

PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES

Thursday, July 31, 2003

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MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday, July 31, 2003, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

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

Joseph J. Seymour, President
 Ernesto L. Butcher, Vice-President
 Jeffrey S. Green, Counsel

Gwendolyn Archie
 Catherine M. Bergamini
 Kayla M. Bergeron
 Bruce D. Bohlen
 John D. Brill
 Gregory G. Burnham
 Timothy Castano
 Anthony B. Ciavolella
 Arthur J. Cifelli
 Anthony G. Cracchiolo
 William R. DeCota
 John C. Denise
 Michael P. DePallo
 Charles D. DeRienzo
 Pasquale DiFulco
 John J. Drobny
 Karen E. Eastman
 Nancy J. Ertag-Brand
 Michael B. Francois
 Linda C. Handel
 Edward L. Jackson
 Louis J. LaCapra
 Richard M. Larrabee
 Francis J. Lombardi
 Robert R. Lurie
 Stephen Marinko
 Calixto Martin
 Daniel S. Maynard
 Charles F. McClafferty
 James E. McCoy
 Catherine F. Pavelec
 Michael A. Petralia
 Kenneth P. Philmus
 Alan L. Reiss
 Edmond F. Schorno
 Douglas L. Smith
 Harry Spector

NEW YORK

Hon. Charles A. Gargano, Vice-Chairman
 Hon. Bruce A. Blakeman
 Hon. Michael J. Chasanoff
 Hon. David S. Mack
 Hon. Henry R. Silverman
 Hon. Anastasia M. Song

Joseph A. Tobia
Tiffany A. Townsend
Ralph Tragale
Gregory J. Trevor
Emery J. Ungrady

The public session was called to order by Chairman Coscia at 2:15 p.m. and ended at 2:29 p.m. The Board met in executive session prior to the public session.

Action on Minutes

The Vice-President submitted for approval Minutes of the meeting of June 26, 2003. He reported that copies of these Minutes were sent to all of the Directors and to the Governors of New York and New Jersey. He reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Directors unanimously approved the Minutes.

SETTLEMENT OF CLAIM – ESTATE OF WILLIAM RUDDELL V. PORT AUTHORITY TRANS-HUDSON CORPORATION, ET AL.

It was recommended that the Board authorize Counsel, for and on behalf of Port Authority Trans-Hudson Corporation (PATH), to enter into an agreement with plaintiff Estate of William Ruddell (Plaintiff) to provide for the settlement of a claim for wrongful death and occupational disease by paying Plaintiff and its attorneys the sum of \$150,000. In exchange, PATH and the Port Authority will receive a general release from liability and a stipulation of dismissal of the action, with prejudice.

Plaintiff's decedent, William Ruddell, was a retired 37-year PATH employee who worked as a motorman/yard supervisor, flagman, collector, conductor and switchman. Plaintiff claims that Mr. Ruddell was exposed to several hazardous substances during the course of his employment with PATH, causing damage to his pulmonary system.

Mr. Ruddell died on August 28, 2002 at the age of 68. The cause of his death was chronic obstructive pulmonary disease and coronary artery disease. PATH's medical experts concluded that he suffered from severe obstructive lung disease, and there was further evidence of work-related exposure to hazardous substances of the type which cause obstructive lung disease.

Pursuant to the foregoing report, the following resolution was adopted in executive session with Directors Blakeman, Chasanoff, Coscia, Gargano, Mack, Pocino, Sartor, Silverman, Song and Steiner voting in favor; none against:

RESOLVED, that Counsel be and he hereby is authorized, for and on behalf of Port Authority Trans-Hudson Corporation, to enter into an agreement with plaintiff Estate of William Ruddell to provide for the settlement of a lawsuit entitled The Estate of William Ruddell v. Port Authority Trans-Hudson Corporation, et al. by paying plaintiff the sum of \$150,000.

SETTLEMENT OF CLAIM – RONALD J. CASSARO v. PORT AUTHORITY TRANS-HUDSON CORPORATION

It was recommended that the Board authorize Counsel, for and on behalf of Port Authority Trans-Hudson Corporation (PATH), to enter into an agreement with plaintiff Ronald Cassaro (Plaintiff) to provide for the settlement of his Federal Employers Liability Act claim for personal injuries for the total amount of \$226,335.95. The settlement amount represents a payment of \$168,383.19 to Plaintiff and his attorneys, a waiver of a PATH medical lien of \$37,356.59, a waiver of a PATH wage lien of \$13,979.36 and a separate payment of a lien in the amount of \$6,616.81 to the Railroad Retirement Board. In return, Plaintiff will provide PATH with a General Release and a Stipulation of Discontinuance, with prejudice.

On October 30, 2000, Mr. Cassaro, a PATH Trackman I, slipped and fell on accumulated hydraulic fluid and grease on the floor of the PATH Consolidated Shop in New Jersey. As a result, Mr. Cassaro sustained a disc herniation, two bulging discs and a partial rotator cup tear. He underwent two surgeries—a repair of the rotator cup and a distal cervical excision. Pain from the disc bulges necessitated a course of epidural steroid injections. Additionally, a cervical block procedure to enervate cervical facets was performed. Plaintiff was out of work for seven months and returned to a position that necessitates less physical activity than his prior position as Trackman I.

In view of the potential for an unfavorable jury verdict and a higher damage award should this matter proceed to trial, staff recommended that this proposed settlement be authorized.

Pursuant to the foregoing report, the following resolution was adopted in executive session with Directors Blakeman, Chasanoff, Coscia, Gargano, Mack, Pocino, Sartor, Silverman, Song and Steiner voting in favor; none against:

RESOLVED, that Counsel be and he hereby is authorized, for and on behalf of Port Authority Trans-Hudson Corporation, to enter into an agreement with Ronald J. Cassaro (Plaintiff) to provide for the settlement of a lawsuit entitled Ronald Cassaro v. Port Authority Trans-Hudson Corporation by paying to Plaintiff and his attorneys the sum of \$168,383.19, waiving a medical lien of \$37,356.59 and a wage lien of \$13,979.36, and paying a Railroad Retirement Board lien of \$6,616.81.

Whereupon, the meeting was adjourned.

Vice-President