

EASTWIND TRANSPORT LTD
444 MADISON AVENUE
NEW YORK
NY 10022
USA

Please quote our reference in all
correspondence relating to this Contract:
Our Reference: HMW494

Date: 23 July 2007

COVER NOTE

Dear Sirs

We hereby confirm that we have effected the following Contract of Insurance subject to the terms and conditions as stated herein. Please check this document carefully to ensure that it meets your requirements in all respects and should any amendments be required please inform us immediately.

This Cover Note is subject to Institute or other Clauses as specified and should be read in conjunction with them. If you do not have access to copies of these Clauses, please inform us and we will provide you with copies.

TYPE: MARINE HULL INSURANCE

FORM: MAR 91

ASSURED: Eastwind Shipping Agencies S.A. as Owners and Smart Shipping Agency Limited as Bareboat Charterers and Norfes-Marine Service Co., Ltd. as Technical Managers and associated and affiliated and subsidiary companies for their respective rights and interests.

VESSEL: "SNOWMASS" Valued USD 3,080,000

PERIOD: From 00.00 hours 13 July 2007 Greenwich Mean Time to 00.00 hours 13 July 2008 Greenwich Mean Time.

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- INTEREST:** Hull, Materials, Machinery, Outfit, and everything connected therewith, nothing excluded.
Valued as above.
- AGREED VALUE:** 100% of value as above.
- ORDER HEREON:** 100% of 100%.
- TRADING:** JWC Hull War, Strikes, Terrorism and Related Perils – Listed Areas 7 August 2006 and conditions include the following:
- This coverage shall extend world-wide, subject to Navigation Limitations for Hull War, Strikes, Terrorism and Related Perils Endorsement (JW2005/001A)
- Hull War, Strikes, Terrorism and Related Perils - Notice of Cancellation Administration Clause (JW2005/001B).
- CONDITIONS:** Institute War and Strikes Clauses - Hulls Time 1.10.1983 (Cl.281). Including London Blocking and Trapping Addendum LPO 444. Protection and Indemnity Insurance – War (excluding Crew) ROW 128 (576WIL00515) / Protection and Indemnity Insurance – War (Crew) ROW 129 (576WIL00465) – limit Hull value.
Institute Notice of Cancellation, Automatic Termination of Cover and War and Nuclear Exclusions Clause - Hulls, etc. (Cl.359) 1/1/95 with Clause 3.2 deleted and replaced by the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10.11.03 (Cl.370).
Institute Cyber Attack Exclusion Clause 10.11.03 (Cl.380).
Brokers Cancellation Clause (576WIL00878).
Minimal Value Processing Clause (576WIL00670).
Subject to Contracts (Rights of Third Parties) Act 1999
Exclusion Clause (JH2000/007 13 June 2000).
- SEVERAL LIABILITY:** Several Liability Notice:
The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.
8/94
LSW 1001 (Insurance).

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CHOICE OF LAW & JURISDICTION:

This insurance shall be governed by and construed in accordance with the law of England and Wales and each party agrees to submit to the exclusive jurisdiction of the courts of England and Wales.

RATE:

0.03% per annum or pro rata.

PAYMENT TERMS:

Deferred account, payable quarterly - Premium Payment Clause LSW 3000 11/01 (60 days).

TAXES PAYABLE BY INSURED AND ADMINISTERED BY UNDERWRITERS:

None

RECORDING, TRANSMITTING & STORING INFORMATION:

Where Willis Limited maintains risk and claim data / information / documents Willis Limited may hold data / information / documents electronically.

INFORMATION:

Vessel "SNOWMASS"
Built 1982
Gross Tonnage: 4,677
Dead Weight Tonnage: 5,539
Class: Nippon Kaiji Kyokai
Flag: Russian

Owners:
Messrs. "Eastwind Shipping Agencies S.A."
Edificio Torre Bacosur, 53rd street, 16th floor
Urbanizacion Obarrio Panama 1
Republic of Panama

Bareboat Charterers - New company
Messrs. "Smart Shipping Agency Limited"
Russian Federation

(Continued)

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INFORMATION:
(Continued)

Technical Manager
Messrs. "Norfes-Marine Service Co., Ltd."
9, Praporshika Komarova Str.
Vladivostok 690091
Russian Federation
Director Mr. G.G. Grichikhin
tel.: +7 4232 408 068
fax.: +7 4232 406 709
e-mail: nms@marserv.pma.ru

Crewing Company
Messrs. "NMS Crewing"
9, Praporshika Komarova Str.
Vladivostok 690091
Russian Federation
Director Mr. Sergey Valhrushev
tel.: +7 4232 432 172
fax.: +7 4232 406 709
e-mail: nmscrewing@marserv.pma.ru

Trading Partners:
All Russian Federation Far Eastern Fishing Companies.

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Djibouti excluding transit
Ivory Coast
Nigeria, including all Nigerian offshore installations
Somalia, including waters out to 200 nautical miles of the eastern (Indian Ocean) coast. Vessels or craft are not to approach within 100 nautical miles of the Socotra archipelago. Vessels or craft are to stay 40 nautical miles to the north of Somalia when transiting the Gulf of Aden.
Pakistan
Sri Lanka
Thailand, but only the area of the southern Gulf coast between the ports of Songkhla and Narathiwat inclusive
The island of Ambon (Seram)
The port of Balikpapan (SE Borneo) including waters out to 25nm
Borneo, but only the north east coast between the ports of Kudat and Tarakan inclusive
The port of Jakarta
The port of Poso (Sulawesi)
Sumatera (Sumatra), but only the North Eastern coast between 5° 40' N and 0° 48' N, excluding transit
Bahrain excluding transit
Iraq, including all Iraqi offshore oil terminals
Israel
Lebanon
Qatar excluding transit
Saudi Arabia excluding transit
Yemen
Mindanao, between the ports of Polloc Harbour and Mati inclusive
Sulu Archipelago including Jolo, as defined overleaf

Definitions:

- **Named Countries** shall include their coastal waters up to 12 nautical miles offshore, unless specifically varied above
- **Named Ports** shall include all facilities/terminals within areas controlled by the relevant port authority/ies (or as may be more precisely defined by Insurers) including offshore terminals/facilities, and all waters within 12 nautical miles of such but not exceeding 12 nm offshore unless specifically stated.

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Sulu Archipelago

The area enclosed between:

- a) on the Western side, a straight line between Tanjung Bidadari (5°49' 6N, 118°21' 0E) to position 3°32' 0N, 118°57' 0E
- b) on the South Eastern side, a straight line from there to position 5°50' 0N, 122°31' 0E, and thence northwards to position 7°06' 6N, 122°31' 0E
- c) on the Northern side, a straight line from there to Batorampon Point Light (7°06' 6N, 121°53' 8E)
- d) and on the North Western side, a straight line from there back to Tanjung Bidadari.

COVER NOTE No. HMW494

Navigation Limitations for Hull War, Strikes, Terrorism and Related Perils Endorsement (JW2005/001A)

1. NAVIGATION PROVISIONS

Unless and to the extent otherwise agreed by the Underwriters in accordance with Clause 2, the vessel or craft insured hereunder shall not enter sail for or deviate towards the territorial waters of any of the Countries or places, or any other waters described in the current List of Areas of Perceived Enhanced Risk (listed areas) as may be published from time to time in London by the Joint War Committee.

2. BREACH OF NAVIGATION PROVISIONS

- (a) If the Insured wishes to secure continuation of coverage under this insurance for a voyage which would otherwise breach Clause 1, it shall give notice to Underwriters and shall only undertake such voyage if it agrees with the Underwriters any amended terms of cover and any additional premium which may be required by the Underwriters
- (b) In the event of any breach of any of the provisions of Clause 1, the Underwriters shall not be liable for any loss, damage, liability or expense arising out of or resulting from an accident or occurrence otherwise covered under this insurance during the period of breach, unless notice of such breach is given to the Underwriters as soon as practicable and any amended terms of cover and any additional premium required by them are agreed.
- (c) The absence of prior notice shall not affect the cover under this insurance but it is a condition of this insurance that the Insured is bound to declare to the Underwriters all breaches of the provisions of Clause 1.
- (d) If Clause 2(c) is deleted, continuation of coverage under this insurance is conditional upon notice to the Underwriters being given prior to the vessel or craft entering the listed areas.

3. REVISIONS TO LIST OF AREAS OF PERCEIVED ENHANCED RISK

- (a) In the event that revisions to the List of Areas of Perceived Enhanced Risk are published by the Joint War Committee, these revisions shall not take effect for the purposes of Clause 1 and Clause 2 hereof unless the Underwriters shall have given 7 days notice of cancellation to the Insured for amendment of the listed areas.
- (b) If a vessel or craft remains in the territorial waters of a Country or place after such Country or place has been added to the listed areas under Clause 3(a), the Underwriters shall not be liable for any loss, damage, liability or expense arising out of or resulting from an accident or occurrence otherwise covered under this insurance after expiry of that 7 day period unless notice is given to the Underwriters before the end of that 7 day period and any amended terms of cover and any additional premium required by them are agreed before the expiry of this period.

JW2005/001A
20 June 2005

COVER NOTE No. HMW494

Hull War, Strikes, Terrorism and Related Perils

Notice of Cancellation Administration Clause (JW2005/001B)

Where Underwriters wish to give notice of cancellation (herein "Notice") in accordance with the terms of the insurance (to which this clause is attached) for the purpose of amending the terms conditions warranties and/or rates, it is agreed as follows:

- 1 The Notice shall be given by the Leading Underwriter only (on behalf of all Underwriters subscribing to this insurance).
- 2 The Notice shall identify the policy (by number / Unique Market Reference [UMR], principal Assured, and Interest insured) to which the Notice applies.
- 3 Where the Notice is given through the broker, the Notice shall be deferred by three working days to enable the broker to transmit the Notice to the Assured(s), mortgagee(s) and other parties to whom the broker has an obligation to transmit the Notice.
- 4 If the Notice is given for the purpose of amending the listed areas applicable under the Navigation Limitations for War, Strikes, Terrorism and Related Perils (herein "War Risks"):
 - 4.1 where the insurance covers both (a) War Risks and (b) marine and/or other non-war risks, the Notice shall only apply to the cover for War Risks;
 - 4.2 the insurances will be considered as automatically reinstated upon expiry of the Notice, subject to the said listed areas being amended in line with the changes outlined in the Notice;
 - 4.3 in the absence of notice in writing having been received from the Assured prior to the expiry of the Notice,
 - (i) the Assured shall be deemed to have agreed to such amendment of the said listed areas,
 - (ii) the insurance will be automatically reinstated upon expiry of the Notice subject to such amendment of the said listed areas, and
 - (iii) such amendment shall be deemed to have been endorsed upon and form part of the insurance;
 - 4.4 where the listed areas applying to this insurance prior to the Notice have been the subject of any deletion amendment limitation or restriction, such deletion amendment limitation or restriction
 - (a) shall continue to apply *mutatis mutandis* to the new listed areas, but
 - (b) shall not apply to any port(s) and/or place(s) and/or area added in consequence of the Notice;
 - 4.5 notwithstanding the foregoing, should the insurance already be subject to navigation limitations so limiting the area of trading that any port(s) and/or place(s) and/or area to be added in consequence of the Notice would not in any case have been a permitted port(s) of call or area of trading, the insurance shall not be subject to the Notice.
- 5 If this clause is endorsed upon any policy or contract of reinsurance, the terms "Assured" and "insurance" shall be deemed to be amended to read "Reassured" and "reinsurance" respectively.

JW2005/001B
20 June 2005

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WILLIS LIMITED

CLAUSE REG. NO.: 576WIL00515

PROTECTION AND INDEMNITY INSURANCE - WAR (EXCLUDING CREW) (ROW 128)

1. This insurance covers, subject to the limits specified in Clause 3 hereof, but Costs and Sue and Labour expenditure as below in addition, loss, liabilities and expenses which would, either conditionally or unconditionally, be recoverable under the 1985 Rules of The West of England Steamship Owners Mutual Protection and Indemnity Association (Luxembourg), (irrespective of whether the property hereby insured is in fact entered in that Association) but for the operation of Rule 14 (Liability excluded for War Risks) of the said Association. When any Sue and Labour expenditure has been incurred (being expenditure reasonably incurred for the purpose of averting or minimising any loss, liability or expense covered by this insurance) with the consent of Underwriters, the Underwriters will also pay their proportion of any costs and expenditure so incurred.

Provided always that for the purpose of assessing any amount recoverable hereunder, the Rules of the said Association shall be deemed to exclude:

- (i) Rule 18; (the Rule relating to double insurance)
 - (ii) Rule 5; (the so-called Omnibus Rule)
 - (iii) Any Rule or Provision imposing any deductible or franchise or any limit of liability as regards the amount recoverable from the Association.
2. The cover afforded under this Section shall also extend to:-

The actual or attempted removal, raising, destruction, lighting or marking of the insured vessel and any cargo thereof, from any place owned, leased or occupied by the Assured and arising directly or indirectly out of any of the risks specified in Rule 14 (Liability excluded for War Risks) of the Rules of the said Association.
 3. The limits referred to in Clause 1 above are:
 - (a) Except in respect of such loss, liability or expenses as is mentioned in paragraph (b) below, either the insured value of the insured vessel in respect of which the claim arose (being the agreed amount payable under the insurance(s) for War etc. risks on the insured vessel in the event of total loss) or US\$ 25,000,000 whichever is the greater.
 - (b) In respect of loss, liability or expenses for pollution a separate and independent limit of US\$ 25,000,000 or the insured value as defined in 3(a) above, whichever is the greater.
 - (c) The limits referred to above shall apply separately to the aggregate of such loss, liability and expenses which in respect of each insured vessel are incurred on any distinct occasion without regard to any loss, liability or expenses incurred on another occasion.

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4. Such contracts, indemnities and other agreements as required under the Rules of the said Association are deemed to have been unconditionally approved for the purposes of this insurance.
5. In no event shall this insurance be deemed to cover any sum or sums which may become payable in respect of the crew of the insured vessel, or any person employed in any capacity whatsoever by the Assured or others in, on or about or in connection with the insured vessel or her cargo, materials or repairs.
6. Should the Vessel at the expiration of this insurance 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, provided always that the Automatic Termination Clauses herein have not been invoked.
7. In the event of the insured vessel being entered for protection and indemnity risks with a Protection and Indemnity Club other than The West of England Shipowners Mutual Protection and Indemnity Association (Luxembourg) then any reference in these clauses to The West of England Shipowners Mutual Protection and Indemnity Association (Luxembourg) and the Rules thereof, shall be deemed replaced by the Protection and Indemnity Club with which the insured vessel is entered and the corresponding Rules thereof.

Should the Club Entry or Insurance for Protection and Indemnity Risks of the vessel omit or exclude any one of the protections granted by the Entry against all Protection and Indemnity Risks with The West of England Shipowners Mutual Protection and Indemnity Association (Luxembourg), then for the purposes of this insurance such omitted or excluded protection shall be deemed included therein. In the event of there being no insurance or Club entry against Protection and Indemnity Risks it is agreed that for the purposes of this insurance the vessel shall be deemed entered for all Protection and Indemnity Risks with The West of England Shipowners Mutual Protection and Indemnity Association (Luxembourg).

8. This insurance is subject always to Institute Notice of Cancellation and War Automatic Termination of Cover - Hulls etc. 1.10.83.

COVER NOTE No. HMW494

WILLIS LIMITED

CLAUSE REG. NO.: 576WIL00465

PROTECTION AND INDEMNITY INSURANCE - WAR (CREW)

- (A) Crew War Liabilities (Master, Officers, Seamen, and other Members of the Crew).
- (B) War Liabilities in respect of other persons employed in any capacity whatsoever by the Assured or others in, on or about or in connection with the insured vessel or her cargo, materials or repairs.
1. This insurance covers:
- (a) Subject to the limits specified in Clause 3 hereof, loss, liabilities and expenses which would, either conditionally or unconditionally, be recoverable under the 1986 Rules of The West of England Steamship Owners Mutual Protection and Indemnity Association (Luxembourg), (irrespective of whether the interests hereby insured are in fact entered in that Association) but for the operation of Rule 14 (Liability excluded for War Risks) of the said Association. When any Sue and Labour expenditure has been incurred (being expenditure reasonably incurred for the purpose of averting or minimising any loss, liability or expenses covered by this insurance) with the consent of Underwriters, the Underwriters will also pay their proportion of any costs and expenditure so incurred. Provided always that for the purpose of assessing any amount recoverable hereunder, the Rules of the said Association shall be deemed to exclude:
- (i) Rule 18; (the Rule relating to double insurance)
- (ii) Rule 5; (the so-called Omnibus Rule)
- (iii) Any Rule or Provision imposing any deductible or franchise or any limit of liability as regards the amount recoverable from the Association.
- (b) Claims in respect of Crew Members who are captured or detained consequent upon a risk specified in Rule 14 (Liability excluded for War Risks) as above.
2. All customary and currently used Contracts and Indemnities deemed to be approved and covered hereunder. Any other Contract and Indemnity at Additional Premium to be agreed.

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3. Limit US\$500,000 per capita or equivalent in other currencies but schedule of compensation as follows:-

SCALE OF PERMANENT DISABILITIES

The percentage of the sum insured in respect of Permanent Total or Permanent Partial Disablement shall be as follows:-

PERMANENT TOTAL DISABLEMENT

Total loss of sight of both eyes	100%
Total incurable insanity	100%
Loss of both arms or both hands	100%
Complete deafness of both ears, of traumatic origin	100%
Removal of the lower jaw	100%
Loss of speech	100%
Loss of one arm and one leg	100%
Loss of one arm and one foot	100%
Loss of one hand and one foot	100%
Loss of one hand and one leg	100%
Loss of both legs	100%
Loss of both feet	100%

PERMANENT PARTIAL DISABLEMENT

HEAD

Loss of osseous substance of the skull in all its thickness-	
surface of at least 6 sq. cm.	40%
surface of 3 to 6 sq. cm.	20%
surface of less than 3 sq. cm.	10%

Partial removal of the lower jaw, rising section in its entirety or half of the maxillary bone	40%
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Loss of one eye	40%
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Complete deafness of one ear	30%
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UPPER LIMBS

Loss of one arm or one hand	<u>RIGHT</u> 60%	<u>LEFT</u> 50%
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Considerable loss of osseous substance of the arm (definite and incurable lesion).....	50%	40%
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Total paralysis of the upper limb (incurable lesion of the nerves)....	65%	55%
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Total paralysis of the circumflex nerve	20%	15%
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Shoulder ankylosis	40%	30%
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Copy ankylosis -

in favourable position (15 degrees round the right angle)	25%	20%
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in unfavourable position	40%	35%
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Extensive loss of osseous substance of the two bones of the forearm (definite and incurable lesion)	40%	30%
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Total paralysis of the median nerve	45%	35%
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Total paralysis of the radial nerve at the torsion cradle	40%	35%
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Total paralysis of the forearm radial nerve	30%	25%
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Total paralysis of the hand radial nerve	20%	15%
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Total paralysis of the cubital nerve	30%	25%
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Ankylosis of the wrist in favourable position

(straight and in pronation)	20%	15%
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Ankylosis of the wrist in unfavourable position

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(flexion or strained extension or supine position)	30%	25%
Total loss of thumb	20%	15%
Total loss of thumb (ungual phalanx)	10%	5%
Total ankylosis of thumb	20%	15%
Total amputation of forefinger	15%	10%
Amputation of two phalanges of forefinger	10%	8%
Amputation of unguual phalanx of forefinger	5%	3%
Simultaneous amputation of thumb and forefinger	35%	25%
Amputation of thumb and a finger other than forefinger	25%	20%
Amputation of two fingers other than thumb and forefinger	12%	8%
Amputation of three fingers other than thumb and forefinger	20%	15%
Amputation of four fingers including thumb	45%	40%
Amputation of four fingers excluding thumb	40%	35%
Amputation of the median finger	10%	8%
Amputation of a finger other than thumb, forefinger and median ...	7%	3%
LOWER LIMBS		
Amputation of thigh (upper half)		60%
Amputation of thigh (lower half) and leg		50%
Total loss of foot (tibio-tarsal disarticulation)		45%
Partial loss of foot (sub-ankle-bone disarticulation)		40%
Partial loss of foot (medio-tarsal disarticulation)		35%
Partial loss of foot (tarsio-metatarsal disarticulation)		30%
Total paralysis of lower limb (incurable nerve lesion)		60%
Complete paralysis of the external poplitic sciatic nerve		30%
Complete paralysis of the internal poplitic sciatic nerve		20%
Complete paralysis of two nerves (poplitic sciatic external and internal).		40%
Ankylosis of the hip		40%
Ankylosis of the knee		20%
Loss of osseous substance from thigh or both bones of the leg (incurable condition)		60%
Loss of osseous substance of the knee-pan with considerable separation of the fragments and considerable difficulty of movements in stretching the leg		40%
Loss of osseous substance of the knee-pan while the movements are preserved		20%
Shortening of the lower limb by at least 5 cm.		30%
Shortening of the lower limb by 3 to 5 cm.		20%
Shortening of the lower limb by 1 to 3 cm.		10%
Total amputation of all the toes		25%
Amputation of four toes including big toe		20%
Amputation of four toes		10%
Ankylosis of the big toe		10%
Amputation of two toes		5%
Amputation of one toe other than the big toe		3%

Ankylosis of the fingers (other than thumb and forefinger) and of the toes (other than the big toe) shall only entitle to 50% of the compensation which would be due for the loss of the said members.

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4. Permanent disabilities not mentioned above shall be compensated in accordance with their seriousness as compared with that of those mentioned, the occupation of the Insured person not being taken into consideration.
5. The partial or total "function" disablement, not specifically dealt with in the Schedule of Permanent Disabilities, of a limb or organ is treated like the partial or total loss of the said limb or organ.
6. The total compensation payable in respect of several disablements due to the same accident is arrived at by adding together the various sums, but shall not exceed the total sum insured under the Schedule of Compensation.
7. If the Insured Person is left-handed and has specially mentioned this prior to attachment, the percentages set out above for the various disabilities of the right upper limb and left upper limb will be transposed.
8. Should the Vessel at the expiration of this insurance be at sea or in distress or at a port of refuge or of call, this insurance shall, provided previous notice be given to the Underwriters, be held covered at a pro rata monthly premium to the port of destination, provided always that the Automatic Termination Clauses herein have not been invoked.
9. Notwithstanding anything contained herein to the contrary, in the event of loss or shipwreck of the vessel from any cause prior to the natural expiry time or automatic termination of this policy, this insurance shall continue to cover the liability of the assured to the crew of the insured vessel, subject to its terms and conditions and at an additional premium if so required by Underwriters, until the crew shall be either discharged or landed at a port or place to which the owners or charterers are obliged to bring them.
10. In the event of the insured vessel being entered for protection and indemnity risks with a Protection and Indemnity Club other than The West of England Shipowners Mutual Protection and Indemnity Association (Luxembourg) then any reference in these clauses to The West of England Shipowners Mutual Protection and Indemnity Association (Luxembourg) and the Rules thereof, shall be deemed replaced by the Protection and Indemnity Club with which the insured vessel is entered and the corresponding Rules thereof.
Should the Club Entry or Insurance for Protection and Indemnity Risks of the vessel omit or exclude any one of the protections granted by the Entry against all Protection and Indemnity Risks with The West of England Shipowners Mutual Protection and Indemnity Association (Luxembourg), then for the purposes of this insurance such omitted or excluded protection shall be deemed included therein. In the event of there being no insurance or Club entry against Protection and Indemnity Risks it is agreed that for the purposes of this insurance the vessel shall be deemed entered for all Protection and Indemnity Risks with The West of England Shipowners Mutual Protection and Indemnity Association (Luxembourg).
11. This insurance is subject always to Institute Notice of Cancellation and War Automatic Termination of Cover - Hulls Etc. 1.10.1983.

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WILLIS LIMITED

CLAUSE REG. NO.: 576WIL00878

BROKERS CANCELLATION CLAUSE

Notwithstanding anything in this policy to the contrary, it is hereby understood and agreed that, in the event of the premium not having been paid by the Assured at the inception of the risk, or, in case of instalments, on the due date, Willis Ltd., (hereinafter called the Brokers) are hereby authorised by the Assured to cancel this policy at the Broker's discretion. Such cancellation may be effected by the Brokers giving a 10 days' notice to the Assured by registered letter, cable or telex to the Assured of intent to cancel, and thereafter instructing the Underwriters to cancel this policy. Such cancellation shall take effect at Midnight, Greenwich Mean Time on the 10th day from the date that such notice was dispatched and the underwriters shall adjust the premium under this policy pro-rata temporis. In the event of the interest hereby insured becoming a Total, Constructive, Arranged or Compromised Total Loss from any cause whatsoever, at any time before cancellation under this clause, any premium (including all future instalments) unpaid by the Assured, shall become due immediately and the Brokers shall be entitled to take credit therefor.

WILLIS LIMITED

CLAUSE REG. NO.: 576WIL00670

MINIMAL VALUE PROCESSING CLAUSE

It is understood and agreed that when any sum of £10, or the equivalent in other currencies, or less becomes due to or from the Underwriters hereon or the Assured/Reassured as the case may be, under the terms of this contract, the payment or collection of such amount to or from Underwriters or the Assured/Reassured as the case may be, shall be waived without prejudicing or limiting in any way the cover provided by this insurance/reinsurance.

CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999 EXCLUSION CLAUSE

Neither this policy nor any document issued pursuant to this policy shall confer any benefits on any third parties. No third party may enforce any term of this policy or of any provision contained in any document issued under this policy. The Contracts (Rights of Third Parties) Act 1999 is hereby expressly excluded from this policy, including the Schedule or any other document issued pursuant thereto.

This clause shall not affect the rights of the Assured (as assignee or otherwise) or the rights of any loss payee.

13/6/00
JH2000/007

COVER NOTE No. HMW494

PREMIUM PAYMENT CLAUSE

The (Re)Insured undertakes that premium will be paid in full to Underwriters within 60 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the 60th day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 15 days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

11/01
LSW3000

COVER NOTE No. HMW494

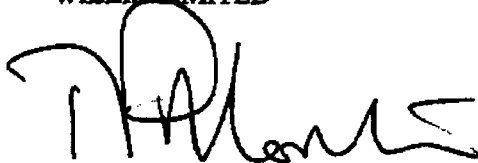
EFFECTED WITH:

100.0000% of Order Hereon Underwriters at Lloyd's as per schedule.

SCHEDULE OF LLOYD'S UNDERWRITERS

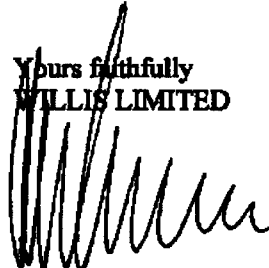
<u>Signed Line</u>	<u>Syndicate Number</u>	<u>Pseudonym</u>
81.0000%	2623	AFB
19.0000%	0623	AFB
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100.0000%		
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Yours faithfully
WILLIS LIMITED



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