

### Schedule of Definitions

“**Act**” means the Merchant Marine Act, 1936, as amended and in effect on the Closing Date.

“**Actual Cost**” means the actual cost of a Vessel, as set forth in Table A hereof or as subsequently redetermined by the Secretary pursuant to the Security Agreement and the Act.

“**Audited Financial Statements**” mean the annual audit of Shipowner’s accounts in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, who may be the Shipowner’s regular auditors.

“**Authorized Newspaper**” means The Wall Street Journal or if it ceases to exist, then in such other newspaper as the Secretary may designate.

“**Business Day**” means a day which is not a Saturday, Sunday or a bank holiday under the laws of the United States or the State of \_\_\_\_\_.

“**Chapter 313**” means the provisions of 46 United States Code Chapter 313, as amended.

“**Classification Society**” means the American Bureau of Shipping or as specified in the Special Provisions hereof, either a member of the International Association of Classification Societies (“IACS”) that has been ISO 9000 series registered or an IACS member that meets the requirements of the International Maritime Organization, is qualified under a Quality Systems Certificate Scheme and recognized by the United States Coast Guard and the Secretary as meeting acceptable standards.

“**Closing Date**” or “**Closing**” means the date when the Security Agreement and Secretary's Note are executed and delivered by the Shipowner.

“**Consent of Shipyard**” means each, and "Consents of Shipyards" means every, document evidencing such Shipyard’s consent to the assignment of a Construction Contract to the Secretary under the Security Agreement as originally executed, modified, amended or supplemented.

“**Construction**” means construction of the Vessels, including designing, inspecting, outfitting and equipping thereof.

"**Construction Contract**" means each, and "**Construction Contracts**" means every, contract relating to the Construction of the Vessels between the Shipowner and the Shipyard, as originally executed or as modified or supplemented pursuant to the applicable provisions thereof.

“**Construction Fund**” has the meaning specified in Article IV of the Security Agreement.

"**Default**" when used in the Security Agreement has the meaning attributed to in Article VI thereof.

"**Delivery Date**" means the date on which a Vessel is delivered to and accepted by the Shipowner.

"**Depository**" shall mean the institution designated in the Depository Agreement or any successor.

"**Depository Agreement**" shall mean the Depository Agreement, Contract No. MA-\_\_\_\_\_ among the Shipowner, the Secretary and the Depository, as originally executed or as modified or supplemented in accordance with the applicable provisions thereof.

"**Depreciated Actual Cost**" means, with respect to any Vessel, the depreciated actual cost of such Vessel, as redetermined by the Secretary pursuant to the Security Agreement and the Act.

"**Eligible Investment**" has the meaning given by Section 5 of the Financial Agreement.

"**Escrow Fund**" means the account held by the Secretary, established under Section 1108 of the Act and administered pursuant to Article V of the Security Agreement.

"**Financial Agreement**" means the Title XI Reserve Fund and Financial Agreement, Contract No. MA-\_\_\_\_\_, executed by the Shipowner and the Secretary, as originally executed or as modified, amended or supplemented.

"**Financial Asset**" has the meaning given by Article 8-102(a)(9) of the UCC.

"**Government Use**" means the use of a Vessel or requisition of its title required by any government or governmental body.

"**Guarantee**" means the guarantee of an Obligation by the United States pursuant to Title XI of the Act, as provided in the Loan Agreement and the Obligation.

"**Guarantee Commitment**" means the Commitment to Guarantee Obligations, Contract No. MA-\_\_\_\_\_, dated as of \_\_\_\_\_, executed by the Secretary and accepted by the Shipowner relating to the Obligation, as originally executed or as modified, amended or supplemented.

"**Increased Security**" means the Secretary's Note, the Security Agreement, the Vessels, the Security, the Escrow Fund, the Title XI Reserve Fund, the Construction Fund, and the proceeds received by the Secretary pursuant to Section 6.05 of any other security agreement between the Secretary and the Shipowner relating to any vessels financed under the Act, and the Policies of Insurance, and the proceeds of the foregoing.

"**Long Term Debt**" means, as of any date, the total notes, bonds, debentures, equipment obligations and other evidence of indebtedness that would be included in long term debt in accordance with

generally accepted accounting principles. There shall also be included any guarantee or other liability for the debt of any other Person not otherwise included on the balance sheet.

"**Maturity**" when used with respect to any Obligation, means the date on which the principal of such Obligation becomes due and payable as therein provided, whether by payment or declaration of acceleration or otherwise.

"**Maturity Date**" means the date by which the principal or the Loan Amount of the Loan Agreement shall be paid in full.

"**Moneys Due with Respect to Construction of the Vessels**" has the meaning specified in Section 1.03 of the Security Agreement.

"**Mortgage**" means the first preferred fleet mortgage on the Vessels, Contract No. MA-\_\_\_\_, by the Shipowner to the Secretary, as originally executed, modified, amended or supplemented.

"**Mortgagee**" means the Secretary, as mortgagee under the Mortgage.

"**Mortgagor**" means the Shipowner, as mortgagor under the Mortgage.

"**Net Worth**" means, as of any date, the total of paid-in capital stock, paid-in surplus, earned surplus and appropriated surplus, and all other amounts that would be included in net worth in accordance with generally accepted accounting principles, but exclusive of (1) any receivables from any stockholder, director, Officer or employee of the Company or from any Related Party (other than current receivables arising out of the ordinary course of business and not outstanding for more than 60 days) and (2) any increment resulting from the reappraisal of assets.

"**Obligation**" means the obligation of the Shipowner bearing a Guarantee executed by the Secretary.

"**Officer's Certificate**" means a certificate conforming to Section 1.02 of the Security Agreement or the Indenture\*\* as the context may require.

"**Outstanding**" when used with reference to the Obligation, shall mean the Obligation theretofore issued under the Loan Agreement, except when the Obligation is Retired or Paid.

"**Payment Default**" has the meaning specified in Section 6.01 of the Security Agreement.

"**Person**" or "**Persons**" means any individual, corporation, partnership, joint venture, association, limited liability company, joint-stock company, trust, unincorporated organization, government, or any agency or political subdivision thereof.

**"Policies of Insurance"** and **"policies"** means all cover notes, binders, policies of insurance and certificates of entry in a protection and indemnity association, club or syndicate with respect to the Vessel, (including all endorsements and riders thereto), including but not limited to all insurance required under Section 2.05 of the Security Agreement.

**"Proportionate Part"** means with respect to the item in question, the portion of the item in question, as of the date of any calculation, which bears the same proportion to the entire amount of the item in question as: (x) the Depreciated Actual Cost of the Vessel as of the date of such calculation as it bears to (y) the Depreciated Actual Cost of all the Vessels as of such date (excluding the Depreciated Actual Cost of any Vessel upon which its Obligation has been assumed pursuant to Section 4.05 of the Loan Agreement), all as determined by the Secretary.

**"Related Party"** means one that can exercise control or significant influence over the management and/or operating policies of another party, to the extent that one of the parties may be prevented from fully pursuing its own separate interests. Related parties consist of all affiliates of an enterprise, including (1) its management and their immediate families, (2) its principal owners and their immediate families, (3) its investments accounted for by the equity method, (4) beneficial employee trusts that are managed by the management of the enterprise, and (5) any party that may, or does, deal with the enterprise and has ownership of, control over, or can significantly influence the management or operating policies of another party to the extent that an arms-length transaction may not be achieved.

**"Request"** means a written request to a Person for the action therein specified, signed by a Responsible Officer of the Person making such request.

**"Responsible Officer"** means (1) in the case of any business corporation, the chairman of the board of directors, the president, any vice president, the secretary or assistant secretary, the treasurer or assistant treasurer, and (2) in the case of any commercial bank, the chairman or vice-chairman of the executive committee of the board of directors or trustees, the president, any vice president, the secretary, the treasurer, any trust officer, any executive or senior or second or assistant vice president.

**"Retired or Paid,"** as applied to the Obligation and the indebtedness evidenced thereby, means that the Obligation shall be deemed to have been so retired or paid and shall no longer be entitled to any rights or benefits provided in the Loan Agreement if the Obligation (1) shall have been paid in full or (2) has been cancelled by the Lender; provided that, the foregoing definition is subject to Section 4.04 of the Loan Agreement.

**"Rights Under the Construction Contracts and Related Contracts"** shall have the meaning specified in Section 1.03 of the Security Agreement.

"**Secretary**" means the Secretary of Transportation or any official or official body from time to time duly authorized to perform the duties and functions of the Secretary of Transportation under Title XI of the Act.

"**Secretary's Note**" means a promissory note or promissory notes issued and delivered by the Shipowner to the Secretary substantially in the form of Exhibit 2 hereof, including any promissory note issued in substitution for, or any endorsement or supplement thereof.

"**Secretary's Notice**" means a notice from the Secretary to the Lender that a Default, within the meaning of Section 6.01(b) of the Security Agreement has occurred.

"**Security**" has the meaning specified in Section 1.03 of the Security Agreement.

"**Securities Account**" has the meaning given by Article 8-501 of the UCC.

"**Securities Intermediary**" has the meaning given by Article 8-102(a)(14) of the UCC and also means the Depository.

"**Security Agreement**" means the security agreement, Contract No. MA-\_\_\_\_\_, dated as of the Closing Date, consisting of the special provisions, the general provisions and this schedule X, executed by the Shipowner as security for the Secretary, as originally executed or as modified, amended or supplemented.

"**Security Default**" has the meaning specified in Section 6.01 of the Security Agreement.

"**Shipowner**" means \_\_\_\_\_ a \_\_\_\_\_ corporation, and shall include its successors and assigns.

"**Shipyard**" means each, and "**Shipyards**" means every, Shipyard identified in Recital A to the Guarantee Commitment.

"**Successor**" means a Person formed by or surviving a consolidation or merger with the Shipowner or to which the Vessels have been sold.

"**Title XI**" means Title XI of the Act.

"**Title XI Reserve Fund**" has the meaning specified in the Financial Agreement.

"**Title XI Reserve Fund and Financial Agreement**" means the Financial Agreement.

"**UCC**" means the Uniform Commercial Code as enacted in the State of \_\_\_\_\_.

"Vessel" means each vessel and "Vessels" means the vessels, with respect to the (Vessel name), Official Number \_\_\_\_\_, and (\_\_\_\_\_), Official Number \_\_\_\_\_, completed in accordance with the Construction Contract(s), including all work and material heretofore or hereafter performed upon or installed in or placed on board such Vessel(s), together with related appurtenances, additions, improvements, and replacements.

**"Working Capital"** shall mean the excess of current assets over current liabilities, both determined in accordance with generally accepted accounting principles and adjusted as follows:

(1) In determining current assets, there shall also be deducted: (A) Any securities, obligations or evidence of indebtedness of a Related Party or of any stockholder, director Officer or employee (or any member of his family) of the Company or of such Related Party, except advances to agents required for the normal current operation of the Company's vessels and current receivables arising out of the ordinary course of business and not outstanding for more than 60 days; and (B) An amount equal to any excess of unterminated voyage revenue over unterminated voyage expenses;

(2) In determining current liabilities, there shall be deducted any excess of unterminated voyage expenses over unterminated voyage revenue; and

(3) In determining current liabilities, there shall be added one half of all annual charter hire and other lease obligations (having a term of more than six months) due and payable within the succeeding fiscal year, other than charter hire and such other lease obligations already included and reported as a current liability on the Company's balance sheet.