

MASTER TIME CHARTER

This Master Time Charter (this "**Agreement**") is made effective the 9th day of August, 2013 by and between Talos Energy LLC ("**Charterer**"), a Delaware limited liability company, and SEACOR Marine LLC ("**Owner**"), a Delaware limited liability company.

WHEREAS Charterer is engaged in numerous business activities, including without limitation drilling exploratory and development wells and seeking and producing oil, gas and other minerals for itself and for the account of others and activities related thereto;

WHEREAS Owner is the owner and operator of one or more vessels, supply, crew, utility and other equipment suitable for Charterer's activities in the oil and gas industry, which together are herein referred to as the "**Vessels**" or when used singularly, as a "**Vessel**"; and

WHEREAS from time to time, Charterer may desire to charter, and Owner may desire to let to Charterer, one or more the Vessels subject to the following terms and conditions;

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, Charterer and Owner (each individually, a "**Party**"; and collectively, the "**Parties**") agree as follows:

1. **Charter Services.**

(a) This Agreement shall govern any and all chartering of Vessels and related services provided by Owner for Charterer (collectively, "**Charter Services**"). For any Charter Services that Charterer may from time to time request and Owner agrees to provide, the Parties will further define such Charter Services by a written short-form time charter agreement ("**Short Form**"), a template of which is attached hereto as **Exhibit A**. This Agreement shall be deemed incorporated in full in every Short Form. Any agreement or stipulation in any such Short Form, request or confirmation (whether written or oral) not in conformity with this Agreement shall be null and void. The Parties shall endeavor to provide written confirmation within ten (10) working days of any oral request for Charter Services, but failure to do so shall not invalidate such oral request or the obligations of the Parties.

(b) Upon Charterer's request for Charter Services and Owner's acceptance thereof, Owner will commence the Charter Services at the agreed-upon time and place with the agreed-upon Vessels and will continue such Charter Services diligently and without delay, in a good and workmanlike manner, in strict conformity with the specifications and requirements contained herein and in any related Short Form.

(c) The Parties agree and understand that Owner is under no obligation to let any Vessel and that Charterer is under no obligation to hire any Vessel, that this is a nonexclusive vessel rental contract and that no Vessel shall be considered let or hired until same is delivered by Owner to Charterer pursuant to mutual agreement.

(d) Nothing in this Agreement shall be construed as creating a demise or bareboat charter of any Vessel to Charterer.

(e) The Parties acknowledge and agree that this Agreement does not pertain to (1) a well for oil, gas or water or to a mine for a mineral as contemplated by Chapter 127 of the Texas Civil Practice & Remedies Code as the same may be amended from time to time (the "**Texas Anti-Indemnity Act**"), (2) a well for oil, gas or water, or drilling for minerals which occur at a solid, liquid, gaseous or other state as contemplated by La. R.S. 9:2780 or (3) a motor carrier transportation contract or construction contract as contemplated by La. R.S. 9:2780.1 and that neither this Agreement nor any Charter Services are within the scope of any such statute.

(f) Time is of the essence under this Agreement. If Owner fails to timely perform any Charter Services, Charterer has the option to terminate such Charter Services.

2. **Term; Survival of certain Provisions.** Either Party may terminate this Agreement by giving the other Party at least thirty (30) calendar days' written notice to that effect, but neither Party shall, by the termination of this Agreement, be relieved

of its liability arising from or incident to Charter Services performed before such termination. The representations by the Parties and the indemnities in this Agreement shall survive the completion of any Charter Services performed by Owner and the termination of this Agreement.

3. **Termination of Charter Services.** Charterer reserves the right to terminate any Charter Services at any time for any reason; in that case, Owner's sole remedy shall be payment for such Charter Services performed (prorated to the actual hour of redelivery of the Vessel). The termination of any such Charter Services shall not terminate this Agreement. Notwithstanding the foregoing, in the event Charterer terminates without cause a term charter for a Vessel (defined as longer than thirty (30) days), then within ten (10) days of Owner's receipt of the notice of termination, Charterer shall pay to Owner the charter hire owed for the remainder of the agreed upon term.

4. **Condition of the Vessels.**

(a) Owner shall deliver each Vessel to Charterer in a tight, staunch, strong and in every respect seaworthy condition and in good running order and in every way fit and ready for Charterer's use and for the enjoyment intended, at the time and place specified in the applicable Short Form, and shall provide fully trained personnel capable of efficiently performing the Charter Services.

(b) The Vessel shall maintain (on board where applicable) valid documentation as required by the American Bureau of Shipping and the United States Coast Guard.

(c) Except as provided otherwise in this Agreement or in the Short Form, Owner, at its sole cost and expense, shall man, victual, navigate, operate, supply, maintain and repair all Vessels and furnish supervision, labor, equipment, machinery, tools, materials and supplies necessary for performing any Charter Services. All materials, equipment, machinery, tools, supplies and manufactured articles furnished by Owner shall be of good quality suitable for their purposes and free from all defects, latent or otherwise. All personnel employed or furnished by Owner shall be experienced, trained and qualified to perform such Charter Services.

(d) Unless the Short Form for any particular Charter Services provides otherwise, Charterer shall provide (and/or, at Charterer's request, Owner shall provide at Charterer's expense) the following in connection with any Charter Services and Owner shall be responsible for all other expenses and charges with respect to the Vessel:

(1) fuel, oil, lubricants and fresh water;

(2) the loading and discharging of all cargoes, and disposal of effluents from cleaning of cargo tanks, with respect to any cargo of Charterer;

(3) dunnage, shifting boards, uprights and shoring equipment for securing deck cargo; provided that Owner shall allow Charterer to use at no further cost any dunnage, shifting boards, uprights and shoring equipment already aboard the Vessel; and

(4) customs fees and duties (imports or otherwise).

(e) Charterer may install aboard each Vessel additional equipment reasonably necessary in connection with its operations, provided that Charterer shall obtain the written consent of Owner before making any structural changes or modifications and provided that said installation shall be approved by the American Bureau of Shipping and/or the United States Coast Guard, when applicable. Unless the Short Form provides otherwise, all equipment installed by Charterer shall remain its property and shall be removed by it and the portion of the Vessel affected by such installation shall be returned to its original condition (normal wear and tear excepted) by Charterer at its sole cost before or upon redelivery.

(f) Except as Charterer may request in writing, Owner covenants and agrees that, upon delivery or performance of the Charter Services, the Charter Services will not contain or otherwise have incorporated into it any Hazardous Materials ("**Hazardous Materials**") (other than are routine for vessels of the type being chartered, such as fuel). Owner shall immediately notify Charterer (and in no event provide written notification no later than ten (10) days) following any accident or spill involving the release of any Hazardous Materials.

As used in this Agreement, the term "**Governmental Authority**" means and includes any federal, state, municipal, foreign or other governmental authority, court, agency or regulatory body. As used in this Agreement, the term "**Environmental Laws**" means and includes all laws, statutes, regulations, ordinances, rules, standards, orders or determinations of any Governmental Authority (including related determinations, interpretations, orders or opinions by any judicial or administrative authority) that has jurisdiction over Owner, any Vessel, any Charter Services or any Charter Services worksite pertaining to protection or conservation of the air, land, water, human health, industrial hygiene or other aspects of the environment (including without limitation the following statutes, as supplemented and amended from time to time: the Clean Air Act, the Clean Water Act, the Outer Continental Shelf Lands Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Federal Water Pollution Control Act, the Solid Waste Disposal Act, the Resource Conservation and Recovery Act of 1976, the Safe Drinking Water Act, the Toxic Substances Control Act, the Hazardous Materials Transportation Act, the Occupational Safety and Health Act of 1990, the Hazardous and Solid Waste Amendments Act of 1984, the Superfund Amendments and Reauthorization Act of 1986, the Federal Oil Pollution Act of 1990 and comparable state and local statutes and implementing rules or regulations). As used in this Agreement, the term "**Hazardous Materials**" means and includes chemical, material or other substance defined as or included in the definition of "hazardous substance," "hazardous material," "hazardous chemical," "hazardous chemical substance," "hazardous waste" or "toxic substance" or words of similar meaning and regulatory effect, as such terms are defined under any Environmental Laws, any broader definition of such terms that is used by a state, locality or Governmental Authority that has jurisdiction over any Vessel, any Charter Services or any Charter Services worksite or any interpretation by administrative or judicial authorities, and any other chemical, material or substance that may or could pose a hazard to human health and safety including without limitation asbestos in any form and polychlorinated biphenyls or exposure to which is prohibited, limited or regulated by any Governmental Authority.

5. Crews and Passengers.

(a) Owner shall provide and pay for the master, officers and crew of each Vessel (including without limitation all food and bunking facilities for such personnel) and shall comply with each Vessel's U.S. Coast Guard certificate of inspection ("**COI**") with regard to both size (number) and qualification of such Vessel's master, officers and crew.

(b) Owner shall have in place a drug and alcohol policy that is acceptable to each Governmental Authority having jurisdiction over any Vessel or any Charter Services.

(c) If Charterer shall have reason to be dissatisfied with the conduct of the master, officers or crew, Owner shall, on receiving particulars of the complaint, promptly investigate and, if necessary, make a change in the appointment or practices required to provide the Charter Services. Owner shall not employ, in connection with any Charter Services, any person whose employment violates applicable labor laws.

(d) Except as agreed to in a Short Form, Owner's crew shall not be required to load or unload cargo or equipment, other than liquid or bulk cargoes, on or from any Vessel.

(e) Subject to reimbursement by Charterer at the rate specified in the Short Form, Owner shall provide food and bunking facilities for any of Charterer's personnel transported in or housed upon the Vessel.

6. Charterer's Use of Vessels.

(a) The whole of each Vessel shall be under Owner's sole control but at Charterer's disposal for the lawful movement of supplies, equipment, other materials and personnel incidental to Charterer's operations, reserving proper and sufficient space for the Vessel's master, officers, crew, tackle, apparel, furniture, equipment, stores and fuel.

(b) Owner shall comply (and shall cause and require any subcontractors and its and their employees and agents to comply) with all laws, rules, regulations and orders that are now or may hereafter become applicable to any Vessel, any Charter Services or Owner's business, equipment or personnel. Neither Charterer nor Owner may load, or cause to be loaded, on any Vessel any bulk noxious liquid substances ("**NLS**") not authorized by such Vessel's COI. Except and to the extent allowed by any National Pollution Discharge Elimination System permit Charterer may have under 42 U.S.C. 1311, no discharge of NLS residue into the sea is permitted. Charterer agrees to manifest properly all Hazardous Materials and NLS wastes carried aboard the Vessel by Charterer and to comply with all paperwork requirements imposed by law as a result of

such carriage, and Owner agrees to properly manifest all Hazardous Materials and NLS wastes carried aboard the Vessel by Owner and to comply with all paperwork requirements imposed by law as a result of such carriage.

(c) Charterer shall have the right to sublet any Vessel for all or part of any time that such Vessel is covered by this Agreement or any Short Form with the written permission of Owner, which shall not be unreasonably withheld, conditioned or delayed. Nevertheless, Charterer shall remain responsible for the fulfillment of this Agreement and any applicable Short Form, unless Owner agrees to release Charterer in writing from its obligations and liabilities under this Agreement or any Short Form.

7. Delivery and Redelivery.

(a) If the Parties mutually agree in writing, each Vessel shall be surveyed before delivery and upon redelivery. Subject to paragraph 9(b) below, Charterer and Owner shall divide the expenses of such survey as mutually agreed to in writing.

(b) Redelivery of Vessels may be postponed for the duration of any voyage or operation in progress at the expiration of the Short Form term and for any additional period reasonably necessary to effect redelivery. Charterer shall pay for Charter Services at the applicable Short Form rate for the entire period that redelivery is postponed or delayed excepting that portion of such delay period attributable to mechanical breakdown of the Vessel, unless caused by Charterer, or due to an act or omission of Owner.

8. Terms of Payment.

(a) Charterer will pay Owner for Charter Services in accordance with the applicable Short Form. Except as otherwise provided for herein or pursuant to the Short Form, payment shall accrue on an uninterrupted basis until the day the Vessel is redelivered to Owner.

(b) The rates to be paid for the actual performance of the Charter Services shall be as set forth in the Short Form and, except as set forth herein, such rates shall include charges for services, materials, fuel or supplies furnished by Owner in connection with the Vessel or the Charter Services.

(c) No stand-by rate or other rates shall apply for personnel or Vessels when such personnel or Vessels are not at Charterer's disposal or not capable of performing the Charter Services in accordance with this Agreement. Should any Vessel break down, become inoperative or unavailable to Charterer for reasons not solely caused by Charterer, no payment for Charter Services shall be due or owing for such period before the Vessel is again in a thoroughly efficient state to resume Charter Services hereunder.

Notwithstanding the foregoing, Owner shall be entitled to a maximum of twenty-four (24) hours downtime per Vessel(s) per calendar month of service for required maintenance and/or repairs at the applicable day rate, if any. Said downtime may be cumulated by Owner from month to month. Owner is entitled to perform, or have performed repairs or maintenance on the Vessel without cessation or reduction of the charter hire rate, provided that such repairs or maintenance do not interfere with the operation of the Vessel. Owner may with the prior approval of Charterer, which shall not be unreasonably withheld, substitute a suitable replacement Vessel of Owner for any Vessel under charter in which event all provisions of this Charter shall govern the replacement Vessel.

Subject to Owner's liabilities and obligations provided in paragraphs 14-15 below, (1) Owner's liability to Charterer as a result of the Vessel breaking down or becoming inoperative, irrespective of whether or not Owner is able to furnish or procure a suitable replacement Vessel to substitute for the Vessel chartered, shall be limited to the interruption of charter hire as set forth above, and (2) Owner shall not be responsible for any resulting consequential or special damages, including, without limitation, loss of profit or loss of use.

(d) The rates agreed to be paid to Owner by Charterer shall be inclusive of (1) insurance premiums paid by Owner in acquiring and maintaining the insurance required by this Agreement and (2) taxes, fees, licenses and permits required pursuant to paragraph 13 below. Owner represents and agrees that all rate schedules incorporated in the Short Form include the foregoing matters.



(e) Charterer may offset all sums that Owner agrees in writing are owed Charterer (under paragraph 12(a) or 13(b) below or otherwise) against any amounts that may be or become due to Owner by Charterer.

9. ***Time of Payment.***

(a) Unless the Parties agree otherwise in writing, Owner shall bill Charterer at the end of each month and Charterer shall pay each such invoice within thirty (30) days after its receipt of Owner's invoice. Charterer may withhold payment for all or such portion of any invoice about which there is a good faith dispute, but shall pay all undisputed amounts. Charterer's payment of any invoice shall not be deemed to constitute a waiver of Charterer's right to contest the amount or correctness of said invoice and to seek reimbursement. Charterer shall pay one percent (1%) interest per month on all receivables due and payable to Owner in arrears sixty (60) days or more after the date of receipt of Owner's invoices.

(b) Unless otherwise provided in the Short Form, (1) Charterer shall pay Owner within thirty (30) days after receipt of invoice for all fuel, lubricant and water onboard the Vessel at the time of delivery; (2) Owner shall pay Charterer within thirty (30) days of redelivery for all fuel, lubricant and water onboard the Vessel at the time of redelivery; and (3) quantities of fuel, lubricant and water shall be determined by the respective on-charter and off-charter surveys performed by Charterer.

10. ***Records.***

(a) From time to time, Charterer shall furnish the master of the Vessel with all requisite instructions and sailing directions, and the master shall keep full and correct logs of the voyages, which shall be attached to Owner's invoice when presented to Charterer for payment.

(b) Owner agrees to retain all books and records (including without limitation payroll records for the master, officers and crew, applicable rate schedules, accounting records, payment records, invoices for purchases for Charterer's account, time reports and travel/entertainment expense reports) relating to this Agreement or any Charter Services performed hereunder for at least a 3-year period commencing at the end of the calendar year in which the applicable Charter Services were completed, and for any additional period as may be necessary to permit Charterer to complete any audit commenced within such period. Upon reasonable notice to Owner, representatives and auditors of Charterer shall have access during normal working hours to such books and records and shall have the right to copy and audit such books and records at Charterer's expense, excluding the right to review or audit documents related to Owner's profit margin and pricing.

11. ***Independent Contractor.***

(a) Subject to paragraph 11(b) below, (1) Owner shall be an independent contractor with respect to the performance of all Charter Services, and neither Owner nor anyone employed by Owner shall be deemed for any purpose to be the employee, agent, servant, borrowed servant or representative of Charterer in the performance of any Charter Services; (2) Charterer shall have no direction or control of Owner or its employees, agents, representatives or contractors or any Vessel, except in the results to be obtained; (3) no provisions herein shall be construed as creating a partnership, joint venture or other association whereby Charterer and Owner would be jointly liable or liable as partners or co-venturers; and (4) clauses (1)-(3) of this paragraph 11(a) shall in no way affect or preclude the right of the Charterer Group (as defined below) to assert any statutory employer defense or other defense that may exist.

(b) In all cases where Owner's employees (defined to include contractor's direct, borrowed, special or statutory employees) are covered by the Louisiana Worker's Compensation Act, La. R.S. 23:1021 et seq., the Parties agree (1) that all Charter Services performed by Owner and its employees pursuant to this Agreement are an integral part of and are essential to the ability of Charterer to generate Charterer's goods, products and services for purposes of La. R.S. 23:1061A(1); (2) that Charterer is the principal or statutory employer of Owner's employees for the purposes of La. R.S. 23:1061A(3); and (3) irrespective of Charterer's status as the statutory employer or special employer (as defined in La. R.S. 23:1031C) of Owner's employees, Owner shall remain primarily responsible for the payment of Louisiana Worker's Compensation benefits to its employees and shall not be entitled to contribution from Charterer for any such payments.

12. **Protection from Liens.**

(a) Owner shall timely pay and discharge all claims to third party vendors or service providers for the purchase or lease of goods, materials, supplies, tools manufactured, articles, equipment or facilities (the "**Goods**") and Charter Services furnished to Charterer under this Agreement or any Short Form and shall allow no lien or charge to become fixed upon any property of any Charterer Group member or any property under the management or control of any Charterer Group member (other than those Owner may assert for Charterer's violation of this Agreement). Owner shall Defend (as defined below), indemnify, release and hold harmless Charterer Group against any and all such claims, liens or charges. In the event of any such claim, lien or charge, Charterer shall have the right to withhold payment from Owner of an amount sufficient to satisfy any such claim, lien or charge, together with all expenses, costs or legal fees related thereto unless Owner has posted security releasing the claim, lien or charge against any such property. Owner waives, and releases the Charterer Group from, all claims, demands, liens, security interests and other rights of every kind and character) whether constitutional, statutory, contractual, tortious or equitable) that Owner now holds or may acquire in, on or against any property now or in the future owned by or under the management or control of any Charterer Group member; provided however that nothing herein shall be interpreted to prevent Owner from claiming, filing or enforcing any liens when the rights thereto arise directly from Charterer's failure to pay Owner in breach of this Agreement.

(b) Charterer shall not create, incur or permit any liens or charge (other than those Charterer may assert for Owner's violation of this Agreement) to be imposed upon any Vessel under charter under this Agreement and any applicable Short Form. Charterer shall Defend (as defined below), indemnify, release and hold harmless Owner Group against any and all such claims, liens or charges.

13. **Compliance with Laws**

(a) Owner shall obtain all permits and licenses required for it to perform the Charter Services and operate the Vessels in connection therewith and shall otherwise fully comply with all Environmental Laws and all other laws, rules, regulations, ordinances, judgments, orders and other official acts of any Governmental Authority that are now or may, in the future, become applicable to Owner and Owner's business, Vessels, equipment and personnel engaged in the performance of the Charter Services or this Agreement, or arising out of or incident to such performance. In addition, Owner shall comply with the Federal Contract Provisions set forth in **Exhibit B** hereto.

(b) Owner shall pay all taxes, licenses, charges and fees levied or assessed on Owner (or any subcontractor of Owner) or any Vessel by any Governmental Authority, including without limitation unemployment compensation insurance, withholding taxes, social security taxes, old age benefits and other social security benefits and taxes upon wages of Owner, its agents, employees and representatives. Owner agrees to reimburse Charterer on demand for any and all such charges that Charterer may be required or deem it necessary to pay on behalf of the agents, employees and representatives of Owner or its contractors. Owner agrees to furnish Charterer with the information required to enable it to make the necessary reports and pay such charges when necessary.

(c) If they have not done so already, Owner and Charterer shall contemporaneously herewith execute a separate bridging agreement for a Safety and Environmental Management System (SEMS) (as may be amended, "**Bridging Agreement**") (including without limitation establishment of Safe Work Practices (SWP) programs and compliance with Charterer's SEMS program). In the event of any conflict between any such Bridging Agreement on the one hand and this Agreement or any Short Form on the other hand, such Bridging Agreement shall control. As a principal cause and material inducement to Charterer's entering into this Agreement with Owner, Owner agrees to all the provisions in (and makes all covenants, representations, warranties of Owner set forth in) such Bridging Agreement.

14. **Indemnity Obligations**

(a) **Definitions.** As used in this Agreement, the following terms have the following definitions:

"**Charterer Group**" means (both individually and collectively) Charterer; its parent, affiliates (as defined in Regulation C issued under the federal Securities Act of 1933) and subsidiaries; its and their joint venturers, joint interest owners, partners, co-owners, co-lessees, contractors and subcontractors of every tier

(other than Owner Group); and the directors, officers, managers, successors, assigns, agents, representatives, employees and invitees of each of the foregoing.

"Owner Group" means Owner; its parent, affiliates (as defined in Regulation C issued under the federal Securities Act of 1933) and subsidiaries; its and their contractors and subcontractors of every tier; and the directors, officers, managers, successors, assigns, agents, representatives, employees and invitees of each of the foregoing.

"Defend" shall mean the obligation of the indemnitor at election of the indemnitee(s) (i) to defend the indemnitee(s) at the indemnitor's sole expense or (ii) to reimburse the indemnitee(s) for the reasonable expenses incurred by the indemnitee(s) in defending against the Losses at issue. Notwithstanding an election under option (i) above, an indemnitee shall be entitled to participate in its defense at its sole cost.

"Losses" shall mean claims, demands, losses, obligations to indemnify another, suits, judgments, adjustments, remediation requirements, awards, damages, penalties, fines, costs and expenses of any kind or character (including without limitation reasonable attorneys' fees and other legal expenses; costs and liabilities relating to wreck removal or pollution emanating therefrom; and claims for loss of consortium or loss of society).

(b) **Owner Group's Property and Personnel.** Owner shall release, Defend, indemnify and hold harmless Charterer Group (and its insurers) from and against (1) any penalties and fines imposed by a governmental authority for Owner's violation of law or for Owner's breach of any representation, warranty or covenant under this Agreement, (2) any and all Losses arising out of bodily injury or death, or property damage or loss (whether of any of Owner's Vessel(s) or other property), suffered by any or all of Owner Group (or its insurers) arising out of, related to or in connection with this Agreement, any Short Form or any Charter Services under this Agreement and (3) except as provided in and subject to paragraph 14(c)(2) below, all penalties, fines and other Losses arising out of or in connection with the pollution or contamination of the land, water, air or environment (including without limitation expenses incurred in control or removal that arise or result from spills, leaks, discharges or releases of fuels, lubricants, motor oils, pipe dope, paints, coatings, solvents, bilge, garbage or Hazardous Materials) emanating from Owner's Vessel or Owner Group's equipment otherwise associated with any Charter Services under this Agreement, **IN CASE OF (2) OR (3) REGARDLESS OF WHETHER CAUSED OR CONTRIBUTED TO BY THE SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF ANY OF CHARTERER GROUP MEMBER OR OTHER PERSON OR ENTITY, THE UNSEAWORTHINESS OF ANY VESSEL, THE UNAIRWORTHINESS OF ANY CRAFT OR A PREEXISTING CONDITION.**

(c) **Charterer Group's Property and Personnel.** Subject to paragraph 14(b)(3) above, Charterer shall release, Defend, indemnify and hold harmless Owner Group (and its insurers) from and against (1) any penalties and fines imposed by a governmental authority for Charterer's violation of law or for Charterer's breach of any representation, warranty or covenant under this Agreement, (2) any and all Losses arising out of bodily injury or death, or property damage or loss, suffered by any or all of Charterer Group arising out of, related to or in connection with this Agreement, any Short Form or any Charter Services and (3) except as provided in and subject to paragraph 14(b)(2) above, all penalties, fines and other Losses arising out of or in connection with pollution or contamination (other than as provided in paragraph 14(b)(3) above) from any property, equipment, land or seabed owned, controlled, leased (including non-operator interest), operated or otherwise in the care, custody, control or interest of Charterer Group (including control of well and control and removal of pollution emanating from above or below the surface of the land or water) arising from loss of control of the well, fire, blow out, cratering, seepage or any other uncontrolled flow of oil, gas water, hydrocarbons, chemicals or other substances, **IN CASE OF (2) OR (3) REGARDLESS OF WHETHER CAUSED OR CONTRIBUTED TO BY THE SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF ANY OF OWNER GROUP MEMBER OR OTHER PERSON OR ENTITY, THE UNSEAWORTHINESS OF ANY VESSEL, THE UNAIRWORTHINESS OF ANY CRAFT OR A PREEXISTING CONDITION.**

(d) In the event the provisions in paragraph 14(b) or 14(c) above are subject to the Texas Anti-Indemnity Act either directly or as adopted as federal law under the Outer Continental Shelf Lands Act, the Parties agree that:

(1) In order to be in compliance with the Texas Anti-Indemnity Act regarding indemnification mutually assumed for the other party's sole or concurrent negligence, (i) each Party agrees to carry supporting insurance in equal amounts of the types and in the minimum amounts as specified in Exhibit C hereto, and (ii) the parties agree that the indemnity obligations under paragraphs 14(b) and 14(c) above are limited to the extent of the coverage and

dollar limits of insurance or qualified self-insurance as specified in Exhibit C hereto, which each party has agreed to obtain for the benefit of the other party as indemnitee.

(2) If the Party owing indemnity does not carry insurance in the minimum amounts as specified in the insurance requirements of this Agreement to support the mutual indemnity obligations, or the indemnitor's insurer becomes insolvent, or the indemnitor's insurer refuses to cover a claim based on breach of the insurance contract by the indemnitor, or in the event the indemnitor's insurance is exhausted for any reason below the minimum levels required in this Agreement (even on the same incident paid on behalf of the indemnitor or any person or entity other than the indemnitee), then the party owing indemnity has approved self insurance under the Texas Anti-Indemnity Act to cover the amount of indemnity owed to the indemnitee up to the minimum amounts as stated in the insurance requirements of this Agreement. It is the intention of the Parties that the Party to whom indemnity is owed will receive the benefit of such indemnity regardless of what may happen after this Agreement is signed that might affect the insurance required to be obtained by the Party owing the indemnity.

(e) In the event the provisions in paragraph 14(b) or 14(c) above are subject to Louisiana Revised Statute 9:2780 or 9:2780.1 (as either may be amended from time to time) either directly or as adopted as federal law under the Outer Continental Shelf Lands Act, (1) the Parties agree that Charterer shall, on behalf of Charterer Group, pay the premium for the extension (or provision) of Owner's insurance to cover Charterer Group as additional insured to the extent of the liabilities assumed by Owner hereunder, (2) Owner shall cause its insurer(s) to invoice Charterer the premium for such extension (or provision) of coverage in favor of the Charterer Group; (3) Owner warrants that such premium shall constitute all material costs for such extension (or provision) of coverage; (4) at each subsequent renewal, Owner shall advise Charterer of the amount for the premium required for such extension (or provision) of coverage and shall arrange to have Charterer invoiced for the material costs of the premium for such extension (or provision) of coverage to the Charterer Group; and (5) in the event such premiums exceed an amount that Charterer, in its sole discretion, deems to be reasonable, Charterer may, at its option and in its sole discretion, terminate this Agreement or any order for Work immediately upon notice to Owner and without liability for any penalty, termination or similar fee of any kind, other than payment for Work properly completed prior to termination.

(f) The provisions of this paragraph 14 shall expressly apply to claims or causes of action asserted against a Party by reason of any agreement of indemnity with a person or entity not a party to this Agreement where such contractual indemnities are related to or ancillary to the performance of any Charter Services contemplated under this Agreement and/or Charterer's project or operations.

(g) Neither Party shall be liable to the other Party or its Group (and each Party on behalf of itself and its Group waives and releases any claim, demand or cause of action against the other Party for) punitive and exemplary damages and special, indirect or consequential damages (including without limitation loss of revenue, profit or use of capital, production delays, loss of product, reservoir loss or damage, losses resulting from failure to meet other contractual commitments or deadlines and downtime of facilities or vessels) arising out of this Agreement, any Short Form or any Charter Services, **REGARDLESS OF WHETHER CAUSED OR CONTRIBUTED TO BY THE SOLE, JOINT OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY OF THE OTHER PARTY (OR ANY OTHER PERSON OR ENTITY), THE UNSEAWORTHINESS OF ANY VESSEL, THE UNAIRWORTHINESS OF ANY CRAFT OR A PREEXISTING CONDITION.** Nonetheless, nothing in the foregoing sentence shall limit the scope of indemnity or Defense owing to a Party (or another member of its Group) hereunder by reason of a claim, demand or cause of action asserted by a third party.

15. **Insurance.** Owner shall carry insurance with reliable insurance companies approved by Charterer in the amounts set forth in **Exhibit C** hereto. Before engaging in any Charter Services hereunder, Owner shall cause its (and each subcontracted vessel owner's) insurance carriers to furnish Charterer with Certificates of Insurance, satisfactory to Charterer, confirming compliance with all requirements of this paragraph 15 and **Exhibit C**. If Owner receives any notice of cancellation or change of any policy, Owner shall provide a copy of such notice to Charterer within five (5) days after Owner's receipt of such notice. Nonetheless, neither Charterer's acceptance of an incomplete or improper certificate nor commencement of Charter Services or payment for any Charter Service shall constitute a waiver of any rights of Charterer.

16. **Incident Reports.** Owner shall immediately notify Charterer in the event of any accident or incident potentially arising out of any Charter Services and resulting in the death or injury of any individual or the loss of or damage to any property. Owner shall prepare and furnish Charterer a copy of an incident report within ten (10) calendar days thereof and, when requested, shall furnish Charterer with a copy of all non-privileged reports made by Owner to Owner's insurers, any Governmental Authority or others with respect thereto.

17. **Force Majeure.** The term "**Force Majeure**" means acts of God, strikes, lockouts, other industrial disturbances, acts of the public enemy, laws and regulations, wars or war-like action, arrests or other restraints of governments (civil or military), blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, hurricanes, fires, storms (named or unnamed), floods, washouts, civil disturbances, confiscation or seizure by any government or public authority, and any other similar causes, that are not reasonably within the control of the Party claiming a Force Majeure and that by the exercise of due diligence such Party shall not have been able to avoid or overcome. Except as specifically provided otherwise in this Agreement, if either Party is rendered unable, wholly or in material part, by reason of Force Majeure to carry out any of its obligations hereunder (other than for any payment of money or the providing of indemnity or defense), then on such Party giving notice and reasonably full particulars of such Force Majeure as soon as possible, but in writing to the other Party no later than three (3) days after the occurrence of the cause relied on, such obligation of the Party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuation of any inability so caused and such cause shall, as far as practicable, be remedied with all reasonable dispatch by such party; provided that this paragraph 17 shall not be construed to require a Party to settle or overcome labor disputes or strikes, except on terms satisfactory to the affected Party in its sole discretion. Should suspension of services due to a Force Majeure event continue for seven (7) days, either Party may terminate the Charter Service for the specific Vessel(s) affected with no further obligation under this Agreement to the other Party (except under paragraphs 14-15 above for the period prior to such termination).

18. **Salvage.** All salvage operations and assistance to other vessels shall be for Owner's and Charterer's equal benefit after deducting the master's and crew's proportion and Owner's and Charterer's expenses.

19. **Enforcement of Rights.** In the event either Party institutes suit to enforce any right or obligation against the other arising from or incidental to this Agreement, then the prevailing Party shall be entitled to recover reasonable attorneys' fees, court costs and expenses related thereto.

21. **Confidentiality.** Information obtained by Owner while performing Charter Services, including without limitation geological and geophysical information and any information, concerning depth, formations penetrated, the results of coring, testing and surveying, shall be considered confidential and the property of Owner; shall be used by Owner solely for the purposes of this Agreement; shall not be divulged by Owner or Owner's employees, agents, representatives or contractors to any person or entity other than persons designated by Charterer in writing; and, if in tangible form, will be returned by Charterer upon completion of such Charter Services (or earlier if Charterer so requests). Owner shall be responsible for the safekeeping and protection of all such information in the possession, custody or control of Owner or its employees, representatives, agents or subcontractors.

22. **Assignment of Agreement; Subcontracts.** Owner shall identify, in advance in writing to Charterer, each subcontractor Owner proposes to utilize in connection with any Vessel or Charter Services. Owner agrees not to assign this Agreement or subcontract any Charter Services to be furnished hereunder without the prior written consent of Charterer; no assignment of this Agreement or subcontracting of any Charter Services shall relieve Owner of its obligations hereunder. If Owner assigns this Agreement or subcontracts any Charter Services to be furnished hereunder without such consent, Charterer may immediately terminate this Agreement and any Charter Services in progress notwithstanding paragraphs 1 and 2 above. Each subcontractor of Owner with respect to any Vessel or Charter Service shall have the minimum insurance prescribed herein, shall provide proof of such insurance to Charterer and shall agree in writing to be bound by and shall otherwise comply with the terms of this Agreement and in any Bridging Agreement, to the same extent as if such subcontractor were Owner and has ratified and joined this Agreement with respect to such Vessel or Charter Service.). Contractor is fully responsible to Company for the Work performed by its subcontractors, as if such Work was performed directly by Contractor, and for the compliance of its subcontractors with all the requirements of this Agreement and any Bridging Agreement.

23. **Notices.** All invoices, demands and other notices to be given with respect to this Agreement or any Short Form shall be in writing, shall be delivered personally by a nationally recognized courier or sent by registered or certified mail, return receipt requested, (or, for any invoices, by first-class mail) and shall be effective when received by the receiving Party at the applicable address below (or such other address as such Party may identify in writing to the other Party in accordance with this paragraph 23):



If to Charterer:

Talos Energy LLC

[REDACTED]

If to Owner:

SEACOR Marine LLC

[REDACTED]

24. **Construction; Waiver; Counterparts.** In the event one or more of the provisions contained in this Agreement shall be held, for any reason, to be invalid, void, illegal, contrary to law and/or unenforceable in any respect, this Agreement shall be deemed to be amended to partially or completely modify such provision or portion thereof to the extent necessary to make it enforceable. If necessary, this Agreement shall be deemed to be amended to delete the unenforceable provision or portion thereof, in which event such invalidity, voidness, illegality or unenforceability shall not affect the remaining provisions hereof and this Agreement shall remain unaffected and shall be construed as if such invalid, void, illegal or unenforceable provision never had been contained herein. The parties agree and acknowledge that this Agreement has been jointly drafted and negotiated by both parties and thus that no provision shall be construed against a party on grounds that it drafted, proposed or revised such provision (or any other proposed or final provision for this Agreement). Subject to paragraphs 13(c) above, (i) this Agreement, including the attached Exhibits, constitutes the entire agreement of the parties with respect to the subject matter herein and supersedes any prior or contemporaneous agreements, understandings or representations relating hereto, (ii) there are no agreements, understandings, conditions or representations, express or implied, with reference to the subject matter hereof that are not merged herein or superseded hereby, and (iii) in the event of a conflict between this Agreement and any subsequent writing between the parties (including any Short Form, purchase order, requisition or other agreement), this Agreement shall control except as respects a specific amendment to this Agreement that is signed by an authorized officer (or manager) of each party and specifically cross-references this Agreement. No amendment, change, modification, waiver, extension, renewal, ratification, rescission or discharge of this Agreement or of any provision hereof or any representation, promise or condition relating to this Agreement shall be binding upon a Party unless made in writing, signed by the Parties, and specifically referencing this Agreement. In the event of a conflict between the provisions of this Agreement on the one hand and one of the attached Exhibits or any Short Form or Charter Services request on the other hand, the provisions of this Agreement shall control. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute the same single agreement.

25. **Choice of Law; Venue.** The Parties expressly agree that this Agreement is a maritime contract involving the operation of a Vessel and performance of Charter Services at various locations in navigable waters of the United States and/or on the Outer Continental Shelf and/or worldwide. Accordingly, this Agreement shall be governed and construed in accordance with the general maritime laws of the United States; when the general maritime laws of the United States cannot be applied or incorporate the laws of a State, the laws of the State of Texas shall apply excluding any choice-of-law rule that would refer the law of another jurisdiction. The parties consent to personal jurisdiction and venue in any action or proceeding brought in federal court in Harris County, Texas (or, if that court does not have jurisdiction, in any other court in Harris County, Texas having subject matter jurisdiction); with respect to any such claim each Party waives, to the fullest extent permitted by law, any claim or objection such Party may now or hereafter have that personal jurisdiction or venue is not proper with respect to any such action or proceeding.

26. **Anti-Terrorism certification.** Owner represents, warrants and agrees that no Owner Group member is or, during the term of this Agreement, will be (1) in violation of any Anti-Terrorism Law, (2) conducting any business or engaging in any transaction or dealing with any Prohibited Person, (3) dealing in, or otherwise engaging in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No. 13224, (4) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate any Anti-Terrorism Law or (5) a Prohibited Person. The term "**Anti-Terrorism Law**" means any law, rule, regulation or order relating to terrorism, anti-terrorism, money laundering or anti-money laundering activities and includes without limitation Executive Order No. 13224 and Title 3 of the USA Patriot Act (Public Law No. 107-56). The term "**Executive Order No. 13224**" means Executive Order No. 13224 on Terrorist Financing effective September 24, 2001, and relating to the "Blocking Property and Prohibiting Transactions with Persons who Commit or Support Terrorism." The term "**Prohibited Person**" means (A) a person or entity listed in the Annex to Executive Order No. 13224, (B) a person or entity with whom Charterer or Owner is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law or (C) a person or entity who is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website (<http://www.treasury.gov/ofac/downloads/t11sdn.pdf>) or at any replacement website or other official publication of such list.

(B)

27. **Third Party Beneficiaries.** Except as provided in paragraph 14 above with regard to Owner Group and Charterer Group, nothing herein shall be construed to confer any benefit on any third party not a party to this Agreement nor to provide any rights to such third parties to enforce the provisions hereof.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first written above.

OWNER: **SEACOR Marine LLC**

CHARTERER: **Talos Energy LLC**


Title: Vice President

Date signed: 9/9/2013


Title: Executive V.P. and C.O.O.


Date signed: Sept. 13, 2013 

EXHIBIT A

SHORT FORM TIME CHARTER AGREEMENT

THIS SHORT FORM TIME CHARTER AGREEMENT is made as of the ____ day of _____, 20__ between SEACOR Marine LLC ("**Owner**"), the owner of the vessel described below ("**Vessel**"), and Talos Energy LLC ("**Charterer**").

Pursuant to the terms of that certain Master Time Charter dated _____, 2013 between Owner and Charterer (the provisions of which the parties hereto are familiar with and incorporate herein by reference), Owner agrees and does hereby time charter, and Charterer agrees to and does hereby hire, the following Vessel subject to the following:

1. Description, Term and Rates.

A. Description of Vessel:

Name: _____

Official No.: _____

Stated Value of Vessel: _____

B. Term:

Date and Time of Delivery: _____

Date and Time of Redelivery: _____

C. Port or Place of Delivery: _____

D. Port or Place of Redelivery: _____

E. Charter Hire Rates and Fees:

Daily Charter Rate: _____

Meal Fee - Per Meal: _____

Bunking Fee - Per Bunk: _____

F. Mobilization Fee: _____

G. Demobilization Fee: _____

2. Special Provisions numbered ____ through ____ are annexed hereto on Annex A, are deemed incorporated herein and constitute additional terms and conditions of this Short Form Time Charter Agreement.

OWNER: SEACOR Marine LLC

CHARTERER: Talos Energy LLC

By: _____

Name: _____

Title: _____

Date signed: _____

By: _____

Name: _____

Title: _____

Date signed: _____

EXHIBIT B

FEDERAL CONTRACT PROVISIONS

The following clauses are incorporated herein by reference as if fully set out (and, where required by law, Owner shall fully comply with such clauses and include such clauses in any nonexempt subcontract):

- (1) Equal Opportunity Clause (41 CFR §60-1.4);
- (2) Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, Recently Separated Veterans, and Other Protected Veterans clause (41 CFR §60-250.5);
- (3) Equal Opportunity for Workers with Disabilities clause (41 CFR §60-741.5);
- (4) Utilization of Small Business Concerns clause (48 CFR 52.219-8);
- (5) Small Business Subcontracting Plan clause (48 CFR 52.219-9);
- (6) the further clauses and provisions in 48 CFR subpart 52.2; and
- (7) Hazardous Material Identification and Material Safety Data clause (48 CFR 52.223-3).

Owner agrees to timely file all Equal Employment Opportunity reports required under 41 CFR § 60.1-7 and to develop and maintain a current written affirmative action compliance program for each of its establishments in accordance with 41 CFR § 60.140 and the regulations of the Secretary of Labor promulgated under Executive Order No. 11246, as amended.

Owner certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. Owner certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments and that it will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. Owner agrees that a breach of this certification is a violation of the Equal Opportunity Clause. As used in this certification, the term "segregated facilities" means but is not limited to any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin, because of habit, local custom or otherwise. It further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause; that it will retain such certification in its files; and that it will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certificates for specific time periods):

"NOTICE TO PROSPECTIVE CONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES. A Certification of Nonsegregated Facilities must be submitted prior to the award of any subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity Clause. The certification may be submitted either for each contract or for all contracts during a period (i.e. quarterly, semiannually or annually). The penalty for making false statements is prescribed in 18 U.S.C. § 1001."

[End of Exhibit B]

EXHIBIT C
Master Time Charter
Minimum Insurance Requirements

Each insurance policy to be maintained by Owner under this Agreement must be endorsed or provide as follows limited to the extent of Owner's liabilities and obligations specifically assumed under this Agreement:

1. Underwriters waive their rights of subrogation (whether by loan receipts, equitable assignment, or otherwise) against the Charterer Group.
2. To provide adequate territorial and navigational limits and comply with all laws or regulations of state or county of jurisdiction.
3. Except for Worker's Compensation insurance (category A below) and Physical Damage insurance (category E below), all policies shall name the Charterer Group as additional insureds.
4. The coverage afforded by such policy shall be primary as respects the Charter Services in relation to any policies carried by the Charterer Group.
5. No cancelation for non-payment of premium shall become effective except upon at least ten (10) days written notice thereof given to Charterer; no cancelation for any other reason and no material change in the policy shall become effective except upon at least thirty (30) days written notice thereof given to Contractor.

All deductibles on any insurance policy hereunder are for the account of Owner.

Notwithstanding any provisions in this Exhibit or elsewhere in this Agreement to the contrary, failure to secure the insurance coverages or to comply fully with any of the insurance provisions of this Agreement or to secure such endorsements on the policies as may be necessary to carry out the terms and provisions of this Agreement (i) shall in no way act to relieve Owner from its obligations of this Agreement and (ii) shall constitute grounds for the immediate termination of this Agreement by Charterer (in addition to any other rights or remedies available to Charterer).

In the event that liability for loss or damage be denied by the underwriter(s), in all or in part, because of breach of said insurance by Owner or if Owner fails to maintain any of the insurance herein required, Owner shall hold harmless and indemnify the Charterer Group and its insurers against all claims, demands, costs and expenses, including attorney's fees, which would otherwise be covered by said insurance. Notwithstanding anything to the contrary herein, Owner's indemnification and other obligations under this Agreement (express or implied) shall not be limited to the amounts or to the scope of coverage provided by insurance that is required of Owner under the terms hereof.

Owner shall, during the progress of the term of this Agreement, carry, at its own expense, on forms and with insurance companies having an AM Best rating of at least A- VII and authorized to do business in the state or area in which the Charter Services is to be performed or provided hereunder, the following minimum insurance coverages:

A. Worker's Compensation and Employers' Liability Insurance in accordance with the statutory requirements of the state or area in which Charter Services is to be performed or provided, the states in which Owner's employees reside and the states in which Owner is domiciled or located and endorsed specifically to include the following:

1. Employers' Liability, including Occupational Disease, subject to a limit of liability of at least:
\$1,000,000 Each Accident \$1,000,000 Disease Each Employee
2. "Alternate Employer" endorsement providing that a claim brought against Charterer as a "borrowed servant" or "alternate employer" by an employee of Owner will be treated as a claim against Owner and providing that Charterer and its subsidiaries and affiliates companies and its and their owners, co-owners and joint venturers, if any, and their respective underwriters shall receive benefit of this insurance with respect to such claims.
3. Protection for liabilities under the federal Longshore and Harbor Workers' Compensation Act and the Outer Continental Shelf Lands Act.

4. Coverage for liability under the Merchant Marine Act of 1920, commonly known as the Jones Act; the Admiralty Act; and the Death on the High Seas Act with limits of not less than \$1,000,000 per accident.
5. Protection against liability of employer to provide transportation, wages, maintenance and cure to maritime employees and a Voluntary Compensation Endorsement.
6. Coverage to provide that a claim "in rem" shall be treated as a claim "in personam" against the employer.

B. Comprehensive General Liability Insurance with limits of liability of not less than the following:

Bodily Injury and Property Damage combined single limit each occurrence \$1,000,000/\$2,000,000 Aggregate

Such insurance shall remove and exclude any "watercraft" exclusion (unless coverage is provided under a separate policy in accordance with this Exhibit C) and shall include the following:

1. Premises and Operations Coverage (including without limitation for property damage due to blasting and explosions, structural property damage, underground property damage and surface damage from blowout and cratering).
2. Products and Completed Operations (either with coverage on an occurrence basis or with claims-made coverage in place for at least two years after acceptance of the Charter Services).
3. Contractual Liability covering the liabilities assumed under this Agreement.
4. Owner's Protective Liability (covering all Charter Service that is sublet).
5. Pollution Liability.
6. Coverage to provide that a claim "in rem" shall be treated as a claim "in personam" against the insured.
7. an Extended Reporting Provision if the policy is written on a claims-made bases and is non-renewed or cancelled.

C. Comprehensive Automobile Insurance with limits of liability of not less than the following:

Bodily Injury and Property Damage combined single limit each occurrence \$1,000,000

Such coverage shall include and cover owned, hired and non-owned vehicles.

D. Aircraft Liability Insurance: If the performance of any Charter Services requires the ownership, charter, lease or operation of aircraft (including helicopters), Owner shall carry (or require the owners of such aircraft to carry):

1. Aircraft Liability Insurance for all owned (if any), hired and non-owned aircraft (fixed wing and rotary) including passenger liability.
2. Blanket contractual liability covering the liabilities assumed under this Agreement.
3. Minimum Limit of Liability: \$25,000,000 each accident for bodily injury or property damage.

E. Physical Damage Insurance: Covering loss of or damage to equipment and machinery, used in the performance of Charter Services, including without limitation loss or damage during loading, unloading or while in transit. Such coverage shall be on an all-risk basis or its equivalent, and all deductibles shall be assumed by, and for the account of, Owner and at Owner's sole risk.

F. Excess Liability Insurance: Provide excess liability insurance for categories A, B, C and D above for at least \$50 million per occurrence which coverage shall be in a form satisfactory to Owner.

G. **Marine Insurance:** Owner shall also maintain the following insurance with respect to each vessel owned or chartered by Owner:

1. **Hull & Machinery Insurance:** Full Form Hull & Machinery Insurance (subject to AIHC Form or equivalent, with full collision liability unless included under the P&I insurance under item (2) below) for the full value of each vessel.
2. **Standard Protection & Indemnity Insurance:** Coverage (on SP-23 form or equivalent) with limits at least \$1 million any one occurrence, amended as necessary to include (i) coverage for Masters and Members of the Crews of Vessels if coverage for maritime employees is not provided under category A above; (ii) coverage for Contractual Liability, third party bodily injury and property damage; and (iii) broad form coverage for removal of wreck and debris, extended to include contractual liability therefor and removal of wreck and debris.
3. **Tower's Liability Insurance:** If any vessel will be engaged in towing, Tower's Liability Insurance subject to the terms of the broad American Institute Tower's Liability Clause containing limits of liability of at least \$5,000,000.
4. **Pollution Liability Insurance:** Coverage (on Water Quality Insurance Syndicate (WQIS) policy form or equivalent) for vessel pollution liability, with limits of at least \$1,000,000.
5. **Excess Insurance:** Provide excess insurance for items 2, 3 and 4 above in an amount of not less than the greater of the full value of each vessel and \$20,000,000.

All policies and coverages required under this category G shall be endorsed:

- (a) to provide full coverage to the Charterer Group as additional insureds (for Charter Services performed and liabilities assumed under this Agreement) without limiting coverage to liability "as owner of the vessel" and to delete any "as owner" clause and any other language purporting to limit coverage to liability of an insured "as owner of the vessel."
- (b) to delete any language limiting coverage for the Charterer Group in the event of the applicability of the Limitation of Liability Statute.

[End of Exhibit C]

