

**AMERICAN HULL INSURANCE SYNDICATE
ADDENDUM #1 TO THE
AMERICAN INSTITUTE BUILDER'S RISKS CLAUSES
(February 8, 1979)**

13L-1

DELIVERY TRIP

Delivery trip of the Vessel from the port of construction to another port or place is held covered provided:

- a) Prior notice is given the Underwriters;
- b) Any amended terms of cover and any additional premium required by the Underwriters are agreed to by the Assured; and
- c) The Vessel (tug and towing arrangements, if any) and weather conditions are approved prior to sailing by a surveyor appointed by the Underwriters.

In the event such trip is not completed prior to the natural expiry of this Policy, the Vessel shall be held covered until delivery provided any additional premium required by the Underwriters is agreed to by the Assured.

STRIKES RIOTS

Notwithstanding the provisions of the War, Strikes and Other Exclusions clause, Part I of this Policy insures against physical damage to or destruction of the Vessel directly caused by strikers, locked-out workmen or persons taking part in labor disturbances or riots or civil commotions or by vandalism or malicious acts, but excluding always any loss, damage or expense:

- (1) arising in consequence of civil war, revolution, rebellion or insurrection, or civil strife arising therefrom,
- (2) arising out of the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter,
- (3) resulting from any nuclear incident, reaction, radiation or any radioactive contamination as more specifically described in Section (1) of the War, Strikes and Other Exclusions clause.

ALSO excluding any claim for delay or disruption of any type whatsoever, including, but not limited to, loss of earnings or use of the Vessel, howsoever caused, except to the extent, if any, covered by the Collision Liability or the Protection and Indemnity clauses of this Policy.

The words "vandalism" and "malicious acts" as used above shall be construed to include willful or malicious physical injury to or destruction of the Vessel 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 Vessel is situated.

This Strikes Riots insurance may be cancelled by the Underwriters upon 15 days notice given in the manner prescribed in the Non-Payment of Premium clause. Underwriters agree, however, to reinstate said insurances subject to agreement with the Assured as to rate of premium and conditions.

MARAD P&I

Line 147 of the Protection and Indemnity clauses is amended to read:

“Loss of life of, or bodily injury to, or illness of, any person, excluding, however, liability under any Compensation Act to any employee of any Assured (other than a seaman) or in case of death to such employee’s beneficiaries or others.”

Lines 155 — 160 are amended to read:

“the Underwriters will pay the Assured or the Surety such proportion of such sum or sums so paid, or which may be required to indemnify the Assured or the Surety for such loss, as their respective subscriptions bear to the Agreed Value, except that the total amount recoverable from the Underwriters for loss of life, bodily injury or illness of employees (including seamen) of the Assured, in respect of any one accident or series of accidents arising out of the same event shall not exceed that proportion of \$ _____ which the Amount Insured Hereunder bears to the Agreed Value. Where the liability of the Assured has been contested with the consent in writing of a majority (in amount) of the Underwriters, the Underwriters shall have the option of naming the attorneys who will defend the Vessel and the Assured and will also pay a like proportion of the costs which the Assured shall thereby incur or be compelled to pay;

“Provided, however, that the insurance hereby afforded against loss of life, bodily injury or illness as aforesaid, shall attach only from the moment the Vessel becomes waterborne and shall terminate at the same time as the other insurances afforded by this Policy;

“And provided further, that the total liability of the Underwriters under all sections of these Protection and Indemnity clauses in respect of any one accident or series of accidents arising out of the same event is limited to the Amount Insured Hereunder, plus costs as hereinabove provided.”

POLLUTION

1. Irrespective of lines 161 — 166, the Protection and Indemnity clauses, subject to all of the Terms, Conditions, Warranties and Exclusions, expressed or implied, contained therein, are extended to cover any loss, damage, cost, liability or expense of any kind of nature whatsoever, as the Assured, as owner or operator of the Vessel, shall become liable to pay and shall pay, 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, fuel, cargo, petroleum products, chemicals or other substances of any kind or nature whatsoever; provided, however, that notwithstanding anything to the contrary contained in this addendum or in this Policy, the Underwriters shall not be liable to indemnify the Assured for:

(A) any such loss, damage, cost, liability or expense unless proximately caused by fault on the part of the Assured, or

(B) any loss, damage, cost, liability or expense incurred by or imposed on the Assured, or any other person, under the provisions of any federal, state or local legislation regulating or controlling the discharge, emission, spillage or leakage of oil or any other substance into navigable waters or elsewhere and/or the removal of or liability for such discharge, emission, spillage or leakage. The phrase “federal, state or local legislation” shall include laws or regulations of any foreign nation or political subdivision thereof, or of the District of Columbia, the Commonwealth of Puerto Rico, The Canal Zone, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands, or

(C) any fine or penalty arising out of 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.

(D) The insurance afforded by Paragraph “1” hereof shall not increase the limit of the Underwriters’ liability under the Protection and Indemnity clauses of this Policy with respect to any one accident which limit shall be such proportion of sums paid by the Assured as Underwriters’ subscriptions bear to the Agreed Value of the Vessel not exceeding the Amount Insured Hereunder. A series of accidents arising from the same event shall be treated as due to one accident.