

TAYLOR

SP39C

In consideration of the premium and the stipulations, terms and conditions hereinafter mentioned, this Company does hereby insure:

ASSURED:

Whose address is

Loss, if any, payable to

Upon the

Her hull, tackle, apparel, engines, boilers, machinery, appurtenances, equipment, stores, boats and furniture

From the \_\_\_\_\_ day of \_\_\_\_\_

To the \_\_\_\_\_ day of \_\_\_\_\_

AMOUNT INSURED	RATE %	PREMIUM	AGREED VALUATION

Touching the adventures and perils which this Company is contented to bear and take upon itself, they are of the waters named herein, fire, lightning, earthquake, assailing thieves, jettisons, barratry of the master and mariners and all other like perils that shall come to the hurt, detriment or damage of the vessel named herein.

This insurance also covers loss of or damage to the vessel named herein caused by explosion on shipboard or elsewhere.

This insurance also covers loss of or damage to the vessel named herein directly caused by:

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

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

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 vessel named herein;

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 Assured(s) hereunder;

Negligence of master, mariners, engineers 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.

General average, salvage and special charges payable as provided in the contract of affreightment, or failing such provision, or there be no contract of affreightment, payable in accordance 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 in accordance with same.

And it is further agreed that if the vessel named herein and/or her tow, if any, shall come into collision with any other ship or vessel other than her tow, if any, and the assured in consequence of the vessel named herein 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, this Company will pay its proportion of such sum or sums so paid as the amount insured hereunder bears to the agreed valuation of the vessel named herein, provided always that this Company's liability in respect of any one such collision shall not exceed the amount insured hereunder. And in cases where the liability of the vessel named herein has been contested, or proceedings have been taken to limit liability, with the consent in writing of this Company, this Company 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 such vessels become limited by law claims under this Collision Liability Clause shall be settled on the principle of cross liabilities as if the owners of each vessel had been compelled to pay to the owners 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. Provided always that this clause shall in no case extend to any sum which the Assured may directly, indirectly, or otherwise incur or become liable to pay or shall pay for: removal, destruction or abatement of, or any attempt or failure or neglect to remove, destroy or abate obstructions or wrecks and/or their cargoes or any hazard resulting therefrom; loss of, or damage to, or expense, including demurrage and/or loss of use thereof, in connection with any fixed or moveable object, property or thing of whatever nature (excepting other vessels and property thereon); loss of or damage to her tow; cargo, baggage or engagements of the vessel named herein or of her tow; or for loss of life of, or injury to, or illness of, any person. And provided also that in the event of any claim under this clause being made by anyone other than the owners of the vessel named herein, 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 than the owners would be entitled in such event to recover.

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 named herein, or any part thereof, without prejudice to this insurance, to the charges whereof this Company will contribute as hereinafter provided. It is agreed that the acts of the assured or this Company or their agents, in recovering, saving and preserving the property insured in case of disaster shall not be considered a waiver or an acceptance of an abandonment, nor as affirming or denying any liability under this policy; but such acts shall be considered as done for the benefit of all concerned, and without prejudice to the rights of either party.

Warranted that in case of any casualty or loss which may result in a claim under this policy, the Assured shall give this Company prompt notice thereof and reasonable opportunity to be represented on a survey of the damage, each party to name a surveyor, which two surveyors shall proceed to draw specifications as to the extent of the damage and the work required to make the damage good. If the two surveyors agree, such specifications shall be binding on both this Company and the Assured, subject nevertheless to policy terms and conditions and the question of whether or not the disaster and resulting loss or damage are covered by this policy. In the event the two surveyors cannot agree, they must select

an umpire, and in the event they cannot agree upon an umpire, either party hereto may apply to the United States District Court for the district of the home port in which the vessel named herein is located for the appointment of an umpire pursuant to the United States Arbitration Act. The decision of the umpire so appointed shall have the same force and effect as the specifications aforesaid. When specifications have been drawn in either of the modes aforesaid, if the Company shall be dissatisfied with the terms which the Assured may obtain for the repair of the damage as specified by the said survey, then this Company may require the surveyors or the umpire to submit the specifications prepared as aforesaid to such shipyard, repair men, boat builders and shipwrights, as may have been selected by such surveyors or the umpire, with a request for bids for such repairs. If after reception of such bids, the Assured shall elect to accept some other bid than that of the lowest bidder, this Company shall only be liable for its proportion of so much of the sum actually expended to effect repairs specified by the surveyors for its account as does not exceed said lowest bid. In no event however shall this Company respond for an amount in excess of its proportion of the amount actually expended by the Assured in effecting such repairs.

With respect to physical loss or damage to the vessel named herein, this Company shall be liable for such proportion of such loss or damage as the amount insured hereunder bears to the agreed valuation.

In the event of expenditure under the sue and labor clause, this Company will pay the proportion of such expenses that the amount insured hereunder bears to the agreed valuation of the vessel named herein, or that the amount insured hereunder, less loss and/or damage payable under this policy, bears to the actual value of the salvaged vessel, whichever proportion shall be less.

When the contributory value of the vessel named herein is greater than the agreed valuation stated herein the liability of this Company for general average contribution (except in respect of amount made good to the vessel) or salvage shall not exceed that proportion of the total contribution due from the vessel that the amount insured hereunder bears to the contributory value; and if because of damage for which this Company is liable as particular average the value of the vessel has been reduced for the purpose of contribution, the amount of the particular average claim under this policy shall be deducted from the amount insured hereunder and this Company shall be liable only for the proportion which such net amount bears to the contributory value.

The sum of \_\_\_\_\_ shall be deducted from the total amount of any and all claims (including claims for sue and labor, collision liability, general average and salvage charges) resulting from any one accident. This deduction does not apply to claims for total or constructive total loss. For the purpose of this clause each accident shall be treated separately, but it is agreed that a sequence of damages arising from the same accident shall be treated as due to that accident.

In case of loss, such loss to be paid in thirty days after satisfactory proof of loss and interest shall have been made and presented to this Company, (the amount of any indebtedness due this Company from the Assured or any other party interested in this policy being first deducted).

Upon making payment under this policy, the Company shall be vested in all of the Assured's rights of recovery against any person, corporation, vessel or interest and the Assured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

Any agreement, contract or act, past or future, expressed or implied, by the Assured whereby any right of recovery of the Assured against any vessel, person or corporation is released, decreased, transferred or lost which would, on payment of claim by this Company, belong to this Company but for such agreement, contract or act shall render this policy null and void as to the amount of any such claim, but only to the extent and to the amount that said agreement, contract or act release, decreases,

transfers, or causes the loss of any right of recovery of this Company, but the Company's right to retain or recover the full premium shall not be affected.

This company 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, loss or covered by this policy, and this Company shall have the direction of such litigation or negotiations. If the Assured shall fail or refuse to settle any claim as authorized by the Company, the liability of the Company to the Assured shall be limited to the amount for which the settlement could have been made.

It is a condition of this policy that no suit, action or proceeding for the recovery of any claim for physical loss of or damage to the vessel named herein shall be maintainable in any court of law or equity unless the same be commenced within twelve ( 12 ) months next after the calendar date of the happening of the physical loss or damage out of which the said claim arose. Provided, however, that if by the laws of the state within which this policy is issued such limitation is invalid, then such claim shall be void unless such action, suit or proceeding be commenced within the shortest limit of time permitted by the laws of such state, to be fixed herein.

In the event of damage, cost of repairs to be paid without deductions of one -third, new for old.

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 valuation or the sound value of the vessel named herein at the time of the accident, whichever value was greater.

It is a condition of this insurance that this Company shall not be liable for unrepaired damage in addition to a total or constructive total loss.

No recovery for a constructive total loss shall be had hereunder unless the expense of recovering and repairing the vessel named herein shall exceed the agreed valuation.

In ascertaining whether the vessel named herein is a constructive total loss, the agreed valuation 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.

In the event of total or constructive total loss, no claim to be made by this Company for freight, whether notice of abandonment has been given or not.

Any deviation beyond the navigation limits provided herein shall void this policy; but on the return of the vessel in a seaworthy condition, within the limits herein provided, this policy shall reattach and continue in full force and effect, but in no case beyond the termination of this policy.

Warranted by the Assured that there shall be no other insurance covering physical loss or damage to the vessel named herein other than that which is provided herein, but permission is granted to carry other insurance of whatever kind or nature not covered by this policy or additional amounts of insurance of the kind or nature covered by this policy other than as provided herein.

This insurance shall be void in case this policy or the vessel named herein shall be sold, assigned, transferred or pledged, or if there be any change of management or charter of the vessel without the previous consent in writing of this Company.

Notwithstanding anything to the contrary contained in this policy, this insurance is warranted free from any claim for loss, damage or expense caused by or resulting from capture, seizure, arrest, restraint or detention, or the consequences thereof or of any attempt thereat, or any taking of the vessel, by requisition or otherwise, whether in time of peace or war and whether lawful or otherwise; also

from all consequences of hostilities or warlike operations ( whether there be a declaration of war or not ), but the foregoing shall not exclude collision or contact with aircraft, rockets or similar missiles, or with any fixed or floating object ( other than a mine or torpedo ), stranding, heavy weather, fire or explosion unless caused directly (and independently 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) by a hostile act by or against a belligerent power, and for the purpose of this warranty "power" includes any authority maintaining naval, military or air forces in association with a power; also warranted free, whether in time of peace or war, 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.

Further warranted free from the consequences of civil war, rebellion, revolution, insurrection, or civil strife arising therefrom, or piracy.

If war risks are hereafter insured by endorsement on the policy, such endorsement shall supersede the above warranty only to the extent that their terms are inconsistent and only while such war risk endorsement remains in force.

Warranted free from loss or damage in consequence of strikes, lockouts, political or labor disturbances, civil commotions, riots, martial law, military or usurped power or malicious acts.

Either party may cancel this policy by giving \_\_\_\_ day's notice in writing; if at the option of this Company, pro rata rates, if at the request of the Assured, short rates will be charged - and arrival. See Special Conditions.

#### NAVIGATION LIMITS

Line numbers in this policy are for reference purposes only.

Attached to and made part of Policy No. \_\_\_\_\_ of the \_\_\_\_\_