



Agenda

Port & Harbor Advisory Commission Regular Meeting

Wednesday, February 25, 2026 at 5:30 PM

City Hall Cowles Council Chambers In-Person & Via Zoom Webinar

Homer City Hall

491 E. Pioneer Avenue
Homer, Alaska 99603
www.cityofhomer-ak.gov

Zoom Webinar ID: 954 2610 1220 Password: 556404

<https://cityofhomer.zoom.us>
Dial: 346-248-7799 or 669-900-6833;
(Toll Free) 888-788-0099 or 877-853-5247

CALL TO ORDER, 5:30 P.M.

AGENDA APPROVAL

PUBLIC COMMENTS ON MATTERS ALREADY ON THE AGENDA (3 minute time limit)

RECONSIDERATION

APPROVAL OF MINUTES

- A. Approval of December 10th PHC Minutes

VISITORS / PRESENTATIONS

STAFF & COUNCIL REPORT / COMMITTEE REPORTS

- A. Port & Harbor Staff Report - January and February of 2026
- B. Port & Harbor Financial Report FY26 Quarter 1

PUBLIC HEARING

PENDING BUSINESS

NEW BUSINESS

- A. Strategic Planning 2026-2027
- B. Request for Moorage Rate and Insurance Requirement Review
- C. Parking Configuration Discussion
- D. Sea Tow Lease application Review

INFORMATIONAL MATERIALS

- A. January and February 2026 operations Report

B. January City Managers Report

C. February City Managers Report

COMMENTS OF THE AUDIENCE (3 minute time limit)

COMMENTS OF THE CITY STAFF

COMMENTS OF THE COMMISSION

ADJOURNMENT

Next Regular Meeting is **Wednesday, March 25th, at 5:30 p.m.** All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

CALL TO ORDER, 5:30 P.M.

Session 25-09, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Casey Siekaniec at 5:30 p.m. on December 10, 2025, in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

PRESENT: COMMISSIONERS ROTH, SIEKANIEC, VELSKO, BRADSHAW, FRIEND, PITZMAN

ABSENT: ATWOOD

STAFF: PORT DIRECTOR HAWKINS, DEPUTY HARBORMASTER GLIDDEN

AGENDA APPROVAL

Chair Siekaniec requested a motion and second to approve the agenda as amended.

ROTH/BRADSHAW MOVED TO APPROVE THE AGENDA AS AMENDED.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS ON MATTERS ALREADY ON THE AGENDA

Mary Griswold, City Resident, spoke against extending the exemption from moorage fees for seine and work skiffs.

Richard Roth spoke about the seine skiff exemption, asking the Harbor to explore more alternatives or compromises.

Christopher Clucas spoke about the seine skiff exemption, recommending that there be a short time period where moorage is free in the spring.

Matthew Davidson provided feedback that it would be good to have a week free moorage for seine skiffs at the start and the end of the season.

Garrity Fabich spoke in favor of the work skiff exemption, recommending a week free at the start and end of the season.

Brooks Perot, spoke in favor of an exemption, saying that it is hard to fit in the harbor in the spring, and load up while crossing over four boats, and then paying for moorage on top of it would be hard.

Daniel Rowdy spoke in favor of an exemption, saying that it's an additional expense that he'd rather not have to pay.

Commissioner Pitzman joined the meeting at 5:40 p.m.

RECONSIDERATION

APPROVAL OF MINUTES

- A. Unapproved Minutes November 12th, 2025

ROTH/VELSKO MOVED TO APPROVE THE MINUTES.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

VISITORS / PRESENTATIONS

STAFF & COUNCIL REPORT / COMMITTEE REPORTS

- A. Port & Harbor Staff Report - December 2025

Commissioner Siekaniec introduced the topic and deferred to Port Director Hawkins.

Port Director Hawkins noted that the large vessel haul out has been very busy, although several vessels noted in the report hauled out at another location. He advocated for shore power, lighting, and cameras in that area to improve the haul out's functionality. He shared notes from travel to the Pacific Marine Expo and described some of the economic development that happens there. He then deferred to Deputy Harbormaster Glidden to discuss the dive program.

Deputy Harbormaster Glidden described the team of 3 divers and support staff who are geared up to do relatively simple infrastructure maintenance including installation of supplementary flotation and inspection and repair of the harbor's fresh waterlines. Fittings and connections wear out and can cause costly leaks. The dive program allows staff to address problems as soon as they are discovered instead of waiting for a diver to become available. They also plan to begin an inspection program to identify fittings that need replacement before they fail.

When asked whether the dive team could be used to replace zincks for cathodic protection of the harbor, Deputy Harbormaster Glidden said that the dive team isn't tooled up to work with heavy zincks or at the kind of depths that project would require. Commissioners discussed support for a compensation incentive that recognizes the additional effort expended by the staff members who are a part of the dive program. It was clarified that this team is not for hire to the public, and does not refloat sunken vessels or dig line out of props.

Port Director Hawkins shared an update on the Harbor Expansion, which has been on pause waiting for the results of the geotechnical work. Results are expected before Christmas, then the Corps will go forward with design. There is not a timeline for when the team will get to a Tentatively Selected Plan.

Port Director Hawkins described the status of the System 4 float replacement project, noting that a contract will be awarded in January by City Council.

PUBLIC HEARING

PENDING BUSINESS

NEW BUSINESS

A. Memorandum from Port Director Regarding Tariff Rule 28.03 Work Skiff Exemption

Chair Siekaniec introduced the item by reading of title.

Discussion topics included:

- Off-season work is really important to Homer's economy, and seiners spend a lot of money in Homer because of the complexity of their systems.
- There are over 100 small businesses parked at Northern Enterprises that are seiners, and the exemption helps keep those people doing business in Homer.
- Kodiak has a work skiff exemption, and it is a shorter season.
- The exemption has existed since the 1970s, and it would be good to find a compromise because this will affect the new and young small businesses
- The bill of sale from when the City purchased the harbor from the State includes language regarding the public purpose of the harbor. "on conveyance of the state's interest, the municipality shall operate and maintain the harbor facilities for the benefit of the public on a fair and equitable basis." Providing an exemption to moorage could be challenged on those grounds.
- Confusion as to why this is being revisited now, as it was thought to be a settled matter after the last year's edits.
- Carve-outs for special groups is not a good way to manage the harbor, and this probably should never have been an exemption. No one wants to pay more for moorage, but this is not how the harbor moves forward.

Port Director Hawkins clarified that he wanted to have a discussion of these matters on the record prior to the expiration of the work skiff exemption at the end of the year. Discussion ensued as to whether a motion is necessary to support the expiration of the exemption or whether it is only necessary to have a motion to extend the exemption.

ROTH MOVED THAT THE CITY EXTEND THE SEINE SKIFF EXEMPTION FOR ANOTHER YEAR

The motion failed for the lack of a second.

INFORMATIONAL MATERIALS

A. December 2025 Port Operations Report

Chair Siekaniec introduced the item by reading of title and deferred to the Port Director. He noted that the Ice Plant is shut down for winter maintenance, and that the new staff at the ice plant will

be doing training. Outgoing Port Maintenance Supervisor Del Masterhan will be with the crew through the start-up period in mid-March.

B. November City Managers Report to Council

COMMENTS OF THE AUDIENCE

No members of the public wished to speak.

COMMENTS OF THE CITY STAFF

Port Director Hawkins thanked the commissioners for a good discussion on the work skiff exemption. The Admin Supervisor position has closed and there are good candidates to evaluate. There is a plan to fill the Port Maintenance position from within the ranks of the Port staff. He recommended a new marine weather app provided by the Marine Exchange of Alaska.

COMMENTS OF THE COMMISSION

Student representative Shavelson said that the discussion about the work skiffs was interesting.

Commissioner Velsko noted that nobody wants to pay more for moorage, but it's a matter of equity with respect to the time it takes to manage those vessels. There's no one user group that needs to be taken care of differently than other user groups. It's a pricy harbor, we don't have subsidies, and we all have to pay for it, and pay our fair share. It's the right thing to do.

Commissioner Bradshaw said that his vessels have some of the weather monitoring devices on them, it should be neat to have that weather data from all over the state. The in-house diving is a smart move, and keeping it in house saves money. He noted that the work skiff exemption is challenging, that he has friends who fish commercially and 7 work skiffs as a part of his own business. Special gifts towards certain groups will hinder the future of the harbor. He works in one demographic but also needs to consider other demographics as well. He feels that the commission made the right choice, and he thanked the members of the public for coming out and giving their opinions.

Commissioner Roth thanked Deputy City Clerk Lynn for his work, and Deputy Harbormaster Glidden for providing information on the dive program. He said he is excited about the dive program, and thanked everyone for coming in to provide public comment. He wished that there would be more public comment on a consistent basis.

Commissioner Friend said that he felt there was a good discussion, and that it went the right way. He appreciated taking the fishermen into consideration, and acknowledged that they contribute a tremendous amount to our economy. However, many different user types have small boats and not all are exempted. Our harbor is too crowded, and until an expansion can take place, every space must be considered valuable space to be occupied and paid for. It's the only way to be able to expand the harbor and be fair to all users. He also thanked the public for coming out to share their comments.

Commissioner Pitzman noted that he joined the meeting originally as a member of the public, so he did hear the public comments that were shared prior to him joining as a panelist. He stated that public comments on both sides of an issue are helpful, and that he likes to hear different perspectives. He thanked the harbor staff for their quick response to his vessel the Tempest which took on water when a partially frozen valve turned out to be open and the vessel took on water.

ADJOURNMENT

There being no further business to come before the Commission, Chair Siekaniec adjourned the meeting at 6:30 p.m. Next Regular Meeting is **Wednesday, January 28, at 5:30 p.m.** All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

Amy Woodruff, City Clerk

Approved: _____

FUND 400 - PORT & HARBOR ENTERPRISE FUND						
REVENUE DETAIL BY LINE ITEM, SORTED BY TYPE						
A/C Num.	Revenue Categories & Descriptions	FY24	FY25	FY26 YTD ACTUAL		FY26
		7/1/23 - 6/30/24	7/1/24 - 6/30/25			7/1/25 - 6/30/26
		ACTUAL	ACTUAL	\$	%	BUDGET
0600	HARBOR ADMINISTRATION					
4515	Ferry Lease	18,000	18,000	18,000	100.0%	18,000
4650	Rents & Leases	625,649	627,470	166,647	32.6%	511,000
	Operating Revenue - Admin	643,649	645,470	184,647	34.9%	529,000
4527	PERS Revenue	40,694	66,614	-	0.0%	-
4634	Port Storage Fee	172,016	228,698	38,687	23.3%	166,000
4635	Port Impound Fee	2,017	1,020	-	0.0%	1,000
4705	Business Licenses	30	50	5	0.0%	-
4801	Interest On Investments	140,244	(8,168)	-	0.0%	-
4901	Surplus Property	-	(0)	-	0.0%	1,000
4902	Other Revenue	(0)	20,800	-	0.0%	44,793
4990	Transfers In	-	140,088	-	0.0%	-
	Non-Operating Revenue - Admin	355,001	449,102	38,692	18.2%	212,793
0601	HARBOR					
4245	Waste Oil Disp	-	300	-	0.0%	-
4249	Oil Spill Recovery	-	-	-	0.0%	-
4318	Parking Revenue	178,961	250,365	118,678	52.7%	225,000
4319	Electrical Supplies	1,014	1,193	290	19.3%	1,500
4402	Non Moving Fine	12,219	10,448	17,682	294.7%	6,000
4607	Camp Fees	(3,004)	-	-	0.0%	-
4624	Berth Transient Monthly	748,679	746,186	291,973	47.7%	612,544
4625	Berth Reserved	1,779,007	1,911,464	1,529,027	77.4%	1,974,495
4626	Berth Transient Annual	361,422	341,822	100,579	28.0%	359,430
4627	Berth Transient Semi Annual	152,941	150,266	22,835	13.5%	168,873
4628	Berth Transient Daily	170,279	193,593	111,139	66.6%	166,967
4629	Metered Energy	146,080	116,800	12,457	8.5%	146,080
4644	Pumping	-	163	-	0.0%	-
4645	Wooden Grid	4,912	10,359	4,106	82.1%	5,000
4646	Commerical Ramp	65,949	62,063	17,595	32.0%	55,000
4647	Berth Wait List	13,425	13,763	2,630	18.0%	14,573
4648	Steel Grid Fees	2,605	-	-	0.0%	-
4654	Spit Camping	208,244	209,576	123,667	61.8%	200,000
4663	Trans Energy 110v	45,349	34,621	16,724	39.8%	42,000
4664	Trans Energy 220v	29,451	24,629	8,184	37.2%	22,000
4665	Trans Energy 208v	193,837	148,143	15,304	9.6%	160,000
4666	Commerical Ramp Wharfage	67,069	56,973	13,901	32.3%	43,000
	Operating Revenue - Harbor	4,178,439	4,282,728	2,406,770	57.3%	4,202,462
4802	Penalty/Int	14,884	17,266	5,646	86.9%	6,500
4902	Other Revenue	67,272	73,179	18,577	30.5%	61,000
	Non-Operating Revenue - Harbor	82,156	90,446	24,224	35.9%	67,500
0602	PIONEER DOCK					
4631	USCG Leases	40,495	40,228	10,079	28.8%	35,000
4637	Seafood Wharfage-PD	-	-	-	0.0%	-
4638	PD Fuel Wharfage	193,311	227,073	132,109	49.7%	265,663
4639	Pioneer Dock - Wharfage	-	-	-	0.0%	-
4641	PD Water Sales	6,908	6,365	1,553	17.3%	9,000

FUND 400 - PORT & HARBOR ENTERPRISE FUND						
REVENUE DETAIL BY LINE ITEM, SORTED BY TYPE						
A/C Num.	Revenue Categories & Descriptions	FY24	FY25	FY26 YTD ACTUAL		FY26
		7/1/23 - 6/30/24	7/1/24 - 6/30/25			7/1/25 - 6/30/26
		ACTUAL	ACTUAL	\$	%	BUDGET
4642	PD Docking	45,052	50,538	12,840	30.6%	42,000
	<u>Operating Revenue - Pioneer Dock</u>	<u>285,767</u>	<u>324,204</u>	<u>156,581</u>	<u>44.5%</u>	<u>351,663</u>
0603	FISH DOCK					
4620	Ice Sales	341,209	316,385	338,627	112.9%	300,000
4621	Cold Storage	24,603	26,264	3,682	14.7%	25,000
4622	Crane Rental	201,470	198,538	70,382	37.0%	190,306
4623	Card Acess Fees	5,933	5,881	1,315	23.1%	5,700
4637	Seafood Wharfage	24,621	19,742	5,619	31.2%	18,000
4700	Other Wharfage Fish Dock	68	-	-	0.0%	-
	<u>Operating Revenue - Fish Dock</u>	<u>597,903</u>	<u>566,810</u>	<u>419,625</u>	<u>77.9%</u>	<u>539,006</u>
4206	Fish Tax	78,772	122,599	108,729	145.0%	75,000
0604	DEEP WATER DOCK					
4633	Stevedoring	9,834	16,964	6,711	67.1%	10,000
4637	Seafood Wharfage	-	-	-	0.0%	-
4640	Deep Water Dock Wharfage	8,402	30,210	11,833	39.4%	30,000
4643	Deep Water Dock Docking	113,278	185,490	48,290	48.3%	100,000
4668	Dwd Water Sales	20,424	40,205	14,025	46.8%	30,000
4672	Port Security Revenues	-	-	-	0.0%	-
	<u>Operating Revenue - DW Dock</u>	<u>151,937</u>	<u>272,869</u>	<u>80,860</u>	<u>47.6%</u>	<u>170,000</u>
0605	OUTFALL LINE					
4704	Outfall Line	4,800	4,800	0	0.0%	2,400
0606	FISH GRINDER					
4706	Fish Grinder	10,393	6,670	8,780	109.8%	8,000
0615	LOAD AND LAUNCH RAMP					
4653	L & L Ramp Revenue	145,410	124,604	54,722	42.1%	130,000
	<u>Operating Revenue - L & L Ramp</u>	<u>145,410</u>	<u>124,604</u>	<u>54,722</u>	<u>42.1%</u>	<u>130,000</u>
	<u>Total Revenues</u>	<u>6,534,227</u>	<u>6,890,301</u>	<u>3,483,628</u>	<u>55.4%</u>	<u>6,287,824</u>
	<u>Net Surplus (Deficit)</u>	<u>1,007,205</u>	<u>1,105,775</u>	<u>2,024,262</u>		<u>0</u>

FUND 400 - PORT & HARBOR ENTERPRISE FUND

COMBINED EXPENDITURES

A/C Num.	Expenditure Categories & Descriptions	FY24	FY25	FY26 YTD ACTUAL		FY26
		7/1/23 - 6/30/24	7/1/24 - 6/30/25			7/1/25 - 6/30/26
		ACTUAL	ACTUAL	\$	%	BUDGET
Salaries and Benefits						
5101	Salary and Wages	1,379,157	1,535,141	438,193	28.1%	1,556,759
5102	Fringe Benefits	884,305	910,148	246,740	27.2%	907,059
5103	Part-time Wages	122,103	177,324	113,759	49.5%	229,894
5104	Part-time Benefits	14,232	20,931	13,973	30.7%	45,550
5105	Overtime	29,580	36,194	15,910	37.5%	42,416
5107	Part-time Overtime	460	986	1,375	35.5%	3,879
5108	Unemployment Benefits	4,932	1,606	-	0.0%	-
5112	PERS Relief	40,694	66,614	-	0.0%	-
Total Salaries and Benefits		2,475,462	2,748,943	829,950	29.8%	2,785,557
Maintenance and Operations						
5201	Office Supplies	4,040	4,648	1,852	33.7%	5,500
5202	Operating Supplies	26,337	66,069	16,633	55.4%	30,000
5203	Fuel and Lube	49,017	42,303	10,645	27.8%	38,300
5204	Chemicals	4,408	7,424	-	0.0%	6,000
5207	Vehicle and Boat Maintenance	33,396	21,199	558	1.9%	30,000
5208	Equipment Maintenance	62,505	69,971	12,154	11.4%	107,000
5209	Building & Grounds Maintenance	40,523	75,056	13,036	20.2%	64,500
5210	Professional Services	19,760	22,272	22,559	57.8%	39,000
5211	Audit Services	47,868	50,922	4,703	10.5%	44,592
5213	Survey and Appraisal	17,500	-	2,500	20.0%	12,500
5214	Rents & Leases	4,563	6,368	1,743	24.9%	7,000
5215	Communications	12,981	12,749	2,564	23.3%	11,000
5216	Freight and Postage	2,028	588	33	0.6%	5,500
5217	Electricity	654,842	556,404	96,643	13.4%	720,326
5218	Water	138,976	171,989	109,982	71.9%	152,874
5219	Sewer	12,383	12,639	8,825	64.8%	13,621
5220	Refuse and Disposal	52,288	33,978	19,464	28.5%	68,300
5221	Property Insurance	106,791	116,336	102,353	80.0%	127,970
5222	Auto Insurance	10,907	11,950	6,881	52.3%	13,145
5223	Liability Insurance	86,006	117,833	54,950	49.7%	110,567
5226	Testing and Analysis	4,073	4,714	1,640	23.4%	7,000
5227	Advertising	6,888	3,268	813	11.6%	7,000
5228	Books and Subscriptions	-	-	-	0.0%	-
5231	Tools and Equipment	5,214	39,322	12,396	70.8%	17,500
5233	Computer Related Items	-	1,751	-	0.0%	-
5234	Record and Permits	-	1,004	-	0.0%	4,000
5235	Membership Dues	6,085	6,707	-	0.0%	8,500
5236	Transportation	2,201	4,933	1,993	49.8%	4,000
5237	Subsistence	663	1,010	64	2.1%	3,000
5238	Printing and Binding	282	-	-	0.0%	3,000
5248	Lobbying	20,803	25,950	10,500	14.6%	72,000
5249	Oil Spill Response	-	-	101	10.1%	1,000
5250	Camera Area Network	2,423	24,219	9,339	51.9%	18,000
5252	Credit Card Expenses	132,100	115,486	41,608	30.6%	136,000
5256	Waste Oil Disposal	39,136	23,062	849	2.4%	35,000
5258	Float and Ramp Repairs	15,624	15,882	18,972	54.2%	35,000

FUND 400 - PORT & HARBOR ENTERPRISE FUND

COMBINED EXPENDITURES

A/C Num.	Expenditure Categories & Descriptions	FY24	FY25	FY26 YTD ACTUAL		FY26
		7/1/23 - 6/30/24	7/1/24 - 6/30/25			7/1/25 - 6/30/26
		ACTUAL	ACTUAL	\$	%	BUDGET
5287	Electrical Supplies	-	-	-	0.0%	2,100
5601	Uniform	11,574	9,541	255	2.7%	9,500
5602	Safety Equipment	7,360	9,965	4,070	27.1%	15,000
5603	Employee Training	32,999	28,146	8,957	19.7%	45,500
5606	Bad Debt Expenses	58,210	56,829	(6,226)	-12.5%	50,000
5608	Debt Payment-Interest	(34,567)	-	-	0.0%	-
5614	Car Allowance	-	2,600	1,200	0.0%	-
5624	Legal Services	4,388	7,384	12,124	12.1%	100,000
5627	Security	-	3,564	-	0.0%	-
5635	Software	3,200	3,127	6,716	167.9%	4,000
5637	Diving Services	30,945	2,131	-	0.0%	27,000
5638	Signage Parking Delineation	37,294	58,203	15,970	63.9%	25,000
5999	Loss on Disposal	-	42,773	-	0.0%	-
Total Maint. and Operations		1,774,014	1,892,270	629,417	28.1%	2,236,794
<u>C/O and Transfers</u>						
5106	Leave Cash Out	73,867	49,513	-	0.0%	59,849
5241	GF Admin Fees	-	-	-	0.0%	-
5990	Transfers To	1,203,680	1,093,800	-	0.0%	1,205,623
Total Others		1,277,546	1,143,312	-	0.0%	1,265,473
Total		5,527,022	5,784,525	1,459,367	23.2%	6,287,824

PORT AND HARBOR ADVISORY COMMISSION
2025-2026 STRATEGIC PLAN

Annually, the PHC prioritizes a list of ongoing, near-term, medium and long-term goals to aid the commission in charting a general course for the year and keeping on-task.

Ongoing Goals	<ol style="list-style-type: none"> 1. Provide timely, relevant comment to the City Council on Port and Harbor issues. 2. Identify ways that the commission can collaborate with staff to provide value 3. Help the City communicate with the public about the progress of the General Investigation Study for Harbor Expansion 4. Communicate with Council, Commissions, and the Community at large <ol style="list-style-type: none"> a. Meet annually with Council in a joint work session; collectively sign up to attend or listen to each council meeting b. Send informational items to other commissions as needed 5. Continue identifying underutilized assets and additional sources of revenue.
	<ol style="list-style-type: none"> 6. Complete Financial Policy for the Port & Harbor Enterprise Fund and submit to Council for revision
	<ol style="list-style-type: none"> 7. Participate in Title 21 (Zoning and Planning) Code Revision Process as a part of Comprehensive Plan Updates
	<ol style="list-style-type: none"> 8. Support Port Director to conduct a Replacement Reserve Study for the Small Boat Harbor
	<ol style="list-style-type: none"> 9. Participate in planning process for local services facilities, cost estimates, and business plan for Harbor Expansion
Near Term Goals <small>By January 2026</small>	<ol style="list-style-type: none"> 10. When the General Investigation Study is completed, support Port Director to communicate with the public about the financial plan for completing the Harbor Expansion 11. Maximize financial returns for City leases and promote the highest and best Use of City assets <ol style="list-style-type: none"> a. (Commission) provide thoughtful oversight of Lease Proposals in conjunction with Staff and City Council 12. Secure permits to make planned improvement to parking lots in Harbor uplands <ol style="list-style-type: none"> a. Support Staff to complete permitting process with AK DOT&PF to develop right of way and secure funding for parking lot improvements. 13. Work with Port Director to develop a plan to replace the Tidal Grids 14. Work with Port Director and Special Projects coordinator to pursue Economic Development funding for the Large Vessel Haul-out Facility.

Long Term Goals 5 Years or More (2030+)	15. Work with Federal and State agencies to develop long-term erosion control measures for the Spit. a. Support short-term interventions where needed b. Advocate for General Investigation Study with US Army Corps of Engineers, request State funding for same
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OVERALL PHC DUTIES & RESPONSIBILITIES

The purpose of the PHC is to act in an advisory capacity to the City Manager and the City Council on the problems and development of the City's Port and Harbor facilities. Consideration may include the physical facilities, possible future development, and recommendations on land use within the port and harbor areas. Duties and responsibilities are outlined in the PHC's Bylaws and under Homer City Code 2.64.040.

Links to online info:

- Current Commissioners, Bylaws, and Strategic Plan: <https://www.cityofhomer-ak.gov/phac>
- Homer City Code 2.64: www.codepublishing.com/AK/Homer
- Homer Port and Harbor Website: www.cityofhomer-ak.gov/port
- Port of Homer Terminal Tariff No. 1: www.cityofhomer-ak.gov/port/port-homer-terminal-tariff-no-1
- City of Homer Adopted Budget: www.cityofhomer-ak.gov/finance/budgets
- City Comprehensive Plans: [https://www.cityofhomer-ak.gov/planning/long-range-planning](http://www.cityofhomer-ak.gov/planning/long-range-planning)

DUTIES OF COMMISSION/STAFF

Staff Liaison

- Assisting the Chair in setting meetings, preparing agendas, and other documentary material, and coordinating the acquisition of needed materials and training.
- Drafting/submitting reports, memos, and recommendations for those agenda items requiring decisions or recommendations by the Commission to City Council or the City Manager.
- Provide information about the budget.
- Inform the Commission of City Council actions and discussion of harbor-related issues.

Commissioners

- Attend City Council meetings as assigned.
- Attend work sessions and training opportunities.
- Come prepared to make a motion for action at meetings, or ask staff before the meeting for more information.
- Request information from the Staff Liaison or Presiding Clerk.
- Understand their role as an advisory body to City Council; for any change to happen regarding City policies or code usually a council member has to support a PHC's idea and be willing to sponsor a resolution or ordinance to change established City policies or rules.
- How the commission (as a whole) can communicate:
 - Work with the City Manager through the Staff Liaison to keep City Council informed on developing initiatives.
 - Send memos to Council periodically so they have a written report of what's going on; these are written by staff and likely will be part of the City Manager Report or under the PHC Report.

- Have a Commissioner speak at a Council Meeting under Reports; the PHC is scheduled to give a report at the next City Council meeting following the PHC's regular monthly meeting. It is best to rotate members so Council gets to see and hear from each of you over time. Pay attention to feedback from Council; the Commission may need to change direction, or come up with more support for the topic.

Clerks

- Helps with packet preparation and dissemination
- Records meetings and prepares meeting minutes
- Ensures meetings are properly advertised
- Helps members understand and comply with City policies and procedures governing advisory bodies
- Helps the Commission learn to better communicate with City Council (Memorandums vs Resolutions and Ordinances)



MEMORANDUM

Request for Moorage Rate and Insurance Requirement Review from Port and Harbor Advisory Commission

Item Type: Action Memorandum

Prepared For: Port & Harbor Advisory Commission

Date: February 18, 2026

From: Commissioner Roth

Through: Bryan Hawkins, Port Director

Introduction

Memorandum CC-26-035, shared by Mayor Lord and Councilmember Erickson, requested the Port and Harbor Advisory Commission (PHAC) to discuss the moorage rate schedule. In particular, they would like the PHAC to discuss adding a rate for those in the harbor for 7-14 days. Council would like to see the following from the PHAC:

1. Structured option or options for how this could be accomplished
2. Pros and cons associated with all options provided
3. The number of vessels that would currently fall into this category from the past two years of moorage data
4. The Commission's recommendation for the Council to consider

Mayor Lord and Councilmember Erickson also requested a discussion regarding the Homer Harbor insurance requirements, specifically for vessels 24' and under. Council would like to see the following from PHAC:

1. An analysis of the pros and cons of this suggested change to the tariff
2. The current number of vessels this suggestion would impact, and their status(stall vs transient)
3. The Commission's recommendation for the Council to consider

Recommendation

Attachments

Ordinance 26-07

Memorandum
City Council
MONTH DATE, 2025

CC-25-0xx

Memorandum CC 26-035



MEMORANDUM

CC-26-035

Request for Port Tariff Recommendations from the Homer Port & Harbor Advisory Commission

Item Type: Action Memorandum

Prepared For: Mayor Lord and Homer City Council

Date: January 19, 2026

From: Mayor Lord and Councilmember Erickson

BACKGROUND:

As the Council has been reviewing the Port Tariff No. 1 updates recommended by the PHAC and through staff, several questions have come up that we would like to request the PHAC take time in considering and providing the Council with recommendations on. We understand the tariff discussions are on an annual basis beginning in the fall. We respectfully request your feedback to the Council on these questions by the Council's second meeting in September, with the expectation that the Council will then provide feedback back to the PHAC to help inform their tariff discussions beginning in October.

1. Moorage Rates:

- a. Currently the rate structure is such that if a transient vessel is in the harbor for more than six days, the payment exceeds a full month of transient moorage.
- b. We have heard from many transient vessel owners frustration with this rate structure, especially concerns that this disadvantages commercial vessels transiting from upland storage to the fishing grounds and may need up to ten days in the harbor prior to leaving.
- c. We request that the PHAC contemplate and provide options for how the Port & Harbor could provide a moorage rate that costs less than a month's worth of moorage for transient vessels in the harbor for between 7-14 days.
- d. Please provide the Council with:
 - i. Structured option or options for how this could be accomplished
 - ii. Pros and cons associated with all options provided
 - iii. The number of vessels that would currently fall into this category from the past two years of moorage data
 - iv. The Commission's recommendation for the Council to consider

2. Insurance Requirements:

- a. The current requirement for vessel insurance extends to all vessels mooring in the harbor.
- b. The state of Alaska exempts vessels 24' and under from title requirements.
- c. Skiffs and other vessels 24' and under present limited liability to the harbor and the public, especially relative to the significant liabilities associated with larger vessels.
- d. We request that the PHAC contemplate and provide recommendations on the suggestion to exempt vessels 24' and under from the insurance requirements in the tariff.
- e. Please provide the Council with:
 - i. An analysis of the pros and cons of this suggested change to the tariff
 - ii. The current number of vessels this suggestion would impact, and their status (stall vs transient)
 - iii. The Commission's recommendation for the Council to consider

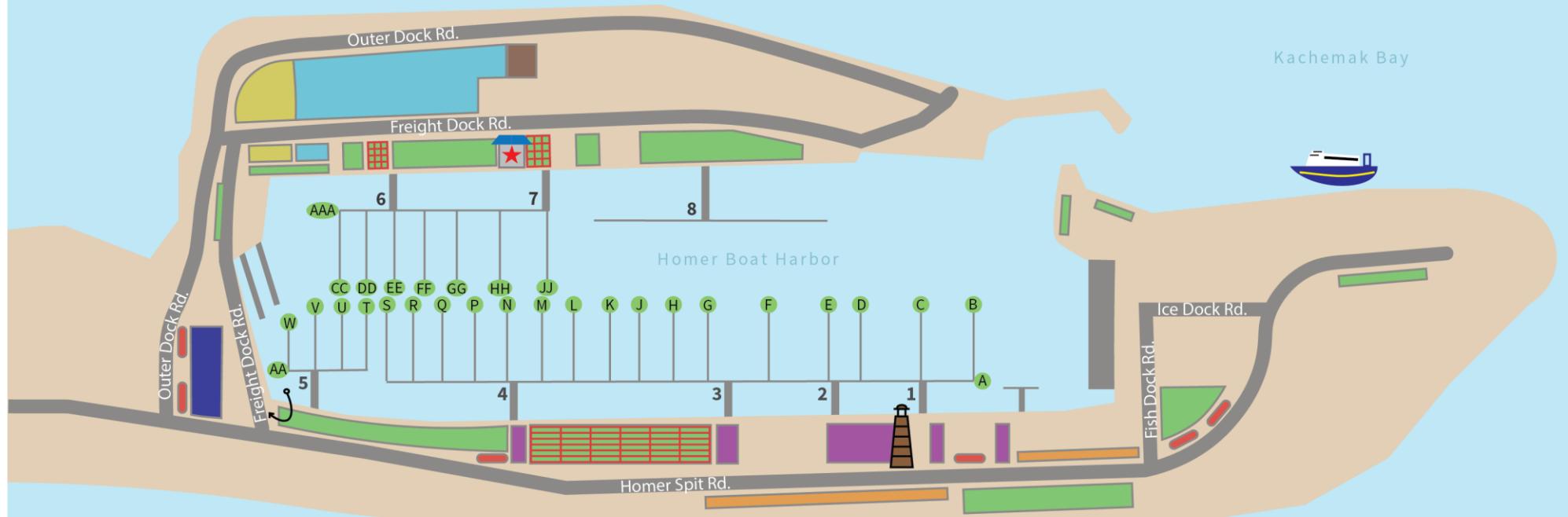


City of Homer

www.cityofhomer-ak.gov

Port and Harbor
4311 Freight Dock Road
Homer, AK 99603
port@cityofhomer-ak.gov
(p) 907-235-3160
(f) 907-235-7320

Homer Harbor Parking Map



LEGEND

Daily fee parking
\$10 per calendar day

7 day free vehicle parking
Long term permit allowed

7 day free vehicle parking
No long term permit allowed

Free 3 hour parking

7 day free parking for
vehicles 20 feet +

Day use ONLY for vehicle
and attached trailer

Paid long-term trailer
parking

7 day free vehicle and
trailer parking

Bus parking, loading, and
unloading zones

Harbormaster Office

SUMMER HOURS
Memorial Day - Labor Day
M - F 8:00am - 5:00pm
Sat 9:00am - 5:00pm

WINTER HOURS
M - F 8:00am - 5:00pm
Office: (907)235-3160
Self Service Portal 24/7



City of Homer

www.cityofhomer-ak.gov

Port and Harbor

4311 Freight Dock Road

Homer, AK 99603

port@cityofhomer-ak.gov

(p) 907-235-3160

(f) 907-235-3152

Homer Harbor Parking Permits

The Homer Harbormaster's Office provides parking permits for annual, seasonal, monthly, and weekly use. Please review the information below for what permit is best suited for your needs.

All permits can be purchased at the Homer Harbormaster's Office, online at <https://www.tocite.net/homerak/Portal>, or scan the QR code below.

All Vehicles over 20' are Restricted to the Seafarer's Memorial parking lot, 7 Day free trailer parking area, or Parking area at the junction of Homer Spit Rd/Outer Dock Rd across from Pier one campground.

All vehicles over 20' are not permitted to purchase a Long Term Parking Permit. Monthly and weekly permits available.

All vehicle permits only allow 1 vehicle per permit

Long Term Parking Permit:

- Annual price: \$150.00
- Only available for vehicles 20' or less
- Allows parking in Long-Term Lots, review map for location

Long Term Parking Permit - Discounted Rate for Harbor Tenants and Transient Annual Moorage:

- Annual price: \$100.00
- Only available for vehicles 20' or less
- No more than 2 permits available at discounted rate per stall
- Allows parking in Long-Term Lots, review map for location

Seasonal Fee-Pay Parking Permit:

- Permit price: \$150.00
- Valid from Memorial Day through Labor Day in Paid Parking areas located between Ramps 1 & 2, in the paved lots at the top of Ramps 3 & 4, and the steel grid parking lot
- Only available for vehicles 20' or less

Monthly Parking Permit:

- 30-day permit that allows parking in Long-Term Lots: \$70.00

Purchase your
permit here:



Weekly Parking Permit:

- 2 week permit + 7 free days, allows parking in Long-Term Lots: \$25.00
- 3 week permit + 7 free days, allows parking in Long-Term Lots: \$50.00

Monthly Boat Trailer Parking – Empty Trailer Only:

- For boat trailers parked for more than 7 consecutive days
- \$7.00/per foot per month, to be paid for at the Harbormaster's Office ONLY
- Paid Boat Trailer parking located across 20 Dock Road from the Harbormaster's Office



Parking Statistics 2023 - 2025

Citations 2023 - 2025

Year	Total Citations Issued	Total Citations Dismissed	Paid Citations	Unpaid Citations	Citation Fee	Annual Revenue	Notes
2023	786	69	418	299	\$25.00	\$12,382.00	
2024	791	77	271	443	\$25.00	\$7,655.00	
2025	2090	126	849	1115	\$25.00	\$25,107.00	Jan 1, 2025 to Oct 15, 2025
Total	3667	272	1538	1857		\$45,144.00	

*Paid late fees are included in revenue, but not individually accounted for

Parking Permit Revenue 2023 - 2025

Year	Long-Term Parking Permit	Fee Pay Seasonal Permit	Monthly Permit	Weekly Permit	Annual Airport Permit	Annual Revenue	Notes
2023	\$33,800.00	\$12,500.00	\$3,530.00	\$75.00	\$3,000.00	\$52,905.00	
2024	\$32,650.00	\$10,850.00	\$2,060.00	\$2,250.00	\$6,000.00	\$53,810.00	
2025	\$22,850.00	\$13,050.00	\$2,380.00	\$3,200.00	\$2,500.00	\$43,980.00	Jan 1, 2025 to Oct 15, 2025
Total	\$89,300.00	\$36,400.00	\$7,970.00	\$5,525.00	\$11,500.00	\$150,695.00	

*Long term parking permit includes discounted rate for harbor tenants

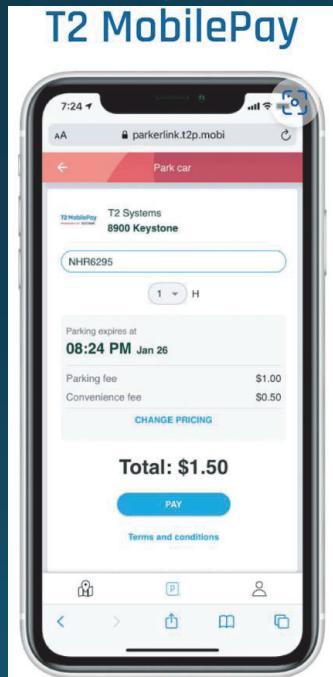
Mobile Pay Revenue 2023 - 2025

Year	Ramp 1	Ramp 2	Ramp 3	Ramp 4	Steel Grid	MobilePay Undefined	Annual Revenue
2023	\$17,440.00	\$50,300.00	\$18,900.00	\$7,473.00	\$0.00		
2024	\$18,490.00	\$49,770.00	\$16,780.00	\$8,930.00	\$2,550.00	\$6,730.00	
2025	\$16,760.00	\$48,000.00	\$16,190.00	\$9,120.00	\$2,510.00	\$8,650.00	
Total	\$52,690.00	\$148,070.00	\$51,870.00	\$25,523.00	\$5,060.00	\$283,213.00	

Campgrounds Revenue 2023 - 2025

Year	Fishing Hole Campground	Mariner Park Campground	Tent Camping	Annual Revenue	Notes
2023	\$125,690.00	\$92,240.00	\$10,200.00	\$228,130.00	
2024	\$115,764.00	\$87,150.00	\$11,580.00	\$214,494.00	
2025	\$112,440.00	\$86,350.00	\$10,930.00	\$209,720.00	
Total				\$652,344.00	

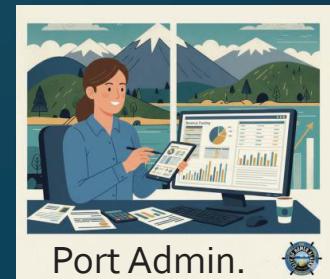
How We Do It:



Text To Pay



X2 Digital Enforcement
Device 24



Port Admin. 



Kiosks

Luke II Pay Station Kiosks



MEMORANDUM

Parking Configuration Discussion for Port and Harbor Advisory Commission

Item Type: Action Memorandum

Prepared For: Port & Harbor Advisory Commission

Date: February 18, 2026

From: Commissioner Roth

Through: Bryan Hawkins, Port Director

Summary:

Reflecting on Homer Harbormaster Matt Clarke's presentation in November 2025, I would like to begin a discussion regarding parking on the Homer Spit. In particular, I am interested in exploring potential changes to the daily parking lots located near the top of Ramp 2, as well as those adjacent to, and across from, the Salty Dawg. My primary focus is whether we should consider adding more designated loading/unloading areas, or a similar solution, to better accommodate individuals who frequently move equipment and supplies to and from their vessels.

Additionally, I am concerned about the high number of parking citations issued in 2025 compared to previous years.

Attached are the current staff-distributed parking map and the parking-related section of Matt Clarke's November presentation.

I would support scheduling a work session for the Commission to discuss alternative parking lot configurations or structural options to forward to Port and Harbor staff for consideration.

Recommendation:

Schedule a work session to discuss and develop potential alternative parking configurations and structural options to share with Port and Harbor staff.

Attached:

Homer Harbor Parking Map

Matt Clarke's November 2025 Presentation – Reference only Parking Section

Minutes from November 2025 PHAC



City of Homer

www.cityofhomer-ak.gov

Port and Harbor

4311 Freight Dock Road
Homer, AK 99603

port@cityofhomer-ak.gov

(p) 907-235-3160

(f) 907-235-3152

City of Homer Lease Application Proposal Review & Staff Recommendations

Proposal Synopsis

Application is for: Sea Assist Alaska Inc. DBA Sea Tow SouthCentral Alaska

Address / KPB ID: 4667 HOMER SPIT RD STE 1, HOMER, AK 99603 / 18103404LH02

Lease Proposal Sea Assist Alaska Inc. is requesting a new lease to replace the one-year short term

Synopsis and Recommendation: Lease expiring March 31, 2026. Sea Assist Alaska Inc., more often referred to as Sea Tow is in good standing and has been providing a vital service to commercial and recreational boaters.

Sea Tow is requesting a standard long-term Lease of 20 years with two five year options to renew. The request is for use of the building which contains a large water pump that is part of the city water infrastructure and not available for lease. The remainder of the building includes 336 sq. ft. of office space on the ground level and 960 sq. ft. of second story space used for housing and captain's quarters.

The previous lease also added 720 sq. ft. for four parking spaces. Sea Tow requests three additional parking spaces for a new total of 1260 sq. ft. for parking.

Criteria Checklist using City of Homer Code 18.08.060

The lease application provides a clear, precise written narrative that addresses all proposal criteria:

Yes

No

N/A

Insufficient

Notes:

1. property plan is compatible with neighboring uses and consistent with applicable land use regulations including the land allocation plan; comprehensive plan:

Yes

No

N/A

Insufficient

Notes: The narrative states the business provides essential services to recreational and commercial boaters and describes the business as a "great fit" for the building and a "great addition to the Homer Harbor." The proposed use includes a ground-level office for dispatch, customer relations, and administrative duties.

2. The development plan includes phases and timetables for the proposal:

Yes

No

N/A

Insufficient

Notes: The Applicant has no plans for upgrades or renovations. The Applicant stated to the Port Property Associate that the building, owned by the City, needs upgrades and renovation including needs a new roof, siding (or paint) and new windows.

3. The development plan proposes a capital investment plan:	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A	Insufficient
<u>Notes:</u> See #3 above.								
4. The applicant is experienced in the proposed business or venture:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A	Insufficient
<u>Notes:</u> The proposal narrative states that Capt. Trey Hill and Alyssa Hill started Sea Tow in Homer and Whittier in January 2018 and that in the last eight years the business has grown to over 2100 members.								
5. The applicant has the financial capability or backing including a credit history, prior lease history, and assets that will be used to support the proposed development:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A	Insufficient
<u>Notes:</u> There are no developments to the Lease Property that would require use of Sea Assist resources. Financial documents were provided showing balance sheets for the past two years and their relationships, including loans with Stearn Bank, KLC Financial and the SBA. From 2024 to 2025, their income rose 74%. The applicant reduced their negative equity balance by over 84% through the retained earnings from their 2025 net income.								
6. The proposal states the number of employees anticipated:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A	Insufficient
<u>Notes:</u> Four contractors including captains and dispatchers were paid for services provided to Sea Assist Alaska, Inc. No employees were mentioned in the application.								
7. The proposed lease rate was included in the proposal.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A	Insufficient
<u>Notes:</u> At the time of this review the property is being appraised. This process will contribute to providing a fair and equitable Lease rent.								
8. Information about other financial impacts such as tax revenues, stimulation of related or spin-off economic development, or the value of improvements left behind upon termination of the lease was included in the application.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A	Insufficient
<u>Notes:</u> Business Growth: Detailed information including financial health and company growth points to increased tax revenue for the City as well as the Borough.								
9. Other long-term social economic development information was included in the proposal.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A	Insufficient
<u>Notes:</u> Essential Services: The applicant describes their primary function as providing "essential services" to recreational and commercial boaters, including towing, jump starts, fuel deliveries, and un-groundings. They state they "work very hard to keep Alaskan boaters safe" and have provided on-water services to thousands of boaters over the last eight years.								
Community Leadership: Captain Hill serves on the Board of Directors for the Homer Chamber of Commerce and the Homer Marine Trades Association. Seas Assist also donated to the Sea Tow Foundation (a foundation to reduce boating-related accidents and deaths through education, safety tools, and resources).								

<p>10. Residency or licensure of the applicant has been established in the city, Kenai peninsula borough, and/or the state of Alaska, as identified in the city's request for proposal and permitted under state and federal law:</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> <u>Insufficient</u>
--	---

Notes: Trey his wife, Alyssa, reside on the Spit in the building they have been leasing from the City, above the office space for Sea Assist Alaska Inc.

<p>18.08.060 (b) Determination of the rent amount shall take into consideration the following factors:</p>	
<p>(Record comments below as appropriate.)</p>	
<ol style="list-style-type: none"> 1. Appraisal or tax assessed valuation; Pending the appraisal currently in progress. 2. The highest and best use of the land; 3. Development (existing and planned); 4. Economic development objectives; 5. The location of the property; 6. Alternative valuation methodologies as negotiated by both parties. [Ord. 18-16(S)(A) 1,2018]. 	

<p>FOR CURRENT ASSIGNMENTS ONLY – Current lessee is in full compliance with the lease terms and is eligible for lease reassignment:</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> <u>Insufficient</u>
<p>FOR CURRENT TENANTS ONLY – the lessee is in good standing:</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> <u>Insufficient</u>

All applicable documentation has been provided:

<input checked="" type="checkbox"/> Lease Application and Written Narrative	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> <u>Insufficient</u>
<input checked="" type="checkbox"/> Property Plan <input checked="" type="checkbox"/> Development Plan <input checked="" type="checkbox"/> Financial Information <input checked="" type="checkbox"/> Business Entity and Licensing Information <input checked="" type="checkbox"/> Verification that Insurance can be provided at Signing of Lease <input checked="" type="checkbox"/> City Planning & Other Agency Approval Information	

Comments/Recommendations from Public Works

Dan Kort, Public Works Director: “Notice of Potential Disturbance and Access: The Lessee is advised that the office area is adjacent to the municipal back-up water pump system for the Spit. Consequently, the premises may be subject to occasional noise and vibration during pump operation, maintenance, or construction related activities. Furthermore, the City reserves the right for staff to occupy the pump room as needed for maintenance or operations; however, such access will be conducted via a dedicated exterior entrance and should not interfere with the Lessee's internal operations.”

Comments/Recommendations from Planning & Zoning

Ryan Foster, City Planner: Planning has no comments or objections to the Lease.

Additional Comments/Recommendations from Port & Harbor Staff (if applicable)

Admin Supervisor, Giles Ogden: In accordance with State and Federal regulations regarding pre-1978 construction, the Landlord is providing mandatory disclosures concerning lead-based paint and asbestos. These materials have been secured by the Port Property Associate and are included for the Tenant's review and acknowledgment. According to the Kenai Peninsula Borough records the building was built in 1970.

N/A

Comments from City Manager's Office

None *fr*

N/A

Recommendation from Port & Harbor Advisory Commission (if applicable)

N/A

Recommended Action to City Council

N/A

Application Verified By:

City Manager Approval:

Julie Angelozzo
Acting CM

Date: 2/20/26

Attachments:



CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERs NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Gowrie Group 70 Essex Road Westbrook, CT 06498	CONTACT Sara Morehouse NAME: PHONE (A/C, No, Ext): (860) 399-3625 1625 FAX (A/C, No): E-MAIL ADDRESS: smorehouse@risk-strategies.com
	INSURER(S) AFFORDING COVERAGE INSURER A : Navigators Insurance Company
INSURED Sea Assist Alaska, Inc. dba Sea Tow of South Central Alaska PO BOX 2729 Homer, AK 99603	INSURER B :
	INSURER C :
	INSURER D :
	INSURER E :
	INSURER F :

COVERS **CERTIFICATE NUMBER:** **REVISION NUMBER:**
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR X Marine General Liab.			NY24MPK7210-01	8/22/2024	8/22/2025	EACH OCCURRENCE	\$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY <input type="checkbox"/> PRO- JECT <input type="checkbox"/> LOC						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
	OTHER:						MED EXP (Any one person)	\$ 5,000
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						PERSONAL & ADV INJURY	\$ 1,000,000
	UMBRELLA LIAB	<input type="checkbox"/>	OCCUR				GENERAL AGGREGATE	\$ 2,000,000
	EXCESS LIAB		CLAIMS-MADE				PRODUCTS - COMP/OP AGG	\$ 1,000,000
DED	RETENTION \$		COMBINED SINGLE LIMIT (Ea accident)	\$				
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y/N	N / A	BODILY INJURY (Per person)	\$				
A P&I			BODILY INJURY (Per accident)	\$				
			PROPERTY DAMAGE (Per accident)	\$				
				\$				
			EACH OCCURRENCE	\$				
			AGGREGATE	\$				
				\$				
			PER STATUTE	OTHE- R				
			E.L. EACH ACCIDENT	\$				
			E.L. DISEASE - EA EMPLOYEE	\$				
			E.L. DISEASE - POLICY LIMIT	\$				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Insurance

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

City of Homer, Port & Harbor Dept.
4311 Freight Dock Road
Homer, AK 99603

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806

This is to certify that

SEA TOW SOUTHCENTRAL ALASKA

PO BOX 2729, HOMER, AK 99603

owned by

SEA ASSIST ALASKA INC.

is licensed by the department to conduct business for the period

December 26, 2024 to December 31, 2025
for the following line(s) of business:

48-49 - Transportation and Warehousing



This license shall not be taken as permission to do business in the state without having
complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Julie Sande
Commissioner

SEA TOW SOUTHCENTRAL ALASKA
PO BOX 2729
HOMER, AK 99603

OCEAN MARINE PACKAGE POLICY DECLARATIONS

POLICY NUMBER: **NY25MPK7210-01** **Effective From:** **8/22/2025** **TO:** **8/22/2026**
 at 12:01 A.M. Standard time at place of issuance

NAMED INSURED: Sea Assist Alaska, Inc., DBA

ADDRESS: 4667 Homer Spit Road STE 2, Homer, AK 99603

PART I. – PROPERTY COVERAGE

SECTION A – HULL AND MACHINERY

PREMIUM: \$7,558

SCHEDULED VESSELS

Vessel #	Vessel	Value	Deductible
	See Schedule		

*If more than three vessels see attached schedule

SECTION B – INLAND MARINE

PREMIUM: \$150

SCHEDULED EQUIPMENT

Item #	Description	Value	Deductible

*If more than three items see attached schedule

UNSCHEDULED EQUIPMENT

Limit: \$10,000	Max Any One Item: \$1,000	Deductible: \$500
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PART II. – LIABILITY COVERAGE

Combined Single Limits Apply - Applicable to all Part II. Coverage Sections

It is understood and agreed that in the event of an occurrence involving more than one policy form, section, or endorsement the maximum limit of liability under this policy for any one occurrence shall not exceed \$1,000,000.

SECTION A – PROTECTION & INDEMNITYPREMIUM: \$4,489

Includes Crew Coverage for Two (2) Crew Members

SCHEDULED VESSELS

Vessel #	Vessel	Occurrence Limit	Deductible
	See Schedule		

*If more than three vessels see attached schedule

SECTION B – MARINE GENERAL LIABILITYPREMIUM: \$1,725**LOCATIONS:** 4667 Homer Spit Rd Suite 1&2, Homer AK 99603

Each Occurrence Limit:	\$1,000,000
General Aggregate Limit:	\$2,000,000
Products-Completed Operations Aggregate Limit:	\$1,000,000
Personal Injury & Advertising Injury Liability Limit:	\$1,000,000
Fire Damage Limit:	\$100,000
Medical Expense Limit:	\$5,000

Gross Receipts Rate: Flat Minimum Premium

Deductible:	\$5,000	Each Occurrence, except:
	\$25,000	For Sudden & Accidental Pollution Buy-Back Coverage

POLICY PARTS PREMIUM: \$13,922

TERRORISM PREMIUM (Additional, Optional): Excluded

TOTAL POLICY PREMIUM: \$13,922**FORMS & CONDITIONS: As per attached policy forms schedule.**

In consideration of the premium hereinafter stated, the Companies named herein agree to insure the assured named herein in the amount(s) and subject to the terms, conditions, stipulations, forms, clauses and endorsements attached hereto and which are hereby made a part of this Policy.

COUNTERSIGNED BY: Chitzen & forceDATE: 8/22/2025

Schedule of Forms

Number	Edition	Name
MPGSICOM DEC	12 14	Ocean Marine Package Policy Declarations
SICOM001	12 14	Schedule of Forms
NAV-SUB	10 16	Subscribers Page
HPI 121	02 09	General Terms and Conditions
NAV-PIS	10 16	Premium Installment Schedule
HPI 122	02 09	Additional General Conditions
SICOM002	12 14	Additional Named Insured & Waiver of Subrogation
MGL 101	03 10	Marine General Liability Policy
MGL 203	02 09	Additional Insured & Waiver of Subrogation Endorsement
MGL 207	02 09	Additional Policy Conditions
MGL 218	02 09	Claim Reporting Requirements Endorsement
MGL 225	02 09	Hired Auto and Non-Owned Auto Liability Endorsement
MGL 240	02 09	Limited Pollution Buy-Back (72 Hour) Endorsement
MGL 246	02 09	Ship Repairer's Liability Endorsement
MGL 252	02 09	Traveling Workmen Endorsement
SICOM003	12 14	Salvors Legal Liability Coverage Endorsement
HPI 102	02 09	American Institute Tug Form 53R-1
HPI 123	02 09	Hull and Machinery Special Conditions
HPI 147	02 09	Excess Collision and/or Towers Liability
HPI 148	02 09	Extended Adventures and Perils
NAV-CDE	06 20	Communicable Disease Exclusion
HPI 155	02 09	Land and Transportation Risk Endorsement
HPI MPG	11 14	Commercial Tools and Equipment Coverage Extension
HPI 112	02 09	Protection and Indemnity SP-23
HPI 124	02 09	Protection & Indemnity (P&I) - Special Conditions
HPI 143	02 09	Crew Coverage - Crew Included
HPI 144	02 09	Diver(s) Exclusion
SICOM005	12 14	Vessel Schedule
SICOM006	12 14	Trailer Schedule
SICOM007	12 14	Loss Payable Provisions
SICOM009	12 17	Salvors Legal Liability Overland Transit Extension
SICOM010	11 15	Cyber Exclusion Clause
NAV-ATERR	10 16	Absolute Terrorism Exclusion Clause
SICOM012	01 21	Special Hull Deductible

SUBSCRIBERS PAGE

Insurance is issued by the Company in consideration of payment of the required premium shown in the Schedule. The Companies shown in the Schedule, severally but not jointly, do hereby provide insurance to the Insured for their Proportionate Share shown in the Schedule, subject to the terms and conditions of this policy.

In Witness Whereof, each company shown in the Schedule has caused this policy to be signed by its authorized representative.

Proportionate Share	Lead or Following Company	Premium	Company and Signature	Company Policy Number
100%	Lead	\$13,922.00	Navigators Insurance Company 	NY25MPK7210-01
100%				

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

HULL and MARINE LIABILITY POLICY

General Terms and Conditions

This endorsement modifies insurance provided under:

All Sections of this policy

GENERAL TERMS: In consideration of the premium specified and subject to the warranties (express or implied), stipulations, terms and conditions of this form and of the forms attached hereto, this Company hereby insures the named Assured upon the property or interest described in the attached forms to an amount or amounts specified therein.

This Policy is made and accepted subject to the following stipulations, terms and conditions, and to the stipulations, terms and conditions of the forms attached hereto, which are hereby specially referred to and made a part of this Policy, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto. No officer, agent, or other representative of this Company shall have power to waive or be deemed to have waived any provisions, terms, conditions or stipulations of this Policy unless such waiver, if any, shall be written upon and attached hereto, nor shall any privilege or permission affecting the insurance under this Policy exist or be claimed by the Assured unless so written or attached.

The following clauses are deemed to be paramount and shall override anything contained in attached forms that appear inconsistent therewith, unless otherwise endorsed hereon.

- 1) **CANCELLATION:** This Policy may be cancelled by either party giving 30 days, (ten (10) days in the event of non-payment of premium), written or telegraphic notice to the other, if at the option of Underwriters pro rata, if at the request of the Assured short rates, will be charged - and arrival.
- 2) **COMBINED SINGLE LIMIT OF LIABILITY:** The Limit of Liability under the Part 1 & 2 Sections of this policy including endorsements and other liability coverages attached thereto, is subject to a combined single limit of \$1,000,000 regardless of the number of vessels or coverages involved in any one accident or occurrence including all costs and/or expenses subject to the deductible. Any applicable deductible amount including the Annual Aggregate Deductible, if any, is to be included within the Combined Single Limit amount. For the purposes of this clause, each accident or occurrence shall be treated separately, but in a series of claims hereunder arising from the same accident or occurrence these shall be treated as due to that accident or occurrence.
- 3) **DEFINITION OF OCCURRENCE:** The liability of this company in respect of loss, damage, costs, fees expenses or claims arising out of or in consequence of any one occurrence is limited to the amount hereby insured. For the purpose of this clause each occurrence shall be treated separately, but a series of claims hereunder arising from the same occurrence shall be treated as due to that occurrence.
- 4) **LITIGATION:** No suit, action or proceeding brought by the Assured against Underwriters for the recovery of any claim under this Policy shall be sustainable in any court of law or equity unless the same be commenced within twelve (12) months after Underwriters have denied liability for payment of claim; except that in the case of a claim arising under the Collision Clause, no suit or action shall be sustainable unless brought within twelve (12) months next after the Assured shall have discharged his liability. Provided, however, that if by the laws of the state within which this Policy is issued such limitation is invalid, then any 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.

Warranted that no action will be taken by the Assured or his assignees to enforce payment of any claim under this Policy except before the tribunals of the United States of America, Canada or England.

5) **SUBROGATION RIGHTS:** Except as otherwise provided herein, the Company shall be subrogated to all the rights which the Assured may have against any other person, corporation, vessel or interest, in respect to any payment made under this policy, to the extent of such payment, and the Assured shall, upon request of the Company, execute all documents necessary to secure the Assurer such rights.

It is a condition of this insurance that if the Assured shall, before or after loss, waive, compromise, settle or otherwise impair any right or claim to which the Company would be subrogated upon payment of a loss, then this Company shall be free from liability with respect to such loss.

6) **NOTICE OF LOSS:** Warranted that in the event of any occurrence which may result in loss, damage and/or expense for which this Company is or may become liable, the Assured will use due diligence to give prompt notice thereof and forward to this Company and/or the Agent or Broker of Record that arranged this insurance, as soon as practicable after receipt thereof, all communications processes, pleading and other legal papers or documents relating to such occurrences.

Within sixty (60) days after the loss, unless such time is extended in writing by this company, the insured shall render to this company a proof of loss, signed and sworn by the insured, stating knowledge and belief of the insured as to the following: the time and origin of the loss, the interest of the insured and of all other in the property, the actual cash value of each item and origin of the loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any said property, any changes in the title, use, occupation, location possession or exposures of said property since the issuing of this policy, and if required and obtainable, verified plans and specifications of any vessel, equipment, fittings or machinery lost or damaged. The insured, as often as may be reasonably required, shall exhibit to any person designated by this company, all that remains of any property herein described, and submit to examinations under oath by any person named by this company, and subscribe the same; and, as often as may be reasonably required, shall produce for any person designated by this company vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this company or its representative, and shall permit extracts and copies thereof to be made.

Whenever required by this Company, the Assured shall aid in securing information, evidence, and in obtaining of witnesses, and shall cooperate with this Company (except in a pecuniary way) in the defense of any claim or suit or in the appeal from any judgment, in respect of any occurrence as herein before provided.

7) **OTHER INSURANCE CLAUSE:** Any "other insurance" and/or "co-insurance" clauses contained elsewhere in this policy are hereby deleted and the following language is substituted in its place and forms part of this policy:

This policy is excess over any other insurance, whether primary, excess, contingent or on any other basis, whether prior or subsequent hereto, and by whomsoever effected, directly or indirectly covering loss or damage insured hereunder, and this company shall be liable only for the excess of such loss or damage beyond the amount due from such other insurance, whether collectable or not, however, up to, but not exceeding, the limits of this policy as set forth in the declarations.

8) **CONCEALMENT, FRAUD:** This entire policy shall be void if, whether before or after a loss, the insured has willfully concealed or misrepresented any material fact or circumstances concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

9) **ERRORS AND OMISSIONS:** This policy shall not be invalidated by an unintentional delay, error, omission, or oversight in making declarations or reports or in rendering reports of values under charter, lease or other agreements, provided that same be reported to this Company as soon as practicable, as soon as known or discovered by the Assured and an additional premium, if due, be paid.

10) **POLLUTION EXCLUSION:** This policy, with respect to all insurance's provided hereunder, shall not insure against any loss, damage, cost, liability, expense, fine or penalty, of any kind or nature whatsoever, imposed upon the Assured, directly or indirectly in consequence of, or with respect to, the actual or potential discharge, emission, spillage or leakage upon or into the sea, waters, land or air, of petroleum products, chemicals, or other substances of any kind or nature whatsoever. AND PROVIDED FURTHER, but without limiting the generality of the foregoing in any way, that this exclusion is intended to and shall exclude any loss, damage, cost, liability, expense, fine or penalty incurred by or imposed on the Assured(s), directly or indirectly, in consequence of, or with respect to the use by the Assured(s) of any pesticide, fumigant or decontaminant whether in the normal course of its business or otherwise.

All other terms and conditions of this policy shall be deemed amended to the extent necessary to give full force and effect to this exclusion.

11) **ABSOLUTE ASBESTOS EXCLUSION:** Notwithstanding anything to the contrary contained in this Policy, it is hereby understood and agreed that this Policy shall not apply to Bodily Injury or Personal Injury or loss of, damage to or loss of use of property directly or indirectly caused by asbestos.

12) **ABSOLUTE EXCLUSION OF PUNITIVE DAMAGES:** It is agreed that this policy shall not apply to the liability imposed on the Assured(s) or for any obligation to pay fines, penalties or exemplary, or punitive damages including treble damages, or any other damages resulting from the multiplication of compensatory damages. If a suit shall have been brought against the insured for claim insured by this policy seeking both compensatory and punitive or exemplary damages, then this company will afford a defense to such action. The Company, however, shall not have an obligation to pay for any costs, interest, or damages attributable to fines, punitive or exemplary damages.

13) **U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE:** Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

14) **AIMU EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE WITH U.S.A ENDORSEMENT (March 1, 2003):** This clause shall be paramount and shall override anything contained in this Insurance inconsistent therewith.

In no case shall this Insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:

- a) ionizing radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- d) the radioactive, toxic explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

U.S.A. ENDORSEMENT

This insurance is subject to the Extended Radioactive Contamination Exclusion Clause (March 1, 2003) provided that

if fire is an insured peril

and

where the subject matter insured or, in the case of a reinsurance, the subject matter insured by the original insurance, is written within the U.S.A., its islands, onshore territories or possessions

and a fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses a), b, and d) of the Extended Radioactive Contamination Exclusion Clause (March 1, 2003) any loss or damage arising directly from that fire shall, subject to the provisions of this insurance, be covered, EXCLUDING however any loss, damage, liability or expense caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

15) **AIMU CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, ELECTROMAGNETIC WEAPONS AND CYBER ATTACK EXCLUSION CLAUSE:** This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:

- a) any chemical, biological, bio-chemical or electromagnetic weapon;
- b) the use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, computer virus or process or any other electronic system.

16) **SEVERABILITY:** If any clause, word, phrase, provision or portion of this Policy shall be found to be unenforceable, invalid or void for any reason whatsoever, by any court of competent jurisdiction or by any arbitration panel, such determination shall not affect any other clause, word, phrase, provision or portion of this Policy, and each shall remain in full force and effect.

17) **CAPTIONS AND HEADINGS:** All captions and headings in this policy are inserted only for purposes of reference and shall not be used to interpret the clauses to which they apply.

18) **BROKER AN AGENT OF ASSURED:** It is a condition of this insurance that the Assureds broker, or any person, firm or corporation other than a licensed agent of this Company, who shall procure this insurance on behalf of the Assured shall be deemed to be exclusively the agent of the Assured in any and all transactions with respect to this insurance, including representations made in procuring the policy, and it is further expressly agreed that any notice given by or on behalf of this Company to such broker, person, firm or corporation with respect to this insurance shall be deemed given to the Assured.

19) **TERRORISM EXCLUSION: THIS EXCLUSION SHALL BE PARAMOUNT UNLESS THIS POLICY IS SPECIFCALLY ENDORSED WITH THE TERRORISM COVERAGE ENDORSEMENT.**

- a) It is hereby understood and agreed that notwithstanding anything to the contrary this insurance shall not apply to:
 - b) Any loss, damage, liability, injury or expense caused by, resulting from or incurred by **terrorism**; and/or
 - c) Any costs or expenses the Insured or others directly or indirectly incur with respect to the steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived **terrorism**.
 - d) **Terrorism** as used in this policy shall mean activities against persons, organizations or property of any nature:
 - i) That involves the following or preparation for the following:
 - (1) Use or threat of force or violence;
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - ii) When one or both of the following applies:
 - (1) The effect is to intimidate or coerce a government, or to cause chaos among the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It is reasonable to believe the intent is to intimidate or coerce a government, or to seek revenge or retaliate, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.]

All other terms and conditions of this policy remain unchanged.

Policy Number: NY25MPK7210-01

Named Insured: Sea Assist Alaska, Inc.

Producer: Maritime Program Group, Inc.

Effective Date: 08/22/2025

PREMIUM INSTALLMENT SCHEDULE

PAYMENT DUE DATE	INSTALLMENT AMOUNT
08/22/2025	\$3,480.50
11/15/2025	\$3,480.50
02/15/2026	\$3,480.50
05/15/2026	\$3,480.50

HULL and MARINE LIABILITY POLICY ADDITIONAL GENERAL CONDITIONS

This endorsement modifies insurance provided under:

The following clauses are deemed to be paramount and shall override anything contained in the attached forms that appear inconsistent therewith unless otherwise endorsed hereon.

- 1) **NAVIGATION WARRANTY:** It is warranted that the vessels insured hereunder shall be, during the currency of this policy, confined to the use of and navigation of the following waters:

N/A

Any deviation from the prescribed trading warranty shall be held covered, provided the vessel(s) can legally navigate under Coast Guard License, the Assured agreeing to report such deviation and pay additional premium as agreed, if required.

- 2) **ADDITIONAL ASSURED OR LOSS PAYEE:** It is agreed that to the extent that the Named Assured is obligated by written contract to name any person or organization as an Additional Assured and/or Loss Payee, and/or waive subrogation, Underwriters agree that such person or organization shall be considered as such, and rights of subrogation are hereby waived, but only with respect to the vessel(s) actually working for the Additional Assured and/or operations actually performed by or on behalf of the named Assured(s) at the time of the loss.

The Assured warrants to report to underwriters as soon as practicable such Additional Assured, provided the Assured shall have exercised this option prior to a loss.

Wherever Additional Assureds or Loss Payees are added to this Policy, it is specifically agreed that:

- a) Such Additional Assureds or Loss Payees are included only with respect to such activities insured by this Policy as would exist in the absence of the naming of Additional Assureds or Loss Payees and which are properly the responsibility of the Named Assured.
- b) Coverage hereunder shall in no way be considered extended by the inclusion of Additional Assureds or Loss Payees. The inclusion of Additional Assureds or Loss Payees shall in no way increase the limit of liability hereunder.
- c) In the event of cancellation or change in policy, no obligation is imposed on Underwriters to send notice of cancellation or change of coverage to an Additional Assured or Loss Payee and notice to the original Named Assured shall discharge all obligations of Underwriters hereunder. Underwriters shall not be required to notify any Additional Named Assureds or Loss Payees of any cancellation received from the original Assured hereon.

- 3) **CROSS LIABILITY:** In the event of an Assured incurring liability to any other Assured or Additional Assured, this policy shall cover that Assured against whom claim is or may be made in the same manner as if separate policies had been issued to each Assured. Nothing contained herein shall operate to increase the Company's limit of liability as set forth herein.
- 4) **PREMIUM EARNED:** In the event of payment by Underwriters for a Total or Constructive Total Loss of the named Vessel(s), the full annual premium shall be deemed earned.

- 5) **VESSEL:** When more than one Vessel is insured hereunder, the word "Vessel" in this Policy shall be deemed to read "Vessels"
- 6) **AFFILIATED COMPANIES CLAUSE:** In respect of the Vessel(s) insured hereunder, it is agreed that this Policy also covers the Assured and affiliated companies of the Assured be they owners, subsidiaries or inter-related companies as bare-boat charterers and/or charterers and/or sub-charterers and/or operators and/or in whatever capacity, and shall so continue to cover notwithstanding the provisions of this Policy with respect to change of ownership or management. Provided, however, that in the event of any claim being made by any affiliated, subsidiary or interrelated company under this clause it shall not be entitled to recover in respect of any liability to which it would not be subject if it were the owner of the Vessel, nor to a greater extent than an owner would be entitled in such event to recover.
It is further agreed that these Underwriters waive any right of subrogation against any subsidiary, affiliated or inter-related company of the Assured, excepting to the extent that any such company is insured against the liability asserted. However, should the Vessel be sold to or transferred to or chartered on a bare-boat basis to other than the Assured or the affiliated companies of the Assured, or be requisitioned on a bare-boat basis the provisions of the Policy with respect to change of ownership or management shall govern.
- 7) **CHANGE OF OWNERSHIP:** In the event of a change in ownership of the vessel or requisition on a bareboat basis then, unless this Company agrees thereto in writing, this policy shall thereupon become canceled from the time of such change in ownership or requisition; provided, however, in case of an involuntary temporary transfer by requisition, without prior execution of any written agreement by the Assured, such cancellation shall take place fifteen days after such transfer; and provided further that such cancellation shall be suspended until arrival at final port of discharge if with cargo or at port of destination if in ballast. This insurance shall not inure to the benefit of any such transferee of the vessel and if a loss payable hereunder should occur between such transfer and such cancellation, this Company shall be subrogated to all the rights of the Assured against the transferee, by reason of such transfer, in respect of all or part of such loss as is recoverable from the transferee. A daily pro rata return of premium shall be made. The foregoing provisions with respect to cancellation in the event of change in ownership or requisition shall apply even in the case of insurance "For Account of Whom It May Concern". The term "change of ownership" shall not include the transfer of the vessel between Assureds covered under this policy or to any internal changes within the offices of the Assured.
- 8) **NO RELEASE TO TOWER WARRANTY:** Warranted that the Assured does not release the tower from liability. This warranty shall be paramount to any and all other provisions and/or conditions contained herein to the contrary, including (but not limited to) permissions to name as Additional Assureds, hold harmless, and/or waive subrogation.
- 9) **IN REM CLAUSE:** It is agreed that an action "in rem" against a vessel owned by, leased to or chartered by the Named Assured shall be treated as if it were an action "In Personam" against the Named Assured.
- 10) **PAYMENT OF LOSS:** In case of loss, such loss to be paid within thirty (30) days after satisfactory proof of loss and interest shall have been made and presented to Underwriters, the amount of an indebtedness due Underwriters from the Assured or any other party interested in this Policy being first deducted.

11) **PAYMENT OPTIONS:** It is expressly agreed that in the event of a claim under this Policy, the Company, at its election, may either (1) make payment against delivery of instruments securing the Company's right of subrogation, or (2) make an advance or loan, without interest and repayable only out of net recoveries from third parties, in respect of such claim, against delivery of such loan agreement as may be required by the Company. Upon receipt of any advance or loan the Assured shall use all reasonable means to recover from third parties, and, at the Company's request and expense, and, under its exclusive direction and control, shall make claim upon and institute legal proceedings against any party which this Company believes is liable for the loss, cooperating fully in the prosecution of such proceedings.

12) **LIMITATION OF LIABILITY:** When the Assured or Additional Assured is entitled to limit their liability under the law as respects a scheduled vessel, the Company's liability under this policy shall not exceed the amount of such limitation. It being understood and agreed, however, that this provision shall not reduce the limit of liability otherwise afforded under this policy to any other Assured or Additional Assured not entitled to limit their liability under the law.

All other terms and conditions of this policy remain unchanged.

ADDITIONAL NAMED INSURED ENDORSEMENT

THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.

1. It is agreed the Named Insured shown on the Declarations is amended to include:

Sea Tow Services International, Inc.
700 Hummel Ave
Southold, NY 11971
2. In the event we cancel this policy for any reason or make a change material to the coverage provided by this policy we will mail notification of the cancellation or material change to the Named Insured shown above at least thirty (30) days (ten (10) days for non payment of premium) prior to the effective date of such cancellation or material change.
3. All Other Terms and Conditions Remain Unchanged.

This endorsement changes
this policy

MARINE GENERAL LIABILITY POLICY

Various provisions in this policy restrict or exclude coverage. Read the entire policy carefully to determine your rights and duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us," and "our" refer to the company or companies providing this insurance.

The word "Insured" means any person or organization qualifying as such under WHO IS AN INSURED (SECTION IV).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (SECTION VIII).

The Section, Form or Clause titles or headings are for your reference only and have no bearing on the interpretation of the Sections, Forms or Clauses. Be certain to read all Sections, Forms and Clauses carefully to determine their actual meaning.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

Insuring Agreement.

1. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result. But:
 - a. The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION V); and
 - b. Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A or B or medical expenses under Coverage C and/or other coverages endorsed to this policy and/or Supplementary Payments under Section III.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B (SECTION III).

2. This insurance applies to "bodily injury" and "property damage" only if:
 - a. The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory;" and
 - b. The "bodily injury" or "property damage" occurs during the policy period.

3. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury."

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

Insuring Agreement.

1. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this coverage part applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal injury" or "advertising injury" to which this insurance does not apply. We may at our discretion investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:
 - a. The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION V); and
 - b. Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A or B or medical expenses under Coverage C and/or Supplementary Payments under Section III.
 - (1) No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B (SECTION III).
2. This insurance applies to:
 - a. "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
 - b. "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;but only if the offense was committed in the "coverage territory" during the policy period.

COVERAGE C. MEDICAL PAYMENTS

Insuring Agreement.

1. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - a. On premises you own or rent;
 - b. On ways next to premises you own or rent; or
 - c. Because of your operations;provided that:
 - a. The accident takes place in the "coverage territory" and during the policy period;
 - b. The expenses are incurred and reported to us within one year of the date of the accident; and

- c. The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
2. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - a. First aid at the time of an accident;
 - b. Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - c. Necessary ambulance, hospital, professional nursing and funeral services.

SECTION II - EXCLUSIONS

A. EXCLUSIONS APPLICABLE TO SECTION I, COVERAGES A AND B ONLY:

Notwithstanding anything to the contrary contained in this policy, it is hereby understood and agreed that this policy is subject to the following exclusions and that this policy shall not apply to:

1. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

2. Contractual Liability

"Bodily injury", "property damage", "personal injury" or "advertising injury" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. Subject to all of this policy's other terms, conditions and exclusions, this exclusion does not apply to liability for damages:

- a. That the insured would have in the absence of the contract or agreement; or
- b. For "bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract," provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (1) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (2) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

3. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

4. Workers' Compensation and Similar Laws;

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law, United States Longshore and Harbor Workers' Compensation Act, Jones Act, Death on the High Seas Act, General Maritime Law, Federal Employers Liability Act, Outer Continental Shelf Lands Act, Defense Base Act, or any similar laws, statutes or liabilities.

5. Employer's Liability

a. "Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (1) above.

b. This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

6. Employee Benefits

Liability, expense or costs arising out of any act or omission by you, or any other person or entity for whose acts or omissions you are legally liable, in respect of your "Employee Benefits" including but not limited to:

- a. Giving counsel to "employees" with respect to "Employee Benefits";
- b. Interpreting the "Employee Benefits";
- c. Handling and keeping of records in connection with "Employee Benefits";
- d. Effecting enrollment, termination or cancellation of "employees" under the "Employee Benefits";
- e. Any dishonest, fraudulent, criminal, or malicious act or omission;
- f. Failure of performance of contract by an insurer;
- g. Lack of compliance with the terms of any contract, declaration of trust, or instrument providing "Employee Benefits";
- h. Lack of compliance with any law concerning "Employee Benefits";
- i. Failure to procure or maintain satisfactory and adequate insurances on "Employee Benefits" assets or property;
- j. Failure of stock or other securities or of any investments of whatever kind to perform as represented;
- k. Advice given to an "employee" to participate or not to participate in stock subscription or similar plans; and

- I. Any liability arising out of the Employee Retirement Income Security Act and any other similar federal, state or other statutes, rules or regulations.

As used in this exclusion, the term "Employee Benefits" includes, without limitation, Group Life Insurance, Group Health and Dental Insurance, Profit-Sharing Plans, Pension Plans, Employee Stock Subscription Plans, Workers' Compensation, Unemployment Insurance, Social Security and Disability Benefits Insurance.

7. Pollution, Seepage, Contamination

- a. "Bodily injury", "property damage", "personal injury" or "advertising injury" which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time:
 - (1) At or from any premises, site or location that is or was at any time owned or occupied by, or rented or loaned to, any insured;
 - (2) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
 - (4) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:
 - (a) If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
 - (b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

Subparagraphs (1) and (4)(a) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

b. Any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of "pollutants".

However, this paragraph (7.b.) does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

8. Health Hazard

- a. "Bodily injury", "property damage", "personal injury" or "advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, absorption of, contact with, exposure to, existence of, or presence of:
 - (1) "Asbestos", "lead", "polychlorinated biphenyl", "silica", "tobacco", benzene, formaldehyde, manganese, "fungi" or "microbes", coal dust, talc, dioxin, pesticides, herbicides, "methyl tertiary-butyl ether" (MTBE); or
 - (2) Other substances, materials, wastes or emissions, noise or environmental disturbance where you are or may be held liable for any reason including, but not limited to, as a result of the manufacture, production, extraction, sale, handling, utilization, distribution, disposal or creation by you or on your behalf of such substances, materials, wastes or emissions, noise or environmental disturbance.
- b. Any loss, cost or expense arising out of the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, or disposing of, or in any way responding to or assessing the effects of substances, materials, products, wastes or emissions, noise or environmental disturbance as identified in 8.a. (1) and (2) above.

9. Nuclear

- a. Any liability, expense or costs for "bodily injury", "property damage", "personal injury" or "advertising injury":
 - (1) With respect to which an "insured" under this policy is also an "insured" under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. Any Medical Payments coverage, for expenses incurred with respect of "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- c. Any Liability Coverage for "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material" if:
 - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of an "insured" or (b) has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "nuclear waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an "insured", or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or

Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this exclusion only:

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear material" means "source material," "Special nuclear material" or "by-product material;"

"Source material," "special nuclear material," and "by product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid which has been used or exposed to radiation in a "nuclear reactor,"

"Nuclear waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel," or (3) handling, processing or packaging "nuclear waste";
- (c) Any equipment or device used for the processing, fabrication or alloying of "special nuclear material" if at anytime the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage of disposal of "nuclear waste",

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.

10. Radioactive Contamination

"Bodily injury" and/or "personal injury" and/or "property damage" arising directly or indirectly from:

- a. Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- b. The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- c. Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or

d. The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-paragraph does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or similar peaceful purposes.

Your liability with respect to fire arising directly or indirectly from one or more of the causes detailed in sub-paragraphs a, b, or d above shall, subject to the provisions of this insurance, be covered, excluding however any liability, expense or cost caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

This exclusion shall be paramount and shall override anything contained in this insurance which may be inconsistent.

11. Chemical, Biological, Bio-Chemical, and Electromagnetic

Liability, expense or costs directly or indirectly caused by or contributed to or arising from an actual or threatened act involving a chemical, biological, biochemical or electromagnetic weapon, device, agent or material when used in an intentionally hostile manner.

12. "Owned Watercraft"

Any liability, expense or costs, contractually assumed or otherwise, for any sum(s) that you are or are alleged to be liable with respects to the ownership, use or entrustment to others of any "owned watercraft". Use includes operation and "loading and unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any "owned watercraft".

13. Auto, Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft or "auto" owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading."

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft or "auto" that is owned by or rented or loaned to any insured.

This exclusion does not apply to:

- a. Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- b. Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft;
- c. "Bodily injury" or "property damage" arising out of:
 - (1) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or

(2) The operation of any of the equipment listed in paragraph f. 2. or f. 3. of the definition of "mobile equipment" (Section VIII, Definition 20.); or

d. Non-owned aircraft or "autos" that are handled by you as a stevedore as cargo, including the operation of non-owned "autos" during "loading or unloading".

14. War and Terrorism Liability Exclusion

"Bodily injury", "property damage", "personal injury" or "advertising injury", however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents;
- c. Insurrection, rebellion, revolution, usurped power, or action taken by government authority in hindering or defending against any of these; or
- d. (1) Any liability for, or any loss, damage, injury or expense caused by, resulting from or incurred by "terrorism"; and/or
(2) Any cost or expense the Insured or others directly or indirectly incur with respect to the steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived "terrorism".

15. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- a. The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- b. The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

16. Damage to Property

"Property damage" to:

- a. Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- c. Property loaned to you;
- d. Property in the care, custody or control of the insured;
- e. That particular part of real property on which you or any independent contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- f. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph b. of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs c., d., e. and f. of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph f. of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

17. Damage to Your Product

"Property damage" to "your product" arising out of it or any part of it.

18. Damage to Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard". This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

19. Damage to Impaired Property or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- a. A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work;" or
- b. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

20. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- a. "Your product";
- b. "Your work"; or
- c. "Impaired property".

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

21. Divers

"Bodily injury" (contractually assumed or otherwise) to any/all diver(s) that resulted from or occurred from or during "**diving operations**".

22. Failure to Perform

Any liability resulting from the failure of "your products" and/or "your work" to meet any predetermined level of fitness or performance and/or guarantee of such fitness or level of performance and/or any consequential loss arising therefrom.

23. Employment Practices

"Bodily injury" and/or "personal injury" and/or "advertising injury" arising out of any:

- a. Refusal to employ;

- b. Termination of employment;
- c. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person;
- d. Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination; or
- e. Consequential "bodily injury" as a result of a. through d. above.

This exclusion applies whether the insured may be held liable as an employer or in any other capacity and to any obligation to share damages with or to repay someone else who must pay damages because of the injury.

24. Director's and Officer's

- a. Actual or alleged liability arising out of your capacity, duty or responsibility as an Officer, Director or Trustee of a corporation by reason of any breach of fiduciary duty or improper conduct or conflict of interest in the performance of your duties, responsibilities or accountability as an Officer, Director or Trustee, including, without limitation, any actual or alleged misstatement, misleading statement, gain of personal profit or advantage to which you were or are not entitled legally, any dishonest act, or bad faith conduct, in your capacity as an Officer, Director or Trustee, or with respect to the capital or assets of the Corporation, or any action taken beyond the scope of your authority as an Officer, Director or Trustee; or
- b. Actual or alleged liability of any Officer, Director or Trustee arising out of or asserted in a shareholder's derivative action; or
- c. Actual or alleged liability which would be payable under the terms of coverage of a Directors and Officers Liability Insurance Policy or a Directors and Company Reimbursement Indemnity Policy of the type issued by stock insurance companies of the United States, as if you had obtained such coverage in an amount sufficient to pay the full amount being claimed against you, whether or not you have obtained such coverage; or
- d. "Property damage", "bodily injury", "personal injury" or "advertising injury" claims, "suits" or proceedings for, based upon, arising from, attributable to, related to, or in any way connected with, in whole or part, directly or indirectly:
 - (1) Any actual or alleged violation of the Securities Act of 1933 as amended, or the Securities Exchange Act of 1934 as amended, or any state blue sky or Canadian securities law.
 - (2) Any similar state blue sky, federal or Canadian statutes regulating securities similar to the foregoing, or as they may be amended, any rules or regulations adopted pursuant thereto, or any other state blue sky or Canadian laws or common laws relating to securities; or
- e. Actual or alleged liability arising out of or incidental to any alleged violation(s) of any federal or state law regulating, controlling and governing antitrust or the prohibition of monopolies, activities in restraint of trade, unfair methods of competition or deceptive acts and practices in trade and commerce including, without limitation, the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act and the Hart-Scott Rodino Antitrust Improvements Act; or

- f. Actual or alleged liability arising out of or contributed to by the insured's dishonesty or infidelity.

25. Professional Liability

- a. This insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of or allegedly arising out of the rendering of or failure to render any professional services by you or on your behalf, but only with respect to either or both of the following operations:
 - (1) Providing engineering, architectural, watercraft brokering, inspection or surveying services to others in your capacity as an engineer, architect, watercraft broker, inspector or surveyor and/or performance of any claim, investigation, adjustment, inspection, appraisal, survey or audit services; and/or
 - (2) Providing, or hiring independent professionals to:
 - (a) Provide engineering, architectural, watercraft brokering, inspection or surveying services in connection with construction work you perform; or
 - (b) Perform any claim, investigation, adjustment, inspection, appraisal, survey or audit services.
- b. Subject to Paragraph c. below, professional services include:
 - (1) (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, inspections, field orders, change orders, or drawings and specifications, and/or claim investigation reports, adjustments, inspections, appraisals, surveys or audits; and/or
 - (b) Hiring and/or re-hiring or charter brokerage of watercraft for or on behalf of others.
 - (2) Supervisory or inspection activities performed as part of any related architectural or engineering activities.
- c. Professional services do not include services within construction means, methods, techniques, sequences and procedures employed by you in connection with your operations in your capacity as a construction contractor, provided you are designated as such under item 3, Description of Operations, in the Declarations of this policy.

26. False Advertising, Willful Intent, Unauthorized Use

"Personal injury" or "advertising injury" arising out of:

- a. Oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- b. Oral or written publication of material whose first publication took place before the beginning of the policy period;
- c. The willful violation of a penal statute or ordinance committed by or with the consent of the insured; or
- d. The unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

27. Breach of Contract, Failure to Conform, Wrong Description

"Personal Injury" and "Advertising injury" arising out of:

- a. Breach of contract, except an implied contract to use another's advertising idea in your advertisement;
- b. The failure of goods, products or services to conform with advertised quality or performance;
- c. The wrong description of the price of goods, products or services; or
- d. An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

28. U.S. Economic and Trade Sanctions Clause

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

29. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

30. Infidelity and/or Dishonesty

Any claim(s) of an "insured" whose infidelity, dishonesty and/or fraud caused the loss for which that "insured" seeks indemnity, whether committed individually or in collusion with others, and whether or not such act(s) be committed during regular business hours.

31. Fines, Penalties, Punitive Damages

Fines, penalties, bad faith damages, punitive or exemplary damages, including treble damages or any other damages resulting from multiplication of compensatory damages.

Except with respects to exclusions 1, 2, 9, 10 and 14, Section II.A. does not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section V – Limits of Insurance.

B. EXCLUSIONS APPLICABLE TO SECTION I, COVERAGE C ONLY:

We will not pay expenses for "bodily injury":

1. Any Insured

To any insured.

2. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

3. Injury on Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

4. Workers Compensation and Similar Laws

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To a person, whether or not an employee of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers compensation or disability benefits law or any similar law or under the doctrine of maintenance and cure.

5. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

6. Products-Completed Operations Hazard

Included within the "products-completed operations hazard."

7. Section II.A. Exclusions

Excluded under Section II.A. of this policy.

**SECTION III - SUPPLEMENTARY PAYMENTS - APPLICABLE TO SECTION I,
COVERAGES A AND B AND ALL COVERAGES ENDORSED TO THIS POLICY OF
INSURANCE.**

We will pay, with respect to any claim or "suit" we defend (subject to applicable policy limit and deductible):

1. All expenses we incur including, but not limited to, attorney fees and litigation costs.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$100 a day because of time off from work.
5. All costs taxed against the insured in the "suit".
6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

All such costs and expenses outlined above are included within (not in addition to) the applicable policy occurrence and aggregate limits of insurance.

SECTION IV - WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Each of the following is also an insured:

- a. Your "employees" other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company) or your captain and/or crew of "owned watercraft", but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:
 - (1) "Bodily injury" or "personal injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee") or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company and over which you maintain ownership or majority interest, will

qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION V - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - a. Claims made or "suits" brought;
 - b. Persons or organizations making claims or bringing "suits"; or
 - c. Coverages provided in or endorsed to this policy.
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
 - c. Damages under Coverage B;
 - d. Damages under other coverages endorsed to or otherwise made a part of this policy; and
 - e. All Supplementary Payments (as per Section III).
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard", including all Supplementary Payments (as per Section III).
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" arising out of any one "occurrence", including all Supplementary Payments (as per Section III).
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A;
 - b. Medical expenses under Coverage C;
 - c. Damages under any/all coverage(s) endorsed to this policy; and

- d. Supplementary Payments (as per Section III).
because of all "bodily injury" and "property damage" arising out of any one "occurrence."
- 6. Subject to 5. above, the Damage to Premises Rented to You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with the permission of the owner, arising out of any one fire.
- 7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The limits of this Policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION VI - DEDUCTIBLE LIABILITY INSURANCE

Applicable to Section I, Coverage Parts A and B and all coverage endorsements attached to this policy.

- 1. Our obligation under the "bodily injury" liability, "property damage" liability, "personal injury" liability and "advertising injury" liability coverages to pay damages, expenses or costs on your behalf applies only to the amount of damages, expenses or costs in excess of any deductible amounts stated on the Declarations Page as applicable to such coverages, and the limits of insurance applicable to "each occurrence" for such coverages will be reduced by the amount of such deductible. "Aggregate" limits for such coverages shall not be reduced by the application of such deductible amount.
- 2. The deductible amounts shown on the Declarations apply as follows:
 - a. PER CLAIM BASIS - if the deductible is on a "per claim" basis, the deductible amount applies:
 - (1) Under Coverage Parts A and B and all coverage endorsements, respectively:
 - (a) To all damages and supplementary payments because of "bodily injury", "personal injury" and/or "advertising injury" sustained by one person, or
 - (b) To all damages and supplementary payments because of "property damage" sustained by one person or organization,
as the result of any one "occurrence."
 - (2) Under Coverage Parts A and B and all coverage endorsements combined, to all damages and supplementary payments because of "bodily injury", "personal injury", "advertising injury" and/or "property damage" sustained by one person or organization as the result of any one "occurrence."
 - b. PER OCCURRENCE BASIS - if the deductible is on a "per occurrence" basis, the deductible amount applies:
 - (1) Under Coverage Parts A and B and all coverage endorsements, respectively:
 - (a) To all damages and supplementary payments because of "bodily injury", "personal injury" and/or "advertising injury" as the result of any one "occurrence," or

(b) To all damages and supplementary payments because of "property damage" as the result of any one "occurrence." regardless of the number of persons or organizations who sustain damages because of that "occurrence."

(2) Under Coverage Parts A and B and all coverage endorsements combined, to all damages and supplementary payments because of "bodily injury", "personal injury", "advertising injury" and/or "property damage" as the result of any one "occurrence" regardless of the number of persons or organizations who sustain damages because of that "occurrence."

(3) The terms of this insurance, including those with respect to:

- Our right and duty to defend any "suits" seeking those damages; and
- Your duties in the event of an "occurrence," claim or "suit"
- apply irrespective of the application of the deductible amount.

(4) We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount we have paid.

SECTION VII - CONDITIONS

All coverages provided by or included in this policy and all endorsements attached to this policy are subject to the following conditions. Read them carefully.

1. Bankruptcy / Insolvency

The insolvency, bankruptcy, receivership of the insured or the insured's estate or any refusal or inability to pay by the insured or the insured's estate and/or the insolvency, bankruptcy, receivership or any refusal or inability to pay by any other insurance company and/or by any other underwriter shall not operate to:

- Relieve us of our obligations under this policy;
- Increase our liability under this policy;
- Increase our share of liability under this policy;

In no event shall we assume the responsibilities and/or obligations of the insured or the insured's estate and/or the obligations of any other insurance company and/or any other underwriter.

2. Cancellation / Non Renewal

- The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - Ten (10) days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - Thirty (30) days before the effective date of cancellation if we cancel for any other reason.

- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro-rata. If the first Named insured cancels, the refund may be less than pro-rata. The cancellation will be effective even if we have not made or offered a refund.
- f. In the event of cancellation of this policy, the earned premium shall be calculated in accordance with the cancellation provision contained above and shall be based upon the estimated annual premium, advance premium, or minimum premium, whichever is greater. We shall also have the option (but not an obligation) of conducting an audit to determine the actual earned premium.
- g. If we decide not to renew this Policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than thirty (30) days before the expiration date.
- h. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

4. Duties in the Event of Occurrence, Claim or Suit

- a. You must see to it that we are notified as soon as practicable after you become aware of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

5. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

6. In Rem

Subject to the terms and conditions of the policy, it is agreed that any loss, otherwise covered by this policy, shall be considered covered thereby even though asserted by an action "In-Rem" instead of action "In Personam".

7. Inspections and Surveys

We have the right but are not obligated to:

- Make inspections and surveys at any time;
- Give you reports on the conditions we find; and
- Recommend changes. We maintain the right to require that recommendations are complied with and if they are not, we have the right to cancel the policy.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public and we do not warrant that conditions:

- Are safe or healthful; or
- Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any loss control, surveying, rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

8. Premiums

The first Named Insured shown in the Declarations:

- Is responsible for the payment of all premiums; and
- Will be the payee for any return premiums we pay.

9. Legal Action Against Us

No person or organization has a right under this insurance policy:

- To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

10. Other Insurance or Protection

- a. This policy is excess over any other insurance under which the insured has been afforded insured status, whether primary, excess (other than insurance effected by the Named Insured hereunder and specifically written as excess of this coverage), contingent or on any other basis, whether prior or subsequent hereto, and by whomever effected, directly or indirectly covering loss or damage insured hereunder, and this company shall be liable only for the excess of such loss or damage beyond the amount due from such other insurance up to, but not exceeding, the limits of this policy as set forth in the declarations.
- b. When this insurance is excess, we will have no duty under this policy to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- c. Notwithstanding paragraphs a. and b. above, this insurance shall be primary to any other insurance, but only:
 - (1) With respect to "your work", and
 - (2) When required by and only to the extent of such obligation under an "insured contract".

11. Premium Audit

- a. We will compute all premiums in accordance with our rules and rates.
- b. Premium shown in the declarations as advance premium is only a deposit premium. At the close of each audit period we will compute the earned premium for that period.

Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums for the policy term is greater than the earned premium, we will return the excess to the first Named Insured, unless it is less than the minimum premium in which case the amount which is less than the minimum premium will not be refunded.

- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

12. Preservation of Your Rights

You will endeavor to:

- a. Preserve all rights against any and all:
 - (1) Independent contractors and/or subcontractors working for you or on your behalf;
 - (2) "Leased workers";
 - (3) "Employee provider firms"; and
 - (4) Lessees and/or Tenants of property or equipment which you own or for which you are responsible.

all of which are referred to below as "entities".

- b. Require the "entities" to maintain, in full force and effect, liability insurance with coverage and limits at least equal to the coverage and limits of this policy, as well as workers' compensation insurance. The "entities" shall require their liability insurer(s) to name you as an additional insured and shall waive all rights of subrogation against you and your "principal". The liability insurance provided by the "entities" shall be endorsed

to designate it to be primary to all other insurance issued in your favor and in favor of your "principal".

- c. Require the "entities" to provide proof of the insurance as required above prior to any of the "entities" beginning to work for you. The "entity" shall also require their insurer(s) to provide you with thirty (30) days written notice of cancellation or material change of their insurance.

13. Representations

By accepting this insurance policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

14. Separation of Insureds

Except with respect to the Limits of Insurance, which are in no way increased, and any rights or duties specifically assigned to the first Named Insured in this insurance policy, which are in no way expanded, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

15. Transfer of Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this insurance policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

16. Transfer of Your Rights and Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

17. Watercraft Liability / Protection & Indemnity

During the term of this policy you agree to separately insure all your "owned watercraft" for limits not less than \$1,000,000 or hull value (whichever greater) for protection and indemnity (P&I) and collision and/or tower's liability risks, as applicable. The terms for such insurance shall not be less broad than those provided by industry standard P&I forms, including "contractual liability extension", deletion of reference to "other than owner" wording, in rem coverage, collision liability coverage as provided by lines 158 – 184 of the American Institute Hull Clauses Form 7 (June 2, 1977), and/or (for watercraft engaged in towing) the collision and tower's liability coverage as provided by lines 78 through 111 of the American Institute Tug Form 53R-1.

Notwithstanding this condition, the insured agrees that the "owned watercraft" exclusion as contained in Section II.A. of this policy applies regardless of whether such P&I coverage is actually in place or whether losses are recoverable thereunder.

SECTION VIII - DEFINITIONS

1. "Advertising injury" means injury arising out of one or more of the following offenses:
 - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b. Oral or written publication of material that violates a person's right of privacy;
 - c. Misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title or slogan.
2. "Asbestos" means all forms of actinolite, amosite, anthophyllite, chrysotile, crocidolite, tremolite, asbestos containing materials, asbestos products, asbestos fibers, asbestos dust, asbestos waste, or any goods, products, or structures containing asbestos.
3. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.However, "auto" does not include "mobile equipment".
4. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including mental anguish or death resulting from any of these at any time.
5. "Contractual Liability Coverage Extension" means coverage for "bodily injury" or "property damage" for which you are obligated to pay damages or expense by reason of the assumption of liability in a contract or agreement with respect to "owned watercraft" including the captain and crew and any other persons whilst working on, from or in the service of "owned watercraft".
6. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), international waters of the Gulf of Mexico, Puerto Rico and Canada.
 - b. For all other parts of the world:
 - (1) We shall have the right but not the duty to investigate, defend or settle "bodily injury" or "property damage" claims; but
 - (2) If we do not exercise such right, you shall, under our supervision, make or have made such investigation and defense as is reasonably necessary. Subject to our prior written authorization, you may also effect settlement. Subject to all other provisions of the policy, we shall reimburse you for the reasonable costs of such actions and pay damages determined in a "suit" on the merits or in a settlement we agree to.
 - (3) Any disputes between you and us as to whether there is coverage under this policy must be filed in the courts of the United States of America (including its territories and possessions), Puerto Rico or Canada.

(4) All payments or reimbursements we make for damages because of judgments or settlements will be made in U.S. currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums. All payments or reimbursements we make for expenses under Supplementary Payments will be made in U.S. currency at the prevailing exchange rate at the time the expenses were incurred.

(5) Paragraph 6.b. of this definition shall not apply with respect any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.

7. The term "demurrage" shall be deemed to include detention, loss of time, loss of freight, loss of charter, loss of use and/or similar and/or substituted expenses.

8. "Diving operations" means operations which involve a person (or persons) using an apparatus, which supplies compressed breathing gas at the ambient pressure, including but not limited to, while working in the water or in "hyperbaric conditions."

9. "Employee" includes a "leased worker." "Employee" does not include a "temporary worker."

10. "Employee provider firm" means any entity, firm or affiliate whose principal business is providing "workers", as distinct from providing non-personnel services, to another entity to perform activities in furtherance of the business, trade or profession of the other entity at the business premises of or at locations designated by the other entity. As used in this definition, the term "workers" means any natural person in the course or scope of employment.

11. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any similar governing document.

12. "Fungi" means any form of fungus, yeast, mold, mildew, or mushroom, including mycotoxins, spores, scents, byproducts or other substances produced or released by fungi. However, "fungi" does not include fungi that were deliberately grown for human consumption.

13. "Gross Sales" or "Gross Receipts", when used as a term for rating or as an exposure basis in the Declarations, means the total of all charges (including intercompany charges) you make or intend to make (whether or not these charges have been collected) for:

- All goods or products, sold or distributed;
- All operations performed by you or on your behalf;
- All pass through charges; and
- Rentals.

14. "Hyperbaric conditions" means pressure conditions in excess of surface pressure.

15. "Impaired property" means tangible property, other than "your product" or "your work," that cannot be used or is less useful because:

- It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- The repair, replacement, adjustment or removal of "your product" or "your work;" or

b. Your fulfilling the terms of the contract or agreement.

16. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement; and
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies an architect, engineer, consultant, inspector or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
- (2) Under which the insured, if an architect, engineer, consultant, inspector or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, consulting or engineering activities.

Nothing contained in an "insured contract" shall serve to increase the coverage or limits otherwise provided by this policy or its endorsements.

17. "Lead" means all lead, lead dust, lead-based products, lead-containing materials, lead-containing waste, or any goods, products, or structures containing lead.

18. "Leased worker" means a person leased to you by an "employee provider firm" under an agreement between you and the "employee provider firm", to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

19. "Loading(ed) or unloading(ed)" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft, rail car or "auto";
- b. While it is in or on an aircraft, watercraft, rail car or "auto"; or
- c. While it is being moved from an aircraft, watercraft, rail car or "auto" to the place where it is finally delivered;

(1) However, "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto."

20. "Methyl tertiary-butyl ether" shall mean any product which is known as methyl tertiary-butyl ether, contains methyl tertiary-butyl ether, has the same chemical formulary as methyl tertiary-butyl ether, is a derivative of methyl tertiary-butyl ether, or is generally known in the chemical trade as having a like formulation, structure, or function as methyl tertiary-butyl ether regardless of the name under which it is manufactured, sold or distributed.

21. "Microbe" means any bacteria, virus, or any other non-fungal, single celled or colony-form organism, including toxins, scents, byproducts or other substances it produces or releases, whose injurious source is in or on a building or its contents. But "microbe" does not mean:

Microbes that were transmitted directly from person to person;

Microbes that caused food poisoning, if your business is food processing, sales or serving.

22. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own, rent, or occupy or premises or locations of others from which you conduct "your work" or operations;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos:"

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing;
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers;

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- g. Vehicles being driven by you over the road as cargo during "loading or unloading" in your operations as a stevedore and/or terminal operator.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- 23. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 24. "Owned Watercraft" includes every description of "watercraft" or other artificial contrivance, including all appurtenances thereto, that you:

- a. Own, charter, lease or borrow; or
- b. Hire or charter broker for or on behalf of others.

It also includes "watercraft" that you don't own, charter, lease or borrow that you are:

- a. Building or are assisting to build; or
- b. Reconstructing or converting when such reconstruction or conversion entails a change in dimension, tonnage or type of watercraft, but only with respects to such risks for which builder's risk insurance is purchased by you or the watercraft owner.

The term "watercraft" as used in this definition includes, but is not necessarily limited to vessels, ships, boats, barges or other objects and structures:

- a. That are used, or are capable of being used, as a means of transportation on water; and/or
- b. That are designed and intended to float on its own bottom, but whether or not it is:
 - (1) Floating;
 - (2) Sunken; or
 - (3) Temporarily or permanently affixed to or resting on the water's bottom, shore, land, dock, pier, or other structures by use of spuds, anchors, mooring lines, or any other means.

"Owned Watercraft", however, does not include "watercraft" that is chartered by and/or loaned or rented to the named insured with crew for the sole purpose of transporting "employees" as passengers.

- 25. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or

- e. Oral or written publication of material that violates a person's right of privacy.
- 26. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste regardless of where found. Waste includes, but is not limited to, material to be recycled, reconditioned or reclaimed.
- 27. "Pollution" means the actual, alleged or threatened discharge, dispersal, seepage, migration, release, or escape of "pollutants", whether accidental, fortuitous or intentional and whether or not damaging to the environment.
- 28. "Polychlorinated biphenyl" shall mean any product which is known as polychlorinated biphenyl, contains polychlorinated biphenyl, has the same chemical formulary as polychlorinated biphenyl, is a derivative of polychlorinated biphenyl, or is generally known in the chemical trade as having a like formulation, structure, or function as polychlorinated biphenyl regardless of the name under which it is manufactured, sold or distributed.
- 29. "Principal" is any person or entity for whom you are performing "your work".
- 30. a. "Products-completed operations hazard" includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned.
- b. "Your work" will be deemed completed at the earliest of the following times:
 - (1) When all of the work called for in your contract has been completed.
 - (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
 - (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- c. This hazard does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of it;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

31. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

32. "Silica" as used in this policy includes, but is not limited to, silicon dioxide (SiO₂), silica, silica products, silica fibers, dust containing silica, any other silica byproducts, whether alone or in combination with any substance, product or material.
33. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage," "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or do submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
34. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
35. "Terrorism" as used in this policy shall mean activities against persons, organizations or property of any nature:
 - a. That involves the following or preparation for the following:
 - (1) Use or threat of force or violence;
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - b. When one or both of the following applies:
 - (1) The effect is to intimidate or coerce a government, or to cause chaos among the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It is reasonable to believe the intent is to intimidate or coerce a government, or to seek revenge or retaliate, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
36. "Through put" when used as a term for rating or as an exposure basis in the Declarations means the total amount of product measured in gallons or barrels (at 42 gallons per barrel) which leaves your premises (as scheduled in the declarations) or pipeline during the policy period.
37. The term "tobacco" shall include, without limitation and regardless whether or not manufactured, sold, or distributed by you, tobacco, raw, cured, cut or otherwise; cigars; cigarettes; and any other tobacco products or products containing tobacco; filler tobacco; pipe tobacco; chewing tobacco; snuff; smoke-less tobacco; tobacco smoke, environmental tobacco smoke; second-hand smoke; and any residues or by-products of tobacco use, consumption, inhalation, manufacture, or storage. "Tobacco" shall also include the paper, wrappers, tips filters, and all other components of cigarettes and cigars; pipes and pouches containing tobacco; and any chemical, mineral, additive, or other product or component

customarily, ordinarily, or intentionally sprayed on, applied to, found within, or used in conjunction with tobacco.

38. "Your product" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

39. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- b. The providing of or failure to provide warnings or instructions.

All Other Terms and Conditions Remain Unchanged.

MARINE GENERAL LIABILITY

ADDITIONAL INSURED AND WAIVER OF SUBROGATION ENDORSEMENT (SPECIFIC)

This endorsement modifies insurance provided under:

Marine General Liability Coverage Form

SCHEDULE

Premium: \$included

In consideration of the additional premium shown in the schedule to this endorsement and subject to all the terms, conditions, limits and exclusions of the policy to which this endorsement is attached, it is agreed that:

1. Section IV of the policy. (Who is an Insured) is amended to include the person(s) or organization(s) shown below as an Additional Insured hereunder to the extent that you are obligated to include them as Additional Insured, but only with respect to "your work".
2. We waive any right of recovery we may have against such Additional Insured as shown below because of payments we make for "bodily injury" or "property damage" arising out of "your work" done for that Additional Insured. The waiver applies only to the person(s) or organization(s) shown below.
3. In the event we cancel this policy for any reason or make a change material to the coverage provided by this policy we will mail notification of the cancellation or material change to the person(s) or organization(s) shown below at least thirty (30) days (ten (10) days for non payment of premium) prior to the effective date of such cancellation or material change.

NAME AND ADDRESS

City of Whittier Harbor

PO Box 639

Whittier, Ak 99693

KLC Financial, LLC ISAOA
PO BOX 3886
Bellevue, WA 98009

4. All Other Terms and Conditions Remain Unchanged.

MARINE GENERAL LIABILITY

ADDITIONAL POLICY CONDITIONS

This endorsement modifies insurance provided under:

Marine General Liability Coverage Form

SCHEDULE

Premium: \$ (included)

In consideration of the additional premium shown in the schedule to this endorsement and subject to all the terms, conditions, limits and exclusions of the policy to which this endorsement is attached, it is agreed that:

Condition 13 (Representations) of Section VII is amended to include Unintentional Non Disclosure as follows:

Unintentional Non Disclosure

It is agreed that your failure to disclose all hazards existing as of the inception date of the policy shall not prejudice you with respect to the coverage afforded by the policy provided such failure or omission is not intentional. It is further agreed, however, that such error shall be corrected when discovered with appropriate adjustment in premium.

Condition 4 (Duties in the Event of Occurrence, Claim or Suit) of Section VII is amended to include Knowledge of Occurrence and Notice of Occurrence as follows:

Knowledge of Occurrence

It is agreed that knowledge of an occurrence by an agent, servant or employee of the Insured shall not in itself constitute knowledge by the Insured unless an individual named insured, or a partner, or a manager or an "executive officer" or other person specifically assigned to handle such insurance related matters shall have received such notice from it agent, servant or employee. Notwithstanding the foregoing, however, this condition shall not apply to the discovery and claim reporting requirements of the Limited Pollution Buy-Back Endorsement, if such endorsement has been attached to and made a part of this policy.

Notice of Occurrence

This endorsement changes

this policy

-- PLEASE READ THIS CAREFULLY --

It is agreed that notice of an occurrence, which had been previously given to a Workers Compensation carrier as a Workers Compensation loss and which subsequently gives rise to a liability claim, shall be given to underwriters as soon as practical after the Insured becomes aware that it is or could become a liability claim under this policy. However, the failure to report such a claim to underwriters at the time of the occurrence shall not be deemed a violation of the claim reporting requirements of this policy.

It is further agreed that the following condition is made a part of this policy:

Innocent Co-Insureds

Any failure to fulfill any obligation under this policy by any one named insured, or the commission of any policy violation or breach of warranty by any one named insured, shall not operate to void or to deny coverage to any other named insured.

All Other Terms and Conditions Remain Unchanged.

This endorsement changes

this policy

-- PLEASE READ THIS CAREFULLY --

MARINE GENERAL LIABILITY

CLAIM REPORTING REQUIREMENTS ENDORSEMENT

This endorsement modifies insurance provided under:

Marine General Liability Coverage Form

SCHEDULE

Premium: \$ (included)

In consideration of the additional premium shown in the schedule to this endorsement and subject to all the terms, conditions, limits and exclusions of the policy to which this endorsement is attached, it is agreed that:

You must see to it that we are notified as soon as practicable after you become aware of an "occurrence" or incident that may result in a claim under this policy. As a condition precedent to coverage hereunder, immediate written notice must be given to us by or on your behalf, with respect any claims having the following characteristics:

1. Any incident causing the death of a human being;
2. Any incident where an injury of the following type occurs or is alleged to have occurred:
 - a. Quadriplegia, paraplegia or other paralysis of any kind;
 - b. Brain injury;
 - c. Serious burns;
 - d. Serious back and/or spinal cord injury;
 - e. Amputation of a limb;
 - f. Multiple fractures – involving more than one member or non-union;
 - g. Internal injuries affecting body organs;
 - h. Permanent or temporary loss of any of the senses; or
 - i. An injury leaving or one that could reasonably be expected to leave severe scarring;
3. Any "suit"; or
4. Any occurrence or incident causing or alleged to have caused "bodily injury", "personal injury", or "property damage" where the amount being claimed exceeds or could reasonably be expected to exceed 50% of your deductible or self insured retention, as stated in the Declarations of this policy.

All Other Terms and Conditions Remain Unchanged.

This endorsement changes

this policy

-- PLEASE READ THIS CAREFULLY --

MARINE GENERAL LIABILITY

HIRED AUTO AND NON-OWNED AUTO LIABILITY ENDORSEMENT

This endorsement modifies insurance provided under:

Marine General Liability Coverage Form

SCHEDULE

Words and phrases that appear in "quotation marks" may have special meanings. See **G. DEFINITIONS** of this endorsement.

Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

Coverage	Additional Premium
Hired Auto Liability	\$Included
Non-Owned Auto Liability	\$Included

Limits of Insurance		
The most we will pay for any one "accident" or "loss":	\$1,000,000.	Each "Accident"
This Limit of Insurance is subject to the General Aggregate Limit shown in the Declarations		

(If no entry appears above, the Each "Accident" Limit of Insurance would not be higher than the Each Occurrence Limit in the Declarations)

A. HIRED AUTO LIABILITY

The insurance provided under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION I – COVERAGES)** applies to "bodily injury" or "property damage" to which this insurance applies caused by an "accident" and resulting from the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

B. NON-OWNED AUTO LIABILITY

The insurance provided under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION I – COVERAGES)** applies to "bodily injury" or "property damage" to which this insurance applies caused by an "accident" and resulting from the use of a "non-owned auto" by any person other than you in the course of your business.

C. EXCLUSIONS

With respect to insurance provided by this endorsement only, **SECTION II. Exclusions of COVERAGE A and B – BODILY INJURY AND PROPERTY DAMAGE (SECTION I – COVERAGES)** is modified as follows:

1. The following Exclusions do not apply:
 - 16. Damage To Property
 - 17. Damage To Your Product
 - 18. Damage To Your Work
 - 19. Damage To Impaired Property Or Property Not Physically Injured
 - 20. Recall Of Products, Work Or Impaired Property
2. Subparagraph (a) of Exclusion **13. Aircraft, Auto Or Watercraft** is amended to read:
 - (a) Parking a "non-owned auto" or "hired auto" on, or on the ways next to the premises you own or rent.
3. Exclusion **2. Contractual Liability** is replaced in its entirety by the following:

This endorsement changes

this page

2. Contractual Liability

Liability assumed under any contract or agreement, but this exclusion does not apply to liability for damage:

- (a) Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- (b) That the insured would have in the absence of the contract or agreement.

4. Exclusion 4. Workers' Compensation And Similar Laws is replaced in its entirety by the following:

4. Workers' Compensation And Similar Laws

Any obligation for which the insured or the insured's insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law, United States Longshore and Harbor Worker's Compensation Act, Jones Act, Death on the High Seas Act, General Maritime Law, Federal Employers Liability Act, Outer Continental Shelf Lands Act, Defense Base Act, or any similar law, statutes or liabilities.

5. Exclusion 5. Employer's Liability is replaced in its entirety by the following:

5. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing the duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother, or sister of the "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (a) Whether the insured may be liable as an employer or in any other capacity; and
- (b) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion also applies to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits and to employer's liability assumed by the insured under an "insured contract".

For the purposes of this endorsement, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

6. The following exclusions are added;

32. Care, Custody Or Control

"Property damage" to property owned or transported by the insured or in the insured's care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

33. Handling Of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- (1) Before it is moved from the place where it is accepted by the insured for movement into or onto the covered "non-owned auto" or "hired auto"; or
- (2) After it is moved from the covered "non-owned auto" or "hired auto" to the place where it is finally delivered by the insured.

34. Movement Of Property By Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to a "non-owned auto" or "hired auto".

35. Operations

"Bodily injury" or "property damage" arising out of the operation of any equipment listed in paragraphs 12.f.(1), (2) and (3) of the definition of "mobile equipment" in **SECTION V – DEFINITIONS**.

36. No Fault, Uninsured Motorist Liability Or Underinsured Motorist Liability Laws

"Bodily injury" or "property damage" liability arising out of No Fault, Uninsured Motorist Liability or Underinsured Motorist Liability Laws.

37. Racing

Any covered "non-owned auto" or "hired auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such a contest or activity. This insurance also does not apply while that covered "non-owned auto" or "hired auto" is being prepared for such contest or activity.

38. Property Damage Excluded.

"Property damage" to any "non-owned auto" or "hired auto".

D. WHO IS AN INSURED

For the purposes of this endorsement only, **SECTION IV - WHO IS AN INSURED** is replaced by the following:

1. Each of the following is an insured under this endorsement to the extent set forth below:
 - a. You.
 - b. Any other person using a "hired auto" with your permission.
 - c. With respect to a "non-owned auto" any partner or executive officer of yours, but only while such "non-owned auto" is being used in your business.
 - d. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under paragraphs **a. b. or c.** above.
2. None of the following is an insured:
 - a. Any person engaged in the business of his or her employer with respect to "bodily injury" to any co-employee of such person injured in the course of employment.
 - b. Any partner or "executive officer" with respect to any "auto" owned by such partner or "executive officer" or a member of his or her household.
 - c. Any person while employed in or otherwise engaged in performing duties related to the conduct of an "auto business", other than an "auto business" you operate.
 - d. Any person or organization with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

E. LIMITS OF INSURANCE

For the purposes of this endorsement only, **SECTION V - LIMITS OF INSURANCE** is replaced by the following:

Regardless of the number of "non-owned autos", "hired autos", insureds, premiums paid, claims made, or vehicles involved in the "accident", the most we will pay for the total of all covered damages resulting from any one "accident" is the Each "Accident" Limit of Insurance shown in the Schedule of this endorsement. If no amount is entered for the Each "Accident" Limit of Insurance in the Schedule, then the Each "Accident" Limit of Insurance will not be higher than the Each Occurrence Limit in the Declarations. The Each "Accident" Limit of Insurance is subject to the General Aggregate Limit in the Declarations.

F. CONDITIONS

For the purposes of this endorsement only, paragraph **4. Other Insurance** of **SECTION VII – COMMERCIAL GENERAL LIABILITY CONDITIONS** is replaced by the following:

4. Other Insurance

If other valid and collectible insurance is available to the insured for an "accident" or "loss" we cover under this endorsement, our obligations are limited as follows:

a. Excess Insurance

This insurance shall apply as excess over any other valid and collectible insurance available to the insured. We will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend against the "suit". If the other insurer does not defend, we will undertake to do so, but we will be entitled to the insured's rights against any other such insurer. We will pay only our share of the amount of the "loss", if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance. We will share the remaining "loss", if any, with any other insurance that was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

b. Method of Sharing

If it is determined that this insurance is co-primary with any other insurance, the following method of sharing will apply:

- (1) If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the "loss" remains, whichever comes first.
- (2) If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

G. DEFINITIONS

1. For the purposes of this endorsement only, **SECTION VIII - DEFINITIONS** is amended as follows:

- a. The following is added to definition **9. "Insured contract"**:

This endorsement changes

All other terms and conditions of this policy remain unchanged.

MARINE GENERAL LIABILITY

LIMITED POLLUTION BUY- BACK (72 HOUR) ENDORSEMENT

This endorsement modifies insurance provided under:

Marine General Liability Coverage Form

SCHEDULE

Premium: \$ Included

In consideration of the additional premium shown in the schedule to this endorsement and subject to all the terms, conditions, limits and exclusions of the policy to which this endorsement is attached, it is agreed that:

1. Exclusions 7. Pollution, Seepage, Contamination of Section II. A. shall be voided, but only to the extent of the coverage provided by this endorsement and provided that you establish that all of the following conditions have been met:
 - a. The discharge, dispersal, release or escape was neither expected nor intended by the Insured. A discharge, dispersal, release or escape shall not be considered unintended or unexpected unless caused by some intervening event neither expected nor intended by the Insured.
 - b. The discharge, dispersal, release or escape can be identified as commencing at a specific time and date during the term of this policy.
 - c. The discharge, dispersal, release or escape became known to the Insured within 72 hours after its commencement and was reported to Underwriters within Thirty (30) days thereafter. This condition is paramount and shall preempt anything to the contrary contained in this policy (prior or subsequent to this endorsement) which may be inconsistent.
 - d. The discharge, dispersal, release or escape did not result from the Insured's intentional and willful violation of any government statute, rule or regulation.
2. Exclusion 7. Pollution, Seepage, Contamination of Section II. A. shall not apply to clean up costs that result from mitigation of a seepage and pollution claim from a covered pollution incident. Clean up costs shall be defined as those expenses incurred as a direct result of the removal, treatment, detoxification or neutralization of pollutants or hazardous substances as legally mandated by governmental authority excluding, however, the cost of environmental impact studies. Such clean up expenses are part of (not in addition to) the limits of liability of this policy and will reduce the limits of liability available for payments of judgements or settlements.

3. Nothing contained in this endorsement shall operate to provide any coverage hereon for liability, expense or costs, whether incurred fortuitously, accidentally and/or intentionally and whether or not environmental in nature, with respect to:
 - a. Any site or location (other than those locations which are scheduled in the Declarations page of this policy) used in whole or in part for the handling, processing, treatment, storage, disposal or dumping of any waste materials or substance or the transportation of any waste materials or substances;
 - b. Losses resulting from and/or caused by "owned watercraft";
 - c. Losses which arise solely because of provisions contained in the Oil Pollution Act of 1990, state and local government environmental Acts, as well as their successor Acts and which would not have been covered hereunder had those Acts not been enforced. It is also understood and agreed that this insurance does not constitute evidence of financial responsibility under the Oil Pollution Act of 1990 or any similar federal or state law or local government Acts and it is a warranty of this insurance that it shall not be submitted to the United States Coast Guard or any other federal or state or local government agency as evidence of financial responsibility. We do not consent to be guarantors.
4. All Other Terms and Conditions of this Policy Remain Unchanged.

MARINE GENERAL LIABILITY

SHIP REPAIRER'S LIABILITY ENDORSEMENT

This endorsement modifies insurance provided under:

Marine General Liability Coverage Form

SCHEDULE

Premium: \$ Included

In consideration of the additional premium shown in the schedule to this endorsement and subject to all the terms, conditions, limits and exclusions of the policy to which this endorsement is attached, it is agreed that:

1. Exclusion 16.d. of Section II. A. and Paragraph 2.a.(2)(b) of Section IV shall be voided, but only to the extent of the coverage provided by this endorsement.
2. Section I.A. of the policy is extended to pay on your behalf all sums which you, as a ship repairer, shall become legally obligated to pay as damages for:
 - a. Liabilities imposed upon you by law for physical loss of or damage to watercraft and their equipment, cargo, or other interests, occurring only while such watercraft are in your care, custody or control for the purpose of repair (including alteration, remodeling, examination, maintenance, testing and cleaning) at those locations which are scheduled below and those shipyards and/or ship repair facilities and/or locations belonging to others from which you conduct your ship repair operations:

Location / Address: **As shown on declarations page.**

or while such watercraft are being moved (including trial trips) for a distance not in excess of 500 miles from covered locations in connection with repairs;

- b. Your contingent liability in connection with the performance of "your work" by any of your subcontractors, provided such liability would have been covered hereunder if the work had not been subcontracted out.
- c. Liabilities imposed upon you by law as damages because of "property damage" caused by a watercraft covered under paragraph "2. a." above while in your care, custody or control and/or while being navigated or operated away from premises described in paragraph "2. a." above within permitted waters by your employee(s) or in tow of a tug not owned by or demise chartered to you. It is a condition of this paragraph 2.c. that any of your employees engaged in the navigation of a watercraft described herein shall possess such license as is

This endorsement changes

this policy

-- PLEASE READ THIS CAREFULLY --

required by the United States Coast Guard or any other applicable regulatory authority to perform the duties being carried out by said employee.

- d. The cost of defending any "suit" against you on any claim based on your liability or alleged liability covered by this insurance if the amount of the claim hereunder exceeds the deductible amount under this policy, but we shall not be liable for the cost or expense of prosecuting or defending any "suit" unless the same shall have been incurred with our written consent. We reserve the right to conduct the defense of any actions or "suits" at our own expense. The cost and expense of prosecuting any claim in which you shall have an interest shall be divided between you and us, proportionately to the amounts that we would be entitled to receive, respectively, if the "suit" should be successful.
- e. Liabilities imposed upon you by law for expenses incurred in removing the wreck of any watercraft or obstruction which is the subject of insurance of paragraph 2.a. of this endorsement and which resulted from an accident or occurrence which is the subject of indemnity under paragraph 2.a. of this endorsement.

3. This endorsement does not provide any insurance coverage for:

- a. "Bodily injury" and/or "personal injury";
- b. Any liability assumed under contract in extension of the liability imposed on you by law;
- c. Expenses that you may be held liable to pay by reason of any claim for "demurrage", except with respect to your liability which is as a consequence of loss of or damage to such watercraft resulting in a claim which is the subject of indemnity under paragraph 2. of this endorsement;
- d. Collision liability, tower's liability or liabilities insured against under the customary forms of hull or protection and indemnity policies arising out of the operation of "owned watercraft";
- e. Loss of or damage to property owned, leased to, or in your possession (other than watercraft which are in your custody for the purpose of repair) or utilized by you in your business as a ship repairer;
- f. Loss of or damage to watercraft placed in your care, custody or control for the purpose of storage regardless of whether any work is also to be performed on the watercraft; provided that this exclusion shall not apply to any physical loss of or damage to the watercraft (otherwise covered under this Policy) resulting directly from repairs to said watercraft carried out during such storage period;
- g. The expense of redoing "your work" improperly performed by you or on your behalf or the cost of replacement materials, parts or equipment furnished in connection therewith;
- h. The cost or expense of repairing, replacing or renewing any faultily designed part or parts which cause(s) loss of or damage to the watercraft, or for any expenditure incurred by reason of a betterment or alteration in design;
- i. Any loss of or damage to watercraft occurring while in your care, custody or control and otherwise covered under paragraph 2.a. of this endorsement, but not discovered within twelve (12) months of the delivery of the watercraft to the owner or demise charterer, or within twelve (12) months after work is completed, whichever first occurs;

This endorsement changes

this policy

-- PLEASE READ THIS CAREFULLY --

- j. Loss, damage or expense arising in connection with:
 - (1) Any new watercraft that you are building or assisting to build; or
 - (2) Any watercraft undergoing reconstruction or conversion which entails a change in dimension, tonnage or type of watercraft, but only with respects to such risks for which builder's risk insurance is purchased by you or the watercraft owner.
- 4. All Other Terms and Conditions Remain Unchanged.

MARINE GENERAL LIABILITY

TRAVELING WORKMEN ENDORSEMENT

This endorsement modifies insurance provided under:

Marine General Liability Coverage Form

SCHEDULE

Premium: \$ Included

In consideration of the additional premium shown in the schedule to this endorsement and subject to all the terms, conditions, limits and exclusions of the policy to which this endorsement is attached, it is agreed that:

The coverage afforded by The Ship Repairer's Liability Endorsement shall be extended whenever any persons employed by or on your behalf are on board the watercraft and/or drilling rig at sea or in any port for the purpose of effecting repairs, even though such persons may be signed on as members of the watercraft's crew.

All Other Terms and Conditions Remain Unchanged.

SALVORS LEGAL LIABILITY COVERAGE ENDORSEMENT

1. This insurance is to cover the legal liability of the Assured upon the terms and conditions and subject to the limitations hereinafter set forth.
 - A. This insurance is to cover the legal liability of the Assured for loss or damage to vessels, craft, and equipment, cargoes, freights, and other interests on board, which are in their care, custody or control for the purposes of salvage and/or wreck removal.
 - B. This insurance also covers the legal liability of the Assured for loss or damage to property other than that referred to in paragraph A hereof caused by said vessels or craft and their cargoes, which are in their care, custody or control for the purpose of salvage and/or wreck removal.
2. The maximum liability of this Company on account of any one disaster or casualty shall not exceed:

\$ 1,000,000 with respect to each vessel including its equipment, cargo, freight, and other interests on board, in respect to which the Assured's legal liability is insured under Section 1.A above.

\$ 1,000,000 with respect to the Assured's legal liability insured under Section 1.B. above.

\$ 1,000,000 with respect to all claims, costs and expenses arising out of any one disaster or casualty under all policy coverages combined.
3. No claim shall be payable under this policy unless the aggregate liability of the Assured arising out of the same accident or occurrence, and insured against hereunder, exceeds the sum of \$ 1,000,000 and this sum shall be deducted from the amount payable hereunder on account of liability arising from each such accident or occurrence.
4. Notwithstanding anything to the contrary contained in this policy, it is hereby expressly understood and agreed that this insurance does not cover any liability:
 - A. For death or personal injury, except as provided for elsewhere in the policy;
 - B. Assumed under contract or otherwise in extension of the liability which would have been imposed upon the Assured by law in the absence of such contract;
 - C. For demurrage, loss of time, loss of freight, loss of charter and/or similar and/or substituted expenses;
 - D. For loss, damage or expense which may be recoverable under any other insurance inuring to the benefit of the Assured except as to any excess over and above the amount recoverable thereunder;
 - E. For loss, damage or expense for collision liability, towers liability or liabilities insured against under the customary forms of hull or protection and indemnity policies, whether in force or not, arising out of the operation of any vessel or craft owned or operated by the Assured and/or any affiliated or subsidiary concern or individual or party;
 - F. To property owned, leased to Assured or utilized by the Assured in its business;

- G. To vessels or craft stored by the Assured;
- H. For loss, damage or expense caused by or resulting from strikes, lock-outs, labor disturbances, riots, civil commotion or the acts of any person or persons taking part in any such occurrence or disorder.
- I. For vessel repair, construction, alteration, conversion or gas freeing, except as a necessary part of a salvage and/or wreck operation;
- J. For failure to remove wreck and/or vessel to be salved;
- K. For loss of or damage to vessels or craft owned, operated or bareboat chartered to the Assured;
- L. For miscellaneous marine and mobile equipment owned by and/or leased to the Assured;
- M. Arising out of efforts to salvage and/or remove the wreck of vessels carrying petroleum products or other liquids as cargo, without prior approval from underwriters at additional premium to be agreed.

- 5. Permission is granted to use blasting or explosives subject to approval, if or when required, by authority of competent jurisdiction.
- 6. Warranted wrecks are marked with wreck buoys at all times.
- 7. Warranted that positions of wrecks have been advised to shipping via the Department of Transportation, or equivalent authority in other jurisdictions.
- 8. Warranted gas free certificate obtained if and when required by authority of competent jurisdiction prior to commencement of hot work on tankers.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy except as herein above set forth.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

**AMERICAN INSTITUTE
TUG FORM
(AUGUST 1, 1976)**

53R-1

To be attached to and form a part of Policy No. NY25MPK7210-01 of the Ocean Marine Package Policy

The terms and conditions of the following clauses are to be regarded as substituted for these of the policy form to which they are attached the latter being hereby waived, except provisions required by law to be inserted in the policy. All captions are inserted only for purposes of reference and shall not be used to interpret the clauses to which they apply.

ASSURED

This Policy insures Sea Assist Alaska, Inc.

hereinafter referred to as the Assured. 1

If claim is made under this Policy by anyone other than the Owner of the Vessel, such person shall not be entitled to recover to a greater extent than would the Owner, had claim been made by the Owner as an Assured named in this Policy. 2

Underwriters waive any right of subrogation against affiliated, subsidiary or interrelated companies of the Assured, provided that such waiver shall not apply in the event of a collision between the Vessel and any vessel owned, demise chartered or otherwise controlled by any of the aforesaid companies, or with respect to any loss, damage or expense against which such companies are insured. 3

LOSS PAYEE

Loss, if any, (excepting claims required to be paid to others under the Collision and Tower's Liability Clause), payable to The Assured 4

or order 5

VESSEL

The Subject Matter of this insurance is the Vessel called the See Policy Schedule 11

or by whatsoever name or names the said Vessel is or shall be called, which for purposes of this insurance shall consist of and be limited to her hull, launches, lifeboats, rafts, furniture, bunkers, stores, supplier, tackle, fittings, equipment, apparatus, machinery, boilers, refrigerating machinery, insulation, motor generators and other electrical machinery. 12

In the event any equipment or apparatus not owned by the Assured is installed for use on board the Vessel and the Assured has assumed responsibility therefor, it shall also be considered part of the Subject Matter and the aggregate value thereof shall be included in the Agreed Value. 13

In the event that more than one vessel is insured by this Policy, all of these clauses shall apply as though a separate policy had been issued with respect to each vessel. 14

TRADING WARRANTY

Warranted that the Vessel shall be confined to See Endorsement HPI 122 02 09 15

Any breach of the Trading Warranty specified in this Policy shall result in a suspension thereof, provided, however, that on the return of the Vessel in a seaworthy condition to within the limit stated in the said Trading Warranty this Policy shall re-attach and continue in full force and effect but in no event beyond the normal expiry thereof. 16

DURATION OF RISK

From August 22, 2025 12:01AM time 24
to August 22, 2026 12:01AM time. 25

Should the Vessel at the expiration of this Policy 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. 26

In the event of payment by the Underwriters for Total Loss of the Vessel this Policy shall thereupon automatically terminate 27

AGREED VALUE

The Vessel, for so much as concerns, the Assured, by agreement between the Assured and Underwriters in this Policy, is and shall be valued at See Policy Declarations 29
Dollars 30

AMOUNT INSURED HEREUNDER

See Policy Declarations Dollars 31

PREMIUM

The Underwriters to be paid in consideration of this insurance See Policy Declarations 32
Dollars being at the rate of Flat per cent., 33
which premium shall be due on attachment. 34

DEDUCTIBLE

Notwithstanding anything in this Policy to the contrary, there shall be deducted from the aggregate of all claims (including claims under the Sue and Labor clause and claims under the Collision and Tower's Liability Clause) arising out of each separate accident, the sum of See Policy Declarations 35
unless the accident results in a Total Loss of the Vessel in which case this clause shall not apply to the claim 36
for the Total Loss of the Vessel and to claim under the Sue and Labor clause. A recovery from other interests, however, shall not operate to exclude 37
claims under this Policy provided the aggregate of such claims arising out of one separate accident if unreduced by such recovery exceeds that sum. 38
For the purpose of this clause each accident shall be treated separately, but it is agreed that (a) a sequence of damages arising from the same accident 39
shall be treated as due to that accident and (b) all heavy weather damage which occurs during a single sea passage between two successive ports 40
shall be treated as though due to one accident. 41

RETURNS OF PREMIUM

Premium returnable as follows: 43
pro rata daily in the event of termination under the Change of Ownership clause; 44
pro rata daily if this Policy be cancelled by the Underwriters; 45
short rate will be charged if this Policy is cancelled by the Assured; 46
N/A cents per cent., for each period of 30 consecutive days the Vessel may be laid up in port not under repair; 47
provided always that: 48
(a) from all return premiums the same percentage of deduction (if any) shall be made as was allowed by the Underwriters on receipt of the original 49
premium; 50

(b) a Total Loss of the Vessel has not occurred during the currency of this Policy;	51
(c) in no case shall a return for lay-up be allowed when the Vessel is lying in exposed or unprotected waters or in any location not approved by the Underwriters;	52
(d) in the event of any amendment of the annual rate, the above rates of return shall be adjusted accordingly.	53
If the Vessel is laid up for a period of 30 consecutive days, a part only of which attaches under this Policy, the Underwriters shall pay such proportion of the return due in respect of a full period of 30 days as the number of days attaching hereto bears to 30. Should the lay-up period exceed 30 consecutive days, the Assured shall have the option to elect the period of 30 consecutive days for which a return is recoverable.	54
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CANCELLATION	57
This Policy may be cancelled either by the Underwriters or by the Assured giving 15 days' written or telegraphic notice to the other. Underwriters' notice may be sent to the Assured's last known address or in care of the Broker who negotiated this Policy. In the event of Total Loss of the Vessel occurring prior to any cancellation or termination of this Policy, full annual premium shall be considered earned.	58
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ADVENTURE	61
Beginning the adventure upon the Vessel, as above, and so shall continue and endure during the period aforesaid, subject to all the terms, conditions and warranties of this Policy, as employment may offer, in port or at sea, in docks and graving docks, and no way, gridirons and pontoons, at all times, in all places, and on all occasions.	62
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PERILS	64
Touching the Adventures and Perils which the Underwriters are contended to bear and take upon themselves, 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 to the Vessel.	65
	66
ADDITIONAL PERILS (INCHMAREE)	67
Subject to the conditions of this Policy, this insurance also covers loss of or damage to the Vessel directly caused by the following:	68
Accidents in loading, discharging or handling cargo, or in bunkering;	69
Accidents in going on or off, or while on drydocks, graving docks, ways, gridirons or pontoons;	70
Explosions on shipboard or elsewhere;	71
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);	72
Breakdown of or accidents to nuclear installations or reactors not on board the insured Vessel;	73
Contact with aircraft, rockets or similar missiles, or with any land conveyance;	74
Negligence of Charterers and/or Repairers, provided such Charterers and/or Repairers are not an Assured hereunder;	75
Negligence of Masters, Officers, Crew or Pilots;	76
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.	77
COLLISION AND TOWER'S LIABILITY	78
And it is further agreed that:	79
(a) if the Vessel hereby insured shall come into collision with any other vessel, craft or structure, floating or otherwise (including her tow); or shall strand her tow or shall cause her tow to come into collision with any other vessel, craft or structure, floating or otherwise, or shall cause any other loss or damage to her tow or to the freight thereof or to the property on board, and the Assured, or the Surety, in consequence of the insured Vessel 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, we, the Underwriters, will pay the Assured or the Surety, whichever shall have paid, such proportion of such sum or sums so paid as our subscriptions hereto bear to the value of the Vessel hereby insured, provided always that our liability in respect of any one such casualty shall not exceed our proportionate part of the value of the Vessel hereby insured;	80
(b) in cases where the liability of the Vessel has been contested or proceedings have been taken to limit liability with the consent in writing, of a majority (in amount) of the Underwriters on the hull and machinery, we will also pay a like proportion of the costs which the Assured shall thereby incur or be compelled to pay.	81
When both vessels are to blame, then, unless the liability of the Owners of one or both of such vessels becomes limited by law, claims under the Collision and Tower's 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 casualty.	82
It is hereby further agreed that the principles involved in this clause shall apply to the case where two or more of the vessels involved are the property, in part or in whole, of the same Assured, all questions of responsibility and amount of liability as between such Vessels being left to the decision of a single Arbitrator, if the parties can agree upon a single Arbitrator, or failing such agreement, to the decision of Arbitrators, one to be appointed by the Assured and one to be appointed by a majority (in amount) of the Underwriters on hull and machinery; the two Arbitrators so chosen to choose a third Arbitrator before entering upon the reference, and the decision of such single Arbitrator, of any two of such three Arbitrators, appointed as above, to be final and binding.	83
Provided always that this Collision and Tower's Liability clause shall in no case extend to any sum which the Assured or the Surety may become liable to pay, or shall pay:	84
I. for loss, damage or expense to vessel(s) in tow owned other than vessel(s) bareboat chartered to others), bareboat chartered, managed or operated by the Assured and/or its affiliated and/or subsidiary companies and/or corporations, and to cargo, owned by the Assured and/or its affiliated and/or sub-sidiary companies and/or corporations, on board vessel(s) in tow of the Vessel hereby insured; or	85
II. in consequence of, with respect to, or arising of:	86
(a) removal or disposal of obstructions, wrecks of their cargoes under statutory powers or otherwise pursuant to law;	87
(b) cargo, baggage or engagements or the insured Vessel;	88
(c) loss of life, personal injury or illness;	89
(d) the discharge, spillage, emission or leakage of oil, petroleum products, chemicals or other substances of any kind or description whatsoever.	90
Provided, further that Exclusion II(d) shall not apply to actual physical loss of or damage to such substances (if liability therefore is otherwise covered under the attached Policy) except to the extent that such loss or damage arises out of any action taken to avoid, minimize or remove any discharge, spillage, emission or leakage described in Exclusion II(d).	91
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GENERAL AVERAGE AND SALVAGE	93
General Average and Salvage shall be payable in accordance with the laws and usages of the port of New York, but excluding wages, provisions, fuel and engine stores during detention however caused.	94
And it is further agreed that in the event of salvage, towage or other assistance being rendered to the Vessel hereby insured by any vessel belonging in part or in whole to the same owners or charterers, the value of such services (without regard to the common ownership or control of the vessels) shall be ascertained by arbitration in the manner above provided for under the Collision and Tower's Liability clause, and the amount so awarded so far as applicable to the interest hereby insured shall constitute a charge under this Policy.	95
When the contributory value of the Vessel is greater than the Agreed	96
herein, the liability of the Underwriters for General Average contribu-	97
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tion (except in respect to amounts made good to the Vessel), or Salvage, shall not exceed that proportion of the total contribution due from the Vessel which the amount insured hereunder bears to the contributory value, and if, because of damage for which the Underwriters are liable as Particular Average, the value of the Vessel has been reduced for the purpose of contribution, the amount of such Particular Average damage recoverable under this Policy shall first be deducted from the amount insured hereunder, and the Underwriters shall then be liable only for the proportion which such net amount bears to the contributory value.

SUE AND LABOR

And in cases 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, or any part thereof, without prejudice to this insurance, to the charges whereof the Underwriters will contribute their proportion as provided below. And it is expressly declared and agreed that no acts of the Underwriters or Assured in recovering, saving or preserving the Vessel shall be considered as a waiver or acceptance of abandonment.

In the event of expenditure under the Sue and Labor clause, the Underwriters shall pay the proportion of such expenses that the amount insured hereunder bears to the Agreed Value, or that the amount insured hereunder (less loss and/or damage payable under this Policy) bears to the actual value of the salved property, whichever proportion shall be less; provided always that their liability for such expenses shall not exceed their proportionate part of the Agreed Value.

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 Value or to the sound value of the Vessel at the time of the accident, whichever value was greater; provided always that Underwriters' liability for such expenses shall not exceed their proportionate part of the Agreed Value. The foregoing shall also apply to expenses reasonably incurred in salvaging or attempting to save the Vessel and other property to the extent that such expenses shall be regarded as having been incurred in respect of the Vessel.

SEAWORTHINESS

The Underwriters shall not be liable for any loss, damage or expense arising out of the failure of the Assured to exercise due diligence to maintain the Vessel in a seaworthy condition after attachment of this Policy, the foregoing, however, not to be deemed a waiver of any warranty of seaworthiness implied at law.

WATCHMAN

It is agreed that when this Vessel is tied up or moored, it shall be at all times in charge of a watchman in the employ of the Assured, whose duty it shall be to make careful examination of the Vessel throughout at reasonable intervals, including inspection of the bilges.

CHANGE OF OWNERSHIP

In the event of any change, voluntary or otherwise, in the ownership or flag of the Vessel, or if the Vessel be placed under new management, or be chartered on a bareboat basis or requisitioned on that basis, or if the Classification Society of the Vessel or her class therein be changed, cancelled or withdrawn, the, unless the Underwriters agree thereto in writing, this Policy shall automatically terminate at the time of such change of ownership, flag, management, charter, requisition or classification; provided, however, that in the event of an involuntary temporary transfer by requisition or otherwise, without the prior execution of a written agreement by the Assured, such automatic termination shall occur fifteen days after such transfer. This insurance shall not inure to the benefit of any transferee or charterer of the Vessel and, if a loss payable hereunder should occur between the time of change or transfer and any deferred automatic termination, the Underwriters shall be subrogated to all of the rights of the Assured against the transferee or charterer in respect of all or part of such loss as is recoverable from the transferee or charterer, and in the proportion which the amount insured hereunder bears to the Agreed Value.

The term "new management" as used above refers only to the transfer of the management of the Vessel from one firm or corporation to another, and it shall not apply to any internal changes within the offices of the Assured.

ADDITIONAL INSURANCES

It is a condition of this Policy that there shall be no other insurance against physical loss of or damage to the Vessel for or on account of the Assured except that the Assured may, without prejudice to this insurance, insure:

- (a) War, Strikes and related risks not covered by this Policy;
- (b) Risks identical to those covered by this Policy for the difference in amount, if any, between the "AMOUNT INSURED HEREUNDER" and the "AGREED VALUE";

provided that any breach of the above conditions shall not afford the Underwriters any defense to any claim by a mortgagee who has accepted this Policy without knowledge of such breach.

CLAIMS (GENERAL PROVISIONS)

In the event of any accident or occurrence which could give rise to a claim under this Policy, prompt notice thereof shall be given to the Underwriters, and:

- (a) where practicable, the Underwriter shall be advised prior to survey, so that they may appoint their own surveyor, if they so desire;
- (b) the Underwriters shall be entitled to decide where the Vessel shall proceed for docking and/or repair (allowance to be made to the Assured for the actual additional expense of the voyage arising from compliance with the Underwriters' requirement);
- (c) the Underwriters shall have the right of veto in connection with any repair firm proposed;
- (d) the Underwriters may take tenders or may require tenders to be taken for the repair of the Vessel, in which event, upon acceptance of a tender with the approval of the Underwriters, an allowance shall be made at the rate of 30 per cent, per annum on the amount insured, for each day or pro rata for part of a day, for time lost between the issuance of invitations to tender and the acceptance of a tender, to the extent that such time is lost solely as the result of tenders having been taken and provided the tender is accepted without delay after receipt of the Underwriters' approval.

Due credit shall be given against the allowance in (b) and (d) above for any amount recovered:

- (1) in respect of fuel, stores, and wages and maintenance of the Master, Officers and Crew members allowed in General or Particular Average;
- (2) from third parties in respect of damages for detention and/or loss of profit and/or running expenses; for the period covered by the allowances or any parts thereof.

No claim shall be allowed in Particular Average for wages and maintenance of the Master, Officers, and Crew, except when incurred solely for necessary removal of the Vessel from one port to another for average repairs or for trial trips to test average repairs, in which cases wages and maintenance will be allowed only while the vessel is under way.

General and Particular Average shall be payable without deduction, new for old.

The expense of sighting the bottom after stranding shall be paid, if reasonably incurred especially for that purpose, even if no damage be found.

No claim shall in any case be allowed in respect of scraping or painting the Vessel's bottom.

In the event of loss or damage to equipment or apparatus not owned by the Assured but installed for use on board the Vessel and for which the Assured has assumed responsibility, claim shall not exceed (1) the amount the Underwriters would pay if the Assured were owner of such equipment or apparatus, or (2) the contractual responsibility assumed by the Assured to the owners or lessors thereof, whichever shall be less.

No claim for unrepaid damage shall be allowed, except to the extent that the aggregate damage caused by perils insured against during the period of this Policy and left unrepaid at the expiration thereof shall be demonstrated by the Assured to have diminished the actual market value of the

vessel on that date if undamaged by such perils.

TOTAL LOSS

There shall be no recovery for a constructive Total Loss hereunder unless the expense of recovering and repairing the Vessel would exceed the Agreed Value. In making this determination, only expenses incurred or to be incurred by reason of a single accident or a sequence of damages arising from the same accident shall be taken into account, but expenses incurred prior to tender of abandonment shall not be considered if such are to be claimed separately under the Sue and Labor clause.

In ascertaining whether the Vessel is a constructive Total Loss the Agreed Value 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 the Total Loss (actual or constructive), no claim to be made by the Underwriters for freight, whether notice of abandonment has been given or not.

In no case shall the Underwriters be liable for unrepaid damage in addition to a subsequent Total Loss sustained during the period covered by this Policy.

SUBROGATION

Upon making any payment under this Policy the Underwriters shall be vested with all of the Assured's rights of recovery against any person, corporation, vessel or interest, and the Assured shall execute and deliver such instruments and papers as the Underwriters shall require and do whatever else is necessary to secure such rights at the time of payment or subsequent thereto. At the option of the Underwriters, such payment may be made by means of a loan receipt repayable only out of any recovery made by the Underwriters as aforesaid. Such loan receipt shall be in the customary form permitting Underwriters to bring suit in the name of the Assured or the Underwriters at the latters' own cost and expense.

Any agreement, contract or act, past or future, express or implied, by the Assured, whereby any right of recovery of the Assured against any person, corporation, vessel or interest is released decreased, transferred or lost which would, on payment of claim by the Underwriters, belong to the Underwriters 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 releases, decreases, transfers, or causes the loss of any right or recovery of the Underwriters, but the Underwriters' right to retain or recover the full premium shall not be affected.

LITIGATION AND DEFENSE

The Underwriters 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 interest covered by this Policy and the Underwriters shall have the direction of such litigation or negotiations. If the Assured shall fail or refuse to settle any claim as authorized by the Underwriters, the liability of the Underwriters to the Assured shall be limited to the amount for which settlement could have been made.

No suit, action or proceedings brought by the Assured against the Underwriters for the recovery of any claim under this Policy shall be sustainable in any court of law or equity unless the same be commenced within twelve (12) months after the Underwriters have denied liability for payment of claim; except that in the case of a claim arising under the Collision and Tower's Liability clause, no suit or action shall be sustainable unless brought within twelve (12) months next after the Assured shall have discharged his liability. Provided, however, that if by the laws of the State within which this Policy is issued such limitation is invalid, then any 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.

WAR, STRIKES, AND RELATED EXCLUSIONS

The following conditions shall be paramount and shall supersede and nullify any contrary provisions of the Policy:

This Policy does not cover any loss, damage or expense caused by, resulting from, or incurred as a consequence of;

- (a) Capture, seizure, arrest, restraint or detainment, or any attempt thereof; or
- (b) Any taking of the Vessel, by requisition or otherwise, whether in time of peace or war and whether lawful or otherwise; or
- (c) Any mine, bomb or torpedo not carried as cargo on board the Vessel; or
- (d) Any weapon of war employing atomic or nuclear fission and/or fusion or other reaction or radioactive force or matter; or
- (e) Civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy; or
- (f) Strikes, lockouts, political or labor disturbances, civil commotions, riots, martial law, military or usurped power, malicious acts or vandalism; or
- (g) Hostilities or warlike operations (whether there be a declaration of war or not) but this subparagraph (g) not to exclude collision or contact with aircraft, rockets or similar missiles, or with any fixed or floating object, or stranding, heavy weather, fire or explosion unless caused directly by a hostile act by or against a belligerent power which act is independent 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. As used herein, "power" includes any authority maintaining naval, military or air forces in association with a power.

If war risks of other risks excluded by this clause are hereafter insured by endorsement on this Policy, such endorsement shall supersede the above conditions only to the extent that the terms of such endorsement are inconsistent therewith and only while such endorsement remains in force.

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HULL and MARINE LIABILITY POLICY

HULL AND MACHINERY SPECIAL CONDITIONS

This endorsement modifies insurance provided under:

Hull and Machinery Section of this policy

The following clauses are deemed to be paramount and shall override anything contained in the attached forms that appear inconsistent therewith unless otherwise endorsed hereon.

- 1) **DEDUCTIBLE CLAUSE:** It is understood and agreed that the deductible clause found in the Policy form is deleted and the following deductible clause is inserted:

There shall be deducted from the aggregate of all claims (including claims under the Sue and Labor clause and claims under the Collision Liability clause) arising out of each separate accident, the sum of See Policy Declarations, unless the accident results in a Total Loss of the Vessel in which case this clause shall not apply.

A recovery from other interests, however, shall not operate to exclude claims under this Policy provided the aggregate of such claims arising out of one separate accident if unreduced by such recovery exceeds that sum. For the purpose of this clause each accident shall be treated separately, but it is agreed that (a) a sequence of damages arising from the same accident shall be treated as due to that accident and (b) all heavy weather damage, or damage caused by contact with floating ice, which occurs during a single sea passage between two successive ports shall be treated as though due to one accident.

- 2) **SEAWORTHINESS CLAUSE:** Warranted that at the inception of this Policy the Vessel(s) shall be in a seaworthy condition and, thereafter, during the currency of the Policy, the Assured shall exercise due diligence to keep the Vessel(s) seaworthy, and in all regards, fit, tight, and properly manned, equipped and supplied.

- 3) **ALTERATION AND REPAIRS:** When any of the Vessel(s) named herein during the currency of this Policy are undergoing repairs, alterations, rebuilding, outfitting or overhauling by any recognized ship repairer or builder, this Policy shall pay for physical loss or damage only to the Vessel(s) named herein, to the extent of any peril not recoverable hereunder that is recoverable under the terms of the American Institute Builders Risk Form (13L) February 8, 1979 with Protection and Indemnity Lines 136 - 173 deleted. Subject, however, to this Policy's termination, deductible average, agreed valuation and amount insured hereunder.

The term Shipyard as used in this clause shall include the Assured's own facilities. It is understood and agreed however, that should the Assured agree with the Shipyard that the Shipyard is to carry Builder's Risk (Repair) Insurance for account of Assured, then this insurance, shall not apply to the extent that any recovery is available under such Builder's Risk (Repair) Insurance provided always that the claim is otherwise covered by this policy.

- 4) **DELIBERATE DAMAGE:** Subject to the terms and conditions of this policy, this insurance also covers physical loss or damage to the vessel directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the vessel for which this Company is liable under the policy, provided such act of governmental authorities has not resulted from want of due diligence by the Assured, the Owners, or Managers of the vessel or any of them to prevent or mitigate such hazard or threat. Masters, Officers, Crew or Pilots are not to be considered Owners within the meanings of this clause should they hold shares in the vessel.

- 5) **TOTAL LOSS:** It is agreed that in the event a vessel insured hereunder is declared a total or constructive total loss as defined elsewhere in this policy, the Assured shall be granted the first opportunity to purchase the vessel remains on the basis of value established by underwriter's surveyors as the remaining fair market value. In the event the Assured does not purchase the remains, underwriters shall be free to offer the remains to the public at the previously established price.
- 6) **F. C. & S. WARRANTY:** 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:
 - a) Capture, seizure, arrest, restraint or detainment, or the consequences thereof or 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;
 - i) 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 collision, any other vessel involved therein, is performing) by a hostile act by or against a belligerent power (including any authority maintaining naval, military or air forces in association with a power);
 - ii) Any weapon of war employing atomic or nuclear fission and/or fusion or other reaction or radioactive force or matter whether in time of peace or war;
 - iii) Civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy.
 - b) If war risks are hereafter insured by endorsement of the Policy, such endorsement shall supersede the above warranty only to the extent that its terms are inconsistent and only while such war risk endorsement remains in force.
- 7) **S. R. & C. C. WARRANTY:** Warranted free of damage to or destruction of the property insured directly caused by strikers, locked out workmen, or persons taking part in labor disturbances or riots or civil commotion or caused by vandalism, sabotage, or malicious mischief.

All other terms and conditions of this policy remain unchanged.

**HULL and MARINE LIABILITY POLICY
EXCESS COLLISION AND/OR TOWERS LIABILITY**

This endorsement modifies insurance provided under:

Hull and Machinery Section of this policy

SCHEDULE

Premium: \$ (included)

In consideration of the additional premium shown in the schedule to this endorsement and subject to the terms and conditions of the policy, it is agreed that:

This policy shall include coverage for collision liability and, with respect to towboats and/or tugboats only, tower's liability for the difference between the agreed hull values as shown in the schedule of vessels attached to this policy (or, if a new acquisition, the amount fixed between the Assured and those from whom they made the acquisition prior to attachment hereunder) and the Protection And Indemnity (P&I) limit provided herein.

This extension of coverage, however, shall not increase the Underwriter's Combined Single Limit of Liability as shown elsewhere in this policy.

All other terms and conditions of this policy remain unchanged.

HULL and MARINE LIABILITY POLICY EXTENDED ADVENTURES AND PERILS

This endorsement modifies insurance provided under:

Hull and Machinery Section of this policy

SCHEDULE

Premium: \$ (included)

In consideration of the additional premium shown in the schedule to this endorsement and subject to the terms and conditions of the policy, it is agreed that:

The Perils Clause in this Policy shall be interpreted to include the following perils, which shall in no event be construed to limit the basic coverage provided thereunder.

Loss or damage howsoever caused by theft, flood, cloudburst, tidal action, rising water, ice, or other storm, tempest, tornado, windstorm, landslide, falling object, upset, capsizing, overturn, pillage and/or looting.

All other terms and conditions of this policy remain unchanged.

American Institute
COMMUNICABLE DISEASE EXCLUSION
(June 15, 2020)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

This insurance excludes coverage for:

- 1) any loss, injury, damage, liability, cost, or expense directly or indirectly arising from the actual, alleged, or suspected transmission or existence of a "Communicable Disease" or the substance or agent that causes the "Communicable Disease";
- 2) any liability for, or loss, cost, or expense incurred to identify, detect, prevent, clean up, detoxify, remove, eliminate, neutralize, monitor, or test for a "Communicable Disease" or the substance or agent that causes the "Communicable Disease";
- 3) any liability for, or loss, cost or expense arising out of, any loss of revenue, loss of hire, diminution of value, business interruption, loss of market, delay or any direct or indirect financial loss, howsoever described, as a result of, or relating to a "Communicable Disease" or the substance or agent that causes the "Communicable Disease";
- 4) any fines, penalties, or punitive or compensatory damages as a result of, or relating to (1), (2), or (3) above.

DEFINITION

"Communicable Disease" means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

All Other Terms And Conditions Of This Policy Shall Remain Unchanged.

HULL and MARINE LIABILITY POLICY LAND AND TRANSPORTATION RISK ENDORSEMENT

This endorsement modifies insurance provided under:

Hull & P&I Section(s) of this policy

SCHEDULE

Premium: \$ (included)

In consideration of the additional premium shown in the schedule to this endorsement and subject to the terms and conditions of the policy, it is agreed that:

Coverage is extended for the Vessel while on land and in transit within [100 miles] subject to the following:

1. IN TRANSIT & ON-SHORE - Subject to all warranties and conditions of this Policy not in conflict herewith, this Policy is extended to cover the Insured Vessel while in transit by land conveyance, or while laid up on shore against loss or damage caused by fire, lightning, explosion, cyclone, tornado, windstorm, earthquake, flood (meaning rising navigable waters), collision of the Vessel or land conveyance with any other object, overturning of the land conveyance, collapse of bridges, collapse and/or subsidence of docks, wharves, piers, bulkheads, depots, stations, landing sheds or platforms, contact with aircraft, theft of the entire Vessel or loss due to theft provided that visible evidence of forcible removal be shown, or that there be actual arrest and conviction of theif or thieves, and vandalism or malicious mischief.
2. LOADING & UNLOADING - Also against the risk of loading and unloading.
3. PROPORTION OF LOSSES COVERED - Wherein the amount of insurance as set forth is less than the agreed valuation stated herein, Underwriters shall be liable only for such proportion of any loss recoverable as the said amount of insurance bears to the said agreed valuation.
4. DEDUCTIBLE - It is agreed that all claims for loss or damage under this Endorsement shall be adjusted separately and from the amount of all such claims the sum of \$[See Policy Declarations] shall be deducted.

All other terms and conditions of this policy remain unchanged.

HULL and MARINE LIABILITY POLICY
Commercial Tools and Equipment Coverage Extension

SCHEDULE

Premium: \$ (included)

In consideration of the additional premium shown in the schedule to this endorsement and subject to the terms and conditions of the policy, it is agreed that coverage is provided for the commercial tools and equipment as scheduled as follows:

PROPERTY COVERED

This covers the following described property owned by or leased to you, up to and including the amounts shown in the schedule, per item and only while in your care, custody and control within the geographical limits of the Continental United States, Alaska, Hawaii and Canada.

Scheduled Equipment

Item Description	Serial Number	Limit	Deductible

Unscheduled Equipment

Limit: \$10,000	Max Any One Item: \$1,000	Deductible: \$500
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PERILS INSURED

Property covered under this form is insured against the perils as listed under the American Tug Form 53R-1 (August 1, 1976) Form #HPI102 02 09 and any extension or exclusion of such perils that may be attached to this policy.

VALUATION

Actual Cash Value: The value of covered property will be based on the actual cash value at the time of loss. Actual cash value is based upon the replacement cost of the

damaged or destroyed property with a deduction for depreciation. However, we will not pay more for loss or damage than the least of the following:

- (1) The actual cash value of that property;
- (2) The cost of reasonably restoring that property to its condition immediately before the loss occurred; or
- (3) The cost of replacing that property with substantially identical property.

EXCLUSIONS

This form does not cover loss, damage or expense caused by, resulting from, contributed to or aggravated by any of the following. Such loss, damage or expense is excluded regardless of any other cause or event contributing concurrently or in any sequence to loss or damage.

- A. To any boom or extension thereof unless caused by fire, lightning, hail, windstorm, riot, riot attending a strike, civil commotion, aircraft, collision from other vehicles, landslides, or upset of the unit to which it is a part;
- B. Against loss or damage occasioned by the weight of a load exceeding the registered lifting or supporting capacity of any machine.
- C. To electrical apparatus caused by electricity other than lightning unless fire ensues and then only for loss or damage caused by such ensuing fire;
- D. Against loss, damage or expense caused by or resulting from wear and tear, mechanical or electrical breakdown or failure, inherent vice, latent defect, gradual deterioration, corrosion, pitting, rust dampness of atmosphere, freezing or extremes of temperature

DEDUCTIBLE - It is agreed that all claims for loss or damage under this Endorsement shall be adjusted separately and from the amount of all such claims the sum of the greater of the deductible shown in the schedule above or \$500 to be deducted.

All other terms and conditions of this policy remain unchanged.

Amount Insured: See Policy Declarations
Premium: See Policy Declarations
Rate: Flat

No. NY25MPK7210-01

Sea Assist Alaska, Inc.

hereinafter called the Assured;
Loss, if any, payable to The Assured or order

In the sum of See Policy Declarations Dollars
at and from August 22, 2025 at 12:01AM time
until August 22, 2026 at 12:01AM time

against the liabilities of the Assured as hereinafter described, and subject to the terms and conditions hereinafter set forth, in respect of the vessel called the Per Schedule (Tonnage Per Schedule) or by whatsoever other names the said vessel is or shall be named or called.

In consideration of the Stipulations Herein Named and of See Policy Declarations

Dollars, being Premium at the rate of Flat

The Assurer hereby undertakes to make good to the Assured or the Assured's executors, administrators and/or successors, all such loss and/or damage and/or expense as the Assured shall as owners of the vessel named herein have become liable to pay and shall pay on account of the liabilities, risks, events and/or happenings herein set forth:

Loss of Life, injury and illness (1) **Liability for loss of life of, or personal injury to, or illness of, any person, excluding however, unless otherwise agreed by endorsement hereon, liability under any Compensation Act to any employee of the Assured, (other than a seaman) or in case of death to his beneficiaries or others.**

Protection hereunder for loss of life or personal injury arising in connection with the handling of cargo of the vessel named herein shall commence from the time of receipt by the Assured of the cargo on dock or wharf or on craft alongside the said vessel for loading thereon and shall continue until delivery thereof from dock or wharf of discharge or until discharge from the said vessel on to another vessel or craft.

Hospital, medical, or other expenses (2) **Liability for hospital, medical, or other expenses necessarily and reasonably incurred in respect of loss of life of, personal injury to, or illness of any member of the crew of the vessel named herein or any other person. Liability hereunder shall also include burial expenses not exceeding One Thousand (\$1,000) Dollars, when necessarily and reasonably incurred by the Assured for the burial of any seaman of said vessel.**

Repatriation expenses (3) **Liability for repatriation expenses of any member of the crew of the vessel named herein, necessarily and reasonably incurred, under statutory obligation, excepting such expenses as arise out of or ensue from the termination of any agreement in accordance with the terms thereof, or by mutual consent, or by sale of the said vessel, or by other act of the Assured. Wages shall be included in such expenses when payable under statutory obligation, during unemployment due to the wreck or loss of the said vessel.**

Damage to other vessel or property on board caused by collision (4) **Liability for loss of, or damage to, any other vessel or craft, or to the freight thereof, or property on such other vessel or craft, caused by collision with the vessel named herein, insofar as such liability would not be covered by full insurance under the**

American Institute Tug Form (August 1, 1976)

(including the four-fourths running-down clause).

Principal of cross-liabilities to prevail (a) Claims under this clause shall be settled on the principle of cross-liabilities to the same extent only as provided in the running-down clause above mentioned.
(b) Claims under this clause shall be divided among the several classes of claims enumerated in this policy and each class shall be subject to the deduction and special conditions applicable to respect of such class.
(c) Notwithstanding the foregoing, if any one or more of the various liabilities arising from such collision has been compromised, settled or adjusted without the written consent of the Assurer, the Assurer shall be relieved of liability for any and all claims under this clause.

Damage to other vessel or property on board not caused by collision (5) **Liability for loss of or damage to any other vessel or craft, or to property on such other vessel or craft, not caused by collision, provided such liability does not arise by reason of a contract made by the assured.**

Where there would be a valid claim hereunder but for the fact that the damaged property belongs to the Assured, the Assurer shall be liable as if such damaged property belonged to another, but only for the excess over any amount recoverable under any other insurance applicable on the property.

Damage to docks, (6) **Liability for damage to any dock, pier, wharf, bridge, jetty, buoy, lighthouse, breakwater, structure,**

Removal of
wreck

Cargo

Specie, bullion,
precious stones,
etc.

Refrigeration

Passengers' effects

Stowage in
improper places

Deviation

Freight on cargo
short deliveredMisdescription of
GoodsFailure to
surrender Bill of
LadingProtective clauses
required in
contract of
affreightment

beacon, cable, or to any fixed or movable object or property whatsoever, except another vessel or craft, or property on another vessel or craft.

Where there would be a valid claim hereunder but for the fact that the damaged property belongs to the Assured, the Assurer shall be liable as if such damaged property belonged to another, but only for the excess over any amount recoverable under any other insurance applicable on the property.

(7) **Liability for cost or expenses of, or incidental to, the removal of the wreck of the vessel named herein when such removal is compulsory by law, provided, however, that:**

- (a) There shall be deducted from such claim for cost or expenses, the value of any salvage from or which might have been recovered from the wreck, inuring, or which might have inured, to the benefit of the Assured.
- (b) The Assurer shall not be liable for such costs or expenses which would be covered by full insurance under the American Institute Tug Form (August 1, 1976) or claims arising out of hostilities or war-like operations, whether before or after declaration of war.

(8) **Liability for loss of, or damage to, or in connection with cargo or other property, excluding mail and parcel post, including baggage and personal effects of passengers, to be carried, carried, or which has been carried on board the vessel named herein:**

Provided, however, that no liability shall exist under this provision for:

- (a) Loss, damage or expense arising out of or in connection with the custody, care, carriage or delivery of specie, bullion, precious stones, precious metals, jewelry, silks, furs, bank notes, bonds or other negotiable documents of similar valuable property, unless specially agreed to and accepted for transportation under a form of contract approved, in writing, by the Assurer.
- (b) Loss of, or damage to, or in connection with cargo requiring refrigeration unless the space, apparatus and means used for the care, custody, and carriage thereof have been surveyed by a classification surveyor or other competent disinterested surveyor under working conditions before the commencement of each voyage and found in all respects fit, and unless accepted for transportation under a form of contract approved, in writing, by the Assurer.
- (c) Loss, damage, or expense in connection with any passenger's baggage or personal effects, unless the form of ticket issued to the passenger shall have been approved, in writing, by the Assurer.
- (d) Loss, damage, or expense arising from stowage of underdeck cargo on deck or stowage of cargo in spaces not suitable for its carriage, unless the Assured shall show that every reasonable precaution has been taken by him to prevent such improper stowage.
- (e) Loss, damage, or expense arising from any deviation, or proposed deviation, not authorized by the contract of affreightment, known to the Assured in time to insure specifically the liability therefor, unless notice thereof is given to the Assurer and the Assurer agrees, in writing, that such insurance is unnecessary.
- (f) Freight on cargo short delivered, whether or not prepaid or whether or not included in the claim and paid by the Assured.
- (g) Loss, damage, or expense arising out of or as a result of the issuance of Bills of Lading which, to the knowledge of the Assured, improperly describe the goods or their containers as to condition or quantity.
- (h) Loss, damage, or expense arising out of delivery of cargo without surrender of Bill of Lading.

And provided further that

- (aa) Liability hereunder shall in no event exceed that which would be imposed by law in the absence of contract.
- (bb) Liability hereunder shall be limited to such as would exist if the Charter Party, Bill of Lading or Contract of Affreightment contained the following clause (in substitution for the clause commonly known as the Jason Clause):

"In the event of accident, danger, damage or disaster before or after commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequences of which, the shipowner is not responsible, by statute or contract or otherwise, the shippers, consignees or owners of the cargo shall contribute with the shipowner in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the cargo."

When cargo is carried by the vessel named herein under a bill of lading or similar document of title subject or made subject to the Carriage of Goods by Sea Act, April 16, 1936, liability hereunder shall be limited to such as is imposed by said Act, and if the Assured or the vessel named herein assumes any greater liability or obligation than the minimum liabilities and obligations imposed by said Act, such greater liability or obligation shall not be covered hereunder.

When cargo is carried by the vessel named herein under a charter party, bill of lading or contract of affreightment not subject or made subject to the Carriage of Goods by Sea Act, April 16, 1936, liability hereunder shall be limited to such as would exist if said charter party, bill of lading, or contract of affreightment contained the following clauses: a clause limiting the Assured's liability for total loss or

Limit per package

damage to goods shipped to Two Hundred and Fifty (\$250) Dollars per package, or in case of goods not shipped in packages, per customary freight unit, and providing for pro rata adjustment on such basis for partial loss or damage; a clause exempting the Assured and the vessel named herein from liability for losses arising from unseaworthiness, even though existing at the beginning of the voyage, provided that due diligence shall have been exercised to make the vessel seaworthy and properly manned, equipped, and supplied; a clause providing that the carrier shall not be liable for claims in respect of cargo unless notice of claim is given within the time limited in such Bill of Lading and suit is brought thereon within the limited time prescribed therein; and such other protective clauses as are commonly in use in the particular trade; provided the incorporation of such clauses is not contrary to law.

The foregoing provisions as to the contents of the Bill of Lading and the limitation of the Assurer's liability may, however, be waived or altered by the Assurers on terms agreed, in writing.

Assured's own cargo

(cc) Where cargo on board the vessel named herein is the property of the Assured, such cargo shall be deemed to be carried under a contract containing the protective clauses described in the preceding paragraph, and such cargo shall be deemed to be fully insured under the usual form of cargo policy, and in case of loss thereof or damage thereto the Assured shall be insured hereunder in respect of such loss or damage only to the extent that they would have been covered if said cargo had belonged to another, but only in the event and to the extent that the loss or damage would not be recoverable under a cargo policy as hereinbefore specified.

Cotton Bills of Lading

(dd) The Assured's liability for claims under Custody Cotton Bills of Lading issued under the conditions laid down by the Liverpool Bill of Lading Conference Committee, is covered subject to previous notice of contract and payment of an extra premium of two (2¢) cents per ton gross register per voyage, but such additional premium shall be waived provided every bale is re-marked at port of shipment on another portion of the bale.

Land transportation not included

(ee) No liability shall exist hereunder for any loss, damage or expense in respect of cargo or other property being transported on land or on another vessel.

No liability shall exist hereunder for any loss, damage or expense in respect of cargo before loading on or after discharge from the vessel named herein caused by flood, tide, windstorm, earthquake, fire, explosion, heat, cold, deterioration, collapse of wharf, leaky shed, theft or pilferage unless such loss, damage or expense is caused directly by the vessel named herein, her master, officers or crew.

Customs, immigration or other fines or penalties

(9) **Liability for fines and penalties, including expenses necessarily and reasonably incurred in avoiding or mitigating same, for the violation of any of the laws of the United States, or of any State thereof, or of any foreign country; provided, however, that the Assurer shall not be liable to indemnify the Assured against any such fines or penalties resulting directly or indirectly from the failure, neglect, or default of the Assured or his managing officers or managing agents to exercise the highest degree of diligence to prevent a violation of any such laws.**

Mutiny or other misconduct

(10) Expenses incurred in resisting any unfounded claim by the master or crew or other persons employed on the vessel named herein, or in prosecuting such persons in case of mutiny or other misconduct.

Extraordinary expenses in case of quarantine, etc.

(11) **Liability for extraordinary expenses resulting from outbreak of plague or other contagious disease, including such expenses incurred for disinfection of the vessel named herein or persons on board, or for quarantine, but excluding the ordinary expenses of loading and/or discharging, and the wages and provisions of crew and passengers; each claim under this provision is subject to a deduction of Two Hundred (\$200) Dollars. It is provided further, however, that if the vessel named herein be ordered to proceed to a port when it is or should be known that calling there will subject the vessel to the extraordinary expenses above mentioned, or to quarantine or disinfection there or elsewhere, the Assurer shall be under no obligation to indemnify the Assured for any such expenses.**

Deviation for purpose of landing injured

(12) **Net loss due to deviation incurred solely for the purpose of landing an injured or sick seaman in respect of port charges incurred, insurance, bunkers, stores, and provisions consumed as a result of the deviation.**

Cargo's proportion of general average

(13) **Liability for, or loss of, cargo's proportion of general average, including special charges, in so far as the Assured cannot recover same from any other source; subject however, to the exclusions of Section (8) and provided, that if the Charter Party, Bill of Lading, or Contract of Affreightment does not contain the quoted clause under Section 8 (bb) the Assurer's liability hereunder shall be limited to such as would exist if such clause were contained therein.**

Costs and charges

(14) **Costs, charges, and expenses, reasonably incurred and paid by the Assured in defense against any liabilities insured against hereunder in respect of the vessel named herein, subject to the agreed deductibles applicable, and subject further to the conditions and limitations hereinafter provided.**

GENERAL CONDITIONS AND/OR LIMITATIONS

Prompt notice of claim

Warranted that in the event of any occurrence which may result in loss, damage and/or expense for which this Assurer is or may become liable, the Assured will use due diligence to give prompt notice thereof and forward to the Assurer as soon as practicable after receipt thereof, all communications, processes, pleadings and other legal papers or documents relating to such occurrences.

Settlement of claims

The Assured shall not make any admission of liability, either before or after any occurrence which may result in a claim for which the Assurer may be liable. The Assured shall not interfere in any negotiations of the Assurer, for settlement of any legal proceedings in respect of any occurrences for which the Assurer is liable under this policy;

provided, however, that in respect of any occurrence likely to give rise to a claim under this policy, the Assured are obligated to and shall take steps to protect their (and/or the Assurer's) interests as would reasonably be taken in the absence of this or similar insurance. If the Assured shall fail or refuse to settle any claim as authorized by Assurer, the liability of the Assurer to the Assured shall be limited to the amount for which settlement could have been made

Assured to assist with evidence in defense, etc.

Whenever required by the Assurer the Assured shall aid in securing information and evidence and in obtaining witnesses and shall cooperate with the Assurer in the defense of any claim or suit or in the appeal from any judgment, in respect of any occurrence s hereinbefore provided.

Law costs

The Assurer shall not be liable for the cost or expense of prosecuting or defending any claim or suit unless the same shall have been incurred with the written consent of the Assurer, or the Assurer shall be satisfied that such approval could not have been obtained under the circumstances without unreasonable delay, or that such costs and charges were reasonably and properly incurred, such cost or expense being subject to the deductible. The cost and expense of prosecuting any claim in which the Assurer shall have an interest by subrogation or otherwise, shall be divided between the Assured and the Assurer, proportionately to the amounts which they would be entitled to receive respectively, if the suit should be successful.

The Assurer shall be liable for the excess where the amount deductible under this policy is exceeded by (A) the cost of investigating and/or successfully defending any claim or suit against the Assured based on a liability or an alleged liability of the Assured covered by this insurance, or (B) the amount paid by the Assured either under a judgment or an agreed settlement based on the liability covered herein including all costs, expenses of defense and taxable disbursements.

Subrogation

The Assurer shall be subrogated to all the rights which the Assured may have against any other person or entity, in respect of any payment made under this policy, to the extent of such payment, and the Assured shall, upon the request of the Assurer, execute all documents necessary to secure to the Assurer such rights.

The Assurer shall be entitled to take credit for any profit accruing to the Assured by reason of any negligence or wrongful act of the Assured's servants or agents, up to the measure of their loss, or to recover for their own account from third parties any damage that may be provable by reason of such negligence or wrongful act.

Cover elsewhere

Provided that where the Assured is, irrespective of this insurance, covered or protected against any loss or claim which would otherwise have been paid by the Assurer, under this policy, there shall be no contribution by the Assurer on the basis of double insurance or otherwise.

Assignments

No claim or demand against the Assurer under this policy shall be assigned or transferred, and no person, excepting a legally appointed receiver of the property of the Assured, shall acquire any right against the Assurer by virtue of this insurance without the expressed consent of the Assurer.

Actions against Assurers

No action shall lie against the Assurer for the recovery of any loss sustained by the Assured unless such action is brought against the Assurer within one year after the final judgment or decree is entered in the litigation against the Assured, or in case the claim against the Assurer accrues without the entry of such final judgment or decree, unless such action is brought within one year from the date of the payment of such claim.

Time limitation

The Assurer shall not be liable for any claim not presented to the Assurer with proper proofs of loss within six(6) months after payment thereof by the Assured.

Lay-up returns

At the expiration of this policy, the Assurer is to return Not Applicable for each thirty (30) consecutive days during the term of this insurance the vessel may be laid up in a safe port; or Not Applicable for each thirty (30) consecutive days during the term of this insurance the vessel may be laid up in a safe port without loading and/or discharging and without crew or cargo on board, provided the Assured give written notice to the Assurer as soon as practicable after the commencement and the termination of such lay-up period.

Cancellation provisions:

- (a) If the vessel named herein should be sold or requisitioned and this policy be cancelled and surrendered, the Assurer to return Not Applicable for each thirty (30) consecutive days of the unexpired term of this insurance.
- (b) In the event of non-payment of premium within sixty (60) days after attachment, this policy may be cancelled by the Assurer upon five (5) days' written notice being given the Assured.
- (c) In the event that Sections 182 to 189, both inclusive, of U.S. Code, Title 46, or any other existing law or laws determining or limiting liability of shipowners and carriers, or any of them, shall, while this policy is in force, be modified, amended or repealed, or the liabilities of shipowners or carriers be increased in any respect by legislative enactment, the Assurer shall have the right to cancel said insurance upon giving thirty (30) days' written notice of their intention so to do, and in the event of such cancellation, make return of premium upon a pro rata daily basis.

Notwithstanding anything to the contrary contained in this policy, no liability attaches to the Assurer:

For any loss, damage, or expense which would be payable under the terms of the

American Institute Tug Form (August 1, 1976)

form of policy on hull and machinery, etc., if the vessel were fully covered by such insurance sufficient in amount to pay such loss, damage, or expense.

For any loss, damage or expense sustained by reason of capture, seizure, arrest, restraint or detainment, or the consequence thereof or of any attempt thereof; or sustained in consequence of military, naval or air action by force of arms, including mines and torpedoes or other missiles or engines of war, whether of enemy or friendly origin; or sustained in consequence of placing the vessel in jeopardy as an act or measure of war taken in the actual process of a military engagement, including embarking 108 **embarking troops or material of war in the immediate zone of**

such engagement; and any such loss, damage and expense shall be excluded from this policy without regard to whether the Assured's liability therefor is based on negligence or otherwise, and whether before or after a declaration of war.

For any loss, damage, or expense arising from the cancellation or breach of any charter, bad debts, fraud of agents, insolvency, loss of freight hire or demurrage, or as a result of the breach of any undertaking to load any cargo, or in respect of the vessel named herein engaging in any unlawful trade or performing any unlawful act, with the knowledge of the Assured.

For any loss, damage, expense, or claim arising out of or having relation to the towage of any other vessel or craft, whether under agreement or not, unless such towage was to assist such other vessel or craft in distress to a port or place of safety, provided, however, that this clause shall not apply to claims under this policy for loss of life or personal injury to passengers and/or members of the crew of the vessel named herein arising as a result of towing.

For any claim for loss of life or personal injury in relation to the handling of cargo where such claim arises under a contract of indemnity between the Assured and his sub-contractor.

It is expressly understood and agreed if and when the Assured under this policy has any interest other than as a shipowner in the vessel or vessels named herein, in no event shall the Assurer be liable hereunder to any greater extent than if such Assured were the owner and were entitled to all the rights of limitation to which a shipowner is entitled.

Unless otherwise agreed by endorsement to this policy, liability hereunder shall in no event exceed that which would be imposed on the Assured by law in the absence of contract.

Liability hereunder in respect of any one accident or occurrence is limited to the amount hereby insured.

Attached to and forming part of Policy No. NY25MPK7210-01 of Ocean Marine Package Policy

HULL and MARINE LIABILITY POLICY

PROTECTION & INDEMNITY (P&I) - SPECIAL CONDITIONS

This endorsement modifies insurance provided under:

Protection & Indemnity Section of this policy

The following clauses are deemed to be paramount and shall override anything contained in the attached forms that appear inconsistent therewith unless otherwise endorsed hereon.

- 1) **DEDUCTIBLE CLAUSE:** It is understood and agreed that the deductible clause(s) found in the policy form is deleted and the following deductible clause is inserted:

There shall be deducted from the total amount payable by the Underwriters with respect to all claims, including costs of defense and expenses arising from any one casualty or occurrence:

See Policy Declarations with respect to those claims for loss of life, bodily injury or illness, and,

See Policy Declarations with respect to all other claims.

Provided however, that the maximum deductible for any one casualty or occurrence shall not exceed the greater of the foregoing amounts.

- 2) **HIV EXCLUSION:** Notwithstanding anything contained elsewhere herein to the contrary, the coverage(s) provided hereunder excludes all liability, costs or expense with respects to any claim arising directly or indirectly from and/or caused by and/or associated with Human T-Cell Lymphotropic Virus type III (HILV III) or Lymphadenopathy Associated Virus (LAV) or the mutant derivatives or variations thereof or in any way related to Acquired Immune Deficiency Syndrome or condition of a similar kind howsoever it may be named.

- 3) **IN PERSONAM LIABILITY:** Privilege is granted for the captain or other qualified pilot, to leave the vessel and to continue the operation in which the vessel shall be engaged from other points of vantage; and this insurance shall extend to and cover the legal liability of either the vessel or assured or both, for any act of the captain while so conducting the operation.

All other terms and conditions of this policy remain unchanged.

HULL and MARINE LIABILITY POLICY
CREW COVERAGE - CREW INCLUDED

This endorsement modifies insurance provided under:

Protection & Indemnity Section of this policy

SCHEDULE

Premium: \$ (included)

In consideration of the additional premium shown in the schedule to this endorsement and subject to the terms and conditions of the policy, it is agreed that:

The Protection & Indemnity Section of this policy shall include coverage for crew, or employees of the Assured deemed to be crew, while in the service of the vessel(s) insured hereunder for limits shown on the schedule of vessels.

It is warranted by the Assured that there shall be no more than [See Policy Declarations] crew members (excluding any owner/operators) employed aboard the insured vessel at any one time. It is further agreed that if a loss occurs and there are a greater number of crew employed aboard the vessel than stated above, if payable, this policy will respond only in the same proportion as the number of crew stated above bears to the total aboard at the time of the loss.

All other terms and conditions of this policy remain unchanged.

HULL and MARINE LIABILITY POLICY

DIVER(S) EXCLUSION

This endorsement modifies insurance provided under:

Protection & Indemnity Section of this policy

SCHEDULE

Premium: \$ (included)

In consideration of the additional premium shown in the schedule to this endorsement and subject to the terms and conditions of the policy, it is agreed that:

This Policy is warranted free from all claims (contractually assumed or otherwise) arising in respect of divers and/or diving operations and/or out of the operation by the Assured of submarines, mini-submarines, remote control vessels and/or diving bells.

This exclusion shall not apply, however, with respect to claims for claims which are attributable to the negligence in the navigation of the scheduled vessel(s).

All other terms and conditions of this policy remain unchanged.



Vessel Schedule



Trailer Schedule

Lenders Loss Payable Provisions

Item #	Name and Address of Lenders Loss Payee	Description of Property
	STEARNS BANK, its successors, assigns or transferees 500 13th ST ALBANY MN 56307	Only in regards to Business Personal Property Insurance Also includes Vessels and Trailers (see schedule), including 2022 Honda BF250DXDA Outboard Motor Serial# BBNJ-1012510 & BBNJ-015772 and 2022 Honda BF250DXDA Outboard Motors Serial #'s BBNJ-1019062 & BBNJ-8013354
	KLC Financial LLC ISAOA PO BOX 3886 Bellevue, WA 98009	In regard to 1992 Guardian BWC9B442F292

For Covered Property in which both you and a Loss Payee shown in the Schedule or Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Lenders Loss Payee, as interests may appear.

All other terms and conditions of this policy remain unchanged.

SALVORS LEGAL LIABILITY OVERLAND TRANSIT EXTENSION

In consideration of an Additional Premium of \$Included, it is agreed that section 1 item A. of the Salvors Legal Liability Coverage Endorsement is amended to read as follows:

- A. This insurance is to cover the legal liability of the Assured for loss or damage to vessels, craft, and equipment, cargoes, freights, and other interests on board, which are in their care, custody or control for the purposes of salvage, wreck removal and wreck transportation including overland transit for a distance not in excess of 100 miles from the point of loading to the destination for unloading.

Warranted: Insured's are responsible for taking damage photos prior to loading transport and submitting same to their insurance carrier.

PERILS EXCLUDED

In addition to the exclusions listed under section 4. of the Savior's Legal Liability Coverage Endorsement, it is expressly understood and agreed that this insured does not cover any liability arising from or caused by:

- N. Wear and tear, gradual deterioration, inherent vice, moths or vermin;
- O. Unexplained loss, mysterious disappearance nor loss or shortage disclosed after taking inventory;
- P. Corrosion, rust, dampness of atmosphere or extremes of temperature;
- Q. Marring, denting or scratching or breakage of glass;

ALL OTHER TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS REMAIN UNCHANGED.

American Institute

CYBER EXCLUSION CLAUSE (11/06/2015)

This clause shall be paramount and shall override anything contained in this insurance (including any endorsement(s)) inconsistent therewith.

In no case shall this insurance cover loss, damage, liability, or expense directly or indirectly caused by or contributed to or arising from

1. any "malicious act" involving the use of any "computer system", "electronic data communications system", "computer virus", or process or any other electronic system; and/or
2. any access to or disclosure of any "personally identifiable information" or any person's or organization's confidential information, including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, or any other type of nonpublic information; and/or
3. any action or omission that violates or is alleged to violate any federal, state or local statute that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating, or distribution of any written or electronic material or information.

Where this policy provides coverage for War Risks, section 1 above shall not operate to exclude losses which would otherwise be covered by such War Risks coverage.

Definitions

"Computer system" means computer hardware of any kind; "electronic computer program"; "electronic data processing media"; operating system; media microchip; microprocessor (computer chip); integrated circuit or similar device; computer network and networking equipment; firmware; server; website; extranet; and all input, output, processing, storage, and off-line media libraries.

"Computer virus" means any corrupting, harmful or otherwise unauthorized instructions or code including, but not limited to, any maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a "computer system" or network of whatsoever nature.

"Electronic computer program" means computer software, application software, and other recorded instructions for the processing, sequencing, collecting, transmitting, recording, retrieval, or storage of "electronic data".

"Electronic data" means information or knowledge recorded or transmitted in a form usable in a "computer system", microchip, integrated circuit or similar device in non-computer equipment, and which can be stored on "electronic data processing media" for use by an "electronic computer program".

"Electronic data communications system" means any communication system, including a "computer system" and the internet, which provides the Assured with access to another "computer system", microchip, integrated circuit or similar device in non-computer equipment, or which provides any party access to the Assured's "computer system", microchips, integrated circuits or similar devices in non-computer equipment.

"Electronic data processing media" means punch cards, paper tapes, floppy disks, CD-ROM, hard drives, magnetic tapes, magnetic discs or any other tangible personal property on which "Electronic data" or "electronic computer programs" are recorded or transmitted, but not the "electronic data" or "electronic computer programs" themselves. Money or securities are not "electronic data processing media".

"Malicious act" shall mean the intentional and wrongful action or actions of one or more persons, whether or not agents of a sovereign power.

"Personally identifiable information" shall mean information, whether printed or digital, encrypted or unencrypted, in the care custody or control of any Assured which alone or in conjunction with other information can be used to uniquely identify an individual. However, "personally identifiable information" does not include information which is lawfully available to the general public.



Policy Number: NY25MPK7210-01
Named Insured: Sea Assist Alaska, Inc.
Effective Date: 8/22/2025
Issue Date: 8/22/2025

ABSOLUTE TERRORISM EXCLUSION CLAUSE

This Policy excludes any loss, damage, liability or expense arising from:

- A) Terrorism; and or
- B) Steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

For the purpose of this clause, "terrorism" means any act(s) of any person(s) or organization(s) involving:

- 1) The causing, occasioning or threatening of harm of whatever nature and by whatever means; including any act certified or uncertified by the Secretary of the Treasury of the United States;
- 2) Putting the public or any section of the public in fear,

in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organization(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

SPECIAL HULL DEDUCTIBLE

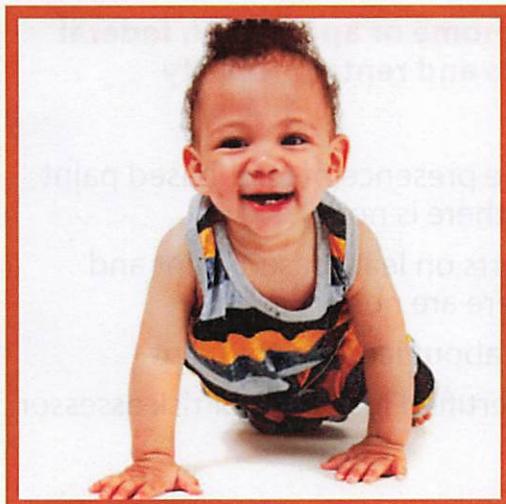
This endorsement modifies insurance provided under:

Part I. – Property Coverage – Section A – Hull And Machinery

Special Hull Deductible

A 50% Deductible shall apply to any loss, including a total loss, arising from a vessel sinking at the dock or mooring while not operating, unless the vessel is equipped with Siren Marine MTC unit with annual subscription (or comparable service to be agreed with these Underwriters).

All Other Terms and Conditions Remain Unchanged.



Protect Your Family From Lead in Your Home



United States
Environmental
Protection Agency



United States
Consumer Product
Safety Commission



United States
Department of Housing
and Urban Development

Are You Planning to Buy or Rent a Home Built Before 1978?

Did you know that many homes built before 1978 have **lead-based paint**? Lead from paint, chips and dust can pose serious health hazards.

Read this entire brochure to learn:

- How lead gets into the body
- How lead affects health
- What you can do to protect your family
- Where to go for more information

Before renting or buying a pre-1978 home or apartment, federal law requires sellers, landlords, agents and rental property managers to:

- Disclose known information about the presence of lead-based paint or lead-based paint hazards (or state there is none)
- Provide all available records and reports on lead-based paint and lead-based paint hazards (or state there are none)
- Include a specific warning statement about lead-based paint
- Give buyers up to 10 days to have a certified inspector or risk assessor check for lead.

If undertaking renovation, repair or painting (RRP) projects in your pre-1978 home or apartment:

- Read EPA's pamphlet, *The Lead-Safe Certified Guide to Renovate Right*, to learn about the lead-safe work practices that contractors are required to follow when working in your home (see page 12).



Steps to Protect Your Family from Lead Hazards

If you think your home has lead-based paint:

- Don't try to remove lead-based paint yourself.
- Always keep painted surfaces in good condition to minimize deterioration.
- Get your home checked for lead hazards. Find a certified risk assessor at cdxapps.epa.gov/leadpro.
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Regularly clean floors, window sills and other surfaces using wet methods.
- Take precautions to avoid exposure to lead dust when remodeling.
- Hire only EPA-, Tribal- or state-approved Lead-Safe Certified renovation firms when renovating, repairing or painting. Find an EPA-certified firm using cdxapps.epa.gov/leadpro.
- Have your home checked for lead-based paint by a certified inspector or risk assessor before buying, renting or renovating your home.
- Consult your health care provider about testing your children for lead. Your pediatrician can check for lead with a simple blood test.
- Wash children's hands, bottles, pacifiers and toys often.
- Make sure children eat a well-balanced diet with foods high in iron, calcium and vitamin C as these nutrients may help prevent the absorption of lead.
- Remove shoes or wipe soil and other dirt off shoes before entering your house.

Lead Gets into the Body in Many Ways

Adults and children can get lead into their bodies if they:

- Breathe in lead dust (especially during activities such as renovations, repairs or painting that disturb painted surfaces)
- Swallow lead dust that has settled on food, food preparation surfaces and other places
- Eat paint chips or soil that contains lead

Lead is especially dangerous to children under the age of 6.

- At this age, children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have dust that may contain lead on them.



Lead is dangerous to a developing fetus.

- Lead can build up in the body over time, settling in the bones. This stored lead can be transferred during pregnancy to a fetus or after birth to an infant through breast milk.

Please [see pages 13 and 14](#) for more information on sources of lead exposure.

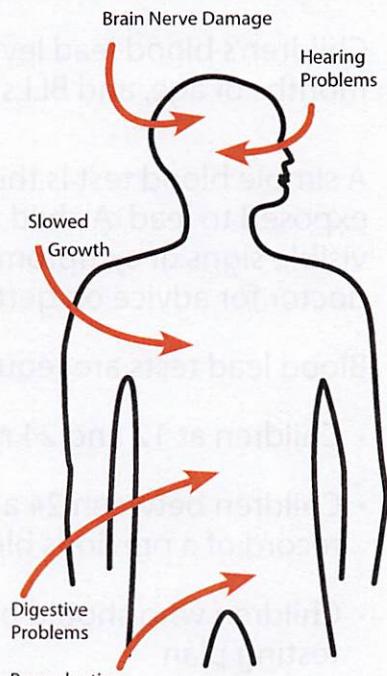
Health Effects of Lead

Lead affects the body in many ways. It is important to know that no safe blood lead level has been identified and even exposure to low levels of lead can harm children.

In children, exposure to lead can cause:

- Nervous system and kidney damage
- Learning disabilities, attention-deficit disorder and decreased intelligence
- Speech, language and behavior problems
- Poor muscle coordination
- Decreased muscle and bone growth
- Hearing damage

While low-lead exposure is most common, exposure to high amounts of lead can have devastating effects on children, including seizures, unconsciousness and in some cases, death.



In adults, exposure to lead can cause an increased risk of:

- Miscarriage during pregnancy
- The baby being born too early or too small
- Harm to a developing fetus' brain, kidneys and nervous system
- Fertility problems (in men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain

Check Your Family for Lead

Get your children and home tested if you think your home has lead.

Children's blood lead levels (BLLs) tend to increase rapidly from 6 to 12 months of age, and BLLs tend to peak at 18 to 24 months of age.

A simple blood test is the best way to find out if a child has been exposed to lead. A child who has been exposed to lead may not have visible signs or symptoms and may look and act healthy. Consult your doctor for advice on getting your children tested.

Blood lead tests are required for the following groups:

- Children at 12 and 24 months enrolled in Medicaid
- Children between 24 and 72 months enrolled in Medicaid with no record of a previous blood lead test
- Children who should be tested under your Tribal, state or local health testing plan

Blood lead tests are recommended for the following groups:

- Children at 12 and 24 months living in areas that are at higher risk* or who belong to populations that are at higher risk*
- Children or other family members who have been exposed to lead

Your doctor can explain what the test results mean and if more testing will be needed.

* Some children are more likely to be exposed to lead than others. These include children who live or spend time in a house or building built before 1978, are from low-income households, live or spend time with someone who works with lead or are immigrants, refugees or recently adopted from less developed countries.

Where Lead-Based Paint Is Found

In general, the older your home or childcare facility, the more likely it has lead-based paint.¹

Many homes and childcare facilities built before 1978 may have lead-based paint. In 1978, the federal government banned consumer uses of lead-containing paint.²

Learn how to determine if paint is lead-based paint on page 7.

Lead can be found:

- In homes and childcare facilities in the city, country or suburbs
- In private and public single-family homes and apartments
- On surfaces inside and outside of the house
- In soil around a home (soil can pick up lead from exterior paint or other sources, such as past use of leaded gas in cars)

Learn more about where lead is found at epa.gov/lead.

¹ "Lead-based paint" is currently defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter (mg/cm^2), or more than 0.5% by weight.

² "Lead-containing paint" is currently defined by the federal government as lead in new dried paint in excess of 90 parts per million (ppm) by weight.

Identifying Lead-Based Paint and Lead-Based Paint Hazards

Deteriorated lead-based paint (peeling, chipping, chalking, cracking or damaged paint) is a hazard and needs immediate attention. **Lead-based paint** may also be a hazard when found on surfaces that children can chew or that get a lot of wear and tear, such as:

- On windows and window sills
- Doors and door frames
- Stairs, railings, banisters and porches

Lead-based paint is usually not a hazard if it is in good (intact) condition and if it is not on an impact or friction surface like a window.

Lead dust can form when lead-based paint is scraped, sanded or heated. Lead dust also forms when painted surfaces containing lead bump or rub together. Lead paint chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when the home is vacuumed or swept, or when people walk through it. EPA currently defines any reportable level of lead dust measured by an EPA-recognized lead laboratory as hazardous.

If you suspect your home has lead-based paint, you should clean regularly to minimize dust using the information on [pages 9](#) and [11](#), especially when young children live in the home. EPA does not recommend lead abatements based on lead dust unless the lead dust is at or above the action levels listed on [page 11](#).

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. EPA currently defines the following levels of lead in soil as hazardous:

- 400 parts per million (ppm) and higher in play areas of bare soil
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard

Remember, lead from paint chips—which you can see—and lead in dust or soil—which you may not be able to see—can both be hazards.

The only way to find out if paint, dust or soil lead hazards exist is to test for them. The next page describes how to do this.

Checking Your Home for Lead

Hire a certified lead professional to get your home tested for lead in several different ways:

- A lead-based paint **inspection** tells you if your home has lead-based paint and where it is located. It won't tell you whether your home currently has lead hazards or how to deal with them. A trained and certified lead-based paint inspector will inspect the paint using:
 - A portable x-ray fluorescence (XRF) machine
 - Lab tests of paint samples collected by the inspector to be tested in an EPA-recognized lead laboratory
- A **risk assessment** tells you if your home currently has any lead hazards from paint, dust or soil, and what actions to take to address any hazards. A trained and certified lead-based paint risk assessor will:
 - Sample paint that is deteriorated on doors, windows, floors, stairs and walls
 - Sample dust near painted surfaces and sample bare soil in the yard
 - Get lab tests of paint, dust and soil samples
- A **combination inspection and risk assessment** tells you if your home has any lead-based paint, if it has any lead hazards and where both are located.



Be sure to read the report provided to you after your inspection or risk assessment is completed and ask questions about anything you do not understand. Closely monitor areas that are known to have lead-based paint.

Checking Your Home for Lead, continued

In preparing for renovation, repair or painting work in a pre-1978 home, Lead-Safe Certified renovators (see page 12) may do any of the following:

- Take paint chip samples to determine if lead-based paint is present in the area planned for renovation and send them to an EPA-recognized lead lab for analysis
- Use EPA-recognized tests kits to determine if lead-based paint is absent
- Presume that lead-based paint is present and use lead-safe work practices

There are state, Tribal and federal programs in place to ensure that testing is done safely, reliably and effectively. Contact your state, Tribal or local agency for more information, visit epa.gov/lead, or call toll-free **1-800-424-LEAD (5323)** for a list of contacts in your area.³

³ Hearing- or speech-challenged individuals may access this number through TTY by calling 711.

What You Can Do Now to Protect Your Family

If you suspect that your house has lead-based paint hazards, you can take some immediate steps to reduce your family's risk:

- If you rent, notify your landlord of peeling or chipping paint.
- Keep painted surfaces clean and free of dust. Clean floors, window frames, window sills and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner. (Remember: never mix ammonia and bleach products together because they can form a dangerous gas.)
- Carefully clean up paint chips immediately without creating dust.
- Thoroughly rinse sponges and mop heads often during cleaning of dirty or dusty areas, and again afterward.
- Wash your hands and your children's hands often, especially before they eat and before nap time and bedtime.
- Keep play areas clean. Wash bottles, pacifiers, toys and stuffed animals regularly.
- Keep children from chewing window sills or other painted surfaces, or eating soil.
- When renovating, repairing or painting, hire only EPA-, Tribal- or state-approved Lead-Safe Certified renovation firms ([see page 12](#)).
- Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- Make sure children eat a well-balanced diet of fruits, vegetables, grains, dairy and protein-rich foods. Foods that are higher in iron, calcium and vitamin C may help reduce the body's absorption of lead. Children with empty stomachs absorb more lead than children with food in their stomachs.

Reducing Lead Hazards

Disturbing lead-based paint or removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

- In addition to day-to-day cleaning and good nutrition, you can **temporarily** reduce lead-based paint hazards by taking actions, such as repairing damaged painted surfaces and planting grass to cover lead-contaminated soil. These actions are not permanent solutions and will need ongoing attention.
- You can minimize exposure to lead when renovating, repairing or painting by hiring an EPA-, Tribal- or state-certified renovator who is trained in the use of lead-safe work practices. If you are a do-it-yourselfer, learn how to use lead-safe work practices in your home.
- To remove lead hazards, you should hire a certified lead abatement contractor. Abatement methods (which are designed to permanently address lead-based paint hazards) include removing, sealing or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint will not permanently address the lead-based paint hazards.



Always use a certified contractor who is trained to address lead hazards safely.

- Hire a Lead-Safe Certified firm (see page 12) to perform renovation, repair or painting (RRP) projects that disturb painted surfaces.
- Hire a certified lead abatement contractor to permanently address lead hazards. This will ensure your contractor knows how to work safely and has the proper equipment to clean up thoroughly.
- Certified contractors will employ qualified workers and follow strict safety rules set by their state or Tribe or by the federal government.

Reducing Lead Hazards, continued

If your home has had a lead abatement, dust cleanup activities must be conducted once the work is completed. Dust cleanup activities must be conducted until clearance testing indicates that lead dust levels are below the following action levels:

- 5 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) for floors, including carpeted floors
- 40 $\mu\text{g}/\text{ft}^2$ for interior window sills
- 100 $\mu\text{g}/\text{ft}^2$ for window troughs

Abatements are designed to permanently address lead-based paint hazards. However, when an abatement is complete, lead dust may still remain above reportable levels (see page 6) and can also be reintroduced into an abated area. Steps to keep lead dust low after an abatement include:

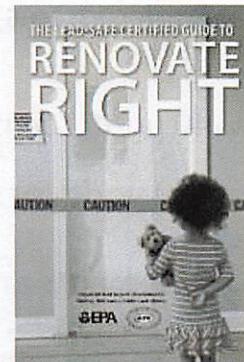
- Using a HEPA vacuum on all furniture and other items returned to the area
- Regularly cleaning floors, window sills, troughs and other hard surfaces with a damp cloth or sponge and a general all-purpose cleaner

Please see page 9 for more information on steps you can take to protect your home after the abatement. For help in locating certified lead abatement professionals in your area, call your state, Tribal or local agency (see pages 15 and 16), visit cdxapps.epa.gov/leadpro, or call toll-free 1-800-424-LEAD [5323].

Renovating, Repairing or Painting a Home with Lead-Based Paint

If you hire a contractor to conduct renovation, repair or painting (RRP) projects in your pre-1978 home or childcare facility (such as pre-school and kindergarten), your contractor must:

- Be a Lead-Safe Certified firm approved by EPA or an EPA-authorized state or Tribal program
- Use qualified trained individuals (Lead-Safe Certified renovators) who follow specific lead-safe work practices to prevent lead contamination
- Provide a copy of EPA's lead hazard information document, *The Lead-Safe Certified Guide to Renovate Right*



RRP contractors working in pre-1978 homes and childcare facilities must follow lead-safe work practices that:

- **Contain the work area.** The area must be contained so that dust and debris do not escape from the work area. Warning signs must be put up, and plastic or other impermeable material and tape must be used.
- **Avoid renovation methods that generate large amounts of lead-contaminated dust.** Some methods generate so much lead-contaminated dust that their use is prohibited. These prohibited methods are:
 - Open-flame burning or torching
 - Sanding, grinding, planing, needle gunning or blasting with power tools and equipment not equipped with a shroud and HEPA vacuum attachment
 - Using a heat gun at temperatures greater than 1100°F
- **Clean up thoroughly.** The work area should be cleaned up daily. When all the work is done, the area must be cleaned up using special cleaning methods and then checked to confirm adequate cleanup.
- **Dispose of waste properly.** Collect and seal waste in a heavy-duty bag or sheeting. When transported, ensure that waste is contained to prevent release of dust and debris.

To learn more about EPA's requirements for RRP projects, visit epa.gov/getleadsafe, or read *The Lead-Safe Certified Guide to Renovate Right*.

Other Sources of Lead

Lead in Drinking Water

The most common sources of lead in drinking water in homes are lead pipes, fixtures, brass or chrome-plated brass faucets and plumbing with lead solder.

Lead pipes are more likely to be found in older cities and homes built before 1986.

You can't smell or taste lead in drinking water.

To find out for certain if you have lead in drinking water, have your water tested (See below).

Remember that older homes with a private well can also have plumbing materials that contain lead.

Important Steps You Can Take to Reduce Lead in Drinking Water

- Use only cold water for drinking, cooking and making baby formula. Boiling water does not remove lead from water.
- Before drinking, flush your home's pipes by running the tap, taking a shower, doing laundry or doing a load of dishes.
- Regularly clean your faucet's screen (also known as an aerator).
- If you use a filter certified to remove lead, read the directions to learn when to change the cartridge. Using a filter after it has expired can make it less effective at removing lead.

Contact your water company to determine if the pipe that connects your home to the water main (called a service line) is made from lead. Your area's water company can also provide information about the lead levels in your system's drinking water.

For more information about lead in drinking water, please use EPA's Safe Drinking Water online form at epa.gov/safewaterhotline.

Call your local health department or water company to find out about testing your water, or visit epa.gov/safewater for EPA's lead in drinking water information. Some states or utilities offer programs to pay for water testing for residents. Contact your state or local water company to learn more.

Other Sources of Lead, continued

- **Lead smelters** or other industries that release lead into the air.
- **Your job.** Working in certain jobs may increase adults' potential exposure to lead, such as: renovation or repair of older homes and buildings, painting, construction, refinishing furniture, smelting, mining, auto repair, handling firearms and working at hazardous waste sites. If you work with lead, lead dust or soil could get onto your skin, in your hair and clothes, which can be transferred to the inside of your car or home. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- **Hobbies** that use lead, such as making pottery or stained glass, fishing, shooting at a gun range or refinishing furniture that has lead-containing paint or varnish. Call your local health department for information about hobbies that may use lead.
- Old **toys** and **furniture** may have been painted with lead-containing paint or varnish. Older toys and other children's products may have parts that contain lead.⁴
- Food and liquids cooked or stored in **lead crystal** or **lead-glazed pottery or porcelain** may contain lead.
- Items made in other countries and imported into the United States may have lead including toys, painted furniture, metal or plastic jewelry, health remedies, foods, spices, candies, cosmetics, powders, make-up used in religious and cultural practices and folk remedies, such as "greta" and "azarcon," used to treat an upset stomach.
- **Older playground equipment** can contain old lead-based paint, and **artificial turf and playground surfaces** made from shredded rubber can contain lead. Take precautions to ensure young children do not eat shredded rubber or put their hands in their mouth before washing them.

⁴ In 1978, the federal government banned toys, other children's products, and furniture with lead-containing paint. In 2008, the federal government banned lead in most children's products. The federal government currently bans lead above 100 ppm by weight in most children's products.

For More Information

The National Lead Information Center

Learn how to protect children from lead poisoning and get other information about lead hazards on the Web at epa.gov/lead and hud.gov/lead, or call toll-free **1-800-424-LEAD (5323)**.

EPA's Safe Drinking Water Hotline

For information about lead in drinking water visit epa.gov/safewater or use EPA's Safe Drinking Water online form at epa.gov/safewaterhotline.

Consumer Product Safety Commission (CPSC) Hotline

For information on lead in toys and other consumer products, or to report an unsafe consumer product or a product-related injury, call toll-free **1-800-638-2772**, or visit CPSC's website at cpsc.gov or saferproducts.gov.

Food and Drug Administration

For information on lead in food and foodwares visit www.fda.gov/food/environmental-contaminants-food/lead-food-and-foodwares.

Centers for Disease Control and Prevention

For information on childhood lead poisoning prevention visit: www.cdc.gov/lead

State and Local Health and Environmental Agencies

Some states, Tribes, counties and cities have their own rules related to lead-based paint. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your state, Tribal or local contacts on the Web at epa.gov/lead, or contact the National Lead Information Center toll-free at **1-800-424-LEAD [5323]**.

Hearing- or speech-challenged individuals may access any of the phone numbers in this brochure through TTY by calling **711**.

U. S. Environmental Protection Agency (EPA) Regional Offices

The mission of EPA is to protect human health and the environment. Your Regional EPA Office can provide further information regarding regulations and lead protection programs: epa.gov/lead/contacts.

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont and 10 federally recognized Tribes)

Regional Lead Contact
U.S. EPA Region 1
5 Post Office Square, Suite 100
Boston, MA 02109-3912
(888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands and 8 Tribes)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 205, Mail Stop 225
Edison, NJ 08837-3679

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, DC, West Virginia and 7 Tribes)

Regional Lead Contact
U.S. EPA Region 3
Four Penn Center
1600 JFK Blvd
Philadelphia, PA 19103-2029

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee and 6 Tribes)

Regional Lead Contact
U.S. EPA Region 4
61 Forsyth Street, SW
Atlanta, GA 30303

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin and 37 Tribes)

Regional Lead Contact
U.S. EPA Region 5 (LL-17J)
77 West Jackson Boulevard
Chicago, IL 60604
(312) 353-3808

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas, and 66 Tribes)

Regional Lead Contact
U.S. EPA Region 6
1201 Elm Street, Suite 500
Dallas, TX 75270
(214) 665-7577

Region 7 (Iowa, Kansas, Missouri, Nebraska and 9 Tribes)

Regional Lead Contact
U.S. EPA Region 7
11201 Renner Blvd.
LCRD/TTPB
Lenexa, KS 66219
(800) 223-0425

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming and 28 Tribes)

Regional Lead Contact
U.S. EPA Region 8
1595 Wynkoop St.
Denver, CO 80202
(303) 312-6169

Region 9 (Arizona, California, Hawaii, Nevada, Guam, American Samoa, Northern Marianas, Palau, Micronesia, Marshall Islands and 148 Tribes)

Regional Lead Contact
U.S. EPA Region 9 (LNC-2-2)
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-8000

Region 10 (Alaska, Idaho, Oregon, Washington and 271 Tribes)

Regional Lead Contact
U.S. EPA Region 10 (20-C04)
1200 Sixth Avenue, Suite 155
Seattle, WA 98101
(206) 553-1200

Consumer Product Safety Commission (CPSC)

The CPSC protects the public against unreasonable risk of injury from consumer products through education, safety standards activities and enforcement. Contact CPSC for further information regarding consumer product safety and regulations.

CPSC

4330 East-West Highway
Bethesda, MD 20814-4421
1-800-638-2772
cpsc.gov or saferproducts.gov

U. S. Department of Housing and Urban Development (HUD)

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. Its Office of Lead Hazard Control and Healthy Homes' (OLHCHH's) lead hazard reduction grants, healthy homes grants, and guidance and enforcement of the Lead Disclosure Rule and Lead Safe Housing Rule, protect families from lead and other housing hazards.

HUD OLHCHH

lead.regulations@hud.gov
hud.gov/lead

This document is in the public domain. It may be produced by an individual or organization without permission. Information provided in this booklet is based upon current scientific and technical understanding of the issues presented and is reflective of the jurisdictional boundaries established by the statutes governing the co-authoring agencies. Following the advice given will not necessarily provide complete protection in all situations or against all health hazards that can be caused by lead exposure.

IMPORTANT!

Lead From Paint, Dust and Soil in and Around Your Home Can Be Dangerous if Not Managed Properly

- Children under 6 years old are most at risk for lead poisoning.
- Lead exposure can harm young children and babies even before they are born.
- Homes, schools and childcare facilities built before 1978 are likely to contain lead-based paint.
- Even children who seem healthy may have dangerous levels of lead in their bodies.
- Disturbing surfaces with lead-based paint or removing lead-based paint improperly can increase the danger to your family.
- People can get lead into their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- People have many options for reducing lead hazards. Generally, lead-based paint that is in good condition is not a hazard ([see page 10](#)).



THE STATE of ALASKA

Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806
(907) 465-2550 • Email: corporations@alaska.gov
Website: corporations.alaska.gov

AK Entity #: 10064143
Date Filed: 12/26/2024
State of Alaska, DCCED

FOR DIVISION USE ONLY

Domestic Business Corporation

2025 Biennial Report
For the period ending December 31, 2024

Web-12/26/2024 2:54:54 PM

Due Date: This report along with its fees are due by January 2, 2025

Fees: If postmarked before February 2, 2025, the fee is \$100.00.

If postmarked on or after February 2, 2025 then this report is delinquent and the fee is \$137.50.

Entity Name: Sea Assist Alaska Inc.

Entity Number: 10064143

Home Country: UNITED STATES

Home State/Prov.: ALASKA

Physical Address: 4667 HOMER SPIRIT RD, SUITE 2,
HOMER, AK 99603

Mailing Address: PO BOX 2729, HOMER, AK 99603

Registered Agent information cannot be changed on this form. Per Alaska Statutes, to update or change the Registered Agent information this entity must submit the Statement of Change form for this entity type along with its filing fee.

Name: LegalCorp Solutions, Inc

Physical Address: 721 DEPOT DR, ANCHORAGE, AK 99501

Mailing Address: 721 DEPOT DR, ANCHORAGE, AK 99501

Officials: The following is a complete list of officials who will be on record as a result of this filing.

- Provide all officials and required information. Use only the titles provided.**
- Mandatory Officers (3) and Directors (1), who must be individuals:** this entity must have a President, Secretary, and Treasurer. The President and Secretary cannot be the same person unless the President is 100% Shareholder. This entity must have at least one (1) Director. Provide all the individuals who are directors.
- Shareholders:** the entity must provide all Shareholders who own 5% or more of the Issued Shares. Shareholders may be an individual or another entity.
- Alien Affiliates:** the entity must provide all Alien Affiliates (non-U.S.), which may be an individual or another entity.

Full Legal Name	Complete Mailing Address	% Owned	Alien Affiliate	Assistant Secretary	Assistant Treasurer	Director	President	Secretary	Shareholder	Treasurer	Vice President
Karen Hill	3194 E. COLES RD, WASILLA, AK 99654	9.00							X		
Alyssa Hill	4667 Homer Spit Rd., STE 1, Homer, AK 99603	40.00						X	X		X
Grover Hill, III	4667 Homer Spit Rd, STE 1, Homer, AK 99603	41.00				X	X		X	X	
Grover Hill, JR	4667 Homer Spit Rd., STE 1, Homer, AK 99603	10.00							X		

If necessary, attach a list of additional officers on a separate 8.5 X 11 sheet of paper.

Purpose: For recreational & commercial boaters. On-Water vessel assistance includes but not limited to Tows, jump starts, fuel deliveries, un-groundings, etc.

NAICS Code: 488390 - OTHER SUPPORT ACTIVITIES FOR WATER TRANSPORTATION

New NAICS Code (optional):

Issued Shares: The entity must provide the number of Issued Shares

- Do not leave Issued Shares blank.
- If there are Shareholders then you must provide a number of Issued Shares. Do not exceed the number of Authorized Shares.
- If there are no Issued Shares (and no Shareholders) then provide "0" or "zero" or "none".
- To change Class, Series, Authorized Shares, or Par Value submit an amendment.

Class	Series	Authorized Shares	Par Value	Number of Issued Shares
Common		10000	0.001000	1000

Mandatory. Do not leave blank.

This form is for use by the named entity only. Only persons who are authorized by the above Official(s) of the named entity may make changes to it. If you proceed to make changes to this form or any information on it, you will be certifying under penalty of perjury that you are authorized to make those changes, and that everything on the form is true and correct. In addition, persons who file documents with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor. Continuation means you have read this and understand it.

Name: Grover L. Hill III



THE STATE
of ALASKA

Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806
(907) 465-2550 • Email: corporations@alaska.gov
Website: Corporations.Alaska.gov

AK Entity #: 10064143
Date Filed: 07/19/2017
State of Alaska, DCED

FOR DIVISION USE ONLY

Articles of Incorporation

Domestic Business Corporation

Web-7/19/2017 8:31:34 PM

1 - Entity Name

Legal Name: Sea Assist Alaska Inc.

2 - Purpose

For recreational & commercial boaters. On-Water vessel assistance includes but not limited to Tows, jump starts, fuel deliveries, un-groundings, etc.

3 - NAICS Code

488390 - OTHER SUPPORT ACTIVITIES FOR WATER TRANSPORTATION

4 - Registered Agent

Name: LegalCorp Solutions, Inc
Mailing Address: 310 K Street Suite 200, Anchorage, AK 99501
Physical Address: 310 K Street Suite 200, Anchorage, AK 99501

5 - Entity Addresses

Mailing Address: 19111 Second St., Eagle River, AK 99577
Physical Address: 19111 Second St., Eagle River, AK 99577

6 - Shares

Complete the below stock information on record with the Department. You may not change your authorized shares with this form. An amendment is required. Fill in number of shares issued.

Class	Series	Authorized	Par Value	Amount Issued
Common		10000	\$0.00	

7 - Officials

Name	Address	% Owned	Titles
Karen Gayle Hill	3194 E. Coles Rd Wasilla, AK 99654	9	Incorporator
Alyssa Janell Johnson	19111 2nd St. Ealge River, AK 99577	40	Incorporator
Grover Langiston Hill, JR	3194 E. Coles Rd Wasilla, AK 99654	10	Incorporator
Grover Langiston Hill, III	19111 2nd St. Ealge River, AK 99577	41	Incorporator

Name of person completing this online application

I certify under penalty of perjury under the Uniform Electronic Transaction Act and the laws of the State of Alaska that the information provided in this application is true and correct, and further certify that by submitting this electronic filing I am contractually authorized by the Incorporator(s) listed above to act on behalf of this entity.

Name: Sonia Becerra

January/February 2026 Operations Report

Ice Plant

- Down time refrigeration equipment inspections and rebuilds
- New Ice production and delivery panels install ongoing
- Ongoing crane inspections and service happening this month.
- Keeping up with work orders.
- Building and grounds winter maintenance.

Port Maintenance

- Ongoing electric pedestal Maintenance.
- Snow and Ice removal.
- Ongoing Docks and Harbor infrastructure inspections and repairs.
- Keeping up with recurring monthly work orders.
- Used oil collecting
- Snow removal equipment service and operational checks

Operations

- Harbor occupancy is currently around 300 vessels
- Marine Repair Facility has 6 vessels
- Harbor ice has melted away completely and vessels of all sizes can move about freely
- Vessel landings at the Deep Water and Pioneer Docks include: Endeavor, Ann T Cheramie, Tustumena, Perseverance, and Kate Frances
- Staff provided parking implements for the New Years Even fireworks display
- The AMHS Ferry Tustumena is done running for the winter season
- Staff impounded one vessel and towed it to the launch ramp for removal
- 9 staff members from Operations, Maintenance, and Ice Plant, completed Emergency Trauma Technician training



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov
(p) 907-235-8121 x2222
(f) 907-235-3148

Memorandum

TO: Mayor Lord and Homer City Council
FROM: Melissa Jacobsen, City Manager
DATE: January 7, 2026
SUBJECT: City Manager's Report for January 12, 2026 Council Meeting

Federal BUILD Grant Approved

We are pleased to report that the City's Federal FY25 BUILD grant application for non-motorized transportation planning and design was approved for award on December 9! While initially approved in FY25, obligation of funds was put on hold pending review under the Trump Administration's new guidelines for the BUILD program. The Federal Highway Administration (FHWA) thanked us for our patience while they navigated the various pauses with grant execution and funding over the last year.

Before work can begin on the project, we must first negotiate the award with FHWA and enter into a formal Grant Agreement via City Council Ordinance detailing the terms of the BUILD grant. The initial \$2,050,000 grant request proposed planning and prioritizing nonmotorized routes and sidewalk gaps by safety and other criteria, then completing permitting and design for the highest-priority segment(s). Any project scope amendments will be clarified during an upcoming kickoff meeting to review the project and Grant Agreement template.

This grant provides an excellent opportunity to build upon the extensive community non-motorized transportation planning completed in recent years and advance prioritized route(s) into construction-ready designs.

Traffic Impact Analysis

Kinney Engineering has been hired to conduct a Traffic Impact Analysis (TIA) for a proposed medical complex at 745 East End Road. All TIA costs, plus a 10% administrative fee paid to the City of Homer, are paid by the property owner. It is anticipated the TIA and report recommendations will be included in the application for a conditional use permit and public hearing with the Homer Planning Commission.

City of Homer Surplus Sale Process Update

It has long been a goal of the City & Council to increase participation in our Surplus Sales to ensure the best value for the City and make surplus opportunities available to all. Beginning in 2026 we will be using an online service called Public Surplus to handle all surplus items for the City. Public Surplus is the largest government auction service in the United States and already partners with a number of municipalities in Alaska, including Juneau, Kenai, and Palmer. The online auction format will be easier to use for both buyers and the City.

What's staying the same:

- We'll follow the provisions of [HCC 18.30, Sale or Other Disposition of Personal Property](#), including:
 - Council approval prior to surplus of any item valued at more than \$5,000.
 - Considering whether another municipality could make use of the item as an alternative disposal method.
 - Public notice for at least two consecutive weeks, with the final notice at least five days prior to the end of the auctions.

- Surplus sales will happen once or twice a year with a large quantity of items.

What's new:

- Interested parties can bookmark <https://publicsurplus.com/sms/list/current?orgid=60507> and check on the current surplus items for sale from the City at any time.
- Bidding is available on the Public Surplus website and through the iOS and Android apps
- The full purchase price will go to the City, with a 10% fee paid to Public Surplus by the buyer
- Significant reductions to the administrative burden of a surplus sale:
 - We can include videos on an auction to demonstrate that a vehicle or heavy equipment is in working order.
 - Staff can answer written questions submitted by bidders so that any interested party can see the information on an auction.
 - Auction winners will be notified automatically, with no need to open tens or hundreds of sealed bids.
 - Payment, including sales taxes, will be handled by a third-party payment processor, who will remit a single monthly payment to the City.

Homer Accelerated Roads and Trails (HART) Ballot Proposition Planning

The City of Homer Sales tax rate includes three-quarters of one percent for the purpose of funding street reconstruction improvements and related utilities, construction of new local roads, construction of new local trails, and maintenance of local roads and trails. This sales tax percentage has historically been approved by voters in 20-year increments and is due for reapproval this year, so it's time to start planning for a ballot proposition for the 2026 regular city election. Here is the proposed schedule:

February:	Discussions and preparation of Ordinance & Memo to renew HART
March:	Introduce Ordinance(s) to put a ballot measure before the public and to appropriate funds for public information campaign
May:	Entity Registration with APOC
June:	Campaign Branding/Ad building begins
Late August:	Ads begin running

Opportunity to Donate to the Multi-Use Community Center Fund

The City of Homer Multi-Purpose Community Center Non-Endowed Field of Interest Fund is open and ready to receive donations! Visit the Homer Foundation's website at <https://www.homerfoundation.org/> and click donate now then scroll down to find the link. Interested donors can also use the QR code here, and on the City's website. For more information about the project, visit the Featured City Projects page at <https://www.cityofhomer-ak.gov/citymanager/featured-city-projects> and scroll down to find the link.



Multi-Use Community Center Proposed Timeline – Coming soon!

Mayor Lord requested staff prepare a draft timeline for next steps on the Multi-Use Community Center project. I didn't get it finalized in time for this report and will information in the January 26th Manager's report.

Karen Hornaday Park Property Trail Development

The City has interest in developing a trail system along City right-of-way and the property we purchased last year above Karen Hornaday Park. A big goal is to ensure the trail development is done in a way that considers the area is a steep slope and is developed in a way that will not negatively impact the slope and areas below, and that we get the most robust route we can in that area. In the FY 26/27 biennial budget \$10,000 was appropriated for surveying the area. Additional funding will need to be appropriated for the design of a trail system through those areas, and the City can put out a Request for Proposals, possibly this spring, for a qualified trail design engineer to aid us in developing a plan for that area.

Homer Water Quality Testing

The City of Homer is responsible for water quality testing to ensure that we are providing the community with safe drinking water. Water/Wastewater Superintendent Todd Cook and his Water Team at Public Works are responsible for required monitoring and testing. Because we have a community water system (CWS) we are required to prepare and distribute a Consumer Confidence Report (CCR), also known as an annual drinking water quality report, to all of our customers and service connections. The CCR summarizes information of a full calendar year of operation regarding source water, detected contaminants, compliance, and educational information. This City is required to have this information distributed by July 1 of each year and must certify to the Department of Environmental Conservation Drinking Water Program confirming the CCR has been distributed to customers by October 1. The City conducts all the water quality testing as required by state and federal agencies on their required schedules. Currently, there is not a requirement for CWSs to test for PFAS, however the City of Homer submitted water samples for testing in January 2025 and the results showed PFAS were below the detectable range, which is good news, and the City will continue this additional testing. Occasionally members of the public will reach out with questions about testing for other inorganics that the City isn't required to test for. Interested citizens can reach out to Public Works and the Water Team can provide contact information for businesses that conduct water testing. Visit <https://www.cityofhomer-ak.gov/publicworks/annual-drinking-water-quality-report> for copies of our CCR's and other valuable information.

And a Plug for the Wastewater Team...

Citizens can do their part to help reduce sewer line plugs and keep our wastewater system flowing smoothly by being responsible flushers! Before I worked for the City I never gave much thought about what happened after a flush. Here's an infographic that will help folks remember not everything is flushable!

City Manager Meetings and Events:

December 8-11 – Alaska Municipal Manager Association and Alaska Municipal League Annual Conferences
December 18th – Microsoft 365 Pilot Team Meeting And, ongoing weekly meetings with Departments, Mayor and Councilmembers, and City Attorney

Attachments:

- Employee Anniversaries
- Consumer Confidence Report Information
- EPA Best Practices Fact Sheet
- City of Homer Water Monitoring Schedule
- Homer Harbor Expansion Report w/attachments
- City Elections Update
- FY26 Q1 Report
- Financial Reporting Calendar CY 26





City of Homer

www.cityofhomer-ak.gov

491 East Pioneer Avenue
Homer, Alaska 99603
(p) 907-235-8121
(f) 907-235-3140

Homer Harbor Expansion General Investigation Update

Item Type: Informational Memorandum

Prepared For: Homer City Council, Port & Harbor Advisory Commission

Date: January 8, 2026

From: Jenny Carroll, Special Projects & Communications Coordinator

Through: Melissa Jacobsen, City Manager

Purpose: This memorandum provides the Homer Harbor Expansion Study monthly written update to Homer City Council per Resolution 23-037.

Update: The United States Corps of Engineers (USACE) Project Development Team (PDT) is following guidance from headquarters to meet the new 35% design requirement on schedule and within the existing General Investigation budget, which creates budget shortfalls that will be partially mitigated by streamlining internal administrative procedures in the Project Management Plan.

A significant hurdle is completing Ship Simulation due to its high cost and the time needed to complete. City staff are in discussion with the PDT about potential cost-saving measures, and are seeking written clarification from the USACE regarding whether the requirements of 35% design specifically include a Ship Simulation at the US Army Engineer Research and Development Center (ERDC) in Vicksburg Mississippi, as originally planned, or, if other solutions such as a tabletop exercise with local, highly-experienced large vessel captains or a ship simulation at Seward's AVTEC might produce adequate feedback on sufficiency of design.

The city has also corresponded with other levels within the USACE about the situation and potential solutions. Attached is a letter to General Palazzini in the Pacific Ocean Division and a letter Representative Begich sent to the Assistant Secretary of the Army for Civil Works after discussions with city staff regarding impacts of mid-study policy changes on Alaskan infrastructure projects.

In the interim, to conserve study funds, the bi-monthly PDT meetings have been suspended, and the PDT has only been working on an Agency Technical Review and approval of the Cost-Effectiveness/Incremental Cost Analysis (a tool the USACE develops to evaluate and compare project alternatives to find the most efficient and justified solution).

The PDT stands ready to revisit breakwater cross section design and rock quantities once they receive the geotechnical report, which is anticipated to arrive from the contractor in early January. Once the breakwater design is finalized, they will be able to plug the numbers into the economics model and revisit their Tentatively Selected Plan analysis.



City of Homer

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Office of the City Manager

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Homer, Alaska 99603

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(f) 907-235-3148

December 1, 2025

Via Electronic Mail

Colonel Palazzini, Commander for the U.S. Army Corps of Engineers - Alaska District

Mr. Randy Bowker, Deputy District Engineer for Program Management
Chief, Program and Projects Management Division

RE: Homer Harbor Navigational Improvements General Investigation

Dear Colonel Palazzini and Randy Bowker,

The City of Homer (City), as the non-federal sponsor, submits this memorandum to outline opportunities for advancing the Homer Navigation Improvements feasibility study in light of recent changes to U.S. Army Corps of Engineers (USACE) requirements. The updated requirements call for advancing the harbor design to a preliminary 30% design level during the feasibility phase instead of the previous conceptual level (~15% Design). While this change inherently introduces additional cost and effort to both the federal and non-federal sponsor, the City understands the USACE desires to offset costs through scope adjustments and/or relaxation of internal federal processes.

The updated USACE guidance, as detailed in ECB 2023-9 Rev 1, establishes milestone requirements for design maturity throughout a project's development. The City understands that advancing the design maturity to the 30% design milestone is driven by a need to reduce risk such that the project is more likely to be in compliance with Section 902 of WRDA which outlines project cost limit requirements. As part of Section 902, the City recognizes that the project construction costs presented in the Final Integrated Feasibility Report and environmental document will need to be within 20% of the actual cost, which is the threshold for the cost adjustments within the District/Division level (does not require approval from USACE Headquarters or Congressional Reauthorization). By achieving this level of design maturity (30%), it reduces risk and supports accurate cost estimates.

With this in mind, the City proposes deferring the full-scale ship simulation study to the Preconstruction Engineering and Design (PED) phase. In its place, during the feasibility study, a desktop-level maneuverability assessment would be conducted. This assessment would rely on local captains familiar with Kachemak Bay conditions, with experience piloting the anticipated large vessel types and lengths that will use the new harbor. Their qualitative input will provide sufficient information for feasibility-level risk assessment without the expense of a full ship simulation and serve to optimize the simulation study in PED by identifying areas for preliminary refinement in feasibility.

While the City agrees that ship simulation will be an added value to the design, the designs of the proposed harbor alternatives are simple in terms of maneuverability for large vessels. This is a result of the PDT's highly collaborative design approach to date that uses non-complex harbor entrances, ASCE

industry standard fairway widths and locating large vessel berthing near the entrance of the harbor eliminating the need to maneuver around a multitude of floats. Because of these design features, it is anticipated that any input from a computerized ship simulation at this stage will confirm industry standard fairway widths and turning allocations are appropriate with a limited possibility of harbor layout changes for efficiency and an extremely low possibility of identifying major shifts in alignment such that the capital costs would be increased beyond 20%. This scope modification will save approximately \$450,000 in study costs to accommodate the new 30% design requirement within the current budget.

It is in everyone's best interest to move this study forward expeditiously and avoid schedule slippage. As an additional option for the agency's consideration, and in recognition of the workload facing agency staff, the City suggests leveraging our design engineering firm's existing project familiarity to develop the 30% design as work-in-kind. HDR has a deep bench of coastal and maritime engineers who are ready to support the project and are already deeply familiar with the project design. Their involvement in USACE projects has provided robust preliminary designs aligned with USACE standards and within the study schedule. This approach helps keep the study on schedule by allowing the Project Delivery Team (PDT) to focus on completing the draft/final feasibility report while HDR, under a work-in-kind contract, takes the lead to advance the design.

The USACE would contribute to and approve the scope for a design services contract and would include key elements outlined in ECB 2023-9 Rev 1 that have not already been developed. These elements include the following items:

1. Updates to the USACE's developed Risk Register.
2. Updates to the preliminary cost analysis to support the USACE's developed Project Cost.
3. Basis of Design documenting the harbor design and integration of conceptual level Local Services Facilities design. The documentation will utilize already developed hydraulic and hydrologic analysis, geotechnical investigations, and include feedback from the proposed desktop-level maneuverability assessment. It will then document aspects of design brought to the 30% design level.
4. Construction Drawings will be developed to approximately 30% design completion which will include draft site plan showing layout, structural cross-sections with accurate material sizes (stone layers), basin and entrance dredge areas/depths/volumes, beneficial use dredge material and offshore placement locations and capacity, utility corridors, drainage, and access routes.
5. Outline of technical specifications.
6. Draft bid tabulation (Proposed Contract Line Item Numbers [CLINS]).
7. Draft construction schedule.

This strategy offers multiple benefits. It maintains budget neutrality by reallocating budgeted funds from the deferred ship simulation study to design development within a tolerable risk level for the feasibility study phase. It achieves the desired reduction in risk by reaching the design maturity necessary for accurate cost estimates and Section 902 compliance. Finally, the option of dividing the workload improves schedule efficiency by allowing the PDT to concentrate on delivering the feasibility report and managing their other high-profile Alaska project obligations, while the design work is progressing under a work-in-kind contract to maintain study momentum.

The City of Homer respectfully requests the USACE Alaska District's concurrence on deferring the full ship simulation to the PED phase, and your consideration of advancing the 30% design as work-in-kind and incorporating these adjustments into the Project Management Plan.

Thank you. We look forward to continued collaboration to ensure the successful advancement of the Homer Navigation Improvements project.

Sincerely,



Melissa Jacobsen, City Manager



Bryan Hawkins, Port Director

giá trị sau, nhằm tăng cường khả năng bảo vệ môi trường và tăng cường khả năng bảo tồn, phục hồi và phát triển bền vững của khu vực. Trong thời gian qua, các cơ quan quản lý, các doanh nghiệp và các cá nhân đã nỗ lực và cố gắng hết sức để bảo tồn, phục hồi và phát triển bền vững các di sản văn hóa phi vật thể, các di sản tự nhiên và các di sản hỗn hợp. Tuy nhiên, vẫn còn nhiều thách thức và khó khăn cần giải quyết.

Trong thời gian qua, các cơ quan quản lý, các doanh nghiệp và các cá nhân đã nỗ lực và cố gắng hết sức để bảo tồn, phục hồi và phát triển bền vững các di sản văn hóa phi vật thể, các di sản tự nhiên và các di sản hỗn hợp. Tuy nhiên, vẫn còn nhiều thách thức và khó khăn cần giải quyết.

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Congress of the United States

Washington, DC

January 6, 2026

The Honorable Adam Telle
Assistant Secretary of the Army for Civil Works
108 Army Pentagon
Washington, DC 20310-0108

Dear Assistant Secretary Telle:

I/We write to you today regarding recently implemented policy changes within the Army Corps of Engineers' (Army Corps) civil works programs requiring project sponsors to achieve 35% design completion prior to seeking an Army Corps authorization, up from the previously required 15% design maturity status. I/We understand the underlying rationale for this shift and are appreciative of the Army Corps' efforts to streamline internal processes and review timelines to meet this new requirement. However, we also want to highlight and address potentially unintended financial burdens for certain project sponsors that the new policy has caused, especially amongst communities in Alaska.

As you are aware, the nature of Army Corps' projects in Alaska can vary significantly from those often found in the Lower 48, with project sponsors often being smaller communities and local governments hosting significant infrastructure jurisdictional to the Army Corps. Though some civil works project sponsors – such as large municipalities or public works agencies – can accommodate unforeseen costs to the tune of hundreds of thousands or millions of dollars, this can be challenging for certain project sponsors, particularly small communities in Alaska. Specifically, the change in design threshold changes the previous federal-local cost-share by requiring project sponsors to cover half of the increased cost to complete the additional 20% design required by the policy shift. Under the prior policy, the 90% federal-10% local cost-share for Project Engineering and Design would have applied for the cost of taking design from 15% to 35%.

In Alaska, additional costs of this scale are of significant concern to small local communities acting as project sponsors. Communities and stakeholders find it challenging to be burdened with these costs midway through the process, as they are already making progress on project design and planning with a specific budget in mind. These sorts of unforeseen costs can undermine public trust in the civil works process, create disruptions and delays, and create complications for local stakeholders and constituents. Furthermore, if a project sponsor cannot meet these additional unforeseen financial requirements, a given project's progress through the General Investigation process may be halted, or the project may be altogether stopped. Ultimately, we do not want to see the Army Corps' nor local sponsors' tax dollars go to waste.

Consequently, we would respectfully request that the Army Corps examine its authorities in consideration of the following questions:

1. Does the Army Corps have any authorities that could provide small-scale financial relief to local project sponsors that have been impacted by administrative policy changes, particularly in the middle of the General Investigation process? If not, can any existing authorities be modified to assist project sponsors in these circumstances, or would new authorities need to be created altogether?
2. Does the Army Corps have available funding to provide financial relief in the case of having adequate authority as outlined in question 1?
3. Does the Army Corps anticipate any project delays or challenges as a consequence of this policy shift?

Again, we would reiterate that we are broadly supportive of this policy change and its rationale. Efforts to seek efficiency and interagency communications improvements within the Army Corps' internally is a prudent means to save taxpayer dollars and we applaud these efforts. In doing so, we urge the Army Corps to undertake any actions necessary to minimize any project interruptions and undue financial impacts imposed upon small local project sponsors. Thank you again for your consideration and for the Army Corps' work on behalf of the American people.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nicholas J. Begich III".

Nicholas J. Begich III
Congressman for All Alaska



City of Homer

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Memorandum

TO: Mayor Lord and Homer City Council
FROM: Melissa Jacobsen, City Manager
DATE: February 4, 2026
SUBJECT: City Manager's Report for February 9, 2026 Council Meeting

Homer Education and Recreation Campus (HERC) Cleanup Community Meeting

The City of Homer is hosting an informational meeting about HERC cleanup options. Please join us at the Kachemak Bay Campus on Thursday, February 12, 2026 at 6:00 p.m. for a presentation, followed by Q&A.

The presentation will feature Flannery Ballard, Brownfields Lead for the Alaska Department of Environmental Conservation, and will cover these topics:

- Brief background overview of the HERC regarding hazardous materials
- Results and implications of the recent soils tests and Analysis of Brownfields Cleanup Alternatives (ABCAs)
- Next steps based on the ABCA alternatives

The City will also provide an update on recent/ongoing work on the HERC activity room and gymnasium.

We hope to see you there! But for those who can't make it in person, we are arranging to offer an online viewing opportunity via Zoom. Check back here closer to the date of the event for the Zoom link.

Also, if you'd like to familiarize yourself with where we are now before the meeting, check out the webstory detailing the HERC hazardous material cleanup and revitalization plan linked here. [HERC Hazardous Material Cleanup and Revitalization Plan](#) For additional information, please contact us by email planning@ci.homer.ak.us or by phone (907) 435-3119.

Federal Funding Secured for the A-Frame Water Transmission Main Project

I am pleased to announce that the City has been awarded \$937,868 in federal funding through the Community Project Funding/Congressionally Directed Spending process. This federal investment, along with state and local funding will be used for the A-Frame Water Transmission Main project. This project, a high priority in the City's Capital Improvement Plan, corrects a vulnerability in the City's drinking water supply system. It replaces over 1,200 feet of cast iron water line that has served our community since the 1960s. Over time, the cast iron pipe has become brittle and corroded with age and is located on a steep slope, making it extremely vulnerable to damage from ground movement, slope instability, or seismic activity.

This funding was included in the FY 2026 Interior, Environment, and Related Agencies Appropriations bill, which passed the Senate on January 15, 2026, and was sent to the President's desk for final approval. The City extends sincere appreciation to Representative Begich and Senator Murkowski for their steadfast advocacy and leadership in securing this vital investment in the development and improvement of the city's drinking water infrastructure, and to Senator Sullivan for his ongoing support of investments like this in Homer and across the state. Their collective dedication delivers tangible benefits—stronger essential services

and enhanced community resilience for all who live and work in Homer. This project, combined with the Raw Water Transmission Main replacement funded by a Hazard Mitigation grant represents major progress in safeguarding the City's water supply system. Replacement of the raw water transmission main is expected to begin in late winter/early spring—stay tuned for more details.

Federal Appropriation Approved for Homer Harbor Float Replacement Project

On Tuesday, February 3, the House of Representatives passed the Senate-passed Consolidated Appropriations Act, 2026, which includes approved FY26 Community Project Funding (CPF)/Congressionally Directed Spending (CDS) requests submitted by Representatives and Senators in Spring 2025 under the Transportation-Housing & Urban Development (T-HUD), Labor-Health & Human Services, and Financial Services-General Government accounts.

I am pleased to announce the award of \$250,000 from the T-HUD account in support of the Homer Harbor Critical Float Replacement project. We are deeply grateful to Senator Murkowski and Congressman Begich for their advocacy in securing this appropriation, which recognizes both the harbor's vital role in supporting transportation and freight connections across vast expanses of Alaska and the critical condition of our aging float infrastructure—a project we have advanced to construction-ready status in recognition of the pressing need to maintain safe and reliable harbor operations.

Presently, the float replacement project is moving toward 100% design completion and awaiting news of FY2025 Port Infrastructure Development Program grant award decisions to help fund construction. This federal appropriation will complement Denali Commission support, and local funding to help replace the aging float infrastructure, addressing essential harbor needs and ensuring reliable, efficient operations for residents and maritime commerce well into the future. You can read [Senator Murkowski's February 3, 2026 Press Release](#) highlighting wide-ranging appropriation awards throughout Alaska.

Local Business Change

Residents may have noticed some transition on Pioneer Avenue. The long-standing Fireweed Gallery has closed and the building was purchased by Capital 1. Fireweed Gallery served the community and our visitors for many years and they will be missed. Attached to this report is an article about Capital 1's motivation to come to Homer based on our new Comprehensive Plan!

Kenai Peninsula Borough Tax Foreclosure Property

The Kenai Peninsula Borough regularly offers tax-foreclosed properties to cities and service areas before selling them at public auction. The Borough has notified the City about a tax-foreclosed lot at the bottom of Mattox, west of the Airport Critical Habitat Area and north of Beluga Lake. The property may have up to \$2,000 in fees and back taxes. The City has a major drainage ditch along the west side of Mattox, and this parcel is very low, wet, and without utility access. Administration will bring forward an ordinance to fund the purchase of this property for conservation purposes and to support potential future green infrastructure and stormwater needs.



City Hall Elevator

Last year the City Council appropriated funding for elevator repairs that are necessary for the elevator to be recertified for use. The contractors will be on site Monday, February 9th and begin work on the elevator on the 10th. The elevator will be out of order for approximately one month while the work is being done. City staff will accommodate citizens who access either level of the building if they are unable to move between floors until the elevator is back in operation, and we thank everyone in advance for their patience.

City Manager Meetings and Events:

January 29th – KPB Mayors and Managers meeting hosted by Mayor Micciche

And, ongoing weekly meetings with Departments, Mayor and Councilmembers, and City Attorney

Attachments:

HERC Community Meeting Flyer

Homer Harbor Expansion Report

Credit Union 1 Article

February Employee Anniversaries

2025 Homer Public Library Annual Report

Enstar Natural Gas - Q4 2025 Homer Surcharge Reconciliation

Join us!

HERC Cleanup Community Meeting

We'll cover:

- » Recent hazmat test results
- » Recent remediation
- » Cleanup Options
- » Next steps

Thursday, Feb 12

6 pm Presentation
followed by Q&A

Kachemak Bay Campus
533 E Pioneer Ave
with Zoom option



More info at
cityofhomer-ak.gov/



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Homer Harbor Expansion General Investigation Update

Item Type: Informational Memorandum

Prepared For: Homer City Council, Port & Harbor Advisory Commission

Date: February 4, 2026

From: Jenny Carroll, Special Projects & Communications Coordinator

Through: Melissa Jacobsen, City Manager

Purpose: This memorandum provides the Homer Harbor Expansion Study monthly written update to Homer City Council per Resolution 23-037.

Update: The United States Corps of Engineers (USACE) Project Development Team (PDT) is following guidance from headquarters to meet the new 35% design requirement on schedule and within the existing General Investigation budget.

Project Management Plan:

Accordingly, the USACE team is making minor updates to the Project Management Plan (PMP), the most significant being that they moved the Ship Simulation exercise into the Preconstruction Engineering and Design phase, freeing up funding to accomplish 35% design. City staff support this move. The entrance channel is expected to change very little, given the relatively straight forward entrance channel design and the ability to model conditions. City staff have offered to host a tabletop exercise with local, highly experienced large vessel captains and USACW's Hydrology and Hydraulics technician to gain initial local feedback on sufficiency of design.

Another cost-saving measure is reducing the all-inclusive PDT meetings from twice a month to once a month. When issues arise, smaller focus teams and sponsors can still meet as needed.

An addition to the PMP is a Command Validation Milestone visit (which replaces the Agency Decision Milestone). This study milestone ensures senior leader endorsement of the Recommended Plan. It involves a visit from USACE Headquarters and occurs within two months after three key reviews are complete: the Agency Technical Review, public/agency review, and Legal Compliance Review of the draft report, with all comments documented. The visit focuses on verifying the engineering strategy for sufficiency and ensuring vertical team alignment.

The new Project Management Plan is still being completed, but to stay on schedule, the Draft Feasibility Report would likely be released for public comment around the end of 1st Quarter or beginning of 2nd Quarter 2026, with the Chiefs Report tentatively due in March 2027. However, these dates are subject to change as the team and agency navigate new policy requirements and recent staff turnover.

Geotechnical Report:

The PDT received the geotechnical boring test report and is now working on stability calculations to inform breakwater cross section design and rock quantities. While we don't yet know the settlement and seismic consequences, the settlement results align with expectations from previous drilling work. Once the breakwater design is finalized, the team will input the data into the economics model and revisit their Tentatively Selected Plan analysis.

Initial chemical analysis of sediment grabs taken during the borings is showing no chemicals of concern.

The next PDT meeting is scheduled for February 11, after which we hope to have a better understanding of the geotechnical requirements and implications on the Tentatively Selected Plan recommendation.

Continued Expansion as Credit Union 1 Plans Homer Branch

Jan 27, 2026 | [Finance](#), [News](#)



Coming soon to Pioneer Avenue in Homer: a new credit union branch.

After a year that saw Credit Union 1 (CU1) open three new branches around Alaska, 2026 begins with plans for the next full-service branch opening in Homer. Located at 475 East Pioneer Avenue, the branch is scheduled to open in mid-summer.

Photo Credit: Credit Union 1

Sweet Sixteenth

“CU1’s decision to open a branch in Homer was inspired by the city council’s 2045 Homer Comprehensive Plan and the community’s clear commitment to thoughtful growth, strong neighborhoods, and a thriving local economy,” says CU1 President and CEO Mark Burgess. “We’re opening a branch in Homer so we can be right here with you, providing local service, trusted guidance, and the financial tools that help families and businesses build what’s next.”

The new CU1 branch is intended to help close a gap in Alaska-focused financial services on the Lower Kenai Peninsula for small businesses, fishing families, seasonal workers, and year-round residents. Staff at the new branch will offer consumer banking, mortgage lending, and business solutions.

“Our goal is to show up in a way that reflects Homer’s values and spirit,” says CU1 COO Erika Smith, a long-time Kenai Peninsula resident. “Because we serve only Alaska, our decisions are made locally, and our resources are reinvested directly back to the communities we serve.”

CU1 has served Kenai Peninsula members since 1972. The only state-chartered credit union in Alaska formed in 1952 as Anchorage Teachers Federal Credit Union and enlarged through a series of mergers. Another merger was announced last year, with MAC Federal Credit Union in Fairbanks. CU1 also expanded its business lending program and opened three branches: in Kotzebue, Skagway, and Wasilla.

The branch in Homer would be its sixteenth.



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Memorandum

TO: MAYOR LORD AND CITY COUNCIL
FROM: Andrea Browning
DATE: February 9, 2026
SUBJECT: February Employee Anniversaries

I would like to take the time to thank the following employees for the dedication, commitment and service they have provided the City and taxpayers of Homer over the years.

Jenny Carroll	Admin	10	Years
Morgan Tracy	Police	9	Years
Tyler Jeffres	Police	7	Years
Mike Swoboda	PW	3	Years
Dan Kort	PW	2	Years
Leon Galbraith	PW	2	Years
Mark Bowman	Port	1	Year

Homer Public Library

2025 Annual Report



Halloween is the most important day in any library.

During 2025, dozens of people contributed their efforts toward upgrading the library's infrastructure, including renovating the old copy room into a new study room; installing benches, signage and an informational kiosk on the western lot; replacing the old public computers and laptops with new equipment; debuting a new print-management system; and making progress on installing a security grille at the front entrance.

Library staff compiled a list of every known volunteer, donor, grantor and community partner in the library's 86-year history, and the Homer city council recognized the extraordinary generosity of those supporters with a formal resolution. Staff also prepared a report for the Library Advisory Board (LAB), reviewing nearly 90 years of debates over library funding.

The LAB focused on streamlining its fundraising procedures and growing the endowment, which reached the \$100,000 mark in the fall. The board closed out the year by planning celebrations for 2026, which marks the 20th anniversary of the current library building.

The Friends of the Homer Library (FHL) revised their bylaws and ran many, many events throughout the year—author visits, film showings, activities for kids, a beekeeping workshop, a community poetry reading, a discussion panel, and all their regular events like the Celebration of Lifelong Learning, the book-and-plant sales, Tech Help, Conversations with a Councilmember and a computer skills class.

- Virtual author talks for January: T.J. Klune (*The House in the Cerulean Sea*), Amanda Montell (*The Age of Magical Overthinking*), Seth Fishman on working with a literary agent.
- Jan. 1-Mar. 31: Art in the Library displays landscape paintings by Diane Spence-Chorman.
- Jan. 1: The balance in the library endowment fund stands at \$81,842.
- Jan. 2: The library shows *The Princess Bride* in the meeting room.
- Jan. 23: Local author Hal Shepherd visits the library to talk about his work on water quality and management across Alaska.
- Jan. 29: Renovations begin on study room 6.
- Virtual author talks for February: Sabrina Sholts (*The Human Disease*), Waubgeshig Rice (*Moon of the Turning Leaves*), Lee Hawkins (*I Am Nobody's Slave*).
- Feb. 4: Megan DeCino teaches teens how to make a valentine collage.
- Feb. 5: One of the catalog computers moves to a new location and the record player goes out by the vinyl collection. The library removes the chatbox from its website because of spam.
- Feb. 6: Renovations are complete in study room 6.



City staff spoke with high-school students about AI on January 22.

January

On January 22, Bill Jirsa, Susie Inglis and Dave Berry dropped by the high school to talk about Artificial Intelligence, reprising a presentation previously given at the library in October 2024. Many students already had experience with AI and brought up some highly technical questions.

Renovations in study room 6 began on January 29. Building maintenance personnel removed all the built-in furniture, repaired the carpet, repainted the walls, replaced part of the baseboard, and put up sound-absorbent panels.

February

Library staff shifted one of the catalog computers to the far northeast corner of the building, making space for the record player right next to the vinyl collection.

Building maintenance completed the renovations in study room 6 on February 6. By the end of the year, 439 people had used the room for meetings, videocalls and quiet study.

The FHL board debated the donor recognition policy, specifically as it relates to the Fish Wall, and sent recommended changes to the LAB.

- Feb. 7: Staff from the Pratt Museum visit the library to explore fossils with kids.
- Feb. 18: The Friends of the Homer Library host a beekeeping video and discussion.
- Virtual author talks for March: Dan Heath (*Reset*), Clara Bingham (*The Movement: How Women's Liberation Transformed America 1963-1973*), Jennifer Weiner (*The Griffin Sisters' Greatest Hits* and many others).
- Mar. 4: The Friends of the Homer Library invite the public to read or perform their favorite poems.
- Mar. 14: Executive Order 14238 effectively dismantles the Institute of Museum and Library Services (IMLS).
- Mar. 18: The library shows the PBS documentary *Free For All: The Public Library*.
- Mar. 24: The Homer City Council passes Resolution 25-024, endorsing the mission of the IMLS and encouraging officials at all levels of government to support its current functions.
- Mar. 29: The Celebration of Lifelong Learning recognizes Carol Comfort and Beatrix McDonough for their dedication to education and community.
- Mar. 31: All IMLS staff are placed on administrative

March

On March 14, President Donald Trump issued an executive order that effectively dismantled the Institute of Museum and Library Services (IMLS), the main source of federal funds for museums and libraries across the country. In response, the Homer City Council passed Resolution 25-024 on March 24, expressing support for the mission of the agency and urging officials at all levels of government to continue its functions. One week later, all IMLS staff were placed on administrative leave.

On March 18, department heads met at City Hall to discuss preparations for the eruption of Mt. Spurr. Library staff developed a detailed checklist of tasks and reviewed it as a group, wrapped nonessential equipment in plastic or stored it in lidded bins, prepped plastic sheets atop bookshelves for quick deployment, and acquired more N95 masks and cleaning equipment.



Beatrix McDonough received the Youth Lifelong Learner award on March 29.

Congratulations to Carol Comfort and Beatrix McDonough, the honorees for the Celebration of Lifelong Learning! The party ran all evening and the last guests stayed until past 10 pm.

The Homer Foundation Youth Advisory Committee (YAC) gave the library \$1,000 for sports equipment.

leave.

- Virtual author talks for April: Jodi Picoult (29 novels), Matthew Fleming (*The Tree Book*), Gregg Hurwitz (24 thrillers, including the *Orphan X* series).
- Apr. 1-June 30: Art in the Library displays wood-and-seashell sculptures by Rika Mouw.
- Apr. 1: New story trail posts installed.
- Apr. 8: The library hosts a fireside chat with Kachemak Bay Recovery Connection.
- Apr. 11: Library staff collaborate with the Pratt Museum to have fun with bears.
- Apr. 24: The library receives a visit by Lily Tuzroyluke, author of *Sivulliq*, featured in the 2024 Lit Lineup and the 2025 Alaska Reads. This event also includes a celebration of the tenth anniversary of the Lit Lineup.
- Apr. 29: In conjunction with Kenai Peninsula Votes, the library hosts a community conversation exploring areas of political disagreement.
- Virtual author talks for May: David H. Rosmarin (*Thriving with Anxiety*), Liann Zhang (*Julie Chan is Dead*), Rachelle Bergstein (*The Genius of Judy*).
- May 9-10: The spring book-and-plant sale takes over

In 2024, the library partnered with Newspapers.com to digitize the microfilm reels of the *Homer News* from 1954-2021. Building on that partnership, the library shipped all its remaining microfilm to the company, including the complete publication history of the *Homer Tribune* from 1991-2019, the *Cook Inlet Courier* from the 1950s and 60s, and miscellaneous issues of the *Daily Sitka Sentinel* and *Arrowhead Press*, *Great Lander Shopping News* and *Kenai Peninsula Pioneer*.

The LAB debated several small revisions to the *Library Policy Manual* and added an appendix of case law related to the process for reconsideration of materials. 2026 marks the 20th anniversary of the library moving into its current building, 2027 marks a half-century as a City department, and 2028 is the 90th anniversary of the library's founding, so the LAB began planning celebrations for these milestones.

April

In partnership with the Porcupine Theater, the library began distributing five free movie tickets each week. Patrons can check out tickets at the front desk with a limit of one ticket per library card.

The City Parks and Trails Division installed the last of the new posts for the story trail.

The federal government continued dramatically cutting funding, and libraries around the nation grappled with severe impacts on services and collections. The City government also confronted a budget shortfall. Homer made extensive operating reductions but managed to avoid layoffs.

Alaska Reads author Lily Tuzroyluke gave a talk on her book *Sivulliq*, which featured in the 2024 Lit Lineup. Since this event coincided with the 10th anniversary of the Lineup, Teresa Sundmark and Matt Smith presented a brief history of the program.

Following comments from the city attorney, the LAB reconsidered some revisions to the *Library Policy Manual* and sent them to the City Council, which adopted them on April 28.

the library.

- May 10: The story trail features *Working Boats*, by Tom Crestodina.
- May 13: Linda Fritz, author of *Answering Alaska's Call*, visits the library to talk about her family history in Alaska.
- May 20: The library hosts a discussion about the future of the HERC building.
- May 21: Volunteers install the newly-refurbished railing outside the library.
- May 22: Aurora Hardy, author of *Windswept* and *Ghost of the Kenai*, visits the library.
- May 27: Workers install an informational kiosk at the end of the library's western lot.
- May 29: The State fire marshal approves the design for a security grille at the library entrance. By public demand, the library hosts a second showing of *Free For All: The Public Library*.
- Virtual author talks for June: Brian Gratwicke and Gina Della Togna (*Extinctopedia*), Lisa Jewell (*Don't Let Him In*), Katherine Applegate (many children's titles).
- June 10: The story trail features *Mr. Fox's Game of No*, by David LaRochelle. Clark Fair gives a presentation on historic cabins of the Kenai



Paul Hueper and Larry Martin refurbished the railing outside the library on May 21.

May

The bookmobile visited the Safe and Healthy Kids Fair, where the youth services librarian and teen volunteers signed up 170 kids for the summer reading program. Summer readers threw themselves into a collectable-card game, claiming a different card for every 30 minutes of reading, and so many participants wanted to collect them all that library staff spent much of the season making more cards.

Volunteers with the Church of Homer refurbished the red-oak railing outside the front door of the building.

Doug Baily, Taz Tally and Ed Berg met with library staff and Friends of the Library to mark the location for the future geology display, at the far end of the western lot beside the Poopdeck Trail. Local carpenter Brad Caesar constructed a display kiosk, which he and Parks and Trails Division Head Chad Felice installed nearby on May 27.

Library staff delivered a 160-page report to the LAB about the history and funding of the library, complete with a 300-page annotated bibliography. The report surveys past debates over library funding and analyzes the practicality of the many different proposals over the years.

Peninsula.

- June 12-July 3: ASL Club.
- June 17: Make your own game for teens and tweens.
- June 18: The City Parks and Trails Division installs the reading bench around the tree beside the story trail.
- June 19: Ted Carter gives a presentation on Juneteenth.
- June 24: The Friends of the Homer Library put up posters for wild plants and the “Welcome to the Homer Public Library Greenway and Story Trail” sign at the western end of the Story Trail.
- June 30: Newspapers.com finishes digitizing the last of the library’s microfilm. All local newspapers are now available online going back to the 1950s.
- Virtual author talks for July: Raúl the Third (*;Vamos! Let’s Go Read!*), Marie Lu (the *Legend* trilogy and the *Young Elites* trilogy), Rex Ogle (*Free Lunch*), Pria Anand (*The Mind Electric*).
- July 1-Sept. 30: Art in the Library displays paintings and collaborative works by RJ Nelson, Artability and Homer high-school students.
- July 4: The bookmobile cruises in the Independence Day parade.
- July 9: The Book Scavengers Book Club meets in the



Parks and Trails staff installed the new reading bench on June 18.

June

The City Parks and Trails Division installed the reading bench around a spruce tree next to the story trail. On June 24, the welcome sign and the guide to native plants went up in the kiosk at the western end of the trail.

Clark Fair gave a talk about his book *A Vanishing Past: Historic Cabins of the Kenai National Wildlife Refuge*, and Ted Carter followed a week later with a talk about Juneteenth.

Newspapers.com finished digitizing the library’s entire collection of microfilm and made all the records available online.

July

As always, the bookmobile made a splash at the Fourth of July parade. Volunteers dressed as chess pieces, all in black or all in white, and staged a brief game for the judges.

The summer reading program wrapped up in spectacular fashion on July 26, with an estimated 170 partiers enjoying music from Shamwari, food from Global Credit Union and Udder Delights, and prizes from many local businesses.

meeting room.

- July 10: The story trail features *Alaska's 12 Days of Summer*, by Pat Chamberlin-Calamar.
- July 17: The library hosts a teen mystery party.
- July 18: The library hosts an escape room for elementary kids.
- July 24: Kids explore making mosaic art with Sharlene.
- July 25-26: Artist Lee Post teaches comic drawing for kids.
- July 26: The summer reading program ends with a massive party.
- Virtual author talks for August: Jay Falk (*The Bird Book*), Casey McQuiston (*The Pairing*), Tascha Eurich (*Shatterproof*).
- Aug. 10: The story trail features *The Odd One Out*, by Britta Teckentrup.
- Aug. 14: Naomi Klouda, author of *Anna's Whale*, visits the library to talk about her new book, *The Alaska Glacier Dictionary*.
- Virtual author talks for September: Hannah Nicole Maehrer (*Assistant to the Villain*), Jefferson Fisher (*The Next Conversation*), Gabe Henry (*Enough is Enuf: Our Failed Attempts to Make English Easier to Spell*).
- Sept. 10: The story trail features *The Book Without a*



Young mosaicists demonstrated their artworks on July 24.

Thanks to all the organizations and individuals who supported the summer reading program

The Willow Fund at the Homer Foundation • Global Federal Credit Union • "Sponsor a Reader" donors • Homer Bookstore • Alaska State Library • Homer Emblem Club #350 • Ulmer's Drug & Hardware • Homer's Jeans • Two Sisters Bakery • Captain's Toy Chest • Cycle Logical • Homer Shores • Sustainable Wares • Bubble's Soda Parlor • NOMAR • Homer Art and Frame Co. • Salty Girls • Udder Delights Ice Cream • Shamwari • Save-U-More • City of Homer Community Recreation • Zen Den Café • Karol Miller • The Gilded Table • SalmonFest Alaska • And most of all: library staff and the Friends of Homer Library, particularly Youth Services Librarian Cinda Nofziger and FHL Coordinator Cheryl Illg.

August

With many months of effort, library staff assembled a list of every known volunteer, donor and community partner in the library's history, going all the way back to 1938—about 3,700 entries in all. On August 11, the Homer City Council passed Resolution 25-074, thanking the public for their unfailing support through nearly nine decades.

Naomi Klouda gave an author talk on August 14 about her new book, *The Alaska Glacier Dictionary*.

Story, by Carolina Rabei.

- Sept. 11: The Origami Queen teaches origami in the meeting room.
- Sept. 18: The library hosts a candidate forum for KPB School Board.
- Sept. 24: The library hosts a candidate forum for Homer City Council.
- Sept. 26-27: The fall book-and-plant sale features amazing deals.
- Virtual author talks for October: Adrián Aldaba and Emily Key (*Nuestra América*), Leigh Bardugo (*Six of Crows*), Malala Yousafzai (*Finding My Way*), Philippa Gregory (*The Other Boleyn Girl*).

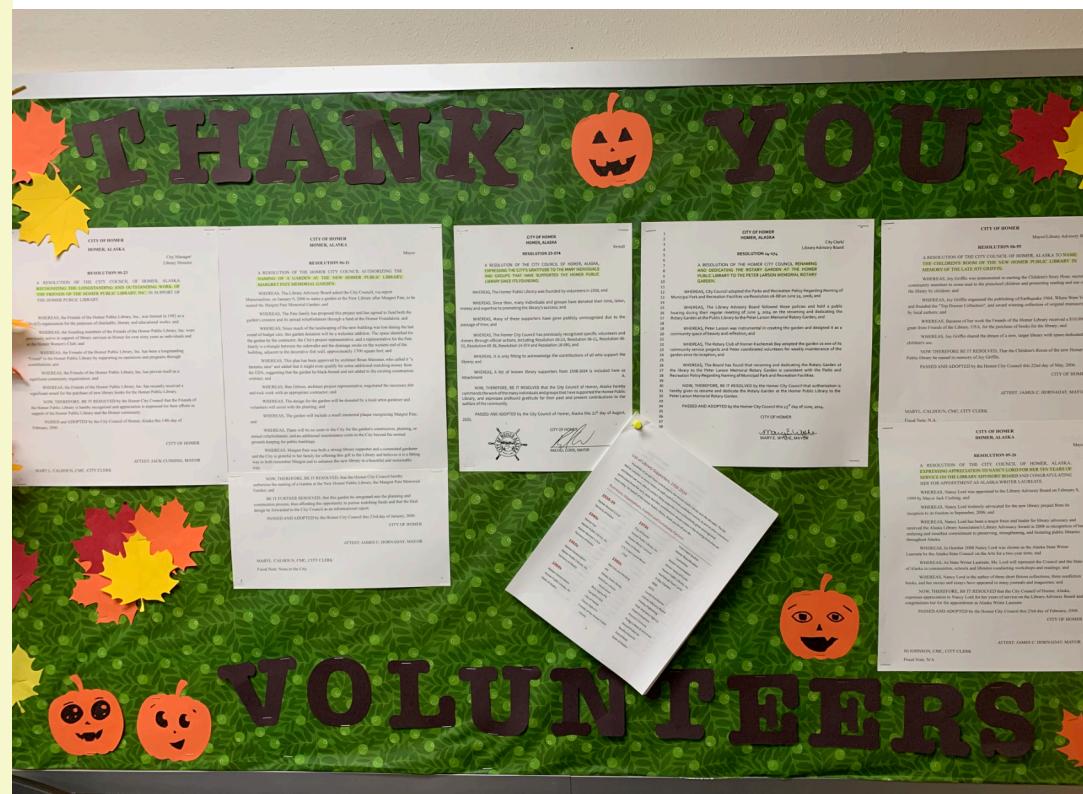
- Oct. 1-Dec. 31: Art in the Library displays driftwood landscapes and acrylic paintings by June Denver.
- Oct. 1: The federal government shuts down because of budget disputes. Existing IMLS grants continue, though new grant applications are suspended.
- Oct. 7-30: The library hosts several events for Teentober.
- Oct. 17: Staff from the library and the Pratt Museum once again have fun with bears.
- Oct. 25: The library hosts a Volunteer Appreciation Luncheon.
- Virtual author talks for

September

The library hosted two candidate fora in partnership with the League of Women Voters, KBBI and the *Peninsula Clarion*.

On September 16, the LAB held a special worksession to discuss ideas for the 20th anniversary celebrations. During this quarter, the balance in the library endowment climbed above \$100,000, reaching a milestone the LAB set for itself in 2020.

Patrons crowded into the building for the FHL book and plant sale on September 26-27, and there wasn't much left by the end of Saturday. On September 29, more than a fifth of FHL's membership met at the library to revise the organization's bylaws, and the vote passed 55-0.



The City showed its gratitude to its supporters at the Volunteer Appreciation Luncheon on October 25.

October

The library received two grants in October, including \$19,000 from the Rasmuson Foundation for installing a security grille and \$6,462 from the Alaska State Library for internet costs.

On October 25, about 35 volunteers came to enjoy an excellent lunch and socialize. Library volunteers perform all kinds of different tasks—shelving, cleaning, book repair, driving the

- November: Joseph Lee (*Nothing More of This Land*), Amanda Peters (*The Berry Pickers*), Charles Duhigg (*Supercommunicators*).
- Nov. 10: City Council approves revisions to the library privacy policy.
- Nov. 12: The federal government reopens.
- Nov. 13: New laptops are available for checkout. The biweekly computer-skills class meets for the first time.
- Nov. 25: The library begins replacing aging public computers with new Google Chromeboxes. The new print-management system goes live, enabling patrons to print from phones or laptops.
- Nov. 29: The giving tree goes up in the front lobby of the library.
- Virtual author talk for December: Sue Hincenberg (*The Retirement Plan*).
- Dec. 1: The library implements a new text-messaging system. Patrons can sign up to receive text notifications about holds, overdue items and expiring library cards.
- Dec. 3: Homer Public Library is featured on *Reading Road Trip: Alaska*, on PBS. The IMLS completes its review of grant operations and fully restores all existing grant awards, including ones that

bookmobile, reviewing materials and programs on the radio, organizing programs, and much more. Many thanks to the thousands of people who have contributed their labor to the library over the years, and particularly the 100+ who do so currently.

The LAB voted to amend the library's privacy policy by adding a section on library communications with patrons.



Staff replaced the old public computers in November and December.

November

On November 10, City Council accepted \$19,000 from the Rasmuson Foundation for the security grille and approved the new privacy policy.

Library staff put the first new public computers out on the main floor and replaced the aging public laptops with new Chromebooks. A new print-management system deployed, finally allowing patrons to print from personal devices and library-owned laptops.

On November 29, volunteers from the Friends of the Library set up the giving tree near the front entrance, and by the end of December patrons took every single tag off the tree.

had been terminated in March.

- Dec. 7: The Porcupine Theater hosts a screening of *The Librarians*, followed by a discussion panel sponsored by the Friends of Homer Library. A second showing takes place the next day.
- Dec. 9: Crafternoon makes gift boxes for teens and tweens.
- Dec. 11: Brian Smith visits the library to talk about his memoir and the trilogy of books in the *Ida Mae Joy* series.
- Dec. 12: The library and the Pratt Museum examine bird feet.
- Dec. 13: The Friends of the Homer Library host a pop-up sale for plants and gifts.
- Dec. 29: Rich Chiappone teaches a fly-tying class.
- Dec. 30: All public computers are replaced with new Google Chromeboxes.
- Dec. 31: The official balance in the library endowment fund stands at \$118,685.



On December 18, Youth Services Librarian Cinda Nofziger introduced a special guest for Radio Storytime.

December

The City issued a call for bids to install the new security grille. Potential contractors visited the site on December 15.

The Porcupine Theater hosted a showing of *The Librarians*, a documentary about book challenges in the Lower 48, followed by a panel discussion featuring Andy Haas, Deb Curtis and Dave Berry, moderated by Shellie Worsfold of the Friends of the Homer Library.

Local author Brian Smith visited the library to talk about his trilogy of novels in the *Ida Mae Joy* series and his memoir, *Golden Boy*.

The library's new text-messaging system went live on December 1. On December 30, the library retired the last of the old public computers.

Thank You!



Our deepest thanks to all those who supported the library over the past year. Many members of the public contributed their time, energy and money to the success of the institution. We here recognize those who donated to the library's long-term sustainability during 2025.

Library Endowment Fund

Anonymous (2)

Kathryn J. Anderson

Doug and Landa Baily

Nelson and Lilia Co

Brenda and James Dolma

Shirley Jean Evans

Marcia Kuszmaul

Annie Lowe

Ann Oberlitner

Marilyn Sigman

Glen Williams

Friends of Homer Public Library Endowment Fund

Esther Ashment

Dave Berry

Joy Steward

2025 by the numbers at Homer Public Library



105,613

Visits to the library

168,926

Items checked out



639

New library cards issued

14,406

Patrons attended programs

2,571

attended
Summer Reading events

3,930

sessions
Study Rooms + Meeting Room

28,565

sessions
Public computers + library WiFi

2,764

Volunteer hours logged





5151 Fairbanks Street
PO Box 190288
Anchorage, AK 99519-0288
www.enstarnaturalgas.com

January 30, 2026

Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501

Re: 2025 Fourth Quarter Homer Surcharge Reconciliation

Dear Commissioners:

In compliance with Order No. U-19-014(9), ENSTAR Natural Gas Company, LLC. submits its Homer Surcharge Reconciliation to the Commission for the quarter ending December 31, 2025.

Please contact me at 334-7620 if you have any questions concerning this filing.

Sincerely,

A handwritten signature in black ink that reads "Chelsea Guintu".

Chelsea Guintu
Manager of Regulatory and Planning
Phone: 907-334-7620
Fax: 907-334-7657
Chelsea.Guintu@enstarnaturalgas.com

Enclosures:

Homer Surcharge Reconciliation ending December 31, 2025

CERTIFICATE OF SERVICE

I hereby certify that on January 30, 2026, a true and correct copy of the foregoing document was served by electronic mail on the following:

Fiona Yiu
Fiona.yiu@alaska.gov

Jeff Waller
Jeff.waller@alaska.gov

City of Homer Clerks
clerk@cityofhomer-ak.gov

Kachemak City Clerks
kachemak@xyz.net

Kenai Peninsula Borough Clerks
assemblyclerk@kpb.us



Nathan Enslow
Regulatory Financial Analyst

ENSTAR Natural Gas Company
Homer Line Extension Surcharge
Calculation Example Schedule

Updated Homer Extension Surcharge Example

<u>Line #</u>		<u>Total Cost</u>	Funded by <u>State Grant</u>	Funded by <u>Surcharge</u>	TA 226-4 Est	Amount over <u>TA 226-4 Est</u>
1	Cost of Pipeline as of 10/31/2013	\$ 11,710,421.39	\$ 8,150,000.00	\$ 3,560,421.39		
2	Final Cost of Pipeline	\$ 11,780,072.22	\$ 8,150,000.00	\$ 3,630,072.22	\$ 2,550,000.00	\$ (1,080,072.22)

	<u>Rate of Return</u>	<u>Income Tax Recovery Rate</u>
3	Prior to Oct 2017 (From Docket U-99-69)	9.25%
4	Effective Oct 2017 (Order U-16-066(19) issued on 9-22-2017)	8.59%
5	Federal Tax Rate Change Effective Jan 2018 (2017 TCJA)	8.59%
6	Proposed methodology change Effective January 1, 2019	5.06%
7	Line Extension Surcharge =	1.00

8	Balance at 12/31/18	\$ 5,862,076
9	Final Cost Funded by Surcharge	\$ 3,630,072
10	Unrecovered Carrying Costs at 12/31/18	\$ 2,232,004
11	Excess ADIT-Grossed Up	\$ 1,074,827
	Unrecovered Net of Excess ADIT	\$ 1,157,177
	Adjustment	\$ (400,000)
12	Adjusted Unrecovered Net of Excess ADIT	\$ 757,177

Est. Amort. Period (Years) 13.5 Monthly Amort. = \$ 4,673.93

		Beginning			Additional			Rate of			Income Tax		Total		Mcf Sales	Surcharge		Unrecovered		Ending
		<u>Balance</u>		<u>Costs</u>	<u>Return</u>		<u>Recovery</u>	<u>Carrying Cost</u>	<u>Carrying Cost</u>	<u>Receipts</u>	<u>Carrying Cost</u>	<u>Net of Excess ADIT</u>	<u>Carrying Cost</u>	<u>Net of Excess ADIT</u>		<u>Receipts</u>	<u>Carrying Cost</u>	<u>Net of Excess ADIT</u>	<u>Carrying Cost</u>	
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>	<u>J</u>	<u>K</u>	<u>L</u>	<u>M</u>	<u>N</u>	<u>O</u>	<u>P</u>	<u>Q</u>	<u>R</u>	<u>S</u>
88	1/31/2025	\$ 1,691,047.26	\$ -	\$ 7,049.19	\$ 1,450.48	\$ 8,499.67		\$ 38,606.59	\$ (38,607)	\$ 4,673.93	\$ 1,665,614.26									
89	2/28/2025	\$ 1,665,614.26	\$ -	\$ 6,912.70	\$ 1,422.40	\$ 8,335.10		\$ 52,476.82	\$ (52,477)	\$ 4,673.93	\$ 1,626,146.48									
90	3/31/2025	\$ 1,626,146.48	\$ -	\$ 6,784.60	\$ 1,396.04	\$ 8,180.64		\$ 34,303.16	\$ (34,303)	\$ 4,673.93	\$ 1,604,697.88									
91	4/30/2025	\$ 1,604,697.88	\$ -	\$ 6,706.45	\$ 1,379.96	\$ 8,086.41		\$ 28,469.87	\$ (28,470)	\$ 4,673.93	\$ 1,588,988.36									
92	5/31/2025	\$ 1,588,988.36	\$ -	\$ 6,632.38	\$ 1,364.72	\$ 7,997.10		\$ 32,183.46	\$ (32,183)	\$ 4,673.93	\$ 1,569,475.93									
93	6/30/2025	\$ 1,569,475.93	\$ -	\$ 6,563.87	\$ 1,350.62	\$ 7,914.49		\$ 25,655.60	\$ (25,656)	\$ 4,673.93	\$ 1,556,408.75									
94	7/31/2025	\$ 1,556,408.75	\$ -	\$ 6,536.39	\$ 1,344.97	\$ 7,881.36		\$ 12,555.36	\$ (12,555)	\$ 4,673.93	\$ 1,556,408.68									
95	8/31/2025	\$ 1,556,408.68	\$ -	\$ 6,526.71	\$ 1,342.98	\$ 7,869.69		\$ 17,143.67	\$ (17,144)	\$ 4,673.93	\$ 1,551,808.63									
96	9/30/2025	\$ 1,551,808.63	\$ -	\$ 6,516.47	\$ 1,340.87	\$ 7,857.34		\$ 12,800.23	\$ (12,800)	\$ 4,673.93	\$ 1,551,539.67									
	10/31/2025	\$ 1,551,539.67	\$ -	\$ 6,504.46	\$ 1,338.40	\$ 7,842.86		\$ 17,957.82	\$ (17,958)	\$ 4,673.93	\$ 1,546,098.65									
	11/30/2025	\$ 1,546,098.65	\$ -	\$ 6,433.11	\$ 1,323.72	\$ 7,756.83		\$ 40,919.36	\$ (40,919)	\$ 4,673.93	\$ 1,517,610.05									
	12/31/2025	\$ 1,517,610.05	\$ -	\$ 6,310.60	\$ 1,298.51	\$ 7,609.11		\$ 42,050.61	\$ (42,051)	\$ 4,673.93	\$ 1,487,842.48									