

Mortgagees Interest Endorsement

1. The insurance under this insuring agreement, or any endorsement attached thereto, as to the interest only of the mortgagee, its successors and or assigns only, shall not be invalidated nor suspended:

(a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto;

(b) by the commencement of foreclosure proceedings or the giving of notice of sale or any of the scheduled vessel, covered by this policy by virtue of any mortgage or title deed;

(c) by any of the following: breach of any warranty(whether implied or express), term, condition, act, omission, neglect, or non-compliance with any of the warranties, conditions or terms of this insuring agreement, including but not restricted to where the scheduled vessel has been lost and or damaged as a result of war, declared or not, civil war, insurrection, rebellion, revolution or the consequences of any of these acts, capture, seizure, arrest, restraint or detention by any government power or authority, whether lawful or otherwise.

2. In the event of failure of the assured to pay any premium or additional premium which shall be or become due under the terms of this insuring agreement or on account of any change in occupancy or increase in hazard not permitted by this insuring agreement, we agree to give written notice to the Mortgagee of such non-payment of premium after sixty (60) days from and within one hundred and twenty days (120) after due date of such premium and it is a condition of the continuance of the rights of the Mortgagee hereunder that the Mortgagee when so notified in writing by us of the failure of the Insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of our demand in writing thereof. If the mortgagee shall decline to pay said premium or additional premium, the rights of the mortgagee under this endorsement shall not be terminated before ten (10) days after receipt of said written notice by the mortgagee.

3. Any and all claims under this insuring agreement shall be paid to the Mortgagee.

4. Whenever we shall pay to the mortgagee any sum for loss or damage under this insuring agreement and shall claim that as between us and the Insured no liability for such payment exists, we, at our option, may pay to the mortgagee the whole principle sum and interest due from the insured, to be calculated as at the date of such loss or damage, and we, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral or security thereto.

5. If there be any other insurance upon the scheduled vessel, we shall only be liable under this insuring agreement as to the mortgagee for the proportion of such loss or damage that the sum hereby insured bears to all the sums insured covering the loss. The mortgagee upon payment to it of the full amount of its claim, will subrogate to us (pro rata with all other insurers contributing to said payment) to all of the mortgagees rights of contribution under the said other insurance.

6. Provided that our maximum liability hereunder shall never exceed the sum insured under section a), hull machinery and equipment, hereunder as set out within the declaration or cover page .

7. We reserve the right to cancel and this insuring agreement at any time, as provided by its terms, but in such case of cancellation or this insuring agreement shall continue in force for the sole benefit of the mortgagee for thirty (30) days after written notice of such cancellation is given by us and then cease.

8. This insuring agreement shall remain in full force and effect as to the interest of the mortgagee for a period of thirty (30) days after its expiration unless we have provided the mortgagee with written notice of non renewal thereof.

9. Should legal title to and or beneficial ownership of the scheduled vessel, covered under this insuring agreement, become vested in the mortgagee, its successors and or assigns, insurance under this insuring agreement shall continue, for the term of the insuring agreement thereof, for the benefit of the mortgagee but, in such event, any privileges over and above the insuring agreement granted by this endorsement shall cease forthwith.

10. All notices required to be given hereunder shall be made in accordance with the insuring agreement .

ALL OTHER TERMS, CLAUSES AND CONDITIONS REMAIN UNALTERED.