

<input type="checkbox"/> PERSONAL		<input checked="" type="checkbox"/> COMMERCIAL		<input checked="" type="checkbox"/> NEW		<input type="checkbox"/> AGENCY RENEWAL		<input type="checkbox"/> ADD'L PREMIUM	
THIS AGREEMENT, made effective the <u>7</u> day of <u>January 2012</u> , between									
<b>EUGENE R SMITH</b> (Name of Borrower/Insured exactly as it appears in financed policies)								SSN OR TAX # _____	
ADDRESS <u>108 SE EGLIN PKWY</u>									
CITY <u>FT WALTON BEACH</u>			STATE <u>FL</u>		ZIP <u>33682</u>		PHONE # _____		
hereinafter called the Borrower, and Premium Assignment Corporation, a Florida Corporation hereinafter called Lender, for the purpose of financing the purchase of insurance policies described in the Scheduled Policies of Insurance listed in page 3 to this Agreement.									
TOTAL PRICE OF PREMIUMS	- CASH DOWN PAYMENT	= PRINCIPAL BALANCE OWED ON PREMIUMS	+ DOC STAMPS & SERVICE FEE (if applicable)	= TOTAL AMOUNT FINANCED	+ FINANCE CHARGE (Amount credit costs over term of loan)	= TOTAL OF PAYMENTS (Amount paid if all payments made as scheduled)	ANNUAL INTEREST RATE		
16,933.57	4,297.83	12,635.74	44.45	12,680.19	593.81	13,274.00	10.09		
SELECT BILLING OPTION: <input type="checkbox"/> Payment Book <input checked="" type="checkbox"/> Monthly Invoice					Amount of Monthly Payment	Number of Payments	Date First Payment is Due		
YOUR PAYMENT SCHEDULE WILL BE: Each monthly payment due on same day of each succeeding month until paid in full.					1,327.40	10	2/7/2012		

**FOR VALUE RECEIVED, BORROWER PROMISES TO PAY** to the order of Lender at the address given at the top of this page, the Total Amount Financed and all sums shown above, including interest at the Annual Interest Rate and other charges as described hereinafter, pursuant to the terms stated below and in page 2 of this Agreement.

- SECURITY FOR PAYMENT:** To secure payment of all sums due under this Agreement, Borrower grants Lender a security interest in any unearned premiums or other sums which may become payable under the Scheduled Policies of Insurance shown on page 3.
- LIMITED POWER OF ATTORNEY:** BORROWER IRREVOCABLY APPOINTS LENDER AS ATTORNEY-IN-FACT TO CANCEL THE SCHEDULED POLICIES OF INSURANCE AFTER BORROWER DEFAULTS IN MAKING PAYMENTS UNDER THIS AGREEMENT.
- NOTICE TO BORROWER:** (1) Do not sign this Agreement before you read it, or if it contains any blank space, (2) You are entitled to a completely filled in copy of this Agreement, (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the service charge, and (4) BY SIGNING BELOW BORROWER AGREES TO THE PROVISIONS ABOVE AND ALL OF THE TERMS WHICH APPEAR ON THE SECOND PAGE OF THIS AGREEMENT AND ACKNOWLEDGES RECEIPT OF COPIES OF PAGES 1, 2 AND 3 OF THIS AGREEMENT and (5) Up to 2 1/2% of the price of the premiums indicated above may be paid to the undersigned agent or broker and/or its affiliated companies by the Lender as part of a contractual arrangement relating to premium finance agreements.

SIGNATURE OF ALL INSURED[S] NAMED IN POLICIES OR AUTHORIZED AGENT OF INSURED[S], AS PERMITTED BY LAW:

12/27/11
12/27/11
  

  
 Date Name and Title: John R. Dandy, Jr. Personal Rep Date Name and Title: \_\_\_\_\_

**PRODUCER'S REPRESENTATIONS & WARRANTIES:**  
 The undersigned Producer represents and warrants that: (A) The Cash Down Payment shown above has been paid by or on behalf of the Borrower. (B) The Total Price of Premiums shown above has been or will be used to purchase insurance policies shown in the Scheduled Policies of Insurance on page 3 of this Agreement. Any portion of the Total Price of Premiums received by Producer that is not used to purchase such insurance policies, as well as any refunds or credits on such policies, shall be promptly paid to Lender. (C) To the best of the undersigned's knowledge and belief, Borrower is not subject to any bankruptcy or insolvency proceedings and Producer has no reason to believe that Borrower is insolvent. (D) The Borrower's signature(s) is (are) genuine and authorized, or to the extent permitted by applicable law, the Producer has been authorized by Borrower to sign this Agreement on Borrower's behalf. (E) Producer has delivered or will deliver a copy of this Agreement to Borrower. **Producer agrees that the Representations & Warranties above, as well as those on page 3 of this Agreement, are a binding contract between Producer and Lender.**

**PRODUCER / AGENCY**  
 Name BROWN & BROWN INC/PANAMA CITY  
 Address 647 LUVERNE AVE  
PANAMA CITY, FL 32401

\_\_\_\_\_  
Date PRODUCER'S SIGNATURE

IN CONSIDERATION of the payment by Lender of the Principal Balance Owed on Premiums shown on page 1 to the insurance companies named in the Scheduled Policies of Insurance shown on page 3 (or the agents of such companies), the Borrower agrees:

- 4. ACCEPTANCE DATE** This Agreement is binding upon its acceptance by Lender. Acceptance shall occur upon payment of the Principal Balance Owed on Premiums to the insurance companies named in the Scheduled Policies of Insurance, or the agents of such companies.
- 5. PAYMENTS** Borrower shall make payments directly to Lender in the amounts and at the same time specified on page 1 of this Agreement. Payments shall be made at Lender's address given at the top of page 1 or such other address as Lender may direct in writing. Payments made to any other address, person, firm, corporation or insurance agency (including but not limited to the Producer) shall not constitute payment to Lender. Payments received after cancellation of the Scheduled Policies of Insurance shall be credited to the unpaid balance due under this Agreement and shall not constitute reinstatement of the cancelled policies, nor shall it constitute a waiver by Lender of any rights.
- 6. LATE CHARGES** If a payment is more than 5 days late, Borrower agrees to pay a late charge not to exceed the greater of \$10.00 or 5% of each delinquent or unpaid installment, unless prohibited by applicable law.
- 7. DEFAULT/CANCELLATION** A default shall occur if Borrower fails to pay any sums required by this Agreement in a timely manner or if Borrower transfers a Scheduled Policy of Insurance. After default, any unpaid balance of the Total Amount Financed shall become immediately due and payable in full and Lender may enforce its security interest and its rights under the Limited Power of Attorney. Interest will continue to accrue on the unpaid balance at the Annual Percentage Rate or maximum rate allowed by applicable law, at the option of Lender, until all balances owed under this Agreement are paid. Lender may request cancellation of all or any of the Scheduled Policies of Insurance at the earliest time after default permitted by applicable law. Should Lender cancel the Scheduled Policies of Insurance, Borrower agrees to pay Lender a cancellation fee of \$0 as permitted by applicable law.
- 8. EXCESS INTEREST OR FEES** It is the intent of the Lender that no interest, fee or charge in excess of that permitted by applicable law will be charged, taken or become payable under this Agreement. In the event it is determined that Lender has taken, charged or accrued interest, fees or charges in excess of that permitted under law, such excess shall be returned to Borrower or credited against the sum due Lender hereunder.
- 9. REFUNDS** The Borrower will receive a refund of the finance charge if the account is prepaid in full prior to the last installment due date. The refund shall be computed according to applicable law subject to a nonrefundable service charge of \$20.
- 10. SHORTAGE OR OVERAGE OF RETURNED PREMIUM** If Lender does not receive unearned premiums or other funds after cancellation or expiration of the Scheduled Policies of Insurance in an amount sufficient to pay the unpaid balance due under this Agreement, Borrower agrees to pay the deficiency to Lender on demand. Interest shall accrue on the deficiency at the Annual Percentage Rate, or the maximum rate allowed by applicable law, at the option of Lender. If the unearned premiums received by Lender are more than the amount due under this Agreement, the excess shall be returned to Borrower within the time allowed by applicable law. If Borrower's refund is less than \$1.00 no refund need be made.
- 11. ATTORNEYS FEES/COURT COSTS** Borrower agrees to pay all attorneys fees, expenses and costs incurred by Lender in collecting amounts due from Borrower under this Agreement, which shall not exceed 20% of the amount due if the agreement is referred to an attorney not a salaried employee of Lender, including attorneys fees incurred on appeal and in bankruptcy.
- 12. LENDER RELATIONSHIP** Borrower acknowledges that: (a) Lender is not an insurance agent nor an insurance company, (b) This Agreement is a financing agreement and not an insurance policy or guarantee of insurance coverage, (c) Lender has played no part in the selection or structuring of the financed insurance policies, (d) Lender has no obligation to request reinstatement of any insurance policies properly cancelled after a default under this Agreement, and (e) The decision of whether to reinstate insurance coverage is made solely by the insurance companies providing coverage, not Lender.
- 13. ADDITIONAL PREMIUMS** Lender may advance to Producer, as Borrower's agent, or to an insurance company any additional premiums that may become due under the Scheduled Policies of Insurance, after borrower's payment of the down payment, by adding the advanced amount, plus any finance charge, to Borrower's balance under this Agreement. However, any additional premium which is owed to the insurance company(ies) named in the Scheduled Policies of Insurance as a result of any misclassification of risk which is not paid in full or financed in this Agreement may result in cancellation of the coverage by the insurance company for nonpayment of premium. Lender's payment shall not be applied by the insurer to pay for any additional premium owed by Borrower as a result of any misclassification of risk.
- 14. LENDER LIABILITY** Lender is not responsible for any damages resulting from cancellation of the Scheduled Policies of Insurance by Lender, as long as the cancellation was done in accordance with applicable law. Borrower shall be responsible for Lender's reasonable attorneys fees and expenses for any unsuccessful action filed by Borrower seeking damages for improper cancellation. Lender's liability for breach of this Agreement shall be limited to the Principal Balance Financed under this Agreement, if permitted by applicable law.
- 15. RETURNED CHECKS** Borrower agrees to pay a returned check fee of \$15, as allowed by applicable law, for each of Borrower's checks returned to Lender for insufficient funds or because the insured has no account in the payor bank.
- 16. WARRANTIES OF BORROWER** Borrower warrants that: (a) Each of the Scheduled Policies of Insurance have been issued or a binder has been issued; (b) Borrower has not and will not assign or encumber any unearned premium of the Scheduled Policies of Insurance or grant a power of attorney to cancel the Scheduled Policies of Insurance to anyone other than Lender until all sums due under this Agreement are paid in full; (c) Lender may assign all its rights under this Agreement as allowed by applicable law; (d) No proceeding in bankruptcy or insolvency has been instituted by or against Borrower or is contemplated by Borrower, and (e) No insurance financed by this Agreement was purchased for personal, family or household purposes, unless so indicated on page 1.
- 17. INTEREST CALCULATION** Interest is computed on an annual basis of 12 months of 30 days on the balance of the Total Amount Financed, from the effective date of the earliest insurance policy for which premiums are being advanced to the date when all sums due under this Agreement are paid.
- 18. BLANK SPACES** Borrower agrees that if any policy financed by this Agreement has not been issued at the time the Agreement is signed, the names of the insurance companies issuing the financed policies, the policy numbers and the due date of the first installment may be inserted in the Agreement after it is signed.
- 19. GOVERNING LAW** The Parties agree that the law of the state in which this Agreement is executed shall control the interpretation of the Agreement and the rights of the parties, unless the Agreement is executed in a state without premium finance laws, in which case the law of the State of Florida shall govern.
- 20. SAVINGS AND MERGER CLAUSE** The Parties agree that if one or more portions of this Agreement are found to be invalid or unenforceable for any reason, the remaining portions shall remain fully enforceable. The parties also agree that this Agreement contains the entire agreement between the parties regarding the subject matter herein and supersedes any prior discussions.
- 21. FINANCING OPTION** Entry into this financing arrangement is not a condition of obtaining insurance. You may opt to pay the premium for such insurance without financing such premium, or to obtain financing from some other source if you choose.

SCHEDULED POLICIES OF INSURANCE

EUGENE R SMITH  
108 SE EGLIN PKWY  
FT WALTON BEACH, FL 33682

V8(0)G36911.59  
BROWN & BROWN INC/PANAMA CITY 00109  
647 LUVERNE AVE  
PANAMA CITY, FL 32401-3049  
(850) 769-5215

\*\*\*B173091\*\*\*

Premium	Down Payment	Unpaid Balance	Doc Stamps/Fees	Amt. Financed	Finance Charges	Total / Payments
16,933.57	4,297.83 (25.38%)	12,635.74	44.45	12,680.19	593.81	13,274.00

Payment	Payments	Rate	First Due	Type	Status	Contract Type
1,327.40	10	10.09 %	2/7/2012	INVOICE	NEW	COMMERCIAL

EFF DATE	COMPANY / BROKER	CITY	ST	CO. #	TYPE MEP	POLICY NO.	TOTAL PREMIUM
1/7/2012	CO: LLOYDS OF LONDON	TALLAHASSEE	FL	82864	MAR	TBD	15,845.00
1/7/2013	MGA: GLOBAL MARINE INS	TRAVERSE CI	MI	62603	25.00 %		
	MGA: HULL & CO	ST PETERSBU	FL	60235		Taxes/Fees	1,088.57
						Total	16,933.57

Created By: 00109DP

Auth Code: \_\_\_\_\_

**ADDITIONAL REPRESENTATIONS & WARRANTIES OF PRODUCER**

(F) All information provided above is complete and correct in all respects and the policies listed above are or will be in force on the stated Effective Date and delivered by Producer to the Borrower, except for assigned risk or residual market policies.

(G) If any information listed above is or becomes incomplete or inaccurate, Producer shall promptly provide correct information to Lender.

(H) The Producer is an authorized policy issuing agent of the companies issuing the policies listed above or is the authorized agent of the MGA or broker placing the coverage directly with the insuring company, **except those policies indicated with an "X"**.

(I) None of the policies listed above are subject to reporting or retrospective rating provisions. All policies subject to audit, minimum or fully earned premium provisions are indicated below:

Policy No and Prefix No: \_\_\_\_\_

(J) Except as indicated above, all Scheduled Policies of Insurance can be cancelled by Borrower or Lender on 10 days notice and the unearned premiums will be computed pro rata or on the standard short rate table.

(K) If any Scheduled Policies of Insurance are subject to audit, Producer and Borrower have made good faith determination that the deposit, provisional or initial premiums are not less than the anticipated premiums to be earned for the full term of the policy(ies).

(L) Upon cancellation of any of the Scheduled Policies of Insurance, Producer shall remit to Lender the full amount of the unearned premium, including unearned commission, as well as any other payments or credits received by Producer, up to the unpaid balance due under this Agreement, within 15 days of receipt from the insuring company.

**DOCUMENTARY STAMPS REQUIRED BY LAW IF ANY ARE AFFIXED TO MONTHLY JOURNAL AND CANCELLED.**



**Brown & Brown Insurance**

647 Luverne Avenue  
Panama City, FL 32401-3049  
Phone: 850-769-5215  
Fax: 850-763-6669  
Toll Free: 800-551-5215  
www.BBinsurance.com

December 6, 2011

Eugene R Smith III  
Attn: John Dowd Jr  
108 SE Eglin Pkwy  
Ft Walton Beach, FL 33682-7848

RE: Watercraft – Yacht Renewal  
Global Marine Insurance Agency – Lloyds of London Renewal

Dear Mr. Dowd,

Please be advised that the referenced policy will expire 01/07/12. We have received an estimated renewal quote of \$16,933.57, based on expiring policy information.

We have enclosed a renewal application. Please complete the application, and notify our office if you have any questions or should any changes need to be made. Please note this is not an automatic renewal. Coverage can not be bound without your request along with a renewal application, and renewal payment. **Higher coverage limits may be available. If an increase in limits is desired, please contact us and we will request a new quote.**

The application that is necessary to secure renewal coverage is enclosed. Please review the application for accuracy, complete all questions that have not been answered, and sign where indicated. We will need the full term premium payment of \$16,933.57. Please make your check payable to Brown & Brown Insurance. We will also need the Non-admitted carrier form prior to binding.

Please return the completed and signed application, signed Non Admitted Carrier form, and your premium by 01/05/2011; to assure continuous coverage. We have enclosed a return envelope for your convenience.

We appreciate the opportunity to provide you with this valuable insurance and look forward to serving you in the future. Please call with any questions or concerns you may have.

Sincerely,  
Brown & Brown Insurance

  
Nell Tharpe ext-229  
Account Manager

**Compensation.** In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverage's, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or "pooled") with the premium dollars of other insured's that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date of premiums are remitted to the insurance company or intermediary. In the event that we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

**Questions and Information Requests.** Should you have any questions, or require additional information, please contact this office at 800-551-5215 or, if you prefer, submit your question or request online at [<http://www.bbinsurance.com/customerinquiry.shtml>].

**Wholesale Broker/Managing General Agent:** Global Marine Insurance Agency

This intermediary is **not owned** in whole or part by Brown & Brown, Inc., the parent company of Brown & Brown of Florida, Panama City Florida Division. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to: underwriting; loss control; risk placement; coverage review; claims coordination with insurance company; and policy issuance. Compensation paid for those services may be up to 15% of the premium you pay for coverage, and any compensation paid for those services is derived from your premium payment. The fee, if any, for the Wholesale Insurance Broker's/Managing General Agent's services above is **"NO FEE"**.

December 6, 2011

Eugene R Smith III  
Attn: John Dowd Jr  
108 SE Eglin Pkwy  
Ft Walton Beach, FL 33682-7848


RE: Lloyd's London  
Watercraft Policy #: OSPYP/129617

The undersigned hereby acknowledges that you have instructed Brown & Brown Inc. to place insurance coverage with a surplus lines company and understands that the insurance coverage written are **not** subject to the protection and benefits of the Florida Insurance Guaranty Association.

25% of the premium is fully earned in addition to any policy fees and taxes. Brown & Brown Inc. does not have direct binding authority with this excess and surplus lines market.

The undersigned holds harmless Brown & Brown, Inc. and its agents, employees, officers and directors for damages, direct or indirect, arising out of the failure of the surplus lines insurance company to fulfill any of its obligations at any time and in any manner whatsoever.

*Estate of Eugene R Smith III, Personal Representative*

  
Signature and Date 12/17/2011

Attached to Quotation: 314078A  
 Previous Declaration Number: 129617  
 Name of Insured (as it currently appears on policy): Eugene R Smith III  
 108 SE Eglin Pkwy  
 Ft Walton Beach  
 FL 32548  
 USA

Vessel details: Ersa; 1929; 74ft; New York Yacht, Launch & Engine Co  
 Renewal Policy Period: January 7, 2012 to January 7, 2013

## 1) Coverages

CURRENT COVERAGES	CURRENT LIMIT	REVISED COVERAGES
HULL PHYSICAL DAMAGE	US\$500,000.00	
HULL DEDUCTIBLE	US\$60,000.00	
TENDER/DINGHY	US\$6,000.00	
MEDICAL PAYMENTS	US\$10,000.00	
PERSONAL PROPERTY	US\$10,000.00	
TRAILER	n/a	
BREACH OF WARRANTY	n/a	
THIRD PARTY LIABILITY	US\$1,000,000.00	
PAID CREW LIABILITY	US\$1,000,000.00	
COMMERCIAL PASSENGER LIABILITY	n/a	
UNINSURED BOATERS	US\$500,000.00	
NON_EMERGENCY TOWING	US\$500.00	
OTHER (PLEASE SPECIFY)		

2) Will your vessel be your full-time residence during the next policy period. Please circle as appropriate:  
 YES or **NO**

3) Your last survey was December 16, 2010. Your next survey is due January 7, 2013 and should be

performed out of water. Please note that if an in water survey is requested you may be required to provide a divers inspection of the hull.

4) Do you require different navigation from that quoted on 314078? If so, please detail below or attach an itinerary. *No*

5) Please confirm that all persons (including paid Captains &/or Crew) operating the vessel during January 7, 2012 to January 7, 2013 are listed below & that the details shown are correct.

Please complete all missing information for each listed operator. Please delete any person(s) no longer required. If you wish to add more than one operator please ask your broker for a supplementary sheet.

ALL OPERATORS MUST BE DETAILED.			
A	NAME	DETAILS	
1	Sloan Eugene Smith	Date of Birth	State of Residence
		April 27, 1964	Florida (USA)
		Violations/Suspensions (incl Auto) in last 5 Years	
		None	
		Years of Boat Ownership	Years of Boating Experience
		30	30
		Boating Qualifications	
		USCG merchant marine officer license of uninspected passenger vessels	
		Details of Previous Vessels Owned/Operated	
		19' Capehorn, OPERATED, 26' Jig charter boat, 77' New York	
		Have you ever been involved in a Marine Loss in the last 10 years (insured or not)? If YES please give details & amounts paid:	
		None <i>No</i> *	
		Have you ever been convicted of a criminal offence or pleaded no contest?	
		None <i>No</i> *	





2	Freddy G Castro	Date of Birth	State of Residence	Violations/Suspensions (incl Auto) in last 5 Years	
		March 27, 1973	Florida (USA)	None	
		Years of Boat Ownership		Years of Boating Experience	
		5		18	
		Boating Qualifications			
		Details of Previous Vessels Owned/Operated 20' Stingray, 21' Donzi, 22' Larson, OPERATED, 77' New York, 26' Check mate			
		Have you ever been involved in a Marine Loss in the last 10 years (insured or not)? If YES please give details & amounts paid: None <i>No</i>			
3	<i>enter new name</i>	Date of Birth	State of Residence	Violations/Suspensions (incl Auto) in last 5 Years	
		Years of Boat Ownership		Years of Boating Experience	
		Boating Qualifications			
		Details of Previous Vessels Owned/Operated			
		Have you ever been involved in a Marine Loss in the last 10 years (insured or not)? If YES please give details & amounts paid:			
		Have you ever been convicted of a criminal offence or pleaded no contest?			
		None <i>No</i>			

**WARNING: THIS IS A NAMED OPERATOR ONLY POLICY. ANY PERSON OPERATING THIS VESSEL WITHOUT PROVIDING FULL DETAILS & RECEIVING WRITTEN ACCEPTANCE BY UNDERWRITERS WILL NOT BE COVERED.**

6) Please advise your hurricane mooring location during the period 1st June to 1st November (full address

including ZIP/Post Code where available). Also advise whether your vessel will be Afloat or Ashore. If you are unable to give a ZIP/Post Code, please provide Latitude & Longitude.

Detailed below is last years mooring information:

Harbor Bluff Marina, ~~67 Harbor Blvd~~, Destin, FL 32541, USA, 30.395202 -86.51112

Harbor Bluff Marina, 617 Harbor Blvd, Destin, FL 32541

(same as above)

7) Have there been any other changes since your last signed application form? If so please detail below:

No

In order that we may make the required amendments to your renewal policy, we must have your signature giving us permissions to do so.

Any misrepresentation in this application for renewal of insurance will render insurance coverage null and void from inception. Please therefore check to make sure that all questions have been fully answered and that all facts material to your insurance have been disclosed, if necessary by a supplement to the application.

*[Handwritten Signature]*  
Insured's Signature

12/27/2011  
Date

Your contact is:  
Gina Hunter at Hull & Company - Fort Lauderdale  
Telephone 001-954-527-4855  
Email ghunter@hullco.com  
Please contact them with queries about this document.

**HURRICANE QUESTIONNAIRE / PLAN**

Assured:	<i>Eugene R. Smith, IV</i>	Policy No:	<i>CSP:P/122617</i>
Name of vessel:	<i>ERSA</i>	Policy Period:	<i>1/7/2012-1/7/2013</i>

1. Where will the vessel be between 1<sup>st</sup> July and 1<sup>st</sup> of November?

*Harbour Buff Marina  
612 Harbor Blvd*

*Destin, FL 32541*

2. If vessel is laid up will it be:

a) Afloat

b) Ashore

3. Name, address and contact details of marina or residence where vessel is located between 1<sup>st</sup> July and 1<sup>st</sup> of November, if you are unable to provide an address please give Longitude & Latitude:

*Harbour Buff Marina*

*612 Harbor Blvd*

*Destin, FL 32541*

4. Other than yourself, does anybody have authority to inspect the vessel &/or to move it in your absence in order to protect it from danger?

a) Yes

b) No

If you answered Yes, please advise the name of the person & their relationship to you (for example: Neighbour or Marina Manager)

*Captain Sloan Smith and/or First Mate*

*Freddy Castro (Marina Manager & Asst. Marina Manager, respectively)*

5. How frequently do you or the person named in (3) above visit the vessel if it has no permanent crew?

*Weekly (at least)*

6. If the vessel will be afloat between 1<sup>st</sup> of July and 1<sup>st</sup> of November please give full details of your plan for protecting the vessel in the event of any storm warning, including intended places of refuge, mooring and/or anchoring arrangements and how the vessel will be secured. (Use a separate sheet if necessary.)

*See attached "Hurricane/Storm Plan for "ERSA" yacht*

7. Please supply details of your back up plan (in the event you are prevented from implementing your initial plan).

*See attached "Hurricane/Storm Plan for "ERSA" yacht*

8. If the vessel will be laid up ashore between 1<sup>st</sup> of July and 1<sup>st</sup> of November will the vessel be supported by props chained and/or welded together professionally?

N/A a) Yes

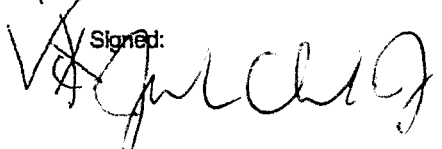
b) No

9. Please list below all other measures being taken to protect the vessel in the event of a storm (please give details)?

See attached Hurricane/Storm Plan for "ERSA" yacht

It is hereby warranted that in the event of a named or numbered storm warning or advisory issued by any competent local authority, I/we will make every effort to secure the above vessel and/or its equipment in accordance with the representations stated above including, but not limited to, the removal and storage of Bimini and dodgers, top canvas, removable enclosures, loose upholstery, cushions, roller furling headsails, sails, outriggers and antennas life rafts, hard or rubber tenders.

I declare that the particulars and answers contained in this form are correct and complete in every respect. I agree that this declaration and warranty shall be incorporated in its entirety into any relevant policy of insurance.

Signed: 

\*Date: 12/27/2011

## HURRICANE/STORM PLAN FOR “ERSA” YACHT

The “ERSA” is currently harbored at the Harbour Bluff Marina, also known as the Jay Villia Marina located at 612 Harbor Boulevard, Okaloosa County, Destin, Florida.

### Hurricane/Storm Plan:

In the event there is a hurricane or tropical storm watch,<sup>1</sup> or a hurricane or tropical storm warning,<sup>2</sup> the Captain of the ERSA will monitor the weather conditions closely, and in his or her professional judgment, decide what course of action is appropriate and necessary for the protection of the vessel.

Due to the size and weight of the vessel, it is not feasible for the vessel to be removed from the water in the event of a hurricane or storm.

The options available to the ERSA’S Captain include the following, depending on the predicted severity of the storm, the amount of time available prior to the predicted arrival of the storm, and other relevant factors:

#### 1. RIDING OUT THE STORM.

##### Dock

The decision to remain in port will probably depend on the intensity of the storm, the protection afforded by the harbor, and the condition of the dock or mooring. If the decision is made to stay at the dock, then precautions need to be taken. Ensure that all lines are doubled and that chafing protection is in place where dock lines pass through fairleads and chocks or over the side of the vessel. The best chafing protection is to cover lines with a rubber hose of the same diameter as your line, then tightly wind it with heavy fabric and fasten with a heavy commercial tape. A vessel tied to a dock should have ample fenders to provide protection to the hull. Dock lines should be attached to the high

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<sup>1</sup> ● **TROPICAL STORM WATCH** An announcement that tropical storm conditions (sustained winds of 39 to 73 mph) are *possible* within the specified coastal area within 48 hours.

● **HURRICANE WATCH** An announcement that hurricane conditions (sustained winds of 74 mph or higher) are *possible* within the specified coastal area. Because hurricane preparedness activities become difficult once winds reach tropical storm force, the hurricane watch is issued 48 hours in advance of the anticipated onset of tropical-storm-force winds.

<sup>2</sup> ● **TROPICAL STORM WARNING** An announcement that tropical storm conditions (sustained winds of 39 to 73 mph) are *expected* somewhere within the specified coastal area within 36 hours.

● **HURRICANE WARNING**  
An announcement that hurricane conditions (sustained winds of 74 mph or higher) are *expected* somewhere within the specified coastal area. Because hurricane preparedness activities become difficult once winds reach tropical storm force, the hurricane warning is issued 36 hours in advance of the anticipated onset of tropical-storm-force winds.

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end of the pilings, rather than to the cleats or other fastenings on the dock. As flooding and the storm surge raises the water level, dock lines will move up the pilings.

### **Mooring**

Staying at the mooring may be the best option if you've ensured that the mooring tackle meets safety standards and has been inspected for wear. Any mooring gear that has worn by one third of its original diameter should be considered unsafe.

One of the drawbacks of staying at the mooring, like staying at the dock, is the threat of a storm surge. If the water level rises even moderately above present conditions, the mooring scope may not provide sufficient holding power. This can be combated by checking with expected storm surge reports prior to the hurricane.

Regardless of whether you choose to stay at the dock or mooring, there are some fundamental steps that need to be taken. The first is to minimize windage, or the amount of surface area that the wind can act against. The more surface area for the wind to act on, the greater the strain on the vessel and the dock or mooring. Next, look around for other possible objects that could result in added windage, including flags and pennants, and store them properly. Make sure that all ports are closed securely and that all funnels are removed and capped. Using stiff lines from both sides, secure the tiller or wheels that operate the rudders; do not leave coils of line on the deck without proper stops or other means of rendering them immovable; and take out all the slack from any running lines on the deck or mast. Finally, you must face the possibility that your vessel, or a vessel nearby, may break loose. In order to minimize the impact of loose vessels in a crowded harbor, it is important to remove and stow all protruding objects and set fenders on both sides, if at a mooring, or outside of a docked boat.

## 2. MOVING THE VESSEL ALONG THE INTER-COASTAL WATERWAY TO A SAFE HARBOR

Moving and relocating the vessel either East or West along the Gulf coast to a suitable and safe harbor which is outside of the predicted hurricane track. The ERSA Captain will conduct a review at the beginning of each hurricane season and identify mooring or docking locations within three hundred (300) miles of Destin, Florida, both Eastward and Westward. During the hurricane season, the vessel's fuel tanks will be either topped off or filled to at least three quarters (3/4) capacity at all times, including after any use, and all emergency equipment will be regularly inspected, and repaired or replaced.

## 3. MOVING THE VESSEL TO AN INLAND HURRICANE HOLE.<sup>3</sup>

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<sup>3</sup> **Hurricane Hole.** Moving the vessel to a local "hurricane hole" or area for safe anchorage. Small soft bottom coves that are less crowded are traditional spots where the vessel can be moored safely in the event of a storm. Before making such a move, the Captain will consider the fact that hurricane holes can become crowded with vessels seeking refuge from impending storms. This instantly eliminates one of the reasons for going to such places. If the Captain decides to utilize a hurricane hole, he will consider the

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- The vessel should arrive at the selected hurricane hole at least 12 hours prior to landfall, and set the anchor with at least a 7-to-1 scope (i.e., in 30 feet of water, 210 feet of anchor line is needed). Nylon is the best anchor line because of its elasticity. Chafing protection should be used where the anchor line passes through the anchor chute chocks. Experts recommend that you leave by means of a small boat once your vessel is securely anchored, and that all automatic switches have been double checked.
  - If someone elects to stay aboard, he or she will stay in touch with all weather advisories. It is important to have stocked up on fuel, water, food, ice, clothing, a portable radio and flashlight with extra batteries, and any prescription medicines. It might be necessary to put the engine in gear during the worst part of the storm to ease the strain on the anchor line, as well as to have someone stay awake on anchor watch at all times to prevent the boat from drifting. To help maintain position, use a spot light and/or radar at night. To see if water or debris is accumulating, and to make sure the pumps are operating, check the bilge regularly. Finally, traditional markers or navigation aids may have been rearranged by the storm. It is important, therefore, not to rely solely on those aids to guide you.

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following: Hurricane holes should be located before the storm season by consulting an inland chart. It is best to look for a location that has deep water (you may have to arrive at low tide) and is close. The best spots have a route that is free of highway and railroad bridges and has good protection, such as a high bluff, an outer reef, or tall trees on as many sides as possible. It is a good idea to visit potential hurricane holes prior to the hurricane season, test the bottom, and note the surroundings. Multiple hurricane holes should be tested and several options should be available in the event of a hurricane.