

Date: April 8, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burrows, Jr.
County Manager
[Signature]
R. A. Cuevas, Jr.
County Attorney
[Signature]

Agenda Item No. 12(A)5

Resolution No. R-390-08

Subject: Settlement Agreement between Turner Construction Company, Austin Commercial Inc., American Airlines, and Miami-Dade County in connection with the North Terminal Development Program at Miami International Airport in the amount of \$4,750,000

RECOMMENDATION

It is recommended that the Board approve the attached Settlement of Litigation between Turner Construction Company, Austin Commercial Inc. (TAAT), American Airlines, and Miami-Dade County in connection with the North Terminal Development Program at Miami International Airport, which settlement requires payment of \$4,750,000 to Turner Construction Company and Austin Commercial Inc. to be funded from the \$105 million provided by American Airlines as part of the Fourth Amendment to the Lease, Construction and Financing Agreement (LCF).

BACKGROUND

As you are well aware, the North Terminal Development program has had numerous challenges since its inception. From the time the County and American entered into a Lease, Construction and Financing Agreement (LCF) in October 1995, which authorized American to design and construct the North Terminal Improvements, the program has escalated from an approved budget of \$975 million to the current budget of \$2.6 billion.

Everyone recognizes that this is a very complex project involving complicated phasing, scheduling and coordination issues between multiple contractors and subcontractors. The many problems encountered by American, TAAT and the County have been well documented; responsibility for the problems is also shared by the parties. However, the very good news is that the project is now on the right track and construction is progressing extremely well. Some of the major accomplishments over the last two years include:

- ◆ Settled almost all 335 claims on AA contracts for \$67.5 million from original claims in the amount of \$175 million (not including TAAT)
- ◆ Re-phased, consolidated and re-sequenced the NTD program master plan
- ◆ Work in place went from \$922 Million (Jun 2005) to \$1.3 Billion (Feb 2008)
- ◆ Incomplete work left by previous contractor (TAAT) has been completed:

- B-C Shell completed to start critical BHS work. Permanent power and FPL vault completed. Significant progress on interior work.
- C-D Shell completed to start new finishes work. Significant progress on the interior finishes. Gates D-37 and D-38 on schedule to open in April 2008.
- D-Connector completed to facilitate opening of two new gates
- APM Maintenance Facility completed to allow SCOA to mobilize and bring trains to MIA
- A-B Demolition completed to start shell structure
- C-D Ramp level completed to start FIS work
- SCOA allowed access to perform guide way work on four of the five areas
- Ramp Control Tower opening by the end of March 2008
- Interim Checkpoint C-D on schedule.
- Significant progress has been achieved on the new Baggage Handling System with installation of conveyors and the complex baggage sortation matrix.
- In-line Explosive Detection System installation 40% complete
- ◆ Currently over 1,100 construction workers in the field.
- ◆ Closed Concourse A within schedule to convert a large and significant area of the NTD construction from airside into landside. Accelerated construction by at least 20 months, increased manpower and productivity.
- ◆ Restructured the POJV contract to a lump sum contract, significantly reducing risk to the County.
- ◆ Unprecedented monthly payment requisitions of more than 40 million dollars in February 2008.

With construction now progressing so well and having resolved essentially all of the contractor and subcontractor claims, it is important that we resolve the last major piece of litigation relating to the NTD, so that staff can give their full attention to the successful completion of the program.

In 2006, TAAT sued both American and the County, alleging that TAAT was owed money under its contracts, and that both American and the County were responsible for rendering such payments to TAAT. The money claimed by TAAT is loosely grouped into five major components: (1) money allegedly spent by TAAT to defend the NTD program from lawsuits brought by subcontractors, (2) money to compensate TAAT for time spent on the NTD project, (3) money spent by TAAT to directly perform certain construction work, (4) money which was allegedly guaranteed to TAAT under the contracts, and (5) money spent by TAAT to demobilize off the NTD and to transition and close out various subcontracts. The value of this claim was approximately \$12,000,000.00. The County's and American's analysis of this claim substantiate that TAAT is entitled to nearly a million dollars on these claims, plus pre-judgment interest thereon for a total of approximately \$1.25 million.

The County and American filed various counterclaims against TAAT. These counterclaims sought to recover from TAAT some portion of the increased cost of the NTD. Alternatively, the County and American sought to have TAAT return some portion of the monies AA had already paid TAAT under the terms of their contract. The posture of this case makes contractual claims difficult to sustain: American terminated TAAT for convenience rather than for default, and the County did not have a contract with TAAT.

The County Attorney's Office has represented both American and the County in this litigation. Amendment Four to the LCF not only transferred control of the NTD from American to the County but also obligated the County to represent American in litigation which might arise out of the NTD and, crucially, to pay valid claims asserted against or judgments rendered against American out of the \$105 million that American agreed to contribute toward the costs of settling claims and completing the NTD. The County is additionally responsible for the costs of litigating such claims.

To help support these claims, the County and American retained two firms: Alpha Corporation and Greyhawk. Both firms are internationally recognized expert construction claims analysts with experience in supporting claims arising from large construction projects. Both firms have concluded that the County and American will face serious difficulties in recovering money from TAAT. Brief summaries of these consultants' opinions are attached to this memorandum as Exhibit A and Exhibit B. American together with County staff and the County Attorney's Office concur that recovery of significant funds from TAAT is unlikely.

This case has been mediated several times over the preceding year. On January 13, 2008, during the last mediation, TAAT agreed to settle all claims in return for payment in a total amount of \$4,750,000.00. Additionally, TAAT agreed that it would be responsible for subcontractor claims as may still be brought, to the extent such claims are not brought to recover costs incurred to perform actual work on the NTD project. The County and American do not believe that significant subcontractor claims remain for work already completed. However, Aviation will need to increase certain contract amounts by change order to reflect the increased costs of completion work going forward.

If this case proceeds to trial, it will be very expensive to litigate due to the complexity of the NTD program and the voluminous records that have to be produced for discovery. The County's experts will have to continue with a forensic review of massive amounts of construction documents, accounting records, payrolls, schedules, design documents, field reports, correspondence, and other documents.

Additionally, to cope with the quantity and formatting of documents in this case, the County has retained an electronic discovery expert to assist in searching, archiving, and production of emails, hard-drives, and data found on hand-held electronic devices. This expert's services will be needed through trial. The total fees for all experts in this case, if it proceeds to trial, are estimated at approximately \$2.5 million.

More importantly, Aviation Department staff will not be able to fully focus on the job at hand – the successful completion of the NTD program within the prescribed schedule and budget – as they will have to devote substantial time to reviewing claims, producing records and preparing for a major trial.

To date, the County has resolved essentially all of the contractor and subcontractor claims which grew out of the NTD, taking care, in accordance with the direction of this Board, that certified small business enterprises (CSBEs) be protected. Approximately, \$40 million in eligible claim costs have been deducted from the \$105 million AA is providing. Additionally, the County has spent approximately \$28 million of its own funds to settle claims or portions of claims which are not allocable to American.

Therefore, approximately \$65 million remains to be allocated from the AA fund. This is the revenue source for the recommended settlement amount of \$4,750,000.

In light of the preceding, it is recommended that this Board approve the attached settlement, which provides for payment of \$4,750,000.00 dollars to TAAT. The settlement ensures that the County and American are not exposed to greater damages at trial, allows the County and American to stop spending money litigating this matter, assures that the balance of the original \$105 million contributed by American can be applied to costs of completion of the NTD, and allows MDAD to focus on completion of the NTD work, rather than on litigation.



Assistant County Manager

Ex. A

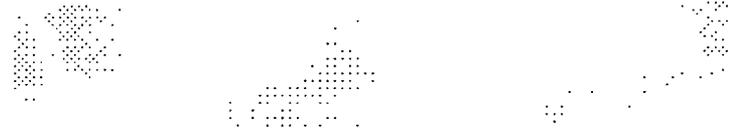
Memorandum

To: Hugo Benitez, Esq.
CC: David Murray, Esq.
From: Jim Thompson, Alpha Corporation
Date: March 10, 2008
Re: Proposed Settlement with TAAT



Alpha Corporation ("Alpha") was engaged to assist the County in, among other things, the process of evaluating and resolving claims arising out of the North Terminal Development Program ("NTD"). Alpha has provided such assistance to the County since August 2005, or about 2-1/2 years. During the course of our engagement we were requested by the Office of the County Attorney to provide assistance in connection with a number of NTD-related claims, including without limitation, the preparation and support of a counterclaim against TAAT. Based upon our knowledge of the case, gathered during the course of our engagement, and our specific investigation in preparation and support of the counterclaim, it is our opinion that the counterclaim against TAAT poses significant legal and factual difficulties. As a result, the cost of investigating, asserting and prosecuting such counterclaim may likely cost more than a potential recovery for the County.

Additionally, at the request of the County Attorney's Office, Alpha personnel evaluated TAAT's claim against the County. The proposed settlement being recommended to the Board of County Commissioners, while higher than the figure quantified in our analysis, is reasonable and fair in light of undecided legal and factual issues, the uncertainties inherent in litigation and the anticipated costs of litigating this case.



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Ex. B

CONSTRUCTION
MANAGERS & CONSULTANTS

GREYHAWK North America was retained by the Miami-Dade County Attorney's Office to review the project records relating to the construction of the American Airlines Terminal Expansion, the North Terminal Development (NTD), at Miami International Airport, to assist in litigation between the Turner Austin Airport Team (TAAT), American Airlines (American) and Miami-Dade County (the County). TAAT was engaged as the construction manager for the NTD and was subsequently terminated for convenience. Specifically, GREYHAWK was to evaluate the merit of claims against TAAT, asserted by the County and/or American for a variety of issues relating to the performance of TAAT as the construction manager for the project. We have completed our initial review of the potential claims and find that, based upon the project records, establishing entitlement to recovery at trial will be unlikely.

The following issues are noted with respect to the claims against TAAT:

1. The claims largely relate to defective workmanship and a failure of TAAT to ensure that the work was performed in accordance with the contract documents. The following are typical examples of the claims reviewed:
 - a. Improper construction of the guideway rail structure (Baker).
 - b. Failure of the slabs in the Maintenance Facility (Baker).
 - c. Damage to curtain wall panels (Masonry Arts).
 - d. Damage to Baggage Handling System equipment (Siemens).
 - e. Defective stucco work (MCM).

2. Following the termination of TAAT, claims for defective work, such as the defective concrete work by Baker Concrete, have largely been resolved as a result of settlement with TAAT's subcontractors. For example the settlement between American, TAAT, the County, and Baker Concrete is a complete settlement of all claims between the parties; therefore neither



American nor the County can prevail for the defective concrete work performed by Baker as TAAT's subcontractor. We believe that the situation is similar with regard to the Maintenance Facility slab which is further complicated by a finding, by an independent engineering consulting firm, that design issues contributed to the slab failure.

3. The claims relating to the defective stucco work are problematic due to the fact that the defective work was known to American and the County prior to the termination of TAAT and was not pursued at that time nor was it reserved as a condition of the termination.

4. Claims that material, such as the curtain wall, were ruined due to improper storage will be difficult to support. The curtain wall materials were procured by a subcontractor to TAAT, Masonry Arts, but as a result of the termination of TAAT, the subcontract was also terminated. No provisions were made after the termination for the proper storage of the materials.

5. Damage to the Baggage Handling equipment cannot be asserted against TAAT as the contract with Siemens was between Siemens and American.

These opinions are based on our review of the project documents as well as interviews with various project participants. We reserve the right to amend these conclusions if additional research were to reveal new or different facts from those currently known to us. However, based upon the information that is currently known to us, it is our opinion that it is unlikely that litigation of these claims will result in a favorable result for the County.

Frank A. Manzo
Senior Principal
March 10, 2008

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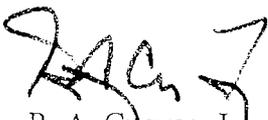


MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

DATE: April 8, 2008

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 12(A)(5)

Resolution No. R-390-08

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 12(A)(5)
04-08-08

RESOLUTION NO. R-390-08

RESOLUTION APPROVING A SETTLEMENT AGREEMENT BETWEEN TURNER CONSTRUCTION COMPANY, AUSTIN COMMERCIAL, INC., AMERICAN AIRLINES, AND MIAMI-DADE COUNTY, IN THE AMOUNT OF \$4.75 MILLION DOLLARS, RELATING TO CLAIMS ARISING OUT OF CONSTRUCTION OF THE NORTH TERMINAL AT MIAMI INTERNATIONAL AIRPORT; AUTHORIZING THE MAYOR OR DESIGNEE TO EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS NECESSARY TO IMPLEMENT THE AGREEMENT, SUBJECT TO APPROVAL OF THE COUNTY ATTORNEY AS TO LEGAL SUFFICIENCY

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby approves the attached Settlement Agreement (“the Agreement”) in the amount of \$4,750,000, between Turner Construction Company, Austin Commercial Inc., American Airlines, and Miami-Dade County relating to the construction of the North Terminal at Miami International Airport, in substantially the form attached hereto and incorporated herein; authorizes the County Mayor or designee to execute the Agreement attached hereto, and to execute all other documents necessary to implement the Agreement, subject to approval of the County Attorney as to legal sufficiency.

The foregoing resolution was offered by Commissioner **Sally A. Heyman** who moved its adoption. The motion was seconded by Commissioner **Barbara J. Jordan** and upon being put to a vote, the vote was as follows:

	Bruno A. Barreiro, Chairman	aye	
	Barbara J. Jordan, Vice-Chairwoman	aye	
Jose "Pepe" Diaz	aye	Audrey M. Edmonson	aye
Carlos A. Gimenez	aye	Sally A. Heyman	aye
Joe A. Martinez	aye	Dennis C. Moss	absent
Dorrin D. Rolle	aye	Natacha Seijas	absent
Katy Sorenson	aye	Rebeca Sosa	absent
Sen. Javier D. Souto	absent		

The Chairperson thereupon declared the resolution duly passed and adopted this 8th day of April, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS



HARVEY RUVIN, CLERK

By: **Kay Sullivan**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

A handwritten signature in black ink, appearing to be "DM", written over a horizontal line.

David M. Murray

**AGREEMENT FOR SETTLEMENT, RELEASE AND WAIVER OF CLAIMS
BETWEEN MIAMI- DADE COUNTY, AMERICAN AIRLINES, TURNER
CONSTRUCTION COMPANY AND AUSTIN COMMERCIAL, INC. IN
CONNECTION WITH NORTH TERMINAL DEVELOPMENT
PROGRAM AT THE MIAMI INTERNATIONAL AIRPORT**

THIS AGREEMENT FOR SETTLEMENT, RELEASE AND WAIVER OF CLAIMS (the "Agreement") is made and entered into this ___ day of _____, 2008 between Miami-Dade County, a political subdivision of the State of Florida (the "County"), American Airlines ("American"), and Turner Construction Company and Austin Commercial, Inc. d/b/a Turner-Austin Airport Team ("TAAT").

WHEREAS, the County, as the owner of Miami International Airport, entered into a Lease Construction and Financing Agreement with American, which authorized American to manage the design and construction of certain improvements to the Terminal Building and airside facilities at Miami International Airport, known as North Terminal Development Program (the "Program"); and

WHEREAS, on June 21, 2005, the County and American entered into the Fourth Amendment to Lease, Construction and Financing Agreement ("Fourth Amendment"), which provides for the County to take over and complete the Program; and

WHEREAS, on June 21, 2005, the County and American entered into a Claims Administration Agreement ("Claims Agreement") whereby the County agreed to make a good faith effort to analyze, review, process and pay claims asserted against American or the County; and

WHEREAS, American and TAAT previously entered into certain contract agreements, inclusive of all Work Authorizations issued thereunder, for the construction of the Program, including without limitation: (a) a Construction Management At-Risk Agreement dated November 20, 1998, identified from time to time as Contract No. MIA-727-1 and Contract No. MIA-727-R-1; (b) a Construction Management Agreement dated on or about March 14, 2001, identified from time to time as Contract No. MIA-727-R-4; and (c) a Construction Manager Services for Trade Bidding Agreement dated August 16, 2001 (collectively referred to as the "TAAT Contracts"); and

WHEREAS, disputes arose between the County, American and TAAT relating to the work performed, or alleged to be performed, under the TAAT Contracts and payment thereof, which resulted in, among other things, (a) TAAT's submission of a certified claim in the amount of \$12,366,414.00, which was assigned Tracking No. 13002 (the "Certified Claim"), and (b) litigation among the parties in the Circuit Court for the Eleventh Judicial Circuit in and for Miami-Dade County, General Jurisdiction Division, Case No. 05-19829 CA 10 and Case No. 05-08296 CA 21 (collectively, the "Lawsuit"); and

WHEREAS, the County, American and TAAT are desirous of settling the Certified Claim and the Lawsuit for **\$4,750,000.00**, and in agreeing to this amount, the parties acknowledge that all parties have compromised their respective positions in good faith;

NOW, THEREFORE, for and in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County, American and TAAT agree as follows:

1. Within forty five (45) days from the Effective Date of this Agreement the County shall pay to TAAT the amount of **\$4,750,000.00** (the "Settlement Payment"). By execution of this Agreement, TAAT certifies to the County that there were no amounts included in the Certified Claim

or amounts sought by TAAT in the Lawsuit on behalf of CSBE contractors at any level, nor are any amounts otherwise owed by TAAT to CSBE contractors under applicable agreements.

2. TAAT's receipt of the Settlement Payment shall constitute full accord and satisfaction of any and all claims, brought or asserted by or on behalf of TAAT or any of its subcontractors or suppliers (of any tier), or which could have been brought or asserted by same, arising out of or relating to the TAAT Contracts, the Certified Claim, and the Program (including requests for public records related to the Program), except as set forth below in Paragraph No. 5. TAAT specifically waives any claim for or entitlement to any further compensation (other than the Settlement Payment) of whatever nature arising out of or relating to the TAAT Contracts, the Certified Claim, the Lawsuit and the Program except for those items identified in Paragraph No. 5 hereof and Exhibit "B" attached hereto.

3. In consideration of the payment by County to TAAT of the Settlement Amount and the mutual covenants and obligations in this Agreement, TAAT hereby releases the County, American, and their respective officers, directors, parents, employees, agents, instrumentalities, subsidiaries and affiliates, successors and assigns (collectively the "Released Parties") from and against, and also waives and relinquishes any and all rights to, all claims, direct and indirect costs, damages, liability, interest, disputes or causes of action of whatever nature or kind it has or may have, whether known or unknown, against the Released Parties arising out of or relating to the TAAT Contracts, the Certified Claim, and the Program Settlement Payment, Contract, Certified Claim, Work, or Project except to enforce any and all provisions of this Agreement and except for those items identified in Paragraph No. 5 hereof and Exhibit "B" attached hereto.

4. The County and American hereby release TAAT from and against any claims, direct and indirect costs, damages, liability, interest, disputes or causes of action of whatever nature or kind either or both have or may have against TAAT whether known or unknown, inclusive of claims for latent defects, arising out of or relating to the TAAT Contracts, the Certified Claim, and the Lawsuit except for the following reservation of rights:

- (1) to enforce any of the obligations of TAAT and/or its Surety under the Consent of Surety to Requisition Payment, an executed copy of which is attached hereto as Exhibit "A" (the receipt by the County of an executed Consent of Surety is a condition precedent to payment of the Settlement Payment); and
- (2) to enforce any and all provisions of this Agreement, including without limitation, TAAT's certification with regard to CSBE contractors as set forth above.

5. Notwithstanding anything to the contrary in this Agreement, TAAT's waiver and release of rights shall not be applicable to the items identified and as described on Exhibit B hereto.

6. Upon TAAT's receipt of the Settlement Payment, TAAT, The County and American shall execute Stipulations for the entry of Orders of Dismissal of the Lawsuits.

7. By executing this Agreement, each party acknowledges that it has read this Agreement, understands it, and has had the opportunity to consult with its attorney before executing this document.

8. The parties accept the terms of this Agreement, and have agreed to its terms solely for their own convenience, without admitting liability.

9. The County and American agree that the Settlement Payment shall be allocated in its entirety to the Claims Administration Fund and shall not be challenged by American under applicable provisions of the Claims Administration Agreement.

10. For all purposes in connection with this Agreement, the "Effective Date" of this Agreement shall be the date of execution of this Agreement by the County Manager, which execution cannot take place unless approved by the Board of County Commissioners and if this agreement is not vetoed by the Mayor of Miami-Dade County, or, if vetoed, only if that veto is overridden by the Board of County Commissioners. Approval of the Board of County Commissioners, or, in the event of a veto of this agreement by the Mayor of Miami-Dade County, an override of that veto by the Board of County Commissioners, is an express condition precedent to any obligation herein being effective or binding against any party hereto.

IN WITNESS WHEREOF, the parties by their duly authorized officials have executed this Agreement the day first above written.

MIAMI-DADE COUNTY
For itself and on behalf of American Airlines

BY: _____
County Mayor

DATE OF EXECUTION: _____

ATTEST:

Deputy Clerk

SEAL

TURNER CONSTRUCTION COMPANY

BY: _____
Vice President

Attest: _____
Secretary

SEAL

AUSTIN COMMERCIAL, INC.

BY: *[Signature]*
President *Authorizing Representative*

Attest: *[Signature]*
Secretary

SEAL

APPROVED AS TO FORM & LEGAL SUFFICIENCY:

MIAMI-DADE COUNTY ATTORNEY

By: _____

Title: _____

EXHIBIT A
(ATTACHED STANDARD CONSENT OF SURETY HERE)

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AIA[®] Document G707[™] – 1994

Consent of Surety to Final Payment

Bond Nos. - See Exhibit A Attached

PROJECT: <i>(Name and address)</i> Miami International Airport See Exhibit A Attached	ARCHITECT'S PROJECT NUMBER:	OWNER <input type="checkbox"/>
	CONTRACT FOR: Miami International Airport See Exhibit A Attached	ARCHITECT <input type="checkbox"/>
		CONTRACTOR <input type="checkbox"/>
TO OWNER: <i>(Name and address)</i> American Airlines, Inc. Corporate Real Estate, MD 531 P. O. Box 819616 Dallas, TX 75261	CONTRACT DATED: Various Miami-Dade County P. O. Box 592075 AMF Miami, FL 33159	SURETY <input type="checkbox"/>
		OTHER <input type="checkbox"/>

In accordance with the provisions of the Contract between the Owner and the Contractor as indicated above, the
(Insert name and address of Surety)

See Attachment A

on bond of
(Insert name and address of Contractor)

Turner-Austin Airport Team
2500 SW 3rd Avenue
Miami, FL 33129

, SURETY,

hereby approves of the final payment to the Contractor, and agrees that final payment to the Contractor shall not
relieve the Surety of any of its obligations to
(Insert name and address of Owner)

American Airlines, Inc.
Corporate Real Estate, MD 531
P. O. Box 819616
Dallas, TX 75261

Miami-Dade County
P. O. Box 592075 AMF
Miami, FL 33159

, CONTRACTOR,

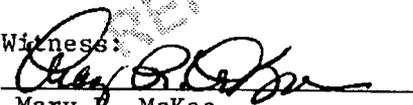
as set forth in said Surety's bond.

, OWNER,

IN WITNESS WHEREOF, the Surety has hereunto set its hand on this date: February 11, 2008
(Insert in writing the month followed by the numeric date and year.)

See Attachment A
(Surety)

See Attachment A
(Signature of authorized representative)

~~WITNESS~~ Witness:
(Seal): 
Mary R. McKee

See Attachment A
(Printed name and title)

CAUTION: You should sign an original AIA Contract Document, on which this text appears in RED. An original assures that changes will not be obscured.

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AIA® Document G707™ – 1994 Instructions

Consent of Surety to Final Payment

GENERAL INFORMATION

Purpose

This document is intended for use as a companion to AIA Document G706, Contractor's Affidavit of Payment of Debts and Claims, on construction projects where the Contractor is required to furnish a bond. By obtaining the Surety's approval of final payment to the Contractor and its agreement that final payment will not relieve the Surety of any of its obligations, the Owner may preserve its rights under the bond.

Related Documents

This document may be used with most of the AIA's Owner-Contractor agreements and general conditions, such as A201 and its related family of documents. As noted above, this is a companion document to AIA Document G706.

Use of Current Documents

Prior to using any AIA Contract Document, users should consult www.aia.org or a local AIA component to verify the most recent edition.

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CHANGES FROM THE PREVIOUS EDITION

Changes in the location of various items of information were made, without revision to the substance of the document.

COMPLETING THE G707 FORM

General

The bond form is the usual source of required information such as the contract date and the names and addresses of the Surety, Owner, Contractor and Project.

Architect's Project No.

This information is typically supplied by the Architect and entered on the form by the Contractor.

Contract For

This refers to the scope of the contract, such as "General Construction" or "Mechanical Work."

EXECUTION OF THE DOCUMENT

The G707 form requires both the Surety's seal and the signature of the Surety's authorized representative.

ATTACHMENT A

BOND NUMBERS:	TRAVELERS	See Exhibit "A"
	FEDERAL	See Exhibit "A"
	F&D/ZURICH	See Exhibit "A"
	LIBERTY	See Exhibit "A"
	AMERICAN HOME	See Exhibit "A"

Travelers Casualty and Surety Company of America, a Connecticut Corporation;
Federal Insurance Company, an Indiana Corporation;
Liberty Mutual Insurance Company;
American Home Assurance Company, a New York Corporation
Fidelity and Deposit Company of Maryland, a Maryland Corporation
Zurich American Insurance Company, A New York Corporation

Travelers Casualty and Surety Company of America
One Tower Square, Hartford, CT 06183 - 860-277-0452
A.M. Best Rating A+ XV

By: Sandra K. Wolf
Sandra K. Wolf, Attorney-In-Fact
Witness: Mary R. McKee
By: Mary R. McKee
Mary R. McKee

Federal Insurance Company
15 Mountain View Road
Warren, NJ 07061 - 908-903-4671
A.M. Best Rating A++ XV

By: Sandra K. Wolf
Sandra K. Wolf, Attorney-In-Fact
Witness: Mary R. McKee
BY: Mary R. McKee
Mary R. McKee

Liberty Mutual Insurance Company
175 Berkeley Street
Boston, MA 02117
A.M. Best Rating A XV

By: Richard D. Murant
Richard D. Murant
Witness: Deborah A. Knapp
By: Deborah A. Knapp
DEBORAH A. KNAPP

American Home Assurance Company
175 Water Street
New York, NY 10038 - 212-458-3706
A.M. Best Rating A++ XV

By: Sandra K. Wolf
Sandra K. Wolf, Attorney-In-Fact
Witness: Mary R. McKee
By: Mary R. McKee
Mary R. McKee

Fidelity and Deposit Company of Maryland /
Zurich American Insurance Company
1400 American Lane
Schaumburg, IL 60196
A.M. Best Rating A XV

By: Sandra K. Wolf
Sandra K. Wolf, Attorney-In-Fact
Witness: Mary R. McKee
By: Mary R. McKee
Mary R. McKee

TURNER AUSTIN AIRPORT TEAM
Performance and Payment Bonds Issued

EXHIBIT A

Bond #	Issue Date	Company	Bond #'s	Project Description	Contract No.	Project No.
1	1/28/2000	American	24-07-76	NTD Project Offices	MIA 727-R-1	MIA-790-R
		Federal	8162-05-26			
		Federal	8162-57-11			
		Liberty	15-010-701			
		Travelers	001SB103253350BCM			
2	5/1/2000	American	24-07-77	Facility Modification for Temporary Support Baggage System	MIA-766-R-2	MIA-766-R
		Federal	8162-05-27			
		Federal	8162-57-64			
		Liberty	15-010-725			
		Travelers	001SB103293213BCM			
3	5/26/2000	American	24-07-78	Eagle Bus Drive	MIA-768-R-2	MIA-768B
		Federal	8162-05-28			
		Federal	8162-57-74			
		Liberty	15-010-730			
		Travelers	001SB103293218BCM			
4	5/26/2000	American	24-07-79	C-D Infill Underground Utilities and Apron	MIA-737-R-2	MIA-737A
		Federal	8162-05-29			
		Federal	8162-57-75			
		Liberty	15-010-731			
		Travelers	001SB103293219BCM			
5	7/7/2000	American	24-07-80	Concourse A-B Other Airlines OAL Support	MIA-754-R-2	MIA-754-R
		Federal	8162-05-30			
		Federal	8163-39-20			
		Liberty	15-010-745			
		Travelers	001SB103335241BCM			
6	7/7/2000	American	24-07-81	Aircraft Maintenance and MDAD Relocations	MIA-768C	MIA-768-R-4
		Federal	8162-05-31			
		Federal	8163-39-21			
		Liberty	15-010-746			
		Travelers	001SB103335242BCM			
7	7/7/2000	American	24-07-82	Concourse A & B Gate Rewire	MIA-767-R	MIA-767-R-2
		Federal	8162-05-32			
		Federal	8163-39-22			
		Liberty	15-010-747			
		Travelers	001SB103335243BCM			
8	7/7/2000	American	24-07-83	Concourse D Interior Relocations	MIA-768A	MIA-768-R-3
		Federal	8162-05-33			
		Federal	8163-39-23			
		Liberty	15-010-748			
		Travelers	001SB103335244BCM			
9	9/5/2000	American	24-07-84	C-D Infill Temporary Wall & Selective Demolition	MIA-737-R-3	MIA-737-C
		Federal	8162-05-34			
		Federal	8163-39-65			
		Liberty	15-012-111			
		Travelers	001SB103347833BCM			
10	9/5/2000	American	24-07-85	C-D Infill Building Foundations and Construction Staging Platform	MIA-737-R-4	MIA-737B
		Federal	8162-05-35			
		Federal	8163-39-66			
		Liberty	15-012-112			
		Travelers	001SB103347834BCM			

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TURNER AUSTIN AIRPORT TEAM
Performance and Payment Bonds Issued

EXHIBIT A

Bond #	Issue Date	Company	Bond #'s	Project Description	Contract No.	Project No.
11	9/5/2000	American	24-07-86	Renovations of	MIA-762-R-3	MIA-762A
		Federal	8162-05-36	Passenger Loading		
		Federal	8163-39-67	Bridges		
		Liberty	15-012-113			
		Travelers	001SB103347835BCM			
12	9/5/2000	American	24-07-87	Apron Taxiway "W"	MIA-741-R-2	MIA-741C
		Federal	8162-05-37	Infill		
		Federal	8163-39-68			
		Liberty	15-012-114			
		Travelers	001SB103347836BCM			
13	12/18/2001	Federal	8162-05-38	BC Telecommunications	MIA-745D	MIA-745R4
		Travelers	103696398	Rerouting		
		F&D	08605951			
		Federal	8188-12-27			
		Travelers	103640045			
14	12/18/2001	Federal	8162-05-39	D Extension Shell	MIA-741A	MIA-741A
		Travelers	103696399	Concrete Procurement		
		F&D	08605952	Package		
		Federal	8188-12-28			
		Travelers	103640046			
15	12/18/2001	Federal	8162-05-40	BC Infill Site Work	MIA-745A	MIA-745R3
		Travelers	103696400	and Utilities		
		F&D	08605953			
		Federal	8188-12-29			
		Travelers	103640047			
16	12/18/2001	Federal	8162-05-41	C-D Infill Concrete	MIA-737-R-6	MIA-737E
		Travelers	103696401	Frame		
		F&D	08605954			
		Federal	8188-12-30			
		Travelers	103640048			
17	12/18/2001	Federal	8162-05-42	BC Infill Demo C	MIA-745E	MIA-745ER5
		Travelers	103696402	Throat Connector		
		F&D	08605955	Corridor		
		Federal	8188-12-31			
		Travelers	103640049			
		Liberty	15-014-045			

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CORPORATE ACKNOWLEDGMENT

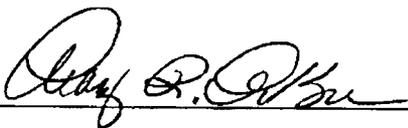
Form 152

STATE OF JERSEY

COUNTY OF BERGEN

On this 11th day of February, 2008, before me personally came Sandra K. Wolf to me known, who, being by me duly sworn, did depose and say that **she**/he resides Riverdale, NJ that **she**/he is the Attorney-In-Fact of Travelers Casualty and Surety Company of America the corporation described in and which executed the above instrument that **she**/he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that **she**/he signed **her**/his name thereto by like order.

(SEAL)



MARY R. MCKEE
Notary Public of New Jersey
Commission Expires 2/1/2012

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

HARTFORD, CONNECTICUT 06183

FINANCIAL STATEMENT AS OF DECEMBER 31, 2008

CAPITAL STOCK \$ 8,900,000

ASSETS		LIABILITIES & SURPLUS	
CASH & INVESTED CASH	\$ 114,080,791	UNEARNED PREMIUMS	\$ 724,800,438
BONDS	2,912,711,571	LOSSES	872,911,753
STOCK	14,865,188	LOSS ADJUSTMENT EXPENSES	128,785,154
INVESTMENT INCOME DUE AND ACCRUED	34,978,331	COMMISSIONS	28,073,926
PREMIUM BALANCES	166,157,298	TAXES, LICENSES AND FEES	21,233,762
REINSURANCE RECOVERABLE	3,854,977	OTHER EXPENSES	30,823,925
NET DEFERRED TAX ASSET	42,796,290	DIVIDENDS	7,080,280
CEDED DEPOSIT ASSET	6,134,822	CURRENT FEDERAL AND FOREIGN INCOME TAXES	38,726,832
STATE SURCHARGES RECEIVABLE	149,430	CEDED REINSURANCE NET PREMIUMS PAYABLE	(4,981,682)
OTHER ASSETS	(4,414,080)	FUNDS HELD UNDER REINSURANCE TREATIES	89,054,332
		AMOUNTS WITHHELD / RETAINED BY COMPANY FOR OTHERS	39,095,839
		REMITTANCES AND ITEMS NOT ALLOCATED	60,285,233
		PROVISION FOR REINSURANCE	5,627,014
		PAYABLE TO PARENT, SUBSIDIARIES & AFFILIATES	86,256,778
		PAYABLE FOR SECURITIES	4,975,100
		RETROACTIVE REINSURANCE RESERVE ASSUMED	20,845,771
		OTHER ACCRUED EXPENSES AND LIABILITIES	119,334
		TOTAL LIABILITIES	\$ 2,183,513,785
		CAPITAL STOCK	\$ 8,000,000
		PAID IN SURPLUS	303,297,402
		OTHER SURPLUS	818,603,349
		TOTAL SURPLUS TO POLICYHOLDERS	\$ 1,127,900,751
TOTAL ASSETS	\$ 3,291,414,536	TOTAL LIABILITIES & SURPLUS	\$ 3,291,414,536

STATE OF CONNECTICUT)
 COUNTY OF HARTFORD)SS.
 CITY OF HARTFORD)

LAWRENCE A. SIUTA, BEING DULY SWORN, SAYS THAT HE IS CHIEF FINANCIAL OFFICER - TRAVELERS BOND & FINANCIAL PRODUCTS, OF TRAVELERS CASUALTY SURETY COMPANY OF AMERICA, AND THAT TO THE BEST OF HIS KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT STATEMENT OF THE FINANCIAL CONDITION OF SAID COMPANY AS OF THE 31st DAY OF DECEMBER, 2008.

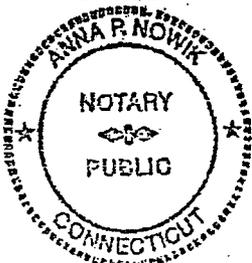
L. A. Siuta

CHIEF FINANCIAL OFFICER - TRAVELERS BOND & FINANCIAL PRODUCTS

Anna P. Nowik

NOTARY PUBLIC

SUBSCRIBED AND SWORN TO BEFORE ME THIS 29TH DAY OF MARCH, 2007



Anna P. Nowik Notary Public
 My Commission Expires June 30, 2011



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 218098

Certificate No. 002093198

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Sandra K. Wolf, Alice McLaughlin, and Mary R. McKee

of the City of Woodcliff Lakes, State of New Jersey, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 15th day of December 2006

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: [Signature]
George W. Thompson, Senior Vice President

On this the 15th day of December, 2006, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2011.



[Signature]
Marie C. Tetreault, Notary Public

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kori M. Johanson, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 11th day of February, 20 08


Kori M. Johanson, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

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WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

CORPORATE ACKNOWLEDGMENT

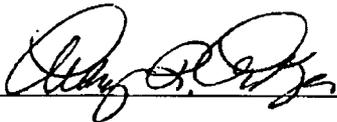
Form 152

STATE OF JERSEY

COUNTY OF BERGEN

On this 11th day of February, 2008, before me personally came Sandra K. Wolf to me known, who, being by me duly sworn, did depose and say that **she**/he resides Riverdale, NJ that **she**/he is the Attorney-In-Fact of Federal Insurance Company the corporation described in and which executed the above instrument that **she**/he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that **she**/he signed **her**/his name thereto by like order.

(SEAL)



MARY R. McKEE
Notary Public of New Jersey
Commission Expires 2/1/2012

FEDERAL INSURANCE COMPANY

STATEMENT OF ASSETS, LIABILITIES AND SURPLUS TO POLICYHOLDERS

Statutory Basis

DECEMBER 31, 2008

(in thousands of dollars)

ASSETS		LIABILITIES AND SURPLUS TO POLICYHOLDERS	
Cash and Short Term Investments	\$ 580,553	Outstanding Losses and Loss Expenses	\$ 11,585,150
United States Government, State and Municipal Bonds	12,508,719	Unearned Premiums	3,618,396
Other Bonds	2,889,870	Reinsurance Premiums Payable	449,489
Stocks	1,067,735	Provision for Reinsurance	201,207
Other Invested Assets	1,358,500	Other Liabilities	1,224,072
TOTAL INVESTMENTS	18,385,377	TOTAL LIABILITIES	17,088,324
Investments in Affiliates:		Capital Stock	20,980
Crubb Investment Holdings, Inc.	2,235,569	Paid - In Surplus	3,108,790
Pacific Indemnity Company	1,608,062	Unassigned Funds	8,148,977
Crubb Insurance Company of Europe	873,008		
Executive Risk Indemnity, Inc.	810,148	SURPLUS TO POLICYHOLDERS	11,278,747
CO Canada Holdings Ltd.	481,798		
Great Northern Insurance Company	351,273		
Crubb Insurance Company of Australia	159,837		
Vigant Insurance Company	138,358		
Other Affiliates	220,451		
Premiums Receivable	1,828,183		
Other Assets	1,483,023		
TOTAL ADMITTED ASSETS	\$ 28,383,071	TOTAL LIABILITIES AND SURPLUS TO POLICYHOLDERS	\$ 28,383,071

Investments are valued in accordance with requirements of the National Association of Insurance Commissioners.
Investments valued at \$454,144,805 are deposited with government authorities as required by law.

State, County, & City of New York, ss:

Yvonne Baker, Assistant Secretary of the Federal Insurance Company being duly sworn, deposes and says that the foregoing Statement of Assets, Liabilities and Surplus to Policyholders of said Federal Insurance Company on December 31, 2008 is true and correct and is a true abstract of the Annual Statement of said Company as filed with the Secretary of the Treasury of the United States for the 12 months ending December 31, 2008.

Subscribed and sworn to before me
this

Dorothy Baker
Notary Public

DOROTHY M. BAKER
Notary Public, State of New York
No. 31-60004
Qualified in New York County
Commission Expires Sept. 14, 2009

Yvonne Baker
Assistant Secretary



Chubb
Surety

POWER
OF
ATTORNEY

Federal Insurance Company
Vigilant Insurance Company
Pacific Indemnity Company

Attn: Surety Department
15 Mountain View Road
Warren, NJ 07059

Know All by These Presents, That FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, and PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, do each hereby constitute and appoint Sandra K. Wolf, Alice McLaughlin and Mary R. McKee of Woodcliff Lake, New Jersey

each as their true and lawful Attorney- in- Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY have each executed and attested these presents and affixed their corporate seals on this 28th day of December, 2006

Kenneth C. Wendel
Kenneth C. Wendel, Assistant Secretary

John P. Smith
John P. Smith, Vice President

STATE OF NEW JERSEY
County of Somerset

ss.

On this 28th day of December, 2006

before me, a Notary Public of New Jersey, personally came Kenneth C. Wendel, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said Kenneth C. Wendel, being by me duly sworn, did depose and say that he is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with John P. Smith, and knows him to be Vice President of said Companies; and that the signature of John P. Smith, subscribed to said Power of Attorney is in the genuine handwriting of John P. Smith, and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



KAREN A. EDER
Notary Public, State of New Jersey
No. 2231647
Commission Expires Oct. 28, 2009

Karen A. Eder
Notary Public

CERTIFICATION

Extract from the By- Laws of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys- In- Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I, Kenneth C. Wendel, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY (the "Companies") do hereby certify that

- (i) the foregoing extract of the By- Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U.S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U.S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this 11th day of February, 2008.



Kenneth C. Wendel
Kenneth C. Wendel, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY Telephone (908) 903- 3493 Fax (908) 903- 3658 e-mail: surety@chubb.com

CORPORATE ACKNOWLEDGMENT

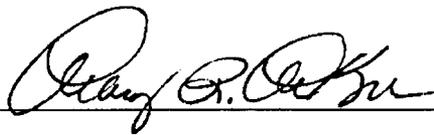
Form 152

STATE OF NEW JERSEY

COUNTY OF BERGEN

On this 11th day of February, 2008, before me personally came Sandra K. Wolf to me known, who, being by me duly sworn, did depose and say that **she**/he resides Riverdale, NJ that **she**/he is the Attorney-In-Fact of American Home Assurance Company the corporation described in and which executed the above instrument that **she**/he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that **she**/he signed **her**/his name thereto by like order.

(SEAL)



MARY R. MCKEE
Notary Public of New Jersey
Commission Expires 2/1/2012

American Home Assurance Company
 Executive Offices
 70 Pine Street
 New York, NY 10270

**STATUTORY
 FINANCIAL STATEMENT**
 as of DECEMBER 31, 2008

Assets		Liabilities	
Bonds	14,844,986,883	Reserve for Losses and Loss Expense..	13,101,063,807
Stocks.....	3,891,825,954	Reserve for Unearned Premiums.....	4,518,443,052
Collateral Loans.....	-	Reserve for Expenses, Texas, Licenses and Fees.....	183,640,715
Cash & Short-Term Investments.....	293,792,090	Provision for Reinsurance.....	128,824,420
Agents' Balances or Uncollected Premiums....	993,632,424	Funds Held Under Reinsurance Treaties.....	228,878,454
Funds Held by Ceding Reinsurers.....	13,951,474	Other Liabilities.....	4,036,892,093
Reinsurance Recoverable on Loss Payments..	488,243,233	Capital Stock.....	25,425,810
Equities & Deposits in Pools & Associations..	858,614,447	Surplus.....	6,186,427,236
Other Admitted Assets.....	7,024,549,082		
TOTAL ASSETS	28,409,595,587	TOTAL POLICYHOLDERS' SURPLUS	6,211,853,046
		TOTAL LIABILITIES AND POLICYHOLDERS' SURPLUS	28,409,595,587

Bonds and stocks are valued in accordance with the basis adopted by the National Association of Insurance Commissioners. Securities carried at \$2,565,807,897 in the above statement are deposited as required by law or otherwise pledged.

CERTIFICATE

John Q. Doyle, President, and Richard T. Pisano, Comptroller, of American Home Assurance Company being duly sworn, each for himself deposes and says that they are the above described officers of the said Company and that on the 31st day of December, 2008, the Company actually possessed the assets set forth in the foregoing statement and that such assets were available for the payment of losses and claims and held for the protection of its policyholders and creditors, except as hereinbefore indicated, and that the foregoing statement is a correct exhibit of such assets and liabilities of said Company on the 31st day of December, 2008, according to the best of their information, knowledge and belief respectively.

John Q. Doyle

President

Richard T. Pisano

Comptroller

STATE OF NEW YORK)
 COUNTY OF NEW YORK) ss.:

On this ___ day of April 20, 2007, before me came the above named officers of American Home Assurance Company to me known to be the individuals and officers described herein, and acknowledged that they executed the foregoing instrument and affixed the seal of said corporation thereto by authority of their office.

Vincent J. Patalano

31078 (3/03)

VINCENT J. PATALANO
 Notary Public, State of New York
 No. 31-4987423
 Qualified in New York County
 Commission Expires October 15, 2009



POWER OF ATTORNEY

American Home Assurance Company
National Union Fire Insurance Company of Pittsburgh, PA.
Principal Bond Office: 175 Water Street, New York, NY 10038

Power No. **24600**

No. **01-B-94586**

KNOW ALL MEN BY THESE PRESENTS:

That American Home Assurance Company, a New York corporation, and National Union Fire Insurance Company of Pittsburgh, PA., a Pennsylvania corporation, does each hereby appoint

Sandra K. Wolf, Alice McLaughlin, Mary R. McKee, of Woodcliff Lake, New Jersey--

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, PA. have each executed these presents

this 24th day of August, 2007



Vincent P. Forte

Vincent P. Forte, Vice President

STATE OF NEW YORK
COUNTY OF NEW YORK } ss.

Juliana E. Hallenbeck

On this 24th day of August, 2007, before me came the above named officer of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, PA., to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporations thereto by authority of his office.

JULIANA E. HALLENBECK
NOTARY PUBLIC, STATE OF NEW YORK
No. 01HAG125671
QUALIFIED IN BROOK COUNTY
MY COMMISSION EXPIRES APRIL 18, 2009

CERTIFICATE

Excerpts of Resolutions adopted by the Boards of Directors of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, PA. on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile; and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognition and other contract of indemnity and writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of American Home Assurance Company and of National Union Fire Insurance Company of Pittsburgh, PA. do hereby certify that the foregoing excerpts of Resolutions adopted by the Boards of Directors of these corporations, and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolutions and the Powers of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of each corporation

this 11th day of February, 2008.



Elizabeth M. Tuck

Elizabeth M. Tuck, Secretary

CORPORATE ACKNOWLEDGMENT

Form 152

STATE OF JERSEY

COUNTY OF BERGEN

On this 11th day of February, 2008, before me personally came Sandra K. Wolf to me known, who, being by me duly sworn, did depose and say that she/he resides Riverdale, NJ that she/he is the Attorney-In-Fact of Fidelity and Deposit Company of Maryland the corporation described in and which executed the above instrument that she/he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she/he signed her/his name thereto by like order.

(SEAL)



MARY R. McKEE
Notary Public of New Jersey
Commission Expires 2/1/2012



FIDELITY AND DEPOSIT COMPANY

OF MARYLAND
3910 KESWICK ROAD, BALTIMORE, MD 21203

Statement of Financial Condition
As Of December 31, 2006

ASSETS

Table with 2 columns: Asset Name and Amount. Rows include Bonds, Stocks, Cash and Short Term Investments, Reinsurance Recoverable, Other Accounts Receivable, and TOTAL ADMITTED ASSETS.

LIABILITIES, SURPLUS AND OTHER FUNDS

Table with 2 columns: Liability/Category Name and Amount. Rows include Reserve for Taxes and Expenses, Ceded Reinsurance Premiums Payable, Securities Lending Collateral Liability, TOTAL LIABILITIES, Capital Stock, Paid Up, Surplus, Surplus as regards Policyholders, and TOTAL.

Securities carried at \$33,209,464 in the above statement are deposited as required by law.

Securities carried on the basis prescribed by the National Association of Insurance Commissioners. On the basis of December 31, 2006 market quotations for all bonds and stocks owned, the Company's total admitted assets would be \$261,193,375 and surplus as regards policyholders \$192,706,000.

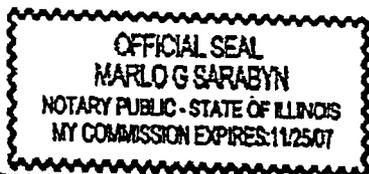
I, DAVID A. BOWERS, Corporate Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing statement is a correct exhibit of the assets and liabilities of the said Company on the 31st day of December, 2006.

Handwritten signature of David A. Bowers over a horizontal line, with the title 'Corporate Secretary' printed below.

State of Illinois }
City of Schaumburg } SS:

Subscribed and sworn to, before me, a Notary Public of the State of Illinois, in the City of Schaumburg, this 20th day of March, 2007.

Handwritten signature of Marlo G. Sarabyn over a horizontal line, with the title 'Notary Public' printed below.



**Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by FRANK E. MARTIN JR., Vice President, and ERIC D. BARNES, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof does hereby nominate, constitute and appoint Sandra K. WOLF, Alice MCLAUGHLIN and Mary R. MICHELE, all of Woodcliff Lake, New Jersey, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney, revokes that issued on behalf of Sandra K. WOLF, Alice MCLAUGHLIN, Michele A. DERY, dated February 1, 2006.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 7th day of December, A.D. 2006.

ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND



Eric D. Barnes

Frank E. Martin Jr.

By:

Eric D. Barnes

Assistant Secretary

Frank E. Martin Jr.

Vice President

State of Maryland } ss:
City of Baltimore }

On this 7th day of December, A.D. 2006, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came FRANK E. MARTIN JR., Vice President, and ERIC D. BARNES, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Dennis R. Hayden

Dennis R. Hayden

Notary Public

My Commission Expires: February 1, 2009

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EXTRACT FROM BY-LAWS OF FIDELITY AND DEPOSIT COMPANY OF MARYLAND

"Article VI, Section 2. The Chairman of the Board, or the President, or any Executive Vice-President, or any of the Senior Vice-Presidents or Vice-Presidents specially authorized so to do by the Board of Directors or by the Executive Committee, shall have power, by and with the concurrence of the Secretary or any one of the Assistant Secretaries, to appoint Resident Vice-Presidents, Assistant Vice-Presidents and Attorneys-in-Fact as the business of the Company may require, or to authorize any person or persons to execute on behalf of the Company any bonds, undertakings, recognizances, stipulations, policies, contracts, agreements, deeds, and releases and assignments of judgements, decrees, mortgages and instruments in the nature of mortgages,...and to affix the seal of the Company thereto."

CERTIFICATE

I, the undersigned, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that the Vice-President who executed the said Power of Attorney was one of the additional Vice-Presidents specially authorized by the Board of Directors to appoint any Attorney-in-Fact as provided in Article VI, Section 2, of the By-Laws of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed."

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company,

this 11th day of February, 2008.

Gerold F. Halcy
Assistant Secretary

CORPORATE ACKNOWLEDGMENT

Form 152

STATE OF Pennsylvania

COUNTY OF Montgomery

On this 11th day of February, 2008, before me personally came Richard D. Morgan to me known, who, being by me duly sworn, did depose and say that she/he resides Plymouth Meeting that she/he is the Attorney-In-Fact of Liberty Mutual Insurance Company the corporation described in and which executed the above instrument that she/he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she/he signed her/his name thereto by like order.

(SEAL)



Teresa Pastella

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Plymouth Twp., Montgomery County
My Commission Expires Mar. 28, 2009
Member, Pennsylvania Association of Notaries

CORPORATE ACKNOWLEDGMENT

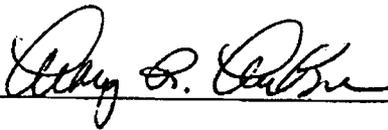
Form 152

STATE OF JERSEY

COUNTY OF BERGEN

On this 11th day of February, 2008, before me personally came Sandra K. Wolf to me known, who, being by me duly sworn, did depose and say that **she**/he resides Riverdale, NJ that **she**/he is the Attorney-In-Fact of Zurich American Insurance Company the corporation described in and which executed the above instrument that **she**/he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that **she**/he signed **her**/his name thereto by like order.

(SEAL)

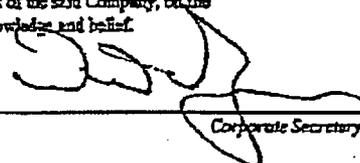


MARY R. MCKEE
Notary Public of New Jersey
Commission Expires 2/1/2012

ZURICH AMERICAN INSURANCE COMPANY
COMPARATIVE BALANCE SHEET
ONE LIBERTY PLAZA, 165 BROADWAY, 25TH FLOOR, NEW YORK, NY 10006
As of December 31, 2006

	12/31/2006	12/31/2005
Assets		
Bonds	\$18,073,352,872	\$16,583,058,524
Common Stock	2,849,618,678	2,686,385,541
Real Estate	30,557,423	33,107,216
Other Invested Assets	299,554,188	178,307,135
Short-term Investments	304,091,911	984,509
Cash	2,530,185,882	514,508,392
Employee Trust for Deferred Compensation Plan	80,328,263	73,490,595
Total Cash and Invested Assets	24,167,689,217	20,069,841,912
	4,480,227,694	4,387,854,625
Funds Held with Reinsurers	17,616,017	18,090,624
Reinsurance Recoverable	1,213,858,365	1,671,201,935
Accrued Investment Income	155,518,130	140,638,529
Federal Income Tax Recoverable	546,748,319	457,043,810
Due from Affiliates	174,161,797	913,049,309
Other Assets	757,598,582	822,026,251
Total Assets	31,513,418,125	28,479,746,055
Liabilities and Policyholders' Surplus		
Liabilities:		
Loss and LAE Reserves	14,149,869,727	14,163,888,375
Loss Portfolio Transfer	(9,811,239)	(41,005,845)
Unearned Premium Reserve	4,622,977,469	4,536,417,528
Funds Held with Reinsurers	250,851,383	333,691,728
Loss in Course of Payment	394,524,981	560,646,765
Commission Reserve	119,963,062	96,027,842
Federal Income Tax Payable	35,410,569	11,516,066
Residuals and Items Unallocated	243,556,654	127,034,096
Payable to parent, subsidiaries and affiliates	329,287,394	241,069,331
Provision for Reinsurance	119,083,992	65,398,515
Ceded Reinsurance Premiums Payable	957,965,095	931,615,174
Securities Lending Collateral Liability	2,096,100,376	-
Other Liabilities	2,166,842,890	1,925,897,480
Total Liabilities	25,676,622,353	22,951,797,055
Policyholders' Surplus:		
Common Capital Stock	5,000,000	5,000,000
Paid-In and Contributed Surplus	4,394,131,141	4,306,131,141
Surplus Notes	2,014,300,000	2,014,300,000
Special Surplus Retrospective Reinsurance	80,956,000	87,000,000
Cumulative Unrealized Gain	575,279,074	624,034,995
Dividends Undeclared	450,941	1,408,746
Loss Portfolio Transfer Account	9,811,239	41,005,845
Unassigned Surplus	(1,043,132,623)	(1,350,931,727)
Total Policyholders' Surplus	6,036,795,772	5,527,949,000
Total Liabilities and Policyholders' Surplus	31,513,418,125	28,479,746,055

I, DAVID A. BOWERS, Corporate Secretary of ZURICH AMERICAN INSURANCE COMPANY do hereby certify that the foregoing statement is a correct exhibit of the assets and liabilities of the said Company, on the 31st day of December, 2006, according to the best of my information, knowledge and belief.

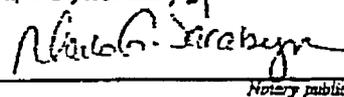


 Corporate Secretary

State of Illinois
 County of Cook

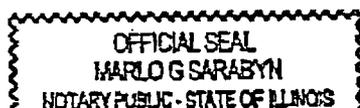
} SS:

Subscribed and sworn to, before me, a Notary Public of the State of Illinois, in the City of Schaumburg, this 20th day of March, 2007.



 Notary public

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ZURICH AMERICAN INSURANCE COMPANY

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the ZURICH AMERICAN INSURANCE COMPANY, a corporation created by and existing under the laws of the State of New York does hereby nominate, constitute and appoint Sandra K. WOLF, Alice MCLAUGHLIN and Mary R. MCKEE, all of Woodcliff Lake, New Jersey, EACH its true and lawful Attorneys-In-Fact with power and authority hereby conferred to sign, seal, and execute in its behalf, during the period beginning with the date of issuance of this power of attorney, any and all bonds and undertakings, recognizances or other written obligations in the nature thereof, and to bind ZURICH AMERICAN INSURANCE COMPANY thereby, and all of the acts of said Attorney[s]-in-Fact pursuant to these presents are hereby ratified and confirmed. This Power of Attorney is made and executed pursuant to and by the authority of the following By-Law duly adopted by the Board of Directors of the Company which By-Law has not been amended or rescinded.

Article VI, Section 5. "...The President or a Vice President in a written instrument attested by a Secretary or an Assistant Secretary may appoint any person Attorney-In-Fact with authority to execute surety bonds on behalf of the Company and other formal underwriting contracts in reference thereto and reinsurance agreements relating to individual policies and bonds of all kinds and attach the corporate seal. Any such officers may revoke the powers granted to any Attorney-In-Fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY by unanimous consent in lieu of a special meeting dated December 15, 1998

" RESOLVED, that the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile on any Power of Attorney pursuant to Article VI, Section 5 of the By-Laws, and the signature of a Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power. Any such power or any certificate thereof with such facsimile signature and seal shall be valid and binding on the Company. Furthermore, such power so executed, sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding on the Company."

IN WITNESS WHEREOF, the ZURICH AMERICAN INSURANCE COMPANY has caused these presents to be executed in its name and on its behalf and its Corporate Seal to be hereunto affixed and attested by its officers thereunto duly authorized, this 7th day of December, A.D. 2006. This power of attorney revokes that issued on behalf of Sandra K. WOLF, Alice MCLAUGHLIN, Michele A. DERY, dated February 1, 2006.



ZURICH AMERICAN INSURANCE COMPANY

Eric D. Barnes

Frank E. Martin Jr.

STATE OF MARYLAND }
CITY OF BALTIMORE }

SS: Eric D. Barnes Secretary Frank E. Martin Jr. Vice President

On the 7th day of December, A.D. 2006, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came the above named Vice President and Secretary of ZURICH AMERICAN INSURANCE COMPANY, to me personally known to be the individuals and officers described in and who executed the preceding instrument and they each acknowledged the execution of the same and being by me duly sworn, they severally and each for himself deposed and said that they respectively hold the offices in said Corporation as indicated, that the Seal affixed to the preceding instrument is the Corporate Seal of said Corporation, and that the said Corporate Seal, and their respective signature as such officers, were duly affixed and subscribed to the said instrument pursuant to all due corporate authorization.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above.



[Signature]

Notary Public My Commission Expires: February 1, 2009

This Power of Attorney limits the acts of those named therein to the bonds and undertaking specifically named therein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

CERTIFICATE

I, the undersigned, a Secretary of the ZURICH AMERICAN INSURANCE COMPANY, do hereby certify that the foregoing Power of Attorney is still in full force and effect, and further certify that Article VI, Section 5 of the By-Laws of the Company and the Resolution of the Board of Directors set forth in said Power of Attorney are still in force.

IN TESTIMONY WHEREOF I have hereto subscribed my name and affixed the seal of said Company

Gerald F. Haley

the 11th day of February, 2008.

Gerald F. Haley Secretary



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This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

1885923

LIBERTY MUTUAL INSURANCE COMPANY
BOSTON, MASSACHUSETTS

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS:

That Liberty Mutual Insurance Company (the "Company"), a Massachusetts stock insurance company, pursuant to and by authority of the By-law and Authorization hereinafter set forth, does hereby name, constitute and appoint **KIM P. JEW, DENNIS A. MURPHY, PETER J. WORTHINGTON, PETER R. SCHIESSER, MATTHEW S. HAYDON, ROBERT J. BAKER, ANGELINE GREANEY, RICHARD S. MAXEY, JAMES D. GERSCH, WILLIAM J. MISERO, DENNIS S. PERLER, CARL B. HIGGINS, MICHAEL DEVENUTO, JAMES G. TRESSEL, CRAIG L. GORTNER, JANET M. HARRISON, SEAN MCGROARTY, LINDA N. MILLER, DAVID M. FINKELSTEIN, RICHARD D. MORGAN, JOHN E. BALDINO, THOMAS J. REES, ALL OF THE CITY OF PLYMOUTH MEETING, STATE OF PENNSYLVANIA**

each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, and the execution of such undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company in their own proper persons.

That this power is made and executed pursuant to and by authority of the following By-law and Authorization:

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

By the following instrument the chairman or the president has authorized the officer or other official named therein to appoint attorneys-in-fact:

Pursuant to Article XIII, Section 5 of the By-laws, Gamet W. Elliott, Assistant Secretary of Liberty Mutual Insurance Company, is hereby authorized to appoint such attorneys-in-fact as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

That the By-law and the Authorization set forth above are true copies thereof and are now in full force and effect.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Company and the corporate seal of Liberty Mutual Insurance Company has been affixed thereto in Plymouth Meeting, Pennsylvania this 7th day of February, 2006.

LIBERTY MUTUAL INSURANCE COMPANY

By Gamet W. Elliott
Gamet W. Elliott, Assistant Secretary



COMMONWEALTH OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 7th day of February, 2006, before me, a Notary Public, personally came Gamet W. Elliott, to me known, and acknowledged that he is an Assistant Secretary of Liberty Mutual Insurance Company; that he knows the seal of said corporation; and that he executed the above Power of Attorney and affixed the corporate seal of Liberty Mutual Insurance Company thereto with the authority and at the direction of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Plymouth Twp., Montgomery County
My Commission Expires Mar. 28, 2009
Member, Pennsylvania Association of Notaries

Teresa Pastella
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of Liberty Mutual Insurance Company, do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the officer or official who executed the said power of attorney is an Assistant Secretary specially authorized by the chairman or the president to appoint attorneys-in-fact as provided in Article XIII, Section 5 of the By-laws of Liberty Mutual Insurance Company.

This certificate and the above power of attorney may be signed by facsimile or mechanically reproduced signatures under and by authority of the following vote of the board of directors of Liberty Mutual Insurance Company at a meeting duly called and held on the 12th day of March, 1980.

VOTED that the facsimile or mechanically reproduced signature of any assistant secretary of the company, wherever appearing upon a certified copy of any power of attorney issued by the company in connection with surety bonds, shall be valid and binding upon the company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said company, this 11th day of FEBRUARY, 2008



David M. Carey
David M. Carey, Assistant Secretary

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Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

EXHIBIT B

The following items, up to the principal amounts identified below (where applicable), are not waived, released or otherwise included within the scope of the Settlement Agreement between the County, American, and TAAT relating to the TAAT Contracts, the Certified Claim, the Lawsuit, and the Program (all as defined in the Settlement Agreement), if (a) such claims exist or are brought by the entities listed below to recover Program Costs, defined as costs incurred to provide labor, services, and/or materials to the North Terminal Project, including without limitation general conditions and general requirements expenses, and (b) to the extent such costs would, under the contracts between TAAT and American, be payable by American or the County; no other costs shall constitute Program Costs, specifically excluding from the definition of Program Costs (but not limited to) costs incurred because of TAAT's failure to release to the claimant retainage or other amounts received by TAAT from American or the County, personal injury or property damage claims (except to the extent insured under the insurance provided for the Program by American or the County) or non-contractual claims of any kind. The non-waived, non-released claims are limited to those designated in the "Open NTD Trade Claims Log" prepared by Alpha Corporation dated January 28, 2008, in accordance with its role and responsibilities under the Claims Agreement (the "Alpha Log")¹ and those claims brought by the following listed entities, with maximum compensation to each entity on behalf of the Program expressly capped at the amount designated in the Alpha Log and the amounts shown below (or as otherwise specifically stated herein):

- | | | |
|-----|-------------------------------|--------------|
| i) | Palisades Collection LLC/AT&T | \$180,000.00 |
| ii) | Murton Roofing | \$30,000.00 |

The Items above include all claims possible to be brought by the listed entities, either jointly or individually.

Costs, expenses or other liability, including but not limited to attorney's fees and expenses, both prospective and previously incurred by TAAT arising out of or in any way relating to the above matters are not deemed included within the principal amounts identified on this Exhibit B and, consequently, are included within the scope of the waiver and release provided by TAAT in the Settlement Agreement.

The intent of the above is to establish, as between the County and American on the one hand and TAAT on the other hand, the maximum amount that the County and/or American shall be responsible to pay to the identified claimants for the resolution of the identified claims. Any claim not specifically identified on this Exhibit B is deemed settled, released and waived by TAAT per the Settlement Agreement. Nothing in this Exhibit B is intended to mean, nor shall be construed to mean, that any of the identified items have merit or that the claimants are otherwise entitled to all or any part of the principal amounts identified. In the event any of the listed entities reasserts or asserts any claim against the County or American, TAAT agrees to cooperate fully and in good faith with the County or American in investigating, evaluating and defending such claim.

¹ The claims on the Alpha Log (with the exception of the Aventura claim up to the stated last settlement offer of \$10,673) are considered by the County, American and TAAT to be without merit and are included herein in an abundance of caution, with it being understood that the County's and American's exposure on such claims (if any) is limited to Program Costs as defined above. The County, American and TAAT have each conducted a thorough search of their project records and represent to one another that they are aware of no claims against any party or the Program arising under TAAT's Contracts except as specifically identified or referenced herein.

In no event shall American or the County be liable to TAAT for claims of any kind resulting or arising out of litigation between TAAT and the listed entities in excess of the amounts listed above. In no event shall American or the County be liable to TAAT for claims of any kind brought by any party not listed above. Nothing contained herein shall be deemed an obligation on the part of American or the County to indemnify, defend, or hold harmless TAAT from any claim, including those claims listed above, and the County and American shall not be required to resolve any claim asserted against TAAT in any fashion other than as required in this Exhibit B.

Additionally, this settlement does not resolve the current litigation between TAAT, American, and the County related to work performed on the project by TJ Builders, and currently pending as Case No. 05-19829 CA 10 in the Thirteenth Judicial Circuit of Florida. The parties hereto agree that, as currently pleaded, the County and/or American are wholly responsible for any damages recovered by TJ Builders in that case; however, neither TAAT, American, nor the County believe that TJ Builders is legally entitled to the damages it currently asserts. The Parties hereto agree to work in good faith towards a resolution of this litigation. Notwithstanding the preceding, in the event that TJ Builders or TAAT assert or plead claims against American or the County other than those currently asserted in the pleadings filed to date, the County and American reserve the right to evaluate such newly pleaded claims on their merits, and nothing contained herein shall be deemed to be an admission of liability or waiver of any defense with respect to such new claims; additionally, all attorneys' fees and expenses incurred previously or prospectively by TAAT in the litigation of that case are excluded from the scope of this Exhibit B and are included within the scope of the waiver and release provided by TAAT in this settlement agreement.