREIGN TERRORISM (TRIA)		9740			
DOMESTIC TERRORISM, ET AL	0.01	9741			
ESTIMATED PREMIUM					
TAX/ASSESSMENT SURCHARGE	15.50%	0932			
WC SECURITY FUND SURCHARGE	2.00%	9749			
RATING GROUP TOTAL					
STATE OF NEW YORK TOTALS					
TOTAL CLASSIFICATION PREMIUM					
FELA INCREASE	121.00%	9840			
ADMIR INCREASE	121.00%	9840			
INCREASE LIMITS	4.30%	9816			
CONST PAYROLL LIMITATION	8.50%	9126			
TOTAL UNMODIFIED PREMIUM					
MODIFIED STANDARD PREMIUM					
UNDISCOUNTED PREMIUM					
DISCOUNTED PREMIUM					

See Name and Address Schedule - WC990610

STANDARD WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY EXTENSION FORM

Policy Prefix & No.	Schedule	INTRA/Independent State Risk ID
WC 367-91-86	NEW YORK	
082-01-1207-00	THE PORT AUTHORITY OF NEW YORK & NEW JERSEY	

Item 4. Classification of Operations		Premium Basis	Rates
Entries in this item, except as specifically provided elsewhere in this policy, do not modify any of the other provisions of this policy.	Code No.	Estimated Tota Annual Remunera	
EXPENSE CONSTANT	0900		
FOREIGN TERRORISM (TRIA)	9740		
DOMESTIC TERRORISM, ET AL 0.01	9741		
TOTAL ESTIMATED PREMIUM			
TAX/ASSESSMENT SURCHARGE 15.50%	0932		
WC SECURITY FUND SURCHARGE 2.00%	9749		
TOTAL DUE			

See Name and Address Schedule - WC990610

FOREIGN TERRORISM (TRIA) POLICYHOLDER NOTICE - PREMIUM DETERMINATION

As indicated in Form No. WC 00 04 22, your Foreign Terrorism (TRIA) premium is shown in Form WC 7754. The schedule below shows how the premium for Foreign Terrorism (TRIA) is determined.

Schedule

State	Premium Determination Method
Arizona	Rate per $100 of Remuneration in addition to rate included in Arizona premium as set forth below**.
Colorado, Connecticut, Florida, New Jersey, New Mexico and Wisconsin	Rate per $100 of Remuneration.
New York	Rate per $100 of Remuneration and rate applied to Total Classification Premium.
Idaho, Kansas, Maine, New Hampshire and Virginia	Included in Rates applied to Premium Basis (Remuneration) for calculation of annual premium for each applicable classification of operations.
Alabama, Alaska, Arkansas, Iowa, Montana, Nevada, Tennessee and Texas	Rate per $100 of Remuneration in addition to charge included in rates applied to Premium Basis (Remuneration) for calculation of annual premium for each applicable classification of operations.
All Other States	Rate applied to Total Classification Premium

Refer to Item 4 of the Information Page and State Schedule Pages form WC 7754 for the premium charged for the coverage provided for workers' compensation losses caused by an act of foreign terrorism. This premium is included in your Total Estimated Premium and is an estimate. The final premium for this coverage will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy.

The rates and rating methodologies used to calculate the premium charged for this coverage are subject to change. This means that the rates and rating methodologies applied when your policy was issued may be different from those applied when computing your premium after the issuance of the policy, for example, at time of audit

** For policies issued by Commerce and Industry Insurance Company, AIU Insurance Company or New Hampshire Insurance Company the total premium for Arizona also includes a charge for this coverage in the rates applied to Premium Basis (Remuneration) for each applicable classification of operations.

For policies issued by American Home Assurance Company, American International South Insurance Company, AIG Casualty Company, Granite State Insurance Company, Illinois National Insurance Co., National Union Fire Insurance Company of Pittsburgh, Pa. or The Insurance Company of the State of Pennsylvania the total premium for Arizona also includes a charge for this coverage determined by applying a rate against the Schedule Modification factor.

FEDERAL EMPLOYER'S LIABILITY ACT COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to work subject to the Federal Employers' Liability Act (45 USC Sections 51-60) and any amendment to that Act that is in effect during the policy period.

G. Limits of Liability of Part Two (Employers Liability Insurance) is replaced by the following:

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in the Schedule. They apply as explained below:

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident - each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease - aggregate" is the most we will pay for all damages covered by this insurance because of bodily injury by disease to one or more employees. The limit applies separately to bodily injury by disease arising out of work in each state shown in Item 3.A. of the Information Page or in the Schedule.

   Bodily injury by disease does not include disease that results directly from bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

If any state is named in Item 2 of the Schedule, Part Two (Employers Liability Insurance) applies in that state to work subject to the Federal Employers' Liability Act as though that state were listed in Item 3.A. of the Information Page. Part One (Workers Compensation Insurance) does not apply in a state shown in the Schedule.

Part Two (Employers Liability Insurance), C. Exclusions, exclusion 9, does not apply to work subject to the Federal Employers' Liability Act.

Schedule

1. Limits of Liability

Bodily Injury by Accident	$	1,000,000 each accident
Bodily Injury by Disease	$	1,000,000 aggregate

2. State

   NY

WC 00 01 04A
(Ed. 10/04)

Countersigned by _____

Authorized Representative

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LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to work subject to the Longshore and Harbor Workers' Compensation Act in a state shown in the Schedule. The policy applies to that work as though that state were listed in Item 3.A. of the Information Page.

General Section C. **Workers' Compensation Law** is replaced by the following:

C. **Workers' Compensation Law**

Workers' Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page and the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal workers or workmen's compensation law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers Liability Insurance), C. Exclusions exclusion 8, does not apply to work subject to the Longshore and Harbor Workers' Compensation Act.

This endorsement does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

Schedule

State	Longshore and Harbor Workers' Compensation Act Coverage Percentage
New York	78.20 %

The rates for classifications with code numbers not followed by the letter "F" are rates for work not ordinarily subject to the Longshore and Harbor Workers' Compensation Act. If this policy covers work under such classifications, and if the work is subject to the Longshore and Harbor Workers' Compensation Act, those non-F classification rates will be increased by the Longshore and Harbor Workers' Compensation Act Coverage Percentage shown in the Schedule.

WC 00 01 06A
(Ed. 4/92)

Countersigned by _____

Authorized Representative

TERRORISM RISK INSURANCE EXTENSION ACT ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Extension Act of 2005.

Definitions

The definitions provided in this endorsement are based on the definitions in the Act and are intended to have the same meaning. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply. "Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments resulting from the Terrorism Risk Insurance Extension Act of 2005.

"Act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States as meeting all of the following requirements:

a. The act is an act of terrorism.

b. The act is violent or dangerous to human life, property or infrastructure.

c. The act resulted in damage within the United States, or outside of the United States in the case of United States missions or certain air carriers or vessels.

d. The act has been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"Insured terrorism or war loss" means any loss resulting from an act of terrorism (including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at United States missions or to certain air carriers or vessels.

"Insurer deductible" means:

a. For the period beginning on November 26, 2002 and ending on December 31, 2002, an amount equal to 1% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding November 26, 2002.

b. For the period beginning on January 1, 2003 and ending on December 31, 2003, an amount equal to 7% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2003.

c. For the period beginning on January 1, 2004 and ending on December 31, 2004, an amount equal to 10% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2004.

d. For the period beginning on January 1, 2005 and ending on December 31, 2005, an amount equal to 15% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2005.

e. For the period beginning on January 1, 2006 and ending on December 31, 2006, an amount equal to 17.5% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2006.

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f. For the period beginning on January 1, 2007 and ending on December 31, 2007, an amount equal to 20% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2007.

Limitation of Liability

The Act may limit our liability to you under this policy. If annual aggregate insured terrorism or war losses of all insurers exceed $100,000,000,000 during the applicable period provided in the Act, and if we have met our insurer deductible, the amount we will pay for insured terrorism or war losses under this policy will be limited by the Act, as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice

1. Insured terrorism or war losses would be partially reimbursed by the United States Government under a formula established by the Act. Under this formula, the United States Government would pay 90% for Program Year 4 and 85% for Program Year 5 of our insured terrorism or war losses exceeding our insurer deductible

2. The premium charged for the coverage this policy provides for insured terrorism or war losses is included in the amount shown in Item 4 of the Information Page or in the Schedule in the Foreign Terrorism Premium Endorsement. (WC 00 04 22), attached to this policy.

Countersigned by _____

Authorized Representative

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MARITIME COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement changes how insurance provided by Part Two (Employers Liability Insurance) applies to bodily injury to a master or member of the crew of any vessel.

A. **How This Insurance Applies** is replaced by the following:

A. **How This Insurance Applies**

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to work described in Item 1 of the Schedule of the Maritime Coverage Endorsement.
3. The bodily injury must occur in the territorial limits of, or in the operation of a vessel sailing directly between the ports of, the continental United States of America, Alaska, Hawaii or Canada.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
6. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

C. **Exclusions** is changed by removing exclusion 10 and by adding exclusions 13 and 14.

This insurance does not cover:

13. bodily injury covered by a Protection and Indemnity Policy or similar policy issued to you or for your benefit. This exclusion applies even if the other policy does not apply because of another insurance clause, deductible or limitation of liability clause, or any similar clause.
14. your duty to provide transportation, wages, maintenance and cure. This exclusion does not apply if a premium entry is shown in Item 2 of the Schedule.

D. **We Will Defend** is changed by adding the following statement:

We will treat a suit or other action in rem against a vessel owned or chartered by you as a suit against you.

G. **Limits of Liability**

Our liability to pay for damages is limited. Our limits of liability are shown in the Schedule. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease-aggregate" is the most we will pay for all damages covered by this insurance because of bodily injury by disease to one or more employees. The limit applies separately to bodily injury by disease arising out of work in each state shown in Item 3.A. of the Information Page. Bodily Injury by disease will be deemed to occur in the state of the vessel's home port.

   Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

Schedule

1. Description of work:
   SEE SCHEDULE OF OPERATIONS

2. Transportation, Wages, Maintenance and Cure Premium $ INCLUDED

3. Limits of Liability

Bodily Injury by Accident	$	1,000,000	each accident
Bodily Injury by Disease	$	1,000,000	aggregate

WC 00 02 01A
(Ed. 04/92)

Countersigned by _____

Authorized Representative

ALTERNATE EMPLOYER ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only with respect to bodily injury to your employees while in the course of special or temporary employment by the alternate employer in the state named in Item 2 of the Schedule. Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply as though the alternate employer is insured. If an entry is shown in Item 3 of the Schedule the insurance afforded by this endorsement applies only to work you perform under the contract or at the project named in the Schedule.

Under Part One (Workers Compensation Insurance) we will reimburse the alternate employer for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.

The policy may be cancelled according to its terms without sending notice to the alternate employer.

Part Four (Your Duties If Injury Occurs) applies to you and the alternate employer. The alternate employer will recognize our right to defend under Parts One and Two and our right to inspect under Part Six.

Schedule

(1) Alternate Employer and Address (2) State of Special or Temporary Employment (3) Contract or Project

```
(1) Alternate Employer  : THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
    Address             : 225 PARK AVENUE SOUTH
                          NEW YORK              NY 10003
(2) State of Employment : NY
(3) Contract or Project : THE PORT AUTHORITY OF NY & NJ OCIP
```

WC 00 03 01A
(Ed. 02/89)

Countersigned by _____

Authorized Representative

DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The policy does not cover work conducted at or from;

ALL WORKPLACES EXCEPT:

ANY SITE OR LOCATION AT WHICH ANY OPERATIONS ARE PERFORMED IN CONJUNCTION WITH THE CONSOLIDATED WRAP-UP PROGRAM (THE "WRAP-UP PROGRAM") ADMINISTERED BY THE PORT AUTHORITY OF NY & NJ.

THE WRAP-UP PROGRAM INCLUDES ONLY OPERATIONS OR WORK AT OR EMANATING FROM PROJECT SITES AND LOCATIONS THAT ARE (1) IDENTIFIED BY THE PORT AUTHORITY OF NY & NJ AS WITHIN THE SCOPE OF THE WRAP-UP PROGRAM, AND (2) WHICH IS PERFORMED PURSUANT TO A CONTRACT OR AGREEMENT IDENTIFIED BY THE PORT AUTHORITY OF NY & NJ AS INCLUDED WITHIN THE SCOPE OF THE WRAP UP PROGRAM.

WC 00 03 02
(Ed. 4-84)

Countersigned by _____

Authorized Representative

SOLE PROPRIETORS, PARTNERS, OFFICERS AND OTHERS COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

An election was made by or on behalf of each person described in the Schedule to be subject to the workers compensation law of the state named in the Schedule. The premium basis for the policy includes the remuneration of such persons.

Schedule

Persons	**State**
Sole Proprietor: NONE AT THIS TIME	
Partners:	
Officers:	
Others:	

WC 00 03 10
(Ed. 04/84)

Countersigned by _____

Authorized Representative

VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-85

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement adds Voluntary Compensation Insurance to the policy.

A. How This Insurance Applies

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must be sustained by an employee included in the group of employees described in the Schedule.
2. The bodily injury must arise out of and in the course of employment necessary or incidental to work in a state listed in the Schedule.
3. The bodily injury must occur in the United States of America, its territories or possessions, or Canada, and may occur elsewhere if the employee is a United States or Canadian citizen temporarily away from those places.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay an amount equal to the benefits that would be required of you if you and your employees described in the Schedule were subject to the workers compensation law shown in the Schedule. We will pay those amounts to the persons who would be entitled to them under the law.

C. Exclusions

This insurance does not cover:

1. any obligation imposed by a workers compensation or occupational disease law, or any similar law.
2. bodily injury intentionally caused or aggravated by you.

D. Before We Pay

Before we pay benefits to the persons entitled to them, they must:

1. Release you and us, in writing, of all responsibility for the injury or death.
2. Transfer to us their right to recover from others who may be responsible for the injury or death.
3. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits of this insurance fail to do those things, our duty to pay ends at once. If they claim damages from you or from us for the injury or death, our duty to pay ends at once.

E. Recovery From Others

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we paid. We will pay the balance to the persons entitled to it. If the persons entitled to the benefits of this insurance make a recovery from others, they must reimburse us for the benefits we paid them.

F. Employers Liability Insurance

Part Two (Employers Liability Insurance) applies to bodily injury covered by this endorsement as though the State of employment shown in the Schedule were shown in Item 3.A of the Information Page.

Schedule

Employees	State of Employment	Designated Workers Compensation Law
ALL OFFICERS AND EMPLOYEES NOT SUBJECT TO THE WORKERS COMPENSATION LAW EXCEPT MASTERS AND MEMBERS OF THE CREW OF ANY VESSEL	ANY STATE DESIGNATED IN ITEM 3A OF THE INFORMATION PAGE OF THIS POLICY	STATE OF HIRE

This endorsement is not applicable in: HI, NJ, TX, and WI.

WC 00 03 11 A
(Ed. 08/91)

Countersigned by _____

Authorized Representative

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement changes the policy to which it is attached effective on inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Premium

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

Schedule

ANY PERSON OR ORGANIZATION TO WHOM YOU BECOME
OBLIGATED TO WAIVE YOUR RIGHTS OF RECOVERY
AGAINST, UNDER ANY CONTRACT OR AGREEMENT YOU ENTER
INTO PRIOR TO THE OCCURRENCE OF LOSS

This form is not applicable in California, Kentucky, New Hampshire, New Jersey, North Dakota, Ohio, Tennessee, Texas, Utah, Washington, or West Virginia.

WC 00 03 13
(Ed. 04/84)

Countersigned by _____

Authorized Representative

EXPERIENCE RATING MODIFICATION FACTOR ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-80

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The premium for the policy will be adjusted by an experience rating modification factor. The factor was not available when the policy was issued. The factor, if any, shown on the Information Page is an estimate. We will issue an endorsement to show the proper factor, if different from the factor shown, when it is calculated.

WC 00 04 03
(Ed. 4-84)

Countersigned by _____

Authorized Representative

NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity and other changes provided for in the applicable experience rating plan manual.

You must report any change in ownership to us in writing within 90 days of such change. Failure to report such changes within this period may result in revision of the experience rating modification factor used to determine your premium.

THIS ENDORSEMENT IS NOT APPLICABLE IN NEW JERSEY, PENNSYLVANIA, CALIFORNIA, DELAWARE OR TEXAS.

WC 00 04 14
(Ed. 07/90)

Countersigned by _____

Authorized Representative

DOMESTIC TERRORISM, EARTHQUAKES, AND CATASTROPHIC INDUSTRIAL ACCIDENTS PREMIUM ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement is notification that your insurance carrier is charging premium to cover the losses that may occur in the event of domestic terrorism, earthquakes, and/or a catastrophic industrial accident.

The premium charge provides funding for the risk of earthquakes, catastrophic industrial accidents, and certain acts of domestic terrorism. It does not provide funding for acts of terrorism certified as such by the Terrorism Risk Insurance Act of 2002 and any amendments resulting from the Terrorism Risk Insurance Extension Act of 2005 (the Act), or acts of foreign terrorism as that term is defined in the Foreign Terrorism Premium Endorsement (WC 00 04 22), attached to this policy.

For purposes of this endorsement, the following definitions apply:

Domestic terrorism: All acts of terrorism outside the scope of the Act or the Foreign Terrorism Premium Endorsement (WC 00 04 22), with aggregate workers compensation losses in excess of $50 million.

Earthquake: The shaking and vibration at the surface of the earth resulting from underground movement along a fault plane or from volcanic activity where aggregate workers compensation losses from the single event are in excess of $50 million.

Catastrophic Industrial Accident: Any single event resulting in aggregate workers compensation losses in excess of $50 million.

Schedule

Refer to State Schedule Pages Form WC7754

WC 00 04 21A
(Ed. 01/06)

Countersigned by _____

Authorized Representative

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FOREIGN TERRORISM PREMIUM ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-85

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement is notification that your insurance carrier is charging premium for losses that may occur in the event of an act of foreign terrorism.

Your policy provides coverage for workers compensation losses caused by acts of foreign terrorism, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations.

For purposes of this endorsement, an "act of foreign terrorism" is defined as:

a. Any act that is violent or dangerous to human life, property or infrastructure; and

b. The act has been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The premium charge for the coverage your policy provides for workers compensation losses caused by an act of foreign terrorism is shown in Item 4 of the Information Page or in the Schedule below.

Schedule

State	Rate per $100 of payroll

Refer to Item 4 of the Information Page and State Schedule Pages form WC 7754 for the premium charged for the coverage provided for workers' compensation losses caused by an act of foreign terrorism. This premium is included in your Total Estimated Premium and is an estimate. The final premium for this coverage will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. For further information see the "Foreign Terrorism (TRIA) Policyholder Notice - Premium Determination" included with this policy.

The rates and rating methodologies used to calculate the premium charged for this coverage are subject to change. This means that the rates and rating methodologies applied when your policy was issued may be different from those applied when computing your premium after the issuance of the policy, for example, at time of audit.

WC 00 04 22
(Ed. 01/06)

Countersigned by _____

Authorized Representative

© 2005 National Council on Compensation Insurance, Inc.

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

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

WHAT IS OFAC?

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

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

PROHIBITED ACTIVITY

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

Additional and more in-depth information on OFAC is available at the following website:
http://www.ustreas.gov/offices/eotffc/ofac.

OBLIGATIONS PLACED ON US BY OFAC

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

POTENTIAL ACTIONS BY US

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

YOUR RIGHTS AS A POLICYHOLDER

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

WORKERS COMPENSATION - PREMIUM CREDIT APPLICATION

STATE _____ BUREAU _____

INSURED _____

POLICY #: _____ EFFECTIVE DATE _____ CARRIER _____

Notice: Unless Code(s), total wages paid, total hours worked, calendar quarter reported are indicated and application is signed, it cannot be processed. Must include non-construction class code payrolls. Corporate officers should be included in the appropriate class. Contact your agent or carrier if assistance is desired

Is this a new business: _____ No _____ Yes

If no, submit information for the third calendar quarter (July, August, September) of the preceding calendar year as reported to taxing authorities. If yes, submit information for the first complete quarter following the effective date of your workers compensation policy.

CLASSIFICATION:	**CLASS CODE**	**TOTAL WAGES PAID***	**TOTAL HOURS WORKED (Incl. O.T.)**
Example: Electrical Wiring	5190	$8,000	520
Contracting Classification:			
Non-contracting Classification:			

* EXCLUDING OVERTIME PREMIUM PAY, for each classification code, combine all wages for that code in a single entry. Employee names are not required.

DELAWARE & PENNSYLVANIA ONLY: Total Wages includes overtime premium pay.

ALASKA, FLORIDA, HAWAII, ILLINOIS, MARYLAND, MINNESOTA, NEW MEXICO, OKLAHOMA, AND OREGON ONLY: Exclude from Total Wages overtime premium pay as well as all other exclusions in accordance with Rule V of the Basic Manual.

VIRGINIA ONLY: Include Total Wages as reported to the Virginia Employment Commission.

ILLINOIS, MISSOURI: Exclude the entire pay for any sole proprietor, partner, or executive officer.

The foregoing is based on actual wages and hours worked, as reflected in our payroll records for the complete calendar quarter ending _____ .

SIGNATURE _____ **POSITION** _____

TELEPHONE NUMBER _____ **DATE** _____

ADDRESS _____ **CITY** _____ **STATE** _____

PLEASE MAIL APPLICATION TO THE APPROPRIATE BUREAU

WC58509A
(Ed. 07/01)

PRIVACY POLICY

Our Commitment to Privacy:

The AIG Companies (AIG) believe one of our most important assets is the trust consumers place in us to respect and properly handle nonpublic personal information received by us in connection with providing our products and services. To continue earning your trust and enhance the products and services offered to you, the companies listed below have adopted the following privacy policy to govern how we treat your nonpublic personal information including such information about our former customers.

It's important for you to know that this privacy policy applies only to the product or service you have just obtained or the insurance policy under which you are seeking or receiving benefits. This policy does not preclude any AIG Company from using the information you provided in order to offer you other products or services in which you may be interested. This policy also does not preclude us from sharing your information with a non-AIG affiliated company so long as the sharing is necessary to administer and process the product or service you have just obtained or the insurance policy under which you are seeking or receiving benefits. As a large worldwide leader in the delivery of financial products and services, we offer numerous products and services to many types of consumers and clients in many different states and countries around the world. Therefore, any one of our companies may have different privacy policies to fit the specific products and services it offers.

Information We Collect:

We collect information about you that is necessary to tailor our products and services to meet your individual needs, provide effective customer service, and comply with legal requirements.

We may collect nonpublic personal information about you, from one or more of the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates or others;
- Information we receive from a consumer-reporting agency; and
- Information received in handling claims.

Sharing Information Within Our Family of Companies:

We may share some or all of the nonpublic personal information we collect with our affiliates - the members of the AIG family of companies, unless such sharing of information is prohibited by law. In many cases, the information that is shared may be at your request or is necessary to administer, process or otherwise handle your transactions with us or settle a claim on your behalf. In addition, we may provide this information to our affiliates in order to offer you products and services in which you may be interested.

Our family of companies includes many insurance companies (e.g., auto, home, and life insurance), insurance claims handling companies, other financial institutions (e.g., savings bank), and non-financial institutions.

Sharing Information Outside the AIG Family:

Sometimes, we use companies or businesses outside the AIG family to administer, process, or otherwise handle your transactions with us, such as for claims handling or customer service. Other times, we may enter into contracts with nonaffiliated companies to perform services on our behalf, such as marketing our products and services, or we may enter into joint marketing agreements with other financial institutions. In these and other circumstances permitted by law, we may share some or all of the information we collect above with these nonaffiliated third parties. However, whenever we utilize a nonaffiliated third party to provide these services, they are required to follow federal privacy laws governing this notice. We also may share information to combat fraud, in response to a court order, or at the request of government regulators.

Nonpublic Personal Health Information:

We will not disclose nonpublic personal health information about you without obtaining prior written authorization from you, except as permitted by applicable law or regulation.

78052D
(Ed. 11/06)

Protecting and Safeguarding Your Information:

To help prevent unwarranted disclosure of your nonpublic information and secure it from theft, we utilize secure computer networks and restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. In addition, we maintain physical, electronic, and procedural safeguards that comply with applicable laws and regulations to guard our customers' nonpublic personal information.

Maintaining Accurate Information:

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

Chief Privacy Officer
AIG - Domestic Brokerage Group
175 Water Street, 3rd Floor
New York, NY 10038

FAX: 212-785-9495

e-mail: DBG.Privacy@AIG.com

Special notice for policyholders who reside in any of the following states: Arizona, California, Connecticut, Georgia, Illinois, Kansas, Maine, Massachusetts, Minnesota, Montana, Nevada, New Jersey, North Carolina, Ohio, Oregon, Virginia or Wisconsin: *You can obtain access to any nonpublic personal information we have about you if you properly identify yourself and submit a written request to us at the address above describing the information you want to review (include your name, address and policy number). Once we have received your request and if the information is reasonably locatable and retrievable, we will, within 30 business days, take the following actions:*

- *Inform you of the nature and substance of the recorded information;*
- *Allow you to see and copy, in person, such recorded personal information; or*
- *Send you a copy of the recorded personal information by mail (we may charge you a reasonable fee to cover the cost of this service).*

We will also tell you at this time the identity, if recorded, of persons to whom we have disclosed the nonpublic personal information within the preceding two years.

If you ask us to correct, amend or delete any information about you, we will, within 30 business days, either correct, amend or delete the nonpublic personal information in dispute or notify you of our refusal to take such action along with the reasons for our decision. If we make the correction, amendment or deletion you've requested, we will also notify you along with any person you designate who has received the information about you within the preceding two years, together with any insurance support organization(s) which provided us with the disputed information.

If we refuse to make the requested correction, amendment or deletion, you are permitted to file a concise statement setting forth what you think is the correct, relevant or fair information along with a statement of the reasons why you disagree with our refusal to correct, amend or delete the information subject to dispute. We will file your statement with the disputed personal information and make any person who reviews your file aware of your statement. We will also furnish your statement to any person who has received personal information from us within the two preceding years and any insurance support organization whose primary source of personal information is an insurer.

Important Information Concerning the Applicability and Future Changes to this Privacy Policy:

This privacy policy applies, with respect to nonpublic personal financial information, to the particular products or services you have just obtained, which provide primarily for personal, family, or household purposes in the United States by the AIG Companies listed below, and it applies to all nonpublic personal health information these Companies may have. Although we may change this policy at any time, as it relates to the particular product or service please rest assured that you will be notified of any changes as required by law.

AIG Companies Covered by this Policy:

AIG Hawaii Insurance Company
AIG Casualty Company
AIU Insurance Company
American Home Assurance Company
American International Pacific Insurance Company
American International South Insurance Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Co.
National Union Fire Insurance Company of Louisiana
National Union Fire Insurance Company of Pittsburgh, Pa.
New Hampshire Insurance Company
The Insurance Company of the State of Pennsylvania
American International Specialty Lines Insurance Company
American Pacific Insurance Company, Inc.
Landmark Insurance Company
Lexington Insurance Company
Agency Management Corporation
A. I. Risk Specialists Insurance, Inc.
A. I. Risk Specialists of Missouri, Inc.
American International Entertainment, Inc.
Eastern Risk Specialists, Inc.
Florida Risk Specialists, Inc.
The Gulf Agency, Inc.
Louisiana Risk Specialists, Inc.
Medical Excess Insurance Services, Inc.
Michigan Risk Specialists, Inc.
Midwestern Risk Specialists, Inc.
Nevada Risk Specialists, Inc.
New England Risk Specialists, Inc.
Northwestern Risk Specialists, Inc.
Risk Specialists Companies, Inc.
Risk Specialists Company (Bermuda), Ltd.
Risk Specialists Company of Colorado, Inc.
Risk Specialists Company of Kentucky, Inc.
Risk Specialists Company of Minnesota, Inc.
Risk Specialists Company of New Jersey, Inc.
Risk Specialists Company of New York, Inc.
Risk Specialists Company of Ohio, Inc.
Risk Specialists of the Carolinas, Inc.
Southeastern Risk Specialists, Inc.
Southern Risk Specialists, Inc.
Western Risk Specialists, Inc.
American International Surplus Lines Agency, Inc.
AIG Warranty Services and Insurance Agency, Inc.

and other member companies of the AIG family who sent you this privacy policy statement.

78052D
(Ed. 11/06)

PREMIUM DUE DATE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

PART FIVE
PREMIUM

D. **Premium** is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**

WC 00 04 19
(Ed. 01/01)

Countersigned by _____

Authorized Representative

CONSENT TO TRANSFER OF YOUR RIGHTS AND DUTIES

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Transfer of Rights and Duties

The person or organization named in the Schedule has with our consent assumed from you your duty to pay all premium, surcharges and "reimbursable losses" for this policy when due; and

You with our consent have assigned to such person or organization your rights to cancel this policy and to receive any return of premium or surcharges and any dividends, discounts or other adjustments from us under this policy.

No other rights or duties have been transferred.

For the purposes of this endorsement, "reimbursable losses" shall mean payments you are required to make to us as reimbursement to us for our payments of:

1. All benefits payable under PART ONE - WORKERS COMPENSATION INSURANCE; and
2. Up to our limit of liability, all sums you legally must pay as damages to which PART TWO - EMPLOYERS LIABILITY applies; and
3. All benefits payable under PART THREE - OTHER STATES INSURANCE; and
4. All benefits or damages payable under any endorsements attached to the policy.

"Reimbursable losses" shall also include payments you are required to make to us as reimbursement for any "allocated loss adjusting expense" we pay according to your policy.

No limit on the Company's liability under the policy or any endorsement is increased or reinstated by this endorsement.

SCHEDULE

THE PORT AUTHORITY OF NY & NJ

WC 99 00 09A
(Ed. 04/03)

Countersigned by _____

Authorized Representative

ADVANCE NOTICE OF CANCELLATION OR NON-RENEWAL BY US EXTENDED

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

PART SIX - CONDITIONS. D. - Cancellation, 2. is deleted in its entirety and replaced with:

We may cancel or non-renew this policy. We must mail or deliver to you not less than the number of days shown below advance written notice stating when the cancellation or non-renewal is to take effect.

Except for non-payment of premium, non-payment of loss reimbursement or non-delivery of satisfactory security or collateral when due for which we will provide the advance written notice required by law, we shall not provide less than the number of days advance notice set forth below, or in the policy and endorsements attached thereto, or as required by state law.

Mailing that notice to you, at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.

Cancellation: 60 Days
Non-Renewal: 60 Days

WC 99 00 39
(Ed. 08/02)

Countersigned by _____

Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2007

Forms a part of policy no.: WC 367-91-86

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

New Jersey Second Injury Fund

The New Jersey Workers Compensation Law established the Second Injury Fund to provide benefits to workers who become permanently and totally disabled as a result of work-related injury or occupational disease when the worker had been previously partially disabled. The Law also requires that the Fund provide annual adjustments to certain persons permanently and totally disabled and to certain dependents of deceased workers.

Through 1988, the Second Injury Fund was financed by an annual assessment upon insurance carriers. Such assessment was included in your standard premium via the manual premium rate(s) shown in your policy Information Page.

Effective January 1, 1989 an amendment to the Law requires that the present financing be replaced by a direct surcharge shown as a separate "Second Injury Fund Surcharge" line on the policy Information Page. It will no longer be included in the manual premium rate. This new system will discourage other states from imposing retaliatory taxes on New Jersey based insurance companies and ultimately aid cost containment efforts.

Issue Date: 12/19/07

LWNNJSIF

Countersigned by _____

Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2007

Forms a part of policy no.: WC 367-91-86

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The New Jersey Workers Compensation Law requires every employer to provide workers compensation coverage through purchase of a workers compensation and employers liability insurance policy. Failure to provide such coverage results in a fine and/or criminal action by the Department of Labor as well as continued liability for benefit payments to an injured worker.

The Uninsured Employers Fund was established by Law to provide benefits to an injured worker when the employer has failed to comply with the insurance provision of the Law and is unable to provide the required benefits. Through 1988, total financing of the Fund was derived from fines imposed upon uninsured employers

Effective January 1, 1989 an amendment to the Law, requires that the present financing be supplemented by a direct surcharge shown as a separate "Uninsured employers Fund Surcharge" line on your policy Information Page. This method will assure the delivery of benefits to injured workers and the surcharge will cease whenever the year end balance of the Fund exceeds $500,000.

Authorized Representative

Issue Date: 12/19/07

LWNNJUFEF

NEW JERSEY PART TWO LIMIT OF LIABILITY ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to the insurance provided by Part Two (Employers Liability Insurance) because New Jersey is shown in Item 3.A. of the Information Page.

With respect to Exclusion C5, this insurance does not cover any and all intentional wrongs within the exception allowed by N.J.S.A. 34:15-8 including but not limited to, bodily injury caused or aggravated by an intentional wrong committed by you or your employees, or bodily injury resulting from an act or omission by you or your employees, which is substantially certain to result in injury.

With respect to Exclusion C7, we will defend any claim, proceeding or suit for damages where bodily injury is alleged. We have the right to investigate and settle. We will not defend or continue to defend after the applicable limits of insurance have been paid. Such policy limits include any legal costs assessed against you on behalf of your employee(s).

We may not limit our liability to pay damages for which we become legally liable to pay because of bodily injury to an infant under the age of 18 years in a proceeding made pursuant to Article 2 as provided in N.J.S.A. 34:15-10

This insurance does not provide for the payment of any common law negligence damages or other damages when the provisions of Article 2 of the New Jersey Workers Compensation Law have been rejected by you and your employee(s) as provided in N.J.S.A. 34:15-9.

With respect to paragraph F., the "Other Insurance" provisions is replaced with the following:

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

This insurance, however, is excess over any other applicable insurance with respect to claims for bodily injury arising out of employer practices, policies, acts or omissions enumerated in C-7 above, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

WC 29 03 06B
(Ed. 07/07)

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Countersigned by _____

Authorized Representative

NEW JERSEY CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The premium for this policy may be adjusted by a New Jersey Construction Classification Premium Credit. The credit, if applicable, was not available when the policy was issued. If you qualify, we will issue an endorsement to include the credit after it is calculated.

WC 29 04 10
(Ed. 04-96)

Countersigned by _____

Authorized Representative

NEW JERSEY RETROSPECTIVE PREMIUM ENDORSEMENT
PART TWO - EMPLOYERS LIABILITY INSURANCE
EXCESS EXCLUSION

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement changes the Retrospective Premium Endorsement attached to the policy.

1. Standard Premium. The premium developed for Part Two limits of liability in excess of the standard limits shown in the Schedule below for employment in New Jersey and, if applicable, for coverage under Admiralty or the Federal Employers' Liability Act will be excluded in determining the standard premium.

2. Incurred Losses. Subject to any lower loss limitation in the Retrospective Premium Endorsement attached to the policy, the portion of each Part Two liability loss in excess of the standard limits shown in the Schedule below for employment in New Jersey and, if applicable, for coverage under Admiralty Law or the Federal Employers' Liability Act will be excluded in determining the incurred losses.

Schedule

Part Two Standard Limits - Employment In New Jersey

Bodily Injury
by Accident.....$100,000 each accident
Bodily Injury
by Disease.....$100,000 each employee
Bodily Injury
by Disease.....$500,000 policy limit

Part Two Standard Limits - Employment Under Admiralty or Federal Employers' Liability Act

Bodily Injury
by Accident.....$100,000 each accident
Bodily Injury
by Disease.....$100,000 each employee
Bodily Injury
by Disease.....$100,000 policy limit

WC 29 05 09C
(Ed. 7/00)

Countersigned by _____

Authorized Representative

NEW JERSEY RETROSPECTIVE PREMIUM ENDORSEMENT
LARGE RISK ALTERNATIVE RATING OPTION - ONE YEAR RATING PERIOD

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-85

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement describes the rating option for the insurance provided during the rating period by this policy any any other policy listed in the Schedule. The rating period is the one-year period beginning with the effective date of the policy to which this endorsement is attached.

A. Retrospective Premium Elements

The amount of retrospective premium depends on one or more of the seven premium elements, as agreed upon by the insured and the carrier.

1. Standard premium
2. Basic premium
3. Incurred losses
4. Converted losses
5. Taxes
6. Excess loss premium, if loss limitation was elected
7. Retrospective development premium, if elected

B. Retrospective Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective premium.

1. Retrospective premium is the sum of basic premium, converted losses and taxes, plus the excess loss premium and or retrospective development premium elective elements if you chose them, or the retrospective premium as described in the Addendum referred to in Item 4 of the Schedule.

2. The retrospective premium will not be less than the minimum nor more than the maximum retrospective premium. The minimum and maximum retrospective premiums are determined by the minimum and maximum factors shown in the Schedule, or by the information in the Addendum referred to in Item 4 of the Schedule.

3. If this endorsement applies to more than one policy, all such policies will be used to determine the minimum and maximum retrospective premiums.

C. Premium Calculations and Payments

1. We will calculate the retrospective premium using all loss information we have as of a date six months after the rating period ends and annually thereafter. We will have the calculation reviewed by the appropriate rate service organization at your request.

   We may make a special valuation of the retrospective premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due us if the retrospective premium is more than the total standard premium as of the special valuation date.

2. After a calculation of retrospective premium, you and we may agree that it is the final calculation. No other calculation will be made unless there is a clerical error in the final calculation or the standard premium has been revised.

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3. After each calculation of retrospective premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all retrospective premium calculated under this endorsement. The surcharges for the Second Injury Fund and Uninsured Employers Fund and the premium charge for the expense constant are not part of retrospective premium but are included in the total cost of the coverage provided by the policy to which this endorsement is attached.

D. Work in Other States

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the rating plan period, this endorsement will apply to that insurance if this rating plan applies in that state on an interstate basis. The retrospective premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

E. Cancelation

1. If any insurance subject to this endorsement is canceled, the effective date of cancelation will become the end of the rating period for all insurance subject to this endorsement.

2. If we cancel, the retrospective premium will be determined according to the other provisions of this endorsement, except that if we cancel because of nonpayment of premium, the maximum retrospective premium will be based on the standard premium for the rating period, increased pro rata to 365 days.

3. If you cancel, the standard premium for the rating period will be increased by our short rate table and procedure. This short rate premium will be the minimum retrospective premium and will be used to determine the basic premium.

   The short rate premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

   The maximum retrospective premium will be based on the standard premium for the rating period, increased pro rata to 365 days.

4. Section E.3. will not apply if you cancel because:

   a. You have retired from or completed all work covered by the policy, or your business has ceased to exist.

   b. All your business entities covered by the policy have been sold.

   c. You agreed with us that we would replace the canceled policy without lapse with a new policy subject to retrospective rating.

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Schedule

As Agreed Upon by the Insured and the Carrier, the Retrospective Premium Elements are included below or in the Addendum referred to in Item 4 of this Schedule

1. Other policies subject to this endorsement

2. Loss Limitation $

3. Loss Conversion Factor

4. The basic premium factors shown below are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums, the basic premium factor will be recalculated.

   For information supplementary to the Schedule, see the Addendum (form #) attached to the Notice of Election of Retrospective Rating for the insured.

	50%	100%	150%
Estimated Standard Premium	$	$	$
Minimum Premium Factor			
Maximum Premium Factor			
Basic Premium Factor			

   For information supplementary to the Schedule, see the Addendum (form #) attached to the Notice of Election of Retrospective Rating for the insured.

5. The tax multipliers, excess loss factors, retrospective development factors and the states where they apply are shown in the Table of States.

TABLE OF STATES

	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
State	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

WC 29 05 13C
(Ed. 01/05)

Countersigned by _____

Authorized Representative

© Compensation Rating and Inspection Bureau

NEW JERSEY RETROSPECTIVE PREMIUM ENDORSEMENT
LARGE RISK ALTERNATIVE RATING OPTION - THREE YEAR RATING PERIOD

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement describes the rating option for the insurance provided during the rating period by this policy any any other policy listed in the Schedule. The rating period is the three-year period beginning with the effective date of the policy to which this endorsement is attached.

A. Retrospective Premium Elements

The amount of retrospective premium depends on one or more of the seven premium elements, as agreed upon by the insured and the carrier.

1. Standard premium
2. Basic premium
3. Incurred losses
4. Converted losses
5. Taxes
6. Excess loss premium, if loss limitation was elected
7. Retrospective development premium, if elected

B. Retrospective Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective premium.

1. Retrospective premium is the sum of basic premium, converted losses and taxes, plus the excess loss premium and or retrospective development premium elective elements if you chose them, or the retrospective premium as described in the Addendum referred to in Item 4 of the Schedule.

2. The retrospective premium will not be less than the minimum nor more than the maximum retrospective premium. The minimum and maximum retrospective premiums are determined by the minimum and maximum factors shown in the Schedule, or by the information in the Addendum referred to in Item 4 of the Schedule.

3. If this endorsement applies to more than one policy, all such policies will be used to determine the minimum and maximum retrospective premiums.

C. Premium Calculations and Payments

1. We will calculate the retrospective premium using all loss information we have as of a date six months after the rating period ends and annually thereafter. We will have the calculation reviewed by the appropriate rate service organization at your request.

   We may make a special valuation of the retrospective premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due us if the retrospective premium is more than the total standard premium as of the special valuation date.

2. After a calculation of retrospective premium, you and we may agree that it is the final calculation No other calculation will be made unless there is a clerical error in the final calculation or the standard premium has been revised.

© Compensation Rating and Inspection Bureau

3. After each calculation of retrospective premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all retrospective premium calculated under this endorsement. The surcharges for the Second Injury Fund and Uninsured Employers Fund and the premium charge for the expense constant are not part of retrospective premium but are included in the total cost of the coverage provided by the policy to which this endorsement is attached.

D. Work in Other States

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the rating plan period, this endorsement will apply to that insurance if this rating plan applies in that state on an interstate basis. The retrospective premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

E. Cancelation

1. If any insurance subject to this endorsement is canceled or is not renewed, the effective date of cancelation or nonrenewal will become the end of the rating period for all insurance subject to this endorsement.

2. If we cancel or do not renew, the retrospective premium will be determined according to the other provisions of this endorsement, except that if we cancel or do not renew because of nonpayment of premium, the maximum retrospective premium will be based on the standard premium for the rating period, increased pro rata to three years (1,095) days.

3. If you cancel or do not renew, the standard premium for the rating period will be increased by our short rate table and procedure. This short rate premium will be the minimum retrospective premium and will be used to determine the basic premium.

   The short rate premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

   The maximum retrospective premium will be based on the standard premium for the rating period, increased pro rata to three years (1,095) days.

4. Section E.3. will not apply if you cancel because:

   a. You have retired from or completed all work covered by the policy, or your business has ceased to exist.

   b. All your business entities covered by the policy have been sold.

   c. You agreed with us that we would replace the canceled policy without lapse with a new policy subject to retrospective rating.

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Schedule

As Agreed Upon by the Insured and the Carrier, the Retrospective Premium Elements are included below or in the Addendum referred to in Item 4 of this Schedule

1. Other policies subject to this endorsement

2. Loss Limitation $

3. Loss Conversion Factor

4. The basic premium factors shown below are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums, the basic premium factor will be recalculated.

   For information supplementary to the Schedule, see the Addendum (form #) attached to the Notice of Election of Retrospective Rating for the insured.

	50%	100%	150%
Estimated Standard Premium	$	$	$
Minimum Premium Factor			
Maximum Premium Factor			
Basic Premium Factor			

   For information supplementary to the Schedule, see the Addendum (form #) attached to the Notice of Election of Retrospective Rating for the insured.

5. The tax multipliers, excess loss factors, retrospective development factors and the states where they apply are shown in the Table of States.

TABLE OF STATES

	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
State	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

WC 29 05 14C
(Ed. 01/05)

Countersigned by _____

Authorized Representative

© Compensation Rating and Inspection Bureau

NEW YORK LIMIT OF LIABILITY ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to the insurance provided by Part Two (Employers Liability Insurance) because New York is shown in item 3.A. of the Information Page.

We may not limit our liability to pay damages for which we become legally liable to pay because of bodily injury to your employees if the bodily injury arises out of and in the course of employment that is subject to and is compensable under the Workers Compensation Law of New York.

WC 31 03 08
(Ed. 4-84)

Countersigned by _____

Authorized Representative

NEW YORK CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM
EXPLANATORY ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The New York Construction Classification Premium Adjustment Program (NYCCPAP) allows premium credits for some employers in the construction industry. These credits exist to recognize the difference in wage rates between employers within the same construction industries in New York.

The declarations section of this policy will show a credit of 0.00% if you are not eligible for this credit, or if you are eligible for this credit and have not yet applied for a credit. Credits are earned for average wages in excess of $15.50 per hour for each eligible class. If your policy shows one of the following classification codes, and you are experience rated, you are eligible to apply for an NYCCPAP credit.

0042	5057	5193	5429	5491	5606	6003	6229	6306	7855
3365	5059	5213	5443	5506	5610	6005	6233	6319	8227
3724	5069	5221	5445	5507	5645	6017	6235	6325	9526
3726	5102	5222	5462	5508	5648	6018	6251	6400	9527
3737	5160	5223	5473	5536	5651	6045	6252	6701	9534
5000	5183	5348	5474	5538	5701	6204	6254	7536	9539
5022	5184	5402	5479	5545	5703	6216	6259	7538	9545
5037	5188	5403	5480	5547	5709	6217	6260	7601	9549
5040	5190	5428							9553

The basis for determining the credit is the limited payroll of each employee for the number of hours worked (excluding overtime premium pay) for each construction classification (other than employees engaged in the construction of one or two-family residential housing) for the third quarter, as reported to taxing authorities, for the year preceding the policy date. Total payroll is to continue to be reported for employees engaged in the construction of one or two-family residential housing. For example:

Policy Inception Date	Third Quarter Payroll
4/1/05 thru 3/31/06	2004
4/1/06 thru 3/31/07	2005
4/1/07 thru 3/31/08	2006
4/1/08 thru 3/31/09	2007
4/1/09 thru 3/31/10	2008
4/1/10 thru 3/31/11	2009

If you have any eligible classes on your policy, you should have been notified by your insurance carrier or the New York Compensation Insurance Rating Board approximately nine months prior to the inception date of this policy. If you believe you may be eligible for a credit and have not received an application, you should immediately contact your agent, insurance carrier, or the New York Compensation Insurance Rating Board.

Credits are calculated by the New York Compensation Insurance Rating Board. Your must submit a completed application to: Attention: Field Services Department, New York Compensation Insurance Rating Board, 200 East Forty-Second Street, New York, New York 10017.

Applications must be received by the Rating Board six (6) months prior to the policy renewal effective date. The Rating Board will accept and process an application if it is received between the policy effective and expiration date, however, it must be accompanied by a letter stating the reason for the delay. Under no circumstances will an application be accepted for any policy if it is received after the expiration date of the policy. For short-term policies the application must be received prior to the expiration date of the short-term policy. If it is received after the policy expiration, no credit will be calculated.

The New York Workers Compensation and Employers Liability Insurance Manual, and not this endorsement, govern the implementation and use of the NYCCPAP.

WC 31 03 19D
(Ed. 01/07)

Countersigned by _____

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Authorized Representative

NEW YORK PENDING PAYROLL LIMITATION AND PREMIUM DIFFERENTIAL ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-36

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The Construction Employment Payroll Limitation Law (S7744/A11294) requires a payroll limitation and territory premium differential on policies for all employers subject to the Law with an anniversary rating date on or after October 1, 1999. The code(s) currently on your policy may be subject to the Law.

The requirements of the Law may be applied during the policy period or may be applied at time of audit.

WC 31 04 04
(Ed. 10/99)

Countersigned by _____

Authorized Representative

NOTICE TO POLICYHOLDERS
CHANGES TO ASSESSMENTS

Legislation enacted in December 1993 and applicable to policies effective April 1st, 1994 specifically prohibited assessments based on losses. The New York Compensation Rating Board was instructed to prepare a single "New York State Assessment" to be charged based on your standard workers compensation premium, which is your premium after application of experience modification. For your information, the components of this assessment are described below. These assessment percentages are effective on new and renewal policies effective October 1, 2005 and later.

Workers Compensation Board (WCB) Assessment

The WCB is the administrator of the workers compensation law in New York. Its administrative law judges hear cases and establish benefit eligibility and awards.
The assessment for this service is 2.7%

Reopened Case Fund

The Reopened Case Fund pays for benefits determined by the Workers Compensation Board after a lapse of seven years from the date of injury, or in those cases where an earlier determination is set aside.
The assessment for this service is 2.9%

Special Disability Fund

The Special Disability Fund provides for the reimbursement of the insurance company for compensation and medical benefits paid as the result of a subsequent (second) injury.
The assessment for this service is 11.1%

Interdepartmental Expenses

This assessment pays for the programs administered by the New York Department of Health, Occupational Health Clinics Network, and the New York Department of Labor, both the Occupational Safety and Training Fund and the Enforcement of Occupational Safety and Health Regulation.
The assessment for this service is 0.7%

Special Funds Conservation Committee

This assessment pays the expenses of the state attorney responsible for handling second injury and reopened case matters.
The assessment for this service is 0.1%

The total assessment effective October 1, 2005 is 17.5%

NEW YORK NOTICE TO THE POLICYHOLDER

Pursuant to New York Insurance Regulations, you may purchase a Workers' Compensation deductible. The available deductible options, per occurrence, are $100, $200, $300, $400, $500, $1000, $1500, $2000, $2500 or $5000.

If you are interested in either purchasing a deductible or receiving a premium quotation for one or more of the available deductible options, please contact your Agent or Broker.

NEW YORK SECURITY FUND SURCHARGE NOTICE
IMPORTANT NOTICE TO POLICYHOLDERS

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2007 forms a part of Policy No. WC 367-91-86

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Companies writing workers compensation insurance insurance business in New York are required to participate in the New York Compensation Security Fund. If a company becomes insolvent, the security fund settles unpaid claims and assesses each insurance company for its fair share.

New York law requires all companies to surcharge policies to recover these assessments. If your policy is surcharged "NY surcharge", an amount will be displayed on your premium notice.

WC 99 31 18
(Ed. 10/04)

Countersigned by _____

Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2007

Forms a part of policy no.: WC 367-91-86

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

LOC NO.	NAME AND ADDRESS SCHEDULE	FEIN	UI #
0001	THE PORT AUTHORITY OF NJ & NY NO FIXED ADDRESS NY 00000-0000 BUSINESS TYPE: PUBLIC ENTITY	136400654	UNKNOWN
0002	THE PORT AUTHORITY OF NJ & NY NO FIXED ADDRESS NJ BUSINESS TYPE: PUBLIC ENTITY	136400654	0000 0000 0001
0003	THE PORT AUTHORITY OF NJ & NY NO FIXED ADDRESS NY 00000-0000 BUSINESS TYPE: PUBLIC ENTITY	136400654	UNKNOWN

Authorized Representative

Issue Date: 12/19/07

WC990610 (Ed. 1-97)

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aigproducercompensation.com or by calling AIG at 1-800-706-3102.

ISSUED BY THE STOCK INSURANCE COMPANY HEREIN CALLED THE COMPANY

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA
13889

AGENT NUMBER
0001382-00

POLICY NUMBER
WC 007-26-1149
082-01-1208-00

INCORPORATED UNDER THE LAWS OF PENNSYLVANIA

ITEM 1. NAMED INSURED: MAILING ADDRESS IDENTIFICATION NO.:

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
225 PARK AVENUE SOUTH
NEW YORK, NY 10003-1604

SEE EXTENSION OF ITEM 1. OF THE INFORMATION PAGE - WC990610

I.D#

Member Companies of American International Group

EXECUTIVE OFFICES:
70 PINE STREET, NEW YORK, N.Y. 10270

PRODUCERS NAME AND ADDRESS

AON RISK SERVICES, INC. OF NEW YORK
300 JERICHO QUADRANGLE
JERICHO, NY 11753-0000

WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY INFORMATION PAGE

INSURED IS
PUBLIC ENTITY

PREVIOUS POLICY NUMBER
RENEWAL 003679186

OTHER WORKPLACES NOT SHOWN ABOVE: SEE EXTENSION OF ITEM 1. OF THE INFORMATION PAGE - WC990610

ITEM 2 POLICY PERIOD 12:01 A.M. standard time at the insured's mailing address FROM 12/31/08 TO 12/31/09

ITEM 3

A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here:
NJ NY

B. Employers Liability Insurance: Part Two of the policy applies to the work in each state listed in item 3.A.
The limits of our liability under Part Two are:

Bodily Injury by Accident $ 2,000,000 each accident
Bodily Injury by Disease $ 2,000,000 policy limit
Bodily Injury by Disease $ 2,000,000 each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:
NONE

D. This policy includes these
SEE EXTENSION OF ITEM 3.D. OF THE INFORMATION PAGE - WC990612

ITEM 4 The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Classifications	Code Number	Estimated Total Remuneration [X] Annual [ ] 3 Year	Rate Per $100 OF Remuneration	Estimated Premium [X] Annual [ ] 3 Year
SEE EXTENSION OF ITEM 4. OF THE INFORMATION PAGE - WC7754 TAXES/ASSESSMENTS/SURCHARGES				$1,313,184
EXPENSE CONSTANT (EXCEPT WHERE APPLICABLE BY STATE) $220 NJ				

MINIMUM PREMIUM $875 NY

TOTAL ESTIMATED PREMIUM $13,235,542

If indicated below, interim adjustments of premium shall be made:

[ ] Semi-Annually [ ] Quarterly [ ] Monthly

DEPOSIT PREMIUM $13,235,542

12/18/08 NEW YORK — Issue Date

01 — Issuing Office

Authorized Representative

WC 00 00 01

39967 (Rev'd 04/08)

INSURED'S COPY

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

INSURANCE POLICY

National Union Fire Insurance Company of Pittsburgh, Pa.
American Home Assurance Company
The Insurance Company of The State of Pennsylvania
AIG Casualty Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Company
New Hampshire Insurance Company
AIG National Insurance Company
AIU Insurance Company

Member Companies of
American International Group, Inc.
EXECUTIVE OFFICES
70 PINE STREET
NEW YORK, N.Y. 10270

Coverage is provided by the Company designated on the Information Page
A Stock Insurance Company

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY QUICK REFERENCE

BEGINNING ON PAGE

Information Page i

GENERAL SECTION 1
- A. The Policy 1
- B. Who Is Insured 1
- C. Workers Compensation Law 1
- D. State 1
- E. Locations 1

PART ONE-WORKERS COMPENSATION INSURANCE 1
- A. How This Insurance Applies 1
- B. We Will Pay 1
- C. We Will Defend 1
- D. We Will Also Pay 1
- E. Other Insurance 2
- F. Payments You Must Make 2
- G. Recovery From Others 2
- H. Statutory Provisions 2

THE ABOVE REFERENCED POLICY PROVISIONS WITH THE INFORMATION PAGE AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THIS POLICY.

"INCLUDES COPYRIGHT MATERIAL OF THE NATIONAL COUNCIL ON COMPENSATION INSURANCE, USED WITH ITS PERMISSION.

COPYRIGHT 1983 NATIONAL COUNCIL ON COMPENSATION INSURANCE"

39638C(04/92) (Rev'd 04/08)

WC 00 00 00 A (STANDARD)
ED 4 92

QUICK REFERENCE – CONTINUED

BEGINNING ON PAGE

PART TWO - EMPLOYERS LIABILITY INSURANCE 2
- A. How This Insurance Applies 2
- B. We Will Pay 3
- C. Exclusions 3
- D. We Will Defend 3
- E. We Will Also Pay 4
- F. Other Insurance 4
- G. Limits of Liability 4
- H. Recovery From Others 4
- I. Action Against Us 4

PART THREE - OTHER STATES INSURANCE 4
- A. How This Insurance Applies 4
- B. Notice 5

PART FOUR - YOUR DUTIES IF INJURY OCCURS 5

PART FIVE - PREMIUM 5
- A. Our Manuals 5
- B. Classifications 5
- C. Remuneration 5
- D. Premium Payments 5
- E. Final Premium 5
- F. Records 6
- G. Audit 6

PART SIX - CONDITIONS 6
- A. Inspection 6
- B. Long Term Policy 6
- C. Transfer of Your Rights and Duties 6
- D. Cancellation 6
- E. Sole Representative 6

PLEASE READ THE WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY CAREFULLY

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows.

GENERAL SECTION

A. The Policy

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who Is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. State

State means any state of the United States of America, and the District of Columbia.

E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A states unless you have other insurance or are self-insured for such workplaces.

PART ONE - WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;

3. litigation costs taxed against you;

4. interest on a judgment as required by law until we offer the amount due under this insurance; and

5. expenses we incur.

E. **Other Insurance**

We will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. **Payments You Must Make**

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;

2. you knowingly employ an employee in violation of law;

3. you fail to comply with a health or safety law or regulation; or

4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. **Recovery From Others**

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

H. **Statutory Provisions**

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.

2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.

3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.

4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.

5. This insurance conforms to the parts of the workers compensation law that apply to:

   a. benefits payable by this insurance; or;

   b. special taxes, payments into security or other special funds, and assessments payable by us under that law.

6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

PART TWO - EMPLOYERS LIABILITY INSURANCE

A. **How This Insurance Applies**

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.

2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.

3. Bodily injury by accident must occur during the policy period.

4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

5. If you are sued, the original suit and any related legal actions for damages for bodily injury

by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. **We Will Pay**

We will pay all sums you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. for which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;

2. for care and loss of services; and

3. for consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee;

provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and

4. because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

C. **Exclusions**

This insurance does not cover:

1. liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;

2. punitive or exemplary damages because of bodily injury to an employee employed in violation of law;

3. bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;

4. any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;

5. bodily injury intentionally caused or aggravated by you;

6. bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;

7. damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions.

8. bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws.

9. bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws.

10. bodily injury to a master or member of the crew of any vessel.

11. fines or penalties imposed for violation of federal or state law.

12. damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

D. **We Will Defend**

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. **We Will Also Pay**

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim proceeding, or suit we defend;

1. reasonable expenses incurred at our request; but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

F. **Other Insurance**

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. **Limits of Liability**

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease-policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease-each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.

   Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. **Recovery From Others**

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. **Actions Against Us**

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE - OTHER STATES INSURANCE

A. **How This Insurance Applies**

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.
4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the

Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. **Notice**

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR - YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.
4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE - PREMIUM

A. **Our Manuals**

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. **Classifications**

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. **Remuneration**

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. All your officers and employees engaged in work covered by this policy; and
2. All other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

D. **Premium Payments**

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. **Final Premium**

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise.

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short rate

cancellation table and procedure. Final premium will not be less than the minimum premium.

F. **Records**

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. **Audit**

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

PART SIX - CONDITIONS

A. **Inspection**

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

B. **Long Term Policy**

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. **Transfer of Your Rights and Duties**

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. **Cancellation**

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.

2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.

3. The policy period will end on the day and hour stated in the cancellation notice.

4. Any of these provisions that conflicts with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with that law.

E. **Sole Representative**

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

In Witness Whereof, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.

President
National Union Fire
Insurance Company of
Pittsburgh, PA

President
American Home
Assurance Company

President
The Insurance Company
of The State of Pennsylvania

President
AIG Casualty Company

President
Commerce and Industry
Insurance Company

President
Granite State Insurance Company

President
Illinois National Insurance Company

President
New Hampshire Insurance Company

President
AIG National Insurance Company

President
AIU Insurance Company

Secretary
National Union Fire Insurance Company of Pittsburgh, PA
American Home Assurance Company
The Insurance Company of The State of Pennsylvania
AIG Casualty Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Company
New Hampshire Insurance Company
AIG National Insurance Company
AIU Insurance Company

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 007-26-1149 — Policy Prefix & No.

NEW JERSEY — Schedule

INTRA/Independent State Risk ID

082-01-1208-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
RATING GROUP: 0002-01				
LANDSCAPE GARDENING & DRIVERS	0042	126,522	9.75	12,336
FLINT OR SPAR GRINDING & DRIVERS	1741	7,100	4.93	350
IRON OR STEEL FABRICATION: IRON OR STEEL WORKS-SHOP-STRUCTURAL-& DRIVERS	3030	64,468	16.71	10,773
IRON OR STEEL FABRICATION: IRON WORKS-SHOP-ORNAMENTAL-& DRIVERS	3040	4,047,749	11.75	475,611
IRON OR STEEL FABRICATION: IRON WORKS-SHOP-DECORATIVE OR ARTISTIC-& FOUNDRIES, DRIVERS	3041	4,260	4.32	184
WIRE DRAWING-IRON OR STEEL	3241	2,840	5.60	159
HEAT TREATING-METAL NPD	3307	85,200	10.72	9,133
WELDING OR CUTTING NOC & DRIVERS	3365	26,270	15.71	4,127
MACHINE SHOP NOC	3632	710	4.32	31
ELECTRIC POWER OR TRANSMISSION EQUIPMENT MFG	3643	2,840	4.52	128
THERMOMETER MFG	3685	7,100	2.37	168
MACHINERY OR EQUIPMENT ERECTION OR REPAIR NOC & DRIVERS	3724	40,115	7.46	2,993
MILLWRIGHT WORK NOC & DRIVERS	3724	836,124	7.46	62,375
ANALYTICAL CHEMIST-NPD (4571)	4571	3,126	1.00	31
ANALYTICAL CHEMIST-NPD (4572)	4572	10,437	8.83	922
MASONRY NOC	5022	867,174	13.09	113,513
PAINTING: STEEL STRUCTURES OR BRIDGES	5038	1,493,414	18.47	275,834
IRON OR STEEL ERECTION: ERECTION-FRAME STRUCTURES	5040	1,786,194	23.72	423,685
IRON OR STEEL ERECTION: ERECTION NOC	5057	1,553,551	13.59	211,128
IRON OR STEEL ERECTION: ERECTION-FRAME STRUCTURES NOT OVER TWO STORIES IN HEIGHT	5059	2,266,453	43.09	976,615
IRON OR STEEL ERECTION: ERECTION-CONSTRUCTION OF DWELLINGS NOT OVER TWO STORIES IN HEIGHT	5069	21,300	22.50	4,793
IRON OR STEEL ERECTION: DOOR, DOOR FRAME OR SASH ERECTION OR REPAIR METAL OR METAL COVERED & DRIVERS	5103	103,092	9.46	9,753
ELEVATOR ERECTION OR REPAIR	5160	274,415	5.32	14,599
PLUMBING NOC & DRIVERS	5183	756,272	6.17	46,662
BOILER OR STEAM PIPE INSULATING & SHOP, DRIVERS	5184	10,792	6.05	653
AUTOMATIC SPRINKLER INSTALLATION & DRIVERS	5188	140,154	6.42	8,998
ELECTRICAL WIRING-WITHIN BUILDINGS & DRIVERS	5190	8,637,201	4.76	411,131
ELECTRICAL WIRING-WITHIN BUILDINGS &	5190V	IF ANY	4.76	

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 007-26-1149
Policy Prefix & No.

NEW JERSEY
Schedule

INTRA/Independent State Risk ID

082-01-1208-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
DRIVERS				
OFFICE MACHINE DR APPLIANCE INSTALLATION, INSPECTION, ADJUSTMENT OR REPAIR	5191	174,277	1.49	2,597
CEMENT WORK-SIDEWALKS, CELLAR FLOORS, DRIVEWAYS & DRIVERS	5200	1,369,549	9.99	136,818
CONCRETE CONSTRUCTION NOC & DRIVERS	5213	2,336,903	16.01	374,138
CONCRETE CDNSTRUCTION IN CONNECTION WITH BRIDGES OR CULVERTS	5222	423,515	18.72	79,282
MARBLE OR STDNE SETTING-INSIDE BUILDING SIDING OR RE-SIDING & DRIVERS	5348	35,983	6.99	2,515
CEILINGS-SUSPENDED DR CEMENTED-INSTALLATIDN & DRIVERS	5403	1,100,479	14.34	157,809
CARPENTY-INSTALLATION OF CABINET WORK OR INTERIDR TRIM	5409	18,460	5.97	1,102
WALLBOARD-INSTALLATION-WITHIN BUILDINGS-& DRIVERS	5437	1,420	8.94	127
GLAZIER-AWAY FROM SHOP-& DRIVERS	5445	246,796	7.96	19,645
WATERPRDOFING - & YARD EMPLOYEES, DRIVERS	5462	78,214	8.55	6,687
ASBESTOS CONTRACTOR-EMPLOYEES ENGAGED IN ASBESTOS REMOVAL, REPLACEMENT, REPAIR, ENCLOSURE OR ENCAPSULATION & DRIVERS	5466	299,052	7.90	23,625
PAINTING OR DECORATING-INTERIOR OR EXTERIOR WDRK NOC & DRIVERS	5473	455,110	24.89	113,277
INSULATION WORK NOC & DRIVERS	5474	258,369	11.92	30,798
PLASTERING NOC & DRIVERS	5479	2,447	12.65	310
STREET OR ROAD PAVING, SURFACING OR RESURFACING, DRIVERS - NPD WITH 6042 STREET OR ROAD CONSTRUCTION	5480	20,637	11.64	2,402
METAL CEILING OR WALL COVERING INSTALLATION & SHOP DRIVERS	5500	1,848,113	9.99	184,626
HEATING DR AIR CONDITIONING DUCT WORK-SHOP AND OUTSIDE-& DRIVERS	5538	332,983	6.49	21,611
ROOFING-ALL KINDS & DRIVERS	5538	171,346	6.49	11,120
CONTRACTOR-EXECUTIVE SUPERVISOR	5551	224,317	37.77	84,725
CLEANER-DEBRIS REMOVAL	5606	3,465,225	2.76	95,640
WRECKING: BUILDINGS OR STRUCTURES-NOT MARINE	5610	875,619	9.32	81,608
PILE DRIVING & DRIVERS	5701	12,496	22.31	2,788
GRADING OF LAND NOC & DRIVERS	6003	574,765	16.03	92,135
STREET DR ROAD CONSTRUCTION & DRIVERS	6039	743,890	8.09	60,181
DRILLING NOC & DRIVERS NPD	6042	4,456,157	7.18	319,952
EXCAVATION NOC & DRIVERS	6204	365,643	10.57	38,648
IRRIGATION DR DRAINAGE SYSTEM CONSTRUCTION & DRIVERS	6217	1,743,878	8.35	145,614
	6229	1,420	1.00	14

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 007-26-1149 — Policy Prefix & No.

NEW JERSEY — Schedule

INTRA/Independent State Risk ID

082-01-1208-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
CAISSON WORK	6252	1,846	8.59	159
SEWER CONSTRUCTION & DRIVERS	6306	114,594	10.08	11,551
GAS MAIN OR CONNECTION CONSTRUCTION & DRIVERS	6319	24,850	10.65	2,647
CONDUIT CONSTRUCTION-FOR CABLES OR WIRES-& DRIVERS	6325	114,310	6.13	7,007
FENCE ERECTION-METAL	6400	293,372	15.89	46,617
RAILROAD CONSTRUCTION-INCLUDING CLERICAL OFFICE EMPLOYEES; SALESMEN; DRIVERS, CHAUFFEURS AND THEIR HELPERS - COVERAGE I	6702	14,200	1.00	142
MARINE RAILWAY OPERATION & DRIVERS	6872	11,928	23.91	2,852
TRUCKMEN: NOC-& DRIVERS	7219	42,600	13.19	5,619
DRIVERS, CHAUFFEURS AND THEIR HELPERS NOC-COMMERCIAL	7380	1,077,306	10.04	108,162
WRECKING-MARINE-INCLUDING SALVAGE OPERATIONS-COVERAGE I	7394	88,778	9.29	8,247
ELECTRIC LIGHT OR POWER LINE CONSTRUCTION & DRIVERS	7538	255,600	7.73	19,758
TELEPHONE, TELEGRAPH OR FIRE ALARM LINE CONSTRUCTION & DRIVERS	7601	5,324	5.04	268
FIRE ALARM INSTALLATION OR REPAIR & DRIVERS	7605	20,197	3.39	685
DETECTIVE OR PATROL AGENCY-& DRIVERS	7723	66,645	3.02	2,013
RAILROAD CONSTRUCTION BY CONTRACTOR-LAYING OR RELAYING OF TRACKS OR MAINTENANCE OF WAY-DRIVERS	7855	1,451,476	11.68	169,532
CONSTRUCTION OR ERECTION PERMANENT YARD	8227	463,382	7.31	33,873
JUNK DEALER & DRIVERS NPD	8263	286,556	14.45	41,407
IRON OR STEEL SCRAP DEALER & DRIVERS NPD	8265	1,420	10.65	151
GASOLINE OR OIL DEALER & DRIVERS	8350	8,520	7.76	661
ENGINEER OR ARCHITECT-CONSULTING NPD	8601	1,488,586	0.93	13,844
INSPECTION OF RISKS FOR INSURANCE OR VALUATION PURPOSES NOC	8720	6,390	2.66	170
REAL ESTATE AGENCY-OUTSIDE EMPLOYEES & COLLETORS	8742	222,369	0.54	1,201
LABOR UNION	8755	71,000	0.54	383
AUDITOR, OR FACTORY COST OR OFFICE SYSTEMATIZER-TRAVELING	8803	46,663	0.27	126
CLERICAL OFFICE EMPLOYEES NOC	8810	602,549	0.27	1,627
BUILDINGS-OPERATION BY CONTRACTOR & DRIVERS	9014	163,300	5.72	9,341
PARK NOC-& DRIVERS	9102	1,392	4.15	58
SEWER CLEANING & DRIVERS	9402	13,940	8.51	1,186
RADIO OR TELEVISION SET INSTALLATION, SERVICE OR REPAIR & DRIVERS	9519	15,620	4.67	729

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 007-26-1149
Policy Prefix & No.

NEW JERSEY
Schedule

INTRA/Independent State Risk ID

082-01-1208-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
HOUSE FURNISHINGS INSTALLATION NOC & UPHOLSTERING		9521	20,403	7.12	1,453
SCAFFOLDS OR SIDEWALK BRIDGES-INSTALLATION, REPAIR OR REMOVAL-& DRIVERS		9529	7,811	1.00	78
RIGGING NOC & DRIVERS		9530	3,550	6.42	228
SIGN ERECTION OR REMOVAL-& DRIVERS NPD		9554	215,982	7.56	16,328
STATE OF NEW JERSEY TOTALS					
TOTAL CLASSIFICATION PREMIUM					5,674,582
FELA INCREASE	258.00%	6198			366
ADMIR INCREASE	258.00%	6198			21,277
INCREASE LIMITS	5.20%	6199			294,642
TOTAL UNMODIFIED PREMIUM					5,990,867
MODIFIED STANDARD PREMIUM					5,990,867
UNDISCOUNTED PREMIUM					5,990,867
DISCOUNTED PREMIUM					5,990,867
RETROSPECTIVE RATING PROGRAM		0945			0
EXPENSE CONSTANT		0900			220
TERRORISM	0.06	9740			31,221
CATASTROPHE (SEE WC 00 D4 21C)	0.01	9741			5,203
TOTAL ESTIMATED PREMIUM					6,027,511
SECOND INJURY FUND SURCHARGE	6.22%	0935			370,577
UNINSURED EMPLOYERS' FUND SURCHARGE	0.10%	0936			5,958
TOTAL DUE					6,404,046
TOTAL FOREIGN TERRORISM (TRIA) PREMIUM INCLUDED IN TOTAL ESTIMATED PREMIUM	$32,261				

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 007-26-1149
Policy Prefix & No.

NEW YORK
Schedule

INTRA/Independent State Risk ID

082-01-1208-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
RATING GROUP: 0001-01				
LOC ID. 0001				
LANDSCAPE GARDENING & DRIVERS	0042	65,037	7.48	4,865
DOOR, DOOR FRAME OR SASH MFG-WOOD-METAL COVERED	3060	2,093	13.21	276
WELDING OR CUTTING NOC & DRIVERS	3365	16,128	13.01	2,098
ELECTRICAL APPARATUS INSTALLATION & DRIVERS	3724	231,350	7.81	18,068
BOILER INSTALLATION OR REPAIR-STEAM	3726	25,134	16.82	4,228
MASONRY NOC	5022	1,071,419	16.06	172,070
PAINTING: METAL BRIDGES & SHOP OPERATIONS, DRIVERS	5037	1,039,291	18.32	190,398
IRON OR STEEL: ERECTION: FRAME STRUCTURES	5040	2,130,874	24.91	530,801
IRON OR STEEL: ERECTION: NOC	5057	86,377	15.32	13,233
IRON OR STEEL: ERECTION: FRAME STRUCTURES-NOT OVER TWO STORIES IN HEIGHT	5059	209,450	50.44	105,647
IRON OR STEEL: ERECTION: DOOR, DOOR FRAME OR SASH ERECTION-METAL OR METAL COVERED	5102	83,569	10.51	8,783
ELEVATOR ERECTION OR REPAIR	5160	220,400	8.06	17,764
PLUMBING NOC & DRIVERS	5183	1,425,423	7.02	100,065
BOILER OR STEAM PIPE INSULATING & DRIVERS	5184	184,475	6.63	12,231
AUTOMATIC SPRINKLER INSTALLATION & DRIVERS	5188	127,639	4.45	5,680
ELECTRICAL WIRING WITHIN BUILDINGS	5190V	IF ANY	5.79	
ELECTRICAL WIRING-WITHIN BUILDINGS & DRIVERS	5190	14,560,870	5.79	843,074
OIL OR GAS BURNER INSTALLATION, SERVICE OR REPAIR & SHOP, DRIVERS	5193	6,702	14.11	946
CONCRETE CONSTRUCTION NOC	5213	5,025,052	15.32	769,838
CONCRETE OR CEMENT WORK-FLOORS, DRIVEWAYS, YARDS OR SIDEWALKS-& DRIVERS	5221	3,611,430	11.49	414,953
CONCRETE CONSTRUCTION IN CONNECTION WITH BRIDGES OR CULVERTS	5222	3,575,134	12.56	449,037
MARBLE OR STONE SETTING-INSIDE	5348	89,477	5.98	5,351
HOT HOUSE ERECTION-ALL OPERATIONS	5402	838	12.43	104
CARPENTRY NOC	5403	1,692,933	14.30	242,089
FURNITURE OR FIXTURES INSTALLATION IN OFFICES OR STORES NOC	5429	8,892	6.28	558
LATHING & DRIVERS	5443	13,824	11.39	1,575
WALLBOARD INSTALLATION-WITHIN BUILDINGS- & DRIVERS	5445	292,026	7.75	22,632
GLAZIER-AWAY FROM SHOP-& DRIVERS	5462	25,302	10.50	2,657

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 007-26-1149
Policy Prefix & No.

NEW YORK
Schedule

INTRA/Independent State Risk ID

082-01-1208-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
ASBESTOS: REMOVAL OR ENCAPSULATION	5473	494,302	22.41	110,773
PAINTING OR DECORATING NOC & DRIVERS	5474	179,135	10.18	18,236
INSULATION WDRK NOC & DRIVERS	5479	32,507	7.02	2,282
PLASTERING NOC & DRIVERS	5480	205,889	7.77	15,998
PAPER HANGING & DRIVERS	5491	152,535	3.64	5,552
STREET OR ROAD CONSTRUCTIDN: PAVING DR REPAVING & DRIVERS	5506	5,354,321	17.20	920,943
STREET OR RDAD CONSTRUCTION: SUB-SURFACE WORK & DRIVERS	5507	1,770,815	8.20	145,207
GEOPHYSICAL EXPLORATION-SEISMIC & DRIVERS	5508	6,284	12.97	815
HEATING AND AIR CONDITIONING DUCT WORK-SHOP AND OUTSIDE-& DRIVERS	5536	1,309,520	7.61	99,654
SHEET METAL WORK ERECTION, INSTALLATION OR REPAIR NDC-SHOP OR OUTSIDE-& DRIVERS	5538	386,829	9.92	38,373
ROOFING NDC & DRIVERS	5545	84,754	25.91	21,960
DAM CONSTRUCTION: ROOFING OF PERMANENT BUILDINGS OR STRUCTURES (5547)	5547	201,140	26.01	52,317
CLEANER-DEBRIS REMOVAL	5610	407,798	5.89	24,019
SALVAGE DPERATIONS & INCIDENTAL WRECKING	5709	51,358	1.00	514
PILE DRIVING NOC & DRIVERS	6003	713,576	13.54	96,618
DIKE OR REVETMENT CONSTRUCTION & DRIVERS	6005	144,660	3.86	5,584
DRILLING NOC & DRIVERS	6204	241,568	14.73	35,583
BUILDING CLEANING, MAINTENANCE OR REPAIR: CLEANING OUT DEBRIS LEFT BY BUILDING DEMOLITION CONCERNS-INCL. DRIVERS	6217	838	8.81	74
GRADING OF LAND NOC & DRIVERS	6217	2,272,918	8.81	200,244
DRAINAGE OR IRRIGATION SYSTEM CONSTRUCTION & DRIVERS	6229	259,159	7.09	18,374
CAISSON WORK-ALL OPERATIONS TO COMPLETION	6252	100,536	7.99	8,033
SEWER CONSTRUCTION-ALL OPERATIONS-& DRIVERS	6306	259,718	10.41	27,037
GAS MAIN OR CONNECTION CONSTRUCTION & DRIVERS	6319	33,819	6.67	2,256
CONDUIT CONSTRUCTION - FOR CABLES OR WIRES-& DRIVERS	6325	79,242	7.52	5,959
FENCE ERECTION-METAL	6400	492,849	9.67	47,658
FENCE ERECTION-METAL	6400F	492,849	16.57	81,665
SUPPLY BOATS: PROGRAM I	7016	16,756	5.73	960
ELECTRIC LIGHT OR POWER LINE CONSTRUCTION & DRIVERS	7538	294,626	13.15	38,743
TELEPHONE, TELEGRAPH OR FIRE ALARM LINE CONSTRUCTION & DRIVERS	7601	16,463	13.15	2,165
RAILROAD CONSTRUCTION: LAYING OR	7855	300,351	12.76	38,325

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 007-26-1149 — Policy Prefix & No.
NEW YORK — Schedule
INTRA/Independent State Risk ID

082-01-1208-00 THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
RELAYING TRACKS-NO WORK ON ELEVATED RAILROADS & DRIVERS					
YARD-CONSTRUCTION OR ERECTION-PERMANENT		8227	246,162	8.66	21,318
CARPET INSTALLATION		9521	25,972	5.21	1,353
SCAFFOLDS, HOD HOIST OR CONSTRUCTION ELEVATORS-BUILT UP FROM THE GROUND INSTALLATION, REPAIR OR REMOVAL & DRIVERS		9526	34,434	16.92	5,826
SCAFFOLDS-SIDEWALK BRIDGES-NOT OVER ONE STORY IN HEIGHT-INSTALLATION, REPAIR OR REMOVAL & DRIVERS		9527	278,988	16.45	45,894
MOBILE CRANE AND HOISTING SERVICE CONTRACTORS NOC & DRIVERS		9534	1,257	20.75	261
AWNING, TENT OR CANVAS GOODS ERECTION, REMOVAL OR REPAIR & DRIVERS		9539	8,378	7.70	645
TOTAL CLASSIFICATION PREMIUM					6,080,239
FELA INCREASE	121.00%	9840			46,373
ADMIR INCREASE	121.00%	9840			1,162
INCREASE LIMITS	4.30%	9816			3,512
CONST PAYROLL LIMITATION	3.40%	9126			202,616
CONST PAYROLL LIMITATION	3.40%	9126			2,896
CONST PAYROLL LIMITATION	3.40%	9126			2,880
CONST PAYROLL LIMITATION	3.40%	9126			72
TOTAL UNMODIFIED PREMIUM					6,339,750
MODIFIED STANDARD PREMIUM					6,339,750
UNDISCOUNTED PREMIUM					6,339,750
DISCOUNTED PREMIUM					6,339,750
TERRORISM		9740			235,306
CATASTROPHE (SEE WC 00 04 21C)	0.012	9741			6,333
ESTIMATED PREMIUM					6,557,516
TAX/ASSESSMENT SURCHARGE	13.40%	0932			866,496
RATING GROUP TOTAL					7,424,012
RATING GROUP: 0003-01 LOC ID. 0003					
ASPHALT WORKS-OPERATED BY PAVING CONTRACTORS		1463	16,756	8.20	1,374
AWNING OR TENT MFG.-SHOP ONLY		2576	1,676	4.64	78
IRON OR STEEL: FABRICATION: IRON OR STEEL WORKS-SHOP- STRUCTURAL-& DRIVERS		3030	183,810	11.45	21,046
IRON OR STEEL: FABRICATION: IRON OR STEEL WORKS-SHOP-ORNAMENTAL-& DRIVERS		3040	73,587	11.58	8,521
ELEVATOR OR ESCALATOR MFG		3042	146,591	9.11	13,354

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 007-26-1149
Policy Prefix & No.

NEW YORK
Schedule

INTRA/Independent State Risk ID

082-01-1208-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
SIGN MFG. OR REPAIR-METAL-SHOP ONLY	3064	838	9.56	80
SHEET METAL WORK-SHOP ONLY	3066	16,756	6.31	1,057
HEAT TREATING-METAL	3307	50,268	3.41	1,714
THERMOMETER MFG	3685	14,494	1.57	228
ELECTRICAL APPARATUS REPAIR OR SERVICING AT CUSTOMERS' PREMISES & DRIVERS	3737	6,284	4.72	297
FILM DEVELOPING-NOC	4361	838	1.16	10
ANALYTICAL CHEMIST	4511	12,860	1.08	139
FIRE ALARM SYSTEMS-INSTALLATION IN BUILDINGS-LOW VOLTAGE BATTERY SYSTEMS	5191	646,391	1.44	9,308
CONTRACTOR-EXECUTIVE SUPERVISOR, CONSTRUCTION EXECUTIVE, CONSTRUCTION MANAGER, CONSTRUCTION SUPERINTENDENT OR PROJECT MANAGER	5606	2,225,865	5.49	122,200
CARPENTRY-DETACHED DNE OR TWO FAMILY DWELLINGS	5645	97,604	12.79	12,484
WRECKING-MARINE & SALVAGE OPERATIONS	5701	23,877	8.95	2,137
VESSELS-NOC: PROGRAM I	7016	209	5.73	12
TRUCKING: TRUCKING NOC-ALL EMPLOYEES & DRIVERS	7219	11,939	11.02	1,316
DREDGING-ALL TYPES: PROGRAM I	7333	46,079	8.87	4,087
DRIVERS AND HELPERS NOC-COMMERCIAL	7380	550,284	7.57	41,656
DIVING-MARINE: PROGRAM I	7394	594,491	8.82	52,434
SEWAGE TREATMENT	7580	27,229	5.67	1,544
DETECTIVE OR PATROL AGENCY & DRIVERS	7723	84,032	2.15	1,807
LOCKSMITHS-INCLUDING OPERATIONS AWAY FROM PREMISES	7998	5,462	4.03	220
MACHINERY DEALER NOC-STORE OR YARD-& DRIVERS	8107	838	5.73	48
BUILDING MATERIAL DEALER-NO SECOND HAND MATERIAL & LOCAL MANAGERS, DRIVERS	8232	1,089,140	7.41	80,705
METAL SCRAP DEALER & DRIVERS	8500	2,095	8.36	175
ENGINEER OR ARCHITECT-CONSULTING	8601	2,129,970	0.84	17,892
INSPECTION OF RISKS FOR INSURANCE OR VALUATION PURPOSES NOC	8720	3,854	1.91	74
SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	8742	386,184	0.49	1,892
LABOR UNION-ALL EMPLOYEES	8755	16,756	0.84	141
ACCOUNTANT, AUDITOR OR FACTORY COST OR OFFICE SYSTEMATIZER-TRAVELING	8803	125,670	0.14	176
EXECUTIVE OFFICERS NOC-NOT FOREMEN, WORKERS OR SALESPERSONS	8809	841,430	0.35	2,945
CLERICAL OFFICE EMPLOYEES NOC	8810	983,576	0.29	2,852
EXTERMINATOR & DRIVERS	9014	783,343	4.98	39,010
BUILDING CLEANING, MAINTENANCE OR REPAIR: CLEANING OUTSIDE SURFACES OF STRUCTURES:	9025	1,634	24.76	405

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 007-26-1149 — Policy Prefix & No.

NEW YORK — Schedule

INTRA/Independent State Risk ID

082-01-1208-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
ALL OTHER SURFACES REGARDLESS OF HEIGHT OR METHOD-INCL. DRIVERS					
BUILDING SERVICE CONTRACTOR		9030	1,475,952	4.62	68,189
SEWER CLEANING & DRIVERS		9402	89,035	5.85	5,209
GARBAGE, ASHES OR REFUSE COLLECTION & DRIVERS		9403	838	10.99	92
SIGN PAINTING OR LETTERING IN BUILDINGS & DRIVERS		9501	3,435	2.82	97
AIR CONDITIONING: WINDOW UNITS-INSTALLATION SERVICE OR REPAIR-INCL. DRIVERS		9519	3,351	3.54	119
HOUSE FURNISHINGS INSTALLATION NOC & UPHOLSTERING		9521	10,737	5.21	559
SIGN ERECTION OR REPAIR-AWAY FROM SHOP-NOT OUTDOOR ADVERTISING COMPANIES & DRIVERS		9552	254,599	15.26	38,852
SIGN PAINTING OR LETTERING ON BUILDINGS OR STRUCTURES & DRIVERS		9553	1,206	11.39	137
TOTAL CLASSIFICATION PREMIUM					556,672
FELA INCREASE	121.00%	9840			
ADMIR INCREASE	121.00%	9840			68,405
INCREASE LIMITS	4.30%	9816			
TOTAL UNMODIFIED PREMIUM					625,077
MODIFIED STANDARD PREMIUM					625,077
UNDISCOUNTED PREMIUM					625,077
DISCOUNTED PREMIUM					625,077
TERRORISM		9740			235,306
CATASTROPHE (SEE WC 00 04 21C)	0.012	9741			1,565
ESTIMATED PREMIUM					650,515
TAX/ASSESSMENT SURCHARGE	13.40%	0932			70,153
RATING GROUP TOTAL					720,668
STATE OF NEW YORK TOTALS					
TOTAL CLASSIFICATION PREMIUM					6,636,911
FELA INCREASE	121.00%	9840			46,373
ADMIR INCREASE	121.00%	9840			69,567
INCREASE LIMITS	4.30%	9816			3,512
CONST PAYROLL LIMITATION	3.40%	9126			208,464
TOTAL UNMODIFIED PREMIUM					6,964,827
MODIFIED STANDARD PREMIUM					6,964,827
UNDISCOUNTED PREMIUM					6,964,827
DISCOUNTED PREMIUM					6,964,827
TERRORISM		9740			235,306
CATASTROPHE (SEE WC 00 04 21C)	0.012	9741			7,898
TOTAL ESTIMATED PREMIUM					7,208,031

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 007-26-1149	NEW YORK	
Policy Prefix & No.	Schedule	INTRA/Independent State Risk ID

082-01-1208-00 THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Premium Basis	Rates	
	Code No.	Estimated Total Annual Remuneration	Per $100 of Remuneration	Estimated Annual Premiums
TAX/ASSESSMENT SURCHARGE 13.40%	0932			936,649
TOTAL DUE				8,144,680
TOTAL FOREIGN TERRORISM (TRIA) PREMIUM INCLUDED IN TOTAL ESTIMATED PREMIUM $235,306				

TERRORISM (TRIPRA) POLICYHOLDER NOTICE - PREMIUM DETERMINATION

As indicated in the Foreign Terrorism Premium and Domestic Terrorism, Earthquake and Catastrophic Industrial Accidents Premium endorsement(s) included in this Policy, the premium you have been charged for coverage under the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 (collectively "TRIA") is shown in Item 4 of the Information Page and State Schedule Pages form WC 7754. The schedule below shows how the premium for Terrorism under TRIA is determined.

Schedule

FOREIGN TERRORISM:

State	Premium Determination Method
Arizona	Rate per $100 of Remuneration in addition to rate included in Arizona premium as set forth below**.
Colorado, Connecticut, Idaho, New Jersey, and Wisconsin	Rate per $100 of Remuneration.
New York	Rate per $100 of Remuneration and rate applied to Total Classification Premium.
Kansas, Maine and New Hampshire	Included in Rates applied to Premium Basis (Remuneration) for calculation of annual premium for each applicable classification of operations.
Alabama, Arkansas, Iowa, Montana, Nevada, Tennessee and Texas	Rate per $100 of Remuneration in addition to charge included in rates applied to Premium Basis (Remuneration) for calculation of annual premium for each applicable classification of operations.
All Other States *	Rate applied to Total Classification Premium.

* This policyholder notice is not applicable in Alaska, Florida, Missouri, New Mexico or Virginia.

** For policies issued by Commerce and Industry Insurance Company or New Hampshire Insurance Company the total premium for Arizona also includes a charge for this coverage in the rates applied to Premium Basis (Remuneration) for each applicable classification of operations.

For policies issued by American Home Assurance Company, American International South Insurance Company, AIG Casualty Company, Granite State Insurance Company, Illinois National Insurance Co., National Union Fire Insurance Company of Pittsburgh, Pa. or The Insurance Company of the State of Pennsylvania the total premium for Arizona also includes a charge for this coverage determined by applying a rate against the Schedule Modification factor.

DOMESTIC TERRORISM:

State	Premium Determination Method
Alabama, Arizona, Arkansas, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah and Wisconsin	Rate per $100 of Remuneration

TRSMPOLNOT
(Ed. 01/08)

FEDERAL EMPLOYER'S LIABILITY ACT COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to work subject to the Federal Employers' Liability Act (45 USC Sections 51-60) and any amendment to that Act that is in effect during the policy period.

G. Limits of Liability of Part Two (Employers Liability Insurance) is replaced by the following:

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in the Schedule. They apply as explained below:

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident - each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease - aggregate" is the most we will pay for all damages covered by this insurance because of bodily injury by disease to one or more employees. The limit applies separately to bodily injury by disease arising out of work in each state shown in Item 3.A. of the Information Page or in the Schedule.

   Bodily injury by disease does not include disease that results directly from bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

If any state is named in Item 2 of the Schedule, Part Two (Employers Liability Insurance) applies in that state to work subject to the Federal Employers' Liability Act as though that state were listed in Item 3.A. of the Information Page. Part One (Workers Compensation Insurance) does not apply in a state shown in the Schedule.

Part Two (Employers Liability Insurance), C. Exclusions, exclusion 9, does not apply to work subject to the Federal Employers' Liability Act.

Schedule

1. Limits of Liability

Bodily Injury by Accident	$	1,000,000	each accident
Bodily Injury by Disease	$	1,000,000	aggregate

2. State

   NY

WC 00 01 04A
(Ed. 10/04)

Countersigned by _____

Authorized Representative

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LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to work subject to the Longshore and Harbor Workers' Compensation Act in a state shown in the Schedule. The policy applies to that work as though that state were listed in Item 3.A. of the Information Page.

General Section C. **Workers' Compensation Law** is replaced by the following:

C. **Workers' Compensation Law**

Workers' Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page and the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal workers or workmen's compensation law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers Liability Insurance), C. Exclusions exclusion 8, does not apply to work subject to the Longshore and Harbor Workers' Compensation Act.

This endorsement does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

Schedule

State	Longshore and Harbor Workers' Compensation Act Coverage Percentage
New York	71.30 %

The rates for classifications with code numbers not followed by the letter "F" are rates for work not ordinarily subject to the Longshore and Harbor Workers' Compensation Act. If this policy covers work under such classifications, and if the work is subject to the Longshore and Harbor Workers' Compensation Act, those non-F classification rates will be increased by the Longshore and Harbor Workers' Compensation Act Coverage Percentage shown in the Schedule.

WC 00 01 06A
(Ed. 4/92)

Countersigned by _____

Authorized Representative

INSURED'S COPY

MARITIME COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement changes how insurance provided by Part Two (Employers Liability Insurance) applies to bodily injury to a master or member of the crew of any vessel.

A. **How This Insurance Applies** is replaced by the following:

A. **How This Insurance Applies**

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to work described in Item 1 of the Schedule of the Maritime Coverage Endorsement.
3. The bodily injury must occur in the territorial limits of, or in the operation of a vessel sailing directly between the ports of, the continental United States of America, Alaska, Hawaii or Canada.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
6. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

C. **Exclusions** is changed by removing exclusion 10 and by adding exclusions 13 and 14.

This insurance does not cover:

13. bodily injury covered by a Protection and Indemnity Policy or similar policy issued to you or for your benefit. This exclusion applies even if the other policy does not apply because of another insurance clause, deductible or limitation of liability clause, or any similar clause.
14. your duty to provide transportation, wages, maintenance and cure. This exclusion does not apply if a premium entry is shown in Item 2 of the Schedule.

D. **We Will Defend** is changed by adding the following statement:

We will treat a suit or other action in rem against a vessel owned or chartered by you as a suit against you.

G. **Limits of Liability**

Our liability to pay for damages is limited. Our limits of liability are shown in the Schedule. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease-aggregate" is the most we will pay for all damages covered by this insurance because of bodily injury by disease to one or more employees. The limit applies separately to bodily injury by disease arising out of work in each state shown in Item 3.A. of the Information Page. Bodily Injury by disease will be deemed to occur in the state of the vessel's home port.

   Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

Schedule

1. Description of work:
   SEE SCHEDULE OF OPERATIONS

2. Transportation, Wages, Maintenance and Cure Premium $ INCLUDED

3. Limits of Liability

Bodily Injury by Accident	$	1,000,000	each accident
Bodily Injury by Disease	$	1,000,000	aggregate

WC 00 02 01A
(Ed. 04/92)

Countersigned by _____

Authorized Representative

INSURED'S COPY

ALTERNATE EMPLOYER ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only with respect to bodily injury to your employees while in the course of special or temporary employment by the alternate employer in the state named in Item 2 of the Schedule. Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply as though the alternate employer is insured. If an entry is shown in Item 3 of the Schedule the insurance afforded by this endorsement applies only to work you perform under the contract or at the project named in the Schedule.

Under Part One (Workers Compensation Insurance) we will reimburse the alternate employer for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.

The policy may be cancelled according to its terms without sending notice to the alternate employer.

Part Four (Your Duties If Injury Occurs) applies to you and the alternate employer. The alternate employer will recognize our right to defend under Parts One and Two and our right to inspect under Part Six.

Schedule

(1) Alternate Employer and Address (2) State of Special or Temporary Employment (3) Contract or Project

```
(1) Alternate Employer  : THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
    Address             : 225 PARK ANVENUE SOUTH
                          NEW YORK                NY  10003
(2) State of Employment : NY
(3) Contract or Project : THE PORT AUTHORITY OF NY & NJ OCIP
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WC 00 03 01A
(Ed. 02/89)

Countersigned by _____

Authorized Representative

INSURED'S COPY

DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The policy does not cover work conducted at or from;

ALL WORKPLACES EXCEPT:

ANY SITE OR LOCATION AT WHICH ANY OPERATIONS ARE PERFORMED IN CONJUNCTION WITH THE CONSOLIDATED WRAP-UP PROGRAM (THE "WRAP-UP PROGRAM") ADMINISTERED BY THE PORT AUTHORITY OF NY & NJ.

THE WRAP-UP PROGRAM INCLUDES ONLY OPERATIONS OR WORK AT OR EMANATING FROM PROJECT SITES AND LOCATIONS THAT ARE (1) IDENTIFIED BY THE PORT AUTHORITY OF NY & NJ AS WITHIN THE SCOPE OF THE WRAP-UP PROGRAM, AND (2) WHICH IS PERFORMED PURSUANT TO A CONTRACT OR AGREEMENT IDENTIFIED BY THE PORT AUTHORITY OF NY & NJ AS INCLUDED WITHIN THE SCOPE OF THE WRAP UP PROGRAM.

WC 00 03 02
(Ed. 4-84)

Countersigned by _____

Authorized Representative

SOLE PROPRIETORS, PARTNERS, OFFICERS AND OTHERS COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

An election was made by or on behalf of each person described in the Schedule to be subject to the workers compensation law of the state named in the Schedule. The premium basis for the policy includes the remuneration of such persons.

Schedule

Persons	**State**
Sole Proprietor: NONE AT THIS TIME	
Partners:	
Officers:	
Others:	

WC 00 03 10
(Ed. 04/84)

Countersigned by _____

Authorized Representative

INSURED'S COPY

VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement adds Voluntary Compensation Insurance to the policy.

A. How This Insurance Applies

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must be sustained by an employee included in the group of employees described in the Schedule.
2. The bodily injury must arise out of and in the course of employment necessary or incidental to work in a state listed in the Schedule.
3. The bodily injury must occur in the United States of America, its territories or possessions, or Canada, and may occur elsewhere if the employee is a United States or Canadian citizen temporarily away from those places.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay an amount equal to the benefits that would be required of you if you and your employees described in the Schedule were subject to the workers compensation law shown in the Schedule. We will pay those amounts to the persons who would be entitled to them under the law.

C. Exclusions

This insurance does not cover:

1. any obligation imposed by a workers compensation or occupational disease law, or any similar law.
2. bodily injury intentionally caused or aggravated by you.

D. Before We Pay

Before we pay benefits to the persons entitled to them, they must:

1. Release you and us, in writing, of all responsibility for the injury or death.
2. Transfer to us their right to recover from others who may be responsible for the injury or death.
3. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits of this insurance fail to do those things, our duty to pay ends at once. If they claim damages from you or from us for the injury or death, our duty to pay ends at once.

E. Recovery From Others

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we paid. We will pay the balance to the persons entitled to it. If the persons entitled to the benefits of this insurance make a recovery from others, they must reimburse us for the benefits we paid them.

F. Employers Liability Insurance

Part Two (Employers Liability Insurance) applies to bodily injury covered by this endorsement as though the State of employment shown in the Schedule were shown in Item 3.A of the Information Page.

Schedule

Employees	State of Employment	Designated Workers Compensation Law
ALL OFFICERS AND EMPLOYEES NOT SUBJECT TO THE WORKERS COMPENSATION LAW EXCEPT MASTERS AND MEMBERS OF THE CREW OF ANY VESSEL	ANY STATE DESIGNATED IN ITEM 3A OF THE INFORMATION PAGE OF THIS POLICY	STATE OF HIRE

This endorsement is not applicable in: HI, NJ, TX, and WI.

WC 00 03 11 A
(Ed. 08/91)

Countersigned by _____

Authorized Representative

INSURED'S COPY

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement changes the policy to which it is attached effective on inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Premium

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

Schedule

ANY PERSON OR ORGANIZATION TO WHOM YOU BECOME
OBLIGATED TO WAIVE YOUR RIGHTS OF RECOVERY
AGAINST, UNDER ANY CONTRACT OR AGREEMENT YOU ENTER
INTO PRIOR TO THE OCCURRENCE OF LOSS

This form is not applicable in California, Kentucky, New Hampshire, New Jersey, North Dakota, Ohio, Tennessee, Texas, Utah, Washington, or West Virginia.

WC 00 03 13
(Ed. 04/84)

Countersigned by _____

Authorized Representative

EXPERIENCE RATING MODIFICATION FACTOR ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The premium for the policy will be adjusted by an experience rating modification factor. The factor was not available when the policy was issued. The factor, if any, shown on the Information Page is an estimate. We will issue an endorsement to show the proper factor, if different from the factor shown, when it is calculated.

WC 00 04 03
(Ed. 4-84)

Countersigned by _____

Authorized Representative

INSURED'S COPY

NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity and other changes provided for in the applicable experience rating plan manual.

You must report any change in ownership to us in writing within 90 days of such change. Failure to report such changes within this period may result in revision of the experience rating modification factor used to determine your premium.

THIS ENDORSEMENT IS NOT APPLICABLE IN NEW JERSEY, PENNSYLVANIA, CALIFORNIA, DELAWARE OR TEXAS.

WC 00 04 14
(Ed. 07/90)

Countersigned by _____

Authorized Representative

CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) PREMIUM ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement is notification that your insurance carrier is charging premium to cover the losses that may occur in the event of a Catastrophe (other than Certified Acts of Terrorism) as that term is defined below. Your policy provides coverage for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism). This premium charge does not provide funding for Certified Acts of Terrorism contemplated under the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 A), attached to this policy.

For purposes of this endorsement, the following definitions apply:

- Catastrophe (other than Certified Acts of Terrorism): Any single event, resulting from an Earthquake, Noncertified Act of Terrorism, or Catastrophic Industrial Accident, which results in aggregate workers compensation losses in excess of $50 million.
- Earthquake: The shaking and vibration at the surface of the earth resulting from underground movement along a fault plane or from volcanic activity.
- Noncertified Act of Terrorism: An event that is not certified as an Act of Terrorism by the Secretary of Treasury pursuant to the Terrorism Risk Insurance Act of 2002 (as amended) but that meets all of the following criteria:

  a. It is an act that is violent or dangerous to human life, property, or infrastructure;

  b. The act results in damage within the United States, or outside of the United States in the case of the premises of United States missions or air carriers or vessels as those terms are defined in the Terrorism Risk Insurance Act of 2002 (as amended); and

  c. It is an act that has been committed by an individual or individuals as part of an effort to influence the policy or affect the conduct of the United States Government by coercion.
- Catastrophic Industrial Accident: A chemical release, large explosion, or small blast that is localized in nature and affects workers in a small perimeter the size of a building.

The premium charge for the coverage your policy provides for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism) is shown in Item 4 of the Information Page or in the Schedule below.

Schedule

State	Rate	Premium

WC 00 04 21C
(Ed. 09/08)

Countersigned by _____

Authorized Representative

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INSURED'S COPY

TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007. It serves to notify you of certain limitations under the Act, and that your insurance carrier is charging premium for losses that may occur in the event of an Act of Terrorism.

Your policy provides coverage for workers compensation losses caused by Acts of Terrorism, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations.

Definitions

The definitions provided in this endorsement are based on and have the same meaning as the definitions in the Act. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

"Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments thereto resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2007.

"Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States as meeting all of the following requirements:

a. The act is an act of terrorism.

b. The act is violent or dangerous to human life, property or infrastructure.

c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.

d. The act has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"Insured Loss" means any loss resulting from an act of terrorism (and, except for Pennsylvania, including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.

"Insurer Deductible" means, for the period beginning on January 1, 2008, and ending on December 31, 2014, an amount equal to 20% of our direct earned premiums, over the calendar year immediately preceding the applicable Program Year.

"Program Year" refers to each calendar year between January 1, 2008 and December 31, 2014, as applicable.

Limitation of Liability

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed $100,000,000,000 in a Program Year and if we have met our Insurer Deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds $100,000,000,000; and for aggregate Insured Losses up to $100,000,000,000, we will pay only a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

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Policyholder Disclosure Notice

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses exceeds $100,000,000 in a Program Year, the United States Government would pay 85% of our Insured Losses that exceed our Insurer Deductible.

2. Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceeds $100,000,000,000.

3. The premium charge for the coverage your policy provides for Insured Losses is included in the amounts shown in Item 4 of the Information Page or in the Schedule below.

Schedule

State	Rate	Premium

WC 00 04 22A
(Ed. 09/08)

Countersigned by _____

Authorized Representative

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INSURED'S COPY

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

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

WHAT IS OFAC?

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

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

PROHIBITED ACTIVITY

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

Additional and more in-depth information on OFAC is available at the following website:
http://www.ustreas.gov/offices/eotffc/ofac.

OBLIGATIONS PLACED ON US BY OFAC

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

POTENTIAL ACTIONS BY US

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

YOUR RIGHTS AS A POLICYHOLDER

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

WCOFAC
(Ed. 07/05)

WORKERS COMPENSATION - PREMIUM CREDIT APPLICATION

STATE _____ BUREAU FILE#: _____

INSURED _____

POLICY #: _____ EFFECTIVE DATE _____ CARRIER _____

Notice: Unless Code(s), total wages paid, total hours worked, calendar quarter reported are indicated and application is signed, it cannot be processed. Must include non-construction class code payrolls. Corporate officers should be included in the appropriate class. Contact your agent or carrier if assistance is desired.

Is this a new business: _____ No _____ Yes

If no, submit information for the third calendar quarter (July, August, September) of the preceding calendar year as reported to taxing authorities. If yes, submit information for the first complete quarter following the effective date of your workers compensation policy.

CLASSIFICATION:	CLASS CODE	TOTAL WAGES PAID*	TOTAL HOURS WORKED (Incl. O.T.)
Example: Electrical Wiring	5190	$8,000	520
Contracting Classification:			
Non-contracting Classification:			

* EXCLUDING OVERTIME PREMIUM PAY, for each classification code, combine all wages for that code in a single entry. Employee names are not required.

DELAWARE & PENNSYLVANIA ONLY: Total Wages includes overtime premium pay.

ALASKA, FLORIDA, HAWAII, ILLINOIS, MARYLAND, MINNESOTA, NEW MEXICO, OKLAHOMA, AND OREGON ONLY: Exclude from Total Wages overtime premium pay as well as all other exclusions in accordance with Rule V of the Basic Manual.

VIRGINIA ONLY: Include Total Wages as reported to the Virginia Employment Commission.

ILLINOIS, MISSOURI: Exclude the entire pay for any sole proprietor, partner, or executive officer.

The foregoing is based on actual wages and hours worked, as reflected in our payroll records for the complete calendar quarter ending _____ .

SIGNATURE _____ **POSITION** _____

TELEPHONE NUMBER _____ **DATE** _____

ADDRESS _____ **CITY** _____ **STATE** _____

PLEASE MAIL APPLICATION TO THE APPROPRIATE BUREAU

WC58509A
(Ed. 07/01)

INSURED'S COPY

PRIVACY POLICY

Our Commitment to Privacy:

The AIG Companies (AIG) believe one of our most important assets is the trust consumers place in us to respect and properly handle nonpublic personal information received by us in connection with providing our products and services. To continue earning your trust and enhance the products and services offered to you, the companies listed below have adopted the following privacy policy to govern how we treat your nonpublic personal information including such information about our former customers.

It's important for you to know that this privacy policy applies only to the product or service you have just obtained or the insurance policy under which you are seeking or receiving benefits. This policy does not preclude any AIG Company from using the information you provided in order to offer you other products or services in which you may be interested. This policy also does not preclude us from sharing your information with a non-AIG affiliated company so long as the sharing is necessary to administer and process the product or service you have just obtained or the insurance policy under which you are seeking or receiving benefits. As a large worldwide leader in the delivery of financial products and services, we offer numerous products and services to many types of consumers and clients in many different states and countries around the world. Therefore, any one of our companies may have different privacy policies to fit the specific products and services it offers.

Information We Collect:

We collect information about you that is necessary to tailor our products and services to meet your individual needs, provide effective customer service, and comply with legal requirements.

We may collect nonpublic personal information about you, from one or more of the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates or others;
- Information we receive from a consumer-reporting agency; and
- Information received in handling claims.

Sharing Information Within Our Family of Companies:

We may share some or all of the nonpublic personal information we collect with our affiliates - the members of the AIG family of companies, unless such sharing of information is prohibited by law. In many cases, the information that is shared may be at your request or is necessary to administer, process or otherwise handle your transactions with us or settle a claim on your behalf. In addition, we may provide this information to our affiliates in order to offer you products and services in which you may be interested.

Our family of companies includes many insurance companies (e.g., auto, home, and life insurance), insurance claims handling companies, other financial institutions (e.g., savings bank), and non-financial institutions.

Sharing Information Outside the AIG Family:

Sometimes, we use companies or businesses outside the AIG family to administer, process, or otherwise handle your transactions with us, such as for claims handling or customer service. Other times, we may enter into contracts with nonaffiliated companies to perform services on our behalf, such as marketing our products and services, or we may enter into joint marketing agreements with other financial institutions. In these and other circumstances permitted by law, we may share some or all of the information we collect above with these nonaffiliated third parties. However, whenever we utilize a nonaffiliated third party to provide these services, they are required to follow federal privacy laws governing this notice. We also may share information to combat fraud, in response to a court order, or at the request of government regulators.

Nonpublic Personal Health Information:

We will not disclose nonpublic personal health information about you without obtaining prior written authorization from you, except as permitted by applicable law or regulation.

78052D
(Ed. 11/06)

Protecting and Safeguarding Your Information:

To help prevent unwarranted disclosure of your nonpublic information and secure it from theft, we utilize secure computer networks and restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. In addition, we maintain physical, electronic, and procedural safeguards that comply with applicable laws and regulations to guard our customers' nonpublic personal information.

Maintaining Accurate Information:

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

Chief Privacy Officer
AIG - Domestic Brokerage Group
175 Water Street, 3rd Floor
New York, NY 10038

FAX: 212-785-9495

e-mail: DBG.Privacy@AIG.com

Special notice for policyholders who reside in any of the following states: Arizona, California, Connecticut, Georgia, Illinois, Kansas, Maine, Massachusetts, Minnesota, Montana, Nevada, New Jersey, North Carolina, Ohio, Oregon, Virginia or Wisconsin: *You can obtain access to any nonpublic personal information we have about you if you properly identify yourself and submit a written request to us at the address above describing the information you want to review (include your name, address and policy number). Once we have received your request, and if the information is reasonably locatable and retrievable, we will, within 30 business days, take the following actions:*

- *Inform you of the nature and substance of the recorded information;*
- *Allow you to see and copy, in person, such recorded personal information; or*
- *Send you a copy of the recorded personal information by mail (we may charge you a reasonable fee to cover the cost of this service).*

We will also tell you at this time the identity, if recorded, of persons to whom we have disclosed the nonpublic personal information within the preceding two years.

If you ask us to correct, amend or delete any information about you, we will, within 30 business days, either correct, amend or delete the nonpublic personal information in dispute or notify you of our refusal to take such action along with the reasons for our decision. If we make the correction, amendment or deletion you've requested, we will also notify you along with any person you designate who has received the information about you within the preceding two years, together with any insurance support organization(s) which provided us with the disputed information.

If we refuse to make the requested correction, amendment or deletion, you are permitted to file a concise statement setting forth what you think is the correct, relevant or fair information along with a statement of the reasons why you disagree with our refusal to correct, amend or delete the information subject to dispute. We will file your statement with the disputed personal information and make any person who reviews your file aware of your statement. We will also furnish your statement to any person who has received personal information from us within the two preceding years and any insurance support organization whose primary source of personal information is an insurer.

Important Information Concerning the Applicability and Future Changes to this Privacy Policy:

This privacy policy applies, with respect to nonpublic personal financial information, to the particular products or services you have just obtained, which provide primarily for personal, family, or household purposes in the United States by the AIG Companies listed below, and it applies to all nonpublic personal health information these Companies may have. Although we may change this policy at any time, as it relates to the particular product or service, please rest assured that you will be notified of any changes as required by law.

AIG Companies Covered by this Policy:

AIG Hawaii Insurance Company
AIG Casualty Company
AIU Insurance Company
American Home Assurance Company
American International Pacific Insurance Company
American International South Insurance Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Co.
National Union Fire Insurance Company of Louisiana
National Union Fire Insurance Company of Pittsburgh, Pa.
New Hampshire Insurance Company
The Insurance Company of the State of Pennsylvania
American International Specialty Lines Insurance Company
American Pacific Insurance Company, Inc.
Landmark Insurance Company
Lexington Insurance Company
Agency Management Corporation
A. I. Risk Specialists Insurance, Inc.
A. I. Risk Specialists of Missouri, Inc.
American International Entertainment, Inc.
Eastern Risk Specialists, Inc.
Florida Risk Specialists, Inc.
The Gulf Agency, Inc.
Louisiana Risk Specialists, Inc.
Medical Excess Insurance Services, Inc.
Michigan Risk Specialists, Inc.
Midwestern Risk Specialists, Inc.
Nevada Risk Specialists, Inc.
New England Risk Specialists, Inc.
Northwestern Risk Specialists, Inc.
Risk Specialists Companies, Inc.
Risk Specialists Company (Bermuda), Ltd.
Risk Specialists Company of Colorado, Inc.
Risk Specialists Company of Kentucky, Inc.
Risk Specialists Company of Minnesota, Inc.
Risk Specialists Company of New Jersey, Inc.
Risk Specialists Company of New York, Inc.
Risk Specialists Company of Ohio, Inc.
Risk Specialists of the Carolinas, Inc.
Southeastern Risk Specialists, Inc.
Southern Risk Specialists, Inc.
Western Risk Specialists, Inc.
American International Surplus Lines Agency, Inc.
AIG Warranty Services and Insurance Agency, Inc.

and other member companies of the AIG family who sent you this privacy policy statement.

78052D
(Ed. 11/06)

PREMIUM DUE DATE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

PART FIVE
PREMIUM

D. **Premium** is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**

WC 00 04 19
(Ed. 01/01)

Countersigned by _____

Authorized Representative

INSURED'S COPY

CONSENT TO TRANSFER OF YOUR RIGHTS AND DUTIES

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Transfer of Rights and Duties

The person or organization named in the Schedule has with our consent assumed from you your duty to pay all premium, surcharges and "reimbursable losses" for this policy when due; and

You with our consent have assigned to such person or organization your rights to cancel this policy and to receive any return of premium or surcharges and any dividends, discounts or other adjustments from us under this policy.

No other rights or duties have been transferred.

For the purposes of this endorsement, "reimbursable losses" shall mean payments you are required to make to us as reimbursement to us for our payments of:

1. All benefits payable under PART ONE - WORKERS COMPENSATION INSURANCE; and
2. Up to our limit of liability, all sums you legally must pay as damages to which PART TWO - EMPLOYERS LIABILITY applies; and
3. All benefits payable under PART THREE - OTHER STATES INSURANCE; and
4. All benefits or damages payable under any endorsements attached to the policy.

"Reimbursable losses" shall also include payments you are required to make to us as reimbursement for any "allocated loss adjusting expense" we pay according to your policy.

No limit on the Company's liability under the policy or any endorsement is increased or reinstated by this endorsement.

SCHEDULE

THE PORT AUTHORITY OF NY & NJ

WC 99 00 09A
(Ed. 04/03)

Countersigned by _____

Authorized Representative

INSURED'S COPY

ADVANCE NOTICE OF CANCELLATION OR NON-RENEWAL BY US EXTENDED

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

PART SIX - CONDITIONS. D. - Cancellation, 2. is deleted in its entirety and replaced with:

We may cancel or non-renew this policy. We must mail or deliver to you not less than the number of days shown below advance written notice stating when the cancellation or non-renewal is to take effect.

Except for non-payment of premium, non-payment of loss reimbursement or non-delivery of satisfactory security or collateral when due for which we will provide the advance written notice required by law, we shall not provide less than the number of days advance notice set forth below, or in the policy and endorsements attached thereto, or as required by state law.

Mailing that notice to you, at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.

Cancellation: 60 Days
Non-Renewal: 60 Days

WC 99 00 39
(Ed. 08/02)

Countersigned by _____

Authorized Representative

INSURED'S COPY

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2008

Forms a part of policy no.: WC 007-26-1149

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

New Jersey Second Injury Fund

The New Jersey Workers Compensation Law established the Second Injury Fund to provide benefits to workers who become permanently and totally disabled as a result of work-related injury or occupational disease when the worker had been previously partially disabled. The Law also requires that the Fund provide annual adjustments to certain persons permanently and totally disabled and to certain dependents of deceased workers.

Through 1988, the Second Injury Fund was financed by an annual assessment upon insurance carriers. Such assessment was included in your standard premium via the manual premium rate(s) shown in your policy Information Page.

Effective January 1, 1989 an amendment to the Law requires that the present financing be replaced by a direct surcharge shown as a separate "Second Injury Fund Surcharge" line on the policy Information Page. It will no longer be included in the manual premium rate. This new system will discourage other states from imposing retaliatory taxes on New Jersey based insurance companies and ultimately aid cost containment efforts.

Issue Date: 12/18/08

LWNNJSIF **Countersigned by** _____

Authorized Representative

INSURED'S COPY

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2008

Forms a part of policy no.: WC 007-26-1149

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The New Jersey Workers Compensation Law requires every employer to provide workers compensation coverage through purchase of a workers compensation and employers liability insurance policy. Failure to provide such coverage results in a fine and/or criminal action by the Department of Labor as well as continued liability for benefit payments to an injured worker.

The Uninsured Employers Fund was established by Law to provide benefits to an injured worker when the employer has failed to comply with the insurance provision of the Law and is unable to provide the required benefits. Through 1988, total financing of the Fund was derived from fines imposed upon uninsured employers

Effective January 1, 1989 an amendment to the Law, requires that the present financing be supplemented by a direct surcharge shown as a separate "Uninsured employers Fund Surcharge" line on your policy Information Page. This method will assure the delivery of benefits to injured workers and the surcharge will cease whenever the year end balance of the Fund exceeds $500,000.

Authorized Representative

Issue Date: 12/18/08

LWNNJUFEF

INSURED'S COPY

NEW JERSEY PART TWO LIMIT OF LIABILITY ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to the insurance provided by Part Two (Employers Liability Insurance) because New Jersey is shown in Item 3.A. of the Information Page.

With respect to Exclusion C5, this insurance does not cover any and all intentional wrongs within the exception allowed by N.J.S.A. 34:15-8 including but not limited to, bodily injury caused or aggravated by an intentional wrong committed by you or your employees, or bodily injury resulting from an act or omission by you or your employees, which is substantially certain to result in injury.

With respect to Exclusion C7, we will defend any claim, proceeding or suit for damages where bodily injury is alleged. We have the right to investigate and settle. We will not defend or continue to defend after the applicable limits of insurance have been paid. Such policy limits include any legal costs assessed against you on behalf of your employee(s).

We may not limit our liability to pay damages for which we become legally liable to pay because of bodily injury to an infant under the age of 18 years in a proceeding made pursuant to Article 2 as provided in N.J.S.A. 34:15-10.

This insurance does not provide for the payment of any common law negligence damages or other damages when the provisions of Article 2 of the New Jersey Workers Compensation Law have been rejected by you and your employee(s) as provided in N.J.S.A. 34:15-9.

With respect to paragraph F., the "Other Insurance" provisions is replaced with the following:

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

This insurance, however, is excess over any other applicable insurance with respect to claims for bodily injury arising out of employer practices, policies, acts or omissions enumerated in C-7 above, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

WC 29 03 06B
(Ed. 07/07)

Countersigned by _____

Authorized Representative

© Compensation Rating and Inspection Bureau

NEW JERSEY CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The premium for this policy may be adjusted by a New Jersey Construction Classification Premium Credit. The credit, if applicable, was not available when the policy was issued. If you qualify, we will issue an endorsement to include the credit after it is calculated.

WC 29 04 10
(Ed. 04-96)

Countersigned by _____

Authorized Representative

INSURED'S COPY

NEW JERSEY RETROSPECTIVE PREMIUM ENDORSEMENT
PART TWO - EMPLOYERS LIABILITY INSURANCE
EXCESS EXCLUSION

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement changes the Retrospective Premium Endorsement attached to the policy.

1. Standard Premium. The premium developed for Part Two limits of liability in excess of the standard limits shown in the Schedule below for employment in New Jersey and, if applicable, for coverage under Admiralty or the Federal Employers' Liability Act will be excluded in determining the standard premium.

2. Incurred Losses. Subject to any lower loss limitation in the Retrospective Premium Endorsement attached to the policy, the portion of each Part Two liability loss in excess of the standard limits shown in the Schedule below for employment in New Jersey and, if applicable, for coverage under Admiralty Law or the Federal Employers' Liability Act will be excluded in determining the incurred losses.

Schedule

Part Two Standard Limits - Employment In New Jersey

Bodily Injury
by Accident.....$100,000 each accident
Bodily Injury
by Disease.....$100,000 each employee
Bodily Injury
by Disease.....$500,000 policy limit

Part Two Standard Limits - Employment Under Admiralty or Federal Employers' Liability Act

Bodily Injury
by Accident.....$100,000 each accident
Bodily Injury
by Disease.....$100,000 each employee
Bodily Injury
by Disease.....$100,000 policy limit

WC 29 05 09C
(Ed. 7/00)

Countersigned by _____

Authorized Representative

INSURED'S COPY

NEW JERSEY RETROSPECTIVE PREMIUM ENDORSEMENT
LARGE RISK ALTERNATIVE RATING OPTION - ONE YEAR RATING PERIOD

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement describes the rating option for the insurance provided during the rating period by this policy any any other policy listed in the Schedule. The rating period is the one-year period beginning with the effective date of the policy to which this endorsement is attached.

A. Retrospective Premium Elements

The amount of retrospective premium depends on one or more of the seven premium elements, as agreed upon by the insured and the carrier.

1. Standard premium
2. Basic premium
3. Incurred losses
4. Converted losses
5. Taxes
6. Excess loss premium, if loss limitation was elected
7. Retrospective development premium, if elected

B. Retrospective Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective premium.

1. Retrospective premium is the sum of basic premium, converted losses and taxes, plus the excess loss premium and or retrospective development premium elective elements if you chose them, or the retrospective premium as described in the Addendum referred to in Item 4 of the Schedule.

2. The retrospective premium will not be less than the minimum nor more than the maximum retrospective premium. The minimum and maximum retrospective premiums are determined by the minimum and maximum factors shown in the Schedule, or by the information in the Addendum referred to in Item 4 of the Schedule.

3. If this endorsement applies to more than one policy, all such policies will be used to determine the minimum and maximum retrospective premiums.

C. Premium Calculations and Payments

1. We will calculate the retrospective premium using all loss information we have as of a date six months after the rating period ends and annually thereafter. We will have the calculation reviewed by the appropriate rate service organization at your request.

   We may make a special valuation of the retrospective premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due us if the retrospective premium is more than the total standard premium as of the special valuation date.

2. After a calculation of retrospective premium, you and we may agree that it is the final calculation. No other calculation will be made unless there is a clerical error in the final calculation or the standard premium has been revised.

© Compensation Rating and Inspection Bureau

3. After each calculation of retrospective premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all retrospective premium calculated under this endorsement. The surcharges for the Second Injury Fund and Uninsured Employers Fund and the premium charge for the expense constant are not part of retrospective premium but are included in the total cost of the coverage provided by the policy to which this endorsement is attached.

D. Work in Other States

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the rating plan period, this endorsement will apply to that insurance if this rating plan applies in that state on an interstate basis. The retrospective premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

E. Cancelation

1. If any insurance subject to this endorsement is canceled, the effective date of cancelation will become the end of the rating period for all insurance subject to this endorsement.

2. If we cancel, the retrospective premium will be determined according to the other provisions of this endorsement, except that if we cancel because of nonpayment of premium, the maximum retrospective premium will be based on the standard premium for the rating period, increased pro rata to 365 days.

3. If you cancel, the standard premium for the rating period will be increased by our short rate table and procedure. This short rate premium will be the minimum retrospective premium and will be used to determine the basic premium.

   The short rate premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

   The maximum retrospective premium will be based on the standard premium for the rating period, increased pro rata to 365 days.

4. Section E.3. will not apply if you cancel because:

   a. You have retired from or completed all work covered by the policy, or your business has ceased to exist.

   b. All your business entities covered by the policy have been sold.

   c. You agreed with us that we would replace the canceled policy without lapse with a new policy subject to retrospective rating.

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Schedule

As Agreed Upon by the Insured and the Carrier, the Retrospective Premium Elements are included below or in the Addendum referred to in Item 4 of this Schedule

1. Other policies subject to this endorsement

2. Loss Limitation $

3. Loss Conversion Factor

4. The basic premium factors shown below are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums, the basic premium factor will be recalculated.

   For information supplementary to the Schedule, see the Addendum (form #) attached to the Notice of Election of Retrospective Rating for the insured.

	50%	100%	150%
Estimated Standard Premium	$	$	$
Minimum Premium Factor			
Maximum Premium Factor			
Basic Premium Factor			

   For information supplementary to the Schedule, see the Addendum (form #) attached to the Notice of Election of Retrospective Rating for the insured.

5. The tax multipliers, excess loss factors, retrospective development factors and the states where they apply are shown in the Table of States.

TABLE OF STATES

	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
State	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

WC 29 05 13C
(Ed. 01/05)

Countersigned by _____

Authorized Representative

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INSURED'S COPY

NEW JERSEY RETROSPECTIVE PREMIUM ENDORSEMENT
LARGE RISK ALTERNATIVE RATING OPTION - THREE YEAR RATING PERIOD

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement is added to Part Five (Premium) because you chose to have the cost of the insurance rated retrospectively. This endorsement describes the rating option for the insurance provided during the rating period by this policy any any other policy listed in the Schedule. The rating period is the three-year period beginning with the effective date of the policy to which this endorsement is attached.

A. Retrospective Premium Elements

The amount of retrospective premium depends on one or more of the seven premium elements, as agreed upon by the insured and the carrier.

1. Standard premium
2. Basic premium
3. Incurred losses
4. Converted losses
5. Taxes
6. Excess loss premium, if loss limitation was elected
7. Retrospective development premium, if elected

B. Retrospective Premium Formula

Insurance policies listed in the Schedule will be combined with this policy to calculate the retrospective premium.

1. Retrospective premium is the sum of basic premium, converted losses and taxes, plus the excess loss premium and or retrospective development premium elective elements if you chose them, or the retrospective premium as described in the Addendum referred to in Item 4 of the Schedule.

2. The retrospective premium will not be less than the minimum nor more than the maximum retrospective premium. The minimum and maximum retrospective premiums are determined by the minimum and maximum factors shown in the Schedule, or by the information in the Addendum referred to in Item 4 of the Schedule.

3. If this endorsement applies to more than one policy, all such policies will be used to determine the minimum and maximum retrospective premiums.

C. Premium Calculations and Payments

1. We will calculate the retrospective premium using all loss information we have as of a date six months after the rating period ends and annually thereafter. We will have the calculation reviewed by the appropriate rate service organization at your request.

   We may make a special valuation of the retrospective premium as of any date that you are declared bankrupt or insolvent, make an assignment for the benefit of creditors, are involved in reorganization, receivership, or liquidation, or dispose of all your interest in work covered by the insurance. You will pay the amount due us if the retrospective premium is more than the total standard premium as of the special valuation date.

2. After a calculation of retrospective premium, you and we may agree that it is the final calculation. No other calculation will be made unless there is a clerical error in the final calculation or the standard premium has been revised.

© Compensation Rating and Inspection Bureau

3. After each calculation of retrospective premium, you will pay promptly the amount due us, or we will refund the amount due you. Each insured is responsible for the payment of all retrospective premium calculated under this endorsement. The surcharges for the Second Injury Fund and Uninsured Employers Fund and the premium charge for the expense constant are not part of retrospective premium but are included in the total cost of the coverage provided by the policy to which this endorsement is attached.

D. Work in Other States

If any of the policies provide insurance in a state not listed in the Table of States, and if you begin work in that state during the rating plan period, this endorsement will apply to that insurance if this rating plan applies in that state on an interstate basis. The retrospective premium standard elements, and the elective elements you chose, will be determined by our manuals for that state, and added to the Schedule by endorsement.

E. Cancelation

1. If any insurance subject to this endorsement is canceled or is not renewed, the effective date of cancelation or nonrenewal will become the end of the rating period for all insurance subject to this endorsement.

2. If we cancel or do not renew, the retrospective premium will be determined according to the other provisions of this endorsement, except that if we cancel or do not renew because of nonpayment of premium, the maximum retrospective premium will be based on the standard premium for the rating period, increased pro rata to three years (1,095) days.

3. If you cancel or do not renew, the standard premium for the rating period will be increased by our short rate table and procedure. This short rate premium will be the minimum retrospective premium and will be used to determine the basic premium.

   The short rate premium will be used to determine the excess loss premium and retrospective development premium if you chose these elective elements.

   The maximum retrospective premium will be based on the standard premium for the rating period, increased pro rata to three years (1,095) days.

4. Section E.3. will not apply if you cancel because:

   a. You have retired from or completed all work covered by the policy, or your business has ceased to exist.

   b. All your business entities covered by the policy have been sold.

   c. You agreed with us that we would replace the canceled policy without lapse with a new policy subject to retrospective rating.

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Schedule

As Agreed Upon by the Insured and the Carrier, the Retrospective Premium Elements are included below or in the Addendum referred to in Item 4 of this Schedule

1. Other policies subject to this endorsement

2. Loss Limitation $

3. Loss Conversion Factor

4. The basic premium factors shown below are based on estimates of standard premium. If the actual standard premium is within the range of estimated standard premiums, the basic premium factor will be obtained by linear interpolation to the nearest one-tenth of 1%. If the actual standard premium is not within the range of estimated standard premiums, the basic premium factor will be recalculated.

   For information supplementary to the Schedule, see the Addendum (form #) attached to the Notice of Election of Retrospective Rating for the insured.

	50%	100%	150%
Estimated Standard Premium	$	$	$
Minimum Premium Factor			
Maximum Premium Factor			
Basic Premium Factor			

   For information supplementary to the Schedule, see the Addendum (form #) attached to the Notice of Election of Retrospective Rating for the insured.

5. The tax multipliers, excess loss factors, retrospective development factors and the states where they apply are shown in the Table of States.

TABLE OF STATES

	Excess Loss Premium Factors		Tax Multiplier		Retrospective Development Factors		
State	State (Other than "F" Classes)	Federal ("F" Classes Only)	State (Other than "F" Classes)	Federal ("F" Classes Only)	1st	2nd	3rd

WC 29 05 14C
(Ed. 01/05)

Countersigned by _____

Authorized Representative

© Compensation Rating and Inspection Bureau

INSURED'S COPY

NEW YORK LIMIT OF LIABILITY ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to the insurance provided by Part Two (Employers Liability Insurance) because New York is shown in item 3.A. of the Information Page.

We may not limit our liability to pay damages for which we become legally liable to pay because of bodily injury to your employees if the bodily injury arises out of and in the course of employment that is subject to and is compensable under the Workers Compensation Law of New York.

WC 31 03 08
(Ed. 4-84)

Countersigned by _____

Authorized Representative

INSURED'S COPY

NEW YORK CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM
EXPLANATORY ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The New York Construction Classification Premium Adjustment Program (NYCCPAP) allows premium credits for some employers in the construction industry. These credits exist to recognize the difference in wage rates between employers within the same construction industries in New York.

The declarations section of this policy will show a credit of 0.00% if you are not eligible for this credit, or if you are eligible for this credit and have not yet applied for a credit. Credits are earned for average wages in excess of $15.50 per hour for each eligible class. If your policy shows one of the following classification codes, and you are experience rated, you are eligible to apply for an NYCCPAP credit.

0042	5057	5193	5429	5506	5645	6018	6252	7601	9553
3365	5059	5213	5443	5507	5648	6045	6260	7855	
3724	5069	5221	5445	5508	5651	6204	6306	8227	
3726	5102	5222	5462	5536	5701	6216	6319	9526	
3737	5160	5223	5473	5538	5703	6217	6325	9527	
5000	5183	5348	5474	5545	5709	6229	6400	9534	
5022	5184	5402	5479	5547	6003	6233	6701	9539	
5037	5188	5403	5480	5606	6005	6235	7536	9545	
5040	5190	5428	5491	5610	6017	6251	7538	9549	

The basis for determining the credit is the limited payroll of each employee for the number of hours worked (excluding overtime premium pay) for each construction classification (other than employees engaged in the construction of one or two-family residential housing) for the third quarter, as reported to taxing authorities, for the year preceding the policy date. Total payroll is to continue to be reported for employees engaged in the construction of one or two-family residential housing. For example:

Policy Inception Date	Third Quarter Payroll
4/1/06 thru 3/31/07	2005
4/1/07 thru 3/31/08	2006
4/1/08 thru 3/31/09	2007
4/1/09 thru 3/31/10	2008
4/1/10 thru 3/31/11	2009
4/1/11 thru 3/31/12	2010
4/1/12 thru 3/31/13	2011

If you have any eligible classes on your policy, you should have been notified by your insurance carrier or the New York Compensation Insurance Rating Board approximately nine months prior to the inception date of this policy. If you believe you may be eligible for a credit and have not received an application, you should immediately contact your agent, insurance carrier, or the New York Compensation Insurance Rating Board.

Credits are calculated by the New York Compensation Insurance Rating Board. Your must submit a completed application to: Attention: Field Services Department, New York Compensation Insurance Rating Board, 200 East Forty-Second Street, New York, New York 10017.

Applications must be received by the Rating Board six (6) months prior to the policy renewal effective date The Rating Board will accept and process an application if it is received between the policy effective and expiration date, however, it must be accompanied by a letter stating the reason for the delay. Under no circumstances will an application be accepted for any policy if it is received after the expiration date of the policy. For short-term policies the application must be received prior to the expiration date of the short-term policy. If it is received after the policy expiration, no credit will be calculated.

The New York Workers Compensation and Employers Liability Insurance Manual, and not this endorsement, govern the implementation and use of the NYCCPAP.

WC 31 03 19E
(Ed. 10/08)

Countersigned by _____

Authorized Representative

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INSURED'S COPY

NEW YORK PENDING PAYROLL LIMITATION AND PREMIUM DIFFERENTIAL ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The Construction Employment Payroll Limitation Law (S7744/A11294) requires a payroll limitation and territory premium differential on policies for all employers subject to the Law with an anniversary rating date on or after October 1, 1999. The code(s) currently on your policy may be subject to the Law.

The requirements of the Law may be applied during the policy period or may be applied at time of audit.

WC 31 04 04
(Ed. 10/99)

Countersigned by _____

Authorized Representative

INSURED'S COPY

NOTICE TO POLICYHOLDERS
CHANGES TO ASSESSMENTS

Legislation enacted in December 1993 and applicable to policies effective April 1st, 1994 specifically prohibited assessments based on losses. The New York Compensation Rating Board was instructed to prepare a single "New York State Assessment" to be charged based on your standard workers compensation premium, which is your premium after application of experience modification. For your information, the components of this assessment are described below. These assessment percentages are effective on new and renewal policies effective October 1st, 2008 and later.

Workers Compensation Board (WCB) Assessment

The WCB is the administrator of the workers compensation law in New York. Its administrative law judges hear cases and establish benefit eligibility and awards.
The assessment for this service is 2.8%

Reopened Case Fund

The Reopened Case Fund pays for benefits determined by the Workers Compensation Board after a lapse of seven years from the date of injury, or in those cases where an earlier determination is set aside.
The assessment for this service is 1.8%

Special Disability Fund

The Special Disability Fund provides for the reimbursement of the insurance company for compensation and medical benefits paid as the result of a subsequent (second) injury.
The assessment for this service is 7.9%

Interdepartmental Expenses

This assessment pays for the programs administered by the New York Department of Health, Occupational Health Clinics Network, and the New York Department of Labor, both the Occupational Safety and Training Fund and the Enforcement of Occupational Safety and Health Regulation.
The assessment for this service is 0.8%

Special Funds Conservation Committee

This assessment pays the expenses of the state attorney responsible for handling second injury and reopened case matters.
The assessment for this service is 0.1%

The total assessment effective October 1st, 2008 is 13.4%

NEW YORK NOTICE TO THE POLICYHOLDER

Pursuant to New York Insurance Regulations, you may purchase a Workers' Compensation deductible. The available deductible options, per occurrence, are $100, $200, $300, $400, $500, $1000, $1500, $2000, $2500 or $5000.

If you are interested in either purchasing a deductible or receiving a premium quotation for one or more of the available deductible options, please contact your Agent or Broker.

WC 99 31 07
(Ed. 5/99)

NEW YORK SECURITY FUND SURCHARGE NOTICE
IMPORTANT NOTICE TO POLICYHOLDERS

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2008 forms a part of Policy No. WC 007-26-1149

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Companies writing workers compensation insurance insurance business in New York are required to participate in the New York Compensation Security Fund. If a company becomes insolvent, the security fund settles unpaid claims and assesses each insurance company for its fair share.

New York law requires all companies to surcharge policies to recover these assessments. If your policy is surcharged "NY surcharge", an amount will be displayed on your premium notice.

WC 99 31 18
(Ed. 10/04)

Countersigned by _____

Authorized Representative

INSURED'S COPY

EXTENSION OF ITEM 1. OF THE INFORMATION PAGE

This endorsement, effective 12:01 AM 12/31/2008

Forms a part of policy no.: WC 007-26-1149

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

LOC NO.	NAME AND ADDRESS SCHEDULE	FEIN	UI #
0001	THE PORT AUTHORITY OF NJ & NY NO FIXED ADDRESS NY 00000-0000 BUSINESS TYPE: PUBLIC ENTITY	136400654	UNKNOWN
0002	THE PORT AUTHORITY OF NJ & NY NO FIXED ADDRESS NJ BUSINESS TYPE: PUBLIC ENTITY	136400654	000000000001
0003	THE PORT AUTHORITY OF NJ & NY NO FIXED ADDRESS NY 00000-0000 BUSINESS TYPE: PUBLIC ENTITY	136400654	UNKNOWN

Issue Date: 12/18/08

Authorized Representative

WC990610 (Ed. 1-97) (Rev'd 04/08)

ISSUED BY THE STOCK INSURANCE COMPANY HERE LED THE COMPANY

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA
13889

AGENT NO. 1
0001382-00

POLICY NUMBER
WC 067-71-2030
082-01-1209-00

INCORPORATED UNDER THE LAWS OF PENNSYLVANIA

1. NAMED INSURED: MAILING ADDRESS IDENTIFICATION NO.:

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
225 PARK AVENUE SOUTH
NEW YORK, NY 10003-1604

SEE EXTENSION OF ITEM 1. OF THE INFORMATION PAGE - WC990610

I.D#

CHARTIS

A Chartis company

EXECUTIVE OFFICES:
175 Water Street
New York, NY 10038

PRODUCERS NAME AND ADDRESS

AON RISK SERVICES, INC. OF NEW YORK
300 JERICHO QUADRANGLE
JERICHO, NY 11753-0000

WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY INFORMATION PAGE

INSURED IS
GOVERNMENT ENTITY

PREVIOUS POLICY NUMBER
RENEWAL 007261149

OTHER WORKPLACES NOT SHOWN ABOVE: SEE EXTENSION OF ITEM 1. OF THE INFORMATION PAGE - WC990610

ITEM 2 POLICY PERIOD 12:01 A.M. standard time at the insured's mailing address FROM 12/31/09 TO 12/31/10

ITEM 3

A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here:

NJ NY

B. Employers Liability Insurance: Part Two of the policy applies to the work in each state listed in item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident $ 2,000,000 each accident
Bodily Injury by Disease $ 2,000,000 policy limit
Bodily Injury by Disease $ 2,000,000 each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:
NONE

D. This policy includes these
SEE EXTENSION OF ITEM 3.D. OF THE INFORMATION PAGE - WC990612

ITEM 4 The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Classifications	Code Number	Estimated Total Remuneration [X] Annual [ ] 3 Year	Rate Per $100 OF Remuneration	Estimated Premium [X] Annual [ ] 3 Year
SEE EXTENSION OF ITEM 4. OF THE INFORMATION PAGE - WC7754				
TAXES/ASSESSMENTS/SURCHARGES				$674,406

EXPENSE CONSTANT (EXCEPT WHERE APPLICABLE BY STATE) $220 NJ

MINIMUM PREMIUM $875 NY

TOTAL ESTIMATED PREMIUM $6,127,089

If indicated below, interim adjustments of premium shall be made:

[ ] Semi-Annually [ ] Quarterly [ ] Monthly

DEPOSIT PREMIUM $6,127,089

12/22/09 NEW YORK 01

Issue Date Issuing Office Authorized Representative

WC 00 00 01

39967 (Rev'd 04/08)

Policy Number: WC 067-71-2030 Effective Date: 12/31/2009

TRSMPOLNOT	FOREIGN TERRORISM POLHOLDR NOT-PREM DTMN
WC000104A	FEDERAL EMPLOYERS LIABILITY ACT COV ENDT
WC000106A	LONGSHORE AND HARBOR WC ACT COVERAGE
WC000201A	MARITIME COVERAGE ENDORSEMENT
WC000301A	ALTERNATE EMPLOYER ENDORSEMENT
WC000302	DESIGNATED WORKPLACES EXCLUSION ENDT
WC000311A	VOLUNTARY COMP AND EMPLOYERS LIAB COV
WC000313	WAIVER OF OUR RIGHT TO RECOVER
WC000414	NOTIFICATION OF CHANGE IN OWNERSHIP ENDT
WC000421C	CATASTROPHE PREMIUM ENDORSEMENT
WC000422A	TRIPRA DISCLOSURE ENDORSEMENT
WCOFAC	NOTICE REG OFFICE OF FOREIGN ASSET CTRL
WC58509A	WC - PREMIUM CREDIT APPLICATION
WC990053	CREDIT RATING DOWNGRADE ENDT
78052D	PRIVACY POLICY
WC000419	PREMIUM DUE DATE ENDORSEMENT
WC990009A	CDNS TO TRANS OF YR RIGHTS AND DUTI ENDT
WC990039	ADV NOTICE OF CANC OR NON-REN BY US EXTN
LWNNJSIF	NJ SECOND INJURY FUND
LWNNJUFEF	NJ UNINSURED EMPLOYER FUND
WC290306B	NJ PART II EMPLOYERS LIABILITY ENDT
WC290410	NJ CONSTRUCTION CLASS PREMIUM ADJUSTMENT
WC310308	NY LIMIT OF LIABILITY ENDORSEMENT
WC310319E	NY CONSTRUCTION CLASSIFICATION PREM ADJ
WC310404	NY PENDING PAYRDLL LIMITATION & PREMIUM
WC993102L	NY NOTICE TO POLICY HOLDERS
WC993107	NY NOTICE TO POLICYHOLDER
WC993118	NY SE FUND SCH NOT - IMP NOT TO PHOLDERS
WC990610	NAMED INSUREDS/ADDRESSES

WC 000202
WC 000403
WC 990611

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

INSURANCE POLICY

National Union Fire Insurance Company of Pittsburgh, Pa.
American Home Assurance Company
The Insurance Company of The State of Pennsylvania
Chartis Property Casualty Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Company
New Hampshire Insurance Company

EXECUTIVE OFFICES
175 WATER STREET
NEW YORK, NY 10032

Coverage is provided by the Company designated on the Information Page
A Stock Insurance Company

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY QUICK REFERENCE

BEGINNING ON PAGE

Information Page i

GENERAL SECTION 1
- A. The Policy 1
- B. Who Is Insured 1
- C. Workers Compensation Law 1
- D. State 1
- E. Locations 1

PART ONE-WORKERS COMPENSATION INSURANCE 1
- A. How This Insurance Applies 1
- B. We Will Pay 1
- C. We Will Defend 1
- D. We Will Also Pay 1
- E. Other Insurance 2
- F. Payments You Must Make 2
- G. Recovery From Others 2
- H. Statutory Provisions 2

THE ABOVE REFERENCED POLICY PROVISIONS WITH THE INFORMATION PAGE AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THIS POLICY.

"INCLUDES COPYRIGHT MATERIAL OF THE NATIONAL COUNCIL ON COMPENSATION INSURANCE, USED WITH ITS PERMISSION.

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QUICK REFERENCE – CONTINUED

BEGINNING ON PAGE

PART TWO - EMPLOYERS LIABILITY INSURANCE 2
- A. How This Insurance Applies 2
- B. We Will Pay 3
- C. Exclusions 3
- D. We Will Defend 3
- E. We Will Also Pay 4
- F. Other Insurance 4
- G. Limits of Liability 4
- H. Recovery From Others 4
- I. Action Against Us 4

PART THREE - OTHER STATES INSURANCE 4
- A. How This Insurance Applies 4
- B. Notice 5

PART FOUR - YOUR DUTIES IF INJURY OCCURS 5

PART FIVE - PREMIUM 5
- A. Our Manuals 5
- B. Classifications 5
- C. Remuneration 5
- D. Premium Payments 5
- E. Final Premium 5
- F. Records 6
- G. Audit 6

PART SIX - CONDITIONS 6
- A. Inspection 6
- B. Long Term Policy 6
- C. Transfer of Your Rights and Duties 6
- D. Cancellation 6
- E. Sole Representative 6

PLEASE READ THE WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY CAREFULLY

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows.

GENERAL SECTION

A. The Policy

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who Is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. State

State means any state of the United States of America, and the District of Columbia.

E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A states unless you have other insurance or are self-insured for such workplaces.

PART ONE - WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;

3. litigation costs taxed agains u;

4. interest on a judgment as required by law until we offer the amount due under this insurance; and

5. expenses we incur.

E. **Other Insurance**

We will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. **Payments You Must Make**

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;

2. you knowingly employ an employee in violation of law;

3. you fail to comply with a health or safety law or regulation; or

4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. **Recovery From Others**

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments fro nyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

H. **Statutory Provisions**

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.

2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.

3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.

4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.

5. This insurance conforms to the parts of the workers compensation law that apply to:

   a. benefits payable by this insurance or;

   b. special taxes, payments into security or other special funds, and assessments payable by us under that law.

6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

PART TWO - EMPLOYERS LIABILITY INSURANCE

A. **How This Insurance Applies**

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.

2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.

3. Bodily injury by accident must occur during the policy period.

4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

5. If you are sued, the original suit and any related legal actions for damages for bodily injury

by accident or by disease . t be brought in the United States of America, its territories or possessions, or Canada.

B. **We Will Pay**

We will pay all sums you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. for which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;

2. for care and loss of services; and

3. for consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee;

provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and

4. because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

C. **Exclusions**

This insurance does not cover:

1. liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;

2. punitive or exemplary damages because of bodily injury to an employee employed in violation of law;

3. bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;

4. any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;

5. bodily injury intentionally caused or aggravated by you;

6. bodily injur; ccurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;

7. damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions.

8. bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws.

9. bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws.

10. bodily injury to a master or member of the crew of any vessel.

11. fines or penalties imposed for violation of federal or state law.

12. damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

D. **We Will Defend**

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a c[illegible], proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. **We Will Also Pay**

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim proceeding, or suit we defend;

1. reasonable expenses incurred at our request; but not loss of earnings;

2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;

3. litigation costs taxed against you;

4. interest on a judgment as required by law until we offer the amount due under this insurance; and

5. expenses we incur.

F. **Other Insurance**

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. **Limits of Liability**

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

   A disease is [illegible]t bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease-policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease-each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.

   Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. **Recovery From Others**

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. **Actions Against Us**

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and

2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE - OTHER STATES INSURANCE

A. **How This Insurance Applies**

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.

2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.

3. We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.

4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the

Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. **Notice**

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR - YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.
4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE - PREMIUM

A. **Our Manuals**

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. **Remuneration**

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. All your officers and employees engaged in work covered by this policy; and
2. All other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

D. **Premium Payments**

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. **Final Premium**

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise.

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short rate

cancellation table and pro ure. Final premium will not be less than the minimum premium.

Records

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. Audit

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

PART SIX - CONDITIONS

A. Inspection

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

B. Long Term Policy

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. Transfer of Your Rights and Duties

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancellation notice.
4. Any of these provisions that conflicts with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with that law.

E. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

In Witness Whereof, the company l caused this policy to be executed and a ed, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.

President
National Union Fire
Insurance Company of
Pittsburgh, PA

President
American Home
Assurance Company

President
The Insurance Company
of The State of Pennsylvania

President
Chartis Property Casualty Company

President
Commerce and Industry
Insurance Company

President
Granite State Insurance Company

President
Illinois National Insurance Company

President
New Hampshire Insurance Company

Secretary
National Union Fire Insurance Company of Pittsburgh, PA
American Home Assurance Company
The Insurance Company of The State of Pennsylvania
Chartis Property Casualty Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Company
New Hampshire Insurance Company

EXTEI ON OF ITEM 4. OF THE INFORMATIO AGE

WC 067-71-2030 — Policy Prefix & No.

NEW JERSEY — Schedule

INTRA/Independent State Risk ID

082-01-1209-00

THE PORT AUTHDRITY OF NEW YDRK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
RATING GROUP: 00D2-01				
LANDSCAPE GARDENING & DRIVERS	0042	126,522	9.87	12,488
FLINT OR SPAR GRINDING & DRIVERS	1741	7,100	4.73	336
IRON OR STEEL FABRICATION: IRDN OR STEEL WDRKS-SHDP-STRUCTURAL-& DRIVERS	3030	16,099	12.52	2,016
IRDN OR STEEL FABRICATIDN: IRDN WDRKS-SHOP-ORNAMENTAL-& DRIVERS	3D40	IF ANY	11.43	
IRON OR STEEL FABRICATIDN: IRON WORKS-SHOP-DECDRATIVE OR ARTISTIC-& FDUNDRIES, DRIVERS	3041	4,260	4.00	170
WIRE DRAWING-IRON OR STEEL	3241	2,840	6.28	178
HEAT TREATING-METAL NPD	3307	85,200	11.39	9,704
WELDING DR CUTTING NOC & DRIVERS	3365	26,270	14.61	3,838
MACHINE SHOP NOC	3632	710	4.00	28
ELECTRIC POWER DR TRANSMISSION EQUIPMENT MFG	3643	2,840	4.98	141
THERMDMETER MFG	3685	7,10D	2.31	164
M NERY OR EQUIPMENT ERECTIDN OR REPAIR NOC & DRIVERS	3724	40,115	7.64	3,065
MILLWRIGHT WORK NOC & DRIVERS	3724	836,124	7.64	63,880
ANALYTICAL CHEMIST-NPD (4571)	4571	3,126	1.0D	31
ANALYTICAL CHEMIST-NPD (4572)	4572	10,437	8.83	922
MASONRY NOC	5D22	IF ANY	13.44	
PAINTING: STEEL STRUCTURES DR BRIDGES	5038	IF ANY	17.D6	
IRDN OR STEEL ERECTION: ERECTION-FRAME STRUCTURES	5D40	6,482,402	20.26	1,313,335
IRDN OR STEEL ERECTION: ERECTIDN NOC	5057	IF ANY	16.09	
IRON OR STEEL ERECTION: ERECTIDN-FRAME STRUCTURES NDT OVER TWD STDRIES IN HEIGHT	5059	IF ANY	32.50	
IRON OR STEEL ERECTION: ERECTIDN-CDNSTRUCTIDN OF DWELLINGS NDT OVER TWO STORIES IN HEIGHT	5069	21,300	23.13	4,927
IRON OR STEEL ERECTION: DOOR, DOOR FRAME DR SASH ERECTION DR REPAIR METAL OR METAL COVERED & DRIVERS	5103	103,092	9.33	9,618
ELEVATDR ERECTION OR REPAIR	5160	274,415	5.45	14,956
PLUMBING NOC & DRIVERS	5183	756,272	5.79	43,788
BOILER OR STEAM PIPE INSULATING & SHOP, DRIVERS	5184	10,792	5.67	612
AUTOMATIC SPRINKLER INSTALLATION & DRIVERS	5188	140,154	6.37	8,928
ELECTRICAL WIRING-WITHIN BUILDINGS & DRIVERS	5190	IF ANY	4.38	
C CE MACHINE OR APPLIANCE	5191	174,277	1.50	2,614

EXTEI)N OF ITEM 4. OF THE INFORMATIOI AGE

WC 067-71-2030 — Policy Prefix & No.

NEW JERSEY — Schedule

INTRA/Independent State Risk ID

082-01-1209-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
INSTALLATION, INSPECTION, ADJUSTMENT OR REPAIR				
CEMENT WORK-SIDEWALKS, CELLAR FLOORS, DRIVEWAYS & DRIVERS	5200	IF ANY	9.31	
CDNCRETE CONSTRUCTION NOC & DRIVERS	5213	IF ANY	15.65	
CONCRETE CDNSTRUCTION IN CONNECTION WITH BRIDGES OR CULVERTS	5222	423,515	16.82	71,235
MARBLE OR STONE SETTING-INSIDE	5348	35,983	7.96	2,864
BUILDING SIDING OR RE-SIDING & DRIVERS	5403	IF ANY	14.79	
CEILINGS-SUSPENDED OR CEMENTED-INSTALLATION & DRIVERS	5409	18,460	5.71	1,054
CARPENTY-INSTALLATION OF CABINET WORK DR INTERIOR TRIM	5437	1,420	8.84	126
WALLBDARD-INSTALLATION-WITHIN BUILDINGS-& DRIVERS	5445	246,796	8.14	20,089
GLAZIER-AWAY FROM SHOP-& DRIVERS	5462	78,214	8.97	7,016
WATERPROOFING - & YARD EMPLOYEES, DRIVERS	5466	299,052	7.28	21,771
ASBESTOS CONTRACTOR-EMPLOYEES ENGAGED II BBESTOS REMOVAL, REPLACEMENT, REPAIR, ENCLOSURE OR ENCAPSULATION & DRIVERS	5473	455,110	18.78	85,470
PAINTING OR DECORATING-INTERIOR OR EXTERIOR WORK NOC & DRIVERS	5474	258,369	11.40	29,454
INSULATION WORK NOC & DRIVERS	5479	2,447	12.55	307
PLASTERING NOC & DRIVERS	5480	20,637	10.73	2,214
STREET OR ROAD PAVING, SURFACING OR RESURFACING, DRIVERS - NPD WITH 6042 STREET OR ROAD CONSTRUCTION	5500	IF ANY	8.84	
METAL CEILING OR WALL COVERING INSTALLATION & SHOP DRIVERS	5538	332,983	6.78	22,576
HEATING OR AIR CONDITIONING DUCT WDRK-SHOP AND OUTSIDE-& DRIVERS	5538	171,346	6.78	11,617
ROOFING-ALL KINDS & DRIVERS	5551	224,317	37.97	85,173
CONTRACTOR-EXECUTIVE SUPERVISOR	5606	3,465,225	2.75	95,294
CLEANER-DEBRIS REMOVAL	5610	875,619	8.70	76,179
WRECKING: BUILDINGS OR STRUCTURES-NOT MARINE	5701	12,496	21.39	2,673
PILE DRIVING & DRIVERS	6003	574,765	16.59	95,354
GRADING OF LAND NOC & DRIVERS	6039	743,890	8.52	63,379
STREET OR ROAD CONSTRUCTION & DRIVERS	6042	IF ANY	7.45	
DRILLING NOC & DRIVERS NPD	6204	365,643	11.98	43,804
EXCAVATION NOC & DRIVERS	6217	IF ANY	8.18	
IRRIGATIDN OR DRAINAGE SYSTEM CONSTRUCTION & DRIVERS	6229	1,420	1.00	14
CAISSDN WORK	6252	1,846	8.76	162
S R CONSTRUCTION & DRIVERS	6306	114,594	8.13	9,316

EXTEN ON OF ITEM 4. OF THE INFORMATIO AGE

WC 067-71-2030 — Policy Prefix & No.

NEW JERSEY — Schedule

INTRA/Independent State Risk ID

082-01-1209-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
GAS MAIN OR CONNECTION CONSTRUCTION & DRIVERS	6319	24,850	8.93	2,219
CONDUIT CONSTRUCTION-FOR CABLES OR WIRES-& DRIVERS	6325	114,310	5.10	5,830
FENCE ERECTIDN-METAL	6400	293,372	14.87	43,624
RAILROAD CONSTRUCTION-INCLUDING CLERICAL OFFICE EMPLOYEES; SALESMEN; DRIVERS, CHAUFFEURS AND THEIR HELPERS - COVERAGE I	6702	14,200	1.00	142
MARINE RAILWAY OPERATION & DRIVERS	6872	11,928	23.60	2,815
TRUCKMEN: NOC-& DRIVERS	7219	42,600	12.66	5,393
DRIVERS, CHAUFFEURS AND THEIR HELPERS NOC-COMMERCIAL	7380	IF ANY	9.64	
WRECKING-MARINE-INCLUDING SALVAGE OPERATIONS-COVERAGE I	7394	88,778	8.43	7,484
ELECTRIC LIGHT OR POWER LINE CONSTRUCTION & DRIVERS	7538	255,600	6.84	17,483
TELEPHONE, TELEGRAPH OR FIRE ALARM LINE CONSTRUCTION & DRIVERS	7601	5,324	4.78	254
F ALARM INSTALLATION OR REPAIR & DRIVERS	7605	20,197	3.19	644
DETECTIVE OR PATROL AGENCY-& DRIVERS	7723	66,645	2.92	1,946
RAILROAD CONSTRUCTION BY CONTRACTOR-LAYING OR RELAYING OF TRACKS OR MAINTENANCE OF WAY-DRIVERS	7855	IF ANY	11.31	
CONSTRUCTION OR ERECTION PERMANENT YARD	8227	463,382	6.88	31,881
JUNK DEALER & DRIVERS NPD	8263	286,556	14.91	42,725
IRON OR STEEL SCRAP DEALER & DRIVERS NPD	8265	1,420	11.68	166
GASOLINE DR OIL DEALER & DRIVERS	8350	8,520	8.95	763
ENGINEER OR ARCHITECT-CONSULTING NPD	8601	1,488,586	1.00	14,886
INSPECTION OF RISKS FOR INSURANCE OR VALUATION PURPOSES NOC	8720	6,390	2.71	173
REAL ESTATE AGENCY-OUTSIDE EMPLOYEES & COLLETORS	8742	222,369	0.58	1,290
LABOR UNION	8755	71,000	0.58	412
AUDITOR, OR FACTORY COST OR OFFICE SYSTEMATIZER-TRAVELING	8803	10,272,596	0.25	25,681
AUDITOR, OR FACTORY COST OR OFFICE SYSTEMATIZER-TRAVELING	8803V	IF ANY	0.25	
CLERICAL OFFICE EMPLOYEES NOC	8810	19,929,811	0.25	49,825
BUILDINGS-OPERATION BY CONTRACTOR & DRIVERS	9014	163,300	6.20	10,125
PARK NOC-& DRIVERS	9102	1,392	4.17	58
SEWER CLEANING & DRIVERS	9402	13,940	8.66	1,207
RADIO OR TELEVISION SET INSTALLATION, S ICE DR REPAIR & DRIVERS	9519	15,620	4.50	703

EXTEI ON OF ITEM 4. OF THE INFORMATIO. AGE

WC 067-71-2030 — Policy Prefix & No.

NEW JERSEY — Schedule

INTRA/Independent State Risk ID

082-01-1209-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
HOUSE FURNISHINGS INSTALLATION NOC & UPHOLSTERING		9521	20,403	6.65	1,357
SCAFFOLDS OR SIDEWALK BRIDGES-INSTALLATION, REPAIR OR REMOVAL-& DRIVERS		9529	7,811	1.00	78
RIGGING NOC & DRIVERS		9530	3,550	6.32	224
SIGN ERECTION OR REMOVAL-& DRIVERS NPD		9554	215,982	6.40	13,823
STATE OF NEW JERSEY TOTALS					
TOTAL CLASSIFICATION PREMIUM					2,526,091
FELA INCREASE	258.00%	6198			366
ADMIR INCREASE	258.00%	6198			19,309
INCREASE LIMITS	5.20%	6199			130,960
TOTAL UNMODIFIED PREMIUM					2,676,726
MODIFIED STANDARD PREMIUM					2,676,726
UNDISCOUNTED PREMIUM					2,676,726
DISCOUNTED PREMIUM					2,676,726
EXPENSE CONSTANT		0900			220
TERRORISM	0.06	9740			31,192
T ORISM		9740			35,880
CATASTROPHE (SEE WC 00 04 21C)	0.01	9741			5,198
TOTAL ESTIMATED PREMIUM					2,749,216
SECOND INJURY FUND SURCHARGE	6.08%	0935			160,905
UNINSURED EMPLOYERS' FUND SURCHARGE	0.12%	0936			3,176
TOTAL DUE					2,913,297
TOTAL PREMIUM FOR TERRORISM COVERAGE INCLUDED IN TOTAL ESTIMATED PREMIUM	$67,072				

EXTEI ON OF ITEM 4. OF THE INFORMATIO AGE

WC 067-71-2030
Policy Prefix & No.

NEW YORK
Schedule

INTRA/Independent State Risk ID

082-01-1209-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
RATING GROUP: 0001-01				
LOC ID. 0001				
LANDSCAPE GARDENING & DRIVERS	0042	65,037	7.62	4,956
WELDING OR CUTTING NOC & DRIVERS	3365	16,128	13.15	2,121
ELECTRICAL APPARATUS INSTALLATION & DRIVERS	3724	231,350	7.88	18,230
BOILER INSTALLATION OR REPAIR-STEAM	3726	25,134	17.20	4,323
MASONRY NOC	5022	1,071,419	15.65	167,677
PAINTING: METAL BRIDGES & SHOP OPERATIONS, DRIVERS	5037	1,039,291	24.69	256,601
IRON DR STEEL: ERECTION: FRAME STRUCTURES	5040	IF ANY	27.62	
IRDN OR STEEL: ERECTION: NOC	5057	86,377	20.30	17,535
IRON OR STEEL: ERECTIDN: FRAME STRUCTURES-NOT OVER TWO STORIES IN HEIGHT	5059	209,450	52.29	109,521
IRON OR STEEL: ERECTION: FRAME STRUCTURES-NOT OVER TWO STORIES IN HEIGHT	5059F	IF ANY	90.30	
IF OR STEEL: ERECTION: DDOR, DOOR FRAME OR SASH ERECTION-METAL DR METAL COVERED	5102	83,569	14.01	11,708
ELEVATOR ERECTION DR REPAIR	5160	220,400	8.49	18,712
PLUMBING NOC & DRIVERS	5183	1,425,423	8.03	114,461
BDILER OR STEAM PIPE INSULATING & DRIVERS	5184	184,475	6.64	12,249
AUTOMATIC SPRINKLER INSTALLATION & DRIVERS	5188	127,639	5.42	6,918
ELECTRICAL WIRING-WITHIN BUILDINGS & DRIVERS	5190	IF ANY	5.83	
OIL DR GAS BURNER INSTALLATION, SERVICE OR REPAIR & SHOP, DRIVERS	5193	6,702	16.09	1,078
CONCRETE CONSTRUCTION NOC	5213	IF ANY	18.57	
CONCRETE OR CEMENT WORK-FLOORS, DRIVEWAYS, YARDS OR SIDEWALKS-& DRIVERS	5221	3,611,430	13.72	495,488
CONCRETE OR CEMENT WORK-FLOORS, DRIVEWAYS, YARDS DR SIDEWALKS-& DRIVERS	5221V	IF ANY	13.72	
CONCRETE CONSTRUCTION IN CONNECTION WITH BRIDGES OR CULVERTS	5222	IF ANY	16.89	
MARBLE OR STONE SETTING-INSIDE	5348	89,477	7.D8	6,335
HOT HOUSE ERECTION-ALL OPERATIONS	5402	838	13.76	115
CARPENTRY NOC	5403	1,692,933	15.58	263,759
FURNITURE DR FIXTURES INSTALLATION IN OFFICES OR STORES NOC	5429	8,892	7.05	627
LATHING & DRIVERS	5443	13,824	12.06	1,667
WALLBOARD INSTALLATION-WITHIN BUILDINGS- & DRIVERS	5445	292,026	9.52	27,801

EXTEN ON OF ITEM 4. OF THE INFORMATIO AGE

WC 067-71-2030 — Policy Prefix & No.

NEW YORK — Schedule

INTRA/Independent State Risk ID

082-01-1209-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
GLAZIER-AWAY FROM SHOP-& DRIVERS	5462	25,302	13.95	3,530
ASBESTOS: REMOVAL OR ENCAPSULATION	5473	494,302	28.07	138,751
PAINTING OR DECORATING NOC & DRIVERS	5474	179,135	12.00	21,496
INSULATION WORK NOC & DRIVERS	5479	32,507	7.36	2,393
PLASTERING NOC & DRIVERS	5480	205,889	6.92	14,248
PAPER HANGING & DRIVERS	5491	152,535	3.54	5,400
STREET OR ROAD CONSTRUCTION: PAVING OR REPAVING & DRIVERS	5506	IF ANY	15.31	
STREET OR ROAD CONSTRUCTION: SUB-SURFACE WORK & DRIVERS	5507	1,770,815	10.90	193,019
GEOPHYSICAL EXPLORATION-SEISMIC & DRIVERS	5508	6,284	12.75	801
HEATING AND AIR CONDITIONING DUCT WORK-SHDP AND DUTSIDE-& DRIVERS	5536	1,309,520	8.22	107,643
SHEET METAL WORK ERECTIDN, INSTALLATION DR REPAIR NOC-SHOP OR OUTSIDE-& DRIVERS	5538	386,829	9.92	38,373
ROOFING NOC & DRIVERS	5545	84,754	34.17	28,960
DAM CONSTRUCTION: ROOFING OF PERMANENT BU INGS OR STRUCTURES (5547)	5547	201,140	33.37	67,120
CLEANER-DEBRIS REMOVAL	5610	407,798	5.93	24,182
SALVAGE OPERATIONS & INCIDENTAL WRECKING	5709	51,358	1.00	514
PILE DRIVING NOC & DRIVERS	6003	713,576	14.40	102,755
DIKE OR REVETMENT CONSTRUCTION & DRIVERS	6005	144,660	3.99	5,772
DRILLING NOC & DRIVERS	6204	241,568	17.18	41,501
BUILDING CLEANING, MAINTENANCE OR REPAIR: CLEANING OUT DEBRIS LEFT BY BUILDING DEMOLITION CONCERNS-INCL. DRIVERS	6217	838	9.85	83
GRADING OF LAND NOC & DRIVERS	6217	240,891	9.85	23,728
DRAINAGE OR IRRIGATION SYSTEM CONSTRUCTION & DRIVERS	6229	259,159	7.21	18,685
CAISSON WORK-ALL OPERATIONS TO COMPLETION	6252	100,536	7.23	7,269
SEWER CONSTRUCTION-ALL OPERATIONS-& DRIVERS	6306	259,718	13.96	36,257
GAS MAIN OR CONNECTION CONSTRUCTION & DRIVERS	6319	33,819	8.59	2,905
CDNDUIT CONSTRUCTION - FOR CABLES OR WIRES-& DRIVERS	6325	79,242	7.78	6,165
FENCE ERECTION-METAL	6400	IF ANY	12.97	
ELECTRIC LIGHT OR PDWER LINE CONSTRUCTION & DRIVERS	7538	294,626	17.57	51,766
TELEPHONE, TELEGRAPH OR FIRE ALARM LINE CONSTRUCTION & DRIVERS	7601	16,463	17.57	2,893
RAILROAD CONSTRUCTION: LAYING DR R YING TRACKS-ND WDRK ON ELEVATED RAILROADS &	7855	300,351	12.06	36,222

EXTEI)N OF ITEM 4. OF THE INFORMATIO\ \GE

WC 067-71-2030 — Policy Prefix & No.

NEW YORK — Schedule

INTRA/Independent State Risk ID

082-01-1209-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
DRIVERS					
YARD-CONSTRUCTION OR ERECTION-PERMANENT		8227	246,162	11.55	28,432
CARPET INSTALLATION		9521	25,972	5.13	1,332
SCAFFOLDS, HOD HOIST OR CONSTRUCTION ELEVATORS-BUILT UP FROM THE GROUND INSTALLATION, REPAIR OR REMOVAL & DRIVERS		9526	34,434	19.68	6,777
SCAFFOLDS-SIDEWALK BRIDGES-NOT OVER ONE STORY IN HEIGHT-INSTALLATION, REPAIR OR REMOVAL & DRIVERS		9527	278,988	19.35	53,984
MOBILE CRANE AND HOISTING SERVICE CONTRACTORS NOC & DRIVERS		9534	1,257	20.95	263
AWNING, TENT OR CANVAS GOODS ERECTION, REMOVAL OR REPAIR & DRIVERS		9539	8,378	10.22	856
TOTAL CLASSIFICATION PREMIUM					2,615,957
BLANKET WAIVER	2.00%	0930			52,319
FELA INCREASE	121.00%	9840			44,705
ADMIR INCREASE	121.00%	9840			
C[illegible]T PAYROLL LIMITATION	0.50%	9126			12,898
CO[illegible]T PAYRDLL LIMITATION	0.50%	9126			405
TOTAL UNMODIFIED PREMIUM					2,726,284
MODIFIED STANDARD PREMIUM					2,726,284
UNDISCOUNTED PREMIUM					2,726,284
DISCOUNTED PREMIUM					2,726,284
TERRORISM		9740			79,925
CATASTROPHE (SEE WC 00 04 21C)	0.012	9741			2,291
ESTIMATED PREMIUM					2,775,946
TAX/ASSESSMENT SURCHARGE	14.20%	0932			382,539
WC SECURITY FUND SURCHARGE	1.50%	9749			47,377
RATING GROUP TOTAL					3,205,862
RATING GROUP: 0003-01 LOC ID. 0003					
ASPHALT WORKS-OPERATED BY PAVING CONTRACTORS		1463	16,756	7.93	1,329
AWNING OR TENT MFG.-SHOP ONLY		2576	1,676	5.73	96
IRON OR STEEL: FABRICATION: IRON OR STEEL WORKS-SHOP- STRUCTURAL-& DRIVERS		3030	183,810	12.04	22,131
IRON OR STEEL: FABRICATION: IRON OR STEEL WORKS-SHOP-ORNAMENTAL-& DRIVERS		3040	73,587	12.40	9,125
ELEVATOR OR ESCALATOR MFG		3042	146,591	9.01	13,208
DOOR, DOOR FRAME OR SASH MFG-WOOD-METAL C[illegible]RED		3060	2,093	16.50	345

EXTEN ON OF ITEM 4. OF THE INFORMATIO AGE

WC 067-71-2030 — Policy Prefix & No.

NEW YORK — Schedule

INTRA/Independent State Risk ID

082-01-1209-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
SIGN MFG. OR REPAIR-METAL-SHOP ONLY	3064	838	9.20	77
SHEET METAL WORK-SHOP ONLY	3066	16,756	6.80	1,139
HEAT TREATING-METAL	3307	50,268	3.61	1,815
THERMOMETER MFG	3685	14,494	1.86	270
ELECTRICAL APPARATUS REPAIR OR SERVICING AT CUSTOMERS' PREMISES & DRIVERS	3737	6,284	5.67	356
FILM DEVELOPING-NOC	4361	838	1.37	11
ANALYTICAL CHEMIST	4511	12,860	0.95	122
FIRE ALARM SYSTEMS-INSTALLATION IN BUILDINGS-LOW VOLTAGE BATTERY SYSTEMS	5191	646,391	1.75	11,312
CARPENTRY-DETACHED ONE OR TWO FAMILY DWELLINGS	5645	IF ANY	14.37	
WRECKING-MARINE & SALVAGE OPERATIONS	5701	23,877	10.54	2,517
VESSELS-NOC: PROGRAM I	7016	209	7.52	16
SUPPLY BOATS: PROGRAM I	7016	16,756	7.52	1,260
TRUCKING: TRUCKING NOC-ALL EMPLOYEES & DRIVERS	7219	11,939	10.80	1,289
DREDGING-ALL TYPES: PROGRAM I	7333	46,079	7.48	3,447
DF ERS AND HELPERS NOC-COMMERCIAL	7380	314,120	8.32	26,135
DI NG-MARINE: PROGRAM I	7394	594,491	7.16	42,566
SEWAGE TREATMENT	7580	27,229	4.58	1,247
DETECTIVE OR PATROL AGENCY & DRIVERS	7723	84,032	2.51	2,109
LOCKSMITHS-INCLUDING OPERATIONS AWAY FROM PREMISES	7998	5,462	3.83	209
MACHINERY DEALER NOC-STORE OR YARD-& DRIVERS	8107	838	5.91	50
BUILDING MATERIAL DEALER-NO SECOND HAND MATERIAL & LOCAL MANAGERS, DRIVERS	8232	1,089,140	7.81	85,062
METAL SCRAP DEALER & DRIVERS	8500	2,095	8.45	177
ENGINEER OR ARCHITECT-CONSULTING	8601	2,129,970	0.90	19,170
INSPECTION OF RISKS FOR INSURANCE OR VALUATION PURPOSES NOC	8720	3,854	2.01	77
SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	8742	386,184	0.45	1,738
LABOR UNION-ALL EMPLOYEES	8755	16,756	0.77	129
ACCOUNTANT, AUDITOR OR FACTORY COST OR OFFICE SYSTEMATIZER-TRAVELING	8803	33,789,646	0.17	57,442
ACCOUNTANT, AUDITOR OR FACTORY COST OR OFFICE SYSTEMATIZER-TRAVELING	8803V	IF ANY	0.17	
EXECUTIVE OFFICERS NOC-NOT FOREMEN, WORKERS OR SALESPERSONS	8809	841,430	0.33	2,777
CLERICAL OFFICE EMPLOYEES NOC	8810	3,307,045	0.29	9,590
EXTERMINATOR & DRIVERS	9014	783,343	5.47	42,849
BUILDING CLEANING, MAINTENANCE OR R IR: CLEANING OUTSIDE SURFACES OF STRUCTURES:	9025	1,634	21.72	355

EXTEN)N OF ITEM 4. OF THE INFORMATIOI \GE

WC 067-71-2030
Policy Prefix & No.

NEW YORK
Schedule

INTRA/Independent State Risk ID

082-01-1209-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
ALL OTHER SURFACES REGARDLESS OF HEIGHT OR METHOD-INCL. DRIVERS					
BUILDING CLEANING, MAINTENANCE OR REPAIR: CLEANING OUTSIDE SURFACES OF STRUCTURES: ALL OTHER SURFACES REGARDLESS OF HEIGHT OR METHOD-INCL. DRIVERS		9025F	IF ANY	37.51	
BUILDING SERVICE CONTRACTOR		9030	1,475,952	5.08	74,978
SEWER CLEANING & DRIVERS		9402	89,035	6.32	5,627
GARBAGE, ASHES OR REFUSE COLLECTION & DRIVERS		9403	838	12.58	105
SIGN PAINTING OR LETTERING IN BUILDINGS & DRIVERS		9501	3,435	2.74	94
AIR CONDITIONING: WINDOW UNITS-INSTALLATION SERVICE OR REPAIR-INCL. DRIVERS		9519	3,351	3.83	128
HOUSE FURNISHINGS INSTALLATION NOC & UPHOLSTERING		9521	10,737	5.13	551
SIGN ERECTION OR REPAIR-AWAY FROM SHOP-NOT OUTDOOR ADVERTISING COMPANIES & DRIVERS		9552	254,599	20.56	52,346
SI PAINTING OR LETTERING ON BUILDINGS OR STRUCTURES & DRIVERS		9553	1,206	11.97	144
TOTAL CLASSIFICATION PREMIUM					495,520
BLANKET WAIVER	2.00%	0930			9,910
FELA INCREASE	121.00%	9840			
ADMIR INCREASE	121.00%	9840			58,364
TOTAL UNMODIFIED PREMIUM					563,794
MODIFIED STANDARD PREMIUM					563,794
UNDISCOUNTED PREMIUM					563,794
DISCOUNTED PREMIUM					563,794
TERRORISM		9740			79,925
CATASTROPHE (SEE WC 00 04 21C)	0.012	9741			5,579
ESTIMATED PREMIUM					601,927
TAX/ASSESSMENT SURCHARGE	14.20%	0932			70,325
WC SECURITY FUND SURCHARGE	1.50%	9749			10,084
RATING GROUP TOTAL					682,336
STATE OF NEW YORK TOTALS					
TOTAL CLASSIFICATION PREMIUM					3,111,477
BLANKET WAIVER	2.00%	0930			62,229
FELA INCREASE	121.00%	9840			44,705
ADMIR INCREASE	121.00%	9840			58,364
CONST PAYROLL LIMITATION	0.50%	9126			13,303
TOTAL UNMODIFIED PREMIUM					3,290,078
M FIED STANDARD PREMIUM					3,290,078

EXTEI ON OF ITEM 4. OF THE INFORMATIO AGE

WC 067-71-2030
Policy Prefix & No.

NEW YORK
Schedule

INTRA/Independent State Risk ID

082-01-1209-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
UNDISCOUNTED PREMIUM					3,290,078
DISCOUNTED PREMIUM					3,290,078
TERRORISM		9740			79,925
CATASTROPHE (SEE WC 00 04 21C)	0.012	9741			7,870
TOTAL ESTIMATED PREMIUM					3,377,873
TAX/ASSESSMENT SURCHARGE	14.20%	0932			452,864
WC SECURITY FUND SURCHARGE	1.50%	9749			57,461
TOTAL DUE					3,888,198
TOTAL PREMIUM FOR TERRORISM COVERAGE INCLUDED IN TOTAL ESTIMATED PREMIUM	$79,925				

TERRORISM (TRIP , POLICYHOLDER NOTICE - PREMIUM ETERMINATION

As indicated in the Foreign Terrorism Premium and Domestic Terrorism, Earthquake and Catastrophic Industrial cidents Premium endorsement(s) included in this Policy, the premium you have been charged for coverage under the errorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 (collectively "TRIA") is shown in Item 4 of the Information Page and State Schedule Pages form WC 7754. The schedule below shows how the premium for Terrorism under TRIA is determined.

Schedule

FOREIGN TERRORISM:

State	Premium Determination Method
Arizona	Rate per $100 of Remuneration in addition to rate included in Arizona premium as set forth below**.
Colorado, Connecticut, Idaho, New Jersey, and Wisconsin	Rate per $100 of Remuneration.
New York	Rate per $100 of Remuneration and rate applied to Total Classification Premium.
Kansas, Maine and New Hampshire	Included in Rates applied to Premium Basis (Remuneration) for calculation of annual premium for each applicable classification of operations.
Alabama, Arkansas, Iowa, Montana, Nevada, Tennessee and Texas	Rate per $100 of Remuneration in addition to charge included in rates applied to Premium Basis (Remuneration) for calculation of annual premium for each applicable classification of operations.
All Other States *	Rate applied to Total Classification Premium

* This policyholder notice is not applicable in Alaska, Florida, Missouri, New Mexico or Virginia.

** For policies issued by Commerce and Industry Insurance Company or New Hampshire Insurance Company the total premium for Arizona also includes a charge for this coverage in the rates applied to Premium Basis (Remuneration) for each applicable classification of operations.

For policies issued by American Home Assurance Company, Chartis Casualty Company, Chartis Property Casualty Company, Granite State Insurance Company, Illinois National Insurance Co., National Union Fire Insurance Company of Pittsburgh, Pa. or The Insurance Company of the State of Pennsylvania the total premium for Arizona also includes a charge for this coverage determined by applying a rate against the Schedule Modification factor.

DOMESTIC TERRORISM:

State	Premium Determination Method
Alabama, Arizona, Arkansas, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah and Wisconsin	Rate per $100 of Remuneration

FEDERAL EMPLOYER'S LIABILITY ACT COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to work subject to the Federal Employers' Liability Act (45 USC Sections 51-60) and any amendment to that Act that is in effect during the policy period.

G. Limits of Liability of Part Two (Employers Liability Insurance) is replaced by the following:

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in the Schedule. They apply as explained below:

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident - each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease - aggregate" is the most we will pay for all damages covered by this insurance because of bodily injury by disease to one or more employees. The limit applies separately to bodily injury by disease arising out of work in each state shown in Item 3.A. of the Information Page or in the Schedule.

   Bodily injury by disease does not include disease that results directly from bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

If any state is named in Item 2 of the Schedule, Part Two (Employers Liability Insurance) applies in that state to work subject to the Federal Employers' Liability Act as though that state were listed in Item 3.A. of the Information Page. Part One (Workers Compensation Insurance) does not apply in a state shown in the Schedule.

Part Two (Employers Liability Insurance), C. Exclusions, exclusion 9, does not apply to work subject to the Federal Employers' Liability Act.

Schedule

1. Limits of Liability

Bodily Injury by Accident	$	1,000,000	each accident
Bodily Injury by Disease	$	1,000,000	aggregate

2. State

WC 00 01 04A
(Ed. 10/04)

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Countersigned by _____

Authorized Representative

LONGSHORE AND HARB. WORKERS' COMPENSATION ACT CO RAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-20 0

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to work subject to the Longshore and Harbor Workers' Compensation Act in a state shown in the Schedule. The policy applies to that work as though that state were listed in Item 3.A. of the Information Page.

General Section C. **Workers' Compensation Law** is replaced by the following:

C. **Workers' Compensation Law**

Workers' Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page and the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal workers or workmen's compensation law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers Liability Insurance), C. Exclusions exclusion 8, does not apply to work subject to the Longshore and Harbor Workers' Compensation Act.

This endorsement does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

Schedule

State	Longshore and Harbor Workers' Compensation Act Coverage Percentage
New York	72.70 %

The rates for classifications with code numbers not followed by the letter "F" are rates for work not ordinarily subject to the Longshore and Harbor Workers' Compensation Act. If this policy covers work under such classifications, and if the work is subject to the Longshore and Harbor Workers' Compensation Act, those non-F classification rates will be increased by the Longshore and Harbor Workers' Compensation Act Coverage Percentage shown in the Schedule.

WC 00 01 06A
(Ed. 4/92)

Countersigned by _____

Authorized Representative

ARITIME COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement changes how insurance provided by Part Two (Employers Liability Insurance) applies to bodily injury to a master or member of the crew of any vessel.

A. **How This Insurance Applies** is replaced by the following:

A. **How This Insurance Applies**

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to work described in Item 1 of the Schedule of the Maritime Coverage Endorsement.
3. The bodily injury must occur in the territorial limits of, or in the operation of a vessel sailing directly between the ports of, the continental United States of America, Alaska, Hawaii or Canada.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
6. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

C. **Exclusions** is changed by removing exclusion 10 and by adding exclusions 13 and 14.

This insurance does not cover:

13. bodily injury covered by a Protection and Indemnity Policy or similar policy issued to you or for your benefit. This exclusion applies even if the other policy does not apply because of another insurance clause, deductible or limitation of liability clause, or any similar clause.
14. your duty to provide transportation, wages, maintenance and cure. This exclusion does not apply if a premium entry is shown in Item 2 of the Schedule.

D. **We Will Defend** is changed by adding the following statement:

We will treat a suit or other action in rem against a vessel owned or chartered by you as a suit against you.

G. **Limits of Liability**

Our liability to pay for damages is limited. Our limits of liability are shown in the Schedule. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease-aggregate" is the most we will pay for all damages covered by this insurance because of bodily injury by disease to one or more employees. The limit applies separately to bodily injury by disease arising out of work in each state shown in Item 3.A. of the Information Page. Bodily Injury by disease will be deemed to occur in the state of the vessel's home port.

   Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

Schedule

1. Description of work:
   SEE SCHEDULE OF OPERATIONS

2. Transportation, Wages, Maintenance and Cure Premium $ INCLUDED

3. Limits of Liability

Bodily Injury by Accident	$	1,000,000	each accident
Bodily Injury by Disease	$	1,000,000	aggregate

WC 00 02 01A
(Ed. 04/92)

Countersigned by _____

Authorized Representative

ʃERNATE EMPLOYER ENDORSEMEN

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to prep aration of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only with respect to bodily injury to your employees while in the course of special or temporary employment by the alternate employer in the state named in Item 2 of the Schedule. Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply as though the alternate employer is insured. If an entry is shown in Item 3 of the Schedule the insurance afforded by this endorsement applies only to work you perform under the contract or at the project named in the Schedule.

Under Part One (Workers Compensation Insurance) we will reimburse the alternate employer for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.

The policy may be cancelled according to its terms without sending notice to the alternate employer.

Part Four (Your Duties If Injury Occurs) applies to you and the alternate employer. The alternate employer will recognize our right to defend under Parts One and Two and our right to inspect under Part Six.

Schedule

(1) Alternate Employer and Address (2) State of Special or Temporary Employment (3) Contract or Project

(1) Alternate Employer : ANY ALTERNATE EMPLOYER OF YOUR EMPLOYEEES

WC 00 03 01A
(Ed. 02/89)

Countersigned by _____

Authorized Representative

DESIGN :D WORKPLACES EXCLUSION ENDC :EMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The policy does not cover work conducted at or from;

ALL WORKPLACES EXCEPT:

ANY SITE OR LOCATION AT WHICH ANY OPERATIONS ARE PERFORMED IN CONJUNCTION WITH THE CONSOLIDATED WRAP-UP PROGRAM (THE "WRAP-UP PROGRAM") ADMINISTERED BY THE PORT AUTHORITY OF NY & NJ.

THE WRAP-UP PROGRAM INCLUDES ONLY OPERATIONS OR WORK AT OR EMANATING FROM PROJECT SITES AND LOCATIONS THAT ARE (1) IDENTIFIED BY THE PORT AUTHORITY OF NY & NJ AS WITHIN THE SCOPE OF THE WRAP-UP PROGRAM, AND (2) WHICH IS PERFORMED PURSUANT TO A CONTRACT OR AGREEMENT IDENTIFIED BY THE PORT AUTHORITY OF NY & NJ AS INCLUDED WITHIN THE SCOPE OF THE WRAP UP PROGRAM.

WC 00 03 02
(Ed. 04/84)

Countersigned by _____

Authorized Representative

SOLE PROPRIETORS, I TNERS, OFFICERS AND OTHERS CC RAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a ferent date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

An election was made by or on behalf of each person described in the Schedule to be subject to the worke's compensation law of the state named in the Schedule. The premium basis for the policy includes the remuneration of such persons.

Schedule

Persons	**State**
Sole Proprietor: NONE AT THIS TIME	
Partners:	
Officers:	
Others:	

WC 00 03 10
(Ed. 04/84)

Countersigned by _____

Authorized Representative

VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement adds Voluntary Compensation Insurance to the policy.

A. How This Insurance Applies

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must be sustained by an employee included in the group of employees described in the Schedule.
2. The bodily injury must arise out of and in the course of employment necessary or incidental to work in a state listed in the Schedule.
3. The bodily injury must occur in the United States of America, its territories or possessions, or Canada, and may occur elsewhere if the employee is a United States or Canadian citizen temporarily away from those places.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay an amount equal to the benefits that would be required of you if you and your employees described in the Schedule were subject to the workers compensation law shown in the Schedule. We will pay those amounts to the persons who would be entitled to them under the law.

C. Exclusions

This insurance does not cover:

1. any obligation imposed by a workers compensation or occupational disease law, or any similar law.
2. bodily injury intentionally caused or aggravated by you.

D. Before We Pay

Before we pay benefits to the persons entitled to them, they must:

1. Release you and us, in writing, of all responsibility for the injury or death.
2. Transfer to us their right to recover from others who may be responsible for the injury or death.
3. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits of this insurance fail to do those things, our duty to pay ends at once. If they claim damages from you or from us for the injury or death, our duty to pay ends at once.

E. Recovery From Others

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we paid. We will pay the balance to the persons entitled to it. If the persons entitled to the benefits of this insurance make a recovery from others, they must reimburse us for the benefits we paid them.

Employers Liability Insurance

Part Two (Employers Liability Insurance) applies to bodily injury covered by this endorsement as though the State of employment shown in the Schedule were shown in Item 3.A of the Information Page.

Schedule

Employees	State of Employment	Designated Workers Compensation Law
ALL OFFICERS AND EMPLOYEES NOT SUBJECT TO THE WORKERS COMPENSATION LAW EXCEPT MASTERS AND MEMBERS OF THE CREW OF ANY VESSEL	ANY STATE DESIGNATED IN ITEM 3A OF THE INFORMATION PAGE OF THIS POLICY	STATE OF HIRE

This endorsement is not applicable in: HI, NJ, TX, and WI.

WC 00 03 11 A
(Ed. 08/91)

Countersigned by _____

Authorized Representative

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement changes the policy to which it is attached effective on inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Premium

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

Schedule

ANY PERSON OR ORGANIZATION TO WHOM YOU BECOME
OBLIGATED TO WAIVE YOUR RIGHTS OF RECOVERY
AGAINST, UNDER ANY CONTRACT OR AGREEMENT
YOU ENTER INTO PRIOR TO THE OCCURRENCE OF LOSS

This form is not applicable in California, Kentucky, New Hampshire, New Jersey, North Dakota, Ohio, Tennessee, Texas, Utah, or Washington.

WC 00 03 13
(Ed. 04/84)

Countersigned by _____

Authorized Representative

EXPERIENCE RATING MODIFICATION FACTOR ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2010

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The premium for the policy will be adjusted by an experience rating modification factor. The factor was not available when the policy was issued. The factor, if any, shown on the Information Page is an estimate. We will issue an endorsement to show the proper factor, if different from the factor shown, when it is calculated.

WC 00 04 03
(Ed. 4-84)

Countersigned by _____

Authorized Representative

NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity and other changes provided for in the applicable experience rating plan manual.

You must report any change in ownership to us in writing within 90 days of such change. Failure to report such changes within this period may result in revision of the experience rating modification factor used to determine your premium.

THIS ENDORSEMENT IS NOT APPLICABLE IN NEW JERSEY, PENNSYLVANIA, CALIFORNIA, DELAWARE, TEXAS, MAINE OR NEVADA.

WC 00 04 14
(Ed. 07/90)

Countersigned by _____

Authorized Representative

CATASTROPHE (OTHER T. J CERTIFIED ACTS OF TERRORISM) . EMIUM ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a erent date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement is notification that your insurance carrier is charging premium to cover the losses that may occur in the event of a Catastrophe (other than Certified Acts of Terrorism) as that term is defined below. Your policy provides coverage for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism). This premium charge does not provide funding for Certified Acts of Terrorism contemplated under the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 A), attached to this policy.

For purposes of this endorsement, the following definitions apply:

- Catastrophe (other than Certified Acts of Terrorism): Any single event, resulting from an Earthquake, Noncertified Act of Terrorism, or Catastrophic Industrial Accident, which results in aggregate workers compensation losses in excess of $50 million.
- Earthquake: The shaking and vibration at the surface of the earth resulting from underground movement along a fault plane or from volcanic activity.
- Noncertified Act of Terrorism: An event that is not certified as an Act of Terrorism by the Secretary of Treasury pursuant to the Terrorism Risk Insurance Act of 2002 (as amended) but that meets all of the following criteria:

  a. It is an act that is violent or dangerous to human life, property, or infrastructure;

  b. The act results in damage within the United States, or outside of the United States in the case of the premises of United States missions or air carriers or vessels as those terms are defined in the Terrorism Risk Insurance Act of 2002 (as amended); and

  c. It is an act that has been committed by an individual or individuals as part of an effort to influence the policy or affect the conduct of the United States Government by coercion.
- Catastrophic Industrial Accident: A chemical release, large explosion, or small blast that is localized in nature and affects workers in a small perimeter the size of a building.

The premium charge for the coverage your policy provides for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism) is shown in Item 4 of the Information Page or in the Schedule below.

Schedule

State	Rate	Premium

WC 00 04 21C
(Ed. 09/08)

Countersigned by _____

Authorized Representative

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TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007. It serves to notify you of certain limitations under the Act, and that your insurance carrier is charging premium for losses that may occur in the event of an Act of Terrorism.

Your policy provides coverage for workers compensation losses caused by Acts of Terrorism, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations.

Definitions

The definitions provided in this endorsement are based on and have the same meaning as the definitions in the Act. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

"Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments thereto resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2007.

"Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States as meeting all of the following requirements:

a. The act is an act of terrorism.

b. The act is violent or dangerous to human life, property or infrastructure.

c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.

d. The act has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"Insured Loss" means any loss resulting from an act of terrorism (and, except for Pennsylvania, including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.

"Insurer Deductible" means, for the period beginning on January 1, 2008, and ending on December 31 2014, an amount equal to 20% of our direct earned premiums, over the calendar year immediately preceding the applicable Program Year.

"Program Year" refers to each calendar year between January 1, 2008 and December 31, 2014, as applicable

Limitation of Liability

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed $100,000,000,000 in a Program Year and if we have met our Insurer Deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds $100,000,000,000; and for aggregate Insured Losses up to $100,000,000,000, we will pay only a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

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Policyholder Disclosure Notice

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses exceeds $100,000,000 in a Program Year, the United States Government would pay 85% of our Insured Losses that exceed our Insurer Deductible.

2. Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceeds $100,000,000,000.

3. The premium charge for the coverage your policy provides for Insured Losses is included in the amounts shown in Item 4 of the Information Page or in the Schedule below.

Schedule

State	Rate	Premium

WC 00 04 22A
(Ed. 09/08)

Countersigned by _____

Authorized Representative

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

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

WHAT IS OFAC?

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

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

PROHIBITED ACTIVITY

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

Additional and more in-depth information on OFAC is available at the following website:
http://www.ustreas.gov/offices/eotffc/ofac.

OBLIGATIONS PLACED ON US BY OFAC

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

POTENTIAL ACTIONS BY US

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

YOUR RIGHTS AS A POLICYHOLDER

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

WORKERS MPENSATION - PREMIUM CREDIT AF CATION

STATE _____ BUREAU FILE #: _____

SURED _____

POLICY #: _____ EFFECTIVE DATE _____ CARRIER _____

Notice: Unless Code(s), total wages paid, total hours worked, calendar quarter reported are indicated and application is signed, it cannot be processed. Must include non-construction class code payrolls. Corporate officers should be included in the appropriate class. Contact your agent or carrier if assistance is desired.

Is this a new business: _____ No _____ Yes

If no, submit information for the third calendar quarter (July, August, September) of the preceding calendar year as reported to taxing authorities. If yes, submit information for the first complete quarter following the effective date of your workers compensation policy.

CLASSIFICATION:	**CLASS CODE**	**TOTAL WAGES PAID***	**TOTAL HOURS WORKED (Incl. O.T.)**
Example: Electrical Wiring	5190	$8,000	520
Contracting Classification:			
Non-contracting Classification:			

* EXCLUDING OVERTIME PREMIUM PAY, for each classification code, combine all wages for that code in a single entry. Employee names are not required.

DELAWARE & PENNSYLVANIA ONLY: Total Wages includes overtime premium pay.

ALASKA, FLORIDA, HAWAII, ILLINOIS, MARYLAND, MINNESOTA, NEW MEXICO, OKLAHOMA, AND OREGON ONLY: Exclude from Total Wages overtime premium pay as well as all other exclusions in accordance with Rule V of the Basic Manual.

VIRGINIA ONLY: Include Total Wages as reported to the Virginia Employment Commission.

ILLINOIS, MISSOURI: Exclude the entire pay for any sole proprietor, partner, or executive officer.

The foregoing is based on actual wages and hours worked, as reflected in our payroll records for the complete calendar quarter ending _____.

SIGNATURE _____ **POSITION** _____

TELEPHONE NUMBER _____ **DATE** _____

ADDRESS _____ **CITY** _____ **STATE** _____

PLEASE MAIL APPLICATION TO THE APPROPRIATE BUREAU

WC58509A
(Ed. 07/01)

CR. T RATING DOWNGRADE ENDORSEM.

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a erent date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement modifies insurance provided under the following:

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

The following is added to PART FIVE - PREMIUM, E. Final Premium:

3. In the event the **Company** receives a financial strength rating below A- by A.M. Best Co., or below BBB by Standard & Poor's Ratings Services (the "**Credit Rating Downgrade**"), this policy may be canceled by the **First Named Insured** referenced on the Information Page by mailing written prior notice to the **Company** or by surrender of this policy to the **Company** or its authorized agent or broker.

If this policy is canceled by the **First Named Insured** within 30 days after such Credit Rating Downgrade, then the Company shall return the unearned pro rata proportion of the final premium as of the effective date of cancellation.

For the purposes of this endorsement, the following definitions shall apply:

1. **Company** means the insurer as shown on the Information Page of this policy.
2. **First Named Insured** means the first Named Insured or Named Entity as shown on the Information Page of this policy.

To the extent that the provisions of this endorsement conflict with any provisions of (a) this policy and/or (b) endorsements to this policy, the provisions of this endorsement shall apply.

All other terms, conditions, definitions, and exclusions of this policy remain unchanged.

WC 99 00 53
(Ed. 11/08)

Countersigned by _____

Authorized Representative

PRIVACY POLICY

Our Commitment to Privacy:

The AIG Companies (AIG) believe one of our most important assets is the trust consumers place in us to respect and properly handle nonpublic personal information received by us in connection with providing our products and services. To continue earning your trust and enhance the products and services offered to you, the companies listed below have adopted the following privacy policy to govern how we treat your nonpublic personal information including such information about our former customers.

It's important for you to know that this privacy policy applies only to the product or service you have just obtained or the insurance policy under which you are seeking or receiving benefits. This policy does not preclude any AIG Company from using the information you provided in order to offer you other products or services in which you may be interested. This policy also does not preclude us from sharing your information with a non-AIG affiliated company so long as the sharing is necessary to administer and process the product or service you have just obtained or the insurance policy under which you are seeking or receiving benefits. As a large worldwide leader in the delivery of financial products and services, we offer numerous products and services to many types of consumers and clients in many different states and countries around the world. Therefore, any one of our companies may have different privacy policies to fit the specific products and services it offers.

Information We Collect:

We collect information about you that is necessary to tailor our products and services to meet your individual needs, provide effective customer service, and comply with legal requirements.

We may collect nonpublic personal information about you, from one or more of the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates or others;
- Information we receive from a consumer-reporting agency; and
- Information received in handling claims.

Sharing Information Within Our Family of Companies:

We may share some or all of the nonpublic personal information we collect with our affiliates - the members of the AIG family of companies, unless such sharing of information is prohibited by law. In many cases, the information that is shared may be at your request or is necessary to administer, process or otherwise handle your transactions with us or settle a claim on your behalf. In addition, we may provide this information to our affiliates in order to offer you products and services in which you may be interested.

Our family of companies includes many insurance companies (e.g., auto, home, and life insurance), insurance claims handling companies, other financial institutions (e.g., savings bank), and non-financial institutions.

Sharing Information Outside the AIG Family:

Sometimes, we use companies or businesses outside the AIG family to administer, process, or otherwise handle your transactions with us, such as for claims handling or customer service. Other times, we may enter into contracts with nonaffiliated companies to perform services on our behalf, such as marketing our products and services, or we may enter into joint marketing agreements with other financial institutions. In these and other circumstances permitted by law, we may share some or all of the information we collect above with these nonaffiliated third parties. However, whenever we utilize a nonaffiliated third party to provide these services, they are required to follow federal privacy laws governing this notice. We also may share information to combat fraud, in response to a court order, or at the request of government regulators.

Nonpublic Personal Health Information:

We will not disclose nonpublic personal health information about you without obtaining prior written authorization from you, except as permitted by applicable law or regulation.

78052D
(Ed. 11/06)

Protecting and Safeguarding Your Information:

To help prevent unwarranted disclosure of your nonpublic information and secure it from theft, we utilize secure computer networks and restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. In addition, we maintain physical, electronic, and procedural safeguards that comply with applicable laws and regulations to guard our customers' nonpublic personal information.

Maintaining Accurate Information:

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

Chief Privacy Officer
AIG - Domestic Brokerage Group
175 Water Street, 3rd Floor
New York, NY 10038

FAX: 212-785-9495

e-mail: DBG.Privacy@AIG.com

Special notice for policyholders who reside in any of the following states: Arizona, California, Connecticut, Georgia, Illinois, Kansas, Maine, Massachusetts, Minnesota, Montana, Nevada, New Jersey, North Carolina, Ohio, Oregon, Virginia or Wisconsin: *You can obtain access to any nonpublic personal information we have about you if you properly identify yourself and submit a written request to us at the address above describing the information you want to review (include your name, address and policy number). Once we have received your request, and if the information is reasonably locatable and retrievable, we will, within 30 business days, take the following actions:*

- *Inform you of the nature and substance of the recorded information;*
- *Allow you to see and copy, in person, such recorded personal information; or*
- *Send you a copy of the recorded personal information by mail (we may charge you a reasonable fee to cover the cost of this service).*

We will also tell you at this time the identity, if recorded, of persons to whom we have disclosed the nonpublic personal information within the preceding two years.

If you ask us to correct, amend or delete any information about you, we will, within 30 business days, either correct, amend or delete the nonpublic personal information in dispute or notify you of our refusal to take such action along with the reasons for our decision. If we make the correction, amendment or deletion you've requested, we will also notify you along with any person you designate who has received the information about you within the preceding two years, together with any insurance support organization(s) which provided us with the disputed information.

If we refuse to make the requested correction, amendment or deletion, you are permitted to file a concise statement setting forth what you think is the correct, relevant or fair information along with a statement of the reasons why you disagree with our refusal to correct, amend or delete the information subject to dispute. We will file your statement with the disputed personal information and make any person who reviews your file aware of your statement. We will also furnish your statement to any person who has received personal information from us within the two preceding years and any insurance support organization whose primary source of personal information is an insurer.

Important Information Concerning the Applicability and Future Changes to this Privacy Policy:

This privacy policy applies, with respect to nonpublic personal financial information, to the particular products or services you have just obtained, which provide primarily for personal, family, or household purposes in the United States by the AIG Companies listed below, and it applies to all nonpublic personal health information these Companies may have. Although we may change this policy at any time, as it relates to the particular product or service, please rest assured that you will be notified of any changes as required by law.

AIG Companies Covered by this Policy:

AIG Hawaii Insurance Company
Chartis Property Casualty Company
AIU Insurance Company
American Home Assurance Company
American International Pacific Insurance Company
Chartis Casualty Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Co.
National Union Fire Insurance Company of Louisiana
National Union Fire Insurance Company of Pittsburgh, Pa.
New Hampshire Insurance Company
The Insurance Company of the State of Pennsylvania
Chartis Specialty Insurance Company
American Pacific Insurance Company, Inc.
Landmark Insurance Company
Lexington Insurance Company
Agency Management Corporation
A. I. Risk Specialists Insurance, Inc.
A. I. Risk Specialists of Missouri, Inc.
American International Entertainment, Inc.
Eastern Risk Specialists, Inc.
Florida Risk Specialists, Inc.
The Gulf Agency, Inc.
Louisiana Risk Specialists, Inc.
Medical Excess Insurance Services, Inc.
Michigan Risk Specialists, Inc.
Midwestern Risk Specialists, Inc.
Nevada Risk Specialists, Inc.
New England Risk Specialists, Inc.
Northwestern Risk Specialists, Inc.
Risk Specialists Companies, Inc.
Risk Specialists Company (Bermuda), Ltd.
Risk Specialists Company of Colorado, Inc.
Risk Specialists Company of Kentucky, Inc.
Risk Specialists Company of Minnesota, Inc.
Risk Specialists Company of New Jersey, Inc.
Risk Specialists Company of New York, Inc.
Risk Specialists Company of Ohio, Inc.
Risk Specialists of the Carolinas, Inc.
Southeastern Risk Specialists, Inc.
Southern Risk Specialists, Inc.
Western Risk Specialists, Inc.
Chartis Insurance Agency, Inc.
AIG Warranty Services and Insurance Agency, Inc.

and other member companies of the AIG family who sent you this privacy policy statement.

78052D
(Ed. 11/06)

PREMIUM DUE DATE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

PART FIVE
PREMIUM

D. **Premium** is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**

WC 00 04 19
(Ed. 01/01)

Countersigned by _____

Authorized Representative

CONSEN TO TRANSFER OF YOUR RIGHTS ANL JTIES

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a 'erent date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-20:0

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Transfer of Rights and Duties

The person or organization named in the Schedule has with our consent assumed from you your duty to pay all premium, surcharges and "reimbursable losses" for this policy when due; and

You with our consent have assigned to such person or organization your rights to cancel this policy and to receive any return of premium or surcharges and any dividends, discounts or other adjustments from us under this policy.

No other rights or duties have been transferred.

For the purposes of this endorsement, "reimbursable losses" shall mean payments you are required to make to us as reimbursement to us for our payments of:

1. All benefits payable under PART ONE - WORKERS COMPENSATION INSURANCE; and
2. Up to our limit of liability, all sums you legally must pay as damages to which PART TWO - EMPLOYERS LIABILITY applies; and
3. All benefits payable under PART THREE - OTHER STATES INSURANCE; and
4. All benefits or damages payable under any endorsements attached to the policy.

"Reimbursable losses" shall also include payments you are required to make to us as reimbursement for any "allocated loss adjusting expense" we pay according to your policy.

No limit on the Company's liability under the policy or any endorsement is increased or reinstated by this endorsement.

SCHEDULE

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

WC 99 00 09A
(Ed. 04/03)

Countersigned by _____

Authorized Representative

ADVANCE NOTICE : CANCELLATION OR NON-RENEWAL US EXTENDED

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a ferent date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

PART SIX - CONDITIONS. D. - Cancellation, 2. is deleted in its entirety and replaced with:

We may cancel or non-renew this policy. We must mail or deliver to you not less than the number of days shown below advance written notice stating when the cancellation or non-renewal is to take effect.

Except for non-payment of premium, non-payment of loss reimbursement or non-delivery of satisfactory security or collateral when due for which we will provide the advance written notice required by law, we shall not provide less than the number of days advance notice set forth below, or in the policy and endorsements attached thereto, or as required by state law.

Mailing that notice to you, at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.

Cancellation: 30 Days

Non-Renewal: 30 Days

WC 99 00 39
(Ed. 08/02)

Countersigned by _____

Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2009

Forms a part of policy no.: WC 067-71-2030

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

New Jersey Second Injury Fund

The New Jersey Workers Compensation Law established the Second Injury Fund to provide benefits to workers who become permanently and totally disabled as a result of work-related injury or occupational disease when the worker had been previously partially disabled. The Law also requires that the Fund provide annual adjustments to certain persons permanently and totally disabled and to certain dependents of deceased workers.

Through 1988, the Second Injury Fund was financed by an annual assessment upon insurance carriers. Such assessment was included in your standard premium via the manual premium rate(s) shown in your policy Information Page.

Effective January 1, 1989 an amendment to the Law requires that the present financing be replaced by a direct surcharge shown as a separate "Second Injury Fund Surcharge" line on the policy Information Page. It will no longer be included in the manual premium rate. This new system will discourage other states from imposing retaliatory taxes on New Jersey based insurance companies and ultimately aid cost containment efforts.

Issue Date: 12/22/09

LWNNJSIF

Countersigned by _____

Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2009

Forms a part of policy no.: WC 067-71-2030

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The New Jersey Workers Compensation Law requires every employer to provide workers compensation coverage through purchase of a workers compensation and employers liability insurance policy. Failure to provide such coverage results in a fine and/or criminal action by the Department of Labor as well as continued liability for benefit payments to an injured worker.

The Uninsured Employers Fund was established by Law to provide benefits to an injured worker when the employer has failed to comply with the insurance provision of the Law and is unable to provide the required benefits. Through 1988, total financing of the Fund was derived from fines imposed upon uninsured employers

Effective January 1, 1989 an amendment to the Law, requires that the present financing be supplemented by a direct surcharge shown as a separate "Uninsured employers Fund Surcharge" line on your policy Information Page. This method will assure the delivery of benefits to injured workers and the surcharge will cease whenever the year end balance of the Fund exceeds $500,000.

Authorized Representative

Issue Date: 12/22/09

LWNNJUFEF

NEW JERSEY PART TWO LIMIT OF LIABILITY ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to the insurance provided by Part Two (Employers Liability Insurance) because New Jersey is shown in Item 3.A. of the Information Page.

With respect to Exclusion C5, this insurance does not cover any and all intentional wrongs within the exception allowed by N.J.S.A. 34:15-8 including but not limited to, bodily injury caused or aggravated by an intentional wrong committed by you or your employees, or bodily injury resulting from an act or omission by you or your employees, which is substantially certain to result in injury.

With respect to Exclusion C7, we will defend any claim, proceeding or suit for damages where bodily injury is alleged. We have the right to investigate and settle. We will not defend or continue to defend after the applicable limits of insurance have been paid. Such policy limits include any legal costs assessed against you on behalf of your employee(s).

We may not limit our liability to pay damages for which we become legally liable to pay because of bodily injury to an infant under the age of 18 years in a proceeding made pursuant to Article 2 as provided in N.J.S.A. 34:15-10.

This insurance does not provide for the payment of any common law negligence damages or other damages when the provisions of Article 2 of the New Jersey Workers Compensation Law have been rejected by you and your employee(s) as provided in N.J.S.A. 34:15-9.

With respect to paragraph F., the "Other Insurance" provisions is replaced with the following:

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

This insurance, however, is excess over any other applicable insurance with respect to claims for bodily injury arising out of employer practices, policies, acts or omissions enumerated in C-7 above, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

WC 29 03 06B
(Ed. 07/07)

Countersigned by _____

Authorized Representative

© Compensation Rating and Inspection Bureau

NEW JERSEY CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The premium for this policy may be adjusted by a New Jersey Construction Classification Premium Credit. The credit, if applicable, was not available when the policy was issued. If you qualify, we will issue an endorsement to include the credit after it is calculated.

WC 29 04 10
(Ed. 04-96)

Countersigned by _____

Authorized Representative

NEW YORK LIMIT OF LIABILITY ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to the insurance provided by Part Two (Employers Liability Insurance) because New York is shown in item 3.A. of the Information Page.

We may not limit our liability to pay damages for which we become legally liable to pay because of bodily injury to your employees if the bodily injury arises out of and in the course of employment that is subject to and is compensable under the Workers Compensation Law of New York.

WC 31 03 08
(Ed. 4-84)

Countersigned by _____

Authorized Representative

NEW YORK CONSTR ION CLASSIFICATION PREMIUM AD TMENT PROGRAM
EXPLANATORY ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a ferent date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The New York Construction Classification Premium Adjustment Program (NYCCPAP) allows premium credits for some employers in the construction industry. These credits exist to recognize the difference in wage rates between employers within the same construction industries in New York.

The declarations section of this policy will show a credit of 0.00% if you are not eligible for this credit, or if you are eligible for this credit and have not yet applied for a credit. Credits are earned for average wages in excess of $15.50 per hour for each eligible class. If your policy shows one of the following classification codes, and you are experience rated, you are eligible to apply for an NYCCPAP credit.

0042	5057	5193	5429	5506	5645	6018	6252	7601	9553
3365	5059	5213	5443	5507	5648	6045	6260	7855	
3724	5069	5221	5445	5508	5651	6204	6306	8227	
3726	5102	5222	5462	5536	5701	6216	6319	9526	
3737	5160	5223	5473	5538	5703	6217	6325	9527	
5000	5183	5348	5474	5545	5709	6229	6400	9534	
5022	5184	5402	5479	5547	6003	6233	6701	9539	
5037	5188	5403	5480	5606	6005	6235	7536	9545	
5040	5190	5428	5491	5610	6017	6251	7538	9549	

The basis for determining the credit is the limited payroll of each employee for the number of hours worked (excluding vertime premium pay) for each construction classification (other than employees engaged in the construction of one or wo-family residential housing) for the third quarter, as reported to taxing authorities, for the year preceding the policy date. Total payroll is to continue to be reported for employees engaged in the construction of one or two-family residential housing. For example:

Policy Inception Date	Third Quarter Payroll
4/1/06 thru 3/31/07	2005
4/1/07 thru 3/31/08	2006
4/1/08 thru 3/31/09	2007
4/1/09 thru 3/31/10	2008
4/1/10 thru 3/31/11	2009
4/1/11 thru 3/31/12	2010
4/1/12 thru 3/31/13	2011

If you have any eligible classes on your policy, you should have been notified by your insurance carrier or the New York Compensation Insurance Rating Board approximately nine months prior to the inception date of this policy. If you believe you may be eligible for a credit and have not received an application, you should immediately contact your agent, insurance carrier, or the New York Compensation Insurance Rating Board.

Credits are calculated by the New York Compensation Insurance Rating Board. Your must submit a completed application to: Attention: Field Services Department, New York Compensation Insurance Rating Board. 200 East Forty-Second Street, New York, New York 10017.

Applications must be received by the Rating Board six (6) months prior to the policy renewal effective date. The Rating Board will accept and process an application if it is received between the policy effective and expiration date, however, it must be accompanied by a letter stating the reason for the delay. Under no circumstances will an application be accepted for any policy if it is received after the expiration date of the policy. For short-term policies the application must be received prior to the expiration date of the short-term policy. If it is received after the policy expiration, no credit will be calculated.

The New York Workers Compensation and Employers Liability Insurance Manual, and not this endorsement, govern the nplementation and use of the NYCCPAP.

WC 31 03 19E
(Ed. 10/08)

Countersigned by _____

Authorized Representative

© 2008 New York Compensation Insurance Rating Board

NEW YORK PENDING PA. ..LL LIMITATION AND PREMIUM DIFF. .NTIAL ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a ferent date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The Construction Employment Payroll Limitation Law (S7744/A11294) requires a payroll limitation and territory premium differential on policies for all employers subject to the Law with an anniversary rating date on or after October 1, 1999. The code(s) currently on your policy may be subject to the Law.

The requirements of the Law may be applied during the policy period or may be applied at time of audit.

WC 31 04 04
(Ed. 10/99)

Countersigned by _____

Authorized Representative

NOTICE TO POLICYHOLDERS
CHANGES TO ASSESSMENTS

Legislation enacted in December 1993 and applicable to policies effective April 1st, 1994 specifically prohibited assessments based on losses. The New York Compensation Rating Board was instructed to prepare a single "New York State Assessment" to be charged based on your standard workers compensation premium, which is your premium after application of experience modification. For your information, the components of this assessment are described below. These assessment percentages are effective on new and renewal policies effective October 1st, 2009 and later.

Workers Compensation Board (WCB) Assessment
The WCB is the administrator of the workers compensation law in New York. Its administrative law judges hear cases and establish benefit eligibility and awards.
The assessment for this service is 2.5%

Reopened Case Fund
The Reopened Case Fund pays for benefits determined by the Workers Compensation Board after a lapse of seven years from the date of injury, or in those cases where an earlier determination is set aside.
The assessment for this service is 2.9%

Special Disability Fund
The Special Disability Fund provides for the reimbursement of the insurance company for compensation and medical benefits paid as the result of a subsequent (second) injury.
The assessment for this service is 7.9%

Interdepartmental Expenses
This assessment pays for the programs administered by the New York Department of Health, Occupational Health Clinics Network, and the New York Department of Labor, both the Occupational Safety and Training Fund and the Enforcement of Occupational Safety and Health Regulation.
The assessment for this service is 0.8%

Special Funds Conservation Committee
This assessment pays the expenses of the state attorney responsible for handling second injury and reopened case matters.
The assessment for this service is 0.1%
The total assessment effective October 1st, 2009 is 14.2%

NEW RK NOTICE TO THE POLICYHOLDEF

Pursuant to New York Insurance Regulations, you may purchase a Workers' Compensation deductible. The available deductible options, per occurrence, are $100, $200, $300, $400, $500, $1000, $1500, $2000, $2500 or)00.

If you are interested in either purchasing a deductible or receiving a premium quotation for one or more of the available deductible options, please contact your Agent or Broker.

NEW RK SECURITY FUND SURCHARGE NOTICE
IMPORTANT NOTICE TO POLICYHOLDERS

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a erent date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2009 forms a part of Policy No. WC 067-71-2030

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Companies writing workers compensation insurance insurance business in New York are required to participate in the New York Compensation Security Fund. If a company becomes insolvent, the security fund settles unpaid claims and assesses each insurance company for its fair share.

New York law requires all companies to surcharge policies to recover these assessments. If your policy is surcharged "NY surcharge", an amount will be displayed on your premium notice.

WC 99 31 18
(Ed. 10/04)

Countersigned by _____

Authorized Representative

EXTENSION OF ITEM 1. OF THE INFORMATION PAGE

This endorsement, effective 12:01 AM 12/31/2009

Forms a part of policy no.: WC 067-71-2030

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

LOC NO.	NAME AND ADDRESS SCHEDULE	FEIN	UI #
0001	THE PORT AUTHORITY OF NJ & NY NO FIXED ADDRESS NYC, NY USA BUSINESS TYPE: GOVERNMENT ENTITY NAIC: 237990	136400654	UNKNOWN
0002	THE PORT AUTHORITY OF NJ & NY NO FIXED ADDRESS NJ BUSINESS TYPE: GOVERNMENT ENTITY NAIC: 237990	136400654	000000000001
0003	THE PORT AUTHORITY OF NJ & NY NO FIXED ADDRESS NEW YORK, NY BUSINESS TYPE: GOVERNMENT ENTITY NAIC: 237990	136400654	UNKNOWN

Authorized Representative

Issue Date: 12/22/09

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

Endorsement No. 001

This endorsement, effective 12:01 AM 12/31/2009

Forms a part of Policy No. WC 067-71-2030

082-01-1209-00

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

NOTICE TO POLICYHOLDER

This endorsement modifies insurance provided under this Workers Compensation and Employers Liability Insurance Policy

Premium for this endorsement: SUBJECT TO AUDIT

Issue Date: 02/17/10

WC 99 06 11
(Ed. 01/97)

Authorized Representative

ISSUED BY THE STOCK INSURANCE COMPANY HEREIN CALLED THE COMPANY

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA
13889

AGENT NUMBER
0001382-00

POLICY NUMBER
WC 014-77-1132
082-01-1211-00

INCORPORATED UNDER THE LAWS OF PENNSYLVANIA

ITEM 1. NAMED INSURED: MAILING ADDRESS IDENTIFICATION NO.:

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
225 PARK AVENUE SOUTH
NEW YORK, NY 10003-1604

SEE EXTENSION OF ITEM 1. OF THE INFORMATION PAGE - WC990610

I.D#

CHARTIS

A Chartis company

EXECUTIVE OFFICES:
175 Water Street
New York, NY 10038

PRODUCERS NAME AND ADDRESS

AON RISK SERVICES, INC. OF NEW YORK
300 JERICHO QUADRANGLE
JERICHO, NY 11753-0000

WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY INFORMATION PAGE

INSURED IS
GOVERNMENT ENTITY

PREVIOUS POLICY NUMBER
RENEWAL 014770997

OTHER WORKPLACES NOT SHOWN ABOVE: SEE EXTENSION OF ITEM 1. OF THE INFORMATION PAGE - WC990610

ITEM 2 POLICY PERIOD 12:01 A.M. standard time at the insured's mailing address FROM 12/31/11 TO 12/31/12

ITEM 3

A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here:

NJ NY

B. Employers Liability Insurance: Part Two of the policy applies to the work in each state listed in item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident $ 2,000,000 each accident
Bodily Injury by Disease $ 2,000,000 policy limit
Bodily Injury by Disease $ 2,000,000 each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:

NONE

D. This policy includes these endorsements and schedules:

SEE EXTENSION OF ITEM 3.D. OF THE INFORMATION PAGE - WC990612

ITEM 4 The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Classifications	Code Number	Premium Basis Total Remuneration [X] Annual [ ] 3 Year	Rate Per $100 OF Remuneration	Estimated Premium [X] Annual [ ] 3 Year
SEE EXTENSION OF ITEM 4. OF THE INFORMATION PAGE - WC7754 TAXES/ASSESSMENTS/SURCHARGES				$868,436
EXPENSE CONSTANT (EXCEPT WHERE APPLICABLE BY STATE) $220 NJ				

MINIMUM PREMIUM $850 NJ

TOTAL ESTIMATED ANNUAL PREMIUM $6,127,088

If indicated below, interim adjustments of premium shall be made:

[ ] Semi-Annually [ ] Quarterly [ ] Monthly

DEPOSIT PREMIUM $6,127,088

12/02/11 NEW YORK
Issue Date

01
Issuing Office

Authorized Representative

WC 00 00 01A

39967 (Rev'd 04/08)

EXTENSION OF ITEM 3.D. OF THE INFORMATION PAGE

Policy Number: WC 014-77-1132 Effective Date: 12/31/2011

TRSMNOTA	FOREIGN TERRORISM POLHOLDR NOT-PREM DTMN
USLHPOLNOT	USL&H POLICYHOLDER NOTICE
WC000104A	FEDERAL EMPLOYERS LIABILITY ACT COV ENDT
WC000106A	LONGSHORE AND HARBOR WC ACT CDVERAGE
WC000201A	MARITIME COVERAGE ENDDRSEMENT
WC000301A	ALTERNATE EMPLOYER ENDORSEMENT
WC000302	DESIGNATED WORKPLACES EXCLUSIDN ENDT
WC000311A	VOLUNTARY COMP AND EMPLOYERS LIAB COV
WC000313	WAIVER OF OUR RIGHT TO RECOVER
WC000414	NOTIFICATION OF CHANGE IN OWNERSHIP ENDT
WC000421C	CATASTROPHE PREMIUM ENDORSEMENT
WC000422A	TRIPRA DISCLOSURE ENDORSEMENT
WCDFAC	NOTICE REG OFFICE OF FOREIGN ASSET CTRL
107437	PRIVACY POLICY
53820	LARGE RISK RATING PLAN (SHORT FORM)
WC58509A	WC - PREMIUM CREDIT APPLICATION
WC990053	CREDIT RATING DOWNGRADE ENDT
WC000419	PREMIUM DUE DATE ENDORSEMENT
WC990009A	CONS TO TRANS OF YR RIGHTS AND DUTI ENDT
WC990039	ADV NOTICE OF CANC OR NON-REN BY US EXTN
LWNNJSIF	NJ SECOND INJURY FUND
LWNNJUFEF	NJ UNINSURED EMPLOYER FUND
WC290306B	NJ PART II EMPLOYERS LIABILITY ENDT
WC290410	NJ CONSTRUCTION CLASS PREMIUM ADJUSTMENT
WC310308	NY LIMIT OF LIABILITY ENDORSEMENT
WC310319F	NY CONSTRUCTION CLASSIFICATION PREM ADJ
WC310404	NY PENDING PAYROLL LIMITATION & PREMIUM
WC993102N	NY NOTICE TO POLICY HOLDER
WC993107	NY NOTICE TO POLICYHOLDER
WC993118	NY SE FUND SCH NOT - IMP NOT TO PHOLDERS
WC990610	NAMED INSUREDS/ADDRESSES

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

INSURANCE POLICY

National Union Fire Insurance Company of Pittsburgh, Pa.
American Home Assurance Company
The Insurance Company of The State of Pennsylvania
Chartis Property Casualty Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Company
New Hampshire Insurance Company

CHARTIS

EXECUTIVE OFFICES
175 WATER STREET
NEW YORK, NY 10038

Coverage is provided by the Company designated on the Information Page
A Stock Insurance Company

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY QUICK REFERENCE

	BEGINNING ON PAGE
GENERAL SECTION	1
A. The Policy	1
B. Who Is Insured	1
C. Workers Compensation Law	1
D. State	1
E. Locations	1
PART ONE-WORKERS COMPENSATION INSURANCE	1
A. How This Insurance Applies	1
B. We Will Pay	1
C. We Will Defend	1
D. We Will Also Pay	1
E. Other Insurance	1
F. Payments You Must Make	2
G. Recovery From Others	2
H. Statutory Provisions	2

THE ABOVE REFERENCED POLICY PROVISIONS WITH THE INFORMATION PAGE AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THIS POLICY.

QUICK REFERENCE - CONTINUED

BEGINNING ON PAGE

PART TWO - EMPLOYERS LIABILITY INSURANCE 2
- A. How This Insurance Applies 2
- B. We Will Pay 2
- C. Exclusions 3
- D. We Will Defend 3
- E. We Will Also Pay 3
- F. Other Insurance 4
- G. Limits of Liability 4
- H. Recovery From Others 4
- I. Action Against Us 4

PART THREE - OTHER STATES INSURANCE 4
- A. How This Insurance Applies 4
- B. Notice 4

PART FOUR - YOUR DUTIES IF INJURY OCCURS 4

PART FIVE - PREMIUM 5
- A. Our Manuals 5
- B. Classifications 5
- C. Remuneration 5
- D. Premium Payments 5
- E. Final Premium 5
- F. Records 5
- G. Audit 5

PART SIX - CONDITIONS 6
- A. Inspection 6
- B. Long Term Policy 6
- C. Transfer of Your Rights and Duties 6
- D. Cancellation 6
- E. Sole Representative 6

PLEASE READ THE WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY CAREFULLY

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows:

GENERAL SECTION

A. **The Policy**
This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. **Who is Insured**
You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. **Workers Compensation Law**
Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. **State**
State means any state of the United States of America, and the District of Columbia.

E. **Locations**
This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

PART ONE
WORKERS COMPENSATION INSURANCE

A. **How This Insurance Applies**
This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.
1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. **We Will Pay**
We will pay promptly when due the benefits required of you by the workers compensation law.

C. **We Will Defend**
We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.
We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. **We Will Also Pay**
We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:
1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

E. **Other Insurance**
We will not pay more than our share of benefits and costs covered by this insurance and other

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insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. **Payments You Must Make**

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation; or
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. **Recovery From Others**

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

H. **Statutory Provisions**

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.
4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
5. This insurance conforms to the parts of the workers compensation law that apply to:
   a. benefits payable by this insurance;
   b. special taxes, payments into security or other special funds, and assessments payable by us under that law.
6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

PART TWO
EMPLOYERS LIABILITY INSURANCE

A. **How This Insurance Applies**

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or pos-sessions, or Canada.

B. **We Will Pay**

We will pay all sums that you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. For which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against

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such third party as a result of injury to your employee;
2. For care and loss of services; and
3. For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee; provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and
4. Because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

C. **Exclusions**

This insurance does not cover:

1. Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. Punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. Any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. Bodily injury intentionally caused or aggravated by you;
6. Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
7. Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
8. Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950), the Non-appropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356a.), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Safety and Health Act (30 USC Sections 801-945), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;
9. Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws;
10. Bodily injury to a master or member of the crew of any vessel;
11. Fines or penalties imposed for violation of federal or state law; and
12. Damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued there under, and any amendments to those laws.

D. **We Will Defend**

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. **We Will Also Pay**

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings;
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. Litigation costs taxed against you;
4. Interest on a judgment as required by law until we offer the amount due under this insurance; and
5. Expenses we incur.

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F. **Other Insurance**

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. **Limits of Liability**

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.
   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.
2. Bodily Injury by Disease. The limit shown for "bodily injury by disease-policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease-each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.
   Bodily injury by disease does not include disease that results directly from a bodily injury by accident.
3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. **Recovery From Others**

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. **Actions Against Us**

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE
OTHER STATES INSURANCE

A. **How This Insurance Applies**

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.
4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. **Notice**

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR
YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal

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papers related to the injury, claim, proceeding or suit.

4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE-PREMIUM

A. **Our Manuals**

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. **Classifications**

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. **Remuneration**

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. all your officers and employees engaged in work covered by this policy; and
2. all other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

D. **Premium Payments**

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. **Final Premium**

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short-rate cancelation table and procedure. Final premium will not be less than the minimum premium.

F. **Records**

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. **Audit**

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

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PART SIX-CONDITIONS

A. **Inspection**

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

B. **Long Term Policy**

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. **Transfer of Your Rights and Duties**

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. **Cancelation**

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancelation is to take effect.
2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancelation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancelation notice.
4. Any of these provisions that conflict with a law that controls the cancelation of the insurance in this policy is changed by this statement to comply with the law.

E. **Sole Representative**

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancelation.

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In Witness Whereof, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.

President
National Union Fire
Insurance Company of
Pittsburgh, PA

President
American Home
Assurance Company

President
The Insurance Company
of The State of Pennsylvania

President
Chartis Property Casualty Company

President
Commerce and Industry
Insurance Company

President
Granite State Insurance Company

President
Illinois National Insurance Company

President
New Hampshire Insurance Company

Secretary
National Union Fire Insurance Company of Pittsburgh, PA
American Home Assurance Company
The Insurance Company of The State of Pennsylvania
Chartis Property Casualty Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Company
New Hampshire Insurance Company

WC 00 00 00 B

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1132
Policy Prefix & No.

NEW JERSEY
Schedule

INTRA/Independent State Risk ID

082-01-1211-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
RATING GROUP: 0002-01				
LANDSCAPE GARDENING & DRIVERS	0042	126,522	8.93	11,298
FLINT OR SPAR GRINDING & DRIVERS	1741	7,100	4.48	318
IRON OR STEEL FABRICATION: IRON OR STEEL WORKS-SHOP-STRUCTURAL-& DRIVERS	3030	16,099	14.73	2,371
IRON OR STEEL FABRICATION: IRON WORKS-SHOP-ORNAMENTAL-& DRIVERS	3040	IF ANY	13.67	
IRON OR STEEL FABRICATION: IRON WORKS-SHOP-ORNAMENTAL-& DRIVERS	3040F	IF ANY	20.51	
IRON OR STEEL FABRICATION: IRON WORKS-SHOP-DECORATIVE OR ARTISTIC-& FOUNDRIES, DRIVERS	3041	4,260	3.80	162
WIRE DRAWING-IRON OR STEEL	3241	2,840	8.42	239
HEAT TREATING-METAL NPD	3307	85,200	13.43	11,442
WELDING OR CUTTING NOC & DRIVERS	3365	26,270	17.07	4,484
MACHINE SHOP NOC	3632	710	3.80	27
ELECTRIC POWER OR TRANSMISSION EQUIPMENT MFG	3643	2,840	4.48	127
THERMOMETER MFG	3685	7,100	2.24	159
MACHINERY OR EQUIPMENT ERECTION OR REPAIR NOC & DRIVERS	3724	40,115	7.97	3,197
MILLWRIGHT WORK NOC & DRIVERS	3724	836,124	7.97	66,639
ANALYTICAL CHEMIST-NPD (4571)	4571	3,126	1.00	31
ANALYTICAL CHEMIST-NPD (4572)	4572	10,437	8.83	922
MASONRY NOC	5022	IF ANY	14.48	
PAINTING: STEEL STRUCTURES OR BRIDGES	5038	IF ANY	17.39	
IRON OR STEEL ERECTION: ERECTION-FRAME STRUCTURES	5040	4,583,108	16.29	746,588
IRON OR STEEL ERECTION: ERECTION NOC	5057	IF ANY	15.14	
IRON OR STEEL ERECTION: ERECTION-FRAME STRUCTURES NOT OVER TWO STORIES IN HEIGHT	5059	IF ANY	27.52	
IRON OR STEEL ERECTION: ERECTION-CONSTRUCTION OF DWELLINGS NOT OVER TWO STORIES IN HEIGHT	5069	21,300	25.63	5,459
IRON OR STEEL ERECTION: DOOR, DOOR FRAME OR SASH ERECTION OR REPAIR METAL OR METAL COVERED & DRIVERS	5103	103,092	10.85	11,185
ELEVATOR ERECTION OR REPAIR	5160	274,415	5.05	13,858
PLUMBING NOC & DRIVERS	5183	756,272	6.24	47,191
BOILER OR STEAM PIPE INSULATING & SHOP, DRIVERS	5184	10,792	4.60	496
AUTOMATIC SPRINKLER INSTALLATION & DRIVERS	5188	140,154	5.69	7,975
ELECTRICAL WIRING-WITHIN BUILDINGS &	5190	IF ANY	4.54	

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1132
Policy Prefix & No.

NEW JERSEY
Schedule

INTRA/Independent State Risk ID

082-01-1211-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
DRIVERS				
OFFICE MACHINE OR APPLIANCE INSTALLATION, INSPECTION, ADJUSTMENT OR REPAIR	5191	174,277	1.38	2,405
CEMENT WORK-SIDEWALKS, CELLAR FLOORS, DRIVEWAYS & DRIVERS	5200	IF ANY	9.79	
CONCRETE CONSTRUCTION NOC & DRIVERS	5213	IF ANY	14.21	
CONCRETE CONSTRUCTION IN CONNECTION WITH BRIDGES OR CULVERTS	5222	423,515	18.09	76,614
MARBLE OR STONE SETTING-INSIDE	5348	35,983	7.82	2,814
BUILDING SIDING OR RE-SIDING & DRIVERS	5403	IF ANY	15.50	
CEILINGS-SUSPENDED OR CEMENTED-INSTALLATION & DRIVERS	5409	18,460	5.12	945
CARPENTY-INSTALLATION OF CABINET WORK OR INTERIOR TRIM	5437	1,420	9.86	140
WALLBOARD-INSTALLATION-WITHIN BUILDINGS-& DRIVERS	5445	246,796	7.37	18,189
GLAZIER-AWAY FROM SHOP-& DRIVERS	5462	78,214	7.99	6,249
WATERPROOFING - & YARD EMPLOYEES, DRIVERS	5466	299,052	7.66	22,907
ASBESTOS CONTRACTOR-EMPLOYEES ENGAGED IN ASBESTOS REMOVAL, REPLACEMENT, REPAIR, ENCLOSURE OR ENCAPSULATION & DRIVERS	5473	455,110	19.86	90,385
PAINTING OR DECORATING-INTERIOR OR EXTERIOR WORK NOC & DRIVERS	5474	258,369	10.11	26,121
INSULATION WORK NOC & DRIVERS	5479	2,447	10.68	261
PLASTERING NOC & DRIVERS	5480	20,637	12.42	2,563
STREET OR ROAD PAVING, SURFACING OR RESURFACING, DRIVERS - NPD WITH 6042 STREET OR ROAD CONSTRUCTION	5500	IF ANY	8.56	
METAL CEILING OR WALL COVERING INSTALLATION & SHOP DRIVERS	5538	332,983	6.71	22,343
HEATING OR AIR CONDITIONING DUCT WORK-SHOP AND OUTSIDE-& DRIVERS	5538	171,346	6.71	11,497
ROOFING-ALL KINDS & DRIVERS	5551	224,317	38.07	85,397
CONTRACTOR-EXECUTIVE SUPERVISOR	5606	3,465,225	2.26	78,314
CLEANER-DEBRIS REMOVAL	5610	875,619	7.52	65,847
WRECKING: BUILDINGS OR STRUCTURES-NOT MARINE	5701	12,496	15.93	1,991
PILE DRIVING & DRIVERS	6003	574,765	14.56	83,686
GRADING OF LAND NOC & DRIVERS	6039	743,890	9.11	67,768
STREET OR ROAD CONSTRUCTION & DRIVERS	6042	IF ANY	7.22	
DRILLING NOC & DRIVERS NPD	6204	365,643	11.62	42,488
EXCAVATION NOC & DRIVERS	6217	IF ANY	8.75	
IRRIGATION OR DRAINAGE SYSTEM CONSTRUCTION & DRIVERS	6229	1,420	1.00	14

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1132
Policy Prefix & No.

NEW JERSEY
Schedule

INTRA/Independent State Risk ID

082-01-1211-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
CAISSON WORK	6252	1,846	9.98	184
SEWER CONSTRUCTION & DRIVERS	6306	114,594	8.44	9,672
GAS MAIN OR CONNECTION CONSTRUCTION & DRIVERS	6319	24,850	8.22	2,043
CONDUIT CONSTRUCTION-FOR CABLES OR WIRES-& DRIVERS	6325	114,310	5.77	6,596
FENCE ERECTION-METAL	6400	293,372	14.95	43,859
RAILROAD CONSTRUCTION-INCLUDING CLERICAL OFFICE EMPLOYEES; SALESMEN; DRIVERS, CHAUFFEURS AND THEIR HELPERS - COVERAGE I	6702	14,200	1.00	142
MARINE RAILWAY OPERATION & DRIVERS	6872	1,144,980	27.88	319,220
TRUCKMEN: NOC-& DRIVERS	7219	42,600	13.04	5,555
DRIVERS, CHAUFFEURS AND THEIR HELPERS NOC-COMMERCIAL	7380	IF ANY	9.97	
WRECKING-MARINE-INCLUDING SALVAGE OPERATIONS-COVERAGE I	7394	88,778	7.93	7,040
ELECTRIC LIGHT OR POWER LINE CONSTRUCTION & DRIVERS	7538	255,600	6.45	16,486
TELEPHONE, TELEGRAPH OR FIRE ALARM LINE CONSTRUCTION & DRIVERS	7601	5,324	5.33	284
FIRE ALARM INSTALLATION OR REPAIR & DRIVERS	7605	20,197	3.09	624
DETECTIVE OR PATROL AGENCY-& DRIVERS	7723	66,645	3.15	2,099
RAILROAD CONSTRUCTION BY CONTRACTOR-LAYING OR RELAYING OF TRACKS OR MAINTENANCE OF WAY-DRIVERS	7855	IF ANY	11.30	
CONSTRUCTION OR ERECTION PERMANENT YARD	8227	463,382	6.51	30,166
JUNK DEALER & DRIVERS NPD	8263	286,556	15.99	45,820
IRON OR STEEL SCRAP DEALER & DRIVERS NPD	8265	1,420	14.06	200
GASOLINE OR OIL DEALER & DRIVERS	8350	8,520	9.95	848
ENGINEER OR ARCHITECT-CONSULTING NPD	8601	1,488,586	0.96	14,290
INSPECTION OF RISKS FOR INSURANCE OR VALUATION PURPOSES NOC	8720	6,390	3.07	196
REAL ESTATE AGENCY-OUTSIDE EMPLOYEES & COLLETORS	8742	222,369	0.51	1,134
LABOR UNION	8755	71,000	0.59	419
AUDITOR, OR FACTORY COST OR OFFICE SYSTEMATIZER-TRAVELING	8803	12,172,590	0.26	31,649
CLERICAL OFFICE EMPLOYEES NOC	8810	18,796,059	0.26	48,870
BUILDINGS-OPERATION BY CONTRACTOR & DRIVERS	9014	163,300	5.82	9,504
PARK NOC-& DRIVERS	9102	1,392	4.27	59
SEWER CLEANING & DRIVERS	9402	13,940	10.78	1,503
RADIO OR TELEVISION SET INSTALLATION, SERVICE OR REPAIR & DRIVERS	9519	15,620	5.02	784

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1132 — Policy Prefix & No.

NEW JERSEY — Schedule

INTRA/Independent State Risk ID

082-01-1211-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
HOUSE FURNISHINGS INSTALLATION NOC & UPHOLSTERING		9521	20,403	6.14	1,253
SCAFFOLDS OR SIDEWALK BRIDGES-INSTALLATION, REPAIR OR REMOVAL-& DRIVERS		9529	7,811	1.00	78
RIGGING NOC & DRIVERS		9530	3,550	6.94	246
SIGN ERECTION OR REMOVAL-& DRIVERS NPD		9554	215,982	6.08	13,132
STATE OF NEW JERSEY TOTALS					
TOTAL CLASSIFICATION PREMIUM					2,257,061
FELA INCREASE	258.00%	6198			366
ADMIR INCREASE	258.00%	6198			18,163
INCREASE LIMITS	5.20%	6199			116,994
TOTAL UNMODIFIED PREMIUM					2,392,584
MODIFIED STANDARD PREMIUM					2,392,584
UNDISCOUNTED PREMIUM					2,392,584
DISCOUNTED PREMIUM					2,392,584
EXPENSE CONSTANT		0900			220
TERRORISM	0.06	9740			31,192
TERRORISM		9740			35,083
CATASTROPHE (SEE WC 00 04 21C)	0.01	9741			5,199
TOTAL ESTIMATED PREMIUM					2,464,278
SECOND INJURY FUND SURCHARGE	7.60%	0935			155,622
UNINSURED EMPLOYERS' FUND SURCHARGE	0.15%	0936			3,047
TOTAL DUE					2,622,947
TOTAL PREMIUM FOR TERRORISM COVERAGE INCLUDED IN TOTAL ESTIMATED PREMIUM	$66,275				

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1132 — Policy Prefix & No.

NEW YORK — Schedule

INTRA/Independent State Risk ID

082-01-1211-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
RATING GROUP: 0001-01				
LOC ID. 0001				
LANDSCAPE GARDENING & DRIVERS	0042	65,037	9.92	6,452
WELDING OR CUTTING NOC & DRIVERS	3365	16,128	13.80	2,226
ELECTRICAL APPARATUS INSTALLATION & DRIVERS	3724	231,350	10.32	23,875
BOILER INSTALLATION OR REPAIR-STEAM	3726	25,134	21.62	5,434
MASONRY NOC	5022	671,419	21.44	143,952
PAINTING: METAL BRIDGES & SHOP OPERATIONS, DRIVERS	5037	239,291	42.81	102,440
IRON OR STEEL: ERECTION: FRAME STRUCTURES	5040	IF ANY	35.61	
IRON OR STEEL: ERECTION: NOC	5057	86,377	19.26	16,636
IRON OR STEEL: ERECTION: FRAME STRUCTURES-NOT OVER TWO STORIES IN HEIGHT	5059	209,450	50.76	106,317
IRON OR STEEL: ERECTION: FRAME STRUCTURES-NOT OVER TWO STORIES IN HEIGHT	5059F	IF ANY	75.22	
IRON OR STEEL: ERECTION: DOOR, DOOR FRAME OR SASH ERECTION-METAL OR METAL COVERED	5102	83,569	19.44	16,246
ELEVATOR ERECTION OR REPAIR	5160	220,400	12.32	27,153
PLUMBING NOC & DRIVERS	5183	1,425,423	10.93	155,799
BOILER OR STEAM PIPE INSULATING & DRIVERS	5184	184,475	10.01	18,466
AUTOMATIC SPRINKLER INSTALLATION & DRIVERS	5188	127,639	6.51	8,309
ELECTRICAL WIRING-WITHIN BUILDINGS & DRIVERS	5190	IF ANY	7.93	
OIL OR GAS BURNER INSTALLATION, SERVICE OR REPAIR & SHOP, DRIVERS	5193	6,702	20.04	1,343
CONCRETE CONSTRUCTION NOC	5213	IF ANY	23.94	
CONCRETE OR CEMENT WORK-FLOORS, DRIVEWAYS, YARDS OR SIDEWALKS-& DRIVERS	5221	1,378,865	17.31	238,682
CONCRETE OR CEMENT WORK-FLOORS, DRIVEWAYS, YARDS OR SIDEWALKS-& DRIVERS	5221V	IF ANY	17.31	
CONCRETE CONSTRUCTION IN CONNECTION WITH BRIDGES OR CULVERTS	5222	IF ANY	26.79	
MARBLE OR STONE SETTING-INSIDE	5348	89,477	10.45	9,350
HOT HOUSE ERECTION-ALL OPERATIONS	5402	838	18.04	151
CARPENTRY NOC	5403	1,692,933	20.07	339,772
FURNITURE OR FIXTURES INSTALLATION IN OFFICES OR STORES NOC	5429	8,892	10.84	964
LATHING & DRIVERS	5443	13,824	12.98	1,794
WALLBOARD INSTALLATION-WITHIN BUILDINGS- & DRIVERS	5445	292,026	12.87	37,584

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1132
Policy Prefix & No.

NEW YORK
Schedule

INTRA/Independent State Risk ID

082-01-1211-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
GLAZIER-AWAY FROM SHOP-& DRIVERS	5462	25,302	18.90	4,782
ASBESTOS: REMOVAL OR ENCAPSULATION	5473	494,302	33.18	164,009
PAINTING OR DECORATING NOC & DRIVERS	5474	179,135	15.13	27,103
INSULATION WORK NOC & DRIVERS	5479	32,507	10.99	3,573
PLASTERING NOC & DRIVERS	5480	205,889	10.12	20,836
PAPER HANGING & DRIVERS	5491	3,585,100	4.42	158,461
STREET OR ROAD CONSTRUCTION: PAVING OR REPAVING & DRIVERS	5506	IF ANY	20.13	
STREET OR ROAD CONSTRUCTION: SUB-SURFACE WORK & DRIVERS	5507	1,770,815	18.96	335,747
GEOPHYSICAL EXPLORATION-SEISMIC & DRIVERS	5508	6,284	9.82	617
HEATING AND AIR CONDITIONING DUCT WORK-SHOP AND OUTSIDE-& DRIVERS	5536	1,309,520	10.70	140,119
SHEET METAL WORK ERECTION, INSTALLATION OR REPAIR NOC-SHOP OR OUTSIDE-& DRIVERS	5538	386,829	13.69	52,957
ROOFING NOC & DRIVERS	5545	84,754	36.32	30,783
DAM CONSTRUCTION: ROOFING OF PERMANENT BUILDINGS OR STRUCTURES (5547)	5547	201,140	33.23	66,839
CLEANER-DEBRIS REMOVAL	5610	407,798	8.98	36,620
SALVAGE OPERATIONS & INCIDENTAL WRECKING	5709	51,358	1.00	514
PILE DRIVING NOC & DRIVERS	6003	713,576	20.33	145,070
DIKE OR REVETMENT CONSTRUCTION & DRIVERS	6005	144,660	6.58	9,519
DRILLING NOC & DRIVERS	6204	241,568	20.43	49,352
BUILDING CLEANING, MAINTENANCE OR REPAIR: CLEANING OUT DEBRIS LEFT BY BUILDING DEMOLITION CONCERNS-INCL. DRIVERS	6217	838	12.27	103
GRADING OF LAND NOC & DRIVERS	6217	240,891	12.27	29,557
DRAINAGE OR IRRIGATION SYSTEM CONSTRUCTION & DRIVERS	6229	259,159	9.69	25,113
CAISSON WORK-ALL OPERATIONS TO COMPLETION	6252	100,536	6.09	6,123
SEWER CONSTRUCTION-ALL OPERATIONS-& DRIVERS	6306	259,718	18.67	48,489
GAS MAIN OR CONNECTION CONSTRUCTION & DRIVERS	6319	33,819	12.03	4,068
CONDUIT CONSTRUCTION - FOR CABLES OR WIRES-& DRIVERS	6325	79,242	10.97	8,693
FENCE ERECTION-METAL	6400	IF ANY	16.16	
ELECTRIC LIGHT OR POWER LINE CONSTRUCTION & DRIVERS	7538	294,626	19.51	57,482
TELEPHONE, TELEGRAPH OR FIRE ALARM LINE CONSTRUCTION & DRIVERS	7601	16,463	13.54	2,229
RAILROAD CONSTRUCTION: LAYING OR RELAYING TRACKS-NO WORK ON ELEVATED RAILROADS &	7855	300,351	9.28	27,873

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1132 — Policy Prefix & No.

NEW YORK — Schedule

INTRA/Independent State Risk ID

082-01-1211-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
DRIVERS					
YARD-CONSTRUCTION OR ERECTION-PERMANENT		8227	246,162	15.96	39,287
CARPET INSTALLATION		9521	25,972	6.90	1,792
SCAFFOLDS, HOD HOIST OR CONSTRUCTION		9526	34,434	34.06	11,728
ELEVATORS-BUILT UP FROM THE GROUND INSTALLATION, REPAIR OR REMOVAL & DRIVERS					
SCAFFOLDS-SIDEWALK BRIDGES-NOT OVER ONE STORY IN HEIGHT-INSTALLATION, REPAIR OR REMOVAL & DRIVERS		9527	278,988	33.92	94,633
MDBILE CRANE AND HOISTING SERVICE CONTRACTORS NOC & DRIVERS		9534	1,257	19.31	243
AWNING, TENT OR CANVAS GOODS ERECTION, REMOVAL OR REPAIR & DRIVERS		9539	8,378	16.23	1,360
TOTAL CLASSIFICATION PREMIUM					2,868,619
BLANKET WAIVER	2.00%	0930			57,372
FELA INCREASE	121.00%	9840			34,400
ADMIR INCREASE	121.00%	9840			
TOTAL UNMODIFIED PREMIUM					2,960,391
MODIFIED STANDARD PREMIUM					2,960,391
UNDISCOUNTED PREMIUM					2,960,391
DISCOUNTED PREMIUM					2,960,391
TERRORISM		9740			80,721
CATASTROPHE (SEE WC 00 04 21C)	0.012	9741			2,291
ESTIMATED PREMIUM					3,010,590
TAX/ASSESSMENT SURCHARGE	20.20%	0932			595,453
RATING GROUP TOTAL					3,606,043
RATING GROUP: 0003-01					
LOC ID. 0001					
LOC ID. 0003					
ASPHALT WORKS-OPERATED BY PAVING CONTRACTORS		1463	16,756	11.74	1,967
AWNING OR TENT MFG.-SHOP ONLY		2576	1,676	9.10	153
IRON OR STEEL: FABRICATION: IRON OR STEEL WORKS-SHOP- STRUCTURAL-& DRIVERS		3030	183,810	11.62	21,359
IRON OR STEEL: FABRICATION: IRON OR STEEL WORKS-SHOP-ORNAMENTAL-& DRIVERS		3040	73,587	13.31	9,794
ELEVATOR OR ESCALATOR MFG		3042	146,591	10.84	15,890
DOOR, DOOR FRAME OR SASH MFG-WOOD-METAL COVERED		3060	2,093	28.17	590
SIGN MFG. OR REPAIR-METAL-SHOP ONLY		3064	838	9.11	76
SHEET METAL WORK-SHOP ONLY		3066	16,756	6.15	1,030

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1132 — Policy Prefix & No.

NEW YORK — Schedule

INTRA/Independent State Risk ID

082-01-1211-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
HEAT TREATING-METAL	3307	50,268	5.63	2,830
THERMOMETER MFG	3685	14,494	2.22	322
ELECTRICAL APPARATUS REPAIR OR SERVICING AT CUSTOMERS' PREMISES & DRIVERS	3737	6,284	7.75	487
FILM DEVELOPING-NOC	4361	838	1.39	12
ANALYTICAL CHEMIST	4511	12,860	1.04	134
FIRE ALARM SYSTEMS-INSTALLATION IN BUILDINGS-LOW VOLTAGE BATTERY SYSTEMS	5191	646,391	1.95	12,605
CARPENTRY-DETACHED ONE OR TWO FAMILY DWELLINGS	5645	IF ANY	17.15	
WRECKING-MARINE & SALVAGE OPERATIONS	5701	23,877	18.28	4,365
VESSELS-NOC: PROGRAM I	7016	209	6.47	14
SUPPLY BOATS: PROGRAM I	7016	16,756	6.47	1,084
TRUCKING: TRUCKING NOC-ALL EMPLOYEES & DRIVERS	7219	11,939	14.51	1,732
DREDGING-ALL TYPES: PROGRAM I	7333	46,079	9.27	4,272
DRIVERS AND HELPERS NOC-COMMERCIAL	7380	314,120	11.18	35,119
DIVING-MARINE: PROGRAM I	7394	594,491	5.53	32,875
SEWAGE TREATMENT	7580	27,229	5.11	1,391
DETECTIVE OR PATROL AGENCY & DRIVERS	7723	84,032	2.92	2,454
LOCKSMITHS-INCLUDING OPERATIONS AWAY FROM PREMISES	7998	5,462	3.44	188
MACHINERY DEALER NOC-STORE OR YARD-& DRIVERS	8107	838	5.40	45
BUILDING MATERIAL DEALER-NO SECOND HAND MATERIAL & LOCAL MANAGERS, DRIVERS	8232	1,089,140	7.91	86,151
METAL SCRAP DEALER & DRIVERS	8500	2,095	12.06	253
ENGINEER OR ARCHITECT-CONSULTING	8601	2,129,970	1.00	21,300
INSPECTION OF RISKS FOR INSURANCE OR VALUATION PURPOSES NOC	8720	3,854	3.16	122
SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	8742	386,184	0.56	2,163
LABOR UNION-ALL EMPLOYEES	8755	16,756	0.79	132
ACCOUNTANT, AUDITOR OR FACTORY COST OR OFFICE SYSTEMATIZER-TRAVELING	8803	33,789,646	0.14	47,306
ACCOUNTANT, AUDITOR OR FACTORY COST OR OFFICE SYSTEMATIZER-TRAVELING	8803V	IF ANY	0.14	
EXECUTIVE OFFICERS NOC-NOT FOREMEN, WORKERS OR SALESPERSONS	8809	841,430	0.29	2,440
CLERICAL OFFICE EMPLOYEES NOC	8810	3,307,045	0.26	8,598
EXTERMINATOR & DRIVERS	9014	783,343	7.57	59,299
BUILDING CLEANING, MAINTENANCE OR REPAIR: CLEANING OUTSIDE SURFACES OF STRUCTURES: ALL OTHER SURFACES REGARDLESS OF HEIGHT OR METHOD-INCL. DRIVERS	9025	1,634	28.76	470

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1132
Policy Prefix & No.

NEW YORK
Schedule

INTRA/Independent State Risk ID

082-01-1211-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
BUILDING CLEANING, MAINTENANCE OR REPAIR: CLEANING OUTSIDE SURFACES OF STRUCTURES: ALL OTHER SURFACES REGARDLESS OF HEIGHT OR METHOD-INCL. DRIVERS		9025F	IF ANY	42.63	
BUILDING SERVICE CONTRACTOR		9030	1,475,952	6.57	96,970
SEWER CLEANING & DRIVERS		9402	89,035	9.11	8,111
GARBAGE, ASHES OR REFUSE COLLECTION & DRIVERS		9403	838	16.63	139
SIGN PAINTING OR LETTERING IN BUILDINGS & DRIVERS		9501	3,435	2.69	92
AIR CONDITIONING: WINDOW UNITS-INSTALLATION SERVICE OR REPAIR-INCL. DRIVERS		9519	3,351	4.62	155
HOUSE FURNISHINGS INSTALLATION NOC & UPHOLSTERING		9521	10,737	6.90	741
SIGN ERECTION OR REPAIR-AWAY FROM SHOP-NOT OUTDOOR ADVERTISING COMPANIES & DRIVERS		9552	254,599	27.54	70,117
SIGN PAINTING OR LETTERING ON BUILDINGS OR STRUCTURES & DRIVERS		9553	1,206	13.99	169
TOTAL CLASSIFICATION PREMIUM					555,516
BLANKET WAIVER	2.00%	0930			11,110
FELA INCREASE	121.00%	9840			
ADMIR INCREASE	121.00%	9840			47,202
TOTAL UNMODIFIED PREMIUM					613,828
MODIFIED STANDARD PREMIUM					613,828
UNDISCOUNTED PREMIUM					613,828
DISCOUNTED PREMIUM					613,828
TERRORISM		9740			80,721
CATASTROPHE (SEE WC 00 04 21C)	0.012	9741			5,579
ESTIMATED PREMIUM					652,220
TAX/ASSESSMENT SURCHARGE	20.20%	0932			114,314
RATING GROUP TOTAL					766,534
STATE OF NEW YORK TOTALS					
TOTAL CLASSIFICATION PREMIUM					3,424,135
BLANKET WAIVER	2.00%	0930			68,482
FELA INCREASE	121.00%	9840			34,400
ADMIR INCREASE	121.00%	9840			47,202
TOTAL UNMODIFIED PREMIUM					3,574,219
MODIFIED STANDARD PREMIUM					3,574,219
UNDISCOUNTED PREMIUM					3,574,219
DISCOUNTED PREMIUM					3,574,219
TERRORISM		9740			80,721
CATASTROPHE (SEE WC 00 04 21C)	0.012	9741			7,870

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1132
Policy Prefix & No.

NEW YORK
Schedule

INTRA/Independent State Risk ID

082-01-1211-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
TOTAL ESTIMATED PREMIUM					3,662,810
TAX/ASSESSMENT SURCHARGE	20.20%	0932			709,767
TOTAL DUE					4,372,577
TOTAL PREMIUM FOR TERRORISM COVERAGE INCLUDED IN TOTAL ESTIMATED PREMIUM	$80,721				

TERRORISM (TRIPRA) POLICYHOLDER NOTICE - PREMIUM DETERMINATION

As indicated in the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement(s) included in this Policy, the premium you have been charged for coverage under the Terrorism Risk Insurance Program Reauthorization Act of 2007 ("TRIPRA") is shown in Item 4 of the Information Page, and State Schedule Page form WC 7754. The Schedule below shows how the premiums for TRIPRA were determined.

Schedule

State/Jurisdiction	Premium Determination Method
Arizona, Colorado, Connecticut, Florida, Idaho, New Jersey, New Mexico, North Carolina, West Virginia and Wisconsin.....	Rate per $100 of Remuneration.
New York.....	Rate per $100 of Remuneration and rate applied to Total Classification Premium.
Kansas, Maine, New Hampshire and Virginia.....	Included in rates applied to Premium Basis (Remuneration) for calculation of annual premium for each applicable classification of operations.
Alabama, Alaska, Arkansas, Iowa, Montana, Nevada, Tennessee and Texas.....	Rate per $100 of Remuneration in addition to charge included in rates applied to Premium Basis (Remuneration) for calculation of annual premium for each applicable classification of operations.
All Other States/Jurisdictions.....	Rate applied to Total Classification Premium.

CHARTIS

NOTICE TO POLICYHOLDER

Your Obligation to file Federal Form LS-202

"Employer's First Report of Injury or Occupational Illness"

Policy Number: WC 014-77-1132

Named Insured: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

We have sent you this Notice because the policy to which this notice is attached provides insurance to you for your obligations under at least one of the following federal workers' compensation laws:

Longshore and Harbor Workers Act **Nonappropriated Funds Instrumentalities Act**

Outer Continental Shelf Lands Act

YOUR REPORTING OBLIGATION

When an employee is injured and the loss is subject to the Federal Acts listed above, the employer is obligated to promptly file the Employer's First Report of Injury or Occupational Illness, Form LS-202 with the United States Department of Labor (DOL). In the past, we may have assisted you by filing the Form LS-202 on your behalf when you reported a subject injury to us. The DOL is now enforcing the requirement that the employers complete and file the Form LS-202; therefore, we can no longer perform that service for you.

You must now file Form LS-202 with the United States Department of Labor.

WHAT DO YOU HAVE TO DO?

1. **Decide if Federal law could apply:** Determine if the injured employee could be entitled to benefits under any of the federal workers' compensation acts identified above. For guidance in making this determination consult with your agent or broker, or your attorney. The DOL has established the following web sites which may be useful to you:

   http://www.dol.gov/owcp/dlhwc/index.htm

   and

   http://www.dol.gov/owcp/dlhwc/lscontactmap.htm

   A reportable injury is defined on the Form LS-202 as "Any accidental injury which causes loss of one or more shifts of work or death allegedly arising out of or in the course of employment, including any occupational disease or infection believed or alleged to have arisen naturally out of such employment, or as a natural or unavoidable result from an accidental injury."

2. **If there is a reportable injury, file an LS-202 directly with the DOL:** You can access a specimen Form LS-202 through the DOL's web site (referenced above). Once completed, file the form with the DOL in the timeframe required.

3. **Notify us:** As set forth in your policy, if any of your workers are injured on the job under any circumstances during the time that we insure you, notify us at once. This applies whether the injury arose out of work subject to any of the above federal laws, or not.

   If federal law applies: To notify us of an accident for which you filed an LS-202, please send us a copy of the Form LS-202 that you submitted to the DOL. You can send the form to us by fax, e-mail or regular mail as follows:

USLHPOLNOT
(Ed. 07/09)
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Location of Accident

States of the Western Zone

AK, AZ, AR, CA, CO, HI, ID, IL, IA, KS, LA, MO, MT, NE, NV, NM, ND, OK, OR, TX, UT, WA, WY

Fax Number: 866-739-6981

E-Mail Address: wzwcfnol@chartisinsurance.com

US Postal Service: See Chart on next page

States of the Eastern Zone

AL, CT, DE, DC, FL, GA, IN, KY, ME, MD, MI, MN, MS, MA, NH, NJ, NY, NC, OH, PA, RI, SC, SD, TN, VA, VT, WI, WV

Fax Number: 866 420 1404

E-Mail Address: easternwcnewloss@chartisinsurance.com

US Postal Service: See Chart on next page

If federal law does not apply: To notify us of an accident for which an LS-202 filing is not required (i.e. an injury subject only to a state's workers' compensation law), either of the following additional notification options are available to you.

[redacted]

Your notifying us of an injury is not an admission of liability under any law; it only enables us to protect your interests under the terms of our policy.

We will continue our service of notifying the state's workers' compensation authority, after you have given us notice of an injury, when a state has jurisdiction of the case.

Please contact your agent or broker if you have any questions about this or any other matter connected with your insurance.

Mailing Address to Chartis for Copy of LS-202

State where Accident Happened	Our Zone	Mailing Address
Alabama	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
Alaska	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Arizona	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Arkansas	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
California	Western	Chartis, P.O. Box 25977, Shawnee Mission, KS 66225
Colorado	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Connecticut	Eastern	Chartis, P.O. Box 1830, Alpharetta, GA 30023
Delaware	Eastern	Chartis, P.O. Box 1836, Alpharetta, GA 30023
District of Columbia	Eastern	Chartis, P.O. Box 1836, Alpharetta, GA 30023
Florida	Eastern	Chartis, P.O. Box 1833, Alpharetta, GA 30023
Georgia	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
Hawaii	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Idaho	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Illinois	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225

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Indiana	Eastern	Chartis, P.O. Box 1832, Alpharetta, GA 30023
Iowa	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Kansas	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Kentucky	Eastern	Chartis, P.O. Box 1832, Alpharetta, GA 30023
Louisiana	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Maine	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
Maryland	Eastern	Chartis, P.O. Box 1836, Alpharetta, GA 30023
Massachusetts	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
Michigan	Eastern	Chartis, P.O. Box 1830, Alpharetta, GA 30023
Minnesota	Eastern	Chartis, P.O. Box 1830, Alpharetta, GA 30023
Missouri	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Mississippi	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
Montana	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Nebraska	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Nevada	Western	Chartis, P.O. Box 26149, Las Vegas, NV 89126
New Hampshire	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
New Jersey	Eastern	Chartis, P.O. Box 1836, Alpharetta, GA 30023
New Mexico	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
New York	Eastern	Chartis, P.O. Box 1830, Alpharetta, GA 30023
North Carolina	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
North Dakota	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Ohio	Eastern	Chartis, P.O. Box 1832, Alpharetta, GA 30023
Oklahoma	Western	Chartis, P.O. Box 25974, Shawnee Mission, KS 66225
Oregon	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Pennsylvania	Eastern	Chartis, P.O. Box 1836, Alpharetta, GA 30023
Rhode Island	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
South Carolina	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
South Dakota	Eastern	Chartis, P.O. Box 1830, Alpharetta, GA 30023
Tennessee	Eastern	Chartis, P.O. Box 1832, Alpharetta, GA 30023
Texas	Western	Chartis, P.O. Box 25974, Shawnee Mission, KS 66225
Vermont	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
Virginia	Eastern	Chartis, P.O. Box 1832, Alpharetta, GA 30023
Washington	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
West Virginia	Eastern	Chartis, P.O. Box 1832, Alpharetta, GA 30023
Wisconsin	Eastern	Chartis, P.O. Box 1830, Alpharetta, GA 30023
Wyoming	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225

American Home Assurance Company, Chartis Casualty Company, Chartis Property Casualty Company, Chartis Specialty Insurance Company, Commerce and Industry Insurance Company, Granite State Insurance Company, Illinois National Insurance Company, National Union Fire Insurance Company of Pittsburgh, Pa., National Union Fire Insurance Company of Louisiana, New Hampshire Insurance Company, The Insurance Company of the State of Pennsylvania

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FEDERAL EMPLOYER'S LIABILITY ACT COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to work subject to the Federal Employers' Liability Act (45 USC Sections 51-60) and any amendment to that Act that is in effect during the policy period.

G. Limits of Liability of Part Two (Employers Liability Insurance) is replaced by the following:

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in the Schedule. They apply as explained below:

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident - each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease - aggregate" is the most we will pay for all damages covered by this insurance because of bodily injury by disease to one or more employees. The limit applies separately to bodily injury by disease arising out of work in each state shown in Item 3.A. of the Information Page or in the Schedule.

   Bodily injury by disease does not include disease that results directly from bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

If any state is named in Item 2 of the Schedule, Part Two (Employers Liability Insurance) applies in that state to work subject to the Federal Employers' Liability Act as though that state were listed in Item 3.A. of the Information Page. Part One (Workers Compensation Insurance) does not apply in a state shown in the Schedule.

Part Two (Employers Liability Insurance), C. Exclusions, exclusion 9, does not apply to work subject to the Federal Employers' Liability Act.

Schedule

1. Limits of Liability

Bodily Injury by Accident	$	1,000,000 each accident
Bodily Injury by Disease	$	1,000,000 aggregate

2. State

WC 00 01 04A
(Ed. 10/04)

Countersigned by _____

Authorized Representative

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LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The policy does not cover work conducted at or from;

This endorsement applies only to work subject to the Longshore and Harbor Workers' Compensation Act in a state shown in the Schedule. The policy applies to that work as though that state were listed in Item 3.A. of the Information Page.

General Section C. **Workers' Compensation Law** is replaced by the following:

C. **Workers' Compensation Law**

Workers' Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page and the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal workers or workmen's compensation law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers Liability Insurance), C. Exclusions exclusion 8, does not apply to work subject to the Longshore and Harbor Workers' Compensation Act.

This endorsement does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

Schedule

State	Longshore and Harbor Workers' Compensation Act Coverage Percentage
New Jersey	50.00 %
New York	48.20 %

The rates for classifications with code numbers not followed by the letter "F" are rates for work not ordinarily subject to the Longshore and Harbor Workers' Compensation Act. If this policy covers work under such classifications, and if the work is subject to the Longshore and Harbor Workers' Compensation Act, those non-F classification rates will be increased by the Longshore and Harbor Workers' Compensation Act Coverage Percentage shown in the Schedule.

WC 00 01 06A
(Ed. 4/92)

Countersigned by _____

Authorized Representative

MARITIME COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement changes how insurance provided by Part Two (Employers Liability Insurance) applies to bodily injury to a master or member of the crew of any vessel.

A. **How This Insurance Applies** is replaced by the following:

A. **How This Insurance Applies**

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to work described in Item 1 of the Schedule of the Maritime Coverage Endorsement.
3. The bodily injury must occur in the territorial limits of, or in the operation of a vessel sailing directly between the ports of, the continental United States of America, Alaska, Hawaii or Canada.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
6. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

C. **Exclusions** is changed by removing exclusion 10 and by adding exclusions 13 and 14.

This insurance does not cover:

13. bodily injury covered by a Protection and Indemnity Policy or similar policy issued to you or for your benefit. This exclusion applies even if the other policy does not apply because of another insurance clause, deductible or limitation of liability clause, or any similar clause.
14. your duty to provide transportation, wages, maintenance and cure. This exclusion does not apply if a premium entry is shown in Item 2 of the Schedule.

D. **We Will Defend** is changed by adding the following statement:

We will treat a suit or other action in rem against a vessel owned or chartered by you as a suit against you.

G. **Limits of Liability**

Our liability to pay for damages is limited. Our limits of liability are shown in the Schedule. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease-aggregate" is the most we will pay for all damages covered by this insurance because of bodily injury by disease to one or more employees. The limit applies separately to bodily injury by disease arising out of work in each state shown in Item 3.A. of the Information Page. Bodily Injury by disease will be deemed to occur in the state of the vessel's home port.

   Bodily injury by disease does not include disease that results directly from a bodily injury by accident

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

Schedule

1. Description of work:
   SEE SCHEDULE OF OPERATIONS

2. Transportation, Wages, Maintenance and Cure Premium $ INCLUDED

3. Limits of Liability

Bodily Injury by Accident	$	1,000,000	each accident
Bodily Injury by Disease	$	1,000,000	aggregate

WC 00 02 01A
(Ed. 04/92)

Countersigned by _____

Authorized Representative

ALTERNATE EMPLOYER ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only with respect to bodily injury to your employees while in the course of special or temporary employment by the alternate employer in the state named in Item 2 of the Schedule. Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply as though the alternate employer is insured. If an entry is shown in Item 3 of the Schedule the insurance afforded by this endorsement applies only to work you perform under the contract or at the project named in the Schedule.

Under Part One (Workers Compensation Insurance) we will reimburse the alternate employer for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.

The policy may be cancelled according to its terms without sending notice to the alternate employer.

Part Four (Your Duties If Injury Occurs) applies to you and the alternate employer. The alternate employer will recognize our right to defend under Parts One and Two and our right to inspect under Part Six.

Schedule

(1) Alternate Employer and Address (2) State of Special or Temporary Employment (3) Contract or Project

(1) Alternate Employer : ANY ALTERNATE EMPLOYER OF YOUR EMPLOYEES

WC 00 03 01A
(Ed. 02/89)

Countersigned by _____

Authorized Representative

DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy .

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The policy does not cover work conducted at or from;

ALL WORKPLACES EXCEPT:

ANY SITE OR LOCATION AT WHICH ANY OPERATIONS ARE PERFORMED IN CONJUNCTION WITH THE CONSOLIDATED WRAP-UP PROGRAM (THE "WRAP-UP PROGRAM") ADMINISTERED BY THE PORT AUTHORITY OF NY & NJ

THE WRAP-UP PROGRAM INCLUDES ONLY OPERATIONS OR WORK AT OR EMANATING FROM PROJECT SITES AND LOCATIONS THAT ARE (1) IDENTIFIED BY THE PORT AUTHORITY OF NY & NJ AS WITHIN THE SCOPE OF THE WRAP-UP PROGRAM, AND (2) WHICH IS PERFORMED PURSUANT TO A CONTRACT OR AGREEMENT IDENTIFIED BY THE PORT AUTHORITY OF NY & NJ AS INCLUDED WITHIN THE SCOPE OF THE WRAP UP PROGRAM

Countersigned by _____

Authorized Representative

VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement adds Voluntary Compensation Insurance to the policy.

A. How This Insurance Applies

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must be sustained by an employee included in the group of employees described in the Schedule.
2. The bodily injury must arise out of and in the course of employment necessary or incidental to work in a state listed in the Schedule.
3. The bodily injury must occur in the United States of America, its territories or possessions, or Canada, and may occur elsewhere if the employee is a United States or Canadian citizen temporarily away from those places.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay an amount equal to the benefits that would be required of you if you and your employees described in the Schedule were subject to the workers compensation law shown in the Schedule. We will pay those amounts to the persons who would be entitled to them under the law.

C. Exclusions

This insurance does not cover:

1. any obligation imposed by a workers compensation or occupational disease law, or any similar law.
2. bodily injury intentionally caused or aggravated by you.

D. Before We Pay

Before we pay benefits to the persons entitled to them, they must:

1. Release you and us, in writing, of all responsibility for the injury or death.
2. Transfer to us their right to recover from others who may be responsible for the injury or death.
3. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits of this insurance fail to do those things, our duty to pay ends at once. If they claim damages from you or from us for the injury or death, our duty to pay ends at once.

E. Recovery From Others

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we paid. We will pay the balance to the persons entitled to it. If the persons entitled to the benefits of this insurance make a recovery from others, they must reimburse us for the benefits we paid them.

F. Employers Liability Insurance

Part Two (Employers Liability Insurance) applies to bodily injury covered by this endorsement as though the State of employment shown in the Schedule were shown in Item 3.A of the Information Page.

Schedule

Employees	State of Employment	Designated Workers Compensation Law
ALL OFFICERS AND EMPLOYEES NOT SUBJECT TO THE WORKERS COMPENSATION LAW EXCEPT MASTERS AND MEMBERS OF THE CREW OF ANY VESSEL	ANY STATE DESIGNATED IN ITEM 3.A. OF THE INFORMATION PAGE OF THIS POLICY	STATE OF HIRE

This endorsement is not applicable in: HI, NJ, TX, and WI.

WC 00 03 11 A
(Ed. 08/91)

Countersigned by _____

Authorized Representative

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement changes the policy to which it is attached effective on inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Premium

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

Schedule

ANY PERSON OR ORGANIZATION TO WHOM YOU BECOME
OBLIGATED TO WAIVE YOUR RIGHTS OF RECOVERY
AGAINST, UNDER ANY CONTRACT OR AGREEMENT YOU ENTER
INTO PRIOR TO THE OCCURRENCE OF LOSS

This form is not applicable in California, Kentucky, New Hampshire, New Jersey, North Dakota, Ohio, Tennessee, Texas, Utah, or Washington.

WC 00 03 13
(Ed. 04/84)

Countersigned by _____

Authorized Representative

NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity and other changes provided for in the applicable experience rating plan manual.

You must report any change in ownership to us in writing within 90 days of such change. Failure to report such changes within this period may result in revision of the experience rating modification factor used to determine your premium.

THIS ENDORSEMENT IS NOT APPLICABLE IN NEW JERSEY, PENNSYLVANIA, CALIFORNIA, DELAWARE, TEXAS, MAINE OR NEVADA.

Countersigned by _____

Authorized Representative

CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) PREMIUM ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement is notification that your insurance carrier is charging premium to cover the losses that may occur in the event of a Catastrophe (other than Certified Acts of Terrorism) as that term is defined below. Your policy provides coverage for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism). This premium charge does not provide funding for Certified Acts of Terrorism contemplated under the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 A), attached to this policy.

For purposes of this endorsement, the following definitions apply:

- Catastrophe (other than Certified Acts of Terrorism): Any single event, resulting from an Earthquake, Noncertified Act of Terrorism, or Catastrophic Industrial Accident, which results in aggregate workers compensation losses in excess of $50 million.
- Earthquake: The shaking and vibration at the surface of the earth resulting from underground movement along a fault plane or from volcanic activity.
- Noncertified Act of Terrorism: An event that is not certified as an Act of Terrorism by the Secretary of Treasury pursuant to the Terrorism Risk Insurance Act of 2002 (as amended) but that meets all of the following criteria:
  - a. It is an act that is violent or dangerous to human life, property, or infrastructure;
  - b. The act results in damage within the United States, or outside of the United States in the case of the premises of United States missions or air carriers or vessels as those terms are defined in the Terrorism Risk Insurance Act of 2002 (as amended); and
  - c. It is an act that has been committed by an individual or individuals as part of an effort to influence the policy or affect the conduct of the United States Government by coercion.
- Catastrophic Industrial Accident: A chemical release, large explosion, or small blast that is localized in nature and affects workers in a small perimeter the size of a building.

The premium charge for the coverage your policy provides for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism) is shown in Item 4 of the Information Page or in the Schedule below.

Schedule

State	Rate	Premium

WC 00 04 21C
(Ed. 09/08)

Countersigned by _____

Authorized Representative

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TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007. It serves to notify you of certain limitations under the Act, and that your insurance carrier is charging premium for losses that may occur in the event of an Act of Terrorism.

Your policy provides coverage for workers compensation losses caused by Acts of Terrorism, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations.

Definitions

The definitions provided in this endorsement are based on and have the same meaning as the definitions in the Act. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

"Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments thereto resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2007.

"Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States as meeting all of the following requirements:

a. The act is an act of terrorism.

b. The act is violent or dangerous to human life, property or infrastructure.

c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.

d. The act has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"Insured Loss" means any loss resulting from an act of terrorism (and, except for Pennsylvania, including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.

"Insurer Deductible" means, for the period beginning on January 1, 2008, and ending on December 31, 2014, an amount equal to 20% of our direct earned premiums, over the calendar year immediately preceding the applicable Program Year.

"Program Year" refers to each calendar year between January 1, 2008 and December 31, 2014, as applicable.

Limitation of Liability

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed $100,000,000,000 in a Program Year and if we have met our Insurer Deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds $100,000,000,000; and for aggregate Insured Losses up to $100,000,000,000, we will pay only a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

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Policyholder Disclosure Notice

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses exceeds $100,000,000 in a Program Year, the United States Government would pay 85% of our Insured Losses that exceed our Insurer Deductible.

2. Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceeds $100,000,000,000.

3. The premium charge for the coverage your policy provides for Insured Losses is included in the amounts shown in Item 4 of the Information Page or in the Schedule below.

Schedule

State	Rate	Premium

WC 00 04 22A
(Ed. 09/08)

Countersigned by _____

Authorized Representative

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

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

WHAT IS OFAC?

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

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

PROHIBITED ACTIVITY

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

Additional and more in-depth information on OFAC is available at the following website: http://www.ustreas.gov/offices/eotffc/ofac.

OBLIGATIONS PLACED ON US BY OFAC

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

POTENTIAL ACTIONS BY US

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

YOUR RIGHTS AS A POLICYHOLDER

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

Chartis U.S.
Workers' Compensation and Group Benefits
Privacy and Data Security Notice

About This Notice

This Privacy and Data Security Notice applies only to Personal Information about an individual (see definitions below) obtained by one of the Chartis U.S. Companies or their affiliates listed at the end of this notice, in connection with a Workers' Compensation or Group Benefits policy to which this notice is attached. Chartis U.S. has established practices, procedures and system protections that are designed to help protect the privacy and security of this Personal Information. This notice outlines how we collect, handle, and disclose such Personal Information.

The term "Individual," as used in this Privacy and Data Security Notice, means a natural person who is a beneficiary of or claimant under a Workers' Compensation or Group Benefit policy. The term "Individual" also means a natural person who purchases Workers' Compensation insurance for personal, family or household purposes in the United States. The term "Individual" does not include a natural person or organization that is a commercial purchaser of a Workers' Compensation or a Group Benefits policy even if they are the recipient of this notice.

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

I. Information Privacy

We may collect Personal Information through applications, enrollment forms, in claims processing, or in your other interactions with us and with our Affiliates.

We will collect Personal Information only in accordance with applicable laws or regulations, whether we collect it in response to a request for a product or service from us or otherwise.

Information Sharing

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

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

We may share Personal Information, including Personal Information of a health nature, with our Affiliates that assist us in servicing insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share Personal Information with Affiliates for the purpose of detecting and preventing fraud, or as otherwise permitted or required by law.

With Non-Affiliates:

We may share Personal Information, including Personal Information of a health nature, with Non-Affiliates that assist us in servicing insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share Personal Information with Non-Affiliates for the purpose of detecting and preventing fraud, as authorized by that Individual, or as otherwise permitted or required by law.

We may also enter into joint marketing agreements with Non-Affiliates to share non-health Personal Information as permitted by law. These Non-Affiliates may include providers of financial products or services such as insurance companies, financial institutions, and securities firms.

Because we do not share Personal Information with either Affiliates or Non-Affiliates in any other way, there is no need for an opt-out process in our privacy procedures.

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

II. Data Security

To help prevent unwarranted disclosure of Personal Information and secure it from theft, we utilize secure computer networks. Access is restricted to those persons who have a business need to use Personal Information in connection with servicing Workers' Compensation or Group Benefits Policies. We also maintain physical, electronic, and procedural safeguards designed to protect your Personal Information in compliance with federal and state privacy and information security laws. Non-Affiliates that assist us in servicing insurance policies or who enter into joint marketing agreements with us are required to take measures to maintain the security of Personal Information in compliance with federal and state privacy and information security laws.

III. Maintaining Personal Information

We also maintain procedures to ensure that the Personal Information we collect is accurate, up-to-date, and as complete as possible. An Individual who believes the information we have in our records or files is incomplete or inaccurate, may request that we make additions or corrections, or if it is feasible, that we delete the Individual's information from our files. An Individual may make this request in writing to (include your name, address, policy number or claim number):

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

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

Individuals subject to this notice may request that we correct, amend or delete information about them. If we do so, we will notify organizations that provided us with that information and, upon such Individual's request, persons who received that information from us within the preceding two years. If we cannot grant a request to correct, amend or delete the information, the Individual may give us a written statement of the reasons why they disagree, which we will place in their file and give to the same parties who would have been notified of the requested change.

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

We may change this Privacy and Data Security Notice from time to time, and if particular changes are required by law to be communicated to you we will do so.

Our family of companies includes: American Home Assurance Company; Chartis Casualty Company; Chartis Property Casualty Company; Chartis Select Insurance Company; Chartis Specialty Insurance Company; Commerce and Industry Insurance Company; Granite State Insurance Company; Illinois National Insurance Co.; Landmark Insurance Company; Lexington Insurance Company; National Union Fire Insurance Company of Pittsburgh, Pa.; National Union Fire Insurance Company of Vermont; New Hampshire Insurance Company; The Insurance Company of the State of Pennsylvania; other Chartis U.S. companies, and American International Life Assurance Company of New York and American General Life Insurance Company of Delaware.

LARGE RISK RATING PLAN ENDORSEMENT
(Short Form)

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The premium for this policy will be determined according to the Large Risk Rating Plan Endorsement attached to policy No. WC 67712030 .

53820
(Ed. 07-92)

Countersigned by _____

Authorized Representative

WORKERS COMPENSATION - PREMIUM CREDIT APPLICATION

STATE _____ BUREAU FILE# : _____

INSURED _____

POLICY # : _____ EFFECTIVE DATE _____ CARRIER _____

Notice: Unless Code(s), total wages paid, total hours worked, calendar quarter reported are indicated and application is signed, it cannot be processed. Must include non-construction class code payrolls. Corporate officers should be included in the appropriate class. Contact your agent or carrier if assistance is desired.

Is this a new business: _____ No _____ Yes

If no, submit information for the third calendar quarter (July, August, September) of the preceding calendar year as reported to taxing authorities. If yes, submit information for the first complete quarter following the effective date of your workers compensation policy.

CLASSIFICATION:	**CLASS CODE**	**TOTAL WAGES PAID***	**TOTAL HOURS WORKED (Incl. O.T.)**
Example: Electrical Wiring	5190	$8,000	520
Contracting Classification:			
Non-contracting Classification:			

* EXCLUDING OVERTIME PREMIUM PAY, for each classification code, combine all wages for that code in a single entry. Employee names are not required.

DELAWARE & PENNSYLVANIA ONLY: Total Wages includes overtime premium pay.

ALASKA, FLORIDA, HAWAII, ILLINOIS, MARYLAND, MINNESOTA, NEW MEXICO, OKLAHOMA, AND OREGON ONLY: Exclude from Total Wages overtime premium pay as well as all other exclusions in accordance with Rule V of the Basic Manual.

VIRGINIA ONLY: Include Total Wages as reported to the Virginia Employment Commission.

MISSOURI: Exclude the entire pay for any sole proprietor, partner, or executive officer.

ILLINOIS: Exclude the entire pay for any exempt sole proprietor, partner, or executive officer.

The foregoing is based on actual wages and hours worked, as reflected in our payroll records for the complete calendar quarter ending _____.

SIGNATURE _____ **POSITION** _____

TELEPHONE NUMBER _____ **DATE** _____

ADDRESS _____ **CITY** _____ **STATE** _____

PLEASE MAIL APPLICATION TO THE APPROPRIATE BUREAU

WC58509A
(Ed. 07/01)

CREDIT RATING DOWNGRADE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

NCCI Carrier Code 13889

This endorsement modifies insurance provided under the following:

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

The following is added to PART FIVE - PREMIUM, E. Final Premium:

3. In the event the **Company** receives a financial strength rating below A- by A.M. Best Co., or below BBB by Standard & Poor's Ratings Services (the "**Credit Rating Downgrade**"), this policy may be canceled by the **First Named Insured** referenced on the Information Page by mailing written prior notice to the **Company** or by surrender of this policy to the **Company** or its authorized agent or broker.

If this policy is canceled by the **First Named Insured** within 30 days after such Credit Rating Downgrade then the Company shall return the unearned pro rata proportion of the final premium as of the effective date of cancellation.

For the purposes of this endorsement, the following definitions shall apply:

1. **Company** means the insurer as shown on the Information Page of this policy.
2. **First Named Insured** means the first Named Insured or Named Entity as shown on the Information Page of this policy.

To the extent that the provisions of this endorsement conflict with any provisions of (a) this policy and/or (b) endorsements to this policy, the provisions of this endorsement shall apply.

All other terms, conditions, definitions, and exclusions of this policy remain unchanged.

WC 99 00 53
(Ed. 11/08)

Countersigned by _____

Authorized Representative

PREMIUM DUE DATE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

PART FIVE
PREMIUM

D. **Premium** is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**

Countersigned by _____

Authorized Representative

CONSENT TO TRANSFER OF YOUR RIGHTS AND DUTIES

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Transfer of Rights and Duties

The person or organization named in the Schedule has with our consent assumed from you your duty to pay all premium, surcharges and "reimbursable losses" for this policy when due; and

You with our consent have assigned to such person or organization your rights to cancel this policy and to receive any return of premium or surcharges and any dividends, discounts or other adjustments from us under this policy.

No other rights or duties have been transferred.

For the purposes of this endorsement, "reimbursable losses" shall mean payments you are required to make to us as reimbursement to us for our payments of:

1. All benefits payable under PART ONE - WORKERS COMPENSATION INSURANCE; and
2. Up to our limit of liability, all sums you legally must pay as damages to which PART TWO - EMPLOYERS LIABILITY applies; and
3. All benefits payable under PART THREE - OTHER STATES INSURANCE; and
4. All benefits or damages payable under any endorsements attached to the policy.

"Reimbursable losses" shall also include payments you are required to make to us as reimbursement for any "allocated loss adjusting expense" we pay according to your policy.

No limit on the Company's liability under the policy or any endorsement is increased or reinstated by this endorsement.

SCHEDULE

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

WC 99 00 09A
(Ed. 04/03)

Countersigned by _____

Authorized Representative

ADVANCE NOTICE OF CANCELLATION OR NON-RENEWAL BY US EXTENDED

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

PART SIX - CONDITIONS. D. - Cancellation, 2. is deleted in its entirety and replaced with:

We may cancel or non-renew this policy. We must mail or deliver to you not less than the number of days shown below advance written notice stating when the cancellation or non-renewal is to take effect.

Except for non-payment of premium, non-payment of loss reimbursement or non-delivery of satisfactory security or collateral when due for which we will provide the advance written notice required by law, we shall not provide less than the number of days advance notice set forth below, or in the policy and endorsements attached thereto, or as required by state law.

Mailing that notice to you, at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.

Cancellation: 30 Days
Non-Renewal: 30 Days

WC 99 00 39
(Ed. 08/02)

Countersigned by _____

Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2011

Forms a part of policy no.: WC 014-77-1132

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

New Jersey Second Injury Fund

The New Jersey Workers Compensation Law established the Second Injury Fund to provide benefits to workers who become permanently and totally disabled as a result of work-related injury or occupational disease when the worker had been previously partially disabled. The Law also requires that the Fund provide annual adjustments to certain persons permanently and totally disabled and to certain dependents of deceased workers.

Through 1988, the Second Injury Fund was financed by an annual assessment upon insurance carriers. Such assessment was included in your standard premium via the manual premium rate(s) shown in your policy Information Page.

Effective January 1, 1989 an amendment to the Law requires that the present financing be replaced by a direct surcharge shown as a separate "Second Injury Fund Surcharge" line on the policy Information Page. It will no longer be included in the manual premium rate. This new system will discourage other states from imposing retaliatory taxes on New Jersey based insurance companies and ultimately aid cost containment efforts.

Issue Date: 12/02/11

LWNNJSIF

Countersigned by _____

Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2011

Forms a part of policy no.: WC 014-77-1132

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The New Jersey Workers Compensation Law requires every employer to provide workers compensation coverage through purchase of a workers compensation and employers liability insurance policy. Failure to provide such coverage results in a fine and/or criminal action by the Department of Labor as well as continued liability for benefit payments to an injured worker.

The Uninsured Employers Fund was established by Law to provide benefits to an injured worker when the employer has failed to comply with the insurance provision of the Law and is unable to provide the required benefits. Through 1988, total financing of the Fund was derived from fines imposed upon uninsured employers

Effective January 1, 1989 an amendment to the Law, requires that the present financing be supplemented by a direct surcharge shown as a separate "Uninsured employers Fund Surcharge" line on your policy Information Page. This method will assure the delivery of benefits to injured workers and the surcharge will cease whenever the year end balance of the Fund exceeds $500,000.

Authorized Representative

Issue Date: 12/02/11

LWNNJUFEF

NEW JERSEY PART TWO LIMIT OF LIABILITY ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to the insurance provided by Part Two (Employers Liability Insurance) because New Jersey is shown in Item 3.A. of the Information Page.

With respect to Exclusion C5, this insurance does not cover any and all intentional wrongs within the exception allowed by N.J.S.A. 34:15-8 including but not limited to, bodily injury caused or aggravated by an intentional wrong committed by you or your employees, or bodily injury resulting from an act or omission by you or your employees, which is substantially certain to result in injury.

With respect to Exclusion C7, we will defend any claim, proceeding or suit for damages where bodily injury is alleged. We have the right to investigate and settle. We will not defend or continue to defend after the applicable limits of insurance have been paid. Such policy limits include any legal costs assessed against you on behalf of your employee(s).

We may not limit our liability to pay damages for which we become legally liable to pay because of bodily injury to an infant under the age of 18 years in a proceeding made pursuant to Article 2 as provided in N.J.S.A. 34:15-10.

This insurance does not provide for the payment of any common law negligence damages or other damages when the provisions of Article 2 of the New Jersey Workers Compensation Law have been rejected by you and your employee(s) as provided in N.J.S.A. 34:15-9.

With respect to paragraph F., the "Other Insurance" provisions is replaced with the following:

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

This insurance, however, is excess over any other applicable insurance with respect to claims for bodily injury arising out of employer practices, policies, acts or omissions enumerated in C-7 above, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

WC 29 03 06B
(Ed. 07/07)

Countersigned by _____

Authorized Representative

© Compensation Rating and Inspection Bureau

NEW JERSEY CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The premium for this policy may be adjusted by a New Jersey Construction Classification Premium Credit. The credit, if applicable, was not available when the policy was issued. If you qualify, we will issue an endorsement to include the credit after it is calculated.

WC 29 04 10
(Ed. 04-96)

Countersigned by _____

Authorized Representative

NEW YORK LIMIT OF LIABILITY ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to the insurance provided by Part Two (Employers Liability Insurance) because New York is shown in item 3.A. of the Information Page.

We may not limit our liability to pay damages for which we become legally liable to pay because of bodily injury to your employees if the bodily injury arises out of and in the course of employment that is subject to and is compensable under the Workers Compensation Law of New York.

WC 31 03 08
(Ed. 4-84)

Countersigned by _____

Authorized Representative

NEW YORK CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM
EXPLANATORY ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The New York Construction Classification Premium Adjustment Program (NYCCPAP) allows premium credits for some employers in the construction industry. These credits exist to recognize the difference in wage rates between employers within the same construction industries in New York.

The declarations section of this policy will show a credit of 0.00% if you are not eligible for this credit, or if you are eligible for this credit and have not yet applied for a credit. Credits are earned for average wages in excess of $15.50 per hour for each eligible class. If your policy shows one of the following classification codes, and you are experience rated, you are eligible to apply for an NYCCPAP credit:

0042	5057	5193	5429	5491	5606	6003	6229	6325	9526
3365	5059	5213	5443	5506	5610	6005	6233	6400	9527
3724	5069	5221	5445	5507	5645	6017	6235	6701	9534
3726	5102	5222	5462	5508	5648	6018	6251	7536	9539
3737	5160	5223	5473	5536	5651	6045	6252	7538	9545
5000	5183	5348	5474	5538	5701	6204	6260	7601	9549
5022	5184	5402	5479	5545	5703	6216	6306	7855	9553
5037	5188	5403	5480	5547	5709	6217	6319	8227	
5040	5190	5428							

The basis for determining the credit is the limited payroll of each employee for the number of hours worked (excluding overtime premium pay) for each construction classification (other than employees engaged in the construction of one or two-family residential housing) for the third quarter, as reported to taxing authorities, for the year preceding the policy date. Total payroll is to continue to be reported for employees engaged in the construction of one or two-family residential housing. For example:

POLICY EFFECTIVE DATE	THIRD QUARTER PAYROLL
4/1/09 thru 3/31/10	2008
4/1/10 thru 3/31/11	2009
4/1/11 thru 3/31/12	2010
4/1/12 thru 3/31/13	2011
4/1/13 thru 3/31/14	2012
4/1/14 thru 3/31/15	2013

If you have any eligible classes on your policy, you should have been notified by your insurance carrier or the New York Compensation Insurance Rating Board approximately nine months prior to the inception date of this policy. If you believe you may be eligible for a credit and have not received an application, you should immediately contact your agent, insurance carrier, or the New York Compensation Insurance Rating Board.

Credits are calculated by the New York Compensation Insurance Rating Board. You must submit a completed application to: Attention: Field Services Department, New York Compensation Insurance Rating Board, 733 Third Avenue, New York, New York 10017.

Applications must be received by the Rating Board three (3) months prior to the policy renewal effective date. The Rating Board will accept and process an application if it is received between the policy effective and expiration date, however, it must be accompanied by a letter stating the reason for the delay. Under no circumstances will an application be accepted for any policy if it is received after the expiration date of the policy. For short-term policies the application must be received prior to the expiration date of the short-term policy. If it is received after the policy expiration, no credit will be calculated.

The New York Workers Compensation and Employers Liability Insurance Manual, and not this endorsement, govern the implementation and use of the NYCCPAP.

For online entry of the information requested on this form refer to: http://cpap.nycirb.org/

WC 31 03 19 F
(Ed. 02/11)

Countersigned by _____

Authorized Representative

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NEW YORK PENDING PAYROLL LIMITATION AND PREMIUM DIFFERENTIAL ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The Construction Employment Payroll Limitation Law (S7744/A11294) requires a payroll limitation and territory premium differential on policies for all employers subject to the Law with an anniversary rating date on or after October 1, 1999. The code(s) currently on your policy may be subject to the Law.

The requirements of the Law may be applied during the policy period or may be applied at time of audit.

WC 31 04 04
(Ed. 10/99)

Countersigned by _____

Authorized Representative

NOTICE TO POLICYHOLDERS
CHANGES TO ASSESSMENTS

Legislation enacted in December 1993 and applicable to policies effective April 1st, 1994 specifically prohibited assessments based on losses. The New York Compensation Rating Board was instructed to prepare a single "New York State Assessment" to be charged based on your standard workers compensation premium, which is your premium after application of experience modification. For your information, the components of this assessment are described below. These assessment percentages are effective on new and renewal policies effective October 1st, 2011 and later.

Workers Compensation Board (WCB) Assessment
The WCB is the administrator of the workers compensation law in New York. Its administrative law judges hear cases and establish benefit eligibility and awards.
The assessment for this service is 3.2%

Reopened Case Fund
The Reopened Case Fund pays for benefits determined by the Workers Compensation Board after a lapse of seven years from the date of injury, or in those cases where an earlier determination is set aside.
The assessment for this service is 5.7%

Special Disability Fund
The Special Disability Fund provides for the reimbursement of the insurance company for compensation and medical benefits paid as the result of a subsequent (second) injury.
The assessment for this service is 10.1%

Interdepartmental Expenses
This assessment pays for the programs administered by the New York Department of Health, Occupational Health Clinics Network, and the New York Department of Labor, both the Occupational Safety and Training Fund and the Enforcement of Occupational Safety and Health Regulation.
The assessment of this service is 1.0%

Special Funds Conservation Committee
This assessment pays the expenses of the state attorney responsible for handling second injury and reopened case matters.
The assessment for this service is 0.2%
The total assessment effective October 1st, 2011 is 20.2%

NEW YORK NOTICE TO THE POLICYHOLDER

Pursuant to New York Insurance Regulations, you may purchase a Workers' Compensation deductible. The available deductible options, per occurrence, are $100, $200, $300, $400, $500, $1000, $1500, $2000, $2500 or $5000.

If you are interested in either purchasing a deductible or receiving a premium quotation for one or more of the available deductible options, please contact your Agent or Broker.

NEW YORK SECURITY FUND SURCHARGE NOTICE
IMPORTANT NOTICE TO POLICYHOLDERS

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2011 forms a part of Policy No. WC 014-77-1132

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Companies writing workers compensation insurance insurance business in New York are required to participate in the New York Compensation Security Fund. If a company becomes insolvent, the security fund settles unpaid claims and assesses each insurance company for its fair share.

New York law requires all companies to surcharge policies to recover these assessments. If your policy is surcharged "NY surcharge", an amount will be displayed on your premium notice.

Countersigned by _____

Authorized Representative

EXTENSION OF ITEM 1. OF THE INFORMATION PAGE

This endorsement, effective 12:01 AM 12/31/2011

Forms a part of policy no.: WC 014-77-1132

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

LOC NO.	NAME AND ADDRESS SCHEDULE	FEIN	UI #
0001	THE PORT AUTHORITY OF NJ & NY NO FIXED ADDRESS NYC, NY USA BUSINESS TYPE: GOVERNMENT ENTITY NAIC: 237990	136400654	UNKNOWN
0002	THE PORT AUTHORITY OF NJ & NY NO FIXED ADDRESS NJ BUSINESS TYPE: GOVERNMENT ENTITY NAIC: 237990	136400654	000000000001
0003	THE PORT AUTHORITY OF NJ & NY NO FIXED ADDRESS NEW YORK, NY BUSINESS TYPE: GOVERNMENT ENTITY NAIC: 237990	136400654	UNKNOWN

Issue Date: 12/02/11

Authorized Representative

POLICYHOLDER NOTICE

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

POLICY COVER PAGE

MASTER POLICY

Date Printed: 12/12/12
Time Printed: 104852

Policy/Quote Number: WC 014-77-1264

Underwriter Name: DIETRICH, LUCAS
Issuing Office Division: 082
Issuing Office Branch: 01
Issuing Office Region: 001
Operator Name: MOHAMED, SHARIYF
Operator Telephone: 212-458-3538

Transaction Type: REIS

Set Copy Name: INSURED COPY
Set Copy Mailing Instructions:

THE PORT AUTHORITY OF NEW YORK & NEW JER
225 PARK AVENUE SOUTH
NEW YORK, NY 10003-1604

Mail Method: US Mail
Email Address:
WRAPUP.DALLAS@WILLIS.COM

Producer 0099233-00
Division 082
Transaction REIS

EPS TRACKING-ID: WC 01477126400001
JOB-ID: *** ANYI610D ***

TOTAL PAGES in this copy: 61
(including this page)

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DIETRICH, LUCAS
Chartis
Olathe Service Center
17200 W 119th St
Olathe, KS 66061

Re: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

PRODUCER IS:

WILLIS OF NEW YORK, INC
ONE WORLD FINANCIAL CENTER
200 LIBERTY STREET, 6TH FL
NEW YORK, NY 10281-0000

014771264

PRODUCER COV LTR

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POLICYHOLDER NOTICE

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

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ISSUED BY THE STOCK INSURANCE COMPANY HEREIN CALLED THE COMPANY

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA
13889

AGENT NUMBER: 0099233-00

POLICY NUMBER: WC 014-77-1264
082-01-1212-00

INCORPORATED UNDER THE LAWS OF PENNSYLVANIA

ITEM 1. NAMED INSURED: MAILING ADDRESS IDENTIFICATION NO.:

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
225 PARK AVENUE SOUTH
NEW YORK, NY 10003-1604

SEE EXTENSION OF ITEM 1. OF THE INFORMATION PAGE - WC990610

I.D#

CHARTIS

A Chartis company

EXECUTIVE OFFICES:
175 Water Street
New York, NY 10038

PRODUCERS NAME AND ADDRESS

WILLIS OF NEW YORK, INC
ONE WORLD FINANCIAL CENTER
200 LIBERTY STREET, 6TH FL
NEW YORK, NY 10281-0000

WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY INFORMATION PAGE

INSURED IS
GOVERNMENT ENTITY

PREVIOUS POLICY NUMBER
RENEWAL 014771132

OTHER WORKPLACES NOT SHOWN ABOVE: SEE EXTENSION OF ITEM 1. OF THE INFORMATION PAGE - WC990610

ITEM 2 POLICY PERIOD 12:01 A.M. standard time at the insured's mailing address FROM 12/31/12 TO 12/31/13

ITEM 3

A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here:
NJ NY

B. Employers Liability Insurance: Part Two of the policy applies to the work in each state listed in item 3.A.
The limits of our liability under Part Two are:

Bodily Injury by Accident $ 2,000,000 each accident
Bodily Injury by Disease $ 2,000,000 policy limit
Bodily Injury by Disease $ 2,000,000 each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:
NONE

D. This policy includes these endorsements and schedules:
SEE EXTENSION OF ITEM 3.D. OF THE INFORMATION PAGE - WC990612

ITEM 4 The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Classifications	Code Number	Premium Basis Total Remuneration [X] Annual [ ] 3 Year	Rate Per $100 OF Remuneration	Estimated Premium [X] Annual [ ] 3 Year
SEE EXTENSION OF ITEM 4. OF THE INFORMATION PAGE - WC7754 TAXES/ASSESSMENTS/SURCHARGES				$874,323
EXPENSE CONSTANT (EXCEPT WHERE APPLICABLE BY STATE) $220 NJ				

MINIMUM PREMIUM $850 NJ

TOTAL ESTIMATED ANNUAL PREMIUM $6,127,088

If indicated below, interim adjustments of premium shall be made:

[ ] Semi-Annually [ ] Quarterly [ ] Monthly

DEPOSIT PREMIUM $6,127,088

12/12/12 NEW YORK — Issue Date

01 — Issuing Office

Authorized Representative

39967 (Rev'd 04/08)

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WC 00 00 01A

EXTENSION OF ITEM 3.D. OF THE INFORMATION PAGE

Policy Number: WC 014-77-1264 Effective Date: 12/31/2012

TRSMNOTA	FOREIGN TERRORISM POLHOLDR NOT-PREM DTMN
USLHPOLNOT	USL&H POLICYHOLDER NOTICE
WC000104A	FEDERAL EMPLOYERS LIABILITY ACT COV ENDT
WC000106A	LONGSHORE AND HARBOR WC ACT COVERAGE
WC000201A	MARITIME COVERAGE ENDORSEMENT
WC000301A	ALTERNATE EMPLOYER ENDORSEMENT
WC000302	DESIGNATED WORKPLACES EXCLUSION ENDT
WC000311A	VOLUNTARY COMP AND EMPLOYERS LIAB COV
WC000313	WAIVER OF OUR RIGHT TO RECOVER
WC000414	NOTIFICATION OF CHANGE IN OWNERSHIP ENDT
WC000421C	CATASTROPHE PREMIUM ENDORSEMENT
WC000422A	TRIPRA DISCLOSURE ENDORSEMENT
WCOFAC	NOTICE REG OFFICE OF FOREIGN ASSET CTRL
107437	PRIVACY POLICY
53820	LARGE RISK RATING PLAN (SHORT FORM)
WC58509A	WC - PREMIUM CREDIT APPLICATION
WC990053	CREDIT RATING DOWNGRADE ENDT
WC000419	PREMIUM DUE DATE ENDORSEMENT
WC990009A	CONS TO TRANS OF YR RIGHTS AND DUTI ENDT
WC990039	ADV NOTICE OF CANC OR NON-REN BY US EXTN
LWNNJSIF	NJ SECOND INJURY FUND
LWNNJUFEF	NJ UNINSURED EMPLOYER FUND
WC290306B	NJ PART II EMPLOYERS LIABILITY ENDT
WC290410	NJ CONSTRUCTION CLASS PREMIUM ADJUSTMENT
WC310308	NY LIMIT OF LIABILITY ENDORSEMENT
WC310319F	NY CONSTRUCTION CLASSIFICATION PREM ADJ
WC310404	NY PENDING PAYROLL LIMITATION & PREMIUM
WC9931020	NY NOTICE TO POLICY HOLDER
WC993107	NY NOTICE TO POLICYHOLDER
WC993118	NY SE FUND SCH NOT - IMP NOT TO PHOLDERS
WC990610	NAMED INSUREDS/ADDRESSES

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WORKERS COMPENSATION AND EMPLOYERS LIABILITY

INSURANCE POLICY

National Union Fire Insurance Company of Pittsburgh, Pa.
American Home Assurance Company
The Insurance Company of The State of Pennsylvania
Chartis Property Casualty Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Company
New Hampshire Insurance Company

CHARTIS

EXECUTIVE OFFICES
175 WATER STREET
NEW YORK, NY 10038

Coverage is provided by the Company designated on the Information Page
A Stock Insurance Company

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY QUICK REFERENCE

BEGINNING ON PAGE

GENERAL SECTION 1
A. The Policy 1
B. Who Is Insured 1
C. Workers Compensation Law 1
D. State 1
E. Locations 1

PART ONE-WORKERS COMPENSATION INSURANCE 1
A. How This Insurance Applies 1
B. We Will Pay 1
C. We Will Defend 1
D. We Will Also Pay 1
E. Other Insurance 1
F. Payments You Must Make 2
G. Recovery From Others 2
H. Statutory Provisions 2

THE ABOVE REFERENCED POLICY PROVISIONS WITH THE INFORMATION PAGE AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THIS POLICY.

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QUICK REFERENCE - CONTINUED

BEGINNING ON PAGE

PART TWO - EMPLOYERS LIABILITY INSURANCE 2
- A. How This Insurance Applies 2
- B. We Will Pay 2
- C. Exclusions 3
- D. We Will Defend 3
- E. We Will Also Pay 3
- F. Other Insurance 4
- G. Limits of Liability 4
- H. Recovery From Others 4
- I. Action Against Us 4

PART THREE - OTHER STATES INSURANCE 4
- A. How This Insurance Applies 4
- B. Notice 4

PART FOUR - YOUR DUTIES IF INJURY OCCURS 4

PART FIVE - PREMIUM 5
- A. Our Manuals 5
- B. Classifications 5
- C. Remuneration 5
- D. Premium Payments 5
- E. Final Premium 5
- F. Records 5
- G. Audit 5

PART SIX - CONDITIONS 6
- A. Inspection 6
- B. Long Term Policy 6
- C. Transfer of Your Rights and Duties 6
- D. Cancellation 6
- E. Sole Representative 6

PLEASE READ THE WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY CAREFULLY

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WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows:

GENERAL SECTION

A. **The Policy**
This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. **Who is Insured**
You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. **Workers Compensation Law**
Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. **State**
State means any state of the United States of America, and the District of Columbia.

E. **Locations**
This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

PART ONE
WORKERS COMPENSATION INSURANCE

A. **How This Insurance Applies**
This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.
1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. **We Will Pay**
We will pay promptly when due the benefits required of you by the workers compensation law.

C. **We Will Defend**
We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.
We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. **We Will Also Pay**
We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:
1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

E. **Other Insurance**
We will not pay more than our share of benefits and costs covered by this insurance and other

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insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. **Payments You Must Make**

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation; or
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. **Recovery From Others**

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

H. **Statutory Provisions**

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.
4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
5. This insurance conforms to the parts of the workers compensation law that apply to:
   a. benefits payable by this insurance;
   b. special taxes, payments into security or other special funds, and assessments payable by us under that law.
6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

PART TWO
EMPLOYERS LIABILITY INSURANCE

A. **How This Insurance Applies**

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or pos-sessions, or Canada.

B. **We Will Pay**

We will pay all sums that you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. For which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against

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such third party as a result of injury to your employee;
2. For care and loss of services; and
3. For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee; provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and
4. Because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

C. **Exclusions**

This insurance does not cover:

1. Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. Punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. Any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. Bodily injury intentionally caused or aggravated by you;
6. Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
7. Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
8 Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950), the Non-appropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356a.), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Safety and Health Act (30 USC Sections 801-945), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;
9. Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws;
10. Bodily injury to a master or member of the crew of any vessel;
11. Fines or penalties imposed for violation of federal or state law; and
12. Damages payable under the Migrant and Sea sonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued there under, and any amendments to those laws.

D. **We Will Defend**

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. **We Will Also Pay**

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings;
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. Litigation costs taxed against you;
4. Interest on a judgment as required by law until we offer the amount due under this insurance; and
5. Expenses we incur.

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F. **Other Insurance**

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. **Limits of Liability**

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.
   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.
2. Bodily Injury by Disease. The limit shown for "bodily injury by disease-policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease-each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.
   Bodily injury by disease does not include disease that results directly from a bodily injury by accident.
3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. **Recovery From Others**

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. **Actions Against Us**

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE
OTHER STATES INSURANCE

A. **How This Insurance Applies**

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.
4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. **Notice**

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR
YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal

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papers related to the injury, claim, proceeding or suit.

4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE-PREMIUM

A. **Our Manuals**

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. **Classifications**

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. **Remuneration**

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. all your officers and employees engaged in work covered by this policy; and
2. all other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

D. **Premium Payments**

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. **Final Premium**

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short-rate cancelation table and procedure. Final premium will not be less than the minimum premium.

F. **Records**

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. **Audit**

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

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PART SIX-CONDITIONS

A. **Inspection**

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

B. **Long Term Policy**

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. **Transfer of Your Rights and Duties**

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. **Cancelation**

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancelation is to take effect.
2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancelation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancelation notice.
4. Any of these provisions that conflict with a law that controls the cancelation of the insurance in this policy is changed by this statement to comply with the law.

E. **Sole Representative**

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancelation.

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IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President, Secretary and Authorized Representative.

President
National Union Fire
Insurance Company of
Pittsburgh, PA

President
American Home
Assurance Company

President
The Insurance Company
of The State of Pennsylvania

President
Chartis Property Casualty Company

President
Commerce and Industry
Insurance Company

President
Granite State Insurance Company

President
Illinois National Insurance Company

President
New Hampshire Insurance Company

Secretary
National Union Fire Insurance Company of Pittsburgh, PA
American Home Assurance Company
The Insurance Company of The State of Pennsylvania
Chartis Property Casualty Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Company
New Hampshire Insurance Company

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EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1264 — Policy Prefix & No.
NEW JERSEY — Schedule
INTRA/Independent State Risk ID

082-01-1212-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
RATING GROUP: 0002-01				
LANDSCAPE GARDENING & DRIVERS	0042	126,522	10.64	13,462
FLINT OR SPAR GRINDING & DRIVERS	1741	7,100	4.65	330
IRON OR STEEL FABRICATION: IRON OR STEEL WORKS-SHOP-STRUCTURAL-& DRIVERS	3030	16,099	16.66	2,682
IRON OR STEEL FABRICATION: IRON WORKS-SHOP-ORNAMENTAL-& DRIVERS	3040	IF ANY	15.14	
IRON OR STEEL FABRICATION: IRON WORKS-SHOP-ORNAMENTAL-& DRIVERS	3040F	IF ANY	22.71	
IRON OR STEEL FABRICATION: IRON WORKS-SHOP-DECORATIVE OR ARTISTIC-& FOUNDRIES, DRIVERS	3041	4,260	4.26	181
WIRE DRAWING-IRON OR STEEL	3241	2,840	10.06	286
HEAT TREATING-METAL NPD	3307	85,200	14.79	12,601
WELDING OR CUTTING NOC & DRIVERS	3365	26,270	16.96	4,455
MACHINE SHOP NOC	3632	710	4.26	30
ELECTRIC POWER OR TRANSMISSION EQUIPMENT MFG	3643	2,840	5.19	147
THERMOMETER MFG	3685	7,100	2.36	168
MACHINERY OR EQUIPMENT ERECTION OR REPAIR NOC & DRIVERS	3724	40,115	8.51	3,414
MILLWRIGHT WORK NOC & DRIVERS	3724	836,124	8.51	71,154
ANALYTICAL CHEMIST-NPD (4571)	4571	3,126	1.00	31
ANALYTICAL CHEMIST-NPD (4572)	4572	10,437	8.83	922
MASONRY NOC	5022	IF ANY	17.16	
PAINTING: STEEL STRUCTURES OR BRIDGES	5038	IF ANY	20.58	
IRON OR STEEL ERECTION: ERECTION-FRAME STRUCTURES	5040	3,385,993	14.78	500,450
IRON OR STEEL ERECTION: ERECTION NOC	5057	IF ANY	12.26	
IRON OR STEEL ERECTION: ERECTION-FRAME STRUCTURES NOT OVER TWO STORIES IN HEIGHT	5059	IF ANY	24.70	
IRON OR STEEL ERECTION: ERECTION-CONSTRUCTION OF DWELLINGS NOT OVER TWO STORIES IN HEIGHT	5069	21,300	29.15	6,209
IRON OR STEEL ERECTION: DOOR, DOOR FRAME OR SASH ERECTION OR REPAIR METAL OR METAL COVERED & DRIVERS	5103	103,092	11.88	12,247
ELEVATOR ERECTION OR REPAIR	5160	274,415	5.90	16,190
PLUMBING NOC & DRIVERS	5183	756,272	6.66	50,368
BOILER OR STEAM PIPE INSULATING & SHOP, DRIVERS	5184	10,792	4.72	509
AUTOMATIC SPRINKLER INSTALLATION & DRIVERS	5188	140,154	5.38	7,540
ELECTRICAL WIRING-WITHIN BUILDINGS &	5190	IF ANY	4.86	

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EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1264 — Policy Prefix & No.
NEW JERSEY — Schedule
INTRA/Independent State Risk ID

082-01-1212-00 THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
DRIVERS				
OFFICE MACHINE OR APPLIANCE INSTALLATION, INSPECTION, ADJUSTMENT OR REPAIR	5191	174,277	1.45	2,527
CEMENT WORK-SIDEWALKS, CELLAR FLOORS, DRIVEWAYS & DRIVERS	5200	IF ANY	11.18	
CONCRETE CONSTRUCTION NOC & DRIVERS	5213	IF ANY	13.85	
CONCRETE CONSTRUCTION IN CONNECTION WITH BRIDGES OR CULVERTS	5222	423,515	19.55	82,797
MARBLE OR STONE SETTING-INSIDE	5348	35,983	9.40	3,382
BUILDING SIDING OR RE-SIDING & DRIVERS	5403	IF ANY	16.94	
CEILINGS-SUSPENDED OR CEMENTED-INSTALLATION & DRIVERS	5409	18,460	5.38	993
CARPENTY-INSTALLATION OF CABINET WORK OR INTERIOR TRIM	5437	1,420	12.03	171
WALLBOARD-INSTALLATION-WITHIN BUILDINGS-& DRIVERS	5445	246,796	7.87	19,423
GLAZIER-AWAY FROM SHOP-& DRIVERS	5462	78,214	9.40	7,352
WATERPROOFING - & YARD EMPLOYEES, DRIVERS	5466	299,052	8.48	25,360
ASBESTOS CONTRACTOR-EMPLOYEES ENGAGED IN ASBESTOS REMOVAL, REPLACEMENT, REPAIR, ENCLOSURE OR ENCAPSULATION & DRIVERS	5473	455,110	24.16	109,955
PAINTING OR DECORATING-INTERIOR OR EXTERIOR WORK NOC & DRIVERS	5474	258,369	11.07	28,601
INSULATION WORK NOC & DRIVERS	5479	2,447	11.59	284
PLASTERING NOC & DRIVERS	5480	20,637	14.39	2,970
STREET OR ROAD PAVING, SURFACING OR RESURFACING, DRIVERS - NPD WITH 6042 STREET OR ROAD CONSTRUCTION	5500	IF ANY	9.71	
METAL CEILING OR WALL COVERING INSTALLATION & SHOP DRIVERS	5538	332,983	6.81	22,676
HEATING OR AIR CONDITIONING DUCT WORK-SHOP AND OUTSIDE-& DRIVERS	5538	171,346	6.81	11,669
ROOFING-ALL KINDS & DRIVERS	5551	234,317	36.02	84,401
CONTRACTOR-EXECUTIVE SUPERVISOR	5606	3,465,225	2.43	84,205
CLEANER-DEBRIS REMOVAL	5610	875,619	7.43	65,058
WRECKING: BUILDINGS OR STRUCTURES-NOT MARINE	5701	12,496	16.81	2,101
PILE DRIVING & DRIVERS	6003	574,765	13.95	80,180
GRADING OF LAND NOC & DRIVERS	6039	743,890	10.50	78,108
STREET OR ROAD CONSTRUCTION & DRIVERS	6042	IF ANY	7.49	
DRILLING NOC & DRIVERS NPD	6204	365,643	13.27	48,521
EXCAVATION NOC & DRIVERS	6217	IF ANY	9.96	
IRRIGATION OR DRAINAGE SYSTEM CONSTRUCTION & DRIVERS	6229	1,420	1.00	14

Archive Copy

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1264 — Policy Prefix & No.

NEW JERSEY — Schedule

INTRA/Independent State Risk ID

082-01-1212-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
CAISSON WORK	6252	1,846	10.80	199
SEWER CONSTRUCTION & DRIVERS	6306	114,594	8.61	9,867
GAS MAIN OR CONNECTION CONSTRUCTION & DRIVERS	6319	24,850	8.61	2,140
CONDUIT CONSTRUCTION-FOR CABLES OR WIRES-& DRIVERS	6325	114,310	6.84	7,819
FENCE ERECTION-METAL	6400	293,372	16.52	48,465
RAILROAD CONSTRUCTION-INCLUDING CLERICAL OFFICE EMPLOYEES; SALESMEN; DRIVERS, CHAUFFEURS AND THEIR HELPERS - COVERAGE I	6702	14,200	1.00	142
MARINE RAILWAY OPERATION & DRIVERS	6872	1,144,980	29.54	338,227
TRUCKMEN: NOC-& DRIVERS	7219	42,600	14.08	5,998
DRIVERS, CHAUFFEURS AND THEIR HELPERS NOC-COMMERCIAL	7380	IF ANY	10.56	
WRECKING-MARINE-INCLUDING SALVAGE OPERATIONS-COVERAGE I	7394	88,778	8.63	7,662
ELECTRIC LIGHT OR POWER LINE CONSTRUCTION & DRIVERS	7538	255,600	6.86	17,534
TELEPHONE, TELEGRAPH OR FIRE ALARM LINE CONSTRUCTION & DRIVERS	7601	5,324	6.07	323
FIRE ALARM INSTALLATION OR REPAIR & DRIVERS	7605	20,197	3.76	759
DETECTIVE OR PATROL AGENCY-& DRIVERS	7723	66,645	3.59	2,393
RAILROAD CONSTRUCTION BY CONTRACTOR-LAYING OR RELAYING OF TRACKS OR MAINTENANCE OF WAY-DRIVERS	7855	IF ANY	12.24	
CONSTRUCTION OR ERECTION PERMANENT YARD	8227	463,382	6.71	31,093
JUNK DEALER & DRIVERS NPD	8263	286,556	15.55	44,559
IRON OR STEEL SCRAP DEALER & DRIVERS NPD	8265	1,420	16.57	235
GASOLINE OR OIL DEALER & DRIVERS	8350	8,520	10.53	897
ENGINEER OR ARCHITECT-CONSULTING NPD	8601	1,488,586	0.95	14,142
INSPECTION OF RISKS FOR INSURANCE OR VALUATION PURPOSES NOC	8720	6,390	3.03	194
REAL ESTATE AGENCY-OUTSIDE EMPLOYEES & COLLETORS	8742	222,369	0.52	1,156
LABOR UNION	8755	71,000	0.58	412
AUDITOR, OR FACTORY COST OR OFFICE SYSTEMATIZER-TRAVELING	8803	12,172,590	0.24	29,214
CLERICAL OFFICE EMPLOYEES NOC	8810	19,983,174	0.24	47,960
BUILDINGS-OPERATION BY CONTRACTOR & DRIVERS	9014	163,300	6.16	10,059
PARK NOC-& DRIVERS	9102	1,392	4.65	65
SEWER CLEANING & DRIVERS	9402	13,940	11.46	1,598
RADIO OR TELEVISION SET INSTALLATION, SERVICE OR REPAIR & DRIVERS	9519	15,620	5.82	909

Archive Copy

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1264	NEW JERSEY	
Policy Prefix & No.	Schedule	INTRA/Independent State Risk ID

082-01-1212-00 THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
HOUSE FURNISHINGS INSTALLATION NOC & UPHOLSTERING		9521	20,403	7.53	1,536
SCAFFOLDS OR SIDEWALK BRIDGES-INSTALLATION, REPAIR OR REMOVAL-& DRIVERS		9529	7,811	1.00	78
RIGGING NOC & DRIVERS		9530	3,550	8.13	289
SIGN ERECTION OR REMOVAL-& DRIVERS NPD		9554	215,982	6.45	13,931
STATE OF NEW JERSEY TOTALS					
TOTAL CLASSIFICATION PREMIUM					2,103,979
FELA INCREASE	258.00%	6198			366
ADMIR INCREASE	258.00%	6198			19,768
INCREASE LIMITS	5.20%	6199			109,001
TOTAL UNMODIFIED PREMIUM					2,233,114
MODIFIED STANDARD PREMIUM					2,233,114
UNDISCOUNTED PREMIUM					2,233,114
DISCOUNTED PREMIUM					2,233,114
EXPENSE CONSTANT		0900			220
TERRORISM	0.06	9740			31,192
CATASTROPHE (SEE WC 00 04 21C)	0.01	9741			5,199
TOTAL ESTIMATED PREMIUM					2,269,725
SECOND INJURY FUND SURCHARGE	7.82%	0935			145,995
UNINSURED EMPLOYERS' FUND SURCHARGE	0.17%	0936			3,144
TOTAL DUE					2,418,864
TOTAL PREMIUM FOR TERRORISM COVERAGE INCLUDED IN TOTAL ESTIMATED PREMIUM	$31,192				

Archive Copy

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1264 — Policy Prefix & No.
NEW YORK — Schedule
INTRA/Independent State Risk ID

082-01-1212-00 THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
RATING GROUP: 0001-01				
LOC ID. 0001				
LANDSCAPE GARDENING & DRIVERS	0042	65,037	9.92	6,452
WELDING OR CUTTING NOC & DRIVERS	3365	16,128	13.80	2,226
ELECTRICAL APPARATUS INSTALLATION & DRIVERS	3724	231,350	10.32	23,875
BOILER INSTALLATION OR REPAIR-STEAM	3726	25,134	21.62	5,434
MASONRY NOC	5022	671,419	21.44	143,952
PAINTING: METAL BRIDGES & SHOP OPERATIONS, DRIVERS	5037	239,291	42.81	102,440
IRON OR STEEL: ERECTION: FRAME STRUCTURES	5040	IF ANY	35.61	
IRON OR STEEL: ERECTION: NOC	5057	86,377	19.26	16,636
IRON OR STEEL: ERECTION: FRAME STRUCTURES-NOT OVER TWO STORIES IN HEIGHT	5059	209,450	50.76	106,317
IRON OR STEEL: ERECTION: FRAME STRUCTURES-NOT OVER TWO STORIES IN HEIGHT	5059F	IF ANY	75.22	
IRON OR STEEL: ERECTION: DOOR, DOOR FRAME OR SASH ERECTION-METAL OR METAL COVERED	5102	83,569	19.44	16,246
ELEVATOR ERECTION OR REPAIR	5160	220,400	12.32	27,153
PLUMBING NOC & DRIVERS	5183	1,425,423	10.93	155,799
BOILER OR STEAM PIPE INSULATING & DRIVERS	5184	184,475	10.01	18,466
AUTOMATIC SPRINKLER INSTALLATION & DRIVERS	5188	127,639	6.51	8,309
ELECTRICAL WIRING-WITHIN BUILDINGS & DRIVERS	5190	IF ANY	7.93	
OIL OR GAS BURNER INSTALLATION, SERVICE OR REPAIR & SHOP, DRIVERS	5193	6,702	20.04	1,343
CONCRETE CONSTRUCTION NOC	5213	IF ANY	23.94	
CONCRETE OR CEMENT WORK-FLOORS, DRIVEWAYS, YARDS OR SIDEWALKS-& DRIVERS	5221	1,378,865	17.31	238,682
CONCRETE OR CEMENT WORK-FLOORS, DRIVEWAYS, YARDS OR SIDEWALKS-& DRIVERS	5221V	IF ANY	17.31	
CONCRETE CONSTRUCTION IN CONNECTION WITH BRIDGES OR CULVERTS	5222	IF ANY	26.79	
MARBLE OR STONE SETTING-INSIDE	5348	89,477	10.45	9,350
HOT HOUSE ERECTION-ALL OPERATIONS	5402	838	18.04	151
CARPENTRY NOC	5403	1,692,933	20.07	339,772
FURNITURE OR FIXTURES INSTALLATION IN OFFICES OR STORES NOC	5429	8,892	10.84	964
LATHING & DRIVERS	5443	13,824	12.98	1,794
WALLBOARD INSTALLATION-WITHIN BUILDINGS- & DRIVERS	5445	292,026	12.87	37,584

Archive Copy

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1264 — Policy Prefix & No.
NEW YORK — Schedule
INTRA/Independent State Risk ID

082-01-1212-00 THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
GLAZIER-AWAY FROM SHOP-& DRIVERS	5462	25,302	18.90	4,782
ASBESTOS: REMOVAL OR ENCAPSULATION	5473	494,302	33.18	164,009
PAINTING OR DECORATING NOC & DRIVERS	5474	179,135	15.13	27,103
INSULATION WORK NOC & DRIVERS	5479	32,507	10.99	3,573
PLASTERING NOC & DRIVERS	5480	205,889	10.12	20,836
PAPER HANGING & DRIVERS	5491	3,585,100	4.42	158,461
STREET OR ROAD CONSTRUCTION: PAVING OR REPAVING & DRIVERS	5506	IF ANY	20.13	
STREET OR ROAD CONSTRUCTION: SUB-SURFACE WORK & DRIVERS	5507	1,770,815	18.96	335,747
GEOPHYSICAL EXPLORATION-SEISMIC & DRIVERS	5508	6,284	9.82	617
HEATING AND AIR CONDITIONING DUCT WORK-SHOP AND OUTSIDE-& DRIVERS	5536	1,309,520	10.70	140,119
SHEET METAL WORK ERECTION, INSTALLATION OR REPAIR NOC-SHOP OR OUTSIDE-& DRIVERS	5538	386,829	13.69	52,957
ROOFING NOC & DRIVERS	5545	84,754	36.32	30,783
DAM CONSTRUCTION: ROOFING OF PERMANENT BUILDINGS OR STRUCTURES (5547)	5547	201,140	33.23	66,839
CLEANER-DEBRIS REMOVAL	5610	407,798	8.98	36,620
SALVAGE OPERATIONS & INCIDENTAL WRECKING	5709	51,358	1.00	514
PILE DRIVING NOC & DRIVERS	6003	713,576	20.33	145,070
DIKE OR REVETMENT CONSTRUCTION & DRIVERS	6005	144,660	6.58	9,519
DRILLING NOC & DRIVERS	6204	241,568	20.43	49,352
BUILDING CLEANING, MAINTENANCE OR REPAIR: CLEANING OUT DEBRIS LEFT BY BUILDING DEMOLITION CONCERNS-INCL. DRIVERS	6217	838	12.27	103
GRADING OF LAND NOC & DRIVERS	6217	240,891	12.27	29,557
DRAINAGE OR IRRIGATION SYSTEM CONSTRUCTION & DRIVERS	6229	259,159	9.69	25,113
CAISSON WORK-ALL OPERATIONS TO COMPLETION	6252	100,536	6.09	6,123
SEWER CONSTRUCTION-ALL OPERATIONS-& DRIVERS	6306	259,718	18.67	48,489
GAS MAIN OR CONNECTION CONSTRUCTION & DRIVERS	6319	33,819	12.03	4,068
CONDUIT CONSTRUCTION - FOR CABLES OR WIRES-& DRIVERS	6325	79,242	10.97	8,693
FENCE ERECTION-METAL	6400	IF ANY	16.16	
ELECTRIC LIGHT OR POWER LINE CONSTRUCTION & DRIVERS	7538	294,626	19.51	57,482
TELEPHONE, TELEGRAPH OR FIRE ALARM LINE CONSTRUCTION & DRIVERS	7601	16,463	13.54	2,229
RAILROAD CONSTRUCTION: LAYING OR RELAYING TRACKS-NO WORK ON ELEVATED RAILROADS &	7855	300,351	9.28	27,873

Archive Copy

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1264	NEW YORK	
Policy Prefix & No.	Schedule	INTRA/Independent State Risk ID

082-01-1212-00 THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
DRIVERS					
YARD-CONSTRUCTION OR ERECTION-PERMANENT		8227	246,162	15.96	39,287
CARPET INSTALLATION		9521	25,972	6.90	1,792
SCAFFOLDS, HOD HOIST OR CONSTRUCTION ELEVATORS-BUILT UP FROM THE GROUND INSTALLATION, REPAIR OR REMOVAL & DRIVERS		9526	34,434	34.06	11,728
SCAFFOLDS-SIDEWALK BRIDGES-NOT OVER ONE STORY IN HEIGHT-INSTALLATION, REPAIR OR REMOVAL & DRIVERS		9527	278,988	33.92	94,633
MOBILE CRANE AND HOISTING SERVICE CONTRACTORS NOC & DRIVERS		9534	1,257	19.31	243
AWNING, TENT OR CANVAS GOODS ERECTION, REMOVAL OR REPAIR & DRIVERS		9539	8,378	16.23	1,360
TOTAL CLASSIFICATION PREMIUM					2,868,619
BLANKET WAIVER	2.00%	0930			57,372
FELA INCREASE	121.00%	9840			34,400
ADMIR INCREASE	121.00%	9840			
TOTAL UNMODIFIED PREMIUM					2,960,391
MODIFIED STANDARD PREMIUM					2,960,391
UNDISCOUNTED PREMIUM					2,960,391
DISCOUNTED PREMIUM					2,960,391
TERRORISM		9740			275,274
CATASTROPHE (SEE WC 00 04 21C)	0.012	9741			2,291
ESTIMATED PREMIUM					3,173,579
TAX/ASSESSMENT SURCHARGE	18.80%	0932			596,633
RATING GROUP TOTAL					3,770,212
RATING GROUP: 0003-01					
LOC ID. 0001					
LOC ID. 0003					
ASPHALT WORKS-OPERATED BY PAVING CONTRACTORS		1463	16,756	11.74	1,967
AWNING OR TENT MFG.-SHOP ONLY		2576	1,676	9.10	153
IRON OR STEEL: FABRICATION: IRON OR STEEL WORKS-SHOP- STRUCTURAL-& DRIVERS		3030	183,810	11.62	21,359
IRON OR STEEL: FABRICATION: IRON OR STEEL WORKS-SHOP-ORNAMENTAL-& DRIVERS		3040	73,587	13.31	9,794
ELEVATOR OR ESCALATOR MFG		3042	146,591	10.84	15,890
DOOR, DOOR FRAME OR SASH MFG-WOOD-METAL COVERED		3060	2,093	28.17	590
SIGN MFG. OR REPAIR-METAL-SHOP ONLY		3064	838	9.11	76
SHEET METAL WORK-SHOP ONLY		3066	16,756	6.15	1,030

Archive Copy

EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1264 — Policy Prefix & No.

NEW YORK — Schedule

INTRA/Independent State Risk ID

082-01-1212-00

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations	Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
HEAT TREATING-METAL	3307	50,268	5.63	2,830
THERMOMETER MFG	3685	14,494	2.22	322
ELECTRICAL APPARATUS REPAIR OR SERVICING AT CUSTOMERS' PREMISES & DRIVERS	3737	6,284	7.75	487
FILM DEVELOPING-NOC	4361	838	1.39	12
ANALYTICAL CHEMIST	4511	12,860	1.04	134
FIRE ALARM SYSTEMS-INSTALLATION IN BUILDINGS-LOW VOLTAGE BATTERY SYSTEMS	5191	646,391	1.95	12,605
CARPENTRY-DETACHED ONE OR TWO FAMILY DWELLINGS	5645	IF ANY	17.15	
WRECKING-MARINE & SALVAGE OPERATIONS	5701	23,877	18.28	4,365
VESSELS-NOC: PROGRAM I	7016	209	6.47	14
SUPPLY BOATS: PROGRAM I	7016	16,756	6.47	1,084
TRUCKING: TRUCKING NOC-ALL EMPLOYEES & DRIVERS	7219	11,939	14.51	1,732
DREDGING-ALL TYPES: PROGRAM I	7333	46,079	9.27	4,272
DRIVERS AND HELPERS NOC-COMMERCIAL	7380	314,120	11.18	35,119
DIVING-MARINE: PROGRAM I	7394	594,491	5.53	32,875
SEWAGE TREATMENT	7580	27,229	5.11	1,391
DETECTIVE OR PATROL AGENCY & DRIVERS	7723	84,032	2.92	2,454
LOCKSMITHS-INCLUDING OPERATIONS AWAY FROM PREMISES	7998	5,462	3.44	188
MACHINERY DEALER NOC-STORE OR YARD-& DRIVERS	8107	838	5.40	45
BUILDING MATERIAL DEALER-NO SECOND HAND MATERIAL & LOCAL MANAGERS, DRIVERS	8232	1,089,140	7.91	86,151
METAL SCRAP DEALER & DRIVERS	8500	2,095	12.06	253
ENGINEER OR ARCHITECT-CONSULTING	8601	2,129,970	1.00	21,300
INSPECTION OF RISKS FOR INSURANCE OR VALUATION PURPOSES NOC	8720	3,854	3.16	122
SALESPERSONS, COLLECTORS OR MESSENGERS-OUTSIDE	8742	386,184	0.56	2,163
LABOR UNION-ALL EMPLOYEES	8755	16,756	0.79	132
ACCOUNTANT, AUDITOR OR FACTORY COST OR OFFICE SYSTEMATIZER-TRAVELING	8803	33,789,646	0.14	47,306
ACCOUNTANT, AUDITOR OR FACTORY COST OR OFFICE SYSTEMATIZER-TRAVELING	8803V	IF ANY	0.14	
EXECUTIVE OFFICERS NOC-NOT FOREMEN, WORKERS OR SALESPERSONS	8809	841,430	0.29	2,440
CLERICAL OFFICE EMPLOYEES NOC	8810	3,307,045	0.26	8,598
EXTERMINATOR & DRIVERS	9014	783,343	7.57	59,299
BUILDING CLEANING, MAINTENANCE OR REPAIR: CLEANING OUTSIDE SURFACES OF STRUCTURES: ALL OTHER SURFACES REGARDLESS OF HEIGHT OR METHOD-INCL. DRIVERS	9025	1,634	28.76	470

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EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1264 — Policy Prefix & No.
NEW YORK — Schedule
INTRA/Independent State Risk ID

082-01-1212-00 THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Code No.	Premium Basis: Estimated Total Annual Remuneration	Rates: Per $100 of Remuneration	Estimated Annual Premiums
BUILDING CLEANING, MAINTENANCE OR REPAIR: CLEANING OUTSIDE SURFACES OF STRUCTURES: ALL OTHER SURFACES REGARDLESS OF HEIGHT OR METHOD-INCL. DRIVERS		9025F	IF ANY	42.63	
BUILDING SERVICE CONTRACTOR		9030	1,475,952	6.57	96,970
SEWER CLEANING & DRIVERS		9402	89,035	9.11	8,111
GARBAGE, ASHES OR REFUSE COLLECTION & DRIVERS		9403	838	16.63	139
SIGN PAINTING OR LETTERING IN BUILDINGS & DRIVERS		9501	3,435	2.69	92
AIR CONDITIONING: WINDOW UNITS-INSTALLATION SERVICE OR REPAIR-INCL. DRIVERS		9519	3,351	4.62	155
HOUSE FURNISHINGS INSTALLATION NOC & UPHOLSTERING		9521	10,737	6.90	741
SIGN ERECTION OR REPAIR-AWAY FROM SHOP-NOT OUTDOOR ADVERTISING COMPANIES & DRIVERS		9552	254,599	27.54	70,117
SIGN PAINTING OR LETTERING ON BUILDINGS OR STRUCTURES & DRIVERS		9553	1,206	13.99	169
TOTAL CLASSIFICATION PREMIUM					555,516
BLANKET WAIVER	2.00%	0930			11,110
FELA INCREASE	121.00%	9840			
ADMIR INCREASE	121.00%	9840			47,202
TOTAL UNMODIFIED PREMIUM					613,828
MODIFIED STANDARD PREMIUM					613,828
UNDISCOUNTED PREMIUM					613,828
DISCOUNTED PREMIUM					613,828
TERRORISM		9740			275,274
CATASTROPHE (SEE WC 00 04 21C)	0.012	9741			5,579
ESTIMATED PREMIUM					683,784
TAX/ASSESSMENT SURCHARGE	18.80%	0932			128,551
RATING GROUP TOTAL					812,335
STATE OF NEW YORK TOTALS					
TOTAL CLASSIFICATION PREMIUM					3,424,135
BLANKET WAIVER	2.00%	0930			68,482
FELA INCREASE	121.00%	9840			34,400
ADMIR INCREASE	121.00%	9840			47,202
TOTAL UNMODIFIED PREMIUM					3,574,219
MODIFIED STANDARD PREMIUM					3,574,219
UNDISCOUNTED PREMIUM					3,574,219
DISCOUNTED PREMIUM					3,574,219
TERRORISM		9740			275,274
CATASTROPHE (SEE WC 00 04 21C)	0.012	9741			7,870

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EXTENSION OF ITEM 4. OF THE INFORMATION PAGE

WC 014-77-1264	NEW YORK	
Policy Prefix & No.	Schedule	INTRA/Independent State Risk ID

082-01-1212-00 THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

Item 4. Classification of Operations		Premium Basis	Rates	
	Code No.	Estimated Total Annual Remuneration	Per $100 of Remuneration	Estimated Annual Premiums
TOTAL ESTIMATED PREMIUM				3,857,363
TAX/ASSESSMENT SURCHARGE 18.80%	0932			725,184
TOTAL DUE				4,582,547
TOTAL PREMIUM FOR TERRORISM COVERAGE INCLUDED IN TOTAL ESTIMATED PREMIUM $275,274				

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TERRORISM (TRIPRA) POLICYHOLDER NOTICE - PREMIUM DETERMINATION

As indicated in the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement(s) included in this Policy, the premium you have been charged for coverage under the Terrorism Risk Insurance Program Reauthorization Act of 2007 ("TRIPRA") is shown in Item 4 of the Information Page, and State Schedule Page form WC 7754. The Schedule below shows how the premiums for TRIPRA were determined.

Schedule

State/Jurisdiction	Premium Determination Method
Arizona, Colorado, Connecticut, Florida, Idaho, New Jersey, New Mexico, North Carolina, West Virginia and Wisconsin.....	Rate per $100 of Remuneration.
New York.....	Rate per $100 of Remuneration and rate applied to Total Classification Premium.
Kansas, Maine, New Hampshire and Virginia.....	Included in rates applied to Premium Basis (Remuneration) for calculation of annual premium for each applicable classification of operations.
Alabama, Alaska, Arkansas, Iowa, Montana, Nevada, Tennessee and Texas.....	Rate per $100 of Remuneration in addition to charge included in rates applied to Premium Basis (Remuneration) for calculation of annual premium for each applicable classification of operations.
All Other States/Jurisdictions.....	Rate applied to Total Classification Premium.

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CHARTIS

NOTICE TO POLICYHOLDER

Your Obligation to file Federal Form LS-202

"Employer's First Report of Injury or Occupational Illness"

Policy Number: WC 014-77-1264

Named Insured: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

We have sent you this Notice because the policy to which this notice is attached provides insurance to you for your obligations under at least one of the following federal workers' compensation laws:

Longshore and Harbor Workers Act **Nonappropriated Funds Instrumentalities Act**

Outer Continental Shelf Lands Act

YOUR REPORTING OBLIGATION

When an employee is injured and the loss is subject to the Federal Acts listed above, the employer is obligated to promptly file the Employer's First Report of Injury or Occupational Illness, Form LS-202 with the United States Department of Labor (DOL). In the past, we may have assisted you by filing the Form LS-202 on your behalf when you reported a subject injury to us. The DOL is now enforcing the requirement that the employers complete and file the Form LS-202; therefore, we can no longer perform that service for you.

You must now file Form LS-202 with the United States Department of Labor.

WHAT DO YOU HAVE TO DO?

1. **Decide if Federal law could apply:** Determine if the injured employee could be entitled to benefits under any of the federal workers' compensation acts identified above. For guidance in making this determination consult with your agent or broker, or your attorney. The DOL has established the following web sites which may be useful to you:

   http://www.dol.gov/owcp/dlhwc/index.htm

   and

   http://www.dol.gov/owcp/dlhwc/lscontactmap.htm

   A reportable injury is defined on the Form LS-202 as " Any accidental injury which causes loss of one or more shifts of work or death allegedly arising out of or in the course of employment, including any occupational disease or infection believed or alleged to have arisen naturally out of such employment, or as a natural or unavoidable result from an accidental injury."

2. **If there is a reportable injury, file an LS-202 directly with the DOL:** You can access a specimen Form LS-202 through the DOL's web site (referenced above). Once completed, file the form with the DOL in the timeframe required.

3. **Notify us:** As set forth in your policy, if any of your workers are injured on the job under any circumstances during the time that we insure you, notify us at once. This applies whether the injury arose out of work subject to any of the above federal laws, or not.

   If federal law applies: To notify us of an accident for which you filed an LS-202, please send us a copy of the Form LS-202 that you submitted to the DOL. You can send the form to us by fax, e-mail or regular mail as follows:

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Location of Accident

States of the Western Zone

AK, AZ, AR, CA, CO, HI, ID, IL, IA, KS, LA, MO, MT, NE, NV, NM, ND, OK, OR, TX, UT, WA, WY

Fax Number: 866-739-6981

E-Mail Address: wz.wcfroi@chartisinsurance.com

US Postal Service: See Chart on next page

States of the Eastern Zone

AL, CT, DE, DC, FL, GA, IN, KY, ME, MD, MI, MN, MS, MA, NH, NJ, NY, NC, OH, PA, RI, SC, SD, TN, VA VT, WI, WV

Fax Number: 866.420.1404

E-Mail Address: easternwcnewloss@chartisinsurance.com

US Postal Service: See Chart on next page

If federal law does not apply: To notify us of an accident for which an LS-202 filing is not required (i.e., an injury subject only to a state's workers' compensation law), either of the following additional notification options are available to you.

Phone: 877-399-6442 Internet: www.chartisinsurance.com/fnl

Your notifying us of an injury is not an admission of liability under any law; it only enables us to protect your interests under the terms of our policy.

We will continue our service of notifying the state's workers' compensation authority, after you have given us notice of an injury, when a state has jurisdiction of the case.

Please contact your agent or broker if you have any questions about this or any other matter connected with your insurance.

Mailing Address to Chartis for Copy of LS-202

State where Accident Happened	Our Zone	Mailing Address
Alabama	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
Alaska	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Arizona	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Arkansas	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
California	Western	Chartis, P.O. Box 25977, Shawnee Mission, KS 66225
Colorado	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Connecticut	Eastern	Chartis, P.O. Box 1830, Alpharetta, GA 30023
Delaware	Eastern	Chartis, P.O. Box 1836, Alpharetta, GA 30023
District of Columbia	Eastern	Chartis, P.O. Box 1836, Alpharetta, GA 30023
Florida	Eastern	Chartis, P.O. Box 1833, Alpharetta, GA 30023
Georgia	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
Hawaii	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Idaho	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Illinois	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225

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Indiana	Eastern	Chartis, P.O. Box 1832, Alpharetta, GA 30023
Iowa	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Kansas	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Kentucky	Eastern	Chartis, P.O. Box 1832, Alpharetta, GA 30023
Louisiana	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Maine	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
Maryland	Eastern	Chartis, P.O. Box 1836, Alpharetta, GA 30023
Massachusetts	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
Michigan	Eastern	Chartis, P.O. Box 1830, Alpharetta, GA 30023
Minnesota	Eastern	Chartis, P.O. Box 1830, Alpharetta, GA 30023
Missouri	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Mississippi	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
Montana	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Nebraska	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Nevada	Western	Chartis, P.O. Box 26149, Las Vegas, NV 89126
New Hampshire	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
New Jersey	Eastern	Chartis, P.O. Box 1836, Alpharetta, GA 30023
New Mexico	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
New York	Eastern	Chartis, P.O. Box 1830, Alpharetta, GA 30023
North Carolina	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
North Dakota	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Ohio	Eastern	Chartis, P.O. Box 1832, Alpharetta, GA 30023
Oklahoma	Western	Chartis, P.O. Box 25974, Shawnee Mission, KS 66225
Oregon	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
Pennsylvania	Eastern	Chartis, P.O. Box 1836, Alpharetta, GA 30023
Rhode Island	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
South Carolina	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
South Dakota	Eastern	Chartis, P.O. Box 1830, Alpharetta, GA 30023
Tennessee	Eastern	Chartis, P.O. Box 1832, Alpharetta, GA 30023
Texas	Western	Chartis, P.O. Box 25974, Shawnee Mission, KS 66225
Vermont	Eastern	Chartis, P.O. Box 1821, Alpharetta, GA 30023
Virginia	Eastern	Chartis, P.O. Box 1832, Alpharetta, GA 30023
Washington	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225
West Virginia	Eastern	Chartis, P.O. Box 1832, Alpharetta, GA 30023
Wisconsin	Eastern	Chartis, P.O. Box 1830, Alpharetta, GA 30023
Wyoming	Western	Chartis, P.O. Box 25971, Shawnee Mission, KS 66225

American Home Assurance Company, Chartis Casualty Company, Chartis Property Casualty Company, Chartis Specialty Insurance Company, Commerce and Industry Insurance Company, Granite State Insurance Company, Illinois National Insurance Company, National Union Fire Insurance Company of Pittsburgh, Pa., National Union Fire Insurance Company of Louisiana, New Hampshire Insurance Company, The Insurance Company of the State of Pennsylvania

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FEDERAL EMPLOYER'S LIABILITY ACT COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to work subject to the Federal Employers' Liability Act (45 USC Sections 51-60) and any amendment to that Act that is in effect during the policy period.

G. Limits of Liability of Part Two (Employers Liability Insurance) is replaced by the following:

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in the Schedule. They apply as explained below:

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident - each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease - aggregate" is the most we will pay for all damages covered by this insurance because of bodily injury by disease to one or more employees. The limit applies separately to bodily injury by disease arising out of work in each state shown in Item 3.A. of the Information Page or in the Schedule.

   Bodily injury by disease does not include disease that results directly from bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

If any state is named in Item 2 of the Schedule, Part Two (Employers Liability Insurance) applies in that state to work subject to the Federal Employers' Liability Act as though that state were listed in Item 3.A. of the Information Page. Part One (Workers Compensation Insurance) does not apply in a state shown in the Schedule.

Part Two (Employers Liability Insurance), C. Exclusions, exclusion 9, does not apply to work subject to the Federal Employers' Liability Act.

Schedule

1. Limits of Liability

Bodily Injury by Accident	$	1,000,000	each accident
Bodily Injury by Disease	$	1,000,000	aggregate

2. State

WC 00 01 04A
(Ed. 10/04)

Countersigned by _____

Authorized Representative

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LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to work subject to the Longshore and Harbor Workers' Compensation Act in a state shown in the Schedule. The policy applies to that work as though that state were listed in Item 3.A. of the Information Page.

General Section C. **Workers' Compensation Law** is replaced by the following:

C. **Workers' Compensation Law**

Workers' Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page and the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal workers or workmen's compensation law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers Liability Insurance), C. Exclusions exclusion 8, does not apply to work subject to the Longshore and Harbor Workers' Compensation Act.

This endorsement does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

Schedule

State	Longshore and Harbor Workers' Compensation Act Coverage Percentage
New Jersey	50.00 %
New York	48.20 %

The rates for classifications with code numbers not followed by the letter "F" are rates for work not ordinarily subject to the Longshore and Harbor Workers' Compensation Act. If this policy covers work under such classifications, and if the work is subject to the Longshore and Harbor Workers' Compensation Act, those non-F classification rates will be increased by the Longshore and Harbor Workers' Compensation Act Coverage Percentage shown in the Schedule.

WC 00 01 06A
(Ed. 4/92)

Countersigned by _____

Authorized Representative

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MARITIME COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement changes how insurance provided by Part Two (Employers Liability Insurance) applies to bodily injury to a master or member of the crew of any vessel.

A. **How This Insurance Applies** is replaced by the following:

A. **How This Insurance Applies**

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to work described in Item 1 of the Schedule of the Maritime Coverage Endorsement.
3. The bodily injury must occur in the territorial limits of, or in the operation of a vessel sailing directly between the ports of, the continental United States of America, Alaska, Hawaii or Canada.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
6. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

C. **Exclusions** is changed by removing exclusion 10 and by adding exclusions 13 and 14.

This insurance does not cover:

13. bodily injury covered by a Protection and Indemnity Policy or similar policy issued to you or for your benefit. This exclusion applies even if the other policy does not apply because of another insurance clause, deductible or limitation of liability clause, or any similar clause.
14. your duty to provide transportation, wages, maintenance and cure. This exclusion does not apply if a premium entry is shown in Item 2 of the Schedule.

D. **We Will Defend** is changed by adding the following statement:

We will treat a suit or other action in rem against a vessel owned or chartered by you as a suit against you.

G. **Limits of Liability**

Our liability to pay for damages is limited. Our limits of liability are shown in the Schedule. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease-aggregate" is the most we will pay for all damages covered by this insurance because of bodily injury by disease to one or more employees. The limit applies separately to bodily injury by disease arising out of work in each state shown in Item 3.A. of the Information Page. Bodily Injury by disease will be deemed to occur in the state of the vessel's home port.

   Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

Schedule

1. Description of work:
   SEE SCHEDULE OF OPERATIONS

2. Transportation, Wages, Maintenance and Cure Premium $ INCLUDED

3. Limits of Liability

Bodily Injury by Accident	$	1,000,000	each accident
Bodily Injury by Disease	$	1,000,000	aggregate

WC 00 02 01A
(Ed. 04/92)

Countersigned by _____

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Authorized Representative

ALTERNATE EMPLOYER ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to prep aration of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only with respect to bodily injury to your employees while in the course of special or temporary employment by the alternate employer in the state named in Item 2 of the Schedule. Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply as though the alternate employer is insured. If an entry is shown in Item 3 of the Schedule the insurance afforded by this endorsement applies only to work you perform under the contract or at the project named in the Schedule.

Under Part One (Workers Compensation Insurance) we will reimburse the alternate employer for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the alternate employer's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the alternate employer with any government agency.

We will not ask any other insurer of the alternate employer to share with us a loss covered by this endorsement.

Premium will be charged for your employees while in the course of special or temporary employment by the alternate employer.

The policy may be cancelled according to its terms without sending notice to the alternate employer.

Part Four (Your Duties If Injury Occurs) applies to you and the alternate employer. The alternate employer will recognize our right to defend under Parts One and Two and our right to inspect under Part Six.

Schedule

(1) Alternate Employer and Address (2) State of Special or Temporary Employment (3) Contract or Project

(1) Alternate Employer : ANY ALTERNATE EMPLOYER OF YOUR EMPLOYEES

Countersigned by

Authorized Representative

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DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The policy does not cover work conducted at or from;

ALL WORKPLACES EXCEPT:

ANY SITE OR LOCATION AT WHICH ANY OPERATIONS
ARE PERFORMED IN CONJUNCTION WITH THE CONSOLIDATED
WRAP-UP PROGRAM (THE "WRAP-UP PROGRAM") ADMINISTERED
BY THE PORT AUTHORITY OF NY & NJ

THE WRAP-UP PROGRAM INCLUDES ONLY OPERATIONS OR WORK AT OR
EMANATING FROM PROJECT SITES AND LOCATIONS THAT ARE (1)
IDENTIFIED BY THE PORT AUTHORITY OF NY & NJ AS WITHIN THE
SCOPE OF THE WRAP-UP PROGRAM, AND (2) WHICH IS
PERFORMED PURSUANT TO A CONTRACT OR AGREEMENT IDENTIFIED BY
THE PORT AUTHORITY OF NY & NJ AS INCLUDED WITHIN THE SCOPE
OF THE WRAP UP PROGRAM

Countersigned by _____

Archive Copy

Authorized Representative

VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement adds Voluntary Compensation Insurance to the policy.

A. How This Insurance Applies

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must be sustained by an employee included in the group of employees described in the Schedule.
2. The bodily injury must arise out of and in the course of employment necessary or incidental to work in a state listed in the Schedule.
3. The bodily injury must occur in the United States of America, its territories or possessions, or Canada, and may occur elsewhere if the employee is a United States or Canadian citizen temporarily away from those places.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay an amount equal to the benefits that would be required of you if you and your employees described in the Schedule were subject to the workers compensation law shown in the Schedule. We will pay those amounts to the persons who would be entitled to them under the law.

C. Exclusions

This insurance does not cover:

1. any obligation imposed by a workers compensation or occupational disease law, or any similar law.
2. bodily injury intentionally caused or aggravated by you.

D. Before We Pay

Before we pay benefits to the persons entitled to them, they must:

1. Release you and us, in writing, of all responsibility for the injury or death.
2. Transfer to us their right to recover from others who may be responsible for the injury or death.
3. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits of this insurance fail to do those things, our duty to pay ends at once. If they claim damages from you or from us for the injury or death, our duty to pay ends at once.

E. Recovery From Others

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we paid. We will pay the balance to the persons entitled to it. If the persons entitled to the benefits of this insurance make a recovery from others, they must reimburse us for the benefits we paid them.

F. Employers Liability Insurance

Part Two (Employers Liability Insurance) applies to bodily injury covered by this endorsement as though the State of employment shown in the Schedule were shown in Item 3.A of the Information Page.

Schedule

Employees	State of Employment	Designated Workers Compensation Law
ALL OFFICERS AND EMPLOYEES NOT SUBJECT TO THE WORKERS COMPENSATION LAW EXCEPT MASTERS AND MEMBERS OF THE CREW OF ANY VESSEL	ANY STATE DESIGNATED IN ITEM 3.A. OF THE INFORMATION PAGE OF THIS POLICY	STATE OF HIRE

This endorsement is not applicable in: HI, NJ, TX, and WI.

WC 00 03 11 A
(Ed. 08/91)

Countersigned by _____

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Authorized Representative

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement changes the policy to which it is attached effective on inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Premium SEE WC7754

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

Schedule

ANY PERSON OR ORGANIZATION TO WHOM YOU BECOME
OBLIGATED TO WAIVE YOUR RIGHTS OF RECOVERY
AGAINST, UNDER ANY CONTRACT OR AGREEMENT YOU ENTER
INTO PRIOR TO THE OCCURRENCE OF LOSS

This form is not applicable in California, Kentucky, New Hampshire, New Jersey, North Dakota, Ohio, Tennessee, Texas, Utah, or Washington.

WC 00 03 13
(Ed. 04/84)

Countersigned by _____

Authorized Representative

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NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity and other changes provided for in the applicable experience rating plan manual.

You must report any change in ownership to us in writing within 90 days of such change. Failure to report such changes within this period may result in revision of the experience rating modification factor used to determine your premium.

THIS ENDORSEMENT IS NOT APPLICABLE IN NEW JERSEY, PENNSYLVANIA, CALIFORNIA, DELAWARE, TEXAS, MAINE OR NEVADA.

Countersigned by _____

Archive Copy

Authorized Representative

CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) PREMIUM ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement is notification that your insurance carrier is charging premium to cover the losses that may occur in the event of a Catastrophe (other than Certified Acts of Terrorism) as that term is defined below. Your policy provides coverage for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism). This premium charge does not provide funding for Certified Acts of Terrorism contemplated under the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 A), attached to this policy.

For purposes of this endorsement, the following definitions apply:

- Catastrophe (other than Certified Acts of Terrorism): Any single event, resulting from an Earthquake, Noncertified Act of Terrorism, or Catastrophic Industrial Accident, which results in aggregate workers compensation losses in excess of $50 million.
- Earthquake: The shaking and vibration at the surface of the earth resulting from underground movement along a fault plane or from volcanic activity.
- Noncertified Act of Terrorism: An event that is not certified as an Act of Terrorism by the Secretary of Treasury pursuant to the Terrorism Risk Insurance Act of 2002 (as amended) but that meets all of the following criteria:

  a, It is an act that is violent or dangerous to human life, property, or infrastructure;

  b. The act results in damage within the United States, or outside of the United States in the case of the premises of United States missions or air carriers or vessels as those terms are defined in the Terrorism Risk Insurance Act of 2002 (as amended); and

  c. It is an act that has been committed by an individual or individuals as part of an effort to influence the policy or affect the conduct of the United States Government by coercion.
- Catastrophic Industrial Accident: A chemical release, large explosion, or small blast that is localized in nature and affects workers in a small perimeter the size of a building.

The premium charge for the coverage your policy provides for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism) is shown in Item 4 of the Information Page or in the Schedule below.

Schedule

State	Rate	Premium

WC 00 04 21C
(Ed. 09/08)

Countersigned by _____

Authorized Representative

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TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007. It serves to notify you of certain limitations under the Act, and that your insurance carrier is charging premium for losses that may occur in the event of an Act of Terrorism.

Your policy provides coverage for workers compensation losses caused by Acts of Terrorism, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations.

Definitions

The definitions provided in this endorsement are based on and have the same meaning as the definitions in the Act. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

"Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments thereto resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2007.

"Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States as meeting all of the following requirements:

a. The act is an act of terrorism.

b. The act is violent or dangerous to human life, property or infrastructure.

c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.

d. The act has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"Insured Loss" means any loss resulting from an act of terrorism (and, except for Pennsylvania, including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.

"Insurer Deductible" means, for the period beginning on January 1, 2008, and ending on December 31, 2014, an amount equal to 20% of our direct earned premiums, over the calendar year immediately preceding the applicable Program Year.

"Program Year" refers to each calendar year between January 1, 2008 and December 31, 2014, as applicable.

Limitation of Liability

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed $100,000,000,000 in a Program Year and if we have met our Insurer Deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds $100,000,000,000; and for aggregate Insured Losses up to $100,000,000,000, we will pay only a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

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Policyholder Disclosure Notice

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses exceeds $100,000,000 in a Program Year, the United States Government would pay 85% of our Insured Losses that exceed our Insurer Deductible.

2. Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceeds $100,000,000,000.

3. The premium charge for the coverage your policy provides for Insured Losses is included in the amounts shown in Item 4 of the Information Page or in the Schedule below.

Schedule

State	Rate	Premium

WC 00 04 22A
(Ed. 09/08)

Countersigned by _____

Authorized Representative

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

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

WHAT IS OFAC?

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

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

PROHIBITED ACTIVITY

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

Additional and more in-depth information on OFAC is available at the following website:
http://www.ustreas.gov/offices/eotffc/ofac.

OBLIGATIONS PLACED ON US BY OFAC

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

POTENTIAL ACTIONS BY US

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

YOUR RIGHTS AS A POLICYHOLDER

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

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Chartis U.S.
Workers' Compensation and Group Benefits
Privacy and Data Security Notice

About This Notice

This Privacy and Data Security Notice applies only to Personal Information about an individual (see definitions below) obtained by one of the Chartis U.S. Companies or their affiliates listed at the end of this notice, in connection with a Workers' Compensation or Group Benefits policy to which this notice is attached. Chartis U.S. has established practices, procedures and system protections that are designed to help protect the privacy and security of this Personal Information. This notice outlines how we collect, handle, and disclose such Personal Information.

The term "Individual," as used in this Privacy and Data Security Notice, means a natural person who is a beneficiary of or claimant under a Workers' Compensation or Group Benefit policy. The term "Individual" also means a natural person who purchases Workers' Compensation insurance for personal, family or household purposes in the United States. The term "Individual" does not include a natural person or organization that is a commercial purchaser of a Workers' Compensation or a Group Benefits policy even if they are the recipient of this notice.

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

I. Information Privacy

We may collect Personal Information through applications, enrollment forms, in claims processing, or in your other interactions with us and with our Affiliates.

We will collect Personal Information only in accordance with applicable laws or regulations, whether we collect it in response to a request for a product or service from us or otherwise.

Information Sharing

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

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

We may share Personal Information, including Personal Information of a health nature, with our Affiliates that assist us in servicing insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share Personal Information with Affiliates for the purpose of detecting and preventing fraud, or as otherwise permitted or required by law.

With Non-Affiliates:

We may share Personal Information, including Personal Information of a health nature, with Non-Affiliates that assist us in servicing insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share Personal Information with Non-Affiliates for the purpose of detecting and preventing fraud, as authorized by that Individual, or as otherwise permitted or required by law.

We may also enter into joint marketing agreements with Non-Affiliates to share non-health Personal Information as permitted by law. These Non-Affiliates may include providers of financial products or services such as insurance companies, financial institutions, and securities firms.

Because we do not share Personal Information with either Affiliates or Non-Affiliates in any other way, there is no need for an opt-out process in our privacy procedures.

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

II. Data Security

To help prevent unwarranted disclosure of Personal Information and secure it from theft, we utilize secure computer networks. Access is restricted to those persons who have a business need to use Personal Information in connection with servicing Workers' Compensation or Group Benefits Policies. We also maintain physical, electronic, and procedural safeguards designed to protect your Personal Information in compliance with federal and state privacy and information security laws. Non-Affiliates that assist us in servicing insurance policies or who enter into joint marketing agreements with us are required to take measures to maintain the security of Personal Information in compliance with federal and state privacy and information security laws.

III. Maintaining Personal Information

We also maintain procedures to ensure that the Personal Information we collect is accurate, up-to-date, and as complete as possible. An Individual who believes the information we have in our records or files is incomplete or inaccurate, may request that we make additions or corrections, or if it is feasible, that we delete the Individual's information from our files. An Individual may make this request in writing to (include your name, address, policy number or claim number):

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

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

Individuals subject to this notice may request that we correct, amend or delete information about them. If we do so, we will notify organizations that provided us with that information and, upon such Individual's request, persons who received that information from us within the preceding two years. If we cannot grant a request to correct, amend or delete the information, the Individual may give us a written statement of the reasons why they disagree, which we will place in their file and give to the same parties who would have been notified of the requested change.

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

We may change this Privacy and Data Security Notice from time to time, and if particular changes are required by law to be communicated to you we will do so.

Our family of companies includes: American Home Assurance Company; Chartis Casualty Company; Chartis Property Casualty Company; Chartis Select Insurance Company; Chartis Specialty Insurance Company; Commerce and Industry Insurance Company; Granite State Insurance Company; Illinois National Insurance Co.; Lexington Insurance Company; National Union Fire Insurance Company of Pittsburgh, Pa.; National Union Fire Insurance Company of Vermont; New Hampshire Insurance Company; The Insurance Company of the State of Pennsylvania; other Chartis U.S. companies, and American International Life Assurance Company of New York and American General Life Insurance Company of Delaware.

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LARGE RISK RATING PLAN ENDORSEMENT
(Short Form)

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The premium for this policy will be determined according to the Large Risk Rating Plan Endorsement attached to policy No. WC 67712030 .

53820
(Ed. 07-92)

Countersigned by _____

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Authorized Representative

WORKERS COMPENSATION - PREMIUM CREDIT APPLICATION

STATE _____ BUREAU FILE# : _____

INSURED _____

POLICY # : _____ EFFECTIVE DATE _____ CARRIER _____

Notice: Unless Code(s), total wages paid, total hours worked, calendar quarter reported are indicated and application is signed, it cannot be processed. Must include non-construction class code payrolls. Corporate officers should be included in the appropriate class. Contact your agent or carrier if assistance is desired.

Is this a new business: _____ No _____ Yes

If no, submit information for the third calendar quarter (July, August, September) of the preceding calendar year as reported to taxing authorities. If yes, submit information for the first complete quarter following the effective date of your workers compensation policy.

CLASSIFICATION:	**CLASS CODE**	**TOTAL WAGES PAID***	**TOTAL HOURS WORKED (Incl. O.T.)**
Example: Electrical Wiring	5190	$8,000	520
Contracting Classification:			
Non-contracting Classification:			

* EXCLUDING OVERTIME PREMIUM PAY, for each classification code, combine all wages for that code in a single entry. Employee names are not required.

DELAWARE & PENNSYLVANIA ONLY: Total Wages includes overtime premium pay.

ALASKA, FLORIDA, HAWAII, ILLINOIS, MARYLAND, MINNESOTA, NEW MEXICO, OKLAHOMA, AND OREGON ONLY: Exclude from Total Wages overtime premium pay as well as all other exclusions in accordance with Rule V of the Basic Manual.

VIRGINIA ONLY: Include Total Wages as reported to the Virginia Employment Commission.

MISSOURI: Exclude the entire pay for any sole proprietor, partner, or executive officer.

ILLINOIS: Exclude the entire pay for any exempt sole proprietor, partner, or executive officer.

The foregoing is based on actual wages and hours worked, as reflected in our payroll records for the complete calendar quarter ending _____ .

SIGNATURE _____ **POSITION** _____

TELEPHONE NUMBER _____ **DATE** _____

ADDRESS _____ **CITY** _____ **STATE** _____

PLEASE MAIL APPLICATION TO THE APPROPRIATE BUREAU

Archive Copy

CREDIT RATING DOWNGRADE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

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Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

NCCI Carrier Code 13889

This endorsement modifies insurance provided under the following:

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

The following is added to PART FIVE - PREMIUM, E. Final Premium:

3. In the event the **Company** receives a financial strength rating below A- by A.M. Best Co., or below BBB by Standard & Poor's Ratings Services (the "**Credit Rating Downgrade**"), this policy may be canceled by the **First Named Insured** referenced on the Information Page by mailing written prior notice to the **Company** or by surrender of this policy to the **Company** or its authorized agent or broker.

   If this policy is canceled by the **First Named Insured** within 30 days after such Credit Rating Downgrade, then the Company shall return the unearned pro rata proportion of the final premium as of the effective date of cancellation.

For the purposes of this endorsement, the following definitions shall apply:

1. **Company** means the insurer as shown on the Information Page of this policy.
2. **First Named Insured** means the first Named Insured or Named Entity as shown on the Information Page of this policy.

To the extent that the provisions of this endorsement conflict with any provisions of (a) this policy and/or (b) endorsements to this policy, the provisions of this endorsement shall apply.

All other terms, conditions, definitions, and exclusions of this policy remain unchanged.

WC 99 00 53
(Ed. 11/08)

Countersigned by _____

Archive Copy

Authorized Representative

PREMIUM DUE DATE ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

PART FIVE
PREMIUM

D. **Premium** is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**

Countersigned by _____

Archive Copy

Authorized Representative

CONSENT TO TRANSFER OF YOUR RIGHTS AND DUTIES

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Transfer of Rights and Duties

The person or organization named in the Schedule has with our consent assumed from you your duty to pay all premium, surcharges and "reimbursable losses" for this policy when due; and

You with our consent have assigned to such person or organization your rights to cancel this policy and to receive any return of premium or surcharges and any dividends, discounts or other adjustments from us under this policy.

No other rights or duties have been transferred.

For the purposes of this endorsement, "reimbursable losses" shall mean payments you are required to make to us as reimbursement to us for our payments of:

1. All benefits payable under PART ONE - WORKERS COMPENSATION INSURANCE; and
2. Up to our limit of liability, all sums you legally must pay as damages to which PART TWO - EMPLOYERS LIABILITY applies; and
3. All benefits payable under PART THREE - OTHER STATES INSURANCE; and
4. All benefits or damages payable under any endorsements attached to the policy.

"Reimbursable losses" shall also include payments you are required to make to us as reimbursement for any "allocated loss adjusting expense" we pay according to your policy.

No limit on the Company's liability under the policy or any endorsement is increased or reinstated by this endorsement.

SCHEDULE

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

WC 99 00 09A
(Ed. 04/03)

Countersigned by _____

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Authorized Representative

ADVANCE NOTICE OF CANCELLATION OR NON-RENEWAL BY US EXTENDED

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

PART SIX - CONDITIONS. D. - Cancellation, 2. is deleted in its entirety and replaced with:

We may cancel or non-renew this policy. We must mail or deliver to you not less than the number of days shown below advance written notice stating when the cancellation or non-renewal is to take effect.

Except for non-payment of premium, non-payment of loss reimbursement or non-delivery of satisfactory security or collateral when due for which we will provide the advance written notice required by law, we shall not provide less than the number of days advance notice set forth below, or in the policy and endorsements attached thereto, or as required by state law.

Mailing that notice to you, at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.

Cancellation: 30 Days

Non-Renewal: 30 Days

Countersigned by _____

Archive Copy

Authorized Representative

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2012

Forms a part of policy no.: WC 014-77-1264

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

New Jersey Second Injury Fund

The New Jersey Workers Compensation Law established the Second Injury Fund to provide benefits to workers who become permanently and totally disabled as a result of work-related injury or occupational disease when the worker had been previously partially disabled. The Law also requires that the Fund provide annual adjustments to certain persons permanently and totally disabled and to certain dependents of deceased workers.

Through 1988, the Second Injury Fund was financed by an annual assessment upon insurance carriers. Such assessment was included in your standard premium via the manual premium rate(s) shown in your policy Information Page.

Effective January 1, 1989 an amendment to the Law requires that the present financing be replaced by a direct surcharge shown as a separate "Second Injury Fund Surcharge" line on the policy Information Page. It will no longer be included in the manual premium rate. This new system will discourage other states from imposing retaliatory taxes on New Jersey based insurance companies and ultimately aid cost containment efforts.

Issue Date: 12/12/12

LWNNJSIF

Countersigned by _____

Authorized Representative

Archive Copy

ENDORSEMENT

This endorsement, effective 12:01 AM 12/31/2012

Forms a part of policy no.: WC 014-77-1264

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The New Jersey Workers Compensation Law requires every employer to provide workers compensation coverage through purchase of a workers compensation and employers liability insurance policy. Failure to provide such coverage results in a fine and/or criminal action by the Department of Labor as well as continued liability for benefit payments to an injured worker.

The Uninsured Employers Fund was established by Law to provide benefits to an injured worker when the employer has failed to comply with the insurance provision of the Law and is unable to provide the required benefits. Through 1988, total financing of the Fund was derived from fines imposed upon uninsured employers

Effective January 1, 1989 an amendment to the Law, requires that the present financing be supplemented by a direct surcharge shown as a separate "Uninsured employers Fund Surcharge" line on your policy Information Page. This method will assure the delivery of benefits to injured workers and the surcharge will cease whenever the year end balance of the Fund exceeds $500,000.

Authorized Representative

Issue Date: 12/12/12

LWNNJUFEF ***Archive Copy***

NEW JERSEY PART TWO LIMIT OF LIABILITY ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to the insurance provided by Part Two (Employers Liability Insurance) because New Jersey is shown in Item 3.A. of the Information Page.

With respect to Exclusion C5, this insurance does not cover any and all intentional wrongs within the exception allowed by N.J.S.A. 34:15-8 including but not limited to, bodily injury caused or aggravated by an intentional wrong committed by you or your employees, or bodily injury resulting from an act or omission by you or your employees, which is substantially certain to result in injury.

With respect to Exclusion C7, we will defend any claim, proceeding or suit for damages where bodily injury is alleged. We have the right to investigate and settle. We will not defend or continue to defend after the applicable limits of insurance have been paid. Such policy limits include any legal costs assessed against you on behalf of your employee(s).

We may not limit our liability to pay damages for which we become legally liable to pay because of bodily injury to an infant under the age of 18 years in a proceeding made pursuant to Article 2 as provided in N.J.S.A. 34:15-10.

This insurance does not provide for the payment of any common law negligence damages or other damages when the provisions of Article 2 of the New Jersey Workers Compensation Law have been rejected by you and your employee(s) as provided in N.J.S.A. 34:15-9.

With respect to paragraph F., the "Other Insurance" provisions is replaced with the following:

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

This insurance, however, is excess over any other applicable insurance with respect to claims for bodily injury arising out of employer practices, policies, acts or omissions enumerated in C-7 above, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

WC 29 03 06B
(Ed. 07/07)

Countersigned by _____

Authorized Representative

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NEW JERSEY CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The premium for this policy may be adjusted by a New Jersey Construction Classification Premium Credit. The credit, if applicable, was not available when the policy was issued. If you qualify, we will issue an endorsement to include the credit after it is calculated.

Countersigned by _____

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Authorized Representative

NEW YORK LIMIT OF LIABILITY ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

This endorsement applies only to the insurance provided by Part Two (Employers Liability Insurance) because New York is shown in item 3.A. of the Information Page.

We may not limit our liability to pay damages for which we become legally liable to pay because of bodily injury to your employees if the bodily injury arises out of and in the course of employment that is subject to and is compensable under the Workers Compensation Law of New York.

WC 31 03 08
(Ed. 4-84)

Countersigned by _____

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Authorized Representative

NEW YORK CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM
EXPLANATORY ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The New York Construction Classification Premium Adjustment Program (NYCCPAP) allows premium credits for some employers in the construction industry. These credits exist to recognize the difference in wage rates between employers within the same construction industries in New York.

The declarations section of this policy will show a credit of 0.00% if you are not eligible for this credit, or if you are eligible for this credit and have not yet applied for a credit. Credits are earned for average wages in excess of $15.50 per hour for each eligible class. If your policy shows one of the following classification codes, and you are experience rated, you are eligible to apply for an NYCCPAP credit:

0042	5057	5193	5429	5491	5606	6003	6229	6325	9526
3365	5059	5213	5443	5506	5610	6005	6233	6400	9527
3724	5069	5221	5445	5507	5645	6017	6235	6701	9534
3726	5102	5222	5462	5508	5648	6018	6251	7536	9539
3737	5160	5223	5473	5536	5651	6045	6252	7538	9545
5000	5183	5348	5474	5538	5701	6204	6260	7601	9549
5022	5184	5402	5479	5545	5703	6216	6306	7855	9553
5037	5188	5403	5480	5547	5709	6217	6319	8227	
5040	5190	5428							

The basis for determining the credit is the limited payroll of each employee for the number of hours worked (excluding overtime premium pay) for each construction classification (other than employees engaged in the construction of one or two-family residential housing) for the third quarter, as reported to taxing authorities, for the year preceding the policy date. Total payroll is to continue to be reported for employees engaged in the construction of one or two-family residential housing. For example:

POLICY EFFECTIVE DATE	THIRD QUARTER PAYROLL
4/1/09 thru 3/31/10	2008
4/1/10 thru 3/31/11	2009
4/1/11 thru 3/31/12	2010
4/1/12 thru 3/31/13	2011
4/1/13 thru 3/31/14	2012
4/1/14 thru 3/31/15	2013

If you have any eligible classes on your policy, you should have been notified by your insurance carrier or the New York Compensation Insurance Rating Board approximately nine months prior to the inception date of this policy. If you believe you may be eligible for a credit and have not received an application, you should immediately contact your agent, insurance carrier, or the New York Compensation Insurance Rating Board.

Credits are calculated by the New York Compensation Insurance Rating Board. You must submit a completed application to: Attention: Field Services Department, New York Compensation Insurance Rating Board, 733 Third Avenue, New York, New York 10017.

Applications must be received by the Rating Board three (3) months prior to the policy renewal effective date. The Rating Board will accept and process an application if it is received between the policy effective and expiration date, however, it must be accompanied by a letter stating the reason for the delay. Under no circumstances will an application be accepted for any policy if it is received after the expiration date of the policy. For short-term policies the application must be received prior to the expiration date of the short-term policy. If it is received after the policy expiration, no credit will be calculated.

The New York Workers Compensation and Employers Liability Insurance Manual, and not this endorsement, govern the implementation and use of the NYCCPAP.

For online entry of the information requested on this form refer to: http://cpap.nycirb.org/

WC 31 03 19 F
(Ed. 02/11)

Countersigned by _____

Authorized Representative

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NEW YORK PENDING PAYROLL LIMITATION AND PREMIUM DIFFERENTIAL ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

The Construction Employment Payroll Limitation Law (S7744/A11294) requires a payroll limitation and territory premium differential on policies for all employers subject to the Law with an anniversary rating date on or after October 1, 1999. The code(s) currently on your policy may be subject to the Law.

The requirements of the Law may be applied during the policy period or may be applied at time of audit.

Countersigned by _____

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Authorized Representative

NOTICE TO POLICYHOLDERS
CHANGES TO ASSESSMENTS

Legislation enacted in December 1993 and applicable to policies effective April 1st, 1994 specifically prohibited assessments based on losses. The New York Compensation Rating Board was instructed to prepare a single "New York State Assessment" to be charged based on your standard workers compensation premium, which is your premium after application of experience modification. For your information, the components of this assessment are described below. These assessment percentages are effective on new and renewal policies effective October 1st, 2012 and later.

Workers Compensation Board (WCB) Assessment
The WCB is the administrator of the workers compensation law in New York. Its administrative law judges hear cases and establish benefit eligibility and awards.
The assessment for this service is 3.1%

Reopened Case Fund
The Reopened Case Fund pays for benefits determined by the Workers Compensation Board after a lapse of seven years from the date of injury, or in those cases where an earlier determination is set aside.
The assessment for this service is 4.9%

Special Disability Fund
The Special Disability Fund provides for the reimbursement of the insurance company for compensation and medical benefits paid as the result of a subsequent (second) injury.
The assessment for this service is 9.6%

Interdepartmental Expenses
This assessment pays for the programs administered by the New York Department of Health, Occupational Health Clinics Network, and the New York Department of Labor, both the Occupational Safety and Training Fund and the Enforcement of Occupational Safety and Health Regulation.
The assessment of this service is 0.9%

Special Funds Conservation Committee
This assessment pays the expenses of the state attorney responsible for handling second injury and reopened case matters.
The assessment for this service is 0.3%
The total assessment effective October 1st, 2012 is 18.8%

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NEW YORK NOTICE TO THE POLICYHOLDER

Pursuant to New York Insurance Regulations, you may purchase a Workers' Compensation deductible. The available deductible options, per occurrence, are $100, $200, $300, $400, $500, $1000, $1500, $2000, $2500 or $5000.

If you are interested in either purchasing a deductible or receiving a premium quotation for one or more of the available deductible options, please contact your Agent or Broker.

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NEW YORK SECURITY FUND SURCHARGE NOTICE
IMPORTANT NOTICE TO POLICYHOLDERS

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective 12:01 AM 12/31/2012 forms a part of Policy No. WC 014-77-1264

Issued to THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

Companies writing workers compensation insurance insurance business in New York are required to participate in the New York Compensation Security Fund. If a company becomes insolvent, the security fund settles unpaid claims and assesses each insurance company for its fair share.

New York law requires all companies to surcharge policies to recover these assessments. If your policy is surcharged "NY surcharge", an amount will be displayed on your premium notice.

WC 99 31 18
(Ed. 10/04)

Countersigned by _____

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Authorized Representative

EXTENSION OF ITEM 1. OF THE INFORMATION PAGE

This endorsement, effective 12:01 AM 12/31/2012

Forms a part of policy no.: WC 014-77-1264

Issued to: THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

By: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

LOC NO.	NAME AND ADDRESS SCHEDULE	FEIN	UI #
0001	THE PORT AUTHORITY OF NEW YORK & NEW JERSEY NO FIXED ADDRESS NYC, NY USA BUSINESS TYPE: GOVERNMENT ENTITY NAIC: 237990	136400654	
0002	THE PORT AUTHORITY OF NEW YORK & NEW JERSEY NO FIXED ADDRESS NJ BUSINESS TYPE: GOVERNMENT ENTITY NAIC: 237990	136400654	136400654000
0003	THE PORT AUTHORITY OF NEW YORK & NEW JERSEY NO FIXED ADDRESS NEW YORK, NY BUSINESS TYPE: GOVERNMENT ENTITY NAIC: 237990	136400654	

Authorized Representative

Issue Date: 12/12/12

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