SCHEDULE C

HOSTILE ACTS EXCLUSION

HOSTILE ACTS EXCLUSION AND LIMITED BUYBACK ENDORSEMENT

This clause shall be paramount and shall override anything contained in this policy or any of its endorsements inconsistent therewith:

This insurance shall not apply to 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:

a. capture, seizure, arrest, taking, restraint, detainment, confiscation, preemption, requisition or naturalization, or the consequences thereof or any attempt thereat, whether in time of peace or war and whether lawful or otherwise;

b. 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 or 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 Insured's liability 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 an act or measure of war taken in the actual process of a military engagement, with or without the consent of the Insured, shall be considered a warlike act for the purposes of the Policy;

c. 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 sovereign power, carried out for political, ideological or terrorist purposes, and whether any loss, damage or expense resulting therefrom is accidental or intentional;

d. 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.

In consideration of the premium charged, it is understood and agreed that the above exclusion shall not apply to liabilities listed below and that are listed in the "schedule of underlying Insurance" and that coverage herein shall only operate as excess of such underlying coverage if also afforded therein:

I. Protection and Indemnity including Jones Act coverage under a Maritime Employer's Liability Policy.

II. Collision Liability and/or Tower's Liability.

III. General Average & Salvage.

IV. Sue and Labor.

V. Charterer's Legal Liability including Cargo Owners Pollution Legal Liability.

VI. Ship Repairer's Legal Liability and any related general liability for marine operations that may be insured under an ISO Commercial General Liability policy or any other similar commercial general liability type form.

VII. Stevedore's Legal Liability and any related general liability for marine operations that may be insured under an ISO Commercial General Liability policy or any other similar commercial general liability type form.

VIII. Terminal Operators Legal Liability and any related general liability for marine operations that may be insured under an ISO Commercial General Liability policy or any other similar commercial general liability type form.

IX. Wharfingers and/or Safe Berth and/or Landing Owners and any related general liability for marine operations that may be insured under an ISO Commercial General Liability policy or any other similar commercial general liability type form.

X. Marina Operators Legal Liability and any related general liability for marine operations that may be insured under an ISO Commercial General Liability policy or any other similar commercial general liability type form.

XI. Marine Operators Protection and Indemnity.

XII. Vessel or Watercraft Pollution Liability.

However, paramount to anything contained in the above buyback, coverage shall not extend to liability for any loss or damage to property of others in the Care, Custody or Control of the Insured, or on the Insured's premises for any reason, while such property is ashore. The onshore property exclusion herein shall not apply to cargoes while in the care, custody or control of the insured, in the due course of transit and for a period not to exceed 60 days from receipt. Nor shall the onshore property exclusion apply to vessels of others or their equipment while at marinas, shipyards, or other marine facilities for the purpose of repair, servicing or storage.