

MARINE POLICY

FOR

**Lauderdale Towing & Salvage, Inc. dba Sea Tow Ft. Lauderdale
Sea Tow Services International, Inc.
Attn.: Denise Fuller
3001 W. State Road 84
Ft Lauderdale, FL 33312**



**399 Park Ave., 2nd Fl.
New York, NY 10022**



Starr Indemnity & Liability Company

STARR MARINE

Head Office - 399 Park Avenue, New York, NY 10022

Hull & Machinery

MASIHNY00029123

Amount: TIV: \$550,000

Rate:

Premium: \$22,000

Commission: 15%

Protection & Indemnity

MASIHNY00029123

Amount: \$1,000,000

Rate:

Premium: \$29,500

Premium:

Commission: 15%

Does Insure:

Lauderdale Towing & Salvage, Inc.
dba Sea Tow Ft. Lauderdale
Sea Tow Services International, Inc.

For the account of: *Themselves*

Loss, if any, payable to: Assured Or Order

To the Amount of *H&M* \$550,000 Dollars

From: February 1, 2023 12:01 A.M. EST

TO: February 1, 2024,12:01 A.M. EST

SUPPLEMENTARY PAYMENTS AND SUCH EXPENSES AND PAYMENTS WILL BE APPLIED AGAINST ANY DEDUCTIBLE OR RETENTION.

General Counsel

President

Countersigned at NEW YORK, NY
This 24th day of February, 2023

By:.....
Authorized Representative
Starr Indemnity & Liability Company

Subject to all of the terms, conditions and exclusions the form(s) attached hereto:

THIS POLICY IS MADE AND ACCEPTED SUBJECT TO the conditions which are hereby specifically referred to and made part of this Policy, together with such other provisions, agreements or conditions as may be endorsed hereon or added hereto; and no officer, agent or other representative of this Company shall have power to waive or be deemed to have waived any provision or condition of this Policy unless such waiver, if any, shall be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this Policy exist or be claimed by the Assured unless so written or attached.

In Witness Whereof, the Company has caused this Policy to be signed by its President and Secretary, but it shall not be valid unless countersigned by a duly authorized representative of the Company.

THE LIMIT OF LIABILITY AVAILABLE TO PAY SETTLEMENTS OR JUDGMENTS WILL BE REDUCED BY DEFENSE EXPENSES AND

PREMIUM ALLOCATION

Section #	Coverage	Sum Insured/ Limit of Liability	Rate/ Charge	Premium
I	Hull & Machinery Excluding Collision Liability	Total Insured Value: \$550,000 As Per Attached Vessel Schedule	\$0.40 Per Insured Value	\$22,000
II	Protection & Indemnity Including Collision Liability And 6 Crew Members 4 Vessels	\$1,000,000 Any One Accident or Occurrence	Flat Charge	\$29,500
Total:				\$51,500

Claims Reporting Procedures

All claims should be reported directly to Carolyn O'Connor at Sedgwick, with a copy to Robert Fox at Starr Adjustment Services, Inc. Their contact information is as follows:

Ms. Carolyn O'Connor
Hull and Liability Manager
Sedgwick
120 Broadway - Suite 900
New York, NY 10271

Email: coconnor@vsedgwick.com
Direct: (212) 266-4255
Facsimile: (212) 406-3932
Cell: (917) 330-1954

Mr. Robert Fox
Regional Claims Manager
Starr Adjustment Services, Inc.
399 Park Avenue, 9th Floor
New York, NY 10022

Email: robert.fox@starrcompanies.com
Direct: 646-227-6687

POLICY DECLARATIONS

ASSURED: **Lauderdale Towing & Salvage, Inc. dba Sea Tow Ft. Lauderdale**
ADDRESS: **Sea Tow Services International, Inc.**
Attn.: Denise Fuller
3001 W. State Road 84
Ft Lauderdale, FL 33312

POLICY NO.: I MASIHNY00029123
II MASIHNY00029123

TYPE OF COVERAGE: I Hull and Machinery
Excluding Collision Liability
II Protection and Indemnity
Including Collision Liability

EFFECTIVE DATE: 12 Months from 12:01 AM EST, February 1, 2023
At the Mailing Address of the Assured.

SUM INSURED: I **Hull and Machinery:** \$550,000 Total Insured Value,
As Per Schedule of Vessels Attached
II **Protection and Indemnity:** \$1,000,000 Combined Single Limit.
Any One Accident or Occurrence

GROSS PREMIUM

Section I:	\$22,000 (H& M)
Section II:	\$29,500 (P&I)
Total:	\$51,500

TRIA: (Declined)
TOTAL DUE: \$51,500 Due at Inception

INSURING COMPANY *Starr Indemnity & Liability Company*-A.M. Best financial strength rating (FSR) of A (Excellent)
(& an issuer credit rating (ICR) of "a".
-100%

BROKER Maury, Donnelly, & Parr, Inc.
24 Commerce Street

Baltimore, MD 21202

COMMISSION: 15%

DEDUCTIBLES

I	Hull and Machinery:	\$5,000 Per Occurrence
II	Protection and Indemnity:	\$10,000 Bodily Injury, Per Occurrence \$10,000 Property Damage, Per Occurrence Except: \$25,000 Applicable to Diving.

**INSURING
CONDITIONS**

General Conditions for All Sections

- Navigation Warranty: Vessels navigating within 100- mile radius of their normal berth location.
- AIMU Extended Radioactive Contamination Exclusion Clause
- AIMU Chemical, Biological, Bio-chemical and Electromagnetic Exclusion
- AIMU US Economic and Trade Sanctions Clause
- AIMU Cyber Exclusion (11/06/2015)
- AIMU Communicable Disease Exclusion (06/15/2020)
- Health Hazard Exclusion (Primary) (01/01/2021)
- Nuclear Energy Liability Energy Exclusion Endorsement (Broad Form)
- Blanket Additional Assured/ Loss Payee/Waiver of Subrogation Clause:
Additional Assureds:
Ready Cap Lending, LLC ISAOA/ ATIMA
Dinner Key Marina
- 30 Day Notice of Cancellation, except 10 Day Notice of Cancellation for Non-payment of Premium
- Absolute Terrorism Exclusion (TRIA2002 and Non -TRIA 2002)
- Limit and Deductible are inclusive of legal costs, fees and expenses
- Automatic Acquisition Clause (Applicable to Section 1: \$100,000 and Section 11: \$1,000,000 must be reported to underwriters within 30 days.

Section I – Hull & Machinery

American Institute Hull Clauses (6/2/77),
excluding Collision & Tower's Liability.
Perils amended to include "theft" and "theft of entire vessel"
Strikes/Riots, Vandalism & Malicious Mischief Endorsement.
Outboard Motor Coverage Endorsement
Shore Perils Endorsement

Canceling Returns Only – Full Premium If Lost

II. Protection & Indemnity Coverage, Including Collision Liability:

- AIMU Protection & Indemnity (P and I) Clauses
- Collision and Tower's Liability
- P&I Special Terms & Conditions Endorsement
- Schedule of Vessels – (Hull and P&I)
- Maximum number of Crew Not to exceed six (6).
- \$1,000,000 Combined Single Limit, Any One Accident or Occurrence, All Vessels All Interests
- Notice of Occurrence Clause
- AIMU Pollution Exclusion Clause (P&I) & Buy Back Endorsement A (May 9, 2011)
- Combined Single Limit
- In Rem Clause
- Pilotage & Towage
- Bodily Injury to Divers Limitation
- Limit and Deductible are inclusive of legal costs, fees and expenses
- Sexual Abuse or Molestation Exclusion

**CONDITIONS OF
COVERAGE:**

- 1) Starr Marine reserves the right to perform Condition and Valuation surveys at our expense
- 2) Loss Control Services Included at no additional cost
- 3) Warranted that no release be given to third party operators
- 4) **Special Conditions Endorsement**

Additional Exclusions (per Special Conditions Endorsement):

Directors & Officers; Errors & Omissions; Professional Liability; Asbestos Absolutely; Occupational Disease; Fiduciary Liability; Punitive Damage; Health Hazard; Employment-Related Practices.

GENERAL CONDITIONS

POLICY No.: MASIHNY00029123

NAVIGATION

LIMITS:

Warranted the vessel(s) insured shall be confined 100-mile radius of their normal berth location.

AIMU CHEMICAL, BIOLOGICAL, BIO- CHEMICAL, AND ELECTROMAGNETIC EXCLUSION CLAUSE (March 1, 2003)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to or arising from an actual or threatened act involving a chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material when used in an intentionally hostile manner.

AIMU EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE WITH U.S.A. ENDORSEMENT (March 1, 2003)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from

1.1 ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

(U.S.A. ENDORSEMENT)

This insurance is subject to the Extended Radioactive Contamination Exclusion Clause (March 1, 2003) provided that

if fire is an insured peril

and

where the subject matter insured or, in the case of a reinsurance, the subject matter insured by the original insurance, is within the U.S.A., its islands, onshore territories or possessions

and

a fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses 1.1, 1.2, and 1.4 of the Extended Radioactive Contamination Exclusion Clause March 1, 2003 any loss or damage arising directly from that fire shall, subject to the provisions of this insurance, be covered, EXCLUDING however any loss damage liability or expense caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

**AIMU U.S.
ECONOMIC AND
TRADE SANCTIONS
CLAUSE**

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

**AIMU CYBER
EXCLUSION
(November 06, 2015)**

This clause shall be paramount and shall override anything contained in this insurance (including any endorsement(s)) inconsistent therewith.

In no case shall this insurance cover loss, damage, liability, or expense directly or indirectly caused by or contributed to or arising from

1. any "malicious act" involving the use of any "computer system", "electronic data communications system", "computer virus", or process or any other electronic system; and/or
2. any access to or disclosure of any "personally identifiable information" or any person's or organization's confidential information, including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, or any other type of nonpublic information; and/or
3. any action or omission that violates or is alleged to violate any federal, state or local statute that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating, or distribution of any written or electronic material or information.

Where this policy provides coverage for War Risks, section 1 above shall not operate to exclude losses which would otherwise be covered by such War Risks coverage.

Definitions

"Computer system" means computer hardware of any kind; "electronic computer program"; "electronic data processing media"; operating system; media microchip; microprocessor (computer chip); integrated circuit or similar device; computer network and networking equipment; firmware; server; website; extranet; and all input, output, processing, storage, and off-line media libraries.

"Computer virus" means any corrupting, harmful or otherwise unauthorized instructions or code including, but not limited to, any maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a "computer system" or network of whatsoever nature.

"Electronic computer program" means computer software, application software, and other recorded instructions for the processing, sequencing, collecting, transmitting, recording, retrieval, or storage of "electronic data".

"Electronic data" means information or knowledge recorded or transmitted in a form usable in a "computer system", microchip, integrated circuit or similar device in non-computer equipment, and which can be stored on "electronic data processing media" for use by an "electronic computer program".

"Electronic data communications system" means any communication system, including a "computer system" and the internet, which provides the Assured with access to another "computer system", microchip, integrated circuit or similar device in non computer equipment, or which provides any party access to the Assured's "computer system", microchips, integrated circuits or similar devices in non-computer equipment.

"Electronic data processing media" means punch cards, paper tapes, floppy disks, CD-ROM, hard drives, magnetic tapes, magnetic discs or any other tangible personal property on which "Electronic data" or "electronic computer programs" are recorded or transmitted, but not the "electronic data" or "electronic computer programs" themselves. Money or securities are not "electronic data processing media".

"Malicious act" shall mean the intentional and wrongful action or actions of one or more persons, whether or not agents of a sovereign power.

"Personally identifiable information" shall mean information, whether printed or digital, encrypted or unencrypted, in the care custody or control of any Assured which alone or in conjunction with other information can be used to uniquely identify an individual. However, "personally identifiable information" does not include information which is lawfully available to the general public.

**AIMU
COMMUNICABLE
DISEASE
EXCLUSION
(June 15, 2020)**

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

This insurance excludes coverage for:

- 1) any loss, injury, damage, liability, cost, or expense directly or indirectly arising from the actual, alleged, or suspected transmission or existence of a “Communicable Disease” or the substance or agent that causes the “Communicable Disease”;
- 2) any liability for, or loss, cost, or expense incurred to identify, detect, prevent, clean up, detoxify, remove, eliminate, neutralize, monitor, or test for a “Communicable Disease” or the substance or agent that causes the “Communicable Disease”;
- 3) any liability for, or loss, cost or expense arising out of, any loss of revenue, loss of hire, diminution of value, business interruption, loss of market, delay or any direct or indirect financial loss, howsoever described, as a result of, or relating to a “Communicable Disease” or the substance or agent that causes the “Communicable Disease”;
- 4) any fines, penalties, or punitive or compensatory damages as a result of, or relating to (1), (2), or (3) above.

DEFINITION

“Communicable Disease” means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- c. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(BROAD FORM)**

"This endorsement modifies the provisions of this policy relating to all General Liability and Medical Payments insurance other than Comprehensive Personal and Farmer's Comprehensive Personal Insurance."

It is agreed that:

- I. This policy does not apply:
 - A. Under any Liability Coverage to bodily injury or property damage:
 - (1) with respect to which an Assured under this policy is also an Assured under a Nuclear Energy Liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an assured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) resulting from the hazardous properties of nuclear material and with respect to which (A) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof, or (B) the Assured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - B. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to bodily injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
 - C. Under any liability coverage to bodily injury or property damage resulting from the hazardous properties of nuclear material, if
 - (1) The nuclear material (A) is at any nuclear facility owned by or operated by or on behalf of an Assured or (B) has been discharged or dispersed therefrom;
 - (2) The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an Assured; or
 - (3) The bodily injury or property damage arises out of the furnishing by an Assured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion

(3) applies only to property damage to such nuclear facility and any property thereat.

II. As used in this endorsement:

"Hazardous Properties" means radioactive, toxic or explosive properties;

"Nuclear Materials" means source material, special nuclear material or by-product material;

"Source Material", "Special Nuclear Material" and "By-Product Material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent Fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"Waste" means any waste material (A) containing by-product material other than the tailings or waste produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, and (B) resulting from the operation by any person or organization of any nuclear facility included under the first two paragraphs of the definition of nuclear facility;

"Nuclear Facility" means

- (A) any nuclear reactor,
- (B) any equipment or device used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (C) any equipment or device used for the processing, fabricating or alloying of special nuclear material if any time the total amount of such material in the custody of the Assured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (D) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for operations;

"Nuclear Reactor" means any apparatus designed or used to sustain nuclear fission in a self supporting chain reaction or to contain a critical mass of fissionable material;

"Property Damage" includes all forms of radioactive contamination of property.

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR CHANGE ANY OF THE TERMS, LIMITS OR CONDITIONS OF THE POLICY EXCEPT AS HEREIN ABOVE SET FOR

**PRIVILEGE TO
NAME ADDITIONAL
ASSUREDS**

It is understood and agreed that, where required by contract, agreement or otherwise, the Assured is granted privilege to include hereunder other parties as Additional Assureds. However, loss, if any, shall be payable as provided elsewhere in this policy.

The Assured agrees to report promptly such additions, and pay additional premium to be agreed, if any.

1. **ASBESTOS EXCLUSION:** In consideration of the premium charged, it is agreed that this policy shall not apply to any liability for bodily injury or property damage, including loss of use thereof, arising out of the manufacturing, processing, handling, distribution, sale, application, removal or use of asbestos, or asbestos related product(s).

**SPECIAL
CONDITIONS
ENDORSEMENT**

2. **DIRECTORS AND OFFICERS EXCLUSION:** It is understood and agreed that coverage afforded by this policy shall not apply to any director and/or officer of the Named Insured by reason of any wrongful act committed in their capacity as a director and/or officer of the Named Insured.

It is further agreed that the term "wrongful act" shall be defined as, but not limited to, any breach of duty, neglect, error, misstatement, misleading statement, omission or other act actually done or attempted by a director and/or officer claimed against them solely by reason of their capacity as such.

3. **EMPLOYMENT-RELATED PRACTICES EXCLUSION:** It is understood and agreed that this insurance shall not cover:

“Bodily Injury” arising out of any refusal to employ, termination or employment, coercion, demotion, evaluation, re-assignment, discipline, defamation, harassment, humiliation, discrimination or other employment-related practices, policies, acts or omissions or Consequential “bodily injury” as a result of the above.

“Personal Injury” arising out of any refusal to employ, termination of employment, coercion, demotion, evaluation, re-assignment, discipline, defamation, harassment, humiliation, discrimination or other employment practices, policies, acts or omissions; or Consequential “personal injury” as a result of the above.

This exclusion applies whether the insured may be held liable as an employer or in any other capacity and to any obligation to share damages with or to repay someone else who must pay damages because of the injury.

4. Fiduciary Liability Exclusion: In consideration of the premium charged and notwithstanding anything therein to the contrary, it is hereby agreed that such coverage as is afforded by this policy shall not apply to any claim or claims arising out of fiduciary liability.

“This endorsement modifies the provisions of this policy relating to all General Liability and Medical Payments insurance other than Comprehensive Personal and Farmer's Comprehensive Personal Insurance.”

It is agreed that:

- I. This policy does not apply:
 - A. Under any Liability Coverage to bodily injury or property damage:
 - (1) with respect to which an Assured under this policy is also an Assured under a Nuclear Energy Liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an assured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) resulting from the hazardous properties of nuclear material and with respect to which (A) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof, or (B) the Assured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under

any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

- B. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to bodily injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- C. Under any liability coverage to bodily injury or property damage resulting from the hazardous properties of nuclear material, if
 - (1) The nuclear material (A) is at any nuclear facility owned by or operated by or on behalf of an Assured or (B) has been discharged or dispersed therefrom;
 - (2) The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an Assured; or
 - (3) The bodily injury or property damage arises out of the furnishing by an Assured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to property damage to such nuclear facility and any property thereat.

II. As used in this endorsement:

"Hazardous Properties" means radioactive, toxic or explosive properties;

"Nuclear Materials" means source material, special nuclear material or by-product material;

"Source Material", "Special Nuclear Material" and "By-Product Material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent Fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"Waste" means any waste material (A) containing by-product material other than the tailings or waste produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, and (B) resulting from the operation by any person or organization of any nuclear facility included under the first two paragraphs of the definition of nuclear facility;

"Nuclear Facility" means

- (A) any nuclear reactor,
- (B) any equipment or device used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (C) any equipment or device used for the processing, fabricating or alloying of special nuclear material if any time the total amount of such material in the custody of the Assured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (D) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for operations;

"Nuclear Reactor" means any apparatus designed or used to sustain nuclear fission in a self supporting chain reaction or to contain a critical mass of fissionable material;

"Property Damage" includes all forms of radioactive contamination of property.

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR CHANGE ANY OF THE TERMS, LIMITS OR CONDITIONS OF THE POLICY EXCEPT AS HEREIN ABOVE SET FORTH.

Special Conditions

5. HEALTH HAZARD EXCLUSION (1/1/2021) PRIMARY

Notwithstanding anything to the contrary contained herein, this policy shall not apply to any claim arising out of any loss, injury, illness, damage, or expense (including, but not limited to defense costs or supplementary payments) directly or indirectly caused by, or arising from:

(A) The following substances and products, or to any product that incorporates such substances or products or any derivative thereof:

1. Asbestos
2. Benzene
3. Chromium Copper Arsenate (CCA)
4. Coal Dust
5. Dioxin
6. Electromagnetic Fields (EMF)
7. Exterior Insulation and Finish System (EIFS)
8. Lead
9. Mercury
10. Methyl Tertiary-Butyl Ether (MTBE)
11. Mold and Organic Pathogens, including but not limited to mold, fungus, bacteria, or virus, and their byproducts.
12. Pesticides and Herbicides
13. Pharmaceutical or Medical Products and Devices, except as used in connection with emergency first aid procedures.
14. Polychlorinated Biphenyls (PCB)
15. Silica
16. Talc
17. Tobacco

Nor shall this policy apply to any cost or expense for the abatement, removal, or disposal of the above products or substances, including waste products or emissions.

(B) The following:

1. Hearing Loss or Damage arising out of a continuous or repetitive condition
2. Human Immunodeficiency Virus (HIV) and/or Acquired Immunodeficiency Deficiency Syndrome (AIDS)
3. Cumulative Trauma Disorder

4. Repetitive Motion or Strain Injury
5. Carpal Tunnel Syndrome

Nor shall this policy apply to any cost or expense to prevent, abate, remove, ameliorate or remediate any of the above medical conditions.

6. **OCCUPATIONAL DISEASE EXCLUSION:** It is understood and agreed that this insurance shall not cover any liability, loss, damage or expense as regards personal injury (fatal or non fatal) resulting from occupational disease sustained by any employee of the Assured.

7. **PROFESSIONAL LIABILITY / ERRORS OR OMISSIONS EXCLUSION:** In consideration of the premium charged, it is hereby agreed that this policy shall not apply to any claim or claims arising out of a breach of professional duty by reason of any negligent act, error or omission, malpractice or mistake of a professional nature committed or alleged to have been committed by or on behalf of the insured in the conduct of any of the insured's business activities. Professional services includes but is not limited to the preparation or approval of maps, plans, opinions, reports, surveys, designs or specifications and supervisory, inspection, engineering, or data processing services.

8. **PUNITIVE DAMAGE EXCLUSION:** It is understood and agreed that this insurance shall not cover any fines, penalties, punitive damages, treble damages or any other damages resulting from the multiplication of compensatory damages.

9. **NOTICE OF OCCURRENCE**

Whenever the Assured has information from which the Assured may reasonably conclude that an occurrence covered hereunder involved injuries or damages which in the event that the Assured should be held liable, is likely to involve this Policy, notice shall be sent to:

SEDGWICK
120 Broadway, Suite 900
New York, NY 10271
Tel: (212) 226-4255

as soon as practicable, provided, however, that failure to notify the above firm of any occurrence which at the time of its happening did not appear to involve this Policy, but

which, at a later date, would appear to give rise to claims hereunder, shall not prejudice such claims.

SEXUAL ABUSE OR MOLESTATION EXCLUSION

Notwithstanding anything to the contrary contained herein, it is hereby understood and agreed that this insurance does not apply to and the Company shall have no duty to defend, any liability arising out of:

- (A) the actual or threatened abuse, molestation, or harassment by anyone of any person while in the care, custody or control of any Assured, or
- (B) any conduct involving unwelcome sexual advances, requests for sexual favors, and verbal, visual, or physical conduct of a sexual nature; or
- (C) the negligent:
 - (1) employment;
 - (2) investigation;
 - (3) supervision;
 - (4) reporting to the proper authorities, or failure to so report; or
 - (5) retention:
of a person for whom any Assured is, or ever was, legally responsible and whose conduct is excluded by (A) and (B) above;

All other terms and conditions remaining unchanged.

American Institute Hull Clauses

(June 2, 1977)

To be attached to and form a part of Policy

The terms and conditions of the following clauses are to be regarded as substituted for those of the policy form to which they are attached, the latter being hereby waived, except provisions required by law to be inserted in the Policy. All captions are inserted only for purposes of reference and shall not be used to interpret the clauses to which they apply

**ASSURED
(Lines 1-8)**

This Policy insures **Lauderdale Towing & Salvage, Inc. dba Sea Tow Ft. Lauderdale Sea Tow Services International, Inc.**, hereinafter referred to as the Assured.

If claim is made under this Policy by anyone other than the Owner of the Vessel, such person shall not be entitled to recover to a greater extent than would the Owner, had claim been made by the Owner as an Assured named in this Policy.

Underwriters waive any right of subrogation against affiliated, subsidiary or interrelated companies of the Assured, provided that such waiver shall not apply in the event of a collision between the Vessel and any vessel owned, demise chartered or otherwise controlled by any of the aforesaid companies, or with respect to any loss, damage or expense against which such companies are insured.

**LOSS PAYEE
(Lines 9-13)**

Loss, if any, payable to **Assured or Order.**

Provided, however, Underwriters shall pay claims to others as set forth in the Collision Liability clause and may make direct payment to persons providing security for the release of the Vessel in Salvage cases.

**VESSEL
(Lines 14-20)**

The Subject Matter of this insurance is the Vessel called the **As Per Schedule of Vessels** or by whatsoever name or names the said Vessel is or shall be called, which for purposes of this insurance shall consist of and be limited to her hull, launches, lifeboats, rafts, furniture, bunkers, stores, supplies, tackle, fittings, equipment, apparatus, machinery, boilers, refrigerating machinery, insulation, motor generators and other electrical machinery.

In the event any equipment or apparatus not owned by the Assured is installed for use on board the Vessel and the Assured has assumed responsibility therefore, it shall also be considered part of the Subject Matter and the aggregate value thereof shall be included in the Agreed Value.

Notwithstanding the foregoing, cargo containers, barges and lighters shall not be considered a part of the Subject Matter of this insurance.

DURATION OF RISK
(Lines 21-25)

As Declared

Should the Vessel at the expiration of this Policy be at sea, or in distress, or at a port of refuge or of call, she shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to her port of destination.

In the event of payment by the Underwriters for Total Loss of the Vessel this Policy shall thereupon automatically terminate.

AGREED VALUE
(Lines 26-27)

The Vessel, for so much as concerns the Assured, by agreement between the Assured and the Underwriters in this Policy, is and shall be valued at **As Per Schedule of Vessels** Dollars.

AMOUNT INSURED HEREUNDER As Per Schedule of Vessels

DEDUCTIBLE
(Lines 29-35)

Notwithstanding anything in this Policy to the contrary, there shall be deducted from the aggregate of all claims (including claims under the Sue and Labor clause and claims under the Collision Liability clause) arising out of each separate accident, the sum of **\$5,000** unless the accident results in a Total Loss of the Vessel in which case this clause shall not apply. A recovery from other interests, however, shall not operate to exclude claims under this Policy provided the aggregate of such claims arising out of one separate accident if unreduced by such recovery exceeds that sum. For the purpose of this clause each accident shall be treated separately, but it is agreed that (a) a sequence of damages arising from the same accident shall be treated as due to that accident and (b) all heavy weather damage, or damage caused by contact with floating ice, which occurs during a single sea passage between two successive ports shall be treated as though due to one accident.

PREMIUM
(Lines 36-39)

The Underwriters to be paid in consideration of this insurance **Per Attached** Dollars being at the annual rate of **As Per Schedule Of Vessels**, which premium shall be due on attachment. If the Vessel is insured under this Policy for a period of less than one year at pro rata of the annual rate, full annual premium shall be considered earned and immediately due and payable in the event of Total Loss of the Vessel.

**RETURNS OF
PREMIUM
(Lines 40-54)
Cancelling Returns
Only**

Premium returnable as follows:

Pro rata daily net in the event of termination under the Change of Ownership clause;

Pro rata monthly net for each uncommenced month if it be mutually agreed to cancel this Policy;

~~For each period of 30 consecutive days the Vessel may be laid up in port for account of the Assured,~~

~~**Per Attached** cents per cent. net not under repair, or~~

~~Per Attached~~ cents per cent. net under repair;

~~provided always that:~~

~~(a) a Total Loss of the Vessel has not occurred during the currency of this Policy;~~

~~(b) in no case shall a return for lay up be allowed when the Vessel is lying in exposed or unprotected waters or in any location not approved by the Underwriters;~~

~~(c) in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly;~~

~~(d) in no case shall a return be allowed when the Vessel is used as a storage ship or for lighting purposes.~~

~~If the Vessel is laid up for a period of 30 consecutive days, a part only of which attaches under this Policy, the Underwriters shall pay such proportion of the return due in respect of a full period of 30 days as the number of days attaching hereto bears to 30. Should the lay up period exceed 30 consecutive days, the Assured shall have the option to elect the period of 30 consecutive days for which a return is recoverable.~~

**NON-PAYMENT OF
PREMIUM
(Lines 55-58)**

In event of non-payment of premium 30 days after attachment, or of any additional premium when due, this Policy may be cancelled by the Underwriters upon 10 days written or telegraphic notice sent to the Assured at his last known address or in care of the broker who negotiated this Policy. Such proportion of the premium, however, as shall have been earned up to the time of cancellation shall be payable. In the event of Total Loss of the Vessel occurring prior to any cancellation or termination of this Policy full annual premium shall be considered earned.

**ADVENTURE
(Lines 59-69)**

Beginning the adventure upon the Vessel, as above, and so shall continue and endure during the period aforesaid, as employment may offer, in port or at sea, in docks and graving docks, and on ways, gridirons and pontoons, at all times, in all places, and on all occasions, services and trades; with leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but the Vessel may not be towed, except as is customary or when in need of assistance, nor shall the Vessel render assistance or undertake towage or salvage services under contract previously arranged by the Assured, the Owners, the Managers or the Charterers of the Vessel, nor shall the Vessel, in the course of trading operations, engage in loading or discharging cargo at sea, from or into another vessel other than a barge, lighter or similar craft used principally in harbors or inland waters. The phrase "engage in loading or discharging cargo at sea" shall include while approaching, leaving or alongside, or while another vessel is approaching, leaving or alongside the Vessel.

The Vessel is held covered in case of any breach of conditions as to cargo, trade, locality, towage or salvage activities, or date of sailing, or loading or discharging cargo at sea,

provided (a) notice is given to the Underwriters immediately following receipt of knowledge thereof by the Assured, and (b) any amended terms of cover and any additional premium required by the Underwriters are agreed to by the Assured.

**PERILS
(Lines 70-74)**

Touching the Adventures and Perils which the Underwriters are contented to bear and take upon themselves, they are of the Seas, Men-of-War, Fire, Lightning, Earthquake, Enemies, Pirates, Rovers, Assailing Thieves, Jettisons, Letters of Mart and Counter-Mart, Surprises, Takings at Sea, Arrests, Restraints and Detainments of all Kings, Princes and Peoples, of what nation, condition or quality sever, Barratry of the Master and Mariners and of all other like Perils, Losses and Misfortunes that have or shall come to the Hurt, Detriment or Damage of the Vessel, or any part thereof, excepting, however, such of the foregoing perils as may be excluded by provisions elsewhere in the Policy or by endorsement thereon.

**ADDITIONAL
PERILS
(INCHMAREE)
(Lines 75-86)
Replaced by
LINER NEGLIGENCE
CLAUSE**

~~Subject to the conditions of this Policy, this insurance also covers loss of or damage to the Vessel directly caused by the following:~~

~~Accidents in loading, discharging or handling cargo, or in bunkering;~~

~~Accidents in going on or off, or while on drydocks, graving docks, ways, gridirons or pontoons;~~

~~Explosions on shipboard or elsewhere;~~

~~Breakdown of motor generators or other electrical machinery and electrical connections thereto, bursting of boilers, breakage of shafts, or any latent defect in the machinery or hull, (excluding the cost and expense of replacing or repairing the defective part);~~

~~Breakdown of or accidents to nuclear installations or reactors not on board the insured Vessel;~~

~~Contact with aircraft, rockets or similar missiles, or with any land conveyance;~~

~~Negligence of Charterers and/or Repairers, provided such Charterers and/or Repairers are not an Assured hereunder;~~

~~Negligence of Masters, Officers, Crew or Pilots;~~

~~provided such loss or damage has not resulted from want of due diligence by the Assured, the Owners or Managers of the Vessel, or any of them. Masters, Officers, Crew or Pilots are not to be considered Owners within the meaning of this clause should they hold shares in the Vessel.~~

**DELIBERATE
DAMAGE
(POLLUTION
HAZARD)
(Lines 87-91)**

Subject to the conditions of this Policy, this insurance also covers loss of or damage to the Vessel directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under this Policy, provided such act of governmental authorities has not resulted from want of due diligence by the Assured, the

CLAIMS (GENERAL PROVISIONS)
(Lines 92-119)

Owners, or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Masters, Officers, Crew or Pilots are not to be considered Owners within the meaning of this clause should they hold shares in the Vessel.

In the event of any accident or occurrence which could give rise to a claim under this Policy, prompt notice thereof shall be given to the Underwriters, and:

(a) where practicable, the Underwriters shall be advised prior to survey, so that they may appoint their own surveyor, if they so desire;

(b) the Underwriters shall be entitled to decide where the Vessel shall proceed for docking and/or repair (allowance to be made to the Assured for the actual additional expense of the voyage arising from compliance with the Underwriters' requirement);

(c) the Underwriters shall have the right of veto in connection with any repair firm proposed;

(d) the Underwriters may take tenders, or may require in writing that tenders be taken for the repair of the Vessel, in which event, upon acceptance of a tender with the approval of the Underwriters, an allowance shall be made at the rate of 30 per cent. per annum on the amount insured, for each day or pro rata for part of a day, for time lost between the issuance of invitations to tender and the acceptance of a tender, to the extent that such time is lost solely as the result of tenders having been taken and provided the tender is accepted without delay after receipt of the Underwriters' approval.

Due credit shall be given against the allowances in (b) and (d) above for any amount recovered:

1. in respect of fuel, stores, and wages and maintenance of the Master, Officers or Crew allowed in General or Particular Average;
2. from third parties in respect of damages for detention and/or loss of profit and/or running expenses;

for the period covered by the allowances or any part thereof.

No claim shall be allowed in Particular Average for wages and maintenance of the Master, Officers or Crew, except when incurred solely for the necessary removal of the Vessel from one port to another for average repairs or for trial trips to test average repairs, in which cases wages and maintenance will be allowed only while the Vessel is under way. This exclusion shall not apply to overtime or similar extraordinary payments to the Master, Officers or Crew incurred in shifting the Vessel for tank cleaning or repairs or while specifically engaged in these activities, either in port or at sea.

General and Particular Average shall be payable without deduction, new for old.

The expense of sighting the bottom after stranding shall be paid, if reasonably incurred especially for that purpose, even if no damage be found.

No claim shall in any case be allowed in respect of scraping or painting the Vessel's bottom.

In the event of loss or damage to equipment or apparatus not owned by the Assured but installed for use on board the Vessel and for which the Assured has assumed responsibility, claim shall not exceed (1) the amount the Underwriters would pay if the Assured were owner of such equipment or apparatus, or (2) the contractual responsibility assumed by the Assured to the owners or lessors thereof, whichever shall be less.

No claim for unrepaired damages shall be allowed, except to the extent that the aggregate damage caused by perils insured against during the period of the Policy and left unrepaired at the expiration of the Policy shall be demonstrated by the Assured to have diminished the actual market value of the Vessel on that date if undamaged by such perils.

**GENERAL AVERAGE
AND SALVAGE
(Lines 120-133)**

General Average and Salvage shall be payable as provided in the contract of affreightment, or failing such provision or there be no contract of affreightment, payable at the Assured's election either in accordance with York-Antwerp Rules 1950 or 1974 or with the Laws and Usages of the Port of New York. Provided always that when an adjustment according to the laws and usages of the port of destination is properly demanded by the owners of the cargo, General Average shall be paid accordingly.

In the event of salvage, towage or other assistance being rendered to the Vessel by any vessel belonging in part or in whole to the same Owners or Charterers, the value of such services (without regard to the common ownership or control of the vessels) shall be ascertained by arbitration in the manner provided for under the Collision Liability clause in this Policy, and the amount so awarded so far as applicable to the interest hereby insured shall constitute a charge under this Policy.

When the contributory value of the Vessel is greater than the Agreed Value herein, the liability of the Underwriters for General Average contribution (except in respect to amounts made good to the Vessel), or Salvage, shall not exceed that proportion of the total contribution due from the Vessel which the amount insured hereunder bears to the contributory value, and if, because of damage for which the Underwriters are liable as Particular Average, the value of the Vessel has been reduced for the purpose of contribution, the amount of such Particular Average damage recoverable under this Policy shall first be deducted from the amount insured hereunder, and the Underwriters shall then be liable only for the proportion which such net amount bears to the contributory value.

**TOTAL LOSS
(Lines 134-143)**

In ascertaining whether the Vessel is a constructive Total Loss the Agreed Value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

There shall be no recovery for a constructive Total Loss hereunder unless the expense of recovering and repairing the Vessel would exceed the Agreed Value. In making this determination, only expenses incurred or to be incurred by reason of a single accident or a sequence of damages arising from the same accident shall be taken into account, but expenses incurred prior to tender of abandonment shall not be considered if such are to be claimed separately under the Sue and Labor clause.

In the event of Total Loss (actual or constructive), no claim to be made by the Underwriters for freight, whether notice of abandonment has been given or not.

In no case shall the Underwriters be liable for unrepaired damage in addition to a subsequent Total Loss sustained during the period covered by this Policy.

**SUE AND LABOR
(Lines 144-157)**

And in case of any Loss or Misfortune, it shall be lawful and necessary for the Assured, their Factors, Servants and Assigns, to sue, labor and travel for, in and about the defense, safeguard and recovery of the Vessel, or any part thereof, without prejudice to this insurance, to the charges whereof the Underwriters will contribute their proportion as provided below. And it is expressly declared and agreed that no acts of the Underwriters or Assured in recovering, saving or preserving the Vessel shall be considered as a waiver or acceptance of abandonment.

In the event of expenditure under the Sue and Labor clause, the Underwriters shall pay the proportion of such expenses that the amount insured hereunder bears to the Agreed Value, or that the amount insured hereunder (less loss and/or damage payable under this Policy) bears to the actual value of the salvaged property, whichever proportion shall be less; provided always that their liability for such expenses shall not exceed their proportionate part of the Agreed Value.

If claim for Total Loss is admitted under this Policy and sue and labor expenses have been reasonably incurred in excess of any proceeds realized or value recovered, the amount payable under this Policy will be the proportion of such excess that the amount insured hereunder (without deduction for loss or damage) bears to the Agreed Value or to the sound value of the Vessel at the time of the accident, whichever value was greater; provided always that Underwriters' liability for such expenses shall not exceed their proportionate part of the Agreed Value. The foregoing shall also apply to expenses reasonably incurred in salvaging or attempting to save the Vessel and other property to the extent that such expenses shall be regarded as having been incurred in respect of the Vessel.

**COLLISION
LIABILITY
(Lines 158-184)
EXCLUDED**

~~And it is further agreed that:~~

~~(a) if the Vessel shall come into collision with any other ship or vessel, and the Assured or the Surety in consequence of the Vessel being at fault shall become liable to pay and shall pay by way of damages to any other person or persons any sum or sums in respect of such collision, the Underwriters will pay the Assured or the Surety, whichever shall have paid,~~

such proportion of such sum or sums so paid as their respective subscriptions hereto bear to the Agreed Value, provided always that their liability in respect to any one such collision shall not exceed their proportionate part of the Agreed Value;

(b) in cases where, with the consent in writing of a majority (in amount) of Hull Underwriters, the liability of the Vessel has been contested, or proceedings have been taken to limit liability, the Underwriters will also pay a like proportion of the costs which the Assured shall thereby incur or be compelled to pay.

When both vessels are to blame, then, unless the liability of the owners or charterers of one or both such vessels becomes limited by law, claims under the Collision Liability clause shall be settled on the principle of Cross Liabilities as if the owners or charterers of each vessel had been compelled to pay to the owners or charterers of the other of such vessels such one half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of such collision.

The principles involved in this clause shall apply to the case where both vessels are the property, in part or in whole, of the same owners or charterers, all questions of responsibility and amount of liability as between the two vessels being left to the decision of a single Arbitrator, if the parties can agree upon a single Arbitrator, or failing such agreement, to the decision of Arbitrators, one to be appointed by the Assured and one to be appointed by the majority (in amount) of Hull Underwriters interested; the two Arbitrators chosen to choose a third Arbitrator before entering upon the reference, and the decision of such single Arbitrator, or of any two of such three Arbitrators, appointed as above, to be final and binding.

Provided always that this clause shall in no case extend to any sum which the Assured or the Surety may become liable to pay or shall pay in consequence of, or with respect to:

(a) removal or disposal of obstructions, wrecks or their cargoes under statutory powers or otherwise pursuant to law;

(b) injury to real or personal property of every description;

(c) the discharge, spillage, emission or leakage of oil, petroleum products, chemicals or other substances of any kind or description whatsoever;

(d) cargo or other property on or the engagements of the Vessel;

(e) loss of life, personal injury or illness.

Provided further that exclusions (b) and (c) above shall not apply to injury to other vessels or property thereon except to the extent that such injury arises out of any action taken to

~~avoid, minimize or remove any discharge, spillage, emission or leakage described in (c) above.~~

**PILOTAGE AND
TOWAGE
(Lines 185-195)**

This insurance shall not be prejudiced by reason of any contract limiting in whole or in part the liability of pilots, tugs, towboats, or their owners when the Assured or the agent of the Assured accepts such contract in accordance with established local practice.

Where in accordance with such practice, pilotage or towage services are provided under contracts requiring the Assured or the agent of the Assured:

(a) to assume liability for damage resulting from collision of the Vessel insured with any other ship or vessel, including the towing vessel, or

(b) to indemnify those providing the pilotage or towage services against loss or liability for any such damages,

it is agreed that amounts paid by the Assured or Surety pursuant to such assumed obligations shall be deemed payments "by way of damages to any other person or persons" and to have been paid "in consequence of the Vessel being at fault" within the meaning of the Collision Liability clause in this Policy to the extent that such payments would have been covered if the Vessel had been legally responsible in the absence of any agreement. Provided always that in no event shall the aggregate amount of liability of the Underwriters under the Collision Liability clause, including this clause, be greater than the amount of any statutory limitation of liability to which owners are entitled or would be entitled if liability under any contractual obligation referred to in this clause were included among the liabilities subject to such statutory limitations.

**CHANGE OF
OWNERSHIP
(Lines 196-209)**

In the event of any change, voluntary or otherwise, in the ownership or flag of the Vessel, or if the Vessel be placed under new management, or be chartered on a bareboat basis or requisitioned on that basis, or if the Classification Society of the Vessel or her class therein be changed, cancelled or withdrawn, then, unless the Underwriters agree thereto in writing, this Policy shall automatically terminate at the time of such change of ownership, flag, management, charter, requisition or classification; provided, however, that:

(a) if the Vessel has cargo on board and has already sailed from her loading port, or is at sea in ballast, such automatic termination shall, if required, be deferred until arrival at final port of discharge if with cargo, or at port of destination if in ballast;

(b) in the event of an involuntary temporary transfer by requisition or otherwise, without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such transfer.

This insurance shall not inure to the benefit of any transferee or charterer of the Vessel and, if a loss payable hereunder should occur between the time of change or transfer and any deferred automatic termination, the Underwriters shall be subrogated to all of the rights of

the Assured against the transferee or charterer in respect of all or part of such loss as is recoverable from the transferee or charterer, and in the proportion which the amount insured hereunder bears to the Agreed Value.

The term "new management" as used above refers only to the transfer of the management of the Vessel from one firm of corporation to another, and it shall not apply to any internal changes within the offices of the Assured.

**ADDITIONAL
INSURANCES
(Lines 210-238)**

It is a condition of this Policy that no additional insurance against the risk of Total Loss of the Vessel shall be effected to operate during the currency of this Policy by or for account of the Assured, Owners, Managers, Operators or Mortgagees except on the interests and up to the amounts enumerated in the following Sections (a) to (g), inclusive, and no such insurance shall be subject to P.P.I., F.I.A. or other like term on any interests whatever excepting those enumerated in Section (a); provided always and notwithstanding the limitation on recovery in the Assured clause a breach of this condition shall not afford the Underwriters any defense to a claim by a Mortgagee who has accepted this Policy without knowledge of such breach:

(a) DISBURSEMENTS, MANAGERS' COMMISSIONS, PROFITS OR EXCESS OR INCREASED VALUE OF HULL AND MACHINERY, AND/OR SIMILAR INTERESTS HOWEVER DESCRIBED, AND FREIGHT (INCLUDING CHARTERED FREIGHT OR ANTICIPATED FREIGHT) INSURED FOR TIME. An amount not exceeding in the aggregate 25% of the Agreed Value.

(b) FREIGHT OR HIRE, UNDER CONTRACTS FOR VOYAGE. An amount not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the amount shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any amount permitted under this Section shall be reduced, as the freight or hire is earned, by the gross amount so earned. Any freight or hire to be earned under the form of Charters described in (d) below shall not be permitted under this Section (b) if any part thereof is insured as permitted under said Section (d).

(c) ANTICIPATED FREIGHT IF THE VESSEL SAILS IN BALLAST AND NOT UNDER CHARTER. An amount not exceeding the anticipated gross freight on next cargo passage, such amount to be reasonably estimated on the basis of the current rate of freight at time of insurance, plus the charges of insurance. Provided, however, that no insurance shall be permitted by this Section if any insurance is effected as permitted under Section (b).

(d) TIME CHARTER HIRE OR CHARTER HIRE FOR SERIES OF VOYAGES. An amount not exceeding 50% of the gross hire which is to be earned under the charter in a

period not exceeding 18 months. Any amount permitted under this Section shall be reduced as the hire is earned under the charter by 50% of the gross amount so earned but, where the charter is for a period exceeding 18 months, the amount insured need not be reduced while it does not exceed 50% of the gross hire still to be earned under the charter. An insurance permitted by this Section may begin on the signing of the charter.

(e) PREMIUMS. An amount not exceeding the actual premiums of all interest insured for a period not exceeding 12 months (excluding premiums insured as permitted under the foregoing Sections but including, if required, the premium or estimated calls on any Protection and Indemnity or War Risks and Strikes insurance) reducing pro rata monthly.

(f) RETURNS OF PREMIUM. An amount not exceeding the actual returns which are recoverable subject to "and arrival" or equivalent provision under any policy of insurance.

(g) INSURANCE IRRESPECTIVE OF AMOUNT AGAINST: Risks excluded by War, Strikes and Related Exclusions clause; risks enumerated in the American Institute War Risks and Strikes Clauses; and General Average and Salvage Disbursements.

**WAR STRIKES AND
RELATED
EXCLUSIONS
(Lines 239-255)**

The following conditions shall be paramount and shall supersede and nullify any contrary provisions of the Policy.

This Policy does not cover any loss, damage or expense caused by, resulting from, or incurred as a consequence of:

- (a) Capture, seizure, arrest, restraint or detainment, or any attempt thereat; or
- (b) Any taking of the Vessel, by requisition or otherwise, whether in time of peace or war and whether lawful or otherwise; or
- (c) Any mine, bomb or torpedo not carried as cargo on board the Vessel; or
- (d) Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or
- (e) Civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy; or
- (f) Strikes, lockouts, political or labor disturbances, civil commotions, riots, martial law, military or usurped power; or
- (g) Malicious acts or vandalism, unless committed by the Master or Mariners and not excluded elsewhere under this War Strikes and Related Exclusions clause; or
- (h) Hostilities or warlike operations (whether there be a declaration of war or not) but this subparagraph (h) not to exclude collision or contact with aircraft, rockets or similar missiles, or with any fixed or floating object, or stranding, heavy weather, fire or explosion unless caused directly by a hostile act by or against a belligerent power which act is independent of

the nature of the voyage or service which the Vessel concerned or, in the case of a collision, any other vessel involved therein, is performing. As used herein, "power" includes any authority maintaining, naval, military or air forces in association with a power.

If war risks or other risks excluded by this clause are hereafter insured by endorsement on this Policy, such endorsement shall supersede the above conditions only to the extent that the terms of such endorsement are inconsistent therewith and only while such endorsement remains in force.

**AMERICAN
INSTITUTE S.R. & C.C.
ENDORSEMENT
(HULLS) SEPT. 8. 1959
87 B-46**

In consideration of an additional premium, as provided below, this insurance is extended to cover additional risks, from and after **As Declared** in accordance with the following clause:

"This insurance also covers damage to or destruction of the property insured directly caused by strikers, locked out workmen, or persons taking part in a labor disturbances or riots or civil commotions or caused by vandalism, sabotage, or malicious mischief, but excluding civil war, revolution, rebellion, or insurrection, or civil strife arising therefrom, and warranted free from any claim for delay, detention or loss of use, and free from all loss, damage or expense caused by any weapon of war employing atomic or nuclear fission and/or fusion or other reaction or radioactive force or matter.

Notwithstanding the exclusion in the F. C. & S. Clause in the within policy 'vandalism,' 'sabotage,' and 'malicious mischief,' as used herein, shall be construed to include wilful or malicious physical injury to or destruction of the described property caused by acts committed by an agent of any Government, party or faction engaged in war, hostilities, or other warlike operations, provided such agent is acting secretly and not in connection with any operations of military or naval armed forces in the country where the described property is situated."

Until further notice the Assured shall pay, for the additional protection afforded by the above clause an additional premium of **As Declared** percent. The Underwriters have the right nevertheless to change this rate at any time on 15 days written notice to the Assured; but the Assured shall have the option to cancel this endorsement as of the time when such change of rate would take effect, provided previous notice of such cancellation be given to the Underwriters. The rate may be changed as above notwithstanding strikes, labor troubles or civil commotions, on board the vessel or elsewhere, may be threatened or actually exist either at the time when such notice is given or when takes effect.

SPECIAL TERMS AND CONDITIONS

HULL & MACHINERY

EXTENDED ADVENTURES AND PERILS CLAUSE

It is specifically understood and agreed that the Perils Clause in this policy shall be interpreted to include: Loss or damage howsoever caused by theft, flood, cloudburst, tidal action, water current, rising water, ice, freezing rain, or other storm, and/or tempest, tornado, or windstorm. landslide, falling objects, listing, upset, miring down, capsizing, overturn and shall also include direct loss or damage from pillage and looting. Whenever the vessel(s) named herein during the currency of this Policy is undergoing repairs, alteration, building, rebuilding, outfitting or overhauling, these Sections shall pay for the physical loss or damage to the vessel named herein, to the extent of any period not recoverable hereunder that is recoverable under the terms of the American Institute Builder's Risk Form (1310, February 8, 1979, subject however, to this Policy termination, this Section agreed valuation and amount insured hereunder.

This insurance also covers (subject to the deductible clause herein) loss of or damage to the vessels named herein caused by blowout or cratering as these terms are known in the oil industry and other perils incidental to the drilling of wells.

LINER NEGLIGENCE CLAUSE (SP – 7)

FOR ATTACHMENT TO AMERICAN INSTITUTE HULL CLAUSES (June 2, 1977)

In consideration of additional premium of INCLUDED, it is understood and agreed that the ADDITIONAL PERILS (INCHMAREE) clause of the attached Policy is deleted and in place thereof the following inserted:

“Subject to the conditions of this Policy, this insurance also covers:

a Breakdown of motor generators or other electrical machinery and electrical connections thereto; bursting of boilers; breakage of shafts; or any latent defect in the machinery or hull;

b Loss of or damage to the subject matter insured directly caused by:

1. Accidents on shipboard or elsewhere, other than breakdown of or accidents to nuclear installations or reactors on board the Insured Vessel;
2. Negligence, error of judgment or incompetence of any person;

excluding under both “a” and “b” above only the cost of repairing, replacing or renewing any part condemned solely as a result of a latent defect, wear and tear, gradual deterioration or fault or error in design or construction;

provided such loss or damage (either as described in said “a” or “b” or both) has not resulted from want of due diligence by the Assured(s), the Owner(s) or Manager(s) of the Vessel, or any of them. Masters, mates, engineers, pilots or crew

not to be considered as part owners within the meaning of this clause should they hold shares in the Vessels”

TOTAL LOSS

In the event of a total or constructive total loss to a vessel insured hereunder, the full annual premium shall be deemed fully earned and payable immediately

**DELIBERATE
DAMAGE**

Subject to the terms and conditions of this policy, this insurance also covers physical loss of or damage to the vessel directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the vessel for which this Company is liable under this policy, provided such act of governmental authorities has not resulted from want of due diligence by the Assured, the Owners or Managers of the vessel or any of them to prevent or mitigate such hazard or threat. Masters, mates, engineers, pilots or crew not to be considered as part owners within the meaning of this clause should they hold shares in the Company.

**SISTER SHIP
SALVAGE**

In the event of salvage, towage or other assistance being rendered to a vessel hereby insured by any vessel belonging to the same owners or charterers, the value of such services as agreed between the Assured and this Company, or failing such agreement, as ascertained by arbitration, shall constitute an expense payable in accordance with the provisions of the "Sue and Labor" clause

**NON OWNED
EQUIPMENT AND
APPARATUS**

This insurance is extended to cover equipment and apparatus, not owned by the Assured but installed for use of the insured vessel, and for which the Assured has assumed liability, whether such equipment or apparatus be in the nature of aids to navigation or communication or otherwise, subject to all other terms and conditions of this policy; but in no event shall the liability of this Company exceed the contractual liability of the Assured for such equipment or apparatus. All such equipment or apparatus installed on the vessel but not owned by the assured shall be included in the agreed valuation of the Hull, etc., unless its function is directly related to the propulsion of the vessel, in which event such equipment or apparatus shall be included in the agreed amount of machinery.

**VESSEL REPAIR,
ALTERATION, ETC**

It is further agreed that this policy shall cover, to the extent not otherwise provided for herein, in accordance with the terms and conditions of the American Institute Builder's Risk Form 131, (February 8, 1979), subject to the policy terms of Average each loss, during such time any vessel insured hereunder is in the care or custody of a recognized Shipyard in connection with work being performed by the Shipyard. The term Shipyard as used in this clause shall include the Assured's own facilities.

THEFT COVERAGE ENDORSEMENT

"In consideration of the premium charged, it is hereby understood and agreed that this endorsement extends the commercial hull policy to cover damage to or loss of the entire vessel, caused by the unlawful taking of the entire vessel".

The theft of the entire vessel shall be adjusted based on the insured value as stated in the commercial hull policy. In the event of damage to the vessel resulting from theft of the entire vessel the hull deductible stated in the commercial hull policy shall apply for each occurrence that is reported.

Theft claims on electronics shall be subject to a \$250 deductible per accident. There must be visible marks of forcible entry or removal, or the entire vessel must be stolen.

If the entire vessel is stolen and not recovered within 30 days after you present your theft claim to the appropriate law enforcement authority as well as to us or our agent, the property shall be considered totally lost.

"Warranted that the Company shall not be liable for the loss of or damage to fish; bait; fishing gear, including but not limited to, nets, doors; drags, rods, reels, and line; or gear not normally installed upon and made part of the insured vessel."

All other terms and conditions of the commercial hull policy shall apply to this endorsement.

SHORE PERIL ENDORSEMENT

No liability shall exist hereunder for any loss, damage or expense in respect of cargo before loading on or after discharge from the vessel named herein caused by flood, tide, windstorm, earthquake, fire, explosion, heat, cold, deterioration, collapse of wharf, leaky shed, theft or pilferage unless such loss, damage or expense is caused directly by the vessel named herein, her master, officers or crew.

Hull Schedule of Vessels

NO	Vessel	LOA (FT)	Year	Agreed Value	Hull Rate	Hull Premium	Hull Deductible	P & I Premium
1	Almar	31'	2001	\$300,000	4.00%	\$12,000	\$5,000	\$5,500
2	Naiad	28'	2006	\$100,000	4.00%	\$4,000	\$5,000	\$5,500
3	Aquascan	33'	2004	\$100,000	4.00%	\$4,000	\$5,000	\$5,500
4	Ribcraft	21'	2006	\$50,000	4.00%	\$2,000	\$5,000	\$5,500
	Six (6) Roving Crew							\$22,000
	<u>P & I Coverage Extended to include Diving Operation As Per Attached.</u>						<u>P&I deductible \$10,000 EXCEPT \$25,000 applicable to Diving</u>	\$7,500
	<u>Totals:</u>			\$550,000		\$22,000		\$29,500

HULL: EACH VESSEL DEEMED SEPARATELY INSURED

Hull Deductible:

A 50% Deductible shall apply to any loss, including a total loss, arising from a "repowered" vessel sinking at the dock or mooring while not operating, unless the vessel is equipped with Siren Marine MTC unit with annual subscription (or comparable service to be agreed with these Underwriters).

Definitions:

"Repowered" means a vessel equipped with engine(s) not in compliance with vessel or engine manufacturer's weight and/or horsepower specifications

SECTION II – PROTECTION & INDEMNITY COVERAGE

AIMU

Protection and Indemnity (P and I) Clauses

June 2, 1983

To be attached to and form part of Policy No. MASIHNY00029123 of Starr Indemnity & Liability Company 1
 (hereinafter “the Underwriters”). 2

THE FOLLOWING CLAUSES ARE SUBSTITUTED FOR THOSE OF THE POLICY FORM TO WHICH 3
 THEY ARE ATTACHED, THE LATTER BEING VOID, EXCEPT FOR THOSE PROVISIONS REQUIRED 4
 BY LAW. CAPTIONS, BELOW, ARE FOR EASE OF REFERENCE ONLY AND ARE NOT TO BE USED TO 5
 INTERPRET THE CLAUSE.S. 6

ASSURED

This Policy insures **Lauderdale Towing & Salvage, Inc. dba Sea Tow Ft. Lauderdale Sea Tow Services International, Inc.** 7
(hereinafter, “the Assured”). The Underwriters waive all rights of subrogation against affiliated or subsidiary 8
 companies of the Assured but only the extent that the liabilities of such companies are uninsured. 9
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VESSEL

The Underwriters will indemnify the Assured in respect of the matters set forth at lines 46 through 76, below, subject 11
 to all other terms hereof, in respect of the **AS Per Attached Vessel Schedule**of gross 12
 registered tons (hereinafter, the "Vessel"). If more than one Vessel is named, all clauses shall apply as though a separate Policy 13
 had been issued for each Vessel. 14

DURATION OF RISK

This Policy attaches on February 1, 2022, at 12:01 o'clock A.M EST time and expires on February 1, 2023,..... 15
at 12:01 A.M o'clock EST time. Should the Vessel be at sea at the expiration of this Policy, or in distress, or at a port of 16
 refuge or call, she shall be held covered until she reaches her port of destination, provided prior notice be given to the 17
 Underwriters and provided the Assured agrees to any amended terms of cover and additional premium if required by the 18
 Underwriters. 19

LIMIT OF LIABILITY

Liability hereunder in respect of all consequences of anyone casualty or occurrence, including defense costs, shall not 20
 exceed the sum of **\$1,000,000** less any applicable deductible, regardless of how many separate injuries or claims arise out of 21
 such casualty or occurrence. 22

DEDUCTIBLES

There shall be deducted from the total amount payable by the Underwriters with respect to all claims, including costs 23
 of defense and expenses, arising from anyone casualty or occurrence: 24

- a) **\$10,000with respect to those claims for loss of life, bodily injury or illness, and** 25
- b) **\$25,000 with respect to all other Diving claims;** 26

PROVIDED, HOWEVER, that the maximum deductible for anyone casualty or occurrence shall not exceed the 27
 greater of the foregoing amounts. 28

PREMIUM

The Underwriters are to be paid premium of \$ 25,500 for this insurance, payable as follows: **At Policy Inception**..... 29
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RETURN PREMIUM

If the Vessel is sold, demise chartered or requisitioned this Policy shall terminate on the date and at the hour when 32
 such disposition of the Vessel is effective and the Underwriters will return premium on a pro rata daily net basis for the 33
 unexpired term. If the Policy is cancelled by the Assured, the Underwriters will return premium on the usual short rate 34
 daily net basis for the unexpired term. If the Policy is cancelled by the Underwriters they will return premium on a pro 35

rata daily net basis for the unexpired term. 36

CANCELLATION

The Policy may be cancelled by the Underwriters or by the Assured upon fifteen days written or telegraphic notice. 37
 The Underwriters may send notice to the Assured's last address known to them, or to the broker of record at the time 38
 when notice is given. At noon local time at the place of the sending of the notice on the fifteenth day after such notice 39
 shall have been mailed, telegraphed or telexed, the Policy shall cease to be in effect. The Policy may also be cancelled 40
 at any time by mutual agreement of the Assured and the Underwriters. 41

TRADING WARRANTY

Warranted that the Vessel shall be confined to 42

Vessels navigating within a 100- mile radius of their normal berth location. 43

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INDEMNITY

Subject to all exclusions and other terms of this Policy the Underwriters agree to indemnify the Assured for any sums 46
 which the Assured, as owner of the Vessel, shall have become liable to pay, and shall have paid, in respect of any 47
 casualty or occurrence during the currency of the Policy but only in consequence of any of the matters set forth here- 48
 under PROVIDED, however, that if the interest of the Assured is or includes interests other than owner of the Vessel, 49
 the Underwriters' liability shall not be greater than if the Assured was the owner entitled to all defenses and limita- 50
 tions of liability to which a shipowner is entitled: 51

- (1) Loss of life and bodily injury or illness; but excluding amounts paid under any compensation act. 52
- (2) Hospital, medical or other expenses necessarily and reasonably incurred with respect to loss of life, bodily injury 53
 to, or illness of, any person. 54
- (3) Crew member burial expense not to exceed \$1,000 per person. 55
- (4) Repatriation expenses of crew member, excepting such as arise from the termination of any agreement in 56
 accordance with its terms, or the sale of the Vessel or other voluntary act of the Assured. Wages may be included 57
 in such expenses when a statute requires payment of wages while awaiting and during repatriation. 58
- (5) Damage to any fixed or movable object or property, howsoever caused, excluding however, damage to another 59
 vessel or any property aboard it caused by collision with the Vessel. 60
- (6) Cost or expense of, or incidental to, any attempted or actual removal or disposal of obstructions, wrecks or their 61
 cargoes under statutory power or otherwise pursuant to law, PROVIDED, however, that there shall be deducted from 62
 such claim for cost or expenses, the value of any salvage from the wreck inuring to the benefit of the Assured or any 63
 subrogee thereof. 64
- (7) Fines and penalties, including expenses reasonably incurred in avoiding or mitigating same, for the violation of 65
 any of the laws of the United States, or any State thereof, or of any foreign country; PROVIDED, however, that the 66
 Underwriters shall not be liable to indemnify the Assured against any such fines or penalties resulting directly or 67
 indirectly from the failure, neglect, or default of the Assured or his managing officers or managing agents to exercise 68
 the highest degree of diligence to prevent a violation of any such laws. 69
- (8) Extraordinary expense arising from an outbreak of contagious disease, PROVIDED that the Vessel was not 70
 ordered by anyone acting on behalf of the Assured to proceed to a port where such disease was known or supposed 71
 to exist. 72
- (9) Costs incurred with the written consent of the Underwriters, or reasonably incurred prior to receipt of advices 73
 from Underwriters, for investigation and defense of claims, valid or not, within the scope of the Policy. 74
- (10) Port charges incurred solely for the purpose of putting in to land an injured or sick seaman or passenger, and the 75
 net loss to the Assured in respect of bunkers, insurance, stores and provisions as the result of the deviation. 76

EXCLUSIONS

Notwithstanding anything to the contrary elsewhere herein the Underwriters will not indemnify the Assured in 77

respect of any of the following matters:	78
(A) Any liability assumed under contract or otherwise.	79
(B) Liability imposed on the Assured as punitive or exemplary damages, however described.	80
(C) Any liability for any loss of, damage to, or expense in respect of, cargo or other property (including baggage and personal effects of passengers, mail and parcel post) carried, to be carried or which had been carried on board the Vessel, EXCEPT, HOWEVER, such liability imposed under the doctrine of cross liabilities for cargo on board the Vessel for which there is no coverage under any other policy held by the Assured.	81 82 83 84
(D) Any liability or claim for, or any loss of, damage to, or expense in respect of property owned, leased, chartered or hired by the Assured.	85 86
(E) Engagement in unlawful trade or performance of an unlawful act with knowledge of the Assured.	87
(F) Cancellation or breach of any contract.	88
(G) Bad debts.	89
(H) Fraud, dishonesty or insolvency of the Assured, its agents or others.	90
(I) Salvage charges, special charges, general average, freight, detention, demurrage or loss of use, of the Vessel.	91
(J) Any liability for, or any loss, damage, or expense arising from or accruing by reason of the towage of any other vessel or craft other than emergency towage of a vessel in distress at sea to a port or place of safety, EXCEPT, HOWEVER, this exclusion shall not apply to claims for loss of life, or bodily injury to, or illness or any person. Emergency towage is deemed to be towage undertaken as a salvage service while the Vessel is on a voyage wholly unrelated to performance of such service.	92 93 94 95 96
(K) Any liability for, or any loss, damage or expense while engaged in, or resulting from, any commercial diving operation or service from the Vessel, EXCEPT, HOWEVER, any liability incurred when the Vessel's crew is engaged in inspection or repair of the Vessel which could not be deferred until commercial divers were available.	97 98 99
(L) Any liability for, or any loss, damage, injury or expense resulting from nuclear radiation, fission or fusion, whether such loss, damage, injury or expense has been caused directly or-indirectly or has arisen from any matter for which the Assured has responsibility or otherwise, and whether the nuclear event be controlled or un-controlled.	100 101 102 103
(M) Any liability for, or any loss, damage, injury or expense caused by, resulting from or incurred by reason of any one or more of the following:	104 105
1) Capture, seizure, arrest, taking, restraint, detainment, confiscation, preemption, requisition or national-ization, or the consequences thereof or any attempt thereat, whether in time of peace or war and whether lawful or otherwise;	106 107 108
2) Any weapon of war employing atomic or nuclear fission and/ or fusion or other reaction or radioactive force or matter, or by any mine, bomb or torpedo;	109 110
3) Hostilities or warlike operations (whether there be a declaration of war or not), but the phrase, "hostilities or warlike operations (whether there be a declaration of war or not)", shall not exclude collision or contact with aircraft, rockets or similar missiles or with any fixed or floating object, stranding, heavy weather, fire or explosion unless caused directly (independently of the nature of the voyage or service which the watercraft concerned or in the case of a collision, any other vessel involved herein, is performing) by a hostile act by or against a belligerent power; for the purpose of the foregoing power includes any authority maintaining naval, military or air forces in association with a power. In addition to the foregoing exclusions, this insurance shall not cover any loss, damage or expense to which a warlike act or the use of military or naval weapons is a contributing cause, whether or not the Assured's liability therefor is based on negligence or otherwise, and whether in time of peace or war. The embarkation, carriage and disembarkation of troops, combatants, or material of war, or the placement of the watercraft in jeopardy as an act or measure of war taken in the actual process of a military engagement, with or without the consent of the Assured, shall be considered a warlike act for the purposes of this Policy.	111 112 113 114 115 116 117 118 119 120 121 122 123
4) The consequences of civil war, revolution, rebellion, insurrection, military or usurped power, the imposition of martial law, or civil strife arising therefrom, or piracy; or from any loss, damage or expense caused by or resulting directly or indirectly from the act or acts of one or more persons, whether or not agents of a	124 125 126

sovereign power, carried out <i>for</i> political, ideological or terrorist purposes, and whether any loss, damage or expense resulting therefrom is accidental or intentional.	127 128
5) Malicious acts or vandalism, strikes, lockouts, political or labor disturbances, civil commotions, riots, or the acts of any person or persons taking part in such occurrence or disorder.	129 130
(N) Any liability for, or any loss, damage, cost, expense, fine or penalty of any kind or nature whatsoever, whether statutory or otherwise, incurred by or imposed on the Assured, directly or indirectly, in consequence of, or with respect to, the actual or potential discharge, emission, spillage or leakage upon or into the seas, waters, land or air, of substances of any kind or nature whatsoever.	131 132 133 134

SEXUAL ABUSE OR MOLESTATION EXCLUSION

Notwithstanding anything to the contrary contained herein, it is hereby understood and agreed that this insurance does not apply to and the Company shall have no duty to defend, any liability arising out of:

- (A) the actual or threatened abuse, molestation, or harassment by anyone of any person while in the care, custody or control of any Assured, or
- (B) any conduct involving unwelcome sexual advances, requests for sexual favors, and verbal, visual, or physical conduct of a sexual nature; or
- (C) the negligent:
 - (1) employment;
 - (2) investigation;
 - (3) supervision;
 - (4) reporting to the proper authorities, or failure to so report; or
 - (5) retention:
 of a person for whom any Assured is, or ever was, legally responsible and whose conduct is excluded by (A) and (B) above;

All other terms and conditions remaining unchanged.

(O)

GENERAL CONDITIONS

NOTICE OF LOSS

It is a condition of this Policy that the Assured give prompt notice to the Underwriters of any casualty or occurrence	135 136
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which may result in a claim under this Policy.

FORWARDING OF PROCESS

It is a condition of this Policy that the Assured forward to the Underwriters, promptly upon receipt, copies of all communications, legal process and pleadings relating to any casualty or occurrence which may result in a claim under this Policy. 137
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SETTLEMENT OF CLAIMS

- 1) It is a condition of the Policy that the Assured shall not make any admission of nor agree to assume any liability either before or after any casualty or occurrence which may result in a claim under this Policy. 140
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- 2) It is a condition of this Policy that the Assured shall take such steps to minimize and avoid liability, before and after any casualty or occurrence, as would be taken by a prudent uninsured person. 142
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- 3) The Underwriters shall have the option of naming the attorneys who shall represent the Assured in the prosecution or defense of any litigation or negotiations between the Assured and third parties concerning any claim covered by this Policy, and in any event, the Underwriters shall direct the progress of such litigation or negotiations. 144
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- 4) If the Assured shall fail, or refuse, to settle any claim as authorized by the Underwriters, the liability of the Underwriters shall be limited to the amount for which settlement could have been made plus legal fees and disbursements incurred to the date the Assured fails or refuses to settle any such claim, less the amount of any deductible provided for in this Policy. If thereafter any amount is recovered against the Assured in excess of the amount of any settlement authorized by the Underwriters (less the deductible), such excess amount, plus any additional legal fees and disbursements, shall be solely for account of the Assured. 148
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CLAIMS COOPERATION

The Assured shall aid in securing information, evidence, obtaining witnesses, and shall cooperate with the Underwriters in the defense of any claim or suit or in the appeal from any judgment, in respect of any casualty or occurrence as hereinbefore provided. 154
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SUBROGATION

The Underwriters shall be subrogated to all the rights which the Assured may have against any other person or entity, in respect of any payment made under this Policy, to the extent of such payment, and the Assured shall, upon the request of the Underwriters, execute and shall deliver such instruments and papers as the Underwriters shall require and do whatever else is necessary to secure such rights. In the event of any agreement or act, past or future, by the Assured, whereby any right of recovery of the Assured against any person or entity is released or lost to which the Underwriters on payment of loss would be entitled to subrogation, but for such agreement or act, the Underwriters shall be relieved of liability under this Policy to the extent that their rights of subrogation have been impaired thereby; in such event the right of the Underwriters to retain or collect any premium paid or due hereunder shall not be affected. The Underwriters shall not be liable for the costs and expenses of prosecuting any claim or suit unless the same shall have been incurred with the written consent of the Underwriters, or the Underwriters shall be satisfied that such approval could not have been obtained under the circumstances without unreasonable delay and that such costs and expenses were reasonably and properly incurred, such costs and expenses being subject to the deductible. The Underwriters shall be entitled to take credit for any profit accruing to the Assured by reason of any negligence or wrongful act of the Assured's servants or agents, up to the measure of their loss, or to recover for their own account from third parties any damage that may be provable by reason of such negligence or wrongful act. 157
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OTHER INSURANCE

Provided that where the Assured is, irrespective of this insurance, covered or protected against any loss or claim which would otherwise have been paid by the Underwriters under this Policy, there shall be no contribution or participation by the Underwriters on the basis of excess, contributing, deficiency, concurrent, or double insurance or otherwise. 173
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ASSIGNMENTS

Neither this Policy nor any claim or demand against the Underwriters under this Policy shall be assigned or transferred, and no person, excepting a legally appointed Receiver of the property of the Assured, shall acquire any right 177
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against the Underwriters by virtue of this insurance without the express consent of the Underwriters endorsed hereon. 179
This Policy shall cease to be in effect 10 days after appointment of a Receiver, Trustee or any other transferee of the 180
Assured's assets. 181

TIME FOR SUITE CLAUSE

No action shall lie against the Underwriters for the recovery of any loss sustained by the Assured unless such action 182
be brought against the Underwriters within one year after the final judgment or decree is entered in the litigation 183
against the Assured, OR in case the claim against the Underwriters accrues without the entry of such final judgment 184
or decree, unless such action be brought within one year from the date of the payment by the Assured of such claim, 185
PROVIDED, however, that where such limitation of time is prohibited by the law of the State wherein this Policy 186
is issued, then, and only in that event, no action under this Policy shall be sustainable unless commenced within the 187
shortest limitation permitted under the law of such State. 188

**COLLISION AND
TOWER'S
LIABILITY
(per AIMU Tug
Form)**

And it is further agreed that:

(a) if the Vessel shall come into collision with any other ship or vessel, and the Assured or the Surety in consequence of the Vessel being at fault shall become liable to pay and shall pay by way of damages to any other person or persons any sum or sums in respect of such collision, the Underwriters will pay the Assured or the Surety, whichever shall have paid, such proportion of such sum or sums so paid as their respective subscriptions hereto bear to the Agreed Value, provided always that their liability in respect to any one such collision shall not exceed their proportionate part of the Agreed Value;

(b) in cases where, with the consent in writing of a majority (in amount) of Hull Underwriters, the liability of the Vessel has been contested, or proceedings have been taken to limit liability, the Underwriters will also pay a like proportion of the costs which the Assured shall thereby incur or be compelled to pay.

When both vessels are to blame, then, unless the liability of the owners or charterers of one or both such vessels becomes limited by law, claims under the Collision Liability clause shall be settled on the principle of Cross-Liabilities as if the owners or charterers of each vessel had been compelled to pay to the owners or charterers of the other of such vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of such collision.

The principles involved in this clause shall apply to the case where both vessels are the property, in part or in whole, of the same owners or charterers, all questions of responsibility and amount of liability as between the two vessels being left to the decision of a single Arbitrator, if the parties can agree upon a single Arbitrator, or.

**CONTRACTUAL
LIABILITY
EXTENSION**

Subject otherwise to the all terms, conditions and limitations of the policy, this policy, is extended to insure contractual liability of the Insured arising out of Hold Harmless and/or Indemnity agreements contained in such contracts as have been entered into by the Insured for furnishing of insured Vessels' Services and Insured Production Personnel Services and naming such parties, their affiliates, and/or Subsidiaries and/or interrelated companies as additional assureds and waiving subrogation rights only in respect of the insured vessel(s) and/or Production Personnel employed by or actually working for the named additional assureds, their affiliates and/or subsidiaries and/or interrelated companies. However, it is specifically understood and agreed that the naming of more than one Assured hereunder shall not increase the liability of this Company or otherwise alter any other terms and/or conditions of this policy. It is also understood and agreed that in the event of cancellation of or any material change in the policy, thirty (30) days prior written notice will be given to the Additional Assureds at the address given in the Certificate of Insurance issued on behalf of the Assured. In the event of Nonpayment of premium five (5) days notice will be given. It is further warranted that a copy of the Certificate of Insurance be submitted to the Company within thirty (30) days of entering into the contract. It is understood and agreed that this extension shall exclude the following:

- (a) All claims covered under other insurance of the named insured
- (b) All claims arising out of insolvency and financial default of any party.

IN REM CLAUSE

It is agreed that an action "in rem" against a vessel owned by, leased to, chartered by, or operated by the Assured shall be treated as if were an action "in personam" against the Named Assured

**PILOTAGE AND
TOWAGE**

This insurance shall not be prejudiced by reason of a contract limiting in whole or in part the liability of pilots, tugs, towboats, or their owners when the Assured or the agent of the Assured accepts such contracts in accordance with established local practice. Where in accordance with such practice, pilotage or towage services are provided under contracts requiring the Assured or the agent of the Assured:

- (a) to assume liability for damages resulting from collision of the vessel insured with any other ship vessel, including the towing vessel, or
- (b) to indemnify those providing the pilotage or towage services against loss or liability for any such damages.

It is agreed that amounts paid by the Assured or Surety pursuant to such assumed obligations shall be deemed payments "by way of damages to other persons" and to have been paid "in consequence of the vessel being at fault" within the meaning of the Collision Liability clause in this Section to the extent that such payments would have been covered if the vessel had been legally responsible in the absence of any agreement. Provided always that in no event shall the aggregate amount of liability of the Underwriters under the Collision Liability Clause, including this clause, be greater than the amount of any statutory limitation of liability to which owners are entitled or would under contractual obligation referred to in this clause were included among the liabilities subject to such statutory limitations but only up to policy limits.

COLLISION AND/OR TOWERS' LIABILITY

It is agreed that if the Vessel hereby insured shall come into collision with any other vessel, craft or structure, floating or otherwise (including her tow); or shall strand her tow or shall cause her tow to come into collision with any other vessel, craft or structure, thereof or to the property on board, and the Assured or the Surety, in consequence of the insured vessel being at fault, shall become liable to pay and shall pay by way of damages to any other person or persons any sum or sums we, the Underwriters, will pay the Assured or the Surety, whichever shall have paid, such sum or sums so paid as our subscriptions hereto bear the limit of liability hereby insured provided always that our liability in respect of any one such casualty shall not exceed or proportionate part of the liability in respect of any one such casualty shall not exceed or proportionate part of the limit of liability hereunder. And in cases where the liability of the Vessel has been contested or proceedings have been taken to limit liability, with our consent in writing, of contested or proceedings have been taken to limit liability, with our consent in writing, of the majority (in amount) of the Underwriters of the Hull and Machinery, we will also pay a like proportion of the costs, which the Assured shall thereby incur or be compelled to pay; but when both Vessels are to blame, then, unless the liability of the owners of one or both of such Vessels becomes limited by law, claims under the collision and tower's liability clause shall be settled on the principle of cross liabilities, as if the owners of each Vessel had been compelled to pay to owners of the other of such Vessels such one-half or other proportion of the latter's damage as may have been properly allowed in ascertaining the balance or sum payable by or to the Assured in consequence of such casualty. It is hereby further agreed that the principles involved in this clause shall apply to the case where two or more of the Vessels involved are the property, in part or in whole, of the same Assured, all questions or responsibility and amount of liability as between such vessels being left to the decision of a single Arbitrator, if the parties can agree upon a single Arbitrator, or failing such agreement, to the decision of Arbitrators one to be appointed by the Assured, and one to be appointed by the majority (in amount) of Hull Underwriters interested, the two Arbitrators so chosen to choose a third Arbitrator before entering upon the reference, and the decision of such single or any two of such three Arbitrators, appointed as above, to be final and binding.

It is agreed that wherever the words "our proportionate part of the value of the Vessel hereby insured" appear in the preceding clauses, the words "the limit of liability hereunder" shall be

substituted therefore, and wherever the words "majority (in amount) of Hull Underwriters" appear in the preceding clause, the words "the Underwriters" shall be substituted therefore.

It is agreed that wherever the words "Agreed Value" appear in the preceding standard clauses, the words "Limit of Liability Hereunder" shall be substituted therefore.

Provided always that this clause shall in no case extend to any sum which the Assured or Surety may become liability to pay or shall pay for removal of obstruction under statutory power, or for loss of life or personal injury. And provided also that in the event of any claim under this clause being made by anyone other than the Owners of the vessel hereby insured, he shall not be entitled to recover in respect of any liability to which the Owners of the Vessel as such would not be subject, nor to a greater extent that the Owners would be entitled in such event to recover.

**REMOVAL OF
WRECK**

It is understood and agreed that clause 7 including sub-clauses a & b of the AIMU P&I form SP-23 are deleted and the following substituted therefore:

Liability for cost or expense of, or incidental to, the removal, destruction or abatement of, or any attempt or failure or neglect to remove, destroy or abate any obstruction or any wreck and/or their cargoes or any hazard resulting there from when such removal is compulsory by law; provided, however, that there shall be deducted from such claim the value of any salvage or proceeds recovered there from.

**VOLUNTARY
REMOVAL OF
WRECK**

It is understood and agreed this policy is extended to cover

"Cost or expense of, or incidental to, the removal, destruction or abatement of, or any attempt or failure or neglect to remove, destroy or abate any obstruction or any wreck and/or their cargoes or any hazard resulting therefrom when such removal is Voluntary and not compulsory by law; provided, however, that there shall be deducted from such claim the value of any salvage or proceeds recovered therefrom and limited to \$150,000 for any one accident or occurrence, or series of accident or occurrences, arising out of the same event, subject only to basic deductible.

**AIMU POLLUTION
EXCLUSION
CLAUSE (P & I) &
BUY BACK
ENDORSEMENT A
(July 4, 1976)**

This Policy will not indemnify, the Assured against any sum(s) paid, nor insure against any liability, with respect to any loss, damage, cost, liability, expense, fine or penalty of any kind or nature whatsoever, and whether statutory or otherwise, incurred by or imposed on the Assured, directly or indirectly, in consequence of, or with respect to, the actual or potential discharge, emission, spillage or leakage upon or into the seas, waters, land or air, of oil, petroleum products, chemicals or other substances of any kind or nature whatsoever.

IN CONSIDERATION OF AN ADDITIONAL PREMIUM OF \$ INCLUDED

THE ABOVE POLLUTION EXCLUSION CLAUSE (P&I) SHALL NOT APPLY TO SUMS PAID, OR LIABILITY OF THE ASSURED:

1. For loss of life of, or bodily injury to, or illness of, any person; or,
2. For loss, damage or expense to any cargo or property carried on board the insured Vessel (s); or,
3. For loss, damage or expense to any cargo or property on board any other vessel or contained or stored ashore unless such sums are paid, or liability is imposed, as a result of contact of such cargo or property with oil, petroleum products, chemicals or other substances of any kind or nature whatsoever arising in consequence of their sudden and

accidental discharge, emission, spillage or leakage upon or into the seas, waters, land or air; or,

4. For contamination of any cargo or property resulting from the pumping of oil, petroleum products, chemicals or any other substances of any kind or nature whatsoever directly into any other vessel, or between tanks of the insured Vessel (s) or into storage tanks or receptacles ashore or elsewhere.

PROVIDED that such sums, or such liability, are insured elsewhere under the terms and conditions of this Policy.

All other terms and conditions, including any deductible provisions, of this Policy shall remain unchanged.

CREW WARRANTY:

Warranted no more than three (3) crew on all vessels at any one time.

ACTUAL CASH VALUE WARRANTY:

Warranted subject to the terms and conditions of the policy to which this endorsement is attached, the

Valuation on Outboard and Outdrive Units of Inboard Outboard Motors is amended to read:

We will pay losses on the basis of depreciated Actual Cash Value at the time of the loss, but not exceeding what would cost to repair or replace the damaged or lost property with material of like kind and quality.

Our liability for any one loss will not exceed the amount of insurance listed for Hull and Equipment shown on the Declarations page.

BODILY INJURY TO DIVERS LIMITATION

- 1) It is hereby understood and agreed that this policy shall not apply to any liability for loss of life, bodily injury, or personal injury to employees of the Assured or the Assured's subcontractors, arising out of the performance of commercial, recreational, or other "diving operations" while in the course of employment by the Assured or the Assured's subcontractors.
- 2) It is also understood and agreed that this policy shall not apply to any liability for loss of life, bodily injury or personal injury to any "diver(s)" arising out of the performance of commercial, recreational, or other "diving operations" conducted on or from any watercraft owned, operated, or controlled by the Assured or the Assured's subcontractors.

Notwithstanding the above, in the event the Assured hires a subcontractor to perform "diving operations", this exclusion shall not apply with respect to liability of the Assured arising out of the subcontractor's "diving operations", provided all of the following conditions have been met:

- 1) The Named Assured has obtained a Certificate of Insurance from the subcontractor evidencing the following valid and collectible insurances:
 - a) Commercial General Liability Insurance, including Products and Completed Operations coverage, contractual liability and a Primary and Non-Contributory provision, in an amount of not less than \$1,000,000 any one occurrence, subject to aggregate limits only where customary;
 - b) Worker's Compensation Insurance applicable in the state(s) where such "diving operations" occur, with statutory limits;

- c) US Longshoreman and Harbor Workers Insurance with statutory limits;
 - d) Employer’s Liability with limits of liability of at least \$500,000 each accident, \$500,000 policy limit, \$500,000 each employee;
 - e) In the event the subcontractor is conducting diving operation from a watercraft:
 - i) Protection and Indemnity coverage including liability for crew and maintenance and cure with a limit of liability of at least \$1,000,000 any one occurrence;
 - or in the event the subcontractor is working from non-owned watercraft,
 - ii) Maritime Employer’s Liability with a Limit of Liability of at least \$1,000,000 any one occurrence.
- 2) The Assured has obtained written evidence that it has been added as an Additional Assured under insurances 1 (a) and 1 (e) above, as their interest may appear.
- (B) In the event the Assured’s employees perform “diving operations”, this exclusion shall not apply with respect to liability of the Assured arising out of Assured’s employee’s “diving operations”, provided all of the following conditions have been met:
- 1) The diver is PADI (Professional Association of Diving Instructors) or NAUI (National Association of Underwater Instructors) certified.
 - 2) The dive does not exceed thirty (30) feet in depth.
 - 3) All dives are performed with a topside dive tender.

Definitions:

- “diver”:
A person using an apparatus, which supplies compressed breathing gas at the ambient pressure, including but not limited to, while working in water or in “hyperbaric conditions”.
- “diving operations”:
Operations which involve a person (or persons) using an apparatus, which supplies compressed breathing gas at the ambient pressure, including but not limited to, while working in water or in “hyperbaric conditions”.
- “hyperbaric conditions”:
Pressure conditions in excess of surface pressure.

TERRORISM EXCLUSION (TRIA 2002) REVISED

This insurance does not apply to loss, injury, damage, claim or suit, arising directly or indirectly as a result of a certified “act of terrorism” defined by Section 102. Definitions, of the Terrorism Risk Insurance Act of 2002 and any revisions or amendments.

For purposes of this endorsement and in compliance with the Terrorism Risk Insurance Act of 2002, an “act of terrorism shall mean:

- (1) Act of Terrorism –
 - (A) Certification. – The term “act of terrorism” means any act that is certified by the Secretary of the Treasury of the United States, in concurrence with the Secretary of State, and the Attorney General of the United States --
 - (i) to be an act of terrorism;
 - (ii) to be a violent act or an act that is dangerous to –
 - (I) human life;
 - (II) property; or

- (III) infrastructure;
- (iii) to have resulted in damage within the United States, or outside of the United States in the case of –
 - (I) an air carrier or vessel described in paragraph (5)(B); [for the convenience of this endorsement, paragraph (5)(B) reads: occurs to an air carrier (as defined in Section 40102 of title 49, United States Code) to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs, or at the premises of any United States mission];
 - (II) the premises of a United States mission; and
- (iv) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- (B) Limitation. -- No act shall be certified by the Secretary as an act of terrorism if –
 - (i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
 - (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.
- (C) Determinations Final. – Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.
- (D) Nondelegation. – The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

TERRORISM EXCLUSION ENDORSEMENT (Non - TRIA 2002)

This Endorsement does not apply to losses arising directly or indirectly as a result of a certified “act of terrorism” as defined by Section 102. Definitions., of the Terrorism Risk Insurance Act of 2002 and any revisions or amendments.

This policy excludes any loss, damage, liability or expense arising from:

- a) terrorism; and or
- b) steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

For the purpose of this clause, “terrorism” means any act(s) of any person(s) or organization(s) Involving:

- (i) the causing, occasioning or threatening of harm of whatever nature and by whatever means;
- (ii) putting the public or any section of the public in fear,

in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organization(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

AUTOMATIC ACQUISITION

This policy is hereby extended to cover, automatically, any vessel which the assured, and/or its affiliated, subsidiary, or interrelated companies may acquire by purchase or bare boat charter, it being understood that the assured will notify this company as soon as they have knowledge of such purchase or bareboat charter or no later than thirty (30) days thereafter and pay additional premium from date of each acquisition or bareboat charter. Each vessel covered by this clause shall be insured for the purchase price, or, in the event of a bareboat charter the amount agreed upon, in writing, prior to loss, between the owner and the assured, so valued, but this company’s liability under this automatic pickup endorsement shall Not exceed:

- Hull & Machinery – \$100,000 on any one vessel.
- Protection & Indemnity -\$1,000,000 on any one vessel

ALL OTHER TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS REMAIN UNCHANGED.