

**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 the MAST Items, as set forth in Table A of the Security Agreement or as subsequently redetermined by the Secretary pursuant to the Security Agreement and the Act.

“**Audited Financial Statements**” mean the annual audit of the Company’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 Company’s regular auditors.

“**Authorization Agreement**” means the Authorization Agreement, Contract No. MA-\_\_\_\_\_, between the Secretary and the Indenture Trustee, whereby the Secretary authorizes the Guarantee of the United States to be endorsed on the Obligations, as the same is originally executed, or as modified, amended or supplemented therein.

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

“**Bond Purchase Agreement**” means the agreement for the purchase of the Obligations, executed by the Company and the purchaser named therein, as originally executed, modified or supplemented.

“**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 \_\_\_\_\_.

“**Closing Date**” or “**Closing**” means the date when the Security Agreement is executed and delivered by the Company.

“**Commitment to Guarantee Obligations**” has the same meaning as the term Guarantee Commitment.

“**Company**” means \_\_\_\_\_, a \_\_\_\_\_ corporation, and its successors and assigns.

“**Consent of Contractor**” means each, and "Consents of Contractors" means every, document evidencing such Contractor’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 the purchase, fabrication or construction of any MAST Items including designing, installing, erecting, inspecting, outfitting, equipping and completing of the Shipyard.

"**Construction Contract**" means each, and "**Construction Contracts**" means every, contract relating to the Construction of the MAST Items between the Company and the Contractor, 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.

"**Contractor**" means each, and "**Contractors**" means every, contractor entering into a Construction Contract with the Company.

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

"**Delivery Date**" means the date on which a MAST Item is delivered to and accepted by the Company.

"**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 Company, the Secretary and the Depository, as originally executed or as modified or supplemented in accordance with the applicable provisions thereof.

"**Depreciated Actual Cost**" means the depreciated actual cost of the MAST Items, as set forth in Table A of the Security Agreement or as subsequently 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 Company 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.

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

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

"**Increased Security**" means the Secretary's Note, the Security Agreement, the Security, the Escrow Fund, the Title XI Reserve Fund, the Construction Fund, and any other security agreement between the Secretary and the Company relating to any property financed under the Act, and the Policies of Insurance, and the proceeds of the foregoing.

"**Indenture**" means the Trust Indenture dated as of the Closing Date between the Company and the Indenture Trustee, as originally executed, or as modified, amended or supplemented.

"**Indenture Default**" has the meaning specified in Article VI of the Indenture.

"**Indenture Trustee**" means \_\_\_\_\_, a \_\_\_\_\_, and any successor trustee under the Indenture.

"**Interest Payment Date**" means with respect to any Obligation, the date when any installment of interest on such Obligation is due and payable.

"**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 Company's balance.

"**MAST Item**" means each, and "**MAST Items**" means every item of property involved in a determination of Actual Cost and any property at the Shipyard that has been improved, enhanced, renovated or repaired with the proceeds of the Obligations, including, but not limited to the MAST Items listed in Table A to the Security Agreement.

"**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 at the Stated Maturity or by redemption, declaration of acceleration or otherwise.

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

"**Mortgage**" means the mortgage on the real property described therein, Contract No. MA-\_\_\_\_\_, executed by the Company as security for the Secretary, as originally executed, modified, amended or supplemented.

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

**"Mortgagor"** means the Company, 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 each, and **"Obligations"** means every, obligation of the Company bearing a Guarantee that is authenticated and delivered under the Authorization Agreement and Indenture.

**"Obligee"** means each, and **"Obligees"** means every, holder of an Obligation.

**"Offering Circular"** means the offering circular relating to the issuance and sale of each Obligation.

**"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 Obligations, shall mean all Obligations theretofore issued under the Indenture, except: (1) Obligations Retired or Paid; and (2) Obligations in lieu of which other Obligations have been issued under the Indenture.

**"Paying Agent"** means any bank or trust company meeting the qualifications in Section 7.02(a) of the Indenture and appointed by the Company under Section 4.02 of the Indenture to pay the principal of (and premium, if any) or interest on the Obligations on behalf of the Company.

**"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 Shipyard, (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 MAST Item as of the date of such calculation

bears to (y) the Depreciated Actual Cost of all the MAST Items as of such date (excluding the Depreciated Actual Cost of any MAST Item upon which its Obligations have been redeemed pursuant to Section 3.06 of the Indenture), all as determined by the Secretary.

**"Redemption Date"** means a date fixed for the redemption of an Obligation by the Indenture.

**"Related Party"** means one that can exercise control or significant influence over the management and/or operating policies of another Person, to the extent that one of the Persons 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 Person 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 Person to the extent that an arm's-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 entity, the chairman of the board of directors, the president, any executive or senior vice president, the secretary, the treasurer, member or partner, (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 executive or senior vice president, the secretary, the treasurer, any trust officer, and (3) with respect to the signing or authentication of Obligations and Guarantees by the Indenture Trustee, any person specifically authorized by the Indenture Trustee to sign or authenticate Obligations.

**"Retired or Paid,"** as applied to Obligations and the indebtedness evidenced thereby, means that such Obligations shall be deemed to have been so retired or paid and shall no longer be entitled to any rights or benefits provided in the Indenture if: (1) such Obligations shall have been paid in full; (2) such Obligations shall have been canceled by the Indenture Trustee; or (3) such Obligations shall have become due and payable at Maturity and funds sufficient for the payment of such Obligations (including interest to the date of Maturity, or in the case of a payment after Maturity, to the date of payment, together with any premium thereon) and available for such payment and are held by the Indenture Trustee or any Paying Agent with irrevocable directions to pay such Obligations; provided that, the foregoing definition is subject to Section 6.08 of the Indenture.

**"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 officials duly authorized to perform the 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 Company to the Secretary substantially in the form of Exhibit 2 of the Security Agreement, 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 Indenture Trustee 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 Company 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.

"**Shipyard**" means (1) the aggregate of all Shipyard Assets; (2) parcel or parcels of land, as described in the Mortgage (the "Land"); and (3) any and all buildings, structures, fixtures and improvements now or hereafter erected in or on the Land, attached to or next to the Land, or in the water adjacent to the Land.

"**Shipyard Assets**" means all goods, materials, parts, spare parts, products, machinery, and other tangible personal property, whether equipment, inventory or otherwise, pertaining to, relating to or intended to be used in connection with the Shipyard or installed in or affixed to the Shipyard, located at the Shipyard or in transit, whether now owned or hereafter acquired, and whether or not covered by the Mortgage.

"**Stated Maturity**" means the date determinable as set forth in any Obligation as the final date on which the principal of such Obligation is due and payable.

"**Successor**" means a Person formed by or surviving a consolidation or merger with the Company or to which the Shipyard has been sold.

"**Supplemental Indenture**" shall mean any indenture supplemental to the Indenture entered into pursuant to Article X of the Indenture.

"**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 \_\_\_\_\_.

"**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 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 current receivables arising out of the ordinary course of business and not outstanding for more than 60 days; and

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