

ORIGINAL

OPEN POLICY NO.

CERTIFICATE NO.

A2310

2952305

FOREMAN'S FUND INSURANCE COMPANY
SAN FRANCISCO, CALIFORNIA
ATLANTIC DIVISION, 110 WILLIAM STREET
NEW YORK, NEW YORK 10038

\$ 125,000.000

The company named above in consideration of premium in the amount of and at rates as arranged and subject to the Conditions and Warranties specified and/or attached hereto, does by this policy insure

ASSURED Metalworking Machines, Inc.

as well in their own name as in that of those to whomsoever the subject matter of this Policy does, may, or shall appertain.

IN THE SUM OF One hundred twenty-five thousand and 00/100-----

UPON steel grinders with accessories

- CONTAINER-HOUSE/HOUSE
CONTAINER-PORT/PORT
CONTAINER-OTHER
NON-CONTAINER

VALUED AT SUM OR SUMS INSURED

LADEN (UNDER DECK) ON BOARD THE VESSEL/AIRLINE: S/L Adventurer B/L OR SAILING DATE: 9-30-2006
(LOST OR NOT LOST) AT AND FROM (INITIAL POINT/PORT): Interior USA via Baltimore TO (FINAL POINT/PORT): Taipei Taiwan via Kaoshiung
LOSS IF ANY PAYABLE TO THE ORDER OF THE ASSURED AT: destination

Insured against all risks of physical loss or damage from any external cause irrespective of percentage, but excluding the risks excluded by the "F.C.&S." and/or "S.R.&C.C." warranties on the reverse side of this policy except to the extent that such risks may be specifically covered by endorsement also warranted free from any claim arising out of the inherent price of the goods insured or consequent upon loss of time or market.

This insurance attaches from the time the goods leave the warehouse at the place named in the policy for the commencement of the transit and continues during the ordinary course of transit until the goods are delivered to the final warehouse at the destination named in the policy.

It is a condition of this insurance that there shall be no interruption or suspension of transit unless due to circumstances beyond the control of the Assured.

The risks covered by this policy include loss, damage, or expense resulting from explosion howsoever or wheresoever occurring, irrespective of percentage, but it is especially understood and agreed that this wording is not intended to cover any of the risks excluded by the F.C.&S. and/or S.R.&C.C. Warranties set forth elsewhere in the policy.

In the event of the vessel, wharf, warehouse, conveyance, or other cargo being fumigated by order of property constituted authority and damage arises therefrom to the goods insured hereunder, this Company agrees to indemnify the Assured for such damage irrespective of percentage.

General Average and Salvage Charges payable according to United States laws and usage and/or as per Foreign Statement and/or as per York-Antwerp Rules (as prescribed in whole or in part) in accordance with the Contract of Affreightment.

In cases of any loss or misfortune, it shall be lawful and necessary for the Assured, his or their factors, servants and assigns, to sue, labor, and travel for, in, and about the defense, safeguard, and recovery of the interest insured, or any part thereof, without prejudice to this insurance; to the charges whereof this Company shall contribute according to the rate and quantity of the sum hereby insured; nor shall the acts of the Assured or the Company in recovering, saving, or preserving the property insured, in case of disaster, be considered as a waiver or acceptance of abandonment.

In case of any agreement, act, or omission of the Assured, prior or subsequent to loss, whereby any right of recovery of the Assured for loss or damage to any property insured hereunder against any Carrier or Bailee, is released, impaired, or lost, which would on acceptance of abandonment or payment of loss by this Company have inured to its benefit, but for such agreement, act, or omission, this Company shall pay for the loss only to the extent its right of recovery was not released, impaired, or lost.

This insurance is subject to the American Institute Marine Extension Clauses (1943) and the following American Institute Clauses as if the current form of each were endorsed hereon:
South America 60-Day Clause S.R.&C.C. Endorsement War Risk Insurance

It is hereby understood and agreed that in case of loss and damage to the property insured under this policy, same shall be immediately reported as soon as the goods are landed, or the loss is known or expected, to the nearest agent of this Company as designated on the reverse side hereof.

(See reverse side for further terms and conditions which are hereby made a part of this Policy.)

NOTE—It is necessary for the assured to give prompt notice to underwriters when he becomes aware of an event for which he is "held covered" under this policy and the right to such cover is dependent on compliance with this obligation.

In witness whereof the company named above has caused this policy to be signed by its duly authorized officers, but this policy shall not be valid unless countersigned by an authorized representative of this Company or the Assured.

Secretary

President

Endorsement -

Counteragreed at Baltimore MD 9-30-2006
Date