

March 03, 2005

John Baker
1614 Masters Way
Chadds Ford, PA 19317

Re: Yacht Insurance Binder
23' Mark Marine

Dear Mr. Baker,

I appreciate your confidence in allowing us to handle your yacht insurance.

Coverage is secured by Progressive Insurance Company effective 03/04/2005 for the annual premium of \$283.00. Please examine the attached binder which is your temporary proof of insurance and expires on 04/03/2005.

WE WILL NEED THE FOLLOWING TO PROCESS THIS POLICY:

- Completed & Signed Application

Please return the above items within two (2) weeks to insure your coverage remains in force

Thank you again for your business and if you have any questions, feel free to call us. Please tell your boating friends about us -- the Specialists of Yacht Insurance!

Sincerely,

Jon Horton
410-626-1000
Fax: 410-626-9966

YACHT INSURANCE CONFIRMATION

INSURANCE PROVIDER: Progressive Insurance Company

POLICY PERIOD: 03/04/2005 - 04/03/2005

POLICY / BINDER NUMBER: Binder1000039330

NAMED INSURED: John Baker

ADDRESS: 1614 Masters Way
Chadds Ford, PA 19317

LIENHOLDER: None

INSURED YACHT: 1986 23' Mark Marine, Top Sail Schooner Serial No.
MXK05009M82H

COVERAGE	AMOUNT OF INSURANCE	DEDUCTIBLE
Hull Coverage	\$13,500	\$500
Agreed Value	Included	\$0
Watercraft Liability	\$500,000	\$0
Trailer	Included	\$0
Medical Payments	\$1,000	\$0

Navigation Limits: Any state, territory, or possession of the United States of America, or any province of Canada, including their in-land lakes, rivers, and navigable waterways; the Great Lakes; or ocean waters fifty (50) miles or less from the coast of either the United States or Canada, but not including the territory or territorial waters of any country other than the United States or Canada.

Use: Pleasure

Layup Period: From 12/01 Thru 04/01

Special Conditions:

Total Policy Premium: \$283.00

This Document Acknowledges That The Insurance Provider Indicated Above Has Agreed To Insure The Vessel Identified Subject To The Coverage And Terms Shown. Please Review The Information On This Document Carefully For Any Changes That You May Require. The Actual Policy Will Include Additional Terms And Conditions.

JOHN BAKER

POLICY #: 42561181-0

UPLOAD MESSAGE: Upload Successful on 03/03/2005 09:38AM ref. 5097

COMPANY INFORMATION:

Progressive Northern Insurance Company

P.O. Box 6807 Cleveland OH 44101-1807

AGENT INFORMATION: TOTAL PREMIUM: 283.00 POLICY #: 42561181-0

JACK MARTIN AND ASSOCIATES DOWN PAYMENT: 283.00

326 FIRST STREET SUITE 27 BALANCE DUE: 0.00

ANNAPOLIS , MD 21401 DOWNPAY REQ: 283.00

(410)626-1000 GC-59840 DOWNPAY METH: INSURED CREDIT CARD

MARTIN, JOHN

(Do Not Retain Commission)

GENERAL INFORMATION

JOHN BAKER

EFF DATE/TIME: 03/04/05 12:01AM

1614 MASTERS WAY

POLICY TERM: 12 MONTHS

CHADDS FORD , PA 19317-

PAY PLAN: PAID-IN-FULL

HOME PHONE: (610)388-7016

WORK PHONE: (610)388-1315

DRIVER AND HOUSEHOLD RESIDENTS

Complete for all household residents who operate the watercraft described in the application, all operators that have an ownership interest in any of these watercraft, and any other regular operator of these watercraft. Only operators that are 18 years or older need to be listed.

DR#	DRIVER'S NAME	SEX	MARITAL STATUS	RELATION	ADD INS	DATE OF BIRTH	PRINCIPLE WATERCRAFT
1	JOHN BAKER	M	MARRIED	INSURED		11/13/55	1

DR#	SOCIAL SECURITY #	LICENSE NUMBER	ST	LICENSE STATUS
1		27986122	PA	VALID

JOHN BAKER

POLICY #: 42561181-0

APPLICANT QUESTIONNAIRE

PLEASE HAVE THE APPLICANT COMPLETE THIS SECTION AND INITIAL EACH RESPONSE.

1. Are any of the watercraft listed used for commercial purposes? Commercial purposes include, but are not limited to, use as a water taxi, use for guided tours, and commercial fishing, netting, or trapping.

(Note: Fishing tournament participation is not considered commercial usage.)

___ Yes ☒ No JB Initial

2. Are any of the watercraft listed used as a primary residence?

___ Yes ☒ No JB Initial

3. Are any of the watercraft listed capable of speeds in excess of 75 MPH (90 MPH for bass boats)?

___ Yes ☒ No JB Initial

4. Do any of the watercraft listed have engine(s) with total horsepower in excess of 500 for single engine or 1000 for twin engines?

___ Yes ☒ No JB Initial

5. Are any of the watercraft not in seaworthy condition? A watercraft is not in seaworthy condition if it is unfit to fulfill its intended purpose.

___ Yes ☒ No JB Initial

JOHN BAKER

POLICY #: 42561181-0

APPLICANT'S SIGNATURE

I hereby declare that the statements contained herein are true to the best of my knowledge and belief and do hereby agree to pay any surcharges applicable under the Company rules which are necessitated by inaccurate statements. I understand that this policy may be rescinded and declared void if this application contains any false information or if any information that would alter the Company's exposure is omitted or misrepresented.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

I acknowledge that, in connection with this application and premium quotation, the Company may collect information from consumer reporting agencies, such as driving record, claims, and credit history reports. This information will be used to underwrite my insurance and provide an accurate quote in one of Progressive's underwriting companies. Future reports may be used to update or renew the insurance.

I understand that the maximum limit for Comprehensive and Collision coverage (if purchased) is the Actual Cash Value of the watercraft at the time of the loss or the Rating Base, whichever is less; unless Total Loss Replacement or Agreed Value coverage options are selected, in which case the maximum limits are determined as provided for in the policy contract.

I affirm that none of my watercraft are used for commercial purposes or as a primary residence. I also affirm that my watercraft are in seaworthy condition and that they are in compliance with all published United States Coast Guard safety standards and provisions.

If I pay my initial premium by check, draft, or other remittance, the coverage afforded by this policy is conditioned on the check, draft, or other remittance being honored by the bank or other financial institution when presented for payment. If a check, draft, or other remittance is not honored, the Company shall be deemed not to have accepted the payment and this policy shall be void from inception.

I understand that a service charge of \$20.00 will be assessed to the balance due on my policy if any check offered in payment is not honored by my bank or other financial institution. Imposition of such charge shall not deem the Company to have accepted the check unconditionally.

I understand that if I cancel my policy, or if the Company cancels this policy for non-payment of premium, a minimum earned premium of \$50.00 applies to my policy. A minimum earned premium is a minimum amount of premium the Company will retain regardless of when the policy is canceled.

JOHN BAKER

POLICY #: 42561181-0

I agree to pay the fees shown on my billing statement that become due during the policy term and each renewal policy term in accordance with the payment plan I have selected. I understand that the amount of these fees may change upon policy renewal or if I change my payment plan. I also understand that the amount of these fees may change if my premium is increased due to inaccurate or incomplete information in this application.

I agree to pay a late fee of \$5.00 during the policy term and each renewal policy term when either the minimum amount due is not paid or payment is postmarked more than 2 days after the premium due date. The amount of this fee may change upon policy renewal.

X

Signature of Named Insured

Date: 3/7/05

NOTE: FOR QUESTIONS REGARDING YOUR POLICY OR BILL, PLEASE CALL: 1-877-776-2436

CREDIT CARD PAYMENT AUTHORIZATION

Credit Card Authorization #: 035890

I understand that the amount shown is being charged to my credit card as a downpayment for an insurance policy. I also understand that future payments will not be automatically charged; and that if I wish to make future payments with my credit card, I must notify the Company at the time the payment is due that I want charged to my credit card. I agree that when I authorize a credit transaction, this policy will be subject to cancellation for non-payment of premium if the Company is unable to collect premium payment from the card issuer. The Company is deemed "unable to collect premium" in the following instances: when I reach my credit limit on my bank card; when the bank cancels or revokes my bank card; or when the bank does not pay, for whatever reason, premium upon the Company's settlement request.

I understand that in the event the policy cancels, any unearned premium due to me, will be refunded.

Cardholder's Signature X  Amount \$ 283.00