

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 12, 2017 (December 8, 2017)**

Eagle Bulk Shipping Inc.
(Exact name of registrant as specified in its charter)

Republic of the Marshall Islands
(State or other jurisdiction of
incorporation or organization)

001-33831
(Commission File Number)

98-0453513
(IRS employer identification no.)

**300 First Stamford Place,
5th Floor
Stamford, CT 06902**
(Address of principal executive offices, including zip code)

(Registrant's telephone number, including area code): **(203) 276-8100**

(Former Name or Former Address, if Changed Since Last Report): None

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Transaction Overview

On December 8, 2017, Eagle Bulk Shipping Inc. (the “**Company**”), through certain of its wholly-owned subsidiaries, completed a refinancing of approximately USD 265,000,000 under (i) that certain Amended and Restated First Lien Loan Agreement, dated as of March 30, 2016, made by, among others, Eagle Shipping LLC (“**Eagle Shipping**”), a wholly-owned subsidiary of the Company, as borrower, the banks and financial institutions party thereto and ABN AMRO Capital USA LLC, as security trustee and facility agent (the “**First Lien Facility**”) and (ii) that certain Second Lien Credit Agreement, dated as of March 30, 2016, made by, among others, Eagle Shipping, as borrower, the individuals and financial institutions party thereto and Wilmington Savings Fund Society, FSB as second lien agent (the “**Second Lien Facility**”), through (a) a new credit facility of USD 65,000,000 (the “**Credit Agreement**”), by and among Eagle Shipping, as borrower, certain wholly-owned vessel-owning subsidiaries of Eagle Shipping, as guarantors (the “**Guarantors**”), the lenders thereunder (the “**Lenders**”), the swap banks party thereto, ABN AMRO Capital USA LLC, as facility agent and security trustee for the Lenders, ABN AMRO Capital USA LLC, Credit Agricole Corporate and Investment Bank and Skandinaviska Enskilda Banken AB (publ), as mandated lead arrangers, and ABN AMRO Capital USA LLC, as arranger and bookrunner, and (b) the issuance by Eagle Bulk Shipco LLC (“**Eagle Shipco**”), a company existing under the laws of the Republic of the Marshall Islands and a wholly-owned subsidiary of the Company, of USD 200,000,000 in aggregate principal amount of 8.250% Senior Secured Bonds 2017/2022 (the “**Bonds**”), pursuant to those certain Bond Terms (the “**Bond Terms**”), dated as of November 22, 2017, by and between the Eagle Shipco, as issuer, and Nordic Trustee AS, a company existing under the laws of Norway (the “**Bond Trustee**”). In addition, Eagle Shipco entered into a USD 15,000,000 Super Senior Revolving Facility Agreement (the “**Super Senior Facility**”), by and among Eagle Shipco, as borrower, and ABN AMRO Capital USA LLC, as original lender, mandated lead arranger and agent (“**Super Senior Facility Agent**”).

As a result of these refinancing transactions, the Company has extended the maturities of the outstanding indebtedness of its subsidiaries through 2022, as more fully explained below.

In connection with the refinancing transactions described herein, the Company consummated an internal reorganization. As part of the internal reorganization, Eagle Shipping transferred ownership of certain wholly-owned vessel-owning subsidiaries to Eagle Shipco, such that Eagle Shipco became the parent to 28 vessel-owning subsidiaries. Additionally, all management and technical services will now be conducted under Eagle Bulk Management LLC, a newly-formed limited liability company existing under the laws of the Republic of the Marshall Islands and a direct, wholly-owned subsidiary of the Company.

Item 1.01. Entry into a Material Definitive Agreement

The information provided in Item 2.03 below is incorporated herein by reference, as applicable.

Item 1.02. Termination of a Material Definitive Agreement.

The information provided in Item 2.03 below with respect to the repayment of the First Lien Facility and the Second Lien Facility is incorporated herein by reference, as applicable.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Eagle Bulk Shipco LLC—Norwegian Bonds

As previously disclosed in the Company’s Current Report on Form 8-K, filed on December 4, 2017, the net proceeds from the Bonds were issued into escrow, to be released and disbursed to Eagle Shipco upon the satisfaction of certain conditions precedent. On December 8, 2017, such conditions were met, and the net proceeds after issuance discount and arranger fees of approximately USD 195,000,000 were released. These net proceeds from the Bonds,

together with the proceeds from the new Credit Agreement and cash on hand, were used to repay all amounts outstanding under the First Lien Facility, which was approximately USD 193,003,000, and the Second Lien Facility, which was approximately USD 77,429,200, and to pay expenses associated with the refinancing transactions.

Eagle Shipping LLC—Credit Agreement

On December 8, 2017, Eagle Shipping entered into the Credit Agreement, which provides for (i) a term loan facility in an aggregate principal amount of up to USD 60,000,000 (the “**Term Loan**”) and (ii) a revolving credit facility in an aggregate principal amount of up to USD 5,000,000 (the “**Revolving Loan**”). Outstanding borrowings under the Credit Agreement bear interest at LIBOR plus 3.50% per annum.

The Credit Agreement matures on the earlier of (i) five years from the initial borrowing date under the Credit Agreement and (ii) December 8, 2022. With respect to the Term Loan, Eagle Shipping is required to make quarterly repayments of principal in an amount set forth on an amortization schedule, with a final balloon payment to be made at maturity. With respect to the Revolving Loan, Eagle Shipping must repay the aggregate principal amount of all borrowings outstanding on the maturity date. Accrued interest on amounts outstanding under the Term Loan and the Revolving Loan must be paid on the last day of each applicable interest period. Interest periods are for three months, six months or any other period agreed between Eagle Shipping and the Lenders. Finally, Eagle Shipping must prepay certain specified amounts outstanding under the Credit Agreement if an Eagle Shipping Vessel (as defined below) is sold or becomes a total loss or if there is a change of control with respect to the Company, Eagle Shipping or any Guarantor.

Eagle Shipping’s obligations under the Credit Agreement are secured by, among other items, a first priority mortgage on the nine vessels in Eagle Shipping’s fleet as identified in the Credit Agreement and such other vessels that it may from time to time include with the approval of the Lenders (the “**Eagle Shipping Vessels**”), an assignment of certain accounts, an assignment of certain charters with terms that may exceed 12 months, an assignment of insurances, an assignment of certain master agreements, and a pledge of the membership interests of each of Eagle Shipping’s vessel-owning subsidiaries. In the future, Eagle Shipping may grant additional security to the Lenders from time to time.

The Credit Agreement contains financial covenants requiring Eagle Shipping to maintain minimum liquidity of USD 500,000 in respect of each Eagle Shipping Vessel and to maintain a consolidated interest coverage ratio of not less than a range varying from 1.50 to 1.00 to 2.50 to 1.00. In addition, the Credit Agreement also imposes operating restrictions on Eagle Shipping and the Guarantors, including limiting Eagle Shipping’s and the Guarantors’ ability to, among other things: pay dividends; incur additional indebtedness; create liens on assets; sell assets; dissolve or liquidate; merge or consolidate with another person; make investments; engage in transactions with affiliates; and allow certain changes of control to occur.

The Credit Agreement also includes customary events of default, including those relating to: a failure to pay principal or interest; a breach of covenant, representation or warranty; a cross-default to other indebtedness; the occurrence of certain bankruptcy and insolvency events; the occurrence of certain ERISA events; a judgment default; the cessation of business; the impossibility or unlawfulness of performance of the loan documents; the ineffectiveness of any material provision of any loan document; the occurrence of a material adverse effect; and the occurrence of certain swap terminations.

This summary of the Credit Agreement does not purport to be complete, and is qualified in its entirety by reference to the text of the Credit Agreement, a copy of which is filed as Exhibit 10.1 hereto and is incorporated into this Item 2.03 by reference.

Eagle Bulk Shipco LLC—Super Senior Facility

On December 8, 2017, Eagle Shipco entered into the Super Senior Facility, which provides for a revolving credit facility in an aggregate amount of up to USD 15,000,000. The proceeds of the Super Senior Facility, which are currently undrawn, are expected, pursuant to the terms of the Super Senior Facility, to be used (i) to acquire

additional vessels or vessel owners and (ii) for general corporate and working capital purposes of Eagle Shipco and its subsidiaries. The Super Senior Facility matures on the earlier of (i) December 8, 2022 and (ii) three months prior to final maturity for the Bonds, which will mature on November 28, 2022.

Outstanding borrowings under the Super Senior Facility will bear interest at LIBOR plus 2.00% per annum. For each loan that is requested under the Super Senior Facility, Eagle Shipco must repay such loan along with accrued interest on the last day of each interest period relating to the loan. Interest periods are for three months, six months or any other period agreed between Eagle Shipco and the Super Senior Facility Agent. Additionally, subject to the other terms of the Super Senior Facility, amounts repaid on the last day of each interest period may be re-borrowed.

Eagle Shipco's obligations under the Super Senior Facility are guaranteed by the limited liability companies that are subsidiaries of Shipco and the legal and beneficial owners of 28 vessels in the Company's fleet (the "***Eagle Shipco Vessel Owners***"), and will be secured by mortgages over such vessels, a pledge granted by the Company over all of the shares of Eagle Shipco, a pledge granted by Eagle Shipco over all the shares in the Eagle Shipco Vessel Owners, certain charter contract assignments, certain assignments of earnings, a pledge over certain accounts, an assignment of insurances covering security vessels, and assignments of intra-group debt between the Company and Eagle Shipco or its subsidiaries. The Super Senior Facility ranks super senior to the Bonds with respect to any proceeds from any enforcement action relating to security or guarantees for both the Super Senior Facility and the Bonds.

The Super Senior Facility contains certain covenants that, subject to certain exceptions and qualifications, among other things, limit Eagle Shipco's and its subsidiaries' ability to do the following: make distributions; carry out any merger, other business combination, or corporate reorganization; make substantial changes to the general nature of their respective businesses; incur certain indebtedness; incur liens; make loans or guarantees; make certain investments; transact other than on arm's-length terms; enter into sale and leaseback transactions; engage in certain chartering-in of vessels; or dispose of shares of Eagle Shipco Vessel Owners. Additionally, Eagle Shipco's leverage ratio must not exceed 75% and its and its subsidiaries' free liquidity must at all times be at least USD 12,500,000. Also, the total commitments under the Super Senior Facility will be cancelled if (i) at any time the aggregate market value of the security vessels for the Super Senior Facility is less than 300% of the total commitments under the Super Senior Facility or (ii) if Eagle Shipco or any of its subsidiaries redeems or otherwise repays the Bonds so that less than USD 100,000,000 is outstanding under the Bond Terms.

The Super Senior Facility also contains certain events of default customary for transactions of this type, including, but not limited to, those relating to: a failure to pay principal or interest; a breach of covenants, representation or warranty; a cross default to other indebtedness; the occurrence of certain bankruptcy and insolvency events; the cessation of business; the impossibility or unlawfulness of performance of the finance documents for the Super Senior Facility; and the occurrence of a material adverse effect.

This summary of the Super Senior Facility does not purport to be complete, and is qualified in its entirety by reference to the text of the Super Senior Facility, a copy of which is filed as Exhibit 10.2 hereto and is incorporated into this Item 2.03 by reference.

The refinancing transactions will require the Company to write-off deferred financing costs on the First Lien Facility and the Second Lien Facility in an amount of approximately USD 15,000,000 in the fourth quarter of 2017.

Item 7.01. Regulation FD.

On December 11, 2017, the Company issued a press release announcing the release from escrow of the net proceeds of the Bonds, the entry into the Credit Agreement by Eagle Shipping, the entry into the Super Senior Facility by Eagle Shipco, and the repayment of the First Lien Facility and the Second Lien Facility.

A copy of the press release is attached hereto as Exhibit 99.1 hereto and is incorporated into this Item 7.01 by reference.

The information in this Item 7.01 of this Current Report on Form 8-K, including the exhibit, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), or otherwise subject to the liabilities of such section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing. By filing this Current Report on Form 8-K and furnishing this information, the Company makes no statement or admission as to the materiality of any information in this Item 7.01 or the exhibit attached hereto.

Forward-Looking Statements

Matters discussed in this Current Report on Form 8-K and the exhibits attached hereto may constitute forward-looking statements that may be deemed to be “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements reflect current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. These statements may include words such as “believe,” “estimate,” “project,” “intend,” “expect,” “plan,” “anticipate,” and similar expressions in connection with any discussion of the timing or nature of future operating or financial performance or other events.

These forward-looking statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, examination of historical operating trends, data contained in our records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond the Company’s control, the Company cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

Important factors that, in the Company’s view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including changes in charter hire rates and vessel values, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled drydocking, changes in vessel operating expenses, including drydocking and insurance costs, or actions taken by regulatory authorities, ability of the Company’s counterparties to perform their obligations under sales agreements, charter contracts, and other agreements on a timely basis, potential liability from future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

Risks and uncertainties are further described in reports filed by the Company with the U.S. Securities and Exchange Commission.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit Number	Description
10.1	<u>Credit Agreement, dated as of December 8, 2017, by and among Eagle Shipping LLC, as borrower, certain wholly-owned vessel-owning subsidiaries of Eagle Shipping LLC, as guarantors, the lenders thereunder, the swap banks party thereto, ABN AMRO Capital USA LLC, as facility agent and security trustee for the Lenders, ABN AMRO Capital USA LLC, Credit Agricole Corporate and Investment Bank and Skandinaviska Enskilda Banken AB (publ), as mandated lead arrangers, and ABN AMRO Capital USA LLC, as arranger and bookrunner.</u>
10.2	<u>Super Senior Revolving Facility Agreement, dated as of December 8, 2017, by and among Eagle Bulk Shipco LLC, as borrower, and ABN AMRO Capital USA LLC, as original lender, mandated lead arranger and agent.</u>
99.1	<u>Press Release, dated December 11, 2017.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EAGLE BULK SHIPPING INC.

(registrant)

Dated: December 12, 2017

By:	<u>/s/ Frank De Costanzo</u>
Name:	Frank De Costanzo
Title:	Chief Financial Officer

CREDIT AGREEMENT

dated as of

December 8, 2017

By and among

EAGLE SHIPPING LLC,
as Borrower,

the Entities listed on Schedule II,
as Guarantors,

The LENDERS party hereto from time to time,

The SWAP BANKS party hereto from time to time,

and

ABN AMRO CAPITAL USA LLC,
as Security Trustee and Facility Agent

together with

ABN AMRO CAPITAL USA LLC,
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK
and
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL),
as Mandated Lead Arrangers
and

ABN AMRO CAPITAL USA LLC,
as Arranger and Bookrunner

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This CREDIT AGREEMENT, dated as of December 8, 2017 (this “Agreement”), is by and among EAGLE SHIPPING LLC as Borrower, the entities listed on Schedule II, as Guarantors, the LENDERS party hereto, the SWAP BANKS party hereto, ABN AMRO CAPITAL USA LLC, CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK and SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), as Mandated Lead Arrangers, ABN AMRO CAPITAL USA LLC, as Arranger and Bookrunner, ABN AMRO CAPITAL USA LLC, as Security Trustee and ABN AMRO CAPITAL USA LLC, as Facility Agent.

PRELIMINARY STATEMENTS:

1. The Lenders have agreed to make available to the Borrower senior secured credit facilities in an aggregate principal amount of up to the lesser of (a) \$65,000,000 and (b) 55% of the Fair Market Value of the Vessels, to consist of (i) the Term Loan Facility, for the purpose of partially refinancing the First Lien Facility and the Second Lien Facility, and (ii) the Revolving Loan Facility, for general corporate purposes.

2. As a condition to the obligation of the Lenders to make the credit facility available to the Borrower hereunder, the Guarantors have agreed to guarantee, on the terms and conditions set forth herein, the obligations of the Borrower under this Agreement and any Secured Swap Contract.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“Account Bank” means ABN AMRO Bank N.V., acting through its office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

“Account Pledge” means any first priority pledge of any of the Guarantor Operating Accounts, the Borrower Operating Account and the Liquidity Account in the form of Exhibit A, or any other form approved by the Facility Agent, with the consent of the Required Lenders (such consent not to be unreasonably withheld or delayed), in writing.

“Acquisition” means, as to any Person, the purchase or other acquisition (in one transaction or a series of transactions, including through a merger) of all of the equity interests of another Person or all or substantially all of the property, assets or business of another Person or of the assets constituting a business unit, line of business or division of another Person.

“Administrative Questionnaire” means an administrative questionnaire in a form supplied by the Facility Agent.

“Affected Interest Period” has the meaning specified in Section 2.17.

“Affected Lender” has the meaning specified in Section 2.17(b).

“Affiliate” means, with respect to a specified Person, another Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agent Parties” has the meaning specified in Section 11.01(d)(ii).

“Agreement” has the meaning specified in the introductory paragraph hereof.

“Applicable Law” means, as to any Person, all applicable Laws binding upon such Person or to which such a Person is subject.

“Applicable Percentage” means with respect to any Lender, the percentage of the Total Commitments represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

“Approved Broker” means (a) the Persons listed on Schedule III, and (b) any other Person proposed by the Borrower which the Facility Agent may, with the consent of the Required Lenders (such consent not to be unreasonably withheld, conditioned or delayed), approve from time to time.

“Approved Flag” means the flag of the Marshall Islands, Liberia or Panama or such other flag as the Facility Agent may, with the consent of the Required Lenders (such consent not to be unreasonably withheld, conditioned or delayed), approve from time to time in writing as the flag on which a Vessel shall be registered.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Approved Manager” means (a) the Borrower, (b) any of the Borrower’s Affiliates including Eagle Bulk Management LLC, Eagle Ship Management LLC, Eagle Shipping International (USA) LLC and Eagle Bulk Pte. Ltd. and (c) any other Person proposed by the Borrower which the Facility Agent may, with the consent of the Required Lenders (such consent not to be unreasonably withheld, conditioned or delayed), approve from time to time as the technical and/or commercial manager of a Vessel.

“Approved Pooling Arrangement” means, in respect of a Vessel, any pool agreement proposed by the Borrower which the Facility Agent may, with the consent of the Required Lenders (such consent not to be unreasonably withheld, conditioned or delayed), approve from time to time.

“Arranger” means ABN AMRO Capital USA LLC in its capacity as arranger.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.04), and accepted by the Facility Agent, in substantially the form of Exhibit B or any other form approved by the Facility Agent.

“Assignment of Earnings” means, in relation to a Vessel, an assignment of the Earnings and any Requisition Compensation of that Vessel, in substantially the form of Exhibit C, or any other form approved by the Facility Agent.

“Assignment of Insurances” means, in relation to a Vessel, an assignment of the Insurances of that Vessel, in substantially the form of Exhibit D, or any other form approved by the Facility Agent.

“Attributable Indebtedness” means, as of any date of determination, (a) in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP (as applicable on the date of this Agreement), and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP (as applicable on the date of this Agreement) if such lease were accounted for as a capital lease.

“Audited Financial Statements” means the audited consolidated balance sheet of the Parent and its Subsidiaries for the fiscal year ended December 31, 2016 and the related consolidated statements of income or operations, shareholders’ equity and cash flows for such fiscal year of the Parent.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Balloon Installment” has the meaning specified in Section 2.06.

“Bookrunner” means ABN AMRO Capital USA LLC in its capacity as bookrunner.

“Borrower” means Eagle Shipping LLC, a limited liability company formed and existing under the laws of the Republic of the Marshall Islands.

“Borrower Operating Account” means an account in the name of the Borrower with the Account Bank designated “Eagle Shipping LLC – Borrower Operating Account”.

“Borrowing” means a borrowing consisting of simultaneous Loans made by the Lenders under this Agreement.

“Borrowing Request” means a request for a Borrowing which shall be in substantially the form of Exhibit E, or any other form approved by the Facility Agent.

“Business Day” means any day that is not a Saturday, Sunday or other day that is a legal holiday under the laws of The Netherlands, the State of New York, Paris and England or is a day on which banking institutions in such state are authorized or required by Law to close; provided that, when used in connection with LIBOR, the term “Business Day” means any such day that is also a day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

“Capital Expenditures” means, for any period, with respect to the Borrower and the Guarantors, the aggregate of all expenditures made by the Borrower and the Guarantors for the acquisition or leasing (pursuant to a Capitalized Lease) of fixed or capital assets or additions to equipment (including

replacements, capitalized repairs and improvements during such period) which are required to be capitalized under GAAP on a balance sheet of such person.

“Capitalized Lease” means each lease that has been or is required to be, in accordance with GAAP (as applicable on the date of this Agreement), recorded as a capitalized lease.

“Cash Equivalents” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in certificates of deposit, banker’s acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000;

(c) marketable short-term money market and similar highly liquid funds having a rating of at least P-1 or A-1 from either Moody’s or S&P, respectively (or, if at any time neither Moody’s nor S&P shall be rating such obligations, an equivalent rating from another Credit Rating Agency);

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (b) above; and

(e) commercial paper rated at least P-1 by Moody’s or at least A-1 by S&P (or, if at any time neither Moody’s nor S&P shall be rating such obligations, an equivalent rating from another Credit Rating Agency) and in each case maturing within 12 months after the date of creation thereof.

“Casualty Event” means any involuntary loss of title to, damage to or any destruction of, or any condemnation or other taking (including by any governmental authority) of, any Collateral of any Obligor having a value greater than \$1,250,000, including, without limitation, pursuant to any Total Loss.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means: (a) in respect of the Guarantors, the occurrence of any act, event or circumstance that without prior written consent of all Lenders results in the Borrower owning directly less than 100% of the issued and outstanding Equity Interests in a Guarantor (unless such Guarantor has

been released as a Guarantor in accordance with the terms hereof); (b) in respect of the Borrower, the occurrence of any act, event or circumstance that without prior written consent of the Required Lenders results in the Parent owning directly or indirectly less than 100% of the issued and outstanding Equity Interests in the Borrower; and (c) in respect of the Parent, means (i) a “person” or “group” (within the meaning of Sections 13(d) and 14(d)(2) of the Exchange Act), other than Permitted Holders, that becomes the ultimate “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act and including by reason of any change in the ultimate “beneficial ownership” of the Equity Interests of the Parent) of more than 35% of the total voting power of the voting stock of the Parent (calculated on a fully diluted basis); or (ii) any person, other than Permitted Holders, obtains the power (whether or not exercised) to elect a majority of the Board of Directors or equivalent governing body of the Parent.

“Charter Assignment” means, in relation to a Vessel, an assignment of any demise charter and any time or consecutive voyage charter for a term which exceeds, or by virtue of any optional extensions may exceed, twelve (12) months for the Vessel entered into by a Guarantor (other than a charter pursuant to an Approved Pooling Arrangement), in substantially the form of Exhibit F, or any other form approved by the Facility Agent.

“Classification Society” means, in relation to a Vessel, American Bureau of Shipping, DNV-GL, Lloyd’s Register of Shipping or Nippon Kaiji Kyokai or such other first-class vessel classification society that is a member of IACS that the Facility Agent may, with the prior consent of the Required Lenders, approve from time to time in writing.

“Closing Date” means the date of this Agreement.

“Code” means the Internal Revenue Code of 1986.

“Collateral” means all property (whether real or personal, including, without limitation, any proceeds thereof) with respect to which any security interests have been granted (or purport to be granted) pursuant to any Security Document.

“Commitment” means a Revolving Facility Commitment or a Term Facility Commitment, as applicable.

“Commitment Termination Dates” means each of the Term Loan Facility Commitment Termination Date and the Revolving Loan Facility Commitment Termination Date.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Communications” has the meaning specified in Section 11.01(d)(ii).

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated Current Assets” means, at a particular date with respect to the Borrower and all of its Subsidiaries, all amounts which would, in conformity with GAAP, be included under current assets on a consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at such date; provided, however, that such amounts shall not include (a) any amounts for any Indebtedness owing by an Affiliate of the Borrower or its Subsidiaries, unless such Indebtedness arose in connection with the sale of goods or other

property in the ordinary course of business and would otherwise constitute current assets in conformity with GAAP, or (b) the cash surrender value of any life insurance policy.

“Consolidated Current Liabilities” means, at a particular date with respect to the Borrower and all of its Subsidiaries, all amounts which would, in conformity with GAAP, be included under current liabilities on a consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at such date but excluding, without duplication, the current portion of any long-term Indebtedness and the outstanding Revolving Facility Loan.

“Consolidated EBITDA” means, for any period, Consolidated Net Income for such period plus, without duplication and to the extent deducted in determining Consolidated Net Income for such period, the sum of (a) all federal, state, local and foreign income taxes and tax distributions; (b) Consolidated Interest Expense; (c) extraordinary and unusual items (in accordance with GAAP); (d) depreciation, depletion, amortization of intangibles and other non-cash charges or non-cash losses (including any drydocking expenses, non-cash transaction expenses and the amortization of debt discounts); (e) non-cash management and board of directors incentive compensation expenses; (f) any write-off for financing costs; (g) losses on sale of vessels; and (k) reasonable fees, costs and expenses, without duplication, incurred in connection with (i) this Agreement and the other Loan Documents, including any future amendment, restatement, supplement or other modification of this Agreement or any of the other Loan Documents, and (ii) the acquisition or disposition of Vessels (irrespective of whether such transaction is actually consummated), minus, to the extent included in determining Consolidated Net Income for such period, (a) any non-cash income or non-cash gains; (b) any extraordinary gains on asset sales not incurred in the ordinary course of business; and (c) gains on any sale of vessels.

“Consolidated Interest Coverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated EBITDA to (b) Consolidated Interest Expense.

“Consolidated Interest Expense” means, for any period, total interest expense net of total interest income of the Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP for such period with respect to all outstanding Indebtedness of the Borrower and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and net costs under Swap Contracts in respect of interest rates to the extent that such net costs are allocable to such period).

“Consolidated Net Income” means, for any period, the consolidated net income (or loss) of the Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of the Borrower (other than an Obligor) to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or requirement of Law applicable to such Subsidiary.

“Consolidated Total Assets” means, as of any date of determination, the aggregate stated balance sheet amount of all assets of the Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP on such date;

“Consolidated Total Debt” means, as of any date of determination, the aggregate stated balance sheet amount of all Indebtedness of the Borrower and its Subsidiaries (or, if higher, the par value or stated face amount of all such Indebtedness (other than zero coupon Indebtedness)) on a consolidated basis on such date (to the extent such Indebtedness would be included on a balance sheet prepared in accordance with GAAP).

“Contractual Obligation” means, as to any Person, any provision of any material agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Corresponding Liabilities” means all present and future liabilities and contractual and non-contractual obligations of an Obligor under or in connection with this Agreement, the other Loan Documents and any Secured Swap Contract, but excluding its Parallel Liability.

“Credit Rating Agency” means (a) Standard & Poor’s Financial Services LLC (“S&P”), (b) Moody’s Investors Service, Inc. (“Moody’s”), and (c) any other nationally recognized credit rating agency that evaluates the financial condition of issuers of debt instruments and then assigns a rating that reflects its assessment of the issuer’s ability to make debt payments, to the extent consented to by the Facility Agent (such consent not to be unreasonably withheld, conditioned or delayed).

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Debtor Relief Plan” means a plan of reorganization or plan of liquidation pursuant to any Debtor Relief Laws.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means an interest rate (before as well as after judgment) equal to the applicable interest rate plus 2.00% per annum.

“Defaulting Lender” means, subject to Section 2.20(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Facility Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Facility Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Facility Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Facility Agent or the Borrower, to confirm in writing to the Facility

Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Facility Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-in Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Facility Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.20(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition of any property by any Person (including any sale and leaseback transaction and any issuance of Equity Interests by a Subsidiary of such Person), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

“Disqualified Equity Interest” means any Equity Interest that, by its terms (or the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Equity Interests that are not Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable at the option of the holder thereof, in whole or in part, (c) provides for scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is ninety-one days after the Maturity Date; provided that if such Equity Interests are issued pursuant to a plan for the benefit of employees of the Borrower or any Subsidiary or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, death or disability.

“Dollar” and “\$” mean lawful money of the United States.

“Early Termination Date” shall have the meaning given to that term in any relevant Master Agreement.

“Earnings” means, in relation to a Vessel, all moneys whatsoever which are now, or later become, payable (actually or contingently) to the Guarantor owning that Vessel or the Security Trustee and which arise out of the use or operation of that Vessel, including (but not limited to):

(a) except to the extent that they fall within paragraph (b) or are otherwise agreed with the prior written consent of the Facility Agent: (i) all freight, hire and passage moneys, (ii) compensation payable to the Guarantor owning that Vessel or the Security Trustee in the event of requisition of that Vessel for hire, (iii) remuneration for salvage and towage services, (iv) demurrage and detention moneys, (v) damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of that Vessel, and (vi) all moneys which are at any time payable under Insurances in respect of loss of hire; and

(b) if and whenever that Vessel is employed on terms whereby any moneys falling within paragraphs (a)(i) to (vi) are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to that Vessel.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 11.04(b)(i), (iii) and (iv) (subject to such consents, if any, as may be required under Section 11.04(b)(i)).

“Environmental Laws” means any and all Federal, state, local, and foreign statutes, Laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions, including all common law, relating to pollution or the protection of health, safety or the environment or the release of any materials into the environment, including those related to Hazardous Materials, air emissions, discharges to waste or public systems and health and safety matters.

“Environmental Liability” means any liability or obligation, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), directly or indirectly, resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment, disposal or permitting or arranging for the disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Cure” has the meaning specified in Section 7.04.

“Equity Interests” means, as to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such

Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code or Section 302 of ERISA).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) the failure by the Borrower or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules or the filing of an application for the waiver of the minimum funding standards under the Pension Funding Rules; (c) the incurrence by the Borrower or any ERISA Affiliate of any liability pursuant to Section 4063 or 4064 of ERISA or a cessation of operations with respect to a Pension Plan within the meaning of Section 4062(e) of ERISA; (d) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization or insolvent (within the meaning of Title IV of ERISA); (e) the filing of a notice of intent to terminate a Pension Plan under, or the treatment of a Pension Plan amendment as a termination under, Section 4041 of ERISA; (f) the institution by the PBGC of proceedings to terminate a Pension Plan; (g) any event or condition that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (h) the determination that any Pension Plan is in at-risk status (within the meaning of Section 430 of the Code or Section 303 of ERISA) or that a Multiemployer Plan is in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (i) the imposition or incurrence of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate; (j) the engagement by the Borrower or any ERISA Affiliate in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; (k) the imposition of a lien upon the Borrower pursuant to Section 430(k) of the Code or Section 303(k) of ERISA; or (l) the making of an amendment to a Pension Plan that could result in the posting of bond or security under Section 436(f)(1) of the Code.

“Estate” has the meaning specified in Section 10.01(b).

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” has the meaning specified in Section 9.01.

“Excess Cash Flow” means for any relevant accounting period:

(a) Consolidated EBITDA for such period,

(b) *plus*, the sum, without duplication, of:

(i) the decrease (if any) in the amount of the excess of Consolidated Current Assets (excluding cash and Cash Equivalents) over Consolidated Current Liabilities (except non-cash current liabilities and accrued interest) at the end of such period compared to the amount of the excess of Consolidated Current Assets (excluding cash and Cash Equivalents)

over Consolidated Current Liabilities (except non-cash current liabilities and accrued interest) at the end of the immediately preceding accounting period of the Borrower,

(ii) the decrease (if any) in the amount of restricted cash at the end of such period compared to the amount of the restricted cash at the end of the immediately preceding accounting period of the Borrower, and

(iii) the aggregate amount of any reserves created under clause (c)(v) below to the extent that any such amount was not used in the three fiscal quarter period after such reserve was created and such amount was not added to any previous calculation of Excess Cash Flow,

(c) *minus*, the sum, without duplication, of:

(i) the amount of (A) all regularly scheduled payments of principal of the Term Loan actually made during such period, (B) any voluntary prepayment of principal of the Term Loan made during such period and (C) any permanent reduction in the Revolving Facility Commitments made during such period to the extent that, before giving effect to such reduction, the average outstanding principal balance of the Revolving Facility Loans for the thirty (30) days prior to such reduction exceeds the aggregate Revolving Facility Commitments after giving effect to such reduction,

(ii) the amount of all interest payments actually made in cash during such period by the Borrower and its consolidated subsidiaries,

(iii) the amount of Capital Expenditures (other than Capital Expenditures in respect of Capitalized Leases and Capital Expenditures for which reserves have been created) actually made in cash during such period by the Security Parties to the extent permitted by Section 6.05 except to the extent financed with Net Cash Proceeds of a Total Loss or other Casualty Event, the proceeds of Indebtedness, the issuance of Equity Interests of any Security Party or other proceeds that are not included in the calculation of Consolidated EBITDA,

(iv) cash income taxes paid by the Security Parties during such period,

(v) cash reserves created (without duplication) to fund in water surveys, drydocking expenses and Capital Expenditures (other than Capital Expenditures in respect of Capitalized Leases) to the extent permitted by Section 6.05 except to the extent financed with Net Cash Proceeds of a Total Loss or other Casualty Event, the proceeds of Financial Indebtedness, the issuance of Equity Interests of any Security Party or other proceeds that are not included in the calculation of Consolidated EBITDA, in each case, to the extent that such in water surveys, drydocking expenses and Capital Expenditures (A) will be undertaken and paid for in the next three fiscal quarters after the conclusion of such accounting period and (B) have been approved by the Agent (such approval not to be unreasonably withheld, conditioned or delayed),

(vi) the increase (if any) in the amount of restricted cash at the end of such period compared to the amount of the restricted cash at the end of the immediately preceding accounting period of the Borrower,

(vii) the increase in the amount of long term other assets at the end of such period compared to the long term other assets at the end of the immediately preceding accounting period of the Borrower, as a direct result of cash payments recorded on the balance sheet such as security bonds, cash deposit in escrow and long term prepayments,

(viii) to the extent included in the calculation of Consolidated EBITDA, any one-time, non-recurring extraordinary cash costs or cash expenses (including restructuring expenses),

(ix) all administrative fees, agency fees, legal fees and other amounts due and payable under the Finance Documents for such accounting period not otherwise categorized under clause (c)(i) and clause (c)(ii) above, and

(x) the increase (if any) in the amount of the excess of Consolidated Current Assets (excluding cash and Cash Equivalents) over Consolidated Current Liabilities (excluding non-cash current liabilities and accrued interest) at the end of such period compared to the amount of the excess of Consolidated Current Assets (excluding cash and Cash Equivalents) over Consolidated Current Liabilities (excluding non-cash current liabilities and accrued interest) at the end of the immediately preceding accounting period of the Borrower.

“Excluded Swap Obligations” means with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such related Swap Obligation. If a Swap Obligation arises under a Master Agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loans or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.16, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.16(g) and (d) any withholding Taxes imposed under FATCA.

“Facility” means, collectively, the Term Loan Facility and the Revolving Loan Facility.

“Facility Agent” means ABN AMRO Capital USA LLC, in its capacity as facility agent under any of the Loan Documents, or any successor facility agent.

“Facility Agent’s Office” means the Facility Agent’s address and, as appropriate, account as set forth in Section 11.01(a), or such other address or account as the Facility Agent may from time to time notify to the Borrower and the Lenders.

“Fair Market Value” means, in relation to a Vessel, the market value of such Vessel at any date that is shown by the average of two (2) valuations each prepared for and addressed to the Facility Agent at the cost of the Borrower: (a) as at a date not more than 30 days prior to the date such valuation is delivered to the Facility Agent; (b) by Approved Brokers selected by the Borrower; (c) on a “desk-top” basis without physical inspection of that Vessel; and (d) on the basis of a sale for prompt delivery for cash on normal arm’s length commercial terms as between a willing seller and a willing buyer, free of any existing charter or other contract of employment or encumbrances (and with no value to be given to any pooling arrangements); provided that (i) if a range of market values is provided in a particular appraisal, then the market value in such appraisal shall be deemed to be the mid-point within such range, and (ii) if there is a difference of, or in excess of, 12.5% between the two appraisals obtained, the Borrower may, at its sole expense, obtain a third appraisal from an Approved Broker appointed by the Facility Agent, with the value of such Vessel to be deemed the average of the three valuations obtained.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities entered into in connection with the implementation of the foregoing.

“FCPA” has the meaning specified in Section 3.16(c).

“Federal Funds Rate” shall mean for any day the rate per annum (based on a year of 360 days and actual days elapsed) which is the daily federal funds open rate as quoted by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption “OPEN” (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by the Facility Agent (an “Alternate Source”) (or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time, for any reason, no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate reasonably determined by Facility Agent at such time (which determination shall be conclusive absent manifest error); provided however, that if such day is not a Business Day, the Federal Funds Rate for such day shall be the “open” rate on the immediately preceding Business Day.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System of the United States.

“Fee Letter” means the letter agreement, dated December 8, 2017, among the Borrower and the Facility Agent, as may be amended, restated, modified or supplemented from time to time.

“Finance Party” means the Facility Agent, the Bookrunner, the Security Trustee, any Mandated Lead Arranger, the Arranger, any Lender and any Swap Bank, whether as at the date of this Agreement or at any later time.

“Financial Covenants” has the meaning specified in Section 7.01.

“Financial Officer” means, as to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person.

“First Lien Facility” means the Amended and Restated First Lien Loan Agreement, dated as of March 30, 2016, made by, among others, the Borrower, as borrower, the banks and financial institutions party thereto and ABN AMRO Capital USA LLC, as security trustee and facility agent.

“First Repayment Date” means January 15, 2019.

“Foreign Lender” means any Lender that is organized under the Laws of a jurisdiction other than the United States (or, in the case of a Lender that is classified for U.S. federal income tax purposes as an entity that is disregarded from another Person, such Lender if such Person is organized under the Laws of a jurisdiction other than the United States). For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Plan” means any employee pension benefit plan, program, policy, arrangement or agreement maintained or contributed to by the Borrower or any Subsidiary with respect to employees employed outside the United States (other than any governmental arrangement).

“Fund” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

“GAAP” means, subject to Section 1.03, United States generally accepted accounting principles as in effect as of the date of determination thereof.

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Green Passport” means a green passport statement of compliance issued by a classification society being a member of the International Association of Classification Societies (“IACS”) which includes a list of any and all materials known to be potentially hazardous utilized in the construction of a vessel.

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part) or (b) any Lien on any assets of such Person securing any

Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); provided that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“Guaranteed Obligations” has the meaning specified in Section 8.01.

“Guarantor Operating Account” means, in relation to a Vessel, an account in the name of the Guarantor owning that Vessel with the Account Bank designated “[Vessel Name] Guarantor Operating Account”.

“Guarantors” has the meaning specified in the introductory paragraph hereof.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes, and other substances or wastes of any nature regulated under or with respect to which liability or standards of conduct are imposed pursuant to any Environmental Law.

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) all direct or contingent obligations of such Person arising under (i) letters of credit (including standby and commercial), bankers’ acceptances and bank guaranties and (ii) surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person;
- (c) net obligations of such Person under any Swap Contract;
- (d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business);
- (e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;
- (f) all Attributable Indebtedness;
- (g) all obligations of such Person in respect of Disqualified Equity Interests; and
- (h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Indebtedness of any Person for purposes of clause (e) that is expressly made non-recourse or limited-recourse (limited solely to the assets securing such Indebtedness) to such Person shall be deemed to be equal to the lesser of (i) the aggregate principal amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Indemnitee” has the meaning specified in Section 11.03(b).

“Information” has the meaning specified in Section 11.12.

“Initial Borrowing Date” means the date of the first Borrowing to occur, in any event, (a) with respect to the Term Borrowing, prior to the Term Loan Facility Commitment Termination Date and (b) with respect to the Revolving Borrowing, prior to the Revolving Loan Facility Commitment Termination Date.

“Insurances” means, in relation to a Vessel:

(a) all policies and contracts of insurance, including entries of that Vessel in any protection and indemnity or war risks association, effected in respect of that Vessel, or otherwise in relation to that Vessel whether before, on or after the date of this Agreement; and

(b) all rights and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium and any rights in respect of any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Agreement.

“Intangible Assets” means intangible assets under GAAP, including customer lists, goodwill, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges, unamortized debt discount and capitalized research and development costs.

“Interest Period” means a period determined in accordance with Section 2.05.

“Interpolated Screen Rate” shall mean, in relation to LIBOR for any Loan or any part of it, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

(a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the relevant Interest Period of that Loan or relevant part of it; and

(b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the relevant Interest Period of that Loan or relevant part of it,

each as of 11:00 a.m. London time on the Quotation Day for Dollars.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor incurs Indebtedness of the type referred to in clause (h) of the definition of “Indebtedness” in respect of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment but giving effect to any returns or distributions of capital or repayment of principal actually received in case by such Person with respect thereto.

“IRS” means the United States Internal Revenue Service.

“ISM Code” means the International Safety Management Code (including the guidelines on its implementation), as adopted by the International Maritime Organization, as the same may be amended or supplemented from time to time (and the terms “safety management system”, “Safety Management Certificate” and “Document of Compliance” have the same meanings as are given to them in the ISM Code).

“ISM Code Documentation” includes, in respect of a Vessel:

(a) the Document of Compliance and Safety Management Certificate issued pursuant to the ISM Code in relation to that Vessel within the periods specified by the ISM Code;

(b) all other documents and data which are relevant to the safety management system and its implementation and verification which the Facility Agent may require; and

(c) any other documents which are prepared or which are otherwise relevant to establish and maintain that Vessel’s compliance or the compliance of the Guarantor that owns that Vessel or the relevant Approved Manager of such Vessel with the ISM Code which the Facility Agent may require.

“ISPS Code” means the International Ship and Port Facility Security Code, as adopted by the International Maritime Organization, as the same may be amended or supplemented from time to time.

“ISPS Code Documentation” includes:

(a) the ISSC; and

(b) all other documents and data which are relevant to the ISPS Code and its implementation and verification which the Facility Agent may require.

“ISSC” means a valid and current International Ship Security Certificate issued under the ISPS Code.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders,

directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lenders” means the Persons listed on Schedule I, Part A, and any other Person that shall have become party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Letters of Undertaking” has the meaning specified in Section 5.10.

“LIBOR” means, in relation to a Loan or any part of it: (a) the applicable Screen Rate; (b) if no Screen Rate is available for the relevant currency or the relevant Interest Period of a Loan or relevant part of it the Interpolated Screen Rate for a Loan or relevant part of it; or (c) if: (i) no Screen Rate is available for the relevant currency of a Loan or relevant part of it; or (ii) no Screen Rate is available for the relevant Interest Period of a Loan or relevant part of it and it is not possible to calculate an Interpolated Screen Rate for a Loan or relevant part of it, the Reference Bank Rate, as of, in the case of paragraphs (a) and (c) above, 11:00 a.m. London time on the Quotation Day for a period equal in length to the Interest Period of a Loan or relevant part of it and, if that rate is less than zero, LIBOR shall be deemed to be zero.

“Lien” means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Liquidity Account” means an account in the name of the Borrower with the Account Bank designated “Eagle Shipping LLC – Liquidity Account”.

“Loan” means any Revolving Facility Loan or the Term Loan.

“Loan Documents” means, collectively: (a) this Agreement, (b) any Notes, (c) any Security Document, (d) the Fee Letter, and (e) any other documents, certificates, instruments or agreements executed by or on behalf of a Security Party for the benefit of any Finance Party in connection herewith on or after the date hereof that are jointly designated by such Security Party and the Facility Agent as a “Loan Document”. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

“Manager’s Undertaking” means, in relation to a Vessel, the letter executed and delivered by an Approved Manager, in substantially the form of Exhibit H, or any other form approved by the Facility Agent.

“Mandated Lead Arranger” means ABN AMRO Capital USA LLC, Credit Agricole Corporate and Investment Bank and Skandinaviska Enskilda Banken AB (publ), each in its capacity as mandated lead arranger.

“Margin” means 3.50% per annum.

“Margin Stock” means margin stock within the meaning of Regulations T, U and X.

“Master Agreement” means the 2002 master agreement published by the International Swaps and Derivatives Association, Inc. or any other similar agreement used to evidence hedging agreements, together with any related schedules and confirmations.

“Master Agreement Assignment” means, in relation to each Master Agreement constituting Collateral, an assignment of such Master Agreement, in substantially the form of Exhibit I, or any other form approved by the Facility Agent.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect on, the operations, business, properties, liabilities (actual or contingent) or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole, or (b) a material adverse effect on (i) the ability of the Borrower to perform its Obligations, (ii) the legality, validity, binding effect or enforceability against the Borrower of any Loan Document to which it is a party or (iii) the rights, remedies and benefits available to, or conferred upon, the Facility Agent or any Lender under any Loan Documents.

“Maturity Date” means the earlier of (a) five (5) years from the Initial Borrowing Date and (b) December 8, 2022.

“Maximum Rate” has the meaning specified in Section 11.14.

“Membership Interest Pledge” means a pledge of the membership interests of a Guarantor, in substantially the form of Exhibit J, or any other form approved by the Facility Agent.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, during the preceding five plan years has made or been obligated to make contributions, or has any liability.

“Multiple Employer Plan” means a Plan with respect to which the Borrower or any ERISA Affiliate is a contributing sponsor, and that has two or more contributing sponsors at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

“Net Cash Proceeds” means:

(a) with respect to any sale, transfer or disposition of any asset (including, without limitation, any issuance or sale of Equity Interests or any sale or other disposition of any Vessel), any cash proceeds for all such sales, transfers or dispositions, received by the Borrower or any Guarantor (including cash proceeds subsequently received (as and when received by the Borrower or any Guarantor) in respect of non-cash consideration initially received) net of (i) selling expenses (including reasonable brokers’ or bankers’ fees or commissions, legal, accounting and other professional and transactional fees, transfer and similar taxes and Borrower’s good faith estimate of income taxes actually paid or payable in connection with such sale including any taxes payable upon the repatriation of any such proceeds); (ii) amounts provided as a reserve, in accordance with GAAP, against (x) any liabilities under any indemnification obligations or purchase price adjustments associated with such asset sale or (y) any other liabilities retained by the Borrower or any Guarantor associated with the assets sold (provided that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds); (iii) Borrower’s good faith estimate of payments required to be made within one hundred eighty (180) days of such asset sale with respect to unassumed liabilities relating to the properties sold (provided that, to the extent such cash proceeds are not used to make payments in respect of such unassumed liabilities within one hundred eighty (180) days of such asset sale, such cash proceeds shall constitute Net Cash Proceeds at the time of the expiration of

such 180-day period); and (iv) the principal amount, premium or penalty, if any, interest and other amounts on any indebtedness which is secured by a lien on the assets sold (so long as such lien was permitted to encumber such assets under the Loan Documents at the time of such sale) and which is repaid with such proceeds (other than any such indebtedness assumed by the purchaser of such properties); and

(b) with respect to any Casualty Event, any cash insurance proceeds, condemnation awards, Requisition Compensation and other compensation received by the Borrower or any Guarantor in respect thereof, including but not limited to insurance proceeds, net of all costs and expenses incurred in connection with the collection of such proceeds, awards or other compensation in respect of such Casualty Event (including (i) any costs incurred in connection with the adjustment or settlement of any claims in respect thereof and (ii) costs incurred in connection with any sale of such assets, including amounts set forth in items (a)(i), (a)(ii), (a)(iii) and (a)(iv) above and income taxes payable as a result of any gain recognized in connection therewith).

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all or all affected Lenders in accordance with the terms of Section 11.02 and (b) has been approved by the Required Lenders.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Norwegian Bond Offering” means a Norwegian bond offering by Eagle Bulk Shipco LLC in the amount of \$200,000,000.

“Note” means a promissory note executed by the Borrower, to the order of a Lender in accordance with Section 2.11(b).

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, the Borrower arising under any Loan Document or any Secured Swap Contract or otherwise with respect to any Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the Borrower or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include (a) the obligation to pay principal, interest, charges, expenses, fees, indemnities and other amounts payable by the Borrower under any Loan Document, (b) the obligation of the Borrower to reimburse any amount in respect of any of the foregoing that the Facility Agent or any Lender, in each case in its sole discretion, may elect to pay or advance on behalf of the Borrower in accordance with this Agreement or any other Loan Document, and (c) obligations under a Secured Swap Contract.

“Obligor Materials” has the meaning specified in Section 11.01(e).

“Obligors” means, collectively, the Borrower and the Guarantors, and “Obligor” means any of them as the context may require.

“OFAC” has the meaning specified in Section 3.16(b).

“Operating Accounts” means, collectively, the Borrower Operating Account and each Guarantor Operating Account.

“Organizational Documents” means (a) as to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) as to any limited liability company, the certificate or articles of formation or organization and operating or limited liability agreement and (c) as to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or having sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19(b)).

“Parallel Liability” means an Obligor’s undertaking pursuant to Clause 8.12.

“Parent” means Eagle Bulk Shipping Inc., a corporation incorporated and existing under the laws of the Republic of the Marshall Islands.

“Participant” has the meaning specified in Section 11.04(d).

“Participant Register” has the meaning specified in Section 11.04(d).

“PATRIOT Act” means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“PBGC” means the Pension Benefit Guaranty Corporation.

“Pension Act” means the Pension Protection Act of 2006.

“Pension Funding Rules” means the rules of the Code and ERISA regarding minimum funding standards and minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

“Pension Plan” means any employee pension benefit plan (including a Multiple Employer Plan, but excluding a Multiemployer Plan) that is maintained or is contributed to by the Borrower or any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

“Permitted Holders” means each of the Persons owning more than fifteen percent (15%) of the voting stock of the Parent on the date hereof, in each case together with their Affiliates, investment advisory clients and manager accounts.

“Permitted Lien” has the meaning specified in Section 6.02.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Pertinent Jurisdiction” means, in relation to a Person:

(a) the jurisdiction under the laws of which the Person is incorporated or formed;

(b) a jurisdiction in which the Person has the center of its main interests or in which the Person’s central management and control is or has recently been exercised;

(c) a jurisdiction in which the overall net income of the Person is subject to corporation tax, income tax or any similar tax;

(d) a jurisdiction in which assets of the Person (other than securities issued by, or loans to, related Persons) having a substantial value are situated, in which the Person maintains a branch or permanent place of business, or in which a Lien created by the Person must or should be registered in order to ensure its validity or priority; or

(e) a jurisdiction the courts of which have jurisdiction to make a winding up, administration or similar order in relation to the Person whether as a main or territorial or ancillary proceedings or which would have such jurisdiction if their assistance were requested by the courts of a country referred to in paragraphs (a) or (b) above.

“Plan” means any employee benefit plan within the meaning of Section 3(3) of ERISA, maintained for employees of the Borrower or any Subsidiary, or any such plan to which the Borrower or any Subsidiary is required to contribute on behalf of any of its employees or with respect to which the Borrower has any liability.

“Platform” means Debt Domain, Intralinks, Syndtrak, DebtX or a substantially similar electronic transmission system.

“Prepayment Notice” means a notice by the Borrower to prepay Loans, which shall be in such form as the Facility Agent may approve.

“Prohibited Person” means any Person (whether designated by name or by reason of being included in a class of Persons) against whom Sanctions are directed.

“Public Lender” has the meaning specified in Section 11.01(e).

“Qualified ECP Guarantor” means, in respect of any Swap Obligation, each Guarantor that has total assets exceeding \$10,000,000 at the time the relevant guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated

thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Quotation Day” shall mean, in relation to any period for which an interest rate is to be determined, two Business Days in New York, before the first day of that period.

“Recipient” means (a) the Facility Agent, or (b) any Lender, as applicable.

“Reference Bank Rate” shall mean the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Facility Agent at its request by the Reference Banks in relation to LIBOR, as the rate at which the relevant Reference Bank could borrow funds in the London interbank eurodollar market, in the relevant currency and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period.

“Reference Banks” shall mean, such money center banks that are not affiliated with the Facility Agent as are identified by the Facility Agent to the Borrower from time to time.

“Register” has the meaning specified in Section 11.04(c).

“Regulation T” means Regulation T of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation U” means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation X” means Regulation X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Relevant Amount” has the meaning specified in Section 2.07(b)(iv).

“Relevant Date” has the meaning specified in Section 2.07(b)(iii).

“Relevant Party” has the meaning specified in Section 2.16(i).

“Removal Effective Date” has the meaning specified in Section 10.06(b).

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

“Required Lenders” means, at any time, Lenders having Total Credit Exposures representing at least 66 2/3% of the Total Credit Exposures of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“Requisition” means: (a) any expropriation, confiscation, requisition or acquisition of a Vessel, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or

persons claiming to be or to represent a government or official authority (excluding a requisition for hire for a fixed period not exceeding one year without any right to an extension) unless it is within 30 days redelivered to the full control of the Guarantor being the owner thereof; and (b) any capture or seizure of a Vessel (including any hijacking or theft) unless it is within 30 days redelivered to the full control of the Guarantor being the owner thereof.

“Requisition Compensation” includes all compensation or other moneys payable by reason of any Requisition.

“Resignation Effective Date” has the meaning specified in Section 10.06(a).

“Responsible Officer” means (a) the chief executive officer, president, executive vice president or a Financial Officer of the Borrower, (b) solely for purposes of the delivery of incumbency certificates and certified Organizational Documents and resolutions pursuant to Section 4.01, any officer of the Borrower or the Parent and (c) solely for purposes of Borrowing Requests, prepayment notices and notices for Commitment terminations or reductions given pursuant to Article II, any other officer or employee of the Borrower so designated from time to time by one of the officers described in clause (a) in a notice to the Facility Agent (together with evidence of the authority and capacity of each such Person to so act in form and substance satisfactory to the Facility Agent). Any document delivered hereunder that is signed by a Responsible Officer of the Borrower shall be conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the part of the Borrower and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Borrower.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest of any Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interest, or on account of any return of capital to such Person’s shareholders, partners or members (or the equivalent Persons thereof).

“Revolving Borrowing” means a borrowing consisting of a Revolving Facility Loan.

“Revolving Facility Commitment” means with respect to each Lender on any date, the commitment of such Lender to make a Revolving Facility Loan if such Revolving Facility Loan is required to be disbursed on such date, as such commitment may be reduced or increased from time to time pursuant to Section 11.04(b). The initial amount of such Lender’s Revolving Facility Commitment is set forth on Schedule I or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Revolving Facility Commitment, as applicable.

“Revolving Facility Loan” means a loan made or to be made under the Revolving Loan Facility or the principal amount outstanding for the time being of that loan.

“Revolving Loan Facility” means a revolving credit facility in an aggregate principal amount of up to \$5,000,000.

“Revolving Loan Facility Availability Period” means the period from and including the Closing Date to but excluding the Revolving Loan Facility Commitment Termination Date.

“Revolving Loan Facility Commitment Termination Date” means the date falling thirty (30) days prior to the Maturity Date, subject to extension as may be agreed between the Borrower and the Facility

Agent (except that, if such date is not a Business Day, the Revolving Loan Facility Commitment Termination Date shall be the next succeeding Business Day).

“Sanctions” has the meaning specified in Section 3.16(b).

“Screen Rate” means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other Person which takes over the administration of that rate) for Dollars and the relevant period displayed (before any correction, recalculation or republication by the administrator) on pages LIBOR01 or LIBOR02 of Bloomberg or the Thomson Reuters screen (or any replacement page which displays that rate) or on the appropriate page of such other information service that publishes that page from time to time in place of such pages. If the agreed pages are replaced or service ceases to be available, the Facility Agent may specify another page or service displaying the appropriate rate after consultation with the Borrower and the Lenders.

“SEC” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“Second Lien Facility” means the Second Lien Credit Agreement, dated as of March 30, 2016, made by, among others, Eagle Shipping LLC as borrower, the individuals and financial institutions party thereto and Wilmington Savings Fund Society, FSB as second lien agent, in the original principal amount of up to \$60,000,000.

“Secured Swap Contract” means a Swap Contract between the Borrower and a Swap Bank.

“Security Documents” means, collectively: (a) any Charter Assignment (as applicable), (b) any Account Pledge, (c) any Assignment of Earnings, (d) any Assignment of Insurances, (e) any Manager’s Undertaking, (f) any Master Agreement Assignment, (g) any Membership Interest Pledge, (h) any Vessel Mortgage, and (i) and each other security document or pledge agreement delivered in accordance with applicable local Laws to grant a valid, enforceable, perfected security interest (with the priority required under the Loan Documents) in any property as Collateral for the Obligations, and all Uniform Commercial Code or other financing statements or instruments of perfection required with respect thereto.

“Security Party” means the Obligors and any other person (except a Finance Party and an Approved Manager which is unaffiliated with the Borrower or the Guarantors) who, as a surety, guarantor, mortgagor, assignor or pledgor, as a party to any subordination or priorities arrangement, or in any similar capacity, executes a Loan Document.

“Security Trustee” means ABN AMRO Capital USA LLC, in its capacity as security trustee pursuant to Section 10.01(b) and under any of the Loan Documents, or any successor security trustee.

“Semi-Annual Payment Date” means, with respect to the fiscal quarters ending on December 31, 2017, June 30, 2018 and December 31, 2018, the date falling 90 days after the last day of such quarter;

“Shareholders’ Equity” means, as of any date of determination, consolidated shareholders’ equity of the Borrower and its Subsidiaries as of such date determined in accordance with GAAP.

“Shortfall Fiscal Quarter” has the meaning specified in Section 7.04.

“Solvent” means, as to any Person as of any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent

liabilities, of such Person, (b) the present fair saleable value of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Specified Contribution" has the meaning specified in Section 7.04.

"Specified Loan Party" means any Security Party that is not then an "eligible contract participant" under the Commodity Exchange Act (determined prior to giving effect to Section 8.11).

"Subsidiary" of a Person means a corporation, partnership, limited liability company, association or joint venture or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time owned or the management of which is controlled, directly, or indirectly through one or more intermediaries, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Swap Bank" means any Lender that elects to be a Swap Bank, including those initially listed in Schedule I, Part B, acting on behalf of itself and its Affiliates as a counterparty to a Secured Swap Contract with the Borrower.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any Master Agreement, including any such obligations or liabilities under any Master Agreement.

"Swap Obligation" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act;

"Swap Termination Value" means, as to any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined by the relevant Swap Bank in accordance with its customary practices.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease or (b) an agreement for the use or possession of

property creating obligations that do not appear on the balance sheet of such Person but, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Borrowing” means a borrowing consisting of the Term Loan.

“Term Facility Commitment” means with respect to each Lender on any date, the commitment of such Lender to make the Term Loan if the Term Loan is required to be disbursed on such date, as such commitment may be reduced or increased from time to time pursuant to Section 11.04(b). The initial amount of such Lender’s Term Facility Commitment is set forth on Schedule I or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Term Facility Commitment, as applicable.

“Term Loan” means the loan made or to be made under the Term Loan Facility or the principal amount outstanding for the time being of that loan.

“Term Loan Facility” means a term loan facility in an aggregate principal amount of up to \$60,000,000.

“Term Loan Facility Availability Period” means the period from and including the Closing Date to but excluding the Term Loan Facility Commitment Termination Date.

“Term Loan Facility Commitment Termination Date” means the date falling fourteen (14) days after the Closing Date, subject to extension as may be agreed between the Borrower and the Facility Agent acting on the instructions of the Required Lenders (except that, if such date is not a Business Day, the Term Loan Facility Commitment Termination Date shall be the next preceding Business Day).

“Total Credit Exposure” means, as to any Lender at any time, the unused Commitments and the aggregate principal amount of the outstanding Loans of such Lender at such time.

“Total Commitments” means the lower of (i) 55% of the Fair Market Value of the Vessels on the Closing Date and (ii) the aggregate of the Commitments, being a maximum of \$65,000,000 on the Closing Date.

“Total Loss” means: (a) actual, constructive, compromised, agreed or arranged total loss of a Vessel; or (b) any Requisition of a Vessel.

“Total Loss Date” means, in relation to the Total Loss of a Vessel: (a) in the case of an actual loss of a Vessel, the date on which it occurred or, if that is unknown, the date when that Vessel was last heard of; (b) in the case of a constructive, compromised, agreed or arranged total loss of a Vessel, the earlier of: (i) the date on which a notice of abandonment is given to the insurers; and (ii) the date of any compromise, arrangement or agreement made by or on behalf of the Borrower and/or the Guarantor who owns such Vessel with the Vessel’s insurers in which the insurers agree to treat that Vessel as a total loss; and (c) in the case of any other type of Total Loss, the date (or the most likely date) on which it appears to the Facility Agent that the event constituting the total loss occurred.

“United States” and “U.S.” mean the United States of America.

“U.S. Borrower” means the Borrower if it is a U.S. Person.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning specified in Section 2.16(g).

“Vessel Mortgage” means, in relation to a Vessel, the first priority or first preferred mortgage on that Vessel, in substantially the form of Exhibit K, or any other form approved by the Facility Agent.

“Vessels” means, collectively, the vessels identified in Schedule IV, and “Vessel” means any of them.

“Wholly-Owned” means, as to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Equity Interests of which (other than (a) director’s qualifying shares and (b) shares issued to foreign nationals to the extent required by Applicable Law) are owned by such Person and/or by one or more Wholly-Owned Subsidiaries of such Person.

“Withholding Agent” means the Borrower and the Facility Agent.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.02 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

1.03 Accounting Terms; Changes in GAAP.

(a) Accounting Terms. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall be construed in conformity with GAAP. Financial statements and other information required to be delivered by the Borrower to the Lenders pursuant to Sections 5.01(a) and

5.01(b) shall be prepared in accordance with GAAP as in effect at the time of such preparation. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) Changes in GAAP. If the Borrower notifies the Facility Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Facility Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

1.04 Rates. The Facility Agent does not warrant, nor accept responsibility, nor shall the Facility Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of “LIBOR” or with respect to any comparable or successor rate thereto.

ARTICLE II

COMMITMENTS

2.01 Commitments.

(a) Subject to the terms and conditions set forth herein, each Lender severally agrees to make the Term Loan to the Borrower in one (1) Borrowing on a Business Day during the Term Loan Facility Availability Period in an aggregate principal amount not to exceed such Lender’s Term Facility Commitment. Any amounts repaid, prepaid or cancelled under this Section 2.01(a) may not be reborrowed.

(b) Subject to the terms and conditions set forth herein, each Lender severally agrees to make Revolving Facility Loans to the Borrower from time to time on any Business Day during the Revolving Loan Facility Availability Period in an aggregate principal amount not to exceed such Lender’s Revolving Facility Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may from time to time borrow, prepay and reborrow Revolving Facility Loans, unless cancelled pursuant to Section 2.08.

(c) After giving effect to any Loan the total amount of Loans made shall not exceed the Total Commitments. Each Borrowing shall be applied to partially refinance the First Lien Facility and the Second Lien Facility or for general corporate purposes.

2.02 Loans and Borrowings.

(a) The Term Loan shall be made in one (1) Borrowing (as described in Section 2.01(a) above) ratably by the Lenders in accordance with their respective Term Facility Commitments.

(b) Each Revolving Facility Loan shall be made as a part of a Borrowing consisting of Revolving Facility Loans made by the Lenders ratably in accordance with their respective Revolving Facility Commitments.

(c) Each Revolving Borrowing shall be in an aggregate amount of not less than \$1,000,000. The Borrower shall make no more than three (3) Revolving Borrowings in any fiscal quarter of the Borrower.

2.03 Borrowing Requests.

(a) Notice by Borrower. Each Borrowing shall be made upon the Borrower's irrevocable notice to the Facility Agent. Each such notice shall be in the form of a written Borrowing Request, appropriately completed and signed by a Responsible Officer of the Borrower and must be received by the Facility Agent not later than 11:00 a.m. (New York City time) three (3) Business Days prior to the date of the requested Borrowing.

(b) Content of Borrowing Requests. Each Borrowing Request for a Borrowing pursuant to this Section shall specify the following information: (i) the aggregate amount of the requested Borrowing; (ii) the date of such Borrowing (which shall be a Business Day); (iii) the Interest Period therefor; and (iv) the location and number of the Borrower's account, or such other account as the Borrower may specify in the relevant Borrowing Request, to which funds are to be disbursed.

(c) Notice by Facility Agent to Lenders. Promptly following receipt of a Borrowing Request, the Facility Agent shall advise each Lender of the details thereof and the amount of such Lender's Loan to be made as part of the requested Borrowing (which shall be the Applicable Percentage of the amount specified in the Borrowing Request).

(d) Failure to Elect. If no Interest Period is specified with respect to any requested Borrowing, the Borrower shall be deemed to have selected an Interest Period of three months' duration.

2.04 Funding of Borrowings.

(a) Funding by Lenders. Each Lender shall make the amount of its Loan available to the Facility Agent in immediately available funds at the Facility Agent's Office not later than 1:00 p.m. (New York time) on the Business Day specified in the applicable Borrowing Request. Upon satisfaction of the applicable conditions set forth in Article IV, the Facility Agent shall make all funds so received available to the Borrower in like funds as received by the Facility Agent either by (i) crediting the Operating Account of the Borrower on the books of the Facility Agent with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with the instructions provided to the Facility Agent by the Borrower.

(b) Presumption by Facility Agent. Unless the Facility Agent shall have received notice from a Lender, prior to the proposed date of any Borrowing that such Lender will not make available to the Facility Agent such Lender's share of such Borrowing, the Facility Agent may assume that such Lender has made such share available on such date in accordance with Section 2.04(a) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Facility Agent, then the applicable Lender and the Borrower severally agree to pay to the Facility Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Facility Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Facility Agent in accordance with banking industry rules on interbank compensation, and (ii) in the case of a payment to be made by the Borrower, the interest rate applicable to the respective Borrowing, as determined pursuant to Section 2.09. If the Borrower and such Lender shall pay such interest to the Facility Agent for the same or an overlapping period, the Facility Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the

Facility Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Facility Agent.

(c) Disbursement of Borrowing to Third Party. To the extent requested in writing by the Borrower, the payment by the Facility Agent to a Person other than the Borrower shall constitute the making of the relevant Borrowing and the Borrower shall at that time become indebted, as principal and direct obligor, to each Lender in an amount equal to that Lender's participation in that Borrowing.

2.05 Interest Periods. The Loans comprising each Borrowing initially shall be specified in the applicable Borrowing Request and shall have the Interest Period specified in such Borrowing Request. The first Interest Period for a Borrowing shall commence on the date of such Borrowing and (a) in the case of the first Borrowing or Borrowings, shall end on the numerically corresponding day in the calendar month that is three or six months thereafter or any other period agreed between the Borrower and the Required Lenders, as specified in the applicable Borrowing Request, and (b) in the case of each subsequent Borrowing, shall end on the last day of the other then subsisting Interest Period. Thereafter, the duration of each Interest Period shall be three or six months as the Borrower may, upon notice received by the Facility Agent not later than 11:00 a.m. (New York City time) three Business Days prior to the first day of such Interest Period, select, or such other period as the Facility Agent may, with the authorization of the Required Lenders agree with the Borrower, provided, however, (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day; (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period; (iii) any Interest Period commencing prior to the First Repayment Date shall end no later than the First Repayment Date; and (iv) any Interest Period selection made by the Borrower shall be irrevocable, and if the Borrower fails to select an Interest Period in accordance with this Section 2.05, then, subject to the above proviso, the Borrower shall be deemed to have selected an Interest Period of three months.

2.06 Repayment.

(a) Term Loan Facility Amounts. The Borrower shall repay the principal amount of the Term Borrowing by:

(i) within ninety (90) days after each relevant Semi-Annual Payment Date, with respect to the fiscal quarters ending June 30, 2018 and December 31, 2018, a payment in an amount equal to seventy five percent (75%) of the aggregate Excess Cash Flow for the two fiscal quarters ending as of June 30, 2018 or December 31, 2018 respectively; provided, that (x) the aggregate amount of such payments shall not exceed \$9,600,000 in regard to any fiscal year and (y) for the avoidance of doubt, such prepayments shall not decrease any amounts the Borrower is required to pay pursuant to Section 2.06(a)(ii);

(ii) beginning on the First Repayment Date, equal consecutive quarterly principal repayment installments of an amount equal to \$2,150,000; and

(iii) a final balloon payment (the "Balloon Installment") in an amount equal to the aggregate principal amount of the Term Borrowing outstanding on the Maturity Date.

(b) Term Loan Facility Repayment Dates. Each quarterly principal repayment installment in respect of each Term Borrowing shall be repaid commencing on the First Repayment Date, and thereafter on March 31, June 30, September 30 and December 31 of each calendar year, provided that the Balloon Installment in respect of each Term Borrowing shall be repaid on the Maturity Date.

(c) Revolving Loan Facility. The Borrower shall repay to the Facility Agent for the ratable account of the Lenders on the Maturity Date the aggregate principal amount of all Revolving Facility Loans outstanding on such date.

(d) Maturity Date. On the Maturity Date, the Borrower shall additionally pay to the Facility Agent for the account of the Finance Parties all other sums then accrued and owing under any Loan Document and any Secured Swap Contract.

2.07 Prepayments.

(a) Optional Prepayments. The Borrower may, upon notice to the Facility Agent, at any time and from time to time, prepay any Borrowing in whole or in part, or cancel any unused Revolving Facility Commitments, without premium or penalty, except for payments owed pursuant to Section 2.10(c), subject to the requirements of this Section.

(i) Notices. Each such notice pursuant to this Section shall be in the form of a written Prepayment Notice, appropriately completed and signed by a Responsible Officer of the Borrower, and must be received by the Facility Agent not later than 11:00 a.m. (New York City time) three (3) Business Days before the date of prepayment. Each Prepayment Notice shall specify (x) the prepayment date and (y) the principal amount of each Borrowing or portion thereof to be prepaid. Promptly following receipt of any such notice relating to a Borrowing, the Facility Agent shall advise the applicable Lenders of the contents thereof. Each Prepayment Notice shall be irrevocable.

(ii) Amounts. Each partial prepayment shall be in the aggregate principal amount of at least \$5,000,000 with respect to the Term Loan Facility or at least \$1,000,000 with respect to the Revolving Loan Facility. Any amounts prepaid with respect to the Term Loan Facility may not be reborrowed.

(b) Mandatory Prepayments.

(i) If a Vessel is sold or becomes a Total Loss, the Borrower shall on the Relevant Date prepay the Relevant Amount plus any additional amount required to comply with Section 5.04 immediately after giving effect to such prepayment. At such Relevant Date, if the Revolving Facility Commitments are reduced such that the aggregate principal amount outstanding under the Revolving Loan Facility exceeds the aggregate commitments thereunder, the Borrower shall prepay the Revolving Borrowings in an amount equal to such excess.

(ii) (A) If a Change of Control occurs in respect of the Borrower or the Parent, the Borrower shall on the Relevant Date prepay the aggregate principal amount at such time of its outstanding Loans in full; and (B) if a Change of Control occurs in respect of a Guarantor, the Borrower shall on the Relevant Date prepay the Relevant Amount relating to the Vessel owned by such Guarantor as if a sale of such Vessel had been completed on the date such Change of Control occurred plus any additional amount required to comply with Section 5.04 immediately after giving effect to such prepayment.

(iii) In this Section 2.07(b), “Relevant Date” means: (1) in the case of a sale of a Vessel, on the date on which the sale is completed by delivery of the relevant Vessel to its buyer, (2) in the case of a Total Loss of a Vessel, on the earlier of: (x) the date falling 180 days after the Total Loss Date, and (y) the date of receipt by the Security Trustee of the proceeds of insurance relating to such Total Loss and (3) in the case of a Change of Control, the date such Change of Control occurs.

(iv) In this section 2.07(b), “Relevant Amount” means, with respect to a Vessel, an amount equal to the product of (x) the sum of then total commitments under the Revolving Loan Facility and the aggregate principal amount outstanding under the Term Loan Facility, and (y) the fraction, the numerator of which is the Fair Market Value (as determined by appraisals no older than 30 days) of such Vessel and the denominator of which is the aggregate Fair Market Value (as determined by the most recently obtained appraisals) of the Vessels then securing the Facility. Should the Relevant Amount not satisfy Section 5.04, then such related sale or insurance proceeds, to the extent needed to satisfy Section 5.04, shall be applied to prepay the Term Loan Facility and reduce commitments under the Revolving Loan Facility on a pro-rata basis.

(c) Application.

(i) Each prepayment of a Borrowing pursuant to Section 2.07(a) or Section 2.07(b) shall be applied *pro rata* to the repayment installments (including the Balloon Installment) for such Borrowing specified in Section 2.06.

(ii) Each prepayment made to satisfy Section 5.04 shall be applied against the repayment installments specified in Section 2.06(a) in inverse order of maturity starting with the Balloon Installment.

(iii) Prepayments shall be accompanied by accrued interest to the extent required by Section 2.09, together with any additional amounts required pursuant to Section 2.14.

2.08 Cancellation of Commitments. The Borrower may, upon prior notice to the Facility Agent, cancel any unused portion of the Revolving Facility Commitments in an aggregate principal amount of at least \$1,000,000; provided that each such notice shall be in writing and must be received by the Facility Agent at least three (3) Business Days prior to the effective date of such cancellation, and shall be irrevocable. Any amounts cancelled may not be reinstated.

2.09 Interest.

(a) Interest Rate. The Loans or any part of the Loans shall bear interest at a rate per annum equal to the sum of the aggregate of the Margin plus LIBOR for the relevant Interest Period as in effect from time to time.

(b) Default Interest. Notwithstanding the foregoing, (i) upon the occurrence and during the continuance of any Default under Section 9.01(a) or any Event of Default under Section 9.01(a), (b), (g) or (h), each Loan shall bear interest, after as well as before judgment, at a rate per annum equal to the applicable Default Rate, and (ii) without duplication of any amounts payable pursuant to preceding clause (i), overdue principal and, to the extent permitted by applicable law, overdue interest, in respect of the Loans shall bear interest, after as well as before judgment, at a rate per annum equal to the applicable Default Rate from time to time.

(c) Payment Dates. Accrued interest on the Loans shall be payable on the last day of each Interest Period applicable thereto and at such other times as may be specified herein; provided that (i) interest accrued pursuant to paragraph (b) of this Section shall be payable on demand and (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment. If an Interest Period is longer than three months, the Borrower shall also pay interest then accrued on the Loans or the relevant part of the Loans on the dates falling at three monthly intervals after the first day of the Interest Period.

(d) Interest Computation. All interest hereunder shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

2.10 Fees.

(a) Commitment Fees. The Borrower agrees to pay to the Facility Agent for the account of each Lender a commitment fee on the undrawn and un-cancelled amount of the Commitment or Commitments of such Lender, which shall accrue at a rate per annum equal to 40% of the Margin during the period from and including the Closing Date up to but excluding each respective Commitment Termination Date. Accrued commitment fees shall be payable quarterly in arrears on the last day of each calendar quarter, commencing on the first such date to occur after the date hereof, and on each Commitment Termination Date. Commitment fees on any cancelled portion of the Commitment or Commitments of a Lender shall be paid on the date such cancellation is effective.

(b) Upfront Fees. The Borrower agrees to pay to the Facility Agent, for distribution among the Lenders, upfront fees as set forth in the Fee Letter.

(c) Prepayment Fees. Upon voluntary prepayment of the Term Loan Facility or cancellation of the Revolving Loan Facility (or any part thereof) pursuant to Section 2.07(a), the Borrower agrees to pay to the Facility Agent as from the Closing Date for distribution among the Lenders a prepayment fee at a rate equal to: (i) during the period commencing on the Closing Date and ending on the day before the first anniversary thereof, 1.50% and (ii) during the period commencing on the first anniversary of the Closing Date and ending on the day before the second anniversary of the Closing Date, 0.75%, in each case, of the amount voluntarily prepaid or cancelled. From the second anniversary of the Closing Date and at all times thereafter, no prepayment fee shall be payable by the Borrower for any amount voluntarily prepaid or cancelled.

2.11 Evidence of Debt.

(a) Maintenance of Records. Each Lender shall maintain in accordance with its usual practice records evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender. The Facility Agent shall maintain the Register in accordance with Section 11.04(c). The entries made in the records maintained pursuant to this paragraph (a) shall be prima facie evidence absent manifest error of the existence and amounts of the obligations recorded therein. Any failure of any Lender or the Facility Agent to maintain such records or make any entry therein or any error therein shall not in any manner affect the obligations of the Borrower under this Agreement and the other Loan Documents. In the event of any conflict between the records maintained by any Lender and the records maintained by the Facility Agent in such matters, the records of the Facility Agent shall control in the absence of manifest error.

(b) Promissory Notes. Upon the request of any Lender made through the Facility Agent, the Borrower shall prepare, execute and deliver to the order of such Lender a promissory note of the Borrower

payable to such Lender in the form of Exhibit L, or any other form approved by the Facility Agent, which shall evidence such Lender's Loans in addition to such records.

2.12 Payments Generally; Several Obligations of Lenders and Swap Banks.

(a) Payments by Borrower. All payments to be made by the Borrower hereunder and the other Loan Documents shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all such payments shall be made to the Facility Agent, for the account of the respective Lenders to which such payment is owed, at the Facility Agent's Office in immediately available funds not later than 12:00 noon (New York City time) on the date specified herein. All amounts received by the Facility Agent after such time on any date shall be deemed to have been received on the next succeeding Business Day and any applicable interest or fees shall continue to accrue. The Facility Agent will promptly distribute to each Lender its ratable share (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's applicable lending office (or otherwise distribute such payment in like funds as received to the Person or Persons entitled thereto as provided herein). If any payment to be made by the Borrower shall fall due on a day that is not a Business Day, payment shall be made on the next succeeding Business Day and such extension of time shall be reflected in computing interest or fees, as the case may be; provided that, if such next succeeding Business Day would fall after the Maturity Date, payment shall be made on the immediately preceding Business Day. Except as otherwise expressly provided herein, all payments hereunder or under any other Loan Document shall be made in Dollars.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Facility Agent to pay fully all amounts of principal, interest, fees and other amounts then due hereunder, such funds shall be applied (i) first, to pay interest, fees and other amounts then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) Presumptions by Facility Agent. Unless the Facility Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Facility Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Facility Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders, as the case may be, severally agrees to repay to the Facility Agent forthwith on demand the amount so distributed to such Lender, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Facility Agent, at the greater of the Federal Funds Rate and a rate determined by the Facility Agent in accordance with banking industry rules on interbank compensation.

(d) Deductions by Facility Agent. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b), 2.13 or 11.03(c), then the Facility Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Facility Agent for the account of such Lender for the benefit of the Facility Agent, as applicable, to satisfy such Lender's obligations to the Facility Agent until all such unsatisfied obligations are fully paid or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Facility Agent in its discretion.

(e) Several Obligations of Lenders and Swap Banks. The obligations of the Lenders hereunder to make Loans, to fund participations in Loans and to make payments pursuant to Section 11.03(c) are several and not joint. The failure of any Lender to make any Loan or to fund any such participation or to make any such payment on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participations or to make its payment under Section 11.03(c). The obligations of the Swap Banks hereunder and under the Swap Contracts are several and not joint.

2.13 Sharing of Payments. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans or participations in Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Facility Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in Loans and other amounts owing them; provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of Section 2.13 shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

2.14 Compensation for Losses. In the event of (a) the payment of any principal of the Loans other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the failure to borrow, continue or prepay on the date specified in any notice delivered pursuant hereto or (c) the assignment of the Loans or any part thereof other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19(b), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the interest rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate that such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the London interbank eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this

Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

2.15 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change

in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

2.16 Taxes.

(a) Defined Terms. For purposes of this Section, the term “Applicable Law” includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Facility Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by Borrower. The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Facility Agent), or by the Facility Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Facility Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Facility Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender’s failure to comply with the provisions of Section 11.04(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Facility Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Facility Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Facility Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Facility Agent to the Lender from any other source against any amount due to the Facility Agent under this paragraph (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section, the Borrower shall deliver to the Facility Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such

payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Facility Agent.

(g) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Facility Agent, at the time or times reasonably requested by the Borrower or the Facility Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Facility Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Facility Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Facility Agent as will enable the Borrower or the Facility Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (g)(ii)(A), (ii)(B) and (ii)(D) of this Section) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Borrower,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Facility Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Facility Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Facility Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Facility Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit M-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the

Code, or a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit M-2 or Exhibit M-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit M-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Facility Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Facility Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Facility Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Facility Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Facility Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Facility Agent as may be necessary for the Borrower and the Facility Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Facility Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such

indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section 2.16 shall survive the resignation or replacement of the Facility Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

2.17 Inability to Determine Rates. If, on or prior to the first day of any Interest Period (an "Affected Interest Period"):

(a) the Facility Agent determines (which determination shall be conclusive and binding on the Borrower) that, by reason of circumstances affecting the London interbank eurodollar market, LIBOR cannot be determined pursuant to the definition thereof, or

(b) a Lender or Lenders whose participations in a Loan or the relevant part of a Loan exceed 50% of that Loan or the relevant part of that Loan (the "Affected Lender") determine that for any reason the cost to such Lender or Lenders of funding such Loan or such part of such Loan from the London interbank eurodollar market or, if cheaper, from whatever source it may reasonably select would be in excess of LIBOR for the relevant Interest Period,

the Facility Agent will promptly so notify the Borrower and each Lender and the rate of interest on the Affected Lender's share of a Loan or the relevant part of a Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:

(i) the Margin; and

(ii) the rate notified to the Facility Agent by that Affected Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period to be that which expresses as a percentage rate per annum the cost to the relevant Affected Lender of funding its participation in a Loan or that part of a Loan from whatever source it may reasonably select.

2.18 Illegality. Notwithstanding any other provision of this Agreement, if the introduction of or any change in or in the interpretation of any Law or regulation makes it unlawful, or any central bank or other Governmental Authority asserts that it is unlawful, for any Lender to perform its obligations hereunder to make the Loans or to fund or maintain the Loans or any portion thereof hereunder, then, upon written notice by the Facility Agent to the Borrower, the Facility Agent and the Borrower shall negotiate in good faith to agree on terms for that Lender to continue the Loans or any portion thereof on a basis which is not unlawful. If no agreement shall be reached between the Borrower and the Facility Agent within thirty (30) days, the Facility Agent shall be entitled to give notice to the Borrower that the obligation

of that Lender to make or maintain the Loans or any portion thereof, as the case may be, shall be forthwith terminated and the amount of that Lender's Commitment shall be reduced accordingly, and thereupon the aggregate outstanding principal amount of the Loans or any relevant portion thereof, as the case may be, shall become due and payable in full, together with accrued interest thereon and other sums payable hereunder, and such amounts as the Borrower shall be obligated to reimburse that Lender pursuant to Section 11.03(b) if earlier prepayment is required by any Law, regulation and/or regulatory requirement; provided, however, that, before making any such demand, that Lender shall designate a different lending office for monitoring the Loans if the making of such a designation would avoid the need for giving such notice and demand and would not, in the judgment of that Lender, be otherwise disadvantageous to that Lender.

2.19 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 2.15, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.16, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with paragraph (a) of this Section, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Facility Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.04), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.15 or Section 2.16) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) the Borrower shall have paid to the Facility Agent the assignment fee (if any) specified in Section 11.04;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.14 and Section 11.03(a)) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with Applicable Law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Notwithstanding anything in this Section to the contrary, (i) the Lender that acts as the Facility Agent may not be replaced hereunder except in accordance with the terms of Section 10.06.

2.20 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and Section 11.02(b).

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Facility Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article IX or otherwise) or received by the Facility Agent from a Defaulting Lender pursuant to Section 11.08 shall be applied at such time or times as may be determined by the Facility Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Facility Agent hereunder; *second*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Facility Agent; *third*, if so determined by the Facility Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to the Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of the Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the relevant conditions set forth in Article IV were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Commitment Fees. No Defaulting Lender shall be entitled to receive any commitment fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) Defaulting Lender Cure. If the Borrower, the Facility Agent and each Lender agree in writing that a Lender is no longer a Defaulting Lender, the Facility Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Facility Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with the Commitments, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) Termination of Defaulting Lender. The Borrower may terminate the unused amount of the Commitment of any Lender that is a Defaulting Lender upon not less than five Business Days' prior notice to the Facility Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 2.20(a)(ii) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); provided that (i) no Event of Default shall have occurred and be continuing, and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Facility Agent or any Lender may have against such Defaulting Lender.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

In order to induce the Lenders to enter into this Agreement and to make the Loans, each of the Obligors, jointly and severally, represents and warrants to each Finance Party as of the Closing Date, on the date of each Borrowing Request (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date):

3.01 Existence, Qualification and Power. Each Obligor (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party or any of the transactions contemplated hereby and thereby, and (c) is duly qualified and in good standing as a foreign company in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed, except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

3.02 Authorization; No Contravention. The execution, delivery and performance by each Obligor of each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of its Organizational Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien (except

Permitted Liens) under, or require any payment to be made under (i) any material Contractual Obligation to which such Obligor is a party or affecting such Obligor or the properties of such Obligor or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Obligor or property belonging thereto is subject or (c) violate any Law.

3.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Obligor of this Agreement or any other Loan Document, except for (a) the filing of Uniform Commercial Code financing statements or other similar filing or instruments under the laws of any applicable jurisdiction, (b) any Vessel Mortgage recording requirements under the relevant jurisdiction of such Vessel registration, and (c) such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and are in full force and effect.

3.04 Execution and Delivery; Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Obligor party thereto. Except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity, the Loan Documents to which each Obligor is a party, constitute or, as the case may be, will constitute upon execution and delivery (and, where applicable, registration as provided for in the Loan Documents), such Obligor's legal, valid and binding obligations enforceable against it in accordance with their respective terms.

3.05 Financial Statements; No Material Adverse Effect.

(a) Financial Statements. The Audited Financial Statement of the Parent and its Subsidiaries was prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and fairly present in all material respects the financial condition of the Parent and its Subsidiaries, as of the date thereof and their results of operations and cash flows for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein. The unaudited consolidated balance sheet of the Borrower and its Subsidiaries and the Parent and its Subsidiaries, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on September 30, 2017 were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and fairly present in all material respects the financial condition of the Borrower and its Subsidiaries and the Parent and its Subsidiaries, as of the date thereof and their results of operations and cash flows for the period covered thereby, subject to the absence of footnotes and to normal year-end audit adjustments

(b) No Material Adverse Change. Since June 30, 2017, there has been no event or circumstance that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

3.06 Litigation. There are no actions, suits, proceedings, claims, disputes or investigations pending or, to the knowledge of any Obligor, threatened, at Law, in equity, in arbitration or before any Governmental Authority, by or against any Obligor or any Subsidiary or against any of their properties or revenues that (a) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect or (b) purport to affect or pertain to this Agreement or any other Loan Document or any of the transactions contemplated hereby.

3.07 No Material Adverse Effect; No Default. No Obligor nor any Subsidiary thereof is in default under or with respect to any Contractual Obligation that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. As of the Closing Date, no Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

3.08 Property.

(a) Ownership of Properties.

(i) No Obligor has created or is contractually bound to create any security interest on or with respect to any of its assets, properties, rights or revenues, in each case, constituting Collateral, except for Permitted Liens, and except as provided in this Agreement no Obligor is restricted by contract, applicable law or regulation or otherwise from creating security interests on any of its assets, properties, rights or revenues, in each case, constituting Collateral.

(ii) Each Guarantor has received all deeds, assignments, waivers, consents, non-disturbance and attornment or similar agreements, bills of sale and other documents, and has duly effected all recordings, filings and other actions, necessary to establish, protect and perfect such Guarantor's right, title and interest in and to the Vessel owned by it and other properties and assets owned by it, in each case, constituting Collateral (or arrangements for such recordings, filings and other actions acceptable to the Facility Agent shall have been made).

(iii) Without limiting the generality of Section 3.22 and paragraph (ii) of this Section, at the time of the execution and delivery of each Security Document: (a) the relevant Obligor will have the right to create all the security interests which that Security Document purports to create; and (b) no third party will have any Liens (except for Permitted Liens) or any other interest, right or claim over, in or in relation to any asset to which any such Lien, by its terms, relates.

(b) Intellectual Property. Except for those with respect to which the failure to own or license could not reasonably be expected to have a Material Adverse Effect, each Obligor owns or has the right to use all patents, trademarks, permits, service marks, trade names, copyrights, franchises, formulas, licenses and other rights with respect thereto, and have obtained assignment of all licenses and other rights of whatsoever nature, that are material to its business as currently contemplated without any conflict with the rights of others.

3.09 Taxes.

(a) As of the Initial Borrowing Date and the date of each relevant Borrowing, all payments which any Obligor is liable to make under any Loan Documents to which it is a party can properly be made without deduction or withholding for or on account of any tax payable under any Laws of any Pertinent Jurisdiction.

(b) The Obligors have each filed all Federal, state and other tax returns and reports required to be filed, and have paid all Federal, state and other taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except (a) Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves are being maintained in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) No material claim for any tax has been asserted against any Obligor by any taxing authority other than claims that are included in the liabilities for taxes in the most recent balance sheet of such person or disclosed in the notes thereto, if any.

(d) The execution, delivery, filing and registration or recording (if applicable) of the Loan Documents and the consummation of the transactions contemplated thereby will not cause any of the Finance Parties to be required to make any registration with, give any notice to, obtain any license, permit or other authorization from, or file any declaration, return, report or other document with any governmental authority in any Pertinent Jurisdiction.

(e) No taxes are required by any governmental authority in any relevant Pertinent Jurisdiction to be paid with respect to or in connection with the execution, delivery, filing, recording, performance or enforcement of any Loan Document except any applicable mortgage recording fee in connection with the recording of the Vessel Mortgages in accordance with the relevant Pertinent Jurisdiction of such Vessel registration.

(f) It is not necessary for the legality, validity, enforceability or admissibility into evidence of this Agreement or any other Loan Document that any stamp, registration or similar taxes be paid on or in relation to this Agreement or any of the other Loan Documents.

3.10 Disclosure. As of the Closing Date, each Obligor has disclosed to the Facility Agent all agreements, instruments and corporate or other restrictions to which such Obligor is subject, and all other matters known to it, that either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. The reports, financial statements, certificates and other written information (other than projected or pro forma financial information) furnished by or on behalf of any Obligor to the Facility Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (as modified or supplemented by other information so furnished), taken as a whole, do not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein (when taken as a whole), in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected or pro forma financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time of preparation and delivery (it being understood that such projected information may vary from actual results and that such variances may be material).

3.11 Compliance with Laws. Each of the Obligors is in compliance with the requirements of all applicable Laws (including Environmental Laws, Sanctions and anti-corruption laws) and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to so comply, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

3.12 ERISA Compliance.

(a) Except as could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect, (i) each Plan is in compliance with the applicable provisions of ERISA, the Code and other Federal or state Laws and (ii) each Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter or opinion letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the IRS to be exempt from Federal income tax under Section 501(a) of the Code,

or an application for such a letter is currently being processed by the IRS, and, to the knowledge of the Borrower, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the knowledge of the Borrower, threatened or contemplated claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that, either individually or in the aggregate, or could reasonably be expected to have a Material Adverse Effect.

(c) No ERISA Event has occurred, and neither the Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that, either individually or in the aggregate, could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan.

(d) The present value of all accrued benefits under each Pension Plan (based on those assumptions used to fund such Pension Plan) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Pension Plan allocable to such accrued benefits by a material amount. As of the most recent valuation date for each Multiemployer Plan, the potential liability of the Borrower or any ERISA Affiliate for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 or Section 4205 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, is zero.

(e) To the extent applicable, each Foreign Plan has been maintained in compliance with its terms and with the requirements of any and all applicable requirements of Law and has been maintained, where required, in good standing with applicable regulatory authorities, except to the extent that the failure to so comply could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary has incurred any material obligation in connection with the termination of or withdrawal from any Foreign Plan. The present value of the accrued benefit liabilities (whether or not vested) under each Foreign Plan that is funded, determined as of the end of the most recently ended fiscal year of the Borrower or Subsidiary, as applicable, on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the property of such Foreign Plan by a material amount, and for each Foreign Plan that is not funded, the obligations of such Foreign Plan are properly accrued.

3.13 Environmental Matters. Except with respect to any matters that, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, no Obligor (a) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (b) knows of any basis for any permit, license or other approval required under any Environmental Law to be revoked, canceled, limited, terminated, modified, appealed or otherwise challenged, (c) has or could reasonably be expected to become subject to any Environmental Liability, (d) has received notice of any claim, complaint, proceeding, investigation or inquiry with respect to any Environmental Liability (and no such claim, complaint, proceeding, investigation or inquiry is pending or, to the knowledge of any Obligor, is threatened or contemplated) or (e) knows of any facts, events or circumstances that could give rise to any basis for any Environmental Liability of any Obligor.

3.14 Margin Regulations. The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Borrowing hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each

Borrowing, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) will be Margin Stock.

3.15 Investment Company, Public Utility. None of the Obligors is (a) an “investment company” or an “affiliated person” of, or “promoter” or “principal underwriter” for, an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended; or (b) a “public utility” within the meaning of the United States Federal Power Act of 1920, as amended.

3.16 PATRIOT Act; Sanctions; Anti-Corruption; Anti-Money-Laundering.

(a) PATRIOT Act. To the extent applicable, each of the Borrower and its Subsidiaries is in compliance in all material respects with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended), and any other enabling legislation or executive order relating thereto, and (ii) the PATRIOT Act.

(b) Sanctioned Persons. None of the Borrower or any of its Subsidiaries or any director, officer, or to the knowledge of the Borrower, any employee or Affiliate of the Borrower or any of its Subsidiaries is a Person that is, or is owned fifty percent (50%) or more, individually or in the aggregate, directly or indirectly or controlled by one or more Persons that are the subject of any sanctions administered or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), the U.S. Department of State, the United Nations Security Council, France, the European Union or Her Majesty’s Treasury (collectively, “Sanctions”). None of the Borrower or any of its Subsidiaries is a Person that is, or is owned fifty percent (50%) or more, individually or in the aggregate, directly or indirectly or controlled by one or more Persons that are located, organized or resident in a country or territory that is, or whose government is, the subject of comprehensive Sanctions (currently, Crimea, Cuba, Iran, North Korea, Sudan and Syria).

(c) Anti-Corruption Laws. The Borrower and its Subsidiaries and their respective directors, officers and, to the knowledge of the Borrower, employees and Affiliates of the Borrower and its Subsidiaries are in compliance with all applicable Sanctions and with the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the “FCPA”) and any other applicable anti-corruption law, in each case, in all material respects. The Borrower and its Subsidiaries have instituted and maintain policies and procedures designed to ensure continued compliance therewith.

(d) Anti-Money-Laundering. In relation to any Borrowing, the performance and discharge of the Borrowers’s obligations and liabilities under the Loan Documents, and the transactions and other arrangements affected or contemplated by the Loan Documents to which the Borrower is a party, the Obligors confirm that:

(i) they are acting for their own account;

(ii) they will use the proceeds of such Borrowing for their own benefit or the benefit of their Affiliates, under their full responsibility and exclusively for the purposes specified in this Agreement; and

(iii) they will not use the proceeds of such Borrowing in contravention of any applicable law, official requirement or other regulatory measure or procedure implemented to combat “money laundering” (as defined in Article 1 of Directive 2005/60/EC of the European Parliament

and of the Council) and comparable United States federal and state laws, including without limitation the PATRIOT Act and the Bank Secrecy Act.

3.17 ISM Code and ISPS Code Compliance. Each Guarantor has obtained or will obtain or will cause to be obtained all necessary ISM Code Documentation and ISPS Code Documentation in connection with the Vessel owned or to be owned by it and such Vessel's operation and will be or will cause such Vessel and the Approved Manager to be in full compliance with the ISM Code and the ISPS Code.

3.18 Solvency. As of the Initial Borrowing Date and the date of each relevant Borrowing, after giving effect to the funding thereof, the Obligors taken as a whole are Solvent.

3.19 Place of Business.

(a) For the purposes of the Uniform Commercial Code only, the Borrower has its chief executive office at 300 Stamford Place, Stamford, CT 06902. None of the Guarantors has a place of business in the United States of America, the District of Columbia, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of United States of America.

(b) From the date of its incorporation or formation, as the case may be, until the date hereof, neither the Borrower nor any of the Guarantors has conducted any business other than in connection with, or related to, the acquisition and disposition, ownership, and operation of Vessels.

3.20 Ownership.

(a) All of the Equity Interests of the Borrower have been validly issued, are fully paid and non-assessable and free and clear of all security interests and are owned, directly or indirectly, beneficially by the Parent. All of the Equity Interests of each Guarantor have been validly issued, are fully paid, non-assessable and free and clear of all security interests (other than Permitted Liens) and are owned beneficially and of record by the Borrower.

(b) None of the Equity Interests of the Obligors are subject to any existing option, warrant, call, right, commitment or other agreement of any character to which such Obligor is a party requiring, and there are no Equity Interests of any Obligor outstanding which upon conversion or exchange would require, the issuance, sale or transfer of any additional Equity Interests of the Obligor or other Equity Interests convertible into, exchangeable for or evidencing the right to subscribe for or purchase Equity Interests of the Obligor.

3.21 Vessels. As of the date of each relevant Borrowing, each relevant Vessel will be: (a) in the sole and absolute ownership of a Guarantor and duly registered in such Guarantor's name under the law of the Approved Flag, unencumbered save and except for the Vessel Mortgage thereon in favor of the Security Trustee registered against it and Permitted Liens; (b) seaworthy for hull and machinery insurance warranty purposes and in every way fit for its intended service; (c) insured in accordance with the provisions of this Agreement and the requirements hereof in respect of such insurances will have been complied with; (d) in class in accordance with the provisions of this Agreement and the requirements hereof in respect of such classification will have been complied with; and (e) managed by an Approved Manager pursuant to a technical or commercial management agreement.

3.22 The Security Documents.

(a) Subject to any applicable exceptions set forth herein, upon execution and delivery of each Security Document, there will be created in favor of the Facility Agent or, as the case may be, the

Security Trustee, for the benefit of the Finance Parties, a legal, valid and enforceable Lien on, and security interest in, the Collateral described herein and therein and (i) when all financing statements or the other filings in appropriate form are filed and maintained in the appropriate offices as may be required under applicable Laws and (ii) upon the taking of possession or control by the Facility Agent or, as the case may be, the Security Trustee, of such Collateral with respect to which a security interest may be perfected only by possession or control (which such possession or control shall be given to the Facility Agent or, as the case may be, the Security Trustee, to the extent required by any Security Document), the Liens created under such Security Document will constitute a fully perfected Lien on all right, title and interest of the applicable Obligors as of the Closing Date or, as the case may be, the date of execution of said Security Document, in such Collateral, in each case prior and superior in right to any other Person, other than with respect to Permitted Liens.

(b) Each Vessel Mortgage, upon execution and delivery thereof, will be effective to create, in favor of the Security Trustee, for its benefit and the benefit of the Finance Parties, a legal, valid and enforceable first priority or first preferred ship mortgage Lien on the Vessel subject to such Vessel Mortgage and the proceeds thereof, subject only to Permitted Liens, and when the Vessel Mortgage is recorded or registered in accordance with the laws of the jurisdiction of the relevant Approved Flag, such Vessel Mortgage shall constitute a fully perfected first priority or first preferred ship mortgage Lien on the Vessel subject to such Vessel Mortgage, in each case, subject to no Liens other than Permitted Liens.

3.23 Use of Proceeds. Each Obligor will, and will cause each of its Subsidiaries to, use the proceeds of the Loans solely for purposes set forth in the Preliminary Statements hereof. No part of the proceeds of the Loans will be used, directly or, to the knowledge of the Obligors, indirectly, in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of the FCPA or Sanctions or any other applicable anti-corruption law or applicable anti-money-laundering law.

ARTICLE IV

CONDITIONS OF LENDING

4.01 Conditions Precedent to Initial Borrowing Date. The obligation of each Lender to make any Loan is subject to the conditions precedent that, on or before the Initial Borrowing Date, the Facility Agent shall have received, in form and substance satisfactory to the Facility Agent and each Lender (unless otherwise specified):

(a) certified copies of the resolutions of the member of the Borrower approving (for itself and as sole member of each Guarantor) each Loan Document and each other document contemplated thereby to which any Obligor is or is to be a party, and of all documents evidencing other necessary corporate or company action and governmental approvals of each Obligor, if any, with respect to such Loan Documents and other documents to which it is or is to be a party;

(b) a certificate of an officer of the Borrower (for itself and as sole member of each Guarantor, as the case may be) certifying the names and true signatures of the respective officers and attorneys-in-fact of each Obligor authorized to sign each Loan Document and each other document contemplated thereby to which it is or is to be a party;

(c) a copy of the Organizational Documents of each Obligor and each amendment thereto, certified (as of a date reasonably near the Initial Borrowing Date) by an officer of the Borrower (for itself or as sole member of each Guarantor, as the case may be) as being a true and correct copy thereof;

- (d) an original or a certified copy of any power of attorney under which any Loan Document is executed on behalf of a Obligor;
- (e) a copy of a certificate of goodstanding of each Obligor dated as of a date reasonably near the Initial Borrowing Date, certifying that such Obligor is duly formed and in good standing under the laws of its jurisdiction of incorporation;
- (f) copies of all consents which an Obligor requires to enter into, or make any payment under any Loan Document, each certified as of a date reasonably near the date of the Borrowing Request by an authorized person of such party as being a true and correct copy thereof, or certification by such authorized person that no such consents are required;
- (g) such documentation and other evidence as is reasonably requested by the Facility Agent or a Lender in order for each to carry out and be satisfied with the results of all necessary “know your customer” or other checks which it is required to carry out in relation to the transactions contemplated by this Agreement and the other Loan Documents, including without limitation obtaining, verifying and recording certain information and documentation that will allow the Facility Agent and each of the Lenders to identify each Security Party in accordance with the requirements of the PATRIOT Act;
- (h) evidence that each Obligor has duly opened an Operating Account and the Borrower has duly opened the Liquidity Account, as applicable, and has delivered to the Facility Agent all resolutions, signature cards and other documents or evidence required in connection with the opening, maintenance and operation of such accounts with the Account Bank;
- (i) a duly executed original of each Loan Document not otherwise referred to in this Article IV in effect on the Closing Date, or any other document in effect on the Closing Date required to be delivered by any such Loan Document if not otherwise referred to in this Article IV;
- (j) two valuations of the Fair Market Value of each of the Vessels, paid for by the Borrower but addressed to the Facility Agent and dated not more than 30 days before service of the first Borrowing Request;
- (k) a satisfactory review by the Facility Agent’s counsel of the equity structure of the Borrower and each Guarantor;
- (l) a copy of the annual budget of the Borrower;
- (m) evidence satisfactory to the Facility Agent that the First Lien Facility and the Second Lien Facility have been or will be repaid in full substantially concurrently with the funding of the Facility;
- (n) evidence satisfactory to the Facility Agent that the consolidated cash or cash equivalents of the Borrower is at least \$10,000,000 on the Initial Borrowing Date;
- (o) evidence satisfactory to the Facility Agent that the Norwegian Bond Offering has been effected;
- (p) a favorable opinion or opinions of Norton Rose Fulbright US LLP, counsel for the Facility Agent, and of any other counsel for the Facility Agent as reasonably required by the Facility Agent, addressed to the Facility Agent and all other Finance Parties in form and substance satisfactory to the Facility Agent;

(q) a favorable opinion of Reed Smith LLP, counsel for the Obligors, in respect of the Loan Documents (including, without limitation, the Vessel Mortgages) executed in connection with the making of the relevant Borrowing and as to such other matters as the Facility Agent may reasonably request addressed to the Facility Agent and all other Finance Parties in form and substance satisfactory to the Facility Agent; and

(r) such documents and evidence as any Lender or the Facility Agent shall reasonably require, based on Applicable Law and such Lender's or the Facility Agent's own internal guidelines, relating to such Lender's or the Facility Agent's knowledge of its customers.

4.02 Conditions Precedent to Each Borrowing. The obligation of each Lender to make each Loan, including on the Initial Borrowing Date, is subject to the following conditions precedent having been satisfied (or waived in writing by the Facility Agent with the written consent of the Required Lenders) on or prior to the date of the relevant Borrowing:

(a) the Facility Agent shall have received a Borrowing Request as required by Section 2.03;

(b) the Borrower shall have paid the fees due and payable pursuant to Section 2.10 and any other fees due and payable pursuant hereto;

(c) the Facility Agent shall have received forecasts prepared by management of the Borrower pursuant to Section 5.01(e);

(d) evidence that, if the tests set out in Article VII or Section 5.04 were applied immediately following the making of the relevant Borrowing, the Borrower would not be obliged to provide additional security or repay part of the Borrowings as therein provided (determined on the basis of the most recent valuation for each Vessel delivered pursuant to Section 5.03);

(e) immediately after the making of the relevant Borrowing, no Default shall have occurred and be continuing;

(f) the representations and warranties contained in Article III shall be true and correct in all material respects on and as of the date of such Borrowing, except to the extent that such representations and warranties specifically refer to an earlier date;

(g) the Facility Agent shall have received on or before such Borrowing, a certificate of an officer of the Borrower (for itself and as sole member of each Guarantor), in form and substance reasonably satisfactory to the Facility Agent, dated as of the relevant Borrowing (the statements made in such certificate shall be true on and as of the date of such Borrowing), certifying that each document it is required to provide in connection with such Borrowing is in full force and effect as at the date of such Borrowing; and

(h) to the extent required by any change in applicable law and regulation or any changes in any Lender's own internal guidelines since the date on which the applicable documents and evidence were delivered to the Facility Agent pursuant to Section 4.01(k), such further documents and evidence as the Facility Agent shall reasonably require relating to each Lender's knowledge of its customers.

The making of each Borrowing hereunder shall be deemed to be a representation and warranty by the Obligors on the date of such Borrowing as to the facts specified in clauses (d) and (e) of this Section 4.02.

4.03 Conditions Precedent Relating to Vessels and Security. Without prejudice to Sections 4.01 and 4.02, the obligation of each Lender to make each Loan on the Initial Borrowing Date is subject to the following further conditions precedent having been satisfied (or waived in writing by the Facility Agent with the written consent of the Required Lenders) on or prior to the relevant Borrowing: the Facility Agent shall have received on or before the date of the relevant Borrowing the following, each dated as of the first Borrowing (unless otherwise specified), in form and substance reasonably satisfactory to the Lenders (unless otherwise specified):

- (a) a Vessel Mortgage relating to each Vessel, duly executed by the relevant Guarantor;
- (b) an Assignment of Earnings relating to each Vessel, duly executed by the relevant Guarantor;
- (c) an Assignment of Insurances relating to each Vessel, duly executed by the relevant Guarantor, together with a signed notice of assignment, substantially in the form attached thereto;
- (d) a Membership Interest Pledge relating to each Guarantor; duly executed by the Borrower;
- (e) a Letter of Undertaking relating to the relevant Vessel, provided by the relevant approved broker and with such approved insurance companies and/or underwriters;
- (f) a Manager's Undertaking relating to the relevant Vessel, duly executed by each Approved Manager of such Vessel;
- (g) an Account Pledge, duly executed by the Borrower with respect to the Borrower's Earnings Account and Liquidity Account and by each Guarantor with respect to such Guarantor's Earnings Account;
- (h) evidence of insurance in respect of the relevant Vessel naming the Facility Agent as loss payee and, with respect to hull and machinery insurances, as co-assured with such responsible and reputable insurance companies or associations, and in such amounts and covering such risks, as is required pursuant to this Agreement and the relevant Vessel Mortgage;
- (i) a favorable opinion from an independent insurance consultant reasonably acceptable to the Facility Agent on such matters relating to the insurances for the relevant Vessel as the Facility Agent may reasonably require;
- (j) a Certificate of Ownership and Encumbrance (or equivalent) issued by the maritime administrator for the Marshall Islands (or other relevant authority) stating that the relevant Vessel is owned by the relevant Guarantor and that there are on record no Liens on such Vessel except the relevant Vessel Mortgage;
- (k) evidence of the completion of all other recordings and filings of, or with respect to, the Security Documents executed in connection with the making of the relevant Borrowing that the Facility Agent may reasonably deem necessary or desirable in order to perfect and protect the Liens created thereby, including under the Uniform Commercial Code of New York or such other jurisdiction where the relevant Guarantor and/or any Collateral may be located;
- (l) a copy of a certificate duly issued by the Classification Society, dated within seven (7) days of the relevant Borrowing, to the effect that the relevant Vessel has received the highest classification

and rating for vessels of the same age and type, free of all overdue recommendations and overdue notations of the Classification Society affecting class;

(m) evidence that the relevant Vessel will, as from the date of the relevant Borrowing, be managed by an Approved Manager on terms reasonably acceptable to the Facility Agent, together with copies of the Document of Compliance and Safety Management Certificate issued pursuant to the ISM Code in respect of such relevant Vessel;

(n) a copy of any charter for a term which exceeds, or by virtue of any optional extensions may exceed, twelve (12) months to which the relevant Vessel is subject as of the date of the relevant Borrowing;

(o) if applicable, a Charter Assignment relating to the relevant Vessel, duly executed by the relevant Guarantor, together with a signed notice of assignment, substantially in the form attached thereto;

(p) if applicable, a Master Agreement Assignment, duly executed by the Borrower; and

(q) such other certificates relating to the relevant Vessel, or the operation thereof, as may be reasonably requested by the Facility Agent.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and all Obligations shall have been paid in full (other than contingent indemnification or reimbursement obligations), the Borrower and each of the Guarantors, as the case may be, covenants and agrees with each Finance Party that:

5.01 Financial Statements. The Borrower will furnish to the Facility Agent:

(a) as soon as available, and in any event within 120 days after the end of each fiscal year) (commencing with the fiscal year ending on December 31, 2017), a consolidated balance sheet of the Parent and its Subsidiaries, and of the Borrower and its Subsidiaries, in each case as at the end of such fiscal year and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, audited, or if audited form is not reasonably available in the case of the Borrower and its Subsidiaries, then unaudited, and accompanied by a report and opinion of independent public accountants of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards (and shall not be subject to any "going concern" or like qualification, exception or explanatory paragraph or any qualification, exception or explanatory paragraph as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Parent and its Subsidiaries and of the Borrower and its Subsidiaries, on a consolidated basis in accordance with GAAP consistently applied;

(b) as soon as available, but in any event within 90 days after the end of each of the first three fiscal quarters of each fiscal year (commencing with the fiscal quarter ending on September 30, 2017), a consolidated balance sheet of the Parent and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the Parent's fiscal year then ended, in each case setting forth in comparative

form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, certified by a Financial Officer of the Parent as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Parent and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject only to normal year-end audit adjustments and the absence of notes;

(c) as soon as available, but in any event within 75 days after the end of each of the first three fiscal quarters of each fiscal year (commencing with the fiscal quarter ending on September 30, 2017), a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, certified by a Financial Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject only to normal year-end audit adjustments and the absence of notes; and

(d) commencing with the 2019 fiscal year, as soon as available, but in any event prior to the beginning each fiscal year, forecasts prepared by management of the Borrower and its Subsidiaries and a summary of material assumptions used to prepare such forecasts, in form satisfactory to the Facility Agent, including projected consolidated balance sheets and statements of income or operations and cash flows of the Borrower and its Subsidiaries on a quarterly basis for such fiscal year.

5.02 Certificates; Other Information. The Borrower will deliver to the Facility Agent:

(a) [intentionally omitted];

(b) concurrently with the delivery of the financial statements referred to in Sections 5.01(a) and (b), a duly completed certificate signed by a Responsible Officer of the Borrower (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto and (ii) setting forth reasonably detailed calculations demonstrating (i) at the end of each fiscal quarter, compliance with Article VII and (ii) at the end of the second and fourth fiscal quarters of each fiscal year only, compliance with Section 5.04;

(c) promptly after the furnishing thereof, copies of any material request or notice received by the Borrower or any Subsidiary, or any statement or report furnished by the Borrower or any Subsidiary to any holder of debt securities of the Borrower or any Subsidiary, pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished pursuant hereto;

(d) promptly after following request therefor, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of the Borrower by independent accountants in connection with the accounts or books of the Borrower or any Subsidiary, or any audit of any of them, as the Facility Agent or any Lender (through the Facility Agent) may from time to time reasonably request;

(e) promptly following any request by the Security Trustee therefor, with any information which the Security Trustee (or any such designated person) reasonably requests for the purpose of: (i) obtaining or preparing any report from an independent marine insurance broker as to the adequacy of the obligatory insurances effected or proposed to be effected; and/or (ii) effecting, maintaining or renewing any such insurances or dealing with or considering any matters relating to any such insurances;

(f) promptly following any request therefor, such other information regarding: (i) the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Borrower or any Subsidiary, (ii) any Vessel, its employment, position and engagements, Earnings, payments and amounts due to any its master and crew, expenses incurred, towages and salvages, or its charter or management, or (iii) compliance with the terms of the Loan Documents, as the Facility Agent, Security Trustee, or any Lender (through the Facility Agent) may from time to time reasonably request.

Documents required to be delivered pursuant to Section 5.01(a) or (b) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which such materials are publicly available as posted on the Electronic Data Gathering, Analysis and Retrieval system (EDGAR); or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Facility Agent have access (whether a commercial, third-party website or whether sponsored by the Facility Agent). The Facility Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such document to it and maintaining its copies of such documents.

5.03 Vessel Valuations. The Borrower, at its expense, shall procure at least two written appraisal reports to be made by an Approved Broker each calendar year, dated no earlier than 30 days prior to its delivery to the Facility Agent, indicating the Fair Market Value of: (a) all Vessels subject to a Vessel Mortgage, for inclusion with the certificate delivered with the first and third quarterly financial statements required to be delivered under Section 5.02(b); and (b) all Vessels on or before the giving of the first Borrowing Request, which written appraisal reports shall satisfy the requirement to provide written appraisal reports with the first quarterly financial statements required to be provided in 2018 under Section 5.02(b).

5.04 Vessel Value Maintenance. Each Obligor will ensure that the aggregate Fair Market Value of the Vessels subject to a Vessel Mortgage (plus the market value of any additional security for the time being actually provided to the Lenders pursuant to this Section 5.04) is at all times not less than (i) one hundred thirty percent (130%) of the aggregate outstanding principal amount of the Loans from the Initial Borrowing Date until such date which is six (6) months after the First Repayment Date, (ii) one hundred forty percent (140%) of the aggregate outstanding principal amount of the Loans from the date which is six (6) months after the First Repayment Date until such date which is eighteen (18) months after the First Repayment Date and (iii) one hundred fifty percent (150%) of the aggregate outstanding principal amount of the Loans at all times after such date which is eighteen (18) months after the First Repayment Date. If the Obligors at any time shall not be in compliance with the preceding sentence, and in any event within thirty (30) days of being notified by the Facility Agent of such noncompliance (which notification shall be conclusive and binding on the Obligors), the Obligors shall (a) prepay (subject to, and in accordance with Section 2.07, provided, however, no prepayment fee shall apply under section 2.10) such part of the Loans as will ensure compliance with this Section 5.04; or (b) provide the Security Trustee with, or procure the provision to the Lenders of, such additional security as shall in the opinion of the Required Lenders be adequate to make up such deficiency, which additional security shall take such form, be constituted by such documentation and be entered into between such parties as the Required Lenders in their absolute discretion may approve or require, (and, if the Obligors do not make proposals satisfactory to the Required Lenders in relation to such additional security within five (5) days of the date of the Facility Agent's notification to the Obligors aforesaid, the Obligors shall be deemed to have elected to prepay in accordance with (a) above).

5.05 Notices. The Borrower will promptly notify the Facility Agent of:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit, investigation or proceeding by or before any arbitrator or Governmental Authority against or affecting the Parent, any Obligor, or any Affiliate thereof including pursuant to any applicable Sanctions or Environmental Laws, that could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, either individually or together with any other ERISA Events, could reasonably be expected to result in a Material Adverse Effect;

(d) notice of any action arising under any Environmental Law or of any noncompliance by any Obligor with any Environmental Law or any permit, approval, license or other authorization required thereunder that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(e) any material change in accounting or financial reporting practices by the Borrower or any Subsidiary, other than as permitted by Clause 1.03(b);

(f) any occurrence as a result of which any Vessel owned has become or is, by the passing of time or otherwise, likely to become a Total Loss;

(g) any requirement or condition made by any insurer or classification society or by any competent authority which is not immediately complied with;

(h) any arrest or detention of any Vessel, any exercise or purported exercise of any security interest on that Vessel or the Earnings or any requisition of that Vessel for hire;

(i) any intended dry docking of any Vessel;

(j) any claim for breach of the ISM Code or the ISPS Code being made against any Obligor, the Approved Manager or otherwise in connection with any Vessel;

(k) any other matter, event or incident, actual or threatened, the effect of which will or could lead to the ISM Code or the ISPS Code not being complied with; and

(l) any matter or development that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth the details of the occurrence requiring such notice and stating what action the Borrower has taken and proposes to take with respect thereto.

5.06 Preservation of Existence, Etc. Each Obligor will (a) preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization; (b) take all reasonable action to maintain all rights, licenses, permits, privileges and franchises necessary or desirable for (i) such Obligor to perform its obligations under this Agreement and all other Loan Documents and (ii) the operation of the Vessels, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its registered patents,

trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

5.07 [Intentionally Omitted].

5.08 Maintenance of Properties. Each Obligor will (a) maintain, preserve and protect all of its properties and equipment, other than Vessels, necessary in the operation of its business in good working order and condition (ordinary wear and tear excepted) and (b) make all necessary repairs thereto and renewals and replacements thereof, except to the extent, in either case, that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.09 Insurances. Each Obligor will:

(a) maintain with financially sound and reputable insurance companies, insurance with respect to any of its properties, other than the Vessels, and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such Persons;

(b) keep the Vessel owned by it insured at its expense against: (i) fire and usual marine risks (including hull and machinery, hull interest/increased value, freight interest and excess risks); (ii) war risks (including terrorism, piracy, and confiscation); (iii) protection and indemnity risks (including maximum for pollution liabilities); and (iv) any other risks against which the Security Trustee considers, having regard to practices and other circumstances prevailing at the relevant time, it would in the opinion of the Security Trustee be reasonable for that Guarantor to insure and which are specified by the Security Trustee by notice to that Guarantor;

(c) affect such insurances in respect of the Vessel owned by it:

(i) (A) in Dollars; (B) in each case, in an amount on an agreed value basis at least the great of: (1) the Fair Market Value of the Vessels and (2) 120% of the Loans; (C) in respect of any obligatory insurances for hull and machinery, in an amount on an agreed value basis at least the greater of: (1) the aggregate of the Loans and (2) 80% of the Fair Market Value of the Vessels, while the remaining cover may be taken out as hull interest and/or freight interest insurance; (D) in the case of oil pollution liability risks, for an aggregate amount equal to the highest level of cover from time to time available under basic protection and indemnity club entry and in the international marine insurance market; (E) in relation to protection and indemnity risks in respect of the full tonnage of the Vessel owned by it; (F) on approved terms; and (G) through approved brokers and with approved insurance companies and/or underwriters or, in the case of war risks and protection and indemnity risks, in approved war risks and protection and indemnity risks associations that are members of the International Group of P&I Clubs, such approval not to be unreasonably withheld or delayed;

(ii) (A) subject always to paragraph (B), name that Guarantor as the sole named assured unless the interest of every other named assured is limited: (1) in respect of any obligatory insurances for hull and machinery and war risks; to any provable out-of-pocket expenses that it has incurred and which form part of any recoverable claim on underwriters; and to any third party liability claims where cover for such claims is provided by the policy (and then only in respect of discharge of any claims made against it); and (2) in respect of any obligatory insurances for protection and indemnity risks, to any recoveries it is entitled to make by way of reimbursement following discharge of any third party liability claims made specifically against it; and every other named assured has

undertaken in writing to the Security Trustee (in such form as it requires) that any deductible shall be apportioned between that Guarantor and every other named assured in proportion to the aggregate claims made or paid by each of them and that it shall do all things necessary and provide all documents, evidence and information to enable the Security Trustee to collect or recover any moneys which at any time become payable in respect of the obligatory insurances; (B) whenever the Security Trustee requires, name (or be amended to name) the Security Trustee as additional named assured for its rights and interests, warranted no operational interest and with full waiver of rights of subrogation against the Security Trustee, but without the Security Trustee thereby being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance; (C) name the Security Trustee as loss payee with such directions for payment as the Security Trustee may specify; (D) provide that all payments by or on behalf of the insurers under the obligatory insurances to the Security Trustee shall be made without set-off, counterclaim or deductions or condition whatsoever; (E) provide that the obligatory insurances shall be primary without right of contribution from other insurances which may be carried by the Security Trustee or any other Finance Party; and (F) provide that the Security Trustee may make proof of loss if that Guarantor fails to do so;

(d) (i) at least 21 days before the expiry of any obligatory insurance: (A) notify the Security Trustee of the brokers (or other insurers) and any protection and indemnity or war risks association through or with whom that Guarantor proposes to renew that obligatory insurance and of the proposed terms of renewal; and (B) obtain the Security Trustee's approval to the matters referred to in paragraph (A); (ii) at least 14 days before the expiry of any obligatory insurance, renew that obligatory insurance in accordance with the Security Trustee's approval pursuant to paragraph (i); and (iii) procure that the approved brokers and/or the war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal notify the Security Trustee in writing of the terms and conditions of the renewal;

(e) ensure that any guarantees required by a protection and indemnity or war risks association are promptly issued and remain in full force and effect; and

(f) punctually pay all premiums or other sums payable in respect of the obligatory insurances and produce all relevant receipts when so required by the Security Trustee.

5.10 Insurance Documentation; Letters of Undertaking; Certificates. Each Obligor will:

(a) ensure that all approved brokers and with approved insurance companies and/or underwriters provide the Security Trustee with pro forma copies of all policies relating to the obligatory insurances which they are to affect or renew and of a letter or letters or undertaking in a form reasonably required by the Security Trustee and including undertakings by the approved brokers and with approved insurance companies and/or underwriters ("Letters of Undertaking") that: (i) they will have endorsed on each policy, immediately upon issue, a loss payable clause and a notice of assignment in accordance with the requirements of the Assignment of Insurances for that Guarantor's Vessel; (ii) they will hold such policies, and the benefit of such insurances, to the order of the Security Trustee in accordance with the said loss payable clause; (iii) they will advise the Security Trustee immediately of any material change to the terms of the obligatory insurances or if they cease to act as brokers; (iv) they will notify the Security Trustee, not less than 14 days before the expiry of the obligatory insurances, in the event of their not having received notice of renewal instructions from that Guarantor or its agents; and (vi) they will not set off against any sum recoverable in respect of a claim relating to the Vessel owned by that Guarantor under such obligatory insurances any premiums or other amounts due to them or any other person whether in respect of that Vessel or otherwise, they waive any lien on the policies, or any sums received under them, which they might have in respect of such premiums or other amounts, and they will not cancel such obligatory insurances by reason

of nonpayment of such premiums or other amounts, and will arrange for a separate policy to be issued in respect of that Vessel forthwith upon being so requested by the Security Trustee;

(b) on the Initial Borrowing Date, and thereafter upon either (i) request by the Facility Agent or (ii) material change to the insurance terms, ensure that the Facility Agent is provided with a favorable opinion from an independent insurance consultant acceptable to the Facility Agent on such matters relating to the insurances for the relevant Vessel as the Lenders may require; and

(c) ensure that any protection and indemnity and/or war risks associations in which the Vessel owned by it is entered provides the Security Trustee with: (i) a certified copy of the certificate of entry for that Vessel; and (ii) a letter or letters of undertaking in the form customarily provided by the International Group of P&I Clubs.

5.11 Mortgagee's Insurance. The Security Trustee shall, to the extent commercially available, effect, maintain and renew (i) mortgagee's interest marine insurance, (ii) mortgagee's interest additional perils insurance and/or (iii) mortgagee's political risks/rights/war risks (including terrorism, piracy and confiscation) insurance in such amounts (not to exceed 120% of the Loans), on such terms, through such insurers and generally in such manner as the Security Trustee may from time to time consider necessary and the Obligors, jointly and severally, shall upon demand fully indemnify the Security Trustee in respect of all premiums and other reasonable expenses which are incurred in connection with or with a view to effecting, maintaining or renewing any such insurance or dealing with, or considering, any matter arising out of any such insurance.

5.12 Maintenance of Security Interests. Each Obligor will: (a) at its own cost, do all that it reasonably can to ensure that any Security Document validly creates the obligations and the security interests which it purports to create; and (b) without limiting the generality of paragraph (a), at its own cost, promptly register, file, record or enroll any Security Document with any court or authority in all relevant jurisdictions, pay any stamp, registration or similar tax in all relevant jurisdictions in respect of any Security Document, give any notice or take any other step which, in the reasonable opinion of the Security Trustee, acting with the instruction of the Required Lenders, is or has become necessary for any Security Document to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any security interest which it creates.

5.13 Earnings Payments. Each Obligor shall deposit and cause to be deposited all of its Earnings into its Operating Account.

5.14 Payment of Obligations. Each Obligor will pay, discharge or otherwise satisfy as the same shall become due and payable, all of its material obligations and liabilities, including Tax liabilities, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by such Obligor, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.15 Vessel Registration. Each Guarantor shall: (a) keep the Vessel owned by it registered in its name under the law of an Approved Flag; (b) not do, omit to do or allow to be done anything as a result of which such registration might be cancelled or imperiled; and (c) not, without the prior written consent of the Facility Agent, change the name or, without the prior written consent of the Lenders, change the port of registry on which such Vessel was registered when it became subject to a Vessel Mortgage.

5.16 Vessel Repair. Each Guarantor shall keep the Vessel owned by it in a good and safe condition and state of repair: (a) consistent with first class ship ownership and management practice; (b) so

as to maintain the highest class for that Vessel with the Classification Society, free of material overdue recommendations, adverse notations and conditions affecting that Vessel's class; and (c) so as to comply with all laws and regulations applicable to vessels registered under the law of the Approved Flag on which that Vessel is registered or to vessels trading to any jurisdiction to which that Vessel may trade from time to time, including but not limited to the ISM Code and the ISPS Code.

5.17 Classification Society Instructions and Undertakings. Each Guarantor shall instruct the Classification Society (and procure that the Classification Society undertakes with the Security Trustee): (a) to send to the Security Trustee, following receipt of a written request from the Security Trustee, certified true copies of all original class records held by the Classification Society in relation to that Guarantor's Vessel; (b) to allow the Security Trustee (or its agents), at any time and from time to time, to inspect the original class and related records of that Guarantor and the Vessel owned by it either (i) electronically (through the Classification Society directly or by way of indirect access via the Borrower's account manager and designating the Security Trustee as a user or administrator of the system under its account) or (ii) in person at the offices of the Classification Society, and to take copies of them electronically or otherwise; (c) to notify the Security Trustee promptly in writing if the Classification Society: (i) receives notification from that Guarantor or any other person that that Vessel's Classification Society is to be changed; or (ii) becomes aware of any facts or matters which may result in or have resulted in a condition of class or a recommendation, or a change, suspension, discontinuance, withdrawal or expiry of that Vessel's class under the rules or terms and conditions of that Guarantor's or that Vessel's membership of the Classification Society; (d) following receipt of a written request from the Security Trustee: (i) to confirm that that Guarantor is not in default of any of its Contractual Obligations or liabilities to the Classification Society and, without limiting the foregoing, that it has paid in full all fees or other charges due and payable to the Classification Society; and (ii) if that Guarantor is in default of any of its Contractual Obligations or liabilities to the Classification Society, to specify to the Security Trustee in reasonable detail the facts and circumstances of such default, the consequences of such default, and any remedy period agreed or allowed by the Classification Society.

5.18 Charters; Charter Assignments; Assignments of Earnings. Each Guarantor shall: (a) furnish promptly to the Facility Agent a true and complete copy of any demise charter and any time or consecutive voyage charter for a term which exceeds, or by virtue of any optional extensions may exceed, twelve (12) months for the Vessel owned by it (other than a charter pursuant to an Approved Pooling Arrangement), all other documents related thereto and a true and complete copy of each material amendment or other modification thereof; and (b) in respect of any such charter, execute and deliver to the Facility Agent a Charter Assignment and use reasonable commercial efforts to cause the charterer to execute and deliver to the Facility Agent a consent and acknowledgement to such Charter Assignment in the form required thereby.

5.19 Compliance with Laws. Each Obligor will comply with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business generally or to the ownership, employment, operation and management of any Vessel, including but not limited to the ISM Code and the ISPS Code, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.20 [Intentionally Omitted].

5.21 Environmental Matters. Except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect, each Obligor will, (a) comply with all Environmental Laws, (b) obtain, maintain in full force and effect and comply with any permits, licenses or approvals required for the Vessel facilities or operations of any Obligor, and (c) conduct and complete any

investigation, study, sampling or testing, and undertake any corrective, cleanup, removal, response, remedial or other action necessary to identify, report, remove and clean up all Hazardous Materials present or released at, on, in, under or from any of the Vessel facilities or real properties of any Obligor.

5.22 Books and Records. Each Obligor will maintain, and cause to be maintained, proper books of record and account, in which full, true and correct entries, in conformity with GAAP as in effect from time to time, consistently applied shall be made of all financial transactions and matters involving the assets and business of such Obligor.

5.23 Inspection Rights. Each Obligor will:

(a) permit representatives and independent contractors of the Facility Agent to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the reasonable expense of such Obligor and at such reasonable times during normal business hours and as often as may be reasonably requested following 15 Business Days' prior notice by the Facility Agent (acting on instructions of the Required Lenders); and

(b) permit the Security Trustee (by surveyors or other persons appointed by it for that purpose at the cost of the Obligors) to board any Vessel, at all reasonable times with 15 Business Days' prior notice to the relevant Guarantor to inspect its condition or to satisfy themselves about proposed or executed repairs and shall afford all proper facilities for such inspections, 1 such inspections per year to be at the reasonable expense of the Borrower, after which such additional inspections to be at the expense of the Lenders;

provided that, other than with respect to such visits and inspections during the occurrence and continuation of an Event of Default, the Facility Agent and the Lenders shall not exercise such rights more often than 1 time during any calendar year; provided, further, that when an Event of Default has occurred and is continuing the Facility Agent, the Security Trustee or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing under this Section at the expense of such Obligor and at any time during normal business hours with advance notice.

5.24 Surveys. Each Guarantor, at its sole expense, shall submit the Vessel owned by it regularly to all periodical or other surveys which may be required for classification purposes and, if so required by the Security Trustee, provide the Security Trustee, at that Guarantor's sole expense, with copies of all survey reports.

5.25 Notice of Mortgage. Each Guarantor shall keep the Vessel Mortgage recorded against the Vessel owned by it as a valid first priority or preferred mortgage, carry on board that Vessel a certified copy of the Vessel Mortgage and place and maintain in a conspicuous place in the navigation room and the master's cabin of that Vessel a framed printed notice stating that such Vessel is mortgaged by that Guarantor to the Security Trustee.

5.26 Green Passport. Each Guarantor will, at all times after January 1, 2019 (inclusive), procure that the Vessel owned by it maintains and carries on board a Green Passport, or equivalent document acceptable to the Facility Agent.

5.27 [Intentionally Omitted].

5.28 Prevention of and Release from Arrest. Each Guarantor shall promptly discharge: (a) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against the Vessel owned by it, the Earnings or the Insurances; (b) all taxes, dues and other amounts charged in respect of the Vessel owned by it, the Earnings or the Insurances; and (c) all other accounts payable whatsoever in respect of the Vessel owned by it, the Earnings or the Insurances, and, forthwith upon receiving notice of the arrest of the Vessel owned by it, or of its detention in exercise or purported exercise of any lien or claim, that Guarantor shall procure its release by providing bail or otherwise as the circumstances may require within 45 days of such arrest or detention.

5.29 Use of Proceeds. Each Obligor will use the proceeds of the Loans only for the purposes set forth in Section 3.23.

5.30 Subordination of Loans. Each Obligor will cause all loans made to it by any Affiliate, and all sums and other obligations (financial or otherwise) owed by it to any Affiliate, to be fully subordinated to all Obligations pursuant to a subordination agreement in a form approved by the Facility Agent providing that such loans and other obligations shall be subject and subordinate to the prior payment in full of the Obligations.

5.31 Anti-Corruption Laws. Each Obligor will maintain in effect policies and procedures designed to promote compliance by such Obligor, its Subsidiaries, and their respective directors, officers, employees, and agents with the FCPA and any other applicable anti-corruption laws.

5.32 "Know Your Customer" Documentation. Each Obligor will produce such documents and evidence as the Facility Agent and each Lender shall from time to time require, based on applicable law and regulations from time to time and the Lender's own internal guidelines from time to time relating to each Lender's knowledge of its customers.

5.33 Asset Control. Each Obligor shall ensure that: (a) it is not (i) 50% or more owned, directly or indirectly, by one or more Prohibited Persons in the aggregate, or (ii) controlled by a Prohibited Person, or (iii) acting directly on behalf of a Prohibited Person to the extent such action would be prohibited if the Obligor were resident or organized in the United States, the European Union or the United Kingdom; (b) it does not own or control a Prohibited Person; (c) to its knowledge, it is not acting indirectly for the benefit of a Prohibited Person to the extent that such action would be prohibited if the Obligor were resident or organized in the United States, the European Union or the United Kingdom; (d) no proceeds of any Borrowing (i) shall be made available directly to a Prohibited Person to the extent that such action would be prohibited if the Obligor were resident or organized in the United States, the European Union or the United Kingdom, or (ii) otherwise shall be directly applied in a manner or for a purpose prohibited by Sanctions; and (e) to its knowledge, no proceeds of any Borrowing (i) shall be made available indirectly to or for the benefit of a Prohibited Person to the extent that such action would be prohibited if the Obligor were resident or organized in the United States, the European Union or the United Kingdom, or (ii) otherwise shall be indirectly applied in a manner or for the purpose prohibited by Sanctions.

5.34 Scrapping. The Obligors shall develop and implement a policy that any scrapping of a Vessel is conducted in compliance (1) with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, and with the guidelines issued by the International Maritime Organization in connection with such convention and (2) with Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC.

5.35 Sanctions. The Borrower has in effect policies and procedures designed to promote material compliance by each Obligor, its Subsidiaries and their respective directors, officers, employees and agents with Sanctions.

ARTICLE VI

NEGATIVE COVENANTS

Until the Commitments have expired or been terminated and all Obligations have been paid in full (other than contingent indemnification or reimbursement obligations), the Obligors covenant and agree with the Finance Parties that:

6.01 Indebtedness. No Guarantor will create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness to any Obligor, subject to the provisions of Section 5.30;

(c) Guarantees of any Obligor in respect of Indebtedness otherwise permitted hereunder of any Guarantor;

(d) Indebtedness (i) resulting from a bank or other financial institution honoring a check, draft or similar instrument in the ordinary course of business or (ii) arising under or in connection with cash management services in the ordinary course of business; and

(e) Indebtedness owing to Affiliates provided that such Indebtedness is subordinated on terms and conditions acceptable to the Facility Agent and subject in right of payment to the prior payment in full of all amounts outstanding under this Agreement and the Notes.

6.02 Liens. No Guarantor will create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, including any Vessel, whether now owned or hereafter acquired, other than the following (each a "Permitted Lien"):

(a) Liens securing Indebtedness permitted under Section 6.01(a);

(b) Liens existing on the date hereof reasonably acceptable to the Facility Agent (acting on the instructions of the Lenders) and listed on Schedule V;

(c) Liens arising in the ordinary course of business securing Indebtedness and other obligations (i) not exceeding 30 days overdue, and (ii) in an aggregate amount not exceeding \$1,250,000 per Vessel at any time outstanding;

(d) Liens in favor of the Account Bank in respect of its customary charges in maintaining the Operating Accounts or any of them or for reimbursement for reversal of any provisional credits granted by the Account Bank to any Operating Account, to the extent, in each case, that any of the Obligors have not separately paid or reimbursed the Account Bank therefor; and

(e) Liens imposed by law for Taxes that are not required to be paid pursuant to Section 5.14.

6.03 Fundamental Changes. None of the Obligor will, without the prior written approval of all Lenders, merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) any of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom any Guarantor may sell the Vessel owned by it, and the Borrower may sell any Guarantor, pursuant to the terms of this Agreement and so long as the Obligor comply with the mandatory prepayment provisions of Section 2.07, upon which such Guarantor shall be released as a Guarantor hereunder.

6.04 Restricted Payments. The Borrower will not, and will not permit any Obligor to, declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that, so long as no Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a) each Obligor may make Restricted Payments to any Obligor including in accordance with Section 7.04;

(b) the Borrower may distribute the proceeds of the Borrowing made on the Initial Borrowing Date in connection with the refinancing of the First Lien Facility and the Second Lien Facility; and

(c) after the First Repayment Date, the Borrower may (i) declare or pay cash dividends to its shareholders and (ii) purchase, redeem or otherwise acquire for cash its Equity Interests only if, after giving effect thereto, (A) the aggregate amount of such dividends, purchases, redemptions, retirements and acquisitions does not exceed 50% of Consolidated Net Income of the Borrower and its Subsidiaries on a trailing twelve (12) month basis as at the date of declaration of such dividend or the completion of such purchase, redemption, retirement or acquisition; (B) the aggregate Fair Market Value is equal to or greater than 175% of the amount of the outstanding Loans as at the date of declaration of such dividend or the completion of such purchase based on valuations no older than forty-five (45) days; (C) the Borrower shall be in compliance with all financial covenants set forth in Section 7.01.

6.05 Investments. No Guarantor will make any Investment, except:

(a) Investments held by such Obligor in the form of Cash Equivalents; and

(b) to the extent constituting an Investment, transactions otherwise permitted by Sections 6.01 or 6.06.

6.06 Transactions with Affiliates. The Borrower will not, and will not permit any Subsidiary to, enter into any transaction of any kind with any Affiliate of the Borrower, whether or not in the ordinary course of business, other than: (a) in the ordinary course of business, on fair and reasonable terms substantially as favorable, taken as a whole, to the Borrower or such Subsidiary as would be obtainable by the Borrower or such Subsidiary at the time in a comparable arm's-length transaction with a Person other than an Affiliate, provided that any Indebtedness owing by the Borrower to any Guarantor shall be subordinated on terms and conditions acceptable to the Facility Agent and subject in right of payment to the prior payment in full of all amounts outstanding under this Agreement and the Notes; (b) transactions permitted pursuant to Section 6.01 through Section 6.05 above; (c) the transactions contemplated by the Loan Documents; (d) the payment or reimbursement of the Borrower's and its Subsidiaries' pro rata share of expenses for shared personnel, office facilities, and administrative overhead of the Parent and its subsidiaries, as fairly and reasonably allocated by the Parent; and (e) management services on economic terms at least as favorable to the Guarantors as those set forth on Schedule VI.

6.07 Changes in Fiscal Periods. The Borrower will not permit the last day of its fiscal year to end on a day other than December 31 or change the Borrower's method of determining its fiscal quarters.

6.08 Changes in Nature of Business. No Obligor will, without the prior written consent of the Lenders, engage to any material extent in any business other than those businesses conducted by each Obligor on the date hereof or any business reasonably related or incidental thereto or representing a reasonable expansion thereof.

6.09 Changes in Name; Organizational Documents Amendments. No Obligor will permit any change to its entity name or any amendment of its Organizational Documents.

6.10 Place of Business. Except for as specified in Section 3.19, no Obligor will establish or change any place of business in the United States of America, the District of Columbia, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States of America unless thirty (30) days' prior written notice of such establishment is given to the Facility Agent.

6.11 Change of Control; Negative Pledge. No Obligor will permit any act, event or circumstance that would result in a Change of Control. The Borrower shall not permit any pledge or assignment of a Guarantor's Equity Interests except in favor of the Security Trustee to secure the Obligations.

6.12 Restriction on Chartering. No Obligor will, without the consent of the Required Lenders, which consent shall not unreasonably be withheld (i) let any Vessel on demise charter for any period; (ii) enter into any time or consecutive voyage charter in respect of any Vessel for (A) a term which exceeds, or which by virtue of any optional extensions may exceed, 12 months, and (B) which would result in the chartering of a greater number of vessels than Vessels owned by the Guarantors at the time; (iii) de-activate or lay up any Vessel; (iv) put any Vessel into the possession of any Person for the purpose of work being done upon her in an amount exceeding or likely to exceed \$1,250,000 (or the equivalent in any other currency); (v) enter into any sale-and-leaseback arrangements with respect to any Vessel or (vi) agree to charter-in any other vessel, with the exception of a time or voyage charter (a) that is of a term which shall not exceed, or which by virtue of any optional extensions may not exceed, nine (9) months; (b) for which the fixture of such relevant vessel is on substantially similar terms with the employment or fixture of a Vessel to relieve such Vessel from such employment or fixture; and (c) for which such charter-in contract is entered into by the Borrower; provided that the number of vessels on charter-in contract shall not exceed 3 in aggregate at any time.

6.13 Lawful Use. No Guarantor will permit any Vessel to be employed: (a) in any way or in any activity which is unlawful under international law or the domestic laws of any relevant country; (b) in carrying illicit or prohibited goods; (c) in a way which may make it liable to be condemned by a prize court or destroyed, seized or confiscated; (d) in carrying contraband goods;; and the persons responsible for the operation of the Vessel shall take all necessary and proper precautions to ensure that this does not happen including participation in industry or other voluntary schemes available to the Vessel and in which leading operators of vessels operating under the same flag or engaged in similar trades generally participate at the relevant time.

6.14 Approved Manager. No Guarantor will employ a manager of a Vessel other than an Approved Manager, or change the terms and conditions of the management of such Vessel in any material respect other than upon such terms and conditions as the Required Lenders shall approve.

6.15 Insurances. No Guarantor will:

(a) agree to any amendment or supplement (other than related confirmations) to, or waive or fail to enforce, any obligatory insurance or material provisions thereof;

(b) do not omit to do (nor permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable under an obligatory insurance repayable in whole or in part; and, in particular: (i) each Guarantor shall take all necessary action and comply with all requirements which may from time to time be applicable to the obligatory insurances, and ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Security Trustee has not given its prior approval; (ii) no Guarantor shall make any changes relating to the classification or classification society or manager or operator of the Vessel owned by it unless approved by the underwriters of the obligatory insurances; (iii) each Guarantor shall make (and promptly supply copies to the Facility Agent and/or Security Trustee of) all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which the Vessel owned by it is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation); and (iv) no Guarantor shall employ the Vessel owned by it, nor allow it to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances, without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify; or

(c) settle, compromise or abandon any claim under any obligatory insurance for Total Loss without the consent of the Security Trustee (not to be unreasonably withheld or delayed), and if so requested by the Security Trustee shall do all things necessary and provide all documents, evidence and information to enable the Security Trustee to collect or recover any moneys which at any time become payable in respect of the obligatory insurances.

6.16 Modification; Removal of Parts. No Guarantor will (a) make any modification or repairs to, or replacement of, the Vessel owned by it or equipment installed on that Vessel which would or is reasonably likely to materially alter the structure, type or performance characteristics of that Vessel or materially reduce its value; or (b) remove any material part of the Vessel owned by it, or any item of equipment installed on, that Vessel unless the part or item so removed is forthwith replaced by a suitable part or item which is in the same condition as or better condition than the part or item removed, is free from any security interest or any right in favor of any person other than the Security Trustee and becomes on installation on that Vessel, the property of that Guarantor and subject to the security constituted by the Vessel Mortgage, provided that a Guarantor may install and remove equipment owned by a third party if the equipment can be removed without any risk of damage to the Vessel owned by it.

6.17 Sanctions.

(a) No Obligor will, directly or, to its knowledge, indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (i) to fund any activities or business of or with any Person that is prohibited by Sanctions, or in any country or territory that is, or whose government is, at the time of such funding the subject of comprehensive Sanctions (as of the date hereof, Crimea, Cuba, Iran, North Korea, Sudan and Syria), or (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as underwriter, advisor, investor, or otherwise).

(b) Without limiting paragraph (a) above, no Obligor shall charter or, to its knowledge, permit the charter of a Vessel to a Prohibited Person to the extent that such charter would be prohibited if the Obligor were resident or organized in the United States, the European Union or the United Kingdom.

(c) No Obligor shall allow:

(i) that any Vessel be used in trading in violation of Sanctions; and

(ii) that any Vessel be traded in such manner which results in the sanctions limitation or exclusion clause in the Insurances in relation to the Vessel having been triggered by the insurer in a material amount.

(d) None of the Obligor's funds that are used to repay any obligation under the Credit Agreement shall constitute property of, or shall be beneficially owned directly or indirectly by, any Prohibited Person to the extent that such would be prohibited if the Obligor were resident or organized in the United States, the European Union or the United Kingdom.

ARTICLE VII

FINANCIAL COVENANTS

7.01 Financial Covenants.

(a) Minimum Liquidity. The Borrower shall maintain, at all times after the Initial Borrowing Date, free cash or Cash Equivalents in an amount of \$500,000 in respect of each Vessel subject to a Vessel Mortgage, to be held in the Liquidity Account.

(b) [Intentionally Omitted].

(c) [Intentionally Omitted].

(d) Consolidated Interest Coverage Ratio. The Borrower shall maintain a Consolidated Interest Coverage Ratio:

(i) not less than 1.50 to 1.00, calculated on a trailing two fiscal quarter basis for the fiscal quarter ending on June 30, 2019;

(ii) not less than 1.75 to 1.00 calculated on a trailing three fiscal quarter basis for the fiscal quarter ending on September 30, 2019;

(iii) not less than 2.00 to 1.00 calculated on a trailing four fiscal quarter basis for the fiscal quarter ending on December 31, 2019;

(iv) not less than 2.25 to 1.00 calculated on a trailing four fiscal quarter basis for the fiscal quarter ending on March 31, 2020; and

(v) not less than 2.50 to 1.00 calculated on a trailing four fiscal quarter basis for the fiscal quarter ending on June 30, 2020 and each fiscal quarter ending thereafter.

7.02 [Intentionally Omitted].

7.03 [Intentionally Omitted].

7.04 Financial Covenant Cure Relating to Consolidated Interest Coverage Ratio. In addition to any other cure rights provided in this Agreement, in the event the Borrower fails to comply with

the Consolidated Interest Coverage Ratio covenant set forth in Section 7.01(d) as of the end of any fiscal quarter (a “Shortfall Fiscal Quarter”), the Borrower shall have the right to cure the Event of Default (an “Equity Cure”) resulting from such failure by causing the Parent to contribute cash equity (a “Specified Contribution”) to the Borrower, such amount to be deposited into the Borrower Operating Account within ten (10) Business Days after the date for required delivery of the financial statements set forth in Section 5.01(a) or 5.01(b), as applicable, subject to the following conditions:

(a) the Borrower shall provide the Facility Agent with written notice of their intention to make an Equity Cure on the date for required delivery of the financial statements set forth in Section 5.01(a) or 5.01(b), as applicable, and, upon receipt of such notice by the Facility Agent, no Event of Default shall be deemed to have occurred prior to the time provided for the Borrower to complete an Equity Cure prior to the deadline set forth hereunder;

(b) the amount of any Specified Contribution shall be not less than the amount necessary for the Borrower to have been in compliance with the Consolidated Interest Coverage Ratio covenant as of the end of the Shortfall Fiscal Quarter;

(c) the Specified Contribution shall be added to the Consolidated EBITDA for the calculation of the Consolidated Interest Coverage Ratio covenant during each period which includes the Shortfall Fiscal Quarter;

(d) the Borrower shall use the proceeds of the Specified Contribution first to cure any breach under Sections 7.01(d) and the balance, if any, to prepay the Loans;

(e) Equity Cures shall not occur (i) in consecutive fiscal quarters, (ii) more than two times in any four consecutive fiscal quarter period or (iii) more than five times in the aggregate;

(f) the certificate delivered in accordance with Section 5.02(a) for the Shortfall Fiscal Quarter, in addition to all other requirements thereof, or a separate certificate of an authorized officer delivered with notice of the Borrower’s intent to make an equity cure, as applicable, shall (i) specify that an Equity Cure is occurring and the amount of the Specified Contribution with respect thereto, and (ii) show a recalculation of the applicable Financial Covenants after giving effect to the Specified Contribution; and

(g) any Financial Covenant non-compliance that is cured in accordance with the foregoing shall be considered cured for all purposes hereunder and under the other Loan Documents, and no Default or Event of Default resulting solely from such financial covenant non-compliance shall be deemed to have occurred.

ARTICLE VIII

GUARANTY

8.01 Guaranty. The Guarantors hereby, jointly and severally, guarantee, as primary obligors and not as sureties, to each Finance Party and their respective successors and assigns, the prompt payment and performance in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of, premium (if any) and interest (including any interest, fees, costs or charges that would accrue but for the provisions of the Bankruptcy Code after any bankruptcy or insolvency petition under Title 11 of the Bankruptcy Code) on the Loans made by the Lenders to, and the Notes, if any, held by each Lender of, the Borrower, and all other Obligations from time to time owing to the Finance Parties in each case strictly in accordance with the terms thereof (such obligations

being herein collectively called the “Guaranteed Obligations”). Notwithstanding the foregoing, “Guaranteed Obligations”, with respect to any Guarantor, shall not include any Excluded Swap Obligations of such Guarantor. Each Guarantor hereby agrees that if the Borrower or other Guarantors shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, such Guarantor will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

8.02 Obligations Unconditional. The obligations of the Guarantors under Section 8.01 shall constitute a guaranty of payment and performance and not of collection and, to the fullest extent permitted by applicable Laws, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations under this Agreement, the Notes, if any, or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Guarantor (except for payment in full in cash of the Guaranteed Obligations). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above: (a) at any time or from time to time, without notice to the Guarantors, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived; (b) any of the acts mentioned in any of the provisions of this Agreement, the other Loan Documents or the Notes, if any, or any other agreement or instrument referred to herein or therein shall be done or omitted; (c) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect, or any right under the Loan Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with; or (d) any Lien or security interest granted to, or in favor of, any Finance Party as security for any of the Guaranteed Obligations shall fail to be valid, perfected or to have the priority required under the Loan Documents.

The Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that any Finance Party exhaust any right, power or remedy or proceed against any Obligor under this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein, or against any other person under any other guarantee of, or security for, any of the Guaranteed Obligations. The Guarantors waive any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by any Finance Party upon the guarantee in this Article VIII or acceptance of such guarantee, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon such guarantee, and all dealings between the Borrower and the Finance Parties shall likewise be conclusively presumed to have been had or consummated in reliance upon such guarantee. The guarantee in this Article VIII shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment and performance without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by the Finance Parties, and the obligations and liabilities of the Guarantors hereunder shall not be conditioned or contingent upon the pursuit by the Finance Parties or any other person at any time of any right or remedy against the Borrower or against any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. The guarantee in this Article VIII shall remain in full force

and effect and be binding in accordance with and to the extent of its terms upon the Guarantors and their respective successors and assigns, and shall inure to the benefit of the Finance Parties, and their respective successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

8.03 Reinstatement. The obligations of the Guarantors under this Article VIII shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrower or other Security Party in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

8.04 Subrogation; Subordination. Each Guarantor hereby agrees that until the indefeasible payment and satisfaction in full in cash of all Guaranteed Obligations (other than contingent indemnification or reimbursement obligations) and the expiration and termination of the Commitments of the Lenders under this Agreement it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 8.01, whether by subrogation or otherwise, against the Borrower or any other Guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations.

8.05 Remedies. The Guarantors jointly and severally agree that, as between the Guarantors and the Lenders, the obligations of the Borrower under this Agreement and other Loan Documents may be declared to be forthwith due and payable as provided in Article IX (and shall be deemed to have become automatically due and payable in the circumstances provided in Article IX) for purposes of Section 8.01, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by the Guarantors for purposes of Section 8.01.

8.06 Instrument for the Payment of Money. Each Guarantor hereby acknowledges that the guarantee in this Article VIII constitutes an instrument for the payment of money, and consents and agrees that any Lender or Facility Agent, at its sole option, in the event of a dispute by such Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

8.07 Continuing Guarantee. The guarantee in this Article VIII is a continuing guarantee of payment and performance, and shall apply to all Guaranteed Obligations whenever arising.

8.08 General Limitation on Guarantee Obligations. In any action or proceeding involving any state corporate, limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other Laws affecting the rights of creditors generally, if the obligations of any Guarantor under Section 8.01 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 8.01, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Security Party or any other person, be automatically limited and reduced to the highest amount (after giving effect to the rights of subrogation and contribution established in Sections 8.04 and 8.09, respectively) that is valid and enforceable, not void or voidable and not subordinated to the claims of other creditors as determined in such action or proceeding.

8.09 Right of Contribution. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 8.04. The provisions of this Section 8.09 shall in no respect limit the obligations and liabilities of any Guarantor to any Finance Party, and each Guarantor shall remain liable to the Finance Parties for the full amount guaranteed by such Guarantor hereunder.

8.10 Set-off. If any of the Guarantors shall fail to pay any of its obligations hereunder when the same shall become due and payable, each Finance Party is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by each Finance Party to or for the Guarantor's credit or account against any and all of the Guaranteed Obligations, whether or not any Lender shall have made any demand under the guarantee in this Article VIII. Each Finance Party agrees promptly to notify the relevant Guarantor after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Finance Parties under this paragraph are in addition to any other rights and remedies (including, without limitation, other rights of set-off) which any Finance Party may have.

8.11 Keepwell. Each Obligor that is a Qualified ECP Guarantor at the time this Agreement or the grant of a Lien under the Loan Documents, in each case, by any Specified Loan Party becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this Article VIII voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Secured Obligations have been paid and performed in full. Each Loan Party intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

8.12 Parallel Liability.

(a) Each Obligor irrevocably and unconditionally undertakes to pay to the Security Trustee an amount equal to the aggregate amount of its Corresponding Liabilities (as these may exist from time to time).

(b) The parties hereto agree that:

(i) an Obligor's Parallel Liability is due and payable at the same time as, for the same amount of and in the same currency as its Corresponding Liabilities;

(ii) an Obligor's Parallel Liability is decreased to the extent that its Corresponding Liabilities have been irrevocably paid or discharged and its Corresponding Liabilities are decreased to the extent that its Parallel Liability has been irrevocably paid or discharged;

(iii) an Obligor's Parallel Liability is independent and separate from, and without prejudice to, its Corresponding Liabilities, and constitutes a single obligation of that Obligor to the Security Trustee (even though that Obligor may owe more than one Corresponding Liability to the Finance Parties under the Loan Documents) and an independent and separate claim of the Security Trustee to receive payment of that Parallel Liability (in its capacity as the independent and separate creditor of that Parallel Liability and not as a co-creditor in respect of the Corresponding Liabilities); and

(iv) for purposes of this Clause 8.12, the Security Trustee acts in its own name and not as agent, representative or trustee of the Finance Parties and accordingly holds neither its claim resulting from a Parallel Liability nor any security interest securing a Parallel Liability on trust.

ARTICLE IX

EVENTS OF DEFAULT

9.01 Events of Default. If any of the following events (each, an "Event of Default") shall occur and be continuing:

(a) the Borrower or any other Security Party fails to pay when due any sum payable under a Loan Document or under any document relating to a Loan Document or, only in the case of sums payable on demand, within five (5) Business Days after the date when first demanded, provided that if such failure to pay a sum when due is solely the result of an administrative or technical error, it shall not constitute an Event of Default unless such failure continues unremedied for more than three (3) Business Days from the occurrence thereof;

(b) Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Security Party in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, shall prove to have been incorrect or misleading in any material respect (or, in the case of any such representation or warranty under this Agreement or any other Loan Document already qualified by materiality, such representation or warranty shall prove to have been incorrect or misleading) when made or deemed made;

(c) any Obligor shall fail to perform or observe any term, covenant or agreement contained in Articles VI and VII or in Sections 5.01, 5.04, 5.09, 5.10, 5.31 or 5.33 to be observed by it;

(d) any Obligor shall fail to perform or observe any term, covenant or agreement contained in this Agreement or any other Loan Document on its part to be performed or observed (other than those specified in paragraphs (a) through (c) above) if such failure shall remain unremedied (A) beyond the expiration of any applicable notice and/or grace period or (B) if there is no applicable notice and/or grace period, for ten (10) days after written notice thereof shall have been given to the Borrower by the Facility Agent;

(e) (i) any Obligor shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness under the Loan Documents) having an aggregate principal amount of more than

\$2,000,000, in each case beyond the applicable grace period with respect thereto, if any; or (ii) any Obligor shall fail to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity;

(f) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Obligor or its debts, or of a substantial part of its assets, under any Debtor Relief Law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Obligor or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for a period of 60 or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(g) any Obligor shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Debtor Relief Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (g) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Obligor or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(h) any Obligor shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(i) an ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of any Obligor under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount that could reasonably be expected to have a Material Adverse Effect;

(j) there is entered against any Obligor (i) a final judgment or order for the payment of money in an aggregate amount (as to all such judgments and order) exceeding \$2,000,000 (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied or failed to acknowledge coverage), or (ii) a non-monetary final judgment or order that, either individually or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of thirty (30) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect;

(k) any Obligor ceases or suspends or threatens to cease or suspend the carrying on of its business, or a part of its business which, in the opinion of the Required Lenders, is material in the context of this Agreement, except in the case of a sale or a proposed sale of any Vessel;

(l) it becomes impossible or unlawful for any Obligor to fulfill any of the covenants and obligations required to be fulfilled as contained in any Loan Document or any of the instruments granting or creating rights in any of the Collateral, in each case in any material respect, or for any Finance Party to

exercise any of the rights or remedies vested in it under any Loan Document, any of the Collateral or any of such instruments in any material respect;

(m) any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations, ceases to be in full force and effect; or any Obligor contests in writing the validity or enforceability of any provision of any Loan Document; or any Obligor denies in writing that it has any or further liability or obligation under any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document;

(n) there occurs or develops a Material Adverse Effect; or

(o) there occurs under any Secured Swap Contract an Early Termination Date (as defined in such Secured Swap Contract) resulting from (A) any event of default under such Secured Swap Contract as to which the Borrower is the Defaulting Party or similar term (as defined in such Secured Swap Contract) or (B) any Termination Event or similar term (as so defined) under such Secured Swap Contract as to which the Borrower is an Affected Party or similar term (as so defined);

then, and in any such event, the Facility Agent may, by notice to the Borrower, (i) declare the Commitments terminated, whereupon the same shall forthwith terminate, (ii) declare the principal of and accrued interest on the Loans, the Notes, and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; (iii) exercise any and all of its other rights and remedies under applicable Laws, hereunder and under the other Loan Documents, provided that, in any event described in clauses (f) and (g) above, (A) the Commitments shall automatically be terminated and (B) principal of and accrued interest on the Loans, the Notes, and all other amounts payable under this Agreement shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Obligors.

9.02 Application of Payments. Notwithstanding anything herein to the contrary, following the occurrence and during the continuance of an Event of Default, and notice thereof to the Facility Agent by the Borrower or the Required Lenders, all payments received on account of the Obligations shall, subject to Section 2.20, shall be applied by the Facility Agent as follows:

(i) first, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees and disbursements and other charges of counsel payable under Section 11.03) payable to the Facility Agent in its capacity as such;

(ii) second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest payable to the Lenders) (including fees and disbursements and other charges of counsel payable under Section 11.03) arising under the Loan Documents, ratably among them in proportion to the respective amounts described in this clause (ii) payable to them;

(iii) third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans ratably among the Lenders in proportion to the respective amounts described in this clause (iii) payable to them;

(iv) fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans ratably among the Lenders in proportion to the respective amounts described in this clause (iv) payable to them;

(v) fifth, to the payment in full of all other Obligations (except Obligations in respect of a Secured Swap Contract and Obligations referenced under paragraphs (vi) and (vii) below), in each case ratably among the Facility Agent and the Lenders based upon the respective aggregate amounts of all such Obligations owing to them in accordance with the respective amounts thereof then due and payable;

(vi) sixth, in or towards satisfaction of the Obligations constituting of any amounts then due and payable under any Secured Swap Contracts in the following order and proportions: (A) first, in or towards satisfaction pro rata of all amounts then due and payable to the Swap Banks under the Secured Swap Contracts other than those amounts referred to at paragraphs (B) and (C); (B) secondly, in or towards satisfaction pro rata of any and all amounts of interest or default interest payable to the Swap Banks under the Secured Swap Contracts (and, for this purpose, the expression “interest” shall include any net amount which the Borrower shall have become liable to pay or deliver under Section 2(e) (Obligations) of a Master Agreement but shall have failed to pay or deliver to the relevant Swap Bank (or any of them) at the time of application or distribution under this Section 9.02); and (C) thirdly, in or towards satisfaction pro rata of the aggregate Swap Termination Value (calculated as at the actual Early Termination Date applying to the Secured Swap Contracts (or any of them), or if no such Early Termination Date shall have occurred, calculated as if an Early Termination Date occurred on the date of application or distribution hereunder and pro rata as between them);

(vii) seventh, to the payment in full of all other Obligations, in each case ratably among the Swap Banks based upon the respective aggregate amounts of all such Obligations owing to them in accordance with the respective amounts thereof then due and payable; and

(viii) finally, the balance, if any, after all Obligations have been paid in full, to the Borrower or as otherwise required by Law.

(ix) Notwithstanding the foregoing, no amount received from any Guarantor in respect of its Guaranteed Obligations shall be applied to any Excluded Swap Obligations.

ARTICLE X

AGENCY

10.01 Appointment and Authority.

(a) The Facility Agent. Each Lender and each Swap Bank hereby irrevocably appoints the Facility Agent to act as its agent on its behalf hereunder and under the other Loan Documents and authorizes the Facility Agent, in such capacity, to take such actions on its behalf and to exercise such powers as are delegated to the Facility Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Except as otherwise provided in Section 10.06, the provisions of this Article are solely for the benefit of the Facility Agent, the Security Trustee, the Lenders and the Swap Banks, and the Borrower shall not have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Facility Agent is not intended to connote any fiduciary or other implied (or

express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) The Security Trustee.

(i) Each Lender, each Swap Bank and the Facility Agent appoints and authorizes (with a right of revocation) the Security Trustee to act as security trustee hereunder and under the other Loan Documents (other than the Notes) with such powers as are specifically delegated to the Security Trustee by the terms of this Agreement and such other Loan Documents, together with such other powers as are reasonably incidental thereto.

(ii) To secure the payment of all sums of money from time to time owing to each Lender and each Swap Bank under the Loan Documents, and the performance of the covenants of the Borrower and any other Security Party herein and therein contained, and in consideration of the premises and of the covenants herein contained and of the extensions of credit by the Lenders, the Security Trustee does hereby declare that it will hold as such trustee in trust for the benefit of each Lender, each Swap Bank and the Facility Agent, from and after the execution and delivery thereof, all of its right, title and interest as mortgagee in, to and under the Vessel Mortgages and its right, title and interest as assignee and secured party under the other Security Documents (the right, title and interest of the Security Trustee in and to the property, rights and privileges described above, from and after the execution and delivery thereof, and all property hereafter specifically subjected to the security interest of the indenture created hereby and by the Security Documents by any amendment hereto or thereto are herein collectively called the "Estate"); TO HAVE AND TO HOLD the Estate unto the Security Trustee and its successors and assigns forever, BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of each Lender, each Swap Bank and the Facility Agent and their respective successors and assigns without any priority of any one over any other, UPON THE CONDITION that, unless and until an Event of Default under this Agreement shall have occurred and be continuing, the relevant Security Party shall be permitted, to the exclusion of the Security Trustee, to possess and use the Vessels. IT IS HEREBY COVENANTED, DECLARED AND AGREED that all property subject or to become subject hereto is to be held, subject to the further covenants, conditions, uses and trusts hereinafter set forth, and each Security Party, for itself and its respective successors and assigns, hereby covenants and agrees to and with the Security Trustee and its successors in said trust, for the equal and proportionate benefit and security of the each Lender, each Swap Bank and the Facility Agent as hereinafter set forth.

(iii) The Security Trustee hereby accepts the trusts imposed upon it as Security Trustee by this Agreement, and the Security Trustee covenants and agrees to perform the same as herein expressed and agrees to receive and disburse all monies constituting part of the Estate in accordance with the terms hereof.

(c) Except as otherwise provided in Section 10.03 and 10.06, the provisions of this Article are solely for the benefit of the Facility Agent, Security Trustee, the Lenders and the other Finance Parties under the Loan Documents, and neither the Borrower nor any Guarantor shall have rights as a third-party beneficiary of any of such provisions.

10.02 Rights as a Lender. The Person serving as the Facility Agent or Security Trustee hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Facility Agent or Security Trustee, and the term "Lender" or

“Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Facility Agent or Security Trustee hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Facility Agent or Security Trustee hereunder and without any duty to account therefor to the Lenders.

10.03 Exculpatory Provisions.

(a) Neither the Facility Agent nor the Security Trustee shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and their duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, neither the Facility Agent nor the Security Trustee:

(i) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Facility Agent or Security Trustee is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that neither the Facility Agent nor the Security Trustee shall be required to take any action that, in its opinion or the opinion of its counsel, may expose such Facility Agent or Security Trustee to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and neither the Facility Agent nor the Security Trustee shall be liable for the failure to disclose, any information relating to the Borrower, any Guarantor, or any of their Affiliates that is communicated to or obtained by the Person serving as the Facility Agent, Security Trustee, or any of their Affiliates in any capacity.

(b) Neither the Facility Agent nor the Security Trustee shall be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Facility Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 9.01 and 11.02), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Facility Agent or Security Trustee shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the either (as applicable) in writing by the Borrower, any Guarantor, or a Lender.

(c) Neither the Facility Agent nor the Security Trustee shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other

Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Facility Agent or Security Trustee.

10.04 Reliance by Agent. Each of the Facility Agent and Security Trustee shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) reasonably believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each of the Facility Agent and the Security Trustee may also rely upon any statement made to it orally or by telephone and reasonably believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, each of the Facility Agent and the Security Trustee may presume that such condition is satisfactory to each Lender unless the Facility Agent or the Security Trustee shall have received notice to the contrary from such Lender prior to the making of such Loan. Each of the Facility Agent and the Security Trustee may consult with legal counsel (who may be counsel for the Borrower or Guarantors), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in good faith in accordance with the advice of any such counsel, accountants or experts.

10.05 Delegation of Duties. Each of the Facility Agent and the Security Trustee may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Facility Agent or the Security Trustee (as the case may be). Each of the Facility Agent, the Security Trustee and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Facility Agent, Security Trustee and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Commitments as well as activities as Facility Agent or the Security Trustee (as the case may be). Neither the Facility Agent nor the Security Trustee shall be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Facility Agent or Security Trustee acted with gross negligence or willful misconduct in the selection of such sub-agents.

10.06 Resignation of Agent.

(a) Each of the Facility Agent or the Security Trustee may at any time give notice of its resignation to the Lenders, the Borrower, and the Guarantors. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower and Guarantors, to appoint a successor, which shall be a bank with an office in New York, or an Affiliate of any such bank with an office in New York. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Facility Agent or Security Trustee gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “Resignation Effective Date”), then the retiring Facility Agent or Security Trustee may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Facility Agent or Security Trustee (as applicable) meeting the qualifications set forth above; provided that in no event shall any such successor be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Facility Agent or Security Trustee is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by

Applicable Law, by notice in writing to the Borrower, the Guarantors and such Person remove such Person as Facility Agent or Security Trustee and, in consultation with the Borrower and Guarantors, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the “Removal Effective Date”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Facility Agent or Security Trustee shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (ii) except for any indemnity payments owed to the retiring or removed Facility Agent or Security Trustee, all payments, communications and determinations provided to be made by, to or through the Facility Agent or Security Trustee shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Facility Agent or Security Trustee as provided for above. Upon the acceptance of a successor’s appointment as Facility Agent or Security Trustee hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Facility Agent (other than any rights to indemnity payments owed to the retiring or removed Facility Agent) or Security Trustee (other than any rights to indemnity payments owed to the retiring or removed Security Trustee), and the retiring or removed Facility Agent or Security Trustee shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower or Guarantor to a successor Facility Agent or Security Trustee shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower, the Guarantors and such successor. After the retiring or removed Facility Agent or Security Trustee’s resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 11.03 shall continue in effect for the benefit of such retiring or removed Facility Agent, Security Trustee, their sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Facility Agent was acting as Facility Agent or while the retiring or removed Security Trustee was acting as Security Trustee (as the case may be).

10.07 Non-Reliance on Agents and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Facility Agent, the Security Trustee or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Facility Agent, the Security Trustee or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

10.08 No Other Duties. Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers or Mandated Lead Arrangers listed on the cover page hereof shall (a) have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Facility Agent, the Security Trustee, or a Lender, and (b) none are required to execute any Loan Document or any amendment thereto, including this Agreement.

10.09 Facility Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to the Borrower or any Guarantor, the Facility Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Facility Agent shall have made any

demand on the Borrower or applicable Guarantor) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Facility Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Security Trustee and the Facility Agent and their respective agents and counsel and all other amounts due the Lenders, the Security Trustee and the Facility Agent under Section 11.03) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Facility Agent and, in the event that the Facility Agent shall consent to the making of such payments directly to the Lenders, to pay to the Facility Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Facility Agent and its agents and counsel, and any other amounts due the Facility Agent under Section 11.03.

10.10 Collateral and Guaranty Matters. The Lenders irrevocably authorize each of the Facility Agent and the Security Trustee, at its option and in its discretion:

(a) to release any Lien on any property granted to or held by the Facility Agent or the Security Trustee under any Loan Document (i) upon termination of the Commitments and payment in full of all Obligations (other than contingent indemnification obligations), (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document, or (iii) subject to Section 11.02, if approved, authorized or ratified in writing by the Required Lenders; and

(b) to release any Guarantor from its obligations under the Loan Document if (i) such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents or (ii) any Vessel owned by such Person is sold, assigned or otherwise transferred as a result of a transaction permitted under the Loan Documents (after any required prepayment is made with respect thereto).

Upon request by the Facility Agent at any time, the Required Lenders will confirm in writing to the Facility Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Loan Documents pursuant to this Section 10.10. The Facility Agent and the Security Trustee shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Facility Agent's or the Security Trustee's Lien thereon, or any certificate prepared by any Obligor in connection therewith, nor shall the Facility Agent or the Security Trustee be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

ARTICLE XI

MISCELLANEOUS

11.01 Notices; Public Information.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or email as follows:

(i) if to any Obligor:

c/o Eagle Shipping International (USA) LLC
300 Stamford Place
Stamford, CT 06902
Email: fdecostanzo@eagleships.com

(ii) if to a Lender:

At the address below its name in Schedule I

(iii) if to the Facility Agent or Security Trustee:

ABN AMRO Capital USA LLC
100 Park Avenue, 17th floor
New York, NY 10017
Attention: Wudasse Zaudou
Facsimile: 917-284-6697
Email: wudasse.zaudou@abnamro.com; AABUS_NY_Agency@abnamro.com

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail, FpML, and Internet or intranet websites) pursuant to procedures approved by the Facility Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Facility Agent that it is incapable of receiving notices under such Article by electronic communication. The Facility Agent or any Obligor may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Facility Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other

communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) Change of Address, etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d) Platform.

(i) The Obligors agree that the Facility Agent may, but shall not be obligated to, make the Communications (as defined below) available to the other Lenders by posting the Communications on the Platform.

(ii) The Platform is provided “as is” and “as available.” The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Facility Agent or any of its Related Parties (collectively, the “Agent Parties”) have any liability to the Borrower, any Guarantor, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Obligor’s or the Facility Agent’s transmission of communications through the Platform. “Communications” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Obligor pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Facility Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

(e) Public Information. The Borrower hereby acknowledges that certain of the Lenders (each, a “Public Lender”) may have personnel who do not wish to receive material non-public information with respect to any Obligor or their Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons’ securities. Each Obligor hereby agrees that it will use commercially reasonable efforts to identify that portion of the materials and information provided by or on behalf of any Obligor hereunder and under the other Loan Documents (collectively, “Obligor Materials”) that may be distributed to the Public Lenders and that (1) all such Obligor Materials shall be clearly and conspicuously marked “PUBLIC” which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof; (2) by marking Obligor Materials “PUBLIC,” such Obligor shall be deemed to have authorized the Facility Agent and the Lenders to treat such Obligor Materials as not containing any material non-public information with respect to such Obligor or its securities for purposes of U.S. Federal and state securities Laws (provided, however, that to the extent that such Obligor Materials constitute Information, they shall be subject to Section 11.12); (3) all Obligor Materials marked “PUBLIC” are permitted to be made available through a portion of the Platform designated “Public Side Information;” and (4) the Facility Agent shall be entitled to treat any Obligor Materials that are not marked “PUBLIC” as being suitable only for posting on a portion of the Platform not designated “Public Side Information”. Each Public Lender will designate one or more representatives that shall be permitted to receive information that is not designated as being available for Public Lenders.

11.02 Waivers; Amendments.

(a) No Waiver; Remedies Cumulative; Enforcement. No failure or delay by the Facility Agent, the Security Trustee or any Lender in exercising any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege, or any abandonment or discontinuance of steps to enforce such a right, remedy, power or privilege, preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges of the Facility Agent, the Security Trustee and the Lenders hereunder and under the Loan Documents are cumulative and are not exclusive of any rights, remedies, powers or privileges that any such Person would otherwise have.

(b) Amendments, Etc. Except as otherwise expressly set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Obligor therefrom, shall be effective unless in writing executed by the Obligors and the Required Lenders, and acknowledged by the Facility Agent, or by the Obligors and the Facility Agent with the consent of the Required Lenders, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no such amendment, waiver or consent shall:

(i) extend or increase any Commitment of any Lender without the written consent of such Lender (it being understood that a waiver of any condition precedent set forth in Article IV or the waiver of any Default shall not constitute an extension or increase of any Commitment of any Lender);

(ii) reduce the principal of, or rate of interest specified herein on, any Loan, or any fees or other amounts payable hereunder or under any other Loan Document, without the written consent of each Lender directly and adversely affected thereby (provided that only the consent of the Required Lenders shall be necessary to amend the definition of “Default Rate” or to waive the obligation of the Borrower to pay interest at the Default Rate);

(iii) postpone any date scheduled for any payment of principal of, or interest on, any Loan, or any fees or other amounts payable hereunder or under any other Loan Document, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender directly and adversely affected thereby;

(iv) change Section 2.12(b) or Section 2.13 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby;

(v) release all or substantially all of the Guarantors from their respective Guarantees, or limit their liability in respect of such Guarantees, without the written consent of each Lender, except to the extent the release of any Guarantor is in connection with a disposition permitted pursuant to Section 6.03 (in which case such release may be made by the Facility Agent acting alone);

(vi) except as expressly permitted in this Agreement or any Security Document, release all or substantially all of the Collateral from the Liens of the Security Documents or alter the relative priorities of the Obligations entitled to the Liens of the Security Documents (except in connection with securing additional Obligations equally and ratably with the other Obligations), in each case without the written consent of each Lender;

(vii) waive any conditions set forth in Article IV, without the written consent of each Lender;

(viii) change any provision of this Section or the percentage in the definition of “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; or

(ix) waive any provisions of Section 5.04 or Section 7.01 without the written consent of each Lender;

provided, further, that no such amendment, waiver or consent shall amend, modify or otherwise affect the rights or duties hereunder or under any other Loan Document of (A) the Facility Agent, unless in writing executed by the Facility Agent, and (B) the Security Trustee, unless in writing executed by the Security Trustee, in each case in addition to the Obligors and the Lenders required above.

Notwithstanding anything herein to the contrary, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent that by its terms requires the consent of all the Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders, except that (x) the Commitment of any Defaulting Lender may not be increased or extended, or the maturity of any of its Loan may not be extended, the rate of interest on any of its Loans may not be reduced and the principal amount of any of its Loans may not be forgiven, in each case without the consent of such Defaulting Lender and (y) any amendment, waiver or consent requiring the consent of all the Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than the other affected Lenders shall require the consent of such Defaulting Lender.

In addition, notwithstanding anything in this Section to the contrary, if the Facility Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical nature, in each case, in any provision of the Loan Documents, then the Facility Agent and the Borrower shall be permitted to amend such provision, and, in each case, such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders to the Facility Agent within ten (10) Business Days following receipt of notice thereof.

11.03 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. Each Obligor shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Facility Agent, the Security Trustee and any Affiliates thereof (including the reasonable fees, charges and disbursements of any counsel for the Facility Agent or the Security Trustee), in connection with the syndication of the facility, preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all reasonable and documented out-of-pocket expenses incurred by the Facility Agent, any Lender (including the reasonable fees, charges and disbursements of any counsel for the Facility Agent, the Security Trustee or any Lender), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) Indemnification by the Obligors. Each Obligor shall indemnify the Facility Agent (and any sub-agent thereof), the Security Trustee (and any sub-agent thereof), each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnatee”) against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable and documented out-of-pocket fees, charges and disbursements of any counsel for any Indemnatee), incurred by any Indemnatee or asserted against any Indemnatee by any Person (including the Borrower) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Obligor or any Subsidiaries thereof, or any Environmental Liability related in any way to any Obligor or any Subsidiaries thereof, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Obligor, and regardless of whether any Indemnatee is a party thereto; provided that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnatee, (y) result from a claim brought by any Obligor against an Indemnatee for breach in bad faith of such Indemnatee’s obligations hereunder or under any other Loan Document, if such Obligor has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) result from a claim not involving an act or omission of such Obligor and that is brought by an Indemnatee against another Indemnatee (other than against the Arranger or the Facility Agent in their capacities as such). Paragraph (b) of this Section shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that any Obligor for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Facility Agent (or any sub-agent thereof), the Security Trustee (and any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Facility Agent (or any such sub-agent), the Security Trustee (and any sub-agent thereof) or such Related Party, as the case may be, such Lender’s pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender’s Applicable Percentage at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Facility Agent (or any such sub-agent), the Security Trustee (and any sub-agent thereof) or against any Related Party of any of the foregoing acting for the Facility Agent (or any such sub-agent), the Security Trustee (and any sub-agent thereof), in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the provisions of Section 2.12(e).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, each Obligor shall not assert, and hereby waives, any claim against any Indemnatee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan, or the use of the proceeds thereof. No Indemnatee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than ten (10) days after demand therefor.

(f) Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

11.04 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that each Obligor may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Facility Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Facility Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Required Consents. No consent shall be required for any assignment except:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Facility Agent within five (5) Business Days after having received notice thereof and provided, further, that the Borrower's consent shall not be required during the primary syndication of the Commitments; and

(B) the consent of the Facility Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person in respect of which the Facility Agent cannot, in its sole discretion, complete a satisfactory "know-your-customer" or onboarding process.

(ii) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Facility Agent an Assignment and Assumption, together with a processing and recordation fee of \$5,000; provided that the Facility Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Facility Agent an Administrative Questionnaire.

(iii) No Assignment to Certain Persons. No such assignment shall be made to (A) any Obligor or any Obligors' Affiliates or Subsidiaries or (B) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(iv) No Assignment to Natural Persons. No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(v) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Facility Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Facility Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Facility Agent, the Security Trustee and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Facility Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.14, 2.15, 2.16 and 11.03 (subject in each case to the requirements and limitations therein) with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) Register. The Facility Agent, acting solely for this purpose as an agent of each Obligor, shall maintain at its office in New York, New York a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Obligors, the Facility Agent, the Security Trustee and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all

purposes of this Agreement. The Register shall be available for inspection by any Obligor, the Security Trustee and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, any Obligor or the Facility Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or each Obligor or any of the Obligors' Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) each Obligor, the Facility Agent, the Security Trustee and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.03(c) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Sections 11.02(b)(i) through (vii) that affects such Participant. Each Obligor agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 (subject to the requirements and limitations therein, including the requirements under Section 2.16(g) (it being understood that the documentation required under Section 2.16(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 2.19 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Section 2.15 or 2.16, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of each Obligor, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Facility Agent (in its capacity as Facility Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any

pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

11.05 Survival. All covenants, agreements, representations and warranties made by each Obligor herein and in any Loan Document or other documents delivered in connection herewith or therewith or pursuant hereto or thereto shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery hereof and thereof and the making of the Borrowings hereunder, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Facility Agent, the Security Trustee or any Lender may have had notice or knowledge of any Default at the time of any Borrowing, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied and so long as the Commitments have not expired or been terminated. The provisions of Sections 2.14, 2.15, 11.03, 11.15 and Article X shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the payment in full of the Obligations, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

11.06 Counterparts; Integration; Effectiveness; Electronic Execution.

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Facility Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective when it shall have been executed by the Facility Agent and when the Facility Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution of Assignments. The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

11.07 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section, if and to the extent that the enforceability of any provision of this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Facility Agent, as applicable, then such provision shall be deemed to be in effect only to the extent not so limited.

11.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender, or any such Affiliate, to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or their respective Affiliates, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Facility Agent for further application in accordance with the provisions of Section 2.20 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Facility Agent, the Security Trustee and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Facility Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have. Each Lender agrees to notify the Borrower and the Facility Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 Governing Law; Jurisdiction; Etc.

(a) Governing Law. This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York (including Sections 5-1401 and 5-1402 of the General Obligations Law but otherwise excluding the laws applicable to conflicts or choice of law).

(b) Jurisdiction. Each Obligor irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Facility Agent, the Security Trustee, any Lender, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Facility Agent, the Security Trustee or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Obligor or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of

venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 11.01. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

11.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

11.12 Treatment of Certain Information; Confidentiality. Each of the Facility Agent, the Security Trustee and the Lenders agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and agree to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by Applicable Laws or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, but solely to the extent required in connection therewith; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to any Obligor and its obligations, this Agreement or payments hereunder; (g) on a confidential basis to any rating agency in connection with rating any Obligor or its Subsidiaries; (h) with the consent of the Borrower; or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Facility Agent, the Security Trustee, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. In addition, the Facility Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Facility Agent or any Lender in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Section, “Information” means all information received from any Obligor or any of the Subsidiaries thereof relating to any Obligor or any of the Subsidiaries thereof or any of their respective businesses, other than any such information that is available to the Facility Agent or any Lender on a nonconfidential basis prior to disclosure by any Obligor or any of the Subsidiaries thereof; provided that, in the case of information received from any Obligor or any of the Subsidiaries thereof after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

11.13 PATRIOT Act. Each Lender subject to the PATRIOT Act hereby notifies each Obligor that pursuant to the requirements of the PATRIOT Act, it may be required to obtain, verify and record information that identifies any Obligor, which information includes the name and address of each Obligor and other information that will allow such Lender to identify each Obligor in accordance with the PATRIOT Act.

11.14 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under Applicable Law (collectively, “charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with Applicable Law, the rate of interest payable in respect of such Loan hereunder, together with all charges payable in respect thereof, shall be limited to the Maximum Rate. To the extent lawful, the interest and charges that would have been paid in respect of such Loan but were not paid as a result of the operation of this Section shall be cumulated and the interest and charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the amount collectible at the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Rate for each day to the date of repayment, shall have been received by such Lender. Otherwise, any amount collected by such Lender that exceeds the maximum amount collectible at the Maximum Rate shall be applied to the reduction of the principal balance of such Loan or refunded to the Borrower so that at no time shall the interest and charges paid or payable in respect of such Loan exceed the maximum amount collectible at the Maximum Rate.

11.15 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Facility Agent or any Lender, or the Facility Agent, or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Facility Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Facility Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Facility Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect.

11.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Obligor acknowledges and agrees, and acknowledges its Affiliates’ understanding, that: (a) (i) no fiduciary, advisory or agency relationship between any Obligor

and Subsidiaries and any Arranger, the Facility Agent, the Security Trustee or any Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, irrespective of whether the Arranger, the Facility Agent, the Security Trustee or any Lender has advised or is advising any Obligor or any Subsidiary thereof on other matters, (ii) the arranging and other services regarding this Agreement provided by the Arranger, the Facility Agent, the Security Trustee and the Lenders are arm's-length commercial transactions between each Obligor and its Affiliates, on the one hand, and the Arranger, the Facility Agent, the Security Trustee and the Lenders, on the other hand, (iii) each Obligor has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate and (iv) each Obligor is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; and (b) (i) the Arranger, the Facility Agent, the Security Trustee, and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for any Obligor or any of their Affiliates, or any other Person; (ii) none of the Arranger, the Facility Agent, the Security Trustee and the Lenders has any obligation to any Obligor or any of their Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Arranger, the Facility Agent, the Security Trustee and the Lenders and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and none of the Arranger, the Facility Agent, the Security Trustee and the Lenders has any obligation to disclose any of such interests to any Obligor or its Affiliates. To the fullest extent permitted by Law, each Guarantor hereby waives and releases any claims that it may have against any of the Arranger, the Facility Agent, the Security Trustee and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.17 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

EAGLE SHIPPING LLC,
as Borrower

By _____

Name:

Title:

GANNET SHIPPING LLC,JAY SHIPPING LLC,
as Guarantoras Guarantor

By_____	By_____
	Name: Name:
	Title: Title:

GOLDEN EAGLE SHIPPING LLC,KINGFISHER SHIPPING LLC,
as Guarantoras Guarantor

By_____	By_____
	Name: Name:
	Title: Title:

GREBE SHIPPING LLC,MARTIN SHIPPING LLC,
as Guarantoras Guarantor

By_____	By_____
	Name: Name:
	Title: Title:

IBIS SHIPPING LLC,NIGHTHAWK SHIPPING LLC,
as Guarantoras Guarantor

By_____	By_____
	Name: Name:
	Title: Title:

IMPERIAL EAGLE SHIPPING LLC,
as Guarantor

By_____	
	Name:
	Title:

LENDERS

ABN AMRO CAPITAL USA LLC,
as Lender

By _____ Name:
Title:

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as Lender

By _____ Name:
Title:

SKANDINAVISKA ENSKILDA BANKEN AB (PUBL),
as Lender

By _____ Name:
Title:

SWAP BANKS

ABN AMRO BANK N.V.,
as Swap Bank

By _____ Name:
Title:

MANDATED LEAD ARRANGERS

ABN AMRO CAPITAL USA LLC,
as Mandated Lead Arranger

By_____ Name:
Title:

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as Mandated Lead Arranger

By_____ Name:
Title:

SKANDINAVISKA ENSKILDA BANKEN AB (PUBL),
as Mandated Lead Arranger

By_____ Name:
Title:

ABN AMRO CAPITAL USA LLC,
as Security Trustee

ABN AMRO CAPITAL USA LLC,
as Arranger

By_____
Name: Name:
Title: Title:

By_____
Name: Name:
Title: Title:

ABN AMRO CAPITAL USA LLC,
as Facility Agent

ABN AMRO CAPITAL USA LLC,
as Bookrunner

By_____
Name: Name:
Title: Title:

By_____
Name: Name:
Title: Title:

Schedule I

PART A

Lenders and Commitments

LENDERS	TERM FACILITY COMMITMENTS	REVOLVING FACILITY COMMITMENTS
<div>ABN AMRO CAPITAL USA LLC</div> <div><u>Address for Notices:</u> ABN AMRO Capital USA LLC 100 Park Avenue, 17th floor New York, NY 10017 with a copy to: Wudasse Zaudou ABN AMRO Capital USA LLC 100 Park Avenue, 17th floor New York, NY 10017 Telephone: +917-284-6697 Email: wudasse.zaudou@abnamro.com <u>Lending Office:</u> ABN AMRO Capital USA LLC 100 Park Avenue, 17th floor New York, NY 10017</div>	\$20,000,000.00	\$1,666,666.67
<div>CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK</div> <div><u>Address for Notices:</u> Credit Agricole Corporate and Investment Bank 1301 Avenue of the Americas New York, NY 10019 with a copy to: Jerome Duval / Yannick Le Gourieres / Manon Didier Credit Agricole Corporate and Investment Bank 1301 Avenue of the Americas New York, NY 10019</div>	\$20,000,000.00	\$1,666,666.67

<u>Lending Office:</u> Credit Agricole Corporate and Investment Bank 1301 Avenue of the Americas New York, NY 10019		
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) <u>Address for Notices:</u> Skandinaviska Enskilda Banken AB (publ) Structured Credit Operations Rissneleden 110 SE-106 40 Stockholm Sweden <u>Lending Office:</u> Skandinaviska Enskilda Banken AB (publ) Structured Credit Operations Rissneleden 110 SE-106 40 Stockholm Sweden	\$20,000,000.00	\$1,666,666.67
TOTAL	\$60,000,000	\$5,000,000

Schedule I

PART B

Swap Banks

ABN AMRO BANK N.V. <u>Address for Notices:</u> ABN AMRO Bank N.V. Daalsesingel 71 3511 SW Utrecht The Netherlands with a copy to: Wudasse Zaudou ABN AMRO Capital USA LLC 100 Park Avenue, 17th floor New York, NY 10017 Telephone: +917-284-6697 Email: wudasse.zaudou@abnamro.com
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Schedule II

Guarantors

<u>Guarantor</u>	<u>Jurisdiction of Formation</u>	<u>Registration Number (or equivalent, if any.)</u>	<u>Registered Office</u>
GANNET SHIPPING LLC	The Republic of the Marshall Islands	961584	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960

GOLDEN EAGLE SHIPPING LLC	The Republic of the Marshall Islands	960908	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
GREBE SHIPPING LLC	The Republic of the Marshall Islands	961585	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
IBIS SHIPPING LLC	The Republic of the Marshall Islands	961586	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
IMPERIAL EAGLE SHIPPING LLC	The Republic of the Marshall Islands	960909	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
JAY SHIPPING LLC	The Republic of the Marshall Islands	961654	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
KINGFISHER SHIPPING LLC	The Republic of the Marshall Islands	961655	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
MARTIN SHIPPING LLC	The Republic of the Marshall Islands	961656	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960
NIGHTHAWK SHIPPING LLC	The Republic of the Marshall Islands	961842	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960

Schedule III

Approved Brokers

Clarksons

Fearnleys

Braemar

Howe Robinson

Simpson Spence Young

Arrow

Schedule IV

Vessels

Vessel	Official Number	IMO Number	Build Year	Owner
M/V GANNET BULKER	3902	9441300	2010	Gannet Shipping LLC
M/V GOLDEN EAGLE	3794	9418731	2010	Golden Eagle Shipping LLC
M/V GREBE BULKER	3905	9441312	2010	Grebe Shipping LLC
M/V IBIS BULKER	3946	9441324	2010	Ibis Shipping LLC
M/V IMPERIAL EAGLE	3820	9478511	2010	Imperial Eagle Shipping LLC
M/V JAY	3972	9441336	2010	Jay Shipping LLC
M/V KINGFISHER	3974	9441348	2010	Kingfisher Shipping LLC
M/V MARTIN	3973	9441350	2010	Martin Shipping LLC
M/V NIGHTHAWK	4193	9441362	2011	Nighthawk Shipping LLC

Liens

None.

Pre-Approved Vessel Management Terms

1. \$150,000 per Vessel per annum for commercial management services inclusive of operations in the first year following the Closing Date, subject to annual increases thereafter, as fairly and reasonably determined by the relevant Guarantor, at arm's length and in line with market standards.
2. \$135,000 per Vessel per annum for technical management in the first year following the Closing Date, subject to annual increases thereafter, as fairly and reasonably determined by the relevant Guarantor at arm's length and in line with market standards.
3. 1.0% fee for any vessel purchase or subsequent sale.

EXHIBIT A

[FORM OF ACCOUNT PLEDGE]

EXHIBIT B

[FORM OF ASSIGNMENT AND ASSUMPTION]

EXHIBIT C

[FORM OF ASSIGNMENT OF EARNINGS]

EXHIBIT D

[FORM OF ASSIGNMENT OF INSURANCES]

EXHIBIT E

[FORM OF BORROWING REQUEST]

EXHIBIT F

[FORM OF CHARTER ASSIGNMENT]

EXHIBIT G

[INTENTIONALLY OMITTED]

EXHIBIT H

[FORM OF MANAGER'S UNDERTAKING]

EXHIBIT I

[FORM OF MASTER AGREEMENT ASSIGNMENT]

EXHIBIT J

[FORM OF MEMBERSHIP INTEREST PLEDGE]

EXHIBIT K

[FORM OF VESSEL MORTGAGE]

EXHIBIT L

[FORM OF NOTE]

[FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)]

[FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)]

[FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)]

[FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)]

UP TO USD 15,000,000 SUPER SENIOR REVOLVING FACILITY AGREEMENT
dated 8 December 2017

for

EAGLE BULK SHIPCO LLC
as Company

THE FINANCIAL INSTITUTIONS
Listed in Schedule 1 as original lenders

ABN AMRO CAPITAL USA LLC
as mandated lead arranger

and

ABN AMRO CAPITAL USA LLC
as agent

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THIS AGREEMENT is dated 8 December 2017 and made between:

- (1) **EAGLE BULK SHIPCO LLC**, a company incorporated in the Marshall Islands with registration no. 963693, having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island Majuro, Marshall Islands MH96960 as borrower (the "**Company**");
- (2) **ABN AMRO CAPITAL USA LLC** of 100 Park Avenue, 17th Floor, 10017 NY, New York, USA as mandated lead arranger (the "**Mandated Lead Arranger**");
- (3) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 as lenders (the "**Original Lenders**"); and
- (4) **ABN AMRO CAPITAL USA LLC** of 100 Park Avenue, 17th Floor, 10017 NY, New York, USA as agent of the other Finance Parties (the "**Agent**").

IT IS AGREED as follows:

SECTION 1 INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"Additional Vessels" means any second-hand dry bulk carriers built in 2010 or later, acquired (i) by using Excess Cash and/or new equity or Shareholder Loans, and/or (ii) using proceeds from a Permitted Disposal.

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"Agent's Spot Rate of Exchange" means the Agent's spot rate of exchange for the purchase of the relevant currency with the Base Currency in the Norwegian foreign exchange market at or about 11:00 a.m. (New York time) on a particular day.

"Approved Brokers" means each of:

- (a) Braemar;
- (b) Fearnleys;
- (c) Howe Robinson;
- (d) Arrow;
- (e) Clarksons Platou; and
- (f) Simpson Spence Young.

"Approved Classification Society" means:

- (a) Lloyd's Register;
- (b) DNV-GL;
- (c) Class NK; and

(d) American Bureau of Shipping.

"Approved Flag State" means any of the Republic of the Marshall Islands, Liberia, United Kingdom, Hong Kong, Bermuda, Isle of Man or another flag state acceptable to the Lenders.

"Assignment of Earnings" means the assignments of all earnings and requisition compensation related to each Vessel by the relevant Vessel Owner through a general assignment, in each case to the extent (i) not included in the Charter Contract Assignments and (ii) permitted pursuant to the relevant Charter Contract (the Company and/or Vessel Owners to use its reasonable endeavours to obtain consent from the charterer or other debtor under Charter Contracts with firm duration of more than 12 months) and applicable law, with notice only to be given to the relevant charterer in case of Charter Contracts with firm duration of more than 12 months.

"Assignment of Insurances" means the assignments of claims of each Vessel Owner under the Mandatory Insurances covering its Vessel.

"Assignment of Intra-Group Debt" means limited recourse assignment over all claims from the Parent, and/or any member of the Group against any member of the Group (including but not limited to Intra-Group Debt, Cash Pool Receivables and Shareholder Loans), which limited recourse assignment shall provide that the sole recourse against each assignor under the assignment shall be with respect to the claim assigned against any member of the Group.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Availability Period" means the period from and including the Closing Date to and including the date falling 1 (one) Month prior to the Termination Date.

"Available Commitment" means a Lender's Commitment minus:

- (a) the Base Currency Amount of its participation in any outstanding Loans; and
- (b) in relation to any proposed Utilisation, the Base Currency Amount of its participation in any Loans that are due to be made on or before the proposed Utilisation Date,

other than that Lender's participation in any Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date.

"Available Facility" means the aggregate for the time being of each Lender's Available Commitment.

"Bank Facility" has the meaning given to such term in the Bond Terms.

"Base Currency" means USD.

"Base Currency Amount" means, in relation to a Utilisation, the amount specified in the Utilisation Request delivered by the Company for that Utilisation (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date or, if later, on the date the Agent receives the Utilisation Request) adjusted to reflect any repayment or prepayment of a Utilisation.

"Bonds" means the debt instruments issued by the Company under the Bond Terms.

"Bond Finance Documents" has the meaning given to the term "Finance Documents" in the Bond Terms.

"Bond Issue" means the issuance by the Company of Bonds under the Bond Terms in the amount of up to USD 200,000,000.

"Bond Security Documents" means pledges in favour of the Bond Trustee over the Escrow Account and the Debt Service Retention Account.

"Bond Terms" means the terms and conditions relating to the bond loan agreement to be entered into on or around the date hereof between, among others, the Company as issuer and as the Bond Trustee as bond trustee.

"Bond Trustee" means Nordic Trustee AS as bond trustee on behalf of the holders of the Bonds.

"Break Costs" means the amount (if any) by which:

- (a) the interest (less the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"Business Day" means a day (other than a Saturday or Sunday) and:

- (a) in relation to a day on which LIBOR is to be fixed, a day on which banks are open for general business in London and New York; and
- (b) in relation to a day on which a payment is to be made, a day on which banks are open for general business in New York, Amsterdam and London.

"Cash Pool Receivables" means receivables created under any cash pool arrangement with a bank or financial institution (always subject to any prior right under such cash pool arrangement for the benefit of the bank or financial institution as a provider thereof).

"Charter Contract" means any charter or agreement for the employment of a Vessel.

"Charter Contract Assignments" means the assignments in favour of the Security Agent (on behalf of the Secured Parties) of the rights of each Vessel Owner under any Charter Contract having a firm duration of minimum 18 months (provided that an assignment is permitted pursuant to the terms of the Charter Contract and applicable law (it being understood that the Company shall use reasonable efforts to agree a Charter Contract that allows assignment)), and the Company shall give notice and use its reasonable endeavours to obtain consent and acknowledgement of such assignment from the charterer.

"Closing Date" means the date of the first Utilisation under this Agreement, not to occur later than 19 January 2018.

"Commercial Manager" means Eagle Bulk Management LLC.

"Commitment" means:

- (a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility" in Schedule 1 (*the Original Parties*) and the amount of any other Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency of any Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by the Lender under this Agreement.

"Compliance Certificate" means a certificate substantially in the form set out in Schedule 5 (*Form of Compliance Certificate*).

"Confidential Information" means all information relating to the Group or the Finance Documents of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under the Finance Documents from either:

- (a) any member of the Group, its owners, or any of its respective advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 35 (Confidentiality); or
- (ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
- (iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

"Cure Vessel" means an otherwise unencumbered vessel (other than a Vessel) in respect of which a first priority mortgage and other security based on the existing Security Documents is provided by the Group in favour of the Security Agent (on behalf of the Secured Parties) as additional security.

"Debt Documents" has the meaning given to it in the Intercreditor Agreement.

"Debt Service Retention Account" means the Company's account no. 13796003 with DNB Bank ASA, New York branch.

"Decisive Influence" means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

"Default" means an Event of Default or any event or circumstance specified in Clause 22 (Events of Default) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"Defaulting Lender" means any Lender:

- (a) which has failed to make its participation in a Loan available or has notified the Agent that it will not make its participation in a Loan available by the Utilisation Date of that Loan in accordance with Clause 5.4 (Lender's Participation);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing;

unless, in case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; and
 such payment is made within five (5) Business Days of its due date; or
- (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

"Disposal Account" means an account in the name of the Company with a (a) any Norwegian banking institution, (b) the Agent or (c) any other bank having a credit rating of A- or better.

"Disposal Account Pledge" means a charge over the Disposal Account, pledged and blocked in favour of the Security Agent (on behalf of the Secured Parties).

"Distribution" mean any (i) payment of dividend on shares (whether in cash or in kind), (ii) repurchase of own shares, (iii) redemption of share capital or other restricted equity with repayment to shareholders, or (iv) repayment of subordinated capital, (v) any other similar distribution or transfers of value to the direct and indirect shareholders of any member of the Group or the Affiliates of such direct and indirect shareholders.

"Disruption Event" means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"Earnings Account" means the earnings account of each Vessel Owner with ABN AMRO Bank N.V.

"Earnings Account Pledge" means Dutch law charges over the Earnings Account of each Vessel Owner (provided such charge is permitted pursuant to the relevant account agreements), pledged but not blocked in favour of the Security Agent (on behalf of the Secured Parties).

"**EBITDA**" has the meaning given to that term in Clause 20.1 (Financial Definitions).

"**Environment**" means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, without limitation, land under water).

"**Environmental Claim**" means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

"**Environmental Law**" means any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including without limitation, any waste.

"**Escrow Account**" means the Company's accounts no. NO09 1250 0572335 with DNB Bank ASA, Oslo, Norway and no. 13796005 with DNB Bank ASA, New York branch.

"**Event of Default**" means any event or circumstance specified as such in Clause 22 (Events of Default).

"**Excess Cash**" means any Free Liquidity in excess of USD 20,000,000.

"**Existing Indebtedness**" means the Bank Facility and the PIK Note.

"**FA Act**" means the Norwegian Financial Agreements Act of 25 June 1999 No. 46.

"**Facility**" means the revolving credit facility made available under this Agreement as described in Clause 2.1 (the Facility).

"**Facility Office**" means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five (5) Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

"**FATCA**" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Application Date**" means:

- (a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;
- (b) in relation to a "withholdable payment" described in section 1473(1)(A)(ii) of the Code (which relates to "gross proceeds" from the disposition of property of a type that can produce interest from sources within the US), 1 January 2019; or
- (c) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2019,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

"FATCA Deduction" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"FATCA Exempt Party" means a Party that is entitled to receive payments free from any FATCA Deduction.

"Fee Letter" means (i) any letter or letters dated on or about the date of this Agreement between the Agent and the Company setting out any of the fees referred to in Clause 11 (Fees) and (ii) any agreement setting out fees payable to a Finance Party referred to in Clause 11 (Fees).

"Finance Document" means this Agreement, any Fee Letter, any Compliance Certificate, any Utilisation Request, the Intercreditor Agreement, the Security Documents and any other document designated as a "Finance Document" by the Agent and the Company.

"Finance Party" means the Agent or a Lender.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed and debt balances at banks or other financial institutions;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as finance or capital lease (meaning that the lease is capitalised as an asset and booked as a corresponding liability in the balance sheet);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under GAAP are met);
- (f) any derivative transaction entered into and, when calculating the value or any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a member of the Group which liability would fall within one of the other paragraphs of this definition;

- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Company) before the Termination Date or are otherwise classified as borrowings under GAAP;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under GAAP; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

"Financial Support" means any loans, guarantees, Security or other financial assistance (whether actual or contingent).

"Free Liquidity" means the freely available, unrestricted and unencumbered consolidated cash balance of the Group as defined in accordance with GAAP, including any Available Commitment (provided that remaining term of the Facility is no less than six (6) Months).

"GAAP" means IFRS.

"General Manager" means Eagle Bulk Management LLC (a 100% indirect subsidiary of the Parent).

"General Management Agreement" means the agreement for overhead sharing and general management services provided to the Company and each Vessel Owner and entered into between the General Manager and the relevant member of the Group.

"Green Passport" means a document listing all the potentially hazardous materials on board a Vessel, in form and substance satisfactory to the Agent.

"Group" means the Company and its Subsidiaries from time to time.

"Guarantee Agreements" means the guarantee agreements dated on or about the date of this Agreement, entered into in respect thereof between, amongst others, the Guarantors and the Security Agent (on behalf of the Secured Parties).

"Guarantor Share Pledge" means the pledges in favour of the Security Agent (on behalf of the Secured Parties) over all the shares (100 per cent.) in each Guarantor, together with, inter alia, letters of resignation (effective upon an Event of Default) from current board members and covenants to obtain such from future board members.

"Guarantors" means the Vessel Owners, and each additional Vessel Owner that has become a Guarantor by delivery of a guarantee agreement in the form of the Guarantee Agreements and that have complied with the conditions precedent applicable or relating to the Guarantors as set out in Schedule 2 (Conditions Precedent).

"Holding Company" means, in relation to a person, any other person in respect of which it is a Subsidiary.

"IFRS" means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"Initial Vessels" means the dry bulk carriers set out in Schedule 6 hereto.

"Insolvency Event" in relation to a Finance Party means that the Finance Party:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation;
 - (ii) is not dismissed, discharged, stayed or restrained in each case within thirty days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, judicial manager, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty days thereafter;
- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or
- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"Intercreditor Agreement" means the intercreditor agreement dated on or about the date of this Agreement, entered into between, amongst others, the Company, the Security Agent, the Bond Trustee and the Agent.

"Interest Period" means, in relation to a Loan, each period determined in accordance with Clause 9 (Interest Periods) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (Default interest).

"Interpolated Screen Rate" means, in relation to LIBOR, the rate which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and
 - (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest period of that Loan,
- each as of 11 a.m.

"Intra-Group Debt" means any loans made between members of the Group.

"Issuer Share Pledge" means the limited recourse pledge in favour of the Security Agent (on behalf of the Secured Parties) over all the shares (100 per cent.) in the Company, together with, inter alia, letters of resignation (effective upon an Event of Default) from current board members and covenants to obtain such from future board members. The sole recourse against the Parent under the share pledge shall be in respect of the pledged shares.

"Legal Reservations" means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under applicable law;
- (c) similar principles, rights and defences under the laws of any relevant jurisdiction; and
- (d) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinions delivered to the Agent pursuant to Clause 4.1 (Initial conditions precedent).

"Lender" means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 24.1 (Assignments and transfers by Lenders).

"Leverage Ratio" means the ratio of (i) amounts outstanding under the Finance Documents or the Bond Finance Documents, less (a) any amounts standing to the Company's credit on any of the Escrow Account, the Debt Service Retention Account and the Disposal Account and (b) freely available, unrestricted and unencumbered consolidated cash balance of the Group as defined in accordance with GAAP (other than such restrictions and encumbrances made in favour of the Agent, the Bond Trustee or the Security Agent), to the aggregate of (i) the total book value of the Vessels in accordance with GAAP, and, (ii) the total Market Value of any Cure Vessels.

"LIBOR" means in relation to any Loan:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for the currency or Interest Period of that Loan) the Interpolated Screen Rate for that Loan; or
- (c) if
 - (i) no Screen Rate is available for the Interest Period of that Loan; and

- (ii) it is not possible to calculate an Interpolated Screen Rate for that Loan,

the Reference Bank Rate,

as of, in the case of paragraph (a) and (c) above, 3 pm. on the Quotation Day for the currency of that Loan for a period equal in length to the Interest Period of that Loan, and, if any such rate is below zero, LIBOR will be deemed to be zero.

"**LMA**" means the Loan Market Association.

"**Loan**" means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

"**Majority Lenders**" means a Lender or Lenders whose Commitments aggregate more than $66\frac{2}{3}\%$ of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than $66\frac{2}{3}\%$ of the Total Commitments immediately prior to the reduction).

"**Margin**" means 2.00 per cent p.a.

"**Market Disruption Event**" has the meaning given to it in Clause 10.2 (Market disruption).

"**Market Value**" means the fair market value of the vessel(s) determined as the arithmetic mean of independent valuations of the vessel(s) obtained from (i) two Approved Brokers or (ii) two independent and well-reputed sale and purchase brokers familiar with the market for the vessel(s) appointed by the Company and approved by the Agent. Such valuation shall be made on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing seller and willing buyer, on an "as is where is" basis, free of any existing charters or other contracts for employment.

"**Material Adverse Effect**" means:

- (a) a material adverse change in, or a material adverse change on, the operations, business, properties, liabilities (actual or contingent) or condition (financial or otherwise) of the Company and its Subsidiaries taken as a whole; or
- (b) a material adverse effect on (i) the ability of the Company to perform its obligations under the Finance Documents, (ii) the legality, validity, binding effect or enforceability against the Company or any Finance Document to which it is a party or (iii) the rights, remedies and benefits available to, or conferred upon, the Finance Parties under any Finance Document.

"**Month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period.

"**Mortgages**" means the mortgages in favour of the Security Agent (on behalf of the Secured Parties) governed by the laws of the relevant Approved Flag State over each Vessel including all relevant equipment being legally part of that Vessel under the applicable law (including any deed of covenants supplemental to the Mortgages and to the security thereby created between the Company and the Security Agent).

"New Lender" has the meaning given to that term in Clause 24.1 (Assignments and transfers by Lenders).

"Net Profit" means the consolidated net profit (or loss) in accordance with GAAP according to the latest relevant financial statement(s).

"Obligors" means the Company and the Guarantors.

"Original Financial Statements" means in relation to the Company, the pro forma balance sheet as of 8 December 2017.

"Parent" means Eagle Bulk Shipping Inc.

"Parent Group" means the Parent and its Subsidiaries from time to time.

"Participating Member State" means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"Party" means a party to this Agreement.

"Permitted Acquisition" means an acquisition by the Company of an additional Vessel Owner provided that such additional Vessel Owner becomes a Guarantor.

"Permitted Chartering" means the chartering-in of vessels from (i) another member of the Group and/or (ii) an entity not being a member of the Group for a period which in each case is less than 12 months, as well as the operation and chartering-out of vessels mentioned in (i) and (ii), except for any chartering-in and chartering-out on a demise or bareboat basis.

"Permitted Disposal" means any disposal of a Vessel or the shares in a Vessel Owner, provided that the Net Proceeds received in connection with such disposal are paid directly into the Disposal Account.

"Permitted Distribution" has the meaning given to such term in Clause 21.20 (Distributions).

"Permitted Financial Indebtedness" means the Existing Indebtedness (to be refinanced upon the first release of funds from the Escrow Account), and any Financial Indebtedness:

- (a) incurred under the Finance Documents;
- (b) incurred by the Company's issuance of the Bonds pursuant to the Bond Terms;
- (c) in the form of Shareholder Loans;
- (d) in the form of Intra-Group Debt;
- (e) incurred under any Permitted Hedging Obligation;
- (f) arising under any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a member of the Group;
- (g) under any pension and tax liabilities incurred in the ordinary course of business; or
- (h) arising in the ordinary course of business and not exceeding USD 3,000,000 in aggregate for the Group.

"Permitted Financial Support" means any Financial Support:

- (a) by way of Permitted Loans; and
- (b) by way of Permitted Guarantees

"Permitted Guarantees" means:

- (a) any guarantee obligation arising under or out of the Finance Documents;
- (b) granted in relation to any Permitted Financial Indebtedness;
- (c) any guarantee granted in the ordinary course of business; and
- (d) any guarantees required under any Vessel Management Agreement.

"Permitted Hedging Obligation" means any unsecured obligations of any member of the Group under a derivative transaction entered into in the ordinary course of business of the Group and for non-speculative purposes.

"Permitted Loan" means:

- (a) any Financial Indebtedness or loan made by and between members of the Group (including cash pooling arrangements to the extent allowed under applicable law);
- (b) deposits of Cash with financial institutions for cash management purposes or in the ordinary course of business;
- (c) any Financial Indebtedness or loan made or credit extended by any member of the Group to its customers in the ordinary course of business; and
- (d) any Financial Indebtedness or Financial Support arising out of any Permitted Guarantee or Permitted Security.

"Permitted Security" means any Security granted to secure the Existing Indebtedness (up and until Closing) and any Security:

- (a) created under the Security Documents and the Bond Security Documents;
- (b) arising in the ordinary course of banking arrangements for the purpose of netting debt and credit balances of members of the Group;
- (c) arising by operation of law;
- (d) any pledge of the Defeasance Account; or
- (e) arising in the ordinary course of business which does not exceed USD 5,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time.

"Person" means any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality).

"PIK Note" has the meaning given to such term in the Bond Terms.

"Prohibited Person" means any Person (whether designated by name or by reason of being included in a class of Persons) against whom Sanctions are directed.

"Quotation Day" means, in relation to any period for which an interest rate is to be determined or a currency selected two Business Days before the first day of that period.

"Reference Bank Rate" means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Reference Banks in relation to LIBOR, as the rate at which the relevant Reference Bank could borrow funds in the London interbank market for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period.

"Reference Banks" means the principal offices of ABN AMRO Capital USA LLC or such other banks as may be appointed by the Agent in consultation with the Company.

"Relevant Interbank Market" means the London interbank market.

"Relevant Person" means:

- (a) each member of the Group; and
- (b) each of their directors, officers and employees.

"Repeating Representations" means each of the representations set out in Clauses 18.1 (status) to 18.6 (governing law and enforcement), 18.10 (no default), and 18.12 (financial statements) to 18.17 (centre of main interest).

"Representative" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"Rollover Loan" means one or more Loans:

- (a) made or to be made on the same day that a maturing Loan is due to be repaid;
- (b) the aggregate amount of which is equal to or less than the amount of the maturing Loan;
- (c) in the same currency as the maturing Loan; and
- (d) made or to be made to the Company for the purpose of refinancing a maturing Loan.

"Sanctions" means any laws, regulations or orders concerning trade, economic or financial sanctions or embargoes imposed by any Sanctions Authority.

"Sanctions Authority" means the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, the United Nations Security Council, the European Union and/or Her Majesty's Treasury.

"Screen Rate" means:

- (a) in relation to LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period displayed on Reuters screen page LIBOR01 or LIBOR02 of the Reuters screen page;
- (b) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Company and in accordance with market practice in the Relevant Interbank Market.

"Secured Obligations" has the meaning given to it in the Intercreditor Agreement.

"Secured Parties" has the meaning given to it in the Intercreditor Agreement.

"Security" means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Agent" means Nordic Trustee AS (company no. 963 342 624), or such other person appointed as "Security Agent" in accordance with the terms of the Intercreditor Agreement.

"Security Documents" means each of the documents referred to in Clause 17 (Security) and all such other documents and instruments which may be entered into or executed at any time with or in favour of the Security Agent (on behalf of the Secured Parties) as security for the Secured Obligations.

"Shareholder Loan" means any existing or future loan (including accumulated interest) provided to the Company by any direct or indirect shareholders of the Company or Affiliate not being a member of the Group, and provided that such loans are fully subordinated to (a) the Secured Obligations and (b) the Intra-Group Debt, and provided that no cash interest payment or repayment of principal shall occur prior to the Termination Date other than by a Permitted Distribution or by way of conversion to equity.

"Signing Date" means the date of this Agreement.

"Subsidiary" means an entity over which another entity or person has Decisive Influence.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Technical Manager" means Eagle Ship Management LLC.

"Termination Date" means the earlier of (i) 8 December 2022 and (ii) the date falling three (3) months prior to the final maturity date for the Bonds.

"Top Account Pledge" means a charge over the top account in any cash pool structure of the Group, or, if no such cash pool is in place, the operating account of the Company, pledged but not blocked in favour of the Security Agent (on behalf of the Secured Parties).

"Total Commitments" means the aggregate of the Commitments, being USD 15,000,000 at the Signing Date.

"Transfer Certificate" means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Company.

"Transfer Date" means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Transfer Certificate.

"Unpaid Sum" means any sum due and payable but unpaid by the Company under the Finance Documents.

"US Tax Obligor" means:

- (a) an Obligor which is resident for tax purposes in the US; or
- (b) an Obligor whose some or all of payments under the Finance Documents are from sources within the US for US federal income tax purposes.

"USD" means US Dollars, being the lawful currency of the United States of America.

"Utilisation" means a utilisation under the Facility.

"Utilisation Date" means the date of a Utilisation, being the date on which a Loan is to be made.

"Utilisation Request" means a notice substantially in the form set out in Schedule 3 (*Utilisation Request*).

"VAT" means value added tax as provided for in the Value Added Tax Act of 19 June 2009, No. 58 (in Norwegian: *merverdiaavgiftsloven*) and any other tax of a similar nature.

"Vessel" means any of:

- (a) the Initial Vessels;
- (b) any Additional Vessels; and
- (c) any other dry bulk vessel owned by any member of the Group.

"Vessel Manager" means (i) the Commercial Manager, (ii) the Technical Manager and/or (iii) any other entity (being an entity within the Parent Group or a third party acceptable to the Agent) entering into a Vessel Management Agreement with a Vessel Owner on terms no less favourable to such Vessel Owner than arms-length terms and otherwise in compliance with the term hereof.

"Vessel Management Agreements" means any commercial, crewing and/or technical management agreements for the Vessels (as amended from time to time) entered into between each of the Vessel Owners and the respective Vessel Manager.

"Vessel Owner" means an owner of a Vessel, each being a single purpose limited liability company.

1.2 Construction

- (a) Unless a contrary indication appears, any reference in this Agreement to:
 - (i) the **"Agent"**, any **"Finance Party"**, any **"Lender"**, any **"Obligor"**, the **"Security Agent"** or any **"Party"** shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (ii) **"assets"** includes present and future properties, revenues and rights of every description;
 - (iii) a **"Finance Document"** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (iv) **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (v) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership or other entity (whether or not having separate legal personality);
 - (vi) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
 - (vii) a provision of law is a reference to that provision as amended or re-enacted; and
 - (viii) a time of day is a reference to New York time unless specified otherwise herein.
- (b) Section, Clause and Schedule headings are for ease of reference only.

- (c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (d) A Default (other than an Event of Default) is "**continuing**" if it has not been remedied or waived and an Event of Default is "**continuing**" if it has not been remedied or waived.

SECTION 2 THE FACILITY

2. THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Company a revolving credit facility in an aggregate amount equal to the Total Commitments which may be utilised by way of drawing of Loans.

2.2 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from the Company shall be a separate and independent debt.
- (c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

3. PURPOSE

3.1 Purpose

The Company shall apply all amounts borrowed by it under the Facility towards:

- (a) acquisitions of Additional Vessels, or additional Vessel Owners, as the case may be; and
- (b) general corporate and working capital purposes of the Group, including, but not limited to working capital and capital expenditure.

For the avoidance of doubt, any amounts borrowed under the Facility may not be used to finance purchases of Bonds by the Group.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (Lenders' participation) in relation to any Utilisation if on or before the Utilisation Date for that Utilisation, the Agent has received all of the documents and other evidence listed in Part I of Schedule 2 (*Conditions precedent*) in form and substance satisfactory to the Agent. The Agent shall notify the Company and the Lenders promptly upon being so satisfied.

4.2 Further conditions precedent

Subject to Clause 4.1 (Initial conditions precedent), the Lenders will only be obliged to comply with Clause 5.4 (Lenders' participation) if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) in the case of a Rollover Loan, no Event of Default is continuing or would result from the proposed Loan and, in the case of any other Loan, no Default is continuing or would result from the proposed Loan; and
- (b) in relation to any Utilisation on the Closing Date, all the representations and warranties in Clause 18 (*Representations*) or, in relation to any other Utilisation, the Repeating Representations to be made by the Company are true in all material respects.

4.3 Maximum number of Loans

The Company may only deliver three (3) Utilisation Requests in any financial quarter.

SECTION 3 UTILISATION

5. UTILISATION

5.1 Delivery of a Utilisation Request

The Company may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request no later than three (3) Business Day's prior to the requested Utilisation Date.

5.2 Completion of a Utilisation Request

- (a) Each Utilisation Request for a Loan is irrevocable and will not be regarded as having been duly completed unless:
 - (i) the proposed Utilisation Date is a Business Day within the Availability Period;
 - (ii) the currency and amount of the Utilisation comply with Clause 5.3 (Currency and amount); and
 - (iii) the proposed Interest Period complies with Clause 9 (Interest Periods).
- (b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

- (a) The currency specified in a Utilisation Request must be the Base Currency.
- (b) The amount of a proposed Loan must be:
 - (i) a minimum of USD 1,000,000; or
 - (ii) in any event such that its Base Currency Amount is less than or equal to the Available Facility.

5.4 Lenders' participation

- (a) If the conditions set out in this Agreement have been met, and subject to Clause 6.1 (*Repayment of Loans*) each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office in each case by 12 noon two (2) Business Days prior to the proposed Utilisation Date.

- (b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.

5.5 Cancellation of Commitment

Any part of the Total Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period.

SECTION 4 REPAYMENT, PREPAYMENT AND CANCELLATION

6. REPAYMENT

6.1 Repayment of Loans

- (a) The Company shall repay each Loan on the last day of its Interest Period.
- (b) Subject to the other terms of this Agreement, any amounts repaid under paragraph (a) may be re-borrowed.
- (c) On the Termination Date, the Company shall repay all Loans then outstanding under the Facility in full and shall also pay to the Agent (on behalf of the other Finance Parties) all other sums due and outstanding in respect of the Facility at such date.
- (d) Without prejudice to the Company's obligation under paragraph (a) above, if:
 - (i) one or more Loans are to be made available to the Company:
 - (A) on the same day that a maturing Loan is due to be repaid by the Company; and
 - (B) in whole or in part for the purpose of refinancing the maturing Loan; and
 - (ii) the proportion borne by each Lender's participation in the maturing Loan to the amount of that maturing Loan is the same as the proportion borne by that Lender's participation in the new Loans to the aggregate amount of those new Loans,

the aggregate amount of the new Loans shall, unless the Company notifies the Agent to the contrary in the relevant Utilisation Request, be treated as if applied in or towards repayment of the maturing Loan so that:

- (A) if the amount of the maturing Loan exceeds the aggregate amount of the new Loans:
 - (1) the Company will only be required to make a payment under Clause 28.1 (Payments to the Agent) in an amount equal to that excess; and
 - (2) each Lender's participation (if any) in the new Loans shall be treated as having been made available and applied by the Company in or towards repayment of that Lender's participation in the maturing Loan and that Lender will not be required to make a payment under Clause 28.1 (Payments to the Agent) in respect of its participation in the new Loans; and
- (B) if the amount of the maturing Loan is equal to or less than the aggregate amount of the new Loans:

- (1) the Company will not be required to make a payment under Clause 28.1 (Payments to the Agent); and
- (2) each Lender will be required to make a payment under Clause 28.1 (Payments to the Agent) in respect of its participation in the new Loans only to the extent that its participation in the new Loans exceeds that Lender's participation in the maturing Loan and the remainder of that Lender's participation in the new Loans shall be treated as having been made available and applied by the Company in or towards repayment of that Lender's participation in the maturing Loan.

7. ILLEGALITY, PREPAYMENT AND CANCELLATION

7.1 Illegality

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement, to fund, issue or maintain its participation in any Utilisation, then:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Company, the Available Commitment of that Lender will be immediately cancelled; and
- (c) the Company shall repay the Loans on the last day of the Interest Period for each Loan, occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) that Lender's corresponding Commitment shall be cancelled in the amount of the participations repaid.

7.2 Market Value of Vessels

If at any time the aggregate Market Value of the Vessels is less than 300 per cent. of the Total Commitments, the Total Commitments shall be cancelled and the Company shall repay any amount outstanding under the Facility.

7.3 Bond Purchase/Redemption

If the Company or any other member of the Group purchases, repays, prepays or redeems Bonds so that less than USD 100,000,000 (the "**Note Purchase Threshold**") is outstanding under the Bond Terms, the Total Commitments shall be cancelled and the Company shall repay any amount outstanding under the Facility.

7.4 Voluntary cancellation

The Company may, if it gives the Agent not less than five (5) Business Days' (or such shorter period as the Lender may agree) prior notice, cancel the whole or any part (being a minimum amount of 1,000,000) of the Available Facility.

7.5 Voluntary Prepayment of Loans

The Company may, if it gives the Agent not less than five (5) Business Days' (or such shorter period as the Lender may agree) prior notice, prepay the whole or any part of a Loan (but if in part, being an amount that reduces the Base Currency Amount of the Loan by a minimum amount of USD 1,000,000).

7.6 Right of replacement or repayment and cancellation in relation to a single Lender

- (a) If:

- (i) any sum payable to any Lender by the Company is required to be increased under paragraph (c) of Clause 12.2 (Tax gross-up); or
- (ii) any Lender claims indemnification from the Company under Clause 12.3 (Tax indemnity) or Clause 13.1 (Increased costs),

the Company may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loans or give the Agent notice of its intention to replace that Lender in accordance with paragraph (d) below.

- (b) On receipt of a notice referred to in paragraph (a) above, the Commitment of that Lender shall immediately be reduced to zero.
- (c) On the last day of each Interest Period which ends after the Company has given notice under paragraph (a) above (or, if earlier, the date specified by the Company in that notice), the Company shall repay that Lender's participation in that Loan.
- (d) The Company may, in the circumstances set out in paragraph (a) above, on five (5) Business Days' prior notice to the Agent and that Lender, replace that Lender by requiring that Lender to (and, to the extent permitted by law, that Lender shall) transfer pursuant to Clause 24 (Changes to the Lenders) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity selected by the Company which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 24 (Changes to the Lenders) for a purchase price in cash or other cash payment payable at the time of the transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest, Break Costs and other amounts payable in relation thereto under the Finance Documents.
- (e) The replacement of a Lender pursuant to paragraph (d) above shall be subject to the following conditions:
 - (i) the Company shall have no right to replace the Agent;
 - (ii) neither the Agent nor any Lender shall have any obligation to find a replacement Lender;
 - (iii) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and
 - (iv) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (d) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer.
- (f) A Lender shall perform the checks described in paragraph (e)(iv) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (d) above and shall notify the Agent and the Company when it is satisfied that it has complied with those checks.

7.7

Restrictions

- (a) Any notice of cancellation or prepayment given by any Party under this Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

- (b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.
- (c) Unless a contrary indication appears in this Agreement, any part of the Facility which is prepaid or repaid may be re-borrowed in accordance with the terms of this Agreement.
- (d) The Company shall not repay or prepay all or any part of the Loans or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.
- (e) No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.
- (f) If the Agent receives a notice under this Clause 7 it shall promptly forward a copy of that notice to either the Company or the affected Lender, as appropriate.
- (g) If all or part of a Utilisation is repaid or prepaid and is not available for redrawing (other than by operation of Clause 4.2 (Further conditions precedent)), an amount of the Commitments (equal to the Base Currency Amount of the amount of the Utilisation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment. Any cancellation under this paragraph (g) shall reduce the Commitments of the Lenders rateably under the Facility.

SECTION 5 COSTS OF UTILISATIONS

8. INTEREST

8.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) LIBOR.

8.2 Payment of interest

The Company shall pay accrued interest on each Loan on the last day of each Interest Period (and, if the Interest Period is longer than three (3) Months, on the dates falling at three (3) Monthly intervals after the first day of the Interest Period).

8.3 Default interest

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is 2.00 per cent higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 8.3 shall be immediately payable by the Company on demand by the Agent.
- (b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:
 - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

- (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be 2.00 per cent. higher than the rate which would have applied if the overdue amount had not become due.

- (c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

8.4 Notification of rates of interest

The Agent shall promptly notify the Lenders and the Company of the determination of a rate of interest under this Agreement.

9. INTEREST PERIODS

9.1 Selection of Interest Periods

- (a) The Company may select an Interest Period for a Loan in the Utilisation Request for that Loan.
- (b) Subject to this Clause 9, the Company may select an Interest Period of three (3) or six (6) Months or any other period agreed between the Company and the Agent (acting on the instructions of the Lenders).
- (c) An Interest Period for a Loan shall not extend beyond the Termination Date.
- (d) Each Interest Period for a Loan shall start on the Utilisation Date for that Loan.
- (e) A Loan has one Interest Period only.

9.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

10. CHANGES TO THE CALCULATION OF INTEREST

10.1 Absence of quotations

Subject to Clause 10.2 (Market disruption), if LIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the 12.00 (local time) on the Quotation Day, LIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

10.2 Market disruption

- (a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select.
- (b) In this Agreement "**Market Disruption Event**" means:

- (i) at or about 12:00 (local time) on the Quotation Day for the relevant Interest Period LIBOR is to be determined by reference to the Reference Banks and none or only one of the Reference Banks supplies a rate to the Agent to determine the LIBOR for the relevant currency and Interest Period; or
- (ii) before close of business in New York on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 50 per cent. of that Loan) that the cost to it of obtaining matching deposits in the Relevant Interbank Market would be in excess of LIBOR.

10.3 Alternative basis of interest or funding

- (a) If a Market Disruption Event occurs and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Company, be binding on all Parties.

10.4 Break Costs

- (a) the Company shall, within five (5) Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by the Company on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

11. FEES

11.1 Commitment fee

- (a) The Company shall pay to the Agent (for the account of each Lender) a fee in the Base Currency computed at the rate of forty (40) per cent. per annum of the applicable Margin on the Lender's Available Commitment for the Availability Period (calculated on a day-to-day basis).
- (b) The accrued commitment fee is payable on the last day of each successive period of three Months which ends during the Availability Period, on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

11.2 Up-Front fee

The Company shall pay to the Agent the up-front fee in an amount and at the times agreed in a Fee Letter.

11.3 Agency fee

The Company shall pay to the Agent the agency fee in an amount and at the times agreed in a Fee Letter.

11.4 No fees to a Defaulting Lender

No fees will be payable to the Agent (for the account of the Lender) under this Clause 11 for any day on which the Lender is a Defaulting Lender.

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

12. TAX GROSS UP AND INDEMNITIES

12.1 Definitions

- (a) In this Clause 12:

"Protected Party" means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"Tax Credit" means a credit against, relief or remission for, or repayment of any Tax.

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment under a Finance Document.

"Tax Payment" means either the increase in a payment made by an Obligor to a Finance Party under Clause 12.2 (Tax gross-up) or a payment under Clause 12.3 (Tax indemnity).

"Treaty Lender" means, in respect of a jurisdiction, a Lender entitled to under the provisions of a double taxation treaty to receive payments of interest from a person resident in that jurisdiction without a Tax Deduction (subject to completion of any necessary procedural formalities).

- (b) Unless a contrary indication appears, in this Clause 12 a reference to "determines" or "determined" means a determination made in the absolute discretion of the person making the determination.

12.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Company shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Company and that Obligor.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) An Obligor is not required to make an increased payment to the Lender under paragraph (c) above for a Tax Deduction in respect of tax imposed on a payment of interest on a Loan, if that Lender is a Treaty Lender and that Obligor (or the Company) is able to demonstrate that the Tax Deduction is required to be made as a result of the failure of that Treaty Lender to comply with its obligations under paragraph (g) below.
- (e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (f) Within thirty (30) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory

to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

- (g) A Treaty Lender and each Obligor which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction.

12.3 Tax indemnity

- (a) The Company shall (within five (5)) Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.
- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on a Finance Party:
 - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or
 - (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under Clause 12.2 (Tax gross-up);
 - (B) related to a FATCA Deduction required to be made by a Party; or
 - (C) would have been compensated for by an increased payment under Clause 12.2 (Tax gross-up) but was not so compensated solely because one of the exclusions in paragraph d of Clause 12.2 (Tax gross-up) applied.
- (c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 12.3, notify the Agent.

12.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to that Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by that Obligor.

12.5 Stamp taxes

The Company shall pay and, within five (5) Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

12.6 VAT

- (a) All amounts expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply and, accordingly, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the "**Supplier**") to any other Finance Party (the "**Recipient**") under a Finance Document, and any Party other than the Recipient (the "**Relevant Party**") is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
 - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
 - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

12.7 FATCA Information

- (a) Subject to paragraph (c) below, each Party shall, within ten (10) Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party;

- (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.
- (e) If the Company is a US Tax Obligor or the Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within 10 (ten) Business Days of:
 - (i) where the Company is a US Tax Obligor and the relevant Lender is an Original Lender, the date of this Agreement;
 - (ii) where the Company is a US Tax Obligor on a date on which any other Lender becomes a Party as a Lender, that date; or
 - (iii) where the Company is not a US Tax Obligor, the date of a request from the Agent,
 supply to the Agent:
 - (A) a withholding certificate on Form W-8, Form W-9 or any other relevant form; or
 - (B) any withholding statement or other document, authorisation or waiver as the Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.
- (f) The Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) above to the Company.
- (g) If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Agent by a Lender pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the

Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Agent). The Agent shall provide any such updated withholding certificate, withholding statement, document, authorisation or waiver to the Company.

- (h) The Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) or (g) above without further verification. The Agent shall not be liable for any action taken by it under or in connection with paragraph (e), (f) or (g) above.

12.8 FATCA Deduction

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Company and the Agent and the Agent shall notify the other Finance Parties.

13. INCREASED COSTS

13.1 Increased costs

- (a) Subject to Clause 13.3 (Exceptions) the Company shall, within five (5) Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation, (ii) compliance with any law or regulation made after the date of this Agreement or (iii) regardless of the date enacted, adopted or issued, compliance with the Basel III Standards (as defined below) and the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith.
- (b) In this Agreement "**Increased Costs**" means:
 - (i) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;
 - (ii) an additional or increased cost; or
 - (iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document (taking into consideration such Finance Party's (or its Affiliate's) policies with respect to capital adequacy and liquidity requirements).

13.2 Increased cost claims

- (a) A Finance Party intending to make a claim pursuant to Clause 13.1 (Increased costs) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

13.3 Exceptions

- (a) Clause 13.1 (Increased costs) does not apply to the extent any Increased Cost is:
 - (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) compensated for by Clause 12.3 (Tax indemnity) (or would have been compensated for under Clause 12.3 (Tax indemnity) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 12.3 (Tax indemnity) applied);
 - (iii) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or
 - (iv) attributable to the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III) ("**Basel II**") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates), and provided that if such Increased Costs are attributable to the implementation or application of or compliance with the Basel III Standards, this sub-paragraph (v) shall not apply.
- (b) For the purpose of this Clause 13.3, "**Basel III Standards**" means
 - (i) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
 - (ii) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated;
 - (iii) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III"; and
 - (iv) CRD IV or any law or regulation that implements or applies CRD IV.
- (c) For the purpose of this Clause 13.3, "**CRD IV**" means:
 - (i) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and
 - (ii) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.
- (d) In this Clause 13.3, a reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 12.1 (Definitions).

14. OTHER INDEMNITIES AND DAMAGE WAIVER

14.1 Currency indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
- (i) making or filing a claim or proof against that Obligor;
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,
- the Company shall as an independent obligation, in respect of that Obligor, within five (5) Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- (b) The Company waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

14.2 Other indemnities

The Company shall (or shall procure that an Obligor will), within three (3) Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by that Finance Party as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 27 (Sharing among the Finance Parties);
- (c) funding, or making arrangements to fund, its participation in a Loan requested by the Company in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone);
- (d) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Company; or
- (e) any claim, action, civil penalty or fine against, any settlement, and any other kind of loss or liability, and all reasonable costs and expenses (including reasonable legal fees and disbursements), in each case resulting from any Obligor or other member of the Group (or any of their respective partners, directors, officers, employees, agents or advisors when acting in such capacity for any member of the Group) violating any Sanctions.

14.3 Indemnity to the Agent

The Company shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes is a Default; or
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

14.4 Waiver of Consequential Damages

To the fullest extent permitted by applicable law, the Company shall not assert, and hereby waives, any claim against any Finance Party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Finance Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan, or the use of the proceeds thereof.

15. MITIGATION BY THE LENDERS

15.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in the Facility ceasing to be available or any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (Illegality), Clause 12 (Tax Gross Up and Indemnities) or Clause 13 (Increased Costs) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of the Company under the Finance Documents.

15.2 Limitation of liability

- (a) The Company shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 15.1 (Mitigation).
- (b) A Finance Party is not obliged to take any steps under Clause 15.1 Mitigation) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

16. COSTS AND EXPENSES

16.1 Transaction expenses

The Company shall promptly on demand pay the Agent and the Lenders the amount of all externally incurred costs and expenses (including external legal fees in line with obtained fee quotes) incurred by (and duly documented) any of them in connection with the negotiation, preparation, printing, execution and perfection of:

- (a) this Agreement and any other documents referred to in this Agreement and the Security Documents; and
- (b) any other Finance Documents executed after the date of this Agreement.

16.2 Amendment costs

If (a) the Company requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 28.9 (Change of currency), the Company shall, within five (5) Business Days of demand, reimburse the Agent for the amount of all external costs and expenses (including legal fees) reasonably incurred by the Agent in responding to, evaluating, negotiating or complying with that request or requirement.

16.3 Enforcement costs

The Company shall, within five (5) Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

SECTION 7

SECURITY

17. SECURITY

17.1 Initial security

Subject to such limitations as may be required by applicable law, the obligations and liabilities of the Obligors under or in respect of Secured Obligations including without limitations any derived liability whatsoever of the Obligors towards the Finance Parties in connection therewith, shall be secured by the following with first priority:

- (a) the Guarantee Agreements;
- (b) the Mortgages;
- (c) the Issuer Share Pledge;
- (d) the Guarantor Share Pledge;
- (e) the Charter Contract Assignments;
- (f) the Assignment of Earnings;
- (g) the Assignment of Insurances;
- (h) the Assignment of Intra-Group Debt;
- (i) any Disposal Account Pledge;
- (j) the Earnings Account Pledge; and
- (k) the Top Account Pledge.

17.2 Security upon acquisition of Additional Vessels and/or additional Vessel Owners

In the event of acquisition of Additional Vessels and/or additional Vessel Owners, the Company shall procure the granting of the same Security in respect of such Additional Vessels and/or additional Vessel Owners as applies to the Initial Vessel and/or the original Vessel Owners, such security to be established and perfected upon completion of the relevant acquisition.

SECTION 8 REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

18. REPRESENTATIONS

The Company makes the representations and warranties set out in this Clause 18 to each Finance Party.

18.1 Status

- (a) It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (b) It and each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted.

18.2 Binding obligations

Subject to the Legal Reservations, the obligations expressed to be assumed by it in each Finance Document are legal, valid, binding and enforceable in accordance with its terms.

18.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its or any of its Subsidiaries' constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its Subsidiaries or any of its or any of its Subsidiaries' assets.

18.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

18.5 Validity and admissibility in evidence

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and
- (b) to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect.

18.6 Governing law and enforcement

The choice of governing law of the Finance Documents to which it is a party will be recognised and enforced in its jurisdiction of incorporation.

18.7 Deduction of Tax

It is not required to make any deduction for or on account of Tax from any payment it may make under any Finance Document.

18.8 No filing or stamp taxes

Under the law of its jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents, save for any filing, recordation or enrolment or any stamp, registration or similar tax referred to in any of the Security Documents

18.9 No Insolvency

Neither it nor any member of the Group:

- (a) is unable to pay its debts as they fall due;
- (b) has suspended the making of payment of any of its debts;
- (c) has entered into voluntary compositions proceedings;
- (d) has commenced negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; or

- (e) has become or been declared insolvent.

18.10 No default

- (a) No Event of Default, and on the Signing Date and the Closing Date no Default is continuing or is reasonably likely to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is reasonably likely to have a Material Adverse Effect.

18.11 No misleading information

Any factual information provided by it to the Agent or any other Finance Party for the purposes of this Agreement, any other Finance Document and the transactions contemplated hereby and thereby was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated to be governed.

18.12 Financial statements

- (a) Its audited financial statements most recently delivered to the Agent (and, as at the date of this Agreement, the Original Financial Statements):
 - (i) have been prepared in accordance with GAAP consistently applied; and
 - (ii) fairly represent its financial condition and results of operations (consolidated in the case of the Company) as at the date to which they were drawn up.
- (b) As at the date of this Agreement, there has been no material adverse change in the consolidated financial condition of the Company since the date to which the Original Financial Statements were drawn up.

18.13 Pari passu ranking

Its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

18.14 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it or any of its Subsidiaries.

18.15 No Breach of Laws

- (a) It has not breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.
- (b) No labour disputes are current or, to the best of its knowledge and belief (having made due and careful enquiry), threatened against any member of the Group which have or are reasonably likely to have a Material Adverse Effect.

18.16 Patriot Act, Sanctions and Anti-Corruption

- (a) To the extent applicable, the Company and each of its Subsidiaries is in compliance in all material respects with (i) the Trading with the Enemy Act, each of the foreign assets control

regulations of the United States Treasury Department and any other enabling legislation or executive order relating thereto and (ii) the Patriot Act.

- (b) None of the Company or any of its Subsidiaries or any director, officer, or to the knowledge of the Company, any employee of the Company or any of its Subsidiaries is a Person that is, or is owned fifty per cent. (50%) or more, individually or in the aggregate, directly or indirectly or controlled by one or more Persons that are subject to any Sanctions.
- (c) None of the Company or any of its Subsidiaries is a Person that is, or is owned fifty per cent. (50%) or more, individually or in the aggregate, directly or indirectly or controlled by one or more Persons that are located, organised or resident in a country or territory that is, or whose government is, the subject of comprehensive Sanctions (as at the Signing Date, Crimea, Cuba, Iran, North Korea, Sudan and Syria).
- (d) The Company and its Subsidiaries and their respective directors, officers and, to the knowledge of the the Company, employees of the Company and its Subsidiaries are in compliance with the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder and any other applicable anti-corruption law in all material respects. The Company and its Subsidiaries have instituted and maintain policies and procedures designed to ensure compliance therewith.

18.17 Centre of main interest/Principal Place of Business

The main centre of interest of any Obligor and the exclusive jurisdiction for any insolvency in respect of such Obligor is in its jurisdiction of its incorporation.

18.18 Repetition

The Repeating Representations are deemed to be made by the Company by reference to the facts and circumstances then existing on:

- (a) the date of each Utilisation Request and the first day of each Interest Period; and
- (b) on each Utilisation Date.

19. INFORMATION UNDERTAKINGS

The undertakings in this Clause 19 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

19.1 Financial statements

The Company shall supply to the Agent in sufficient copies for all the Lenders:

- (a) as soon as the same become available, but in any event within 120 days after the end of each of its financial years the audited consolidated financial statements of the Company for that financial year;
- (b) as soon as the same become available, but in any event within 120 days after the end of its financial year, the audited consolidated financial statements of the Parent for that financial year;
- (c) as soon as the same become available, but in any event within 90 days after the end of the first, third and fourth quarter and 60 days after the end of each second quarter of each of its financial years the unaudited consolidated financial statements of the Company for that financial quarter;
- (d) as soon as the same become available, but in any event within 90 days after the end of each of its financial quarters the unaudited consolidated financial statements of the Parent for that financial quarter;

- (e) as soon as they become available, but in any event prior to the start of each financial year, a yearly budget for the Company and Parent; and
- (f) as soon as they become available, but in any event prior to the start of each financial year, cash flow projections for the Company and Parent.

19.2 Requirements as to financial statements

- (a) Each set of financial statements delivered by the Company pursuant to Clause 19.1 (Financial statements) shall fairly represent its financial condition as at the date as at which those financial statements were drawn up.
- (b) The Company shall procure that each set of financial statements delivered pursuant to Clause 19.1 (Financial statements) is prepared using GAAP.

19.3 Compliance Certificate

- (a) The Company shall supply to the Agent, with each set of financial statements delivered in accordance with paragraphs (a) and (c) of Clause 19.1 (Financial statements), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 20 (Financial Covenants) as at the date as at which those financial statements were drawn up.
- (b) The Company shall supply to the Agent, with each set of financial statements delivered for the second and the fourth financial quarter in accordance with paragraphs (c) above, a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 7.2 (Market Value of Vessels) as at the relevant financial quarter based on valuations not older than thirty (30) days.
- (c) Each Compliance Certificate shall be signed by a duly authorised signatory of the Company.

19.4 Environmental claims

The Company shall, promptly upon becoming aware of the same, inform the Agent in writing of:

- (a) any Environmental Claim against any member of the Group which is current, pending or threatened; and
- (b) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against any member of the Group,

where the claim, if determined against that member of the Group, has or is reasonably likely to have a Material Adverse Effect.

19.5 Information: miscellaneous

The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

- (a) all documents dispatched by it to its creditors generally (or any class of them) at the same time as they are dispatched;
- (b) copies of any amendments or variations to the Vessel Management Agreements, the General Management Agreement and of any new Vessel Management Agreements or General Management Agreement;
- (c) promptly upon becoming aware of them, the details of any major casualty, total loss, requisition, environmental incidents and/or claims, withdrawal of class and recommendations affecting class, non-compliance with codes, arrest or detention in relation to a Vessel.

- (d) promptly upon becoming aware of them, the details of any litigation, breach of Sanctions, breach of Environmental Laws, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group or the Parent, and which, if adversely determined, are reasonably likely to have a Material Adverse Effect; and
- (e) promptly, such further information regarding the financial condition, assets, business and operations of any member of the Group as any Finance Party (through the Agent) may reasonably request.

19.6 Notification of default

The Company shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

19.7 Use of websites

The Company may satisfy its obligation under this Agreement to deliver any information by posting this information onto the electronic website of the Company.

19.8 "Know your customer" checks

- (a) If:
 - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
 - (ii) any change in the status of an Obligor after the date of this Agreement; or
 - (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or the Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

19.9 No change of financial year

- (a) The Company shall procure that its accounting reference shall not be changed.
- (b) The Company shall procure that the financial end year of each member of the Group shall fall on 31 December.

20. FINANCIAL COVENANTS

The undertakings in this Clause 20 remain in force from the date of this Agreement for so long as any amount is outstanding under any Finance Document or any Commitment is in force and shall be tested at the end of each period set out in this Clause 20.

20.1 Minimum Liquidity

The Group shall at all times maintain Free Liquidity of minimum USD 12,500,000.

20.2 Maximum Leverage Ratio

The Company shall at all times ensure that the Leverage Ratio does not exceed 75%.

20.3 Leverage Ratio Covenant Cure

If the Company fails (or would otherwise fail) to comply with the Leverage Ratio at any time and the Company prior to the relevant reporting date has provided either (i) a Cure Vessel and Security in respect of such Cure Vessel along the principles applicable to the Vessels or (ii) cash collateral deposited on a bank account pledged on first priority and blocked in favour of the Security Agent (on behalf of the Secured Parties) bridging the value shortfall, then (a) if a Cure Vessel is provided, the Leverage Ratio shall be recalculated on the basis that the Market Value of such Cure Vessel shall be deemed to increase the total aggregate Market Value of the Vessels for the relevant period to which the breach relates and (b) if cash collateral is provided and for as long as such cash collateral remains in place, the amount outstanding under the Finance Documents and the Bond Finance Documents shall, for the purpose of the Leverage Ratio only, be deemed to be reduced by the amount of the cash collateral so provided.

If, after the Leverage Ratio is recalculated as set out above, the breach has been prevented or cured, the Leverage Ratio shall be deemed to have been satisfied from the last day of the reporting period covered by the financial statements to be delivered on the relevant reporting date.

If a Cure Vessel or cash collateral has been provided in accordance with this Clause 20.3, the security arrangement or relevant cash deposit amount shall be released, or, as the case may be in respect of the cash collateral, partly-released, by the Security Agent at the request of the Company, if the Company to the satisfaction of the Agent has demonstrated that following such release or part-release, it will be in compliance with the maximum Leverage Ratio covenant.

21. GENERAL UNDERTAKINGS

The undertakings in this Clause 21 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

21.1 Authorisations

The Company shall, and shall procure that each member of the Group will,

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Agent of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document if a failure to do so would have a Material Adverse Effect.

21.2 Compliance with laws and conduct of business

The Company shall, and shall procure that each member of the Group will:

- (a) comply in all material respects with all laws and regulations to which it may be subject, except in such instances in which failure to comply, either individually or in aggregate, could not reasonably be expected to have a Material Adverse Effect; and
- (b) carry on its business in accordance with acknowledged, careful and sound practices in all material respects and comply in all material respects with all laws and regulations it may be subject to from time to time.

21.3 Negative pledge

The Company shall not, and shall ensure that no other member of the Group will, create or allow to subsist, retain, provide, prolong or renew any Security over any of its/their assets (present or future) to secure any loan or other indebtedness, provided that the members of the Group have a right to retain, provide, prolong and renew any Permitted Security.

21.4 Disposals

- (a) The Company shall not, and shall ensure that no other member of the Group will sell or otherwise dispose of a Vessel or the shares in a Vessel Owner, unless such transaction constitutes a Permitted Disposal.
- (b) Upon the disposal of a Vessel Owner or a Vessel and application of proceeds in accordance with the requirements for a Permitted Disposal, the Agent shall, upon request and at the Company's cost, release the Security held relating solely to the asset sold.

21.5 Merger

The Company shall not, and shall ensure that no other member of the Group will, carry out any merger or other business combination or corporate reorganisation involving a consolidation of the assets and obligations of any member of the Group with any other companies or entities, if such transaction would have a Material Adverse Effect.

21.6 De-Merger

The Company shall not, and shall ensure that no other member of the Group will, carry out any de-merger or other corporate reorganisation involving a split of the Company or any other member of the Group, to the extent such de-merger would have a Material Adverse Effect.

21.7 Anti-corruption law

- (a) The Company shall not directly or, to the knowledge of the Company, indirectly use the proceeds of the Facility for any purpose which would breach any applicable anti-corruption law.
- (b) The Company shall ensure that each member of the Group shall conduct its businesses in compliance with applicable anti-corruption laws in all material respects and maintain policies and procedures designed to promote and achieve compliance with such laws.

21.8 Sanctions

- (a) The Company shall not, directly or to its knowledge, indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person:
 - (i) to fund any activities or business of or with any Person that is prohibited by Sanctions, or in any country or territory, that is, or whose government is, at the time of such funding, the subject of comprehensive Sanctions (as at the Signing Date, Crimea, Cuba, Iran, North Korea, Sudan and Syria); or

- (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as underwriter, advisor, investor, or otherwise).
- (b) Without limiting paragraph (a) above, neither the Parent nor any Obligor shall charter or, to its knowledge, permit the charter of a Vessel to a Prohibited Person to the extent that such charter would be prohibited if the Obligor were resident or organized in the United States, the European Union or the United Kingdom.
- (c) None of the Company's funds that are used to repay any obligation under this Agreement and the other Finance Documents shall constitute property of, or shall be beneficially owned directly or indirectly by, any Prohibited Person to the extent that such would be prohibited if the Obligor were resident or organized in the United States, the European Union or the United Kingdom.
- (d) The Company and each other Obligor shall (and the Company shall ensure that each Relevant Person will) comply with all Sanctions applicable to it in all material respects.

21.9 Asset control

The Company shall, and shall ensure that each Obligor ensures that:

- (a) it is not:
 - (i) fifty per cent. (50%) or more owned, directly or indirectly, by one or more Prohibited Persons in the aggregate;
 - (ii) controlled by a Prohibited Person; or
 - (iii) acting directly on behalf of a Prohibited Person to the extent such action would be prohibited if the Parent or relevant Obligor were resident or organized in the United States, the European Union or the United Kingdom;
- (b) it does not own or control a Prohibited Person;
- (c) to its knowledge, it is not acting indirectly for the benefit of a Prohibited Person to the extent that such action would be prohibited if the Parent or relevant Obligor were resident or organized in the United States, the European Union or the United Kingdom;
- (d) no proceeds of any Loan;
 - (i) shall be made available directly to a Prohibited Person to the extent that such action would be prohibited if the Parent or relevant Obligor were resident or organized in the United States, the European Union or the United Kingdom;
 - (ii) otherwise shall be directly applied in a manner or for a purpose prohibited by Sanctions; and
- (e) to its knowledge, no proceeds of any Loan:
 - (i) shall be made available indirectly to or for the benefit of a Prohibited Person to the extent that such action would be prohibited if the Parent or relevant Obligor were resident or organized in the United States, the European Union or the United Kingdom; or
 - (ii) otherwise shall be indirectly applied in a manner or for the purpose prohibited by Sanctions.

21.10 Continuation of business

The Company shall procure that no material change is made to the general nature or scope of the Group from that carried on at the Signing Date, being direct and indirect ownership, chartering out and in of vessels and business reasonably related thereto.

21.11 Arm's length transaction

The Company shall not, and shall ensure that no member of the Group shall enter into any transaction with any person other than on arm's length terms, other than (a) the payment or reimbursement of the Group's pro rata share of expenses for shared personnel, office facilities, and administrative overhead of the Parent and its subsidiaries, as fairly and reasonably allocated by the Parent; and (b) management services on economic terms at least as favorable to the Group as those set forth on Schedule 7.

21.12 Corporate status

The Company shall not change its type of organisation or jurisdiction of incorporation.

21.13 No amendment of constitutional documents

The Company shall not make any amendments to its constitutional documents if such amendment may have a Material Adverse Effect.

21.14 Financial Support

The Company shall not, and shall ensure that no other member of the Group will, incur or allow to exist any Financial Support, other than Permitted Financial Support.

21.15 Financial Indebtedness

The Company shall not incur or permit to subsist any Financial Indebtedness, other than Permitted Financial Indebtedness.

21.16 Activities, acquisitions and investments

- (a) No member of the Group shall charter out any vessel on demise or bareboat charters without the prior consent of the Agent.
- (b) The Company shall not, and shall ensure that no other member of the Group will acquire any company, shares, securities, business or undertaking (or any interest in any of them), unless the transaction constitutes a Permitted Acquisition.
- (c) The Company shall not, and shall ensure that no other member of the Group will, make any investments or capital expenditures other than solely related to the direct or indirect ownership and ordinary operation of the Vessels, Permitted Chartering and/or the acquisition of any additional Vessels.

21.17 No sale and leaseback transactions

The Company shall not and shall ensure that no other member of the Group will enter into any sale and leaseback transactions.

21.18 Insurances

- (a) The Company shall procure that the Vessels are kept fully insured according to the Nordic Marine Insurance Plan, American Institute Hull Clauses or any other relevant market terms approved by the Agent against such risks, in such amounts, on such terms and with such insurers as the Lender may reasonably require including, but not limited to:

- (i) Hull and Machinery (to be minimum 80% of the total coverage), Hull Interest and Freight Interest (including Marine Increased Value Insurance), insurance values shall at all times be equal to or greater than the higher of (a) the aggregate Market Value of the Vessels and (b) 120% of the aggregate of (i) the Facility and (ii) the amount outstanding under the Bond Finance Documents;
 - (ii) Protection & Indemnity insurance in the maximum amount available in the markets for oil pollution;
 - (iii) War Risks Insurance in an amount equal to or greater than the higher of (a) the aggregate Market Value of the Vessels and (b) 120% of the aggregate of (i) the Facility and (ii) the amount outstanding under the Bond Finance Documents; and
 - (iv) Mortgagee's Interest Insurance (MII) and MMI Additional Perils Pollution Insurance, each in an amount equal to or greater than the higher of (a) the aggregate Market Value of the Vessels and (b) 120% of the aggregate of (i) the Facility and (ii) the amount outstanding under the Bond Finance Documents, the cost of such insurances taken out by the Agent to be covered by the Company promptly upon demand.
- (b) The Company shall procure the registration of the Security Agent as mortgagee in all insurance policies taken out in respect of the Vessels.
 - (c) All insurance proceeds shall be paid directly to the Security Agent, provided always that any amount less than USD 2,000,000 of the insured amount for any such occurrence may, unless a Default has occurred, be paid directly to the relevant Vessel Owner or to its order.
 - (d) No later than fourteen (14) days prior to the expiry date of the relevant insurances, the Company shall procure the delivery to the Agent of a certificate from the insurance broker(s) through whom the insurances referred to above have been renewed and taken out in respect of the Vessels with the required insurance values, that such insurances are in full force and effect and that the Security Agent (as mortgagee) has been noted by the relevant insurers.
 - (e) The Company shall procure that the Vessels are always employed in conformity with the terms of the relevant insurances and comply with such requirements as to extra premium or otherwise as the insurers may prescribe.

21.19 Hedging

The Company shall, and shall ensure that the other members of the Group will, maintain an adequate hedging policy and shall not carry out derivative transactions for speculative purposes.

21.20 Distributions

The Company shall not make any Distribution unless,

- (a) the Company on a consolidated basis immediately after such Distribution maintains a Value Adjusted Equity Ratio of minimum;
 - (i) 40 per cent., and such Distribution does not exceed 50 per cent. of the consolidated Net Profit; or
 - (ii) 50 per cent., and such Distribution does not exceed 75 per cent. of the consolidated Net Profit;
- ((i) and (ii) above, each a "**Permitted Distribution**").

- (b) For the purpose of (i) and (ii) above, the Company's consolidated Net Profit shall be based on the latest financial statements and any unutilized portion of such Net Profit may not be carried forward.

21.21 Ownership

- (a) Each Guarantor shall remain a direct owned and controlled subsidiary of the Company, and each Guarantor shall be registered in the Republic of the Marshall Islands, provided that any additional Vessel Owner becoming a Guarantor after the date of this Agreement may be incorporated in an Approved Flag State.
- (b) The Parent shall:
 - (i) remain the 100% direct or indirect owner of the Company and, in the case of indirect ownership, procure that all shares in the Company remain subject to the Issuer Share Pledge; and
 - (ii) remain the 100% direct or indirect owner of the General Manager, which shall be the provider of general management services to the Company pursuant to the General Management Agreement.

21.22 Maintenance of Security Documents

The Company shall at its own cost ensure that the Security created under the Security Documents maintain in full force and effect, and shall do all such acts which may in the opinion of the Agent be necessary to ensure that such Security remains duly created, enforceable, and perfected with first priority ranking, creating the Security thereunder.

21.23 Listing of shares in Parent

The shares in the Parent shall remain listed on NASDAQ or another recognised stock exchange.

21.24 Debt Service Retention Account

- (a) The Group shall only be allowed to fund the Debt Service Retention Account by monthly transfers of an amount equal to 1/6 of the next interest payment plus 1/6 of the next fixed amortisation due in respect of the Bonds, starting from the months falling six months prior to the (i) first interest payment date, in respect of interest and (ii) the first amortisation date, in respect of fixed amortisations, in each case with reference to the amortisations and interest payments as set out in the original Bond Terms.
- (b) The Debt Service Retention Account shall in any case not be funded in excess of the amount of interest and amortisation due on the next interest payment date / amortisation date as set out above.
- (c) The Company shall, at the request of the Agent, inform of the balance on the Debt Service Retention Account and any payments scheduled to be made thereto.

21.25 Vessel Managers

The Company shall procure that the Vessel Managers operate the Vessels in accordance with good industry practice and in accordance with the relevant Vessel Management Agreements and in compliance with the Security Documents.

21.26 No claims from Vessel Owning Companies

The Company shall ensure that upon completion of a sale of a Vessel Owner, there shall be no claims from that Vessel Owner against any member of the Group.

21.27 Sustainable Vessel dismantling

The Group shall develop and implement a policy to ensure that any scrapping of a Vessel is conducted in compliance with the IMO Convention for the Safe and Environmentally Sound Recycling of Ship and with the guidelines issued by the IMO in connection with such Convention.

21.28 Subordination of management fees

The Company shall ensure that any claims for fees against any member of the Group from the General Manager or a Vessel Manager that is a member of the Parent Group is subordinated to the Secured Obligations.

21.29 Vessel undertakings

The Company shall (in its capacity as parent company) ensure that:

- (a) Each Vessel Owner shall (i) ensure that all earnings related to the Vessels and any insurance or sale proceeds (in each case payable to the Group) shall be paid into the relevant earnings accounts or other accounts being subject to Security with either the Vessel Owner or the Company, (ii) each Vessel Owner remains a single purpose company owning and chartering the relevant Vessel and/or involved in Permitted Chartering, and (iii) comply with laws, including Sanctions, in all material respects, and (iii) upon request of the Agent arrange for the Agent or the Security Agent, and/or any person appointed by the Agent or the Security Agent, to undertake a technical inspection of the Vessels without interference of the daily operation of the Vessels and at the expense of the Company (however limited to one yearly inspection per vessel unless an Event of Default has occurred and is continuing).
- (b) The Vessels shall be registered in and fly the flag of an Approved Flag State. No other change of registry, ownership or flag without the Lenders' prior written consent such consent not to be unreasonably withheld.
- (c) The Vessels shall be classed with an Approved Classification Society with the highest class and no material overdue recommendations or adverse notations and there shall be no change in classification society, other than to another Approved Classification Society, without the Lenders' prior written consent.
- (d) The Vessels shall be operated by the Vessel Managers in all material respects in accordance with applicable laws and regulations and good industry practice.
- (e) No amendments, supplements, variations or waiver of any material terms of the Vessel Management Agreements shall be made if any such amendment, supplement, variation or waiver would have a Material Adverse Effect.
- (f) The Vessels shall comply with the ISM Code and with the ISPS Code.
- (g) The Company shall use its best efforts to make available Green Passport for each Vessel as soon as reasonably possible and in any event no later than twenty four (24) Months following the Closing Date.
- (h) No change or amendment shall be made to the name of a Vessel without the prior written consent of the Lenders, provided that such approval will not be required if a change is required and permitted pursuant to any Charter Contract for the relevant vessel and the Security Documents are not impaired.
- (i) Each Vessel shall carry a copy of the notice of mortgage and the Mortgage.
- (j) No Vessel Owning Company shall declare or make any Distribution to any company other than Company.

- (k) No Vessel Owning Company shall sell or otherwise dispose of a Vessel, other than any Permitted Disposals.
- (l) No Vessel Owning Company shall cease to carry on its business or changes the general nature of its business from that carried on at the Signing Date, other than in relation of a Permitted Disposal.

22. EVENTS OF DEFAULT

Each of the events or circumstances set out in Clause 22 is an Event of Default (save for Clause 22.14 (Acceleration)).

22.1 Non-payment

The Company does not pay on the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by:
 - (i) administrative or technical error; or
 - (ii) a Disruption Event; and

payment is made within three (3) Business Days of its due date.

22.2 Financial covenants and other obligations

- (a) Any requirement of Clause 20 (Financial Covenants) is not satisfied or the Company does not comply with the provisions of Clause 19 (*Information Undertakings*).
- (b) An Obligor does not comply with the provisions of Clause 21.8 (*Sanctions*) or 21.9 (*Asset control*).

22.3 Other obligations

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in elsewhere in this Clause 22).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within ten (10) Business Days of the earlier of (A) the Agent giving notice to the Company and (B) the Company becoming aware of the failure to comply.

22.4 Misrepresentation

Any representation or statement made or deemed to be made by the Company in the Finance Documents or any other document delivered by or on behalf of the Company under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within twenty (20) Business Days of the earlier of (A) the Agent giving notice to the Company, and (B) the Company becoming aware of the misrepresentation.

22.5 Cross default

- (a) Any Financial Indebtedness of any Obligor is not paid when due nor within any originally applicable grace period.

- (b) Any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any commitment for any Financial Indebtedness of any Obligor is cancelled or suspended by a creditor of any Obligor as a result of an event of default (however described).
- (d) Any creditor of any Obligor becomes entitled to declare any Financial Indebtedness of any Obligor due and payable prior to its specified maturity as a result of an event of default (however described).
- (e) No Event of Default will occur under this Clause 22.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than USD 12,500,000.

22.6 Insolvency

- (a) An Obligor is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.
- (b) The value of the assets of an Obligor is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of an Obligor.

22.7 Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of an Obligor other than a solvent liquidation or reorganisation of the Company;
- (b) a composition, compromise, assignment or arrangement with any creditor of an Obligor;
- (c) the appointment of a liquidator (other than in respect of a solvent liquidation of an Obligor which is not the Company), receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any member of the Group or any of its assets; or
- (d) enforcement of any Security over any assets of any member of the Group,

or any analogous procedure or step is taken in any jurisdiction.

This Clause 22.7 shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within thirty (30) days of commencement.

22.8 Creditors' process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Obligor having an aggregate value of USD 12,500,000 or its equivalent and is not discharged within thirty (30) days.

22.9 Cessation of business

An Obligor ceases, or threatens to cease, to carry on business except as a result of a Permitted Disposal.

22.10 Unlawfulness

- (a) It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents or any Security created or expressed to be created or evidenced by the Security Documents ceases to be effective.
- (b) Any obligation or obligations of any Obligor under any Finance Documents are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.
- (c) Any Finance Document ceases to be in full force and effect or any Security ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective.

22.11 Intercreditor Agreement

- (a) Any party to the Intercreditor Agreement (other than a Finance Party or an Obligor) fails to comply with the provisions of, or does not perform its obligations under, the Intercreditor Agreement; or
- (b) a representation or warranty given by that party in the Intercreditor Agreement is incorrect in any material respect.

22.12 Repudiation

An Obligor repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

22.13 Material Adverse Change

Any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect, provided, that such event or circumstance shall only constitute an Event of Default if the Agent has given notice of an Material Adverse Effect to the Company.

22.14 Acceleration

- (a) On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Company:
 - (i) cancel the Total Commitments at which time they shall immediately be cancelled;
 - (ii) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable;
 - (iii) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders and/or; and
 - (iv) subject to the Intercreditor Agreement, exercise or direct the Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.
- (b) Any notice given under this Clause 22.14 will take effect in accordance with its terms.

SECTION 9 CHANGES TO PARTIES

23. CHANGES TO THE OBLIGORS

23.1 Assignments and transfer by the Company

The Company may not assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

24. CHANGES TO THE LENDERS

24.1 Assignments and transfers by Lenders

- (a) For the purpose of this Clause 24, a "**New Lender**" means a reputable bank or financial institution which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets.
- (b) Subject to this Clause 24, a Lender (the "**Existing Lender**") may assign or transfer any of its rights and obligations to a New Lender which is a reputable bank or financial institution.

24.2 Conditions of assignment or transfer

- (a) The consent of the Company is required for an assignment or transfer by an Existing Lender, unless the assignment or transfer is:
 - (i) to another Lender or an Affiliate of a Lender;
 - (ii) is to a member of the European System of Central Banks or the Norwegian Central Bank; or
 - (iii) made at a time when an Event of Default is continuing.
- (b) The consent of the Company to an assignment or transfer must not be unreasonably withheld or delayed. The Company will be deemed to have given its consent five (5) Business Days after the Existing Lender has requested it unless consent is expressly refused by the Company in writing within that time.
- (c) An assignment will only be effective on:
 - (i) receipt by the Agent of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender; and
 - (ii) performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.
- (d) A transfer will only be effective if the procedure set out in Clause 24.5 (Procedure for transfer) is complied with.
- (e) If:
 - (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
 - (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, the Company would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 12 (Tax Gross Up and Indemnities) or Clause 13 (Increased Costs),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

- (f) Each New Lender, by executing the relevant Transfer Certificate, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

24.3 Assignment or transfer fee

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of USD 5,000.

24.4 Limitation of responsibility of Existing Lenders

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
 - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any Obligor or any other member of the Group of its obligations under the Finance Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
 - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
 - (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 23; or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

24.5 Procedure for transfer

- (a) Subject to the conditions set out in Clause 24.2 (Conditions of assignment or transfer) a transfer is effected in accordance with paragraph (c) below when the Agent executes an

otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.

- (b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (c) On the Transfer Date:
 - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents the Company and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the **"Discharged Rights and Obligations"**);
 - (ii) the Agent, the New Lender and the other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
 - (iii) the New Lender shall become a Party as a "Lender".

24.6 Copy of Transfer Certificate to Company

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, send to the Company a copy of that Transfer Certificate.

24.7 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 23, each Lender may without consulting with or obtaining consent from the Company, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and
- (b) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by the Company other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

SECTION 10

THE FINANCE PARTIES

25. ROLE OF THE AGENT

25.1 Appointment of the Agent

- (a) Each other Finance Party appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each other Finance Party authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

25.2 Duties of the Agent

- (a) Subject to paragraph (b) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (b) Without prejudice to Clause 24.6 (Copy of Transfer Certificate to Company), paragraph (a) above shall not apply to any Transfer Certificate.
- (c) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Finance Parties.
- (e) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent) under this Agreement it shall promptly notify the other Finance Parties.
- (f) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

25.3 No fiduciary duties

- (a) Nothing in this Agreement constitutes the Agent as a trustee or fiduciary of any other person.
- (b) The Agent shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

25.4 Business with the Group

The Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

25.5 Rights and discretions of the Agent

- (a) The Agent may rely on:
 - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and
 - (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

- (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
 - (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 22.1 (Non-payment)); and
 - (ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised.
- (c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
- (d) The Agent may act in relation to the Finance Documents through its personnel and agents.
- (e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (f) Notwithstanding any other provision of any Finance Document to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

25.6 Majority Lenders' instructions

- (a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.
- (b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties.
- (c) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.
- (d) In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.
- (e) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

25.7 Responsibility for documentation

The Agent is not:

- (a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, the Company or any other person given in or in connection with any Finance Document; or
- (b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document; or

- (c) is responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

25.8 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to the provisions of paragraph (b) of Clause 28.10 (Disruption to Payment Systems etc.)), the Agent will not be liable for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.
- (b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause 25.8.
- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Agent to carry out any "know your customer" or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent.

25.9 Lenders' indemnity to the Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three (3) Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 28.10 (Disruption to Payment Systems etc.) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by the Company pursuant to a Finance Document).

25.10 Resignation of the Agent

- (a) The Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Company.
- (b) Alternatively the Agent may resign by giving thirty (30) days' notice to the other Finance Parties and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent.
- (c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within twenty (20) days after notice of resignation was given, the retiring Agent (after consultation with the Company) may appoint a successor Agent.
- (d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (e) The Agent's resignation notice shall only take effect upon the appointment of a successor.

- (f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 25. Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (g) After consultation with the Company, the Majority Lenders may, by notice to the Agent, require it to resign in accordance with paragraph (b) above. In this event, the Agent shall resign in accordance with paragraph (b) above.

25.11 Confidentiality

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

25.12 Relationship with the Lenders

- (a) The Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:
 - (i) entitled to or liable for any payment due under any Finance Document on that day; and
 - (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five (5) Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

- (b) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address and (where communication by electronic mail or other electronic means is permitted under Clause 30.5 (Electronic communication)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, electronic mail address, department and officer by that Lender for the purposes of Clause 30.2 (Addresses) and paragraph (a)(ii) of Clause 30.5 (Electronic communication) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

25.13 Credit appraisal by the Lenders

Without affecting the responsibility of the Company for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;

- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (d) the adequacy, accuracy and/or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

25.14 Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with the Company) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

25.15 Agent's Management Time

Any amount payable to the Agent under Clause 14.3 (Indemnity to the Agent), Clause 16 (Costs and Expenses) and Clause 25.9 (Lenders' indemnity to the Agent) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Company and the Lenders, and in addition to any fee paid or payable to the Agent under Clause 11 (Fees).

25.16 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

26. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

27. SHARING AMONG THE FINANCE PARTIES

27.1 Payments to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from the Company other than in accordance with Clause 28 (Payment Mechanics) (a "**Recovered Amount**") and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three (3) Business Days, notify details of the receipt or recovery to the Agent;
- (b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 28 (Payment Mechanics), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
- (c) the Recovering Finance Party shall, within three (3) Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 28.5 (Partial payments).

27.2 **Redistribution of payments**

The Agent shall treat the Sharing Payment as if it had been paid by the Company and distribute it between the Finance Parties (other than the Recovering Finance Party) (the "**Sharing Finance Parties**") in accordance with Clause 28.5 (Partial payments) towards the obligations of the Company to the Sharing Finance Parties.

27.3 **Recovering Finance Party's rights**

On a distribution by the Agent under Clause 27.2 (Redistribution of payments) of a payment received by a Recovering Finance Party from the Company, as between the Company and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by the Company.

27.4 **Reversal of redistribution**

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the "**Redistributed Amount**"); and
- (b) as between the Company and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by the Company.

27.5 **Exceptions**

- (a) This Clause 27 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the Company.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
 - (i) it notified that other Finance Party of the legal or arbitration proceedings; and
 - (ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

**SECTION 11
ADMINISTRATION**

28. PAYMENT MECHANICS

28.1 Payments to the Agent

- (a) On each date on which the Company or a Lender is required to make a payment under a Finance Document, the Company or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London) with such bank as the Agent specifies.

28.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 28.3 (Distributions to the Company) and Clause 28.4 (Clawback) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five (5) Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London), as specified by that Party.

28.3 Distributions to the Company

The Agent may (with the consent of the Company or in accordance with Clause 29 (Set-Off)) apply any amount received by it for the Company in or towards payment (on the date and in the currency and funds of receipt) of any amount due from the Company under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

28.4 Clawback

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

28.5 Partial payments

- (a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by the Company under the Finance Documents, the Agent shall apply that payment towards the obligations of the Company under the Finance Documents in the following order:
 - (i) first, in or towards payment pro rata of any unpaid fees, costs and expenses of the Agent under the Finance Documents;
 - (ii) secondly, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this Agreement;

(iii) thirdly, in or towards payment pro rata of any principal due but unpaid under this Agreement; and

(iv) fourthly, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

(b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a) (ii) to (iv) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by the Company.

28.6 No set-off by the Company

All payments to be made by the Company under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

28.7 Business Days

(a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

28.8 Currency of account

(a) Subject to paragraphs (b) to (e) below, the Base Currency is the currency of account and payment for any sum due from the Company under any Finance Document.

(b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.

(c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

(d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

28.9 Change of currency

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Company); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).

- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

28.10 Disruption to Payment Systems etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Company that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 34 (Amendments and Waivers);
- (e) the Agent shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 28.10; and
- (f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

29. SET-OFF

- (a) A Finance Party may set off any matured obligation due from the Company under the Finance Documents (to the extent beneficially owned by that Finance Party) against any obligation and/or bank deposits owed by that Finance Party to the Company, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- (b) The Company hereby agrees and accepts that this Clause 29 (Set-off) shall constitute a waiver of the provisions of the FA Act and further agrees and accepts, to the extent permitted by law, that Section 29 of the FA Act shall not apply to this Agreement.

30. NOTICES

30.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by e-mail or letter.

30.2 Addresses

The address and e-mail address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Company

Eagle Bulk Shipco LLC
300 First Stamford Place
Stamford, CT 06902
United States of America
Attn: Frank De Costanzo, CFO
Phone: +1 203 276 8101 / +1 203 570 2159
Email: fdecostanzo@eagleships.com

- (b) in the case of each Lender, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and

- (c) in the case of the Agent

ABN AMRO Capital USA LLC
100 Park Avenue, 17th floor
New York, NY 10017
Attention: Wudasse Zaudou
Facsimile: 917-284-6697
Email: wudasse.zaudou@abnamro.com
/ AABUS_NY_Agency@abnamro.com

or any substitute address, e-mail address or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five (5) Business Days' notice.

30.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

- (i) if by way of e-mail, when received in legible form; or
(ii) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 30.2 (Addresses), if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's signature below (or any substitute department or officer as the Agent shall specify for this purpose).
(c) All notices from or to the Company shall be sent through the Agent.
(d) Any communication or document which becomes effective, in accordance with paragraphs (a) to (c) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

30.4 Notification of address

Promptly upon receipt of notification of an address or change of address pursuant to Clause 30.2 (Addresses) or changing its own address, the Agent shall notify the other Parties.

30.5 Electronic communication

- (a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if those two Parties:
 - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five (5) Business Days' notice.
- (b) Any electronic communication made between those two Parties will be effective only when actually received in readable form and in the case of any electronic communication made by a Party to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.
- (c) Any electronic communication which becomes effective, in accordance with paragraph (b) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

30.6 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

31. CALCULATIONS AND CERTIFICATES

31.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

31.2 Certificates and Determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

31.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

32. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

33. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any of the Finance Documents on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

34. AMENDMENTS AND WAIVERS

34.1 Required consents

- (a) Subject to Clause 34.2 (Exceptions) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Company and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 34.

34.2 Exceptions

- (a) An amendment or waiver that has the effect of changing or which relates to:
 - (i) the definition of "Majority Lenders" in Clause 1.1 (Definitions);
 - (ii) an extension to the date of payment of any amount under the Finance Documents;
 - (iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;
 - (iv) an increase in or an extension of any Commitment or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the Facility;
 - (v) a change to the Company other than in accordance with Clause 23;
 - (vi) any provision which expressly requires the consent of all the Lenders; and
 - (vii) Clause 2.2 (Finance Parties' rights and obligations), Clause 23 (Changes to the Obligors)
- (b) An amendment or waiver which relates to the rights or obligations of the Agent may not be effected without the consent of the Agent or.

34.3 Disenfranchisement of Defaulting Lenders

- (a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining the Majority Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender's Commitment will be reduced by the amount of its Available Commitment.

- (b) For the purposes of this Clause 34.3, the Agent may assume that the following Lenders are Defaulting Lenders:
- (i) any Lender which has notified the Agent that it has become a Defaulting Lender;
 - (ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of "Defaulting Lender" has occurred,
- unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

34.4 Replacement of a Defaulting Lender

- (a) The Company may, at any time a Lender has become and continues to be a Defaulting Lender, by giving five (5) Business Days' prior written notice to the Agent and such Lender replace such lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 24.1 (Assignments and transfer by the Lenders) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank or financial institution (a "**Replacement Lender**") selected by the Company, and which is acceptable to the Agent (acting reasonably) and which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender (including the assumption of the transferring Lender's participations or unfunded participations (as the case may be) on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest and/or Break Costs and other amounts payable in relation thereto under the Finance Documents.
- (b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause 34.4 shall be subject to the following conditions:
- (i) the Company shall have no right to replace the Agent;
 - (ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Company to find a Replacement Lender;
 - (iii) the transfer must take place no later than ten (10) Business Days after the notice referred to in paragraph (a) above; and
 - (iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents.

35. CONFIDENTIALITY

35.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 35.2 (Disclosure of information), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

35.2 Disclosure of information

Any Lender may disclose to any person:

- (a) to (or through) whom such Lender assigns or transfers (or may potentially assign or transfer) all or any of its rights, benefits and obligations hereunder;

- (b) with (or through) whom such Lender enters into (or may potentially enter into) any sub-participation, any securitisation, any hedge or otherwise in relation to, or any other transaction under which payments are to be made by reference to, this Agreement or the Company;
- (c) who is an Affiliate of that Lender;
- (d) who is a Party;
- (e) with the consent of the Company; or
- (f) to whom information may be required to be disclosed by any applicable law;

such information about any Obligor and this Agreement as such Lender shall consider appropriate provided that in relation to (a), (b) and (c) above, the person to whom such information is to be given has entered into a confidentiality undertaking substantially in the form of the recommended LMA confidentiality undertaking or in any form agreed between the Agent and the Company.

36. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

SECTION 12 GOVERNING LAW AND ENFORCEMENT

37. GOVERNING LAW AND ENFORCEMENT

37.1 Governing law

This Agreement is governed by Norwegian law.

37.2 Jurisdiction

- (a) The courts of Norway have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement (a "**Dispute**").
- (b) The Parties agree that the courts of Norway, with Oslo as venue, are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 37.2 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

37.3 Waiver of jury trial

Each Party hereby irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this agreement or any other loan document or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory). Each Party (a) certifies that no representative, agent or attorney of any other person has represented, expressly or otherwise, that such other person would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other Parties have been induced to enter into this Agreement and the other Finance Documents by, among other things, the mutual waivers and certifications in this Clause 37.3 (Waiver of jury trial).

This Agreement has been entered into on the date stated at the beginning of this Agreement.

[Signature page follows]

SIGNATURE PAGE

For and on behalf of
EAGLE BULK SHIPCO LLC
(as Company)

For and on behalf of
ABN AMRO CAPITAL USA LLC
(as Original Lender, Agent and Arranger)

By: _____
Name with
block letters:

By: _____
Name with
block letters:

SCHEDULE 1
THE ORIGINAL LENDERS

Name of Original Lender	Commitment
ABN AMRO Capital USA LLC	USD 15,000,000
Total:	USD 15,000,000

SCHEDULE 2

Conditions Precedent

Part I

Conditions Precedent to Initial Utilisation

1. The Parent and the Obligors

- (a) A copy of the constitutional documents of the Parent and each Obligor.
- (b) A copy of a resolution of the board of directors of the Parent and each Obligor:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- (c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.
- (d) A certificate of the Company (signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on any Obligor to be exceeded.
- (e) A certificate of an authorised signatory of the Company certifying that each copy document relating to it specified in this Part I of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. Finance Documents

- (a) This Agreement, duly executed by the parties to it.
- (b) The Intercreditor Agreement, duly executed by the parties to it.
- (c) The Bond Terms, duly executed by the parties to it, and evidence that the Bonds thereunder have been issued and that the proceeds thereof have been released from the Escrow Account.
- (d) The Security Documents, duly executed and perfected.
- (e) The Fee Letters, duly executed and perfected.

3. Other documents and evidence

- (a) A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable (if it has notified the Company accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

- (b) Evidence that the Existing Indebtedness has been unconditionally and irrevocably repaid in full.
- (c) Copies of the Parent's and the Company's latest financial statements, budgets and cash flow projections.
- (d) Evidence that the consolidated Free Liquidity of the Company is minimum USD 20,000,000 on the Closing Date.
- (e) Evidence of the Market Value of the Vessels dated no earlier than 30 days before the Closing Date, evidencing compliance with Clause 7.2 (Market Value of Vessels).
- (f) Copies of the duly executed General Management Agreement and the Vessel Management Agreements.
- (g) An undertaking from any Vessel Manager within the Parent Group, subordinating its claims for fees to the Secured Obligations and granting termination rights to the Security Agent in case of an Event of Default.
- (h) An undertaking from the General Manager, subordinating its claims for fees to the Secured Obligations and granting termination rights to the Security Agent in case of an Event of Default.
- (i) Copies of any Charter Contracts with firm duration of more than 12 months.
- (j) Loan agreements in respect of any Shareholder Loans or Intra-Group Debt.
- (k) Evidence that all insurances pursuant to Clause 21.18 (Insurances) have been taken out and are in full force and effect (including, if so requested by the Agent, a confirmation/insurance report from BankServe or other third party insurance advisor acceptable to the Agent).
- (l) Transcripts from the relevant registry showing that the relevant Vessel is duly registered in the name of the respective Vessel Owner, flying the flag of an approved flag state and free and clear of any encumbrances other than any Permitted Security.
- (m) A copy of the class certificate for the Vessels from an Approved Classification Society, confirming that the Vessel is classed with the highest class, free of any outstanding or overdue recommendations and conditions.
- (n) A copy of the current SMC, ISSC and DOC for the relevant Vessels.
- (o) Evidence that the fees, costs and expenses then due from the Company pursuant to Clause 11 (Fees) and Clause 16 (Costs and Expenses) have been paid or will be paid by the first Utilisation Date.
- (p) Evidence of the appointment of a process agent, if relevant.
- (q) Legal opinions in respect of the existence and capacity of the Parent and the Obligors and the legality, validity, binding effect and enforceability of the Finance Documents, including without limitation perfection of the Security contemplated by the Security Documents.
- (r) Such documentation and other evidence needed for the Agent or the Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in respect of the Parent and the Obligors.
- (s) Any other document, authorization, opinion or assurance reasonably required by the Agent.

SCHEDULE 3

Utilisation Request

From: Eagle Bulk ShipCo LLC

To: ABN AMRO Capital USA LLC

Dated:

Dear Sirs

Eagle Bulk ShipCo LLC – USD 15,000,000 Super Senior Credit Facility Agreement dated [•] 2017 (the "Agreement")

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to borrow a Loan on the following terms:

Proposed Utilisation Date: [] (or, if that is not a Business Day, the next Business Day)

Amount: [] or, if less, the Available Facility

Interest Period: []
3. We confirm that each condition specified in Clause 4.2 (Further conditions precedent) of the Agreement is satisfied on the date of this Utilisation Request.
4. This Utilisation Request is irrevocable.

Yours faithfully

.....
authorised signatory for
Eagle Bulk ShipCo LLC

SCHEDULE 4

Form of Transfer Certificate

To: [] as Agent

From: [The Existing Lender] (the "Existing Lender") and [The New Lender] (the "New Lender")

Dated:

Eagle Bulk ShipCo LLC – USD 15,000,000 Super Senior Credit Facility Agreement dated [•] 2017 (the "Agreement")

1. We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.
2. We refer to Clause 24.5 (Procedure for transfer) of the Agreement:
 - (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation, and in accordance with Clause 24.5 (Procedure for transfer) of the Agreement, all of the Existing Lender's rights and obligations under the Agreement and the other Finance Documents which relate to that portion of the Existing Lender's Commitment and participations in Loans under the Agreement as specified in the Schedule.
 - (b) The proposed Transfer Date is [].
 - (c) The Facility Office and address and attention details for notices of the New Lender for the purposes of Clause 30.2 (Addresses) of the Agreement are set out in the Schedule.
3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 24.4 (Limitation of responsibility of Existing Lenders) of the Agreement.
4. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.
5. This Transfer Certificate governed by Norwegian law.
6. The courts of Norway have exclusive jurisdiction to settle any dispute arising out of or in connection with this Transfer Certificate and the parties therefore irrevocably submit to the exclusive jurisdiction of the Oslo district court (*Oslo tingrett*).
7. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

The Schedule

Commitment/rights and obligations to be transferred

[insert relevant details]
[Facility Office address and attention details for notices and account details for payments,]

[Existing Lender]

[New Lender]

By:

By:

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [].

[Agent]

By:

SCHEDULE 5

Form of Compliance Certificate

To: ABN AMRO Capital USA LLC as Agent

From: [•]

Dated:

Dear Sirs

Eagle Bulk ShipCo LLC – USD 15,000,000 Super Senior Credit Facility Agreement dated [•] 2017 (the "Agreement")

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. We confirm that as of [the relevant testing date]:
 - a. the consolidated Free Liquidity of the Group is USD [•]
 - b. the Leverage Ratio is [•]
3. We confirm that as of [the relevant testing date] each set of financial statements delivered pursuant to Clause 19.1 (Financial statements) of the Agreement fairly represents the Company's financial condition as at the date as which those financial statements were drawn up.
4. We confirm that as of [the relevant testing date], we are in compliance with Clause 7.2 (Market Value of Vessels). Copies of valuations evidencing Market Value is attached as Appendix 1 hereto.
5. We confirm that at [the relevant testing date] no Default is continuing and further that there has been no change that would have a Material Adverse Effect since the date of the financial statements or the Compliance Certificate last submitted to you.

Signed:

Authorised signatory
of
Eagle Bulk ShipCo LLC

SCHEDULE 6**Initial Vessels**

#	Initial Vessel:	Vessel Owner:	Built	IMO No.
1	Singapore Eagle	Singapore Eagle LLC	3-Jan-17	9788100
2	Stamford Eagle	Stamford Eagle LLC	15-Feb-16	9441269
3	Sandpiper Bulker	Sandpiper Shipping LLC	18-Oct-11	9441271
4	Roadrunner Bulker	Roadrunner Shipping LLC	1-Sep-11	9274575
5	Puffin Bulker	Puffin Shipping LLC	18-Aug-11	9224659
6	Petrel Bulker	Petrel Shipping LLC	13-Jul-11	9441283
7	Owl	Owl Shipping LLC	8-Jul-11	9478626
8	Oriole	Oriole Shipping LLC	19-May-11	9418729
9	Thrush	Thrush Shipping LLC	5-Jan-11	9441295
10	Thrasher	Thrasher Shipping LLC	28-Jan-10	9244855
11	Egret Bulker	Egret Shipping LLC	16-Jan-10	9224661
12	Crane	Crane Shipping LLC	12-Jan-10	9284843
13	Canary	Canary Shipping LLC	15-Dec-09	9296157
14	Bittern	Bittern Shipping LLC	20-Oct-09	9223552
15	Stellar Eagle	Stellar Eagle Shipping LLC	24-Mar-09	9441374
16	Crested Eagle	Crested Eagle Shipping LLC	1-Feb-09	9241504
17	Crowned Eagle	Crowned Eagle Shipping LLC	11-Nov-08	9441386
18	Jaeger	Jaeger Shipping LLC	29-Oct-04	9441398
19	Cardinal	Cardinal Shipping LLC	1-Jul-04	9441403
20	Kestrel I	Kestrel Shipping LLC	3-Jun-04	9441415
21	Skua	Skua Shipping LLC	16-May-03	9441427
22	Shrike	Shrike Shipping LLC	26-Mar-03	9237187
23	Tern	Tern Shipping LLC	1-Jan-03	9237199
24	Osprey I	Osprey Shipping LLC	1-Jul-02	9735127
25	Goldeneye	Goldeneye Shipping LLC	15-Jan-02	9514004
26	Merlin	Merlin Shipping LLC	1-Mar-01	9266190
27	Condor	Condor Shipping LLC	1-Jan-01	9347932
28	Hawk I	Hawk Shipping LLC	1-Jan-01	9347920

SCHEDULE 7

Management fees

- (1) USD 150,000 per Vessel per annum for commercial management services inclusive of operations in the first year following the Closing Date, subject to annual increases thereafter, as fairly and reasonably determined by the relevant Guarantor, at arm's length and in line with market standards.
- (2) USD 135,000 per Vessel per annum for technical management in the first year following the Closing Date, subject to annual increases thereafter, as fairly and reasonably determined by the relevant Guarantor at arm's length and in line with market standards.
- (3) 1.0% fee for any vessel purchase or subsequent sale.

Eagle Bulk Shipping Inc. Completes \$265 million Refinancing

Management to Host Conference Call

STAMFORD, Conn., December 11, 2017 – Eagle Bulk Shipping Inc. (NASDAQ: EGLE) (collectively with its subsidiaries, the “Company” or “Eagle Bulk”) announced today that the Company, through its wholly-owned subsidiaries, Eagle Bulk Shipco LLC (“Eagle Shipco”) and Eagle Shipping LLC (“Eagle Shipping”) has entered into a series of refinancing transactions, including the repayment in full of Eagle Shipping’s outstanding first and second lien credit facilities, each dated as of March 30, 2016 (the “Prior Credit Facilities”). As a result of these transactions, the Company has extended the maturities of the outstanding debt of its subsidiaries through 2022 and achieved additional financial flexibility with respect to its free cash flow.

Specific benefits associated with the refinancing transactions include the following:

- Extension of tenor on all outstanding debt through 2022
- Payoff of the PIK note bearing a cost of approximately 15%
- Reduction of annual interest expense by approximately \$2.6 million
- Elimination of exposure to rising interest rates on approximately 60% of Company’s debt
- Facilitates the potential payment of dividends and alternate uses of cash flow, including fleet expansion

Gary Vogel, Eagle Bulk’s CEO, commented, “The successful refinancing of our balance sheet on favorable terms is a strong endorsement by our lenders and the capital markets of the Company’s business model and validates the actions that we have taken over the last two years to reposition Eagle Bulk as the leading active owner-operator of Supramax/Ultramax vessels. Through this process, we have also created the financial flexibility to pursue accretive opportunities and explore other ways to return value to our shareholders.

Frank De Costanzo, Eagle Bulk’s CFO, said, “These refinancing transactions include immediate benefits, including a reduction in our cost of capital, the removal of an expensive note bearing an interest rate of approximately 15%, and the elimination of any near-term refinancing risk while simultaneously reducing our exposure to rising interest rates. We are pleased to have completed this refinancing and are grateful to our lenders for their ongoing support.”

Each of the financial transactions, which are described further below, closed on December 8, 2017.

The net proceeds of \$195 million from a previously announced offering by Eagle Shipco of senior secured bonds with a coupon of 8.25% due November 28, 2022 (the “Bonds”) were distributed to the Company upon the satisfaction of certain conditions precedent.

Eagle Shipping entered into a \$65 million credit agreement (the “Credit Agreement”) consisting of (i) a term loan facility in an aggregate principal amount of up to \$60 million and (ii) a revolving credit facility in an aggregate principal amount of up to \$5 million. Outstanding borrowings under the Credit Agreement bear an interest of LIBOR plus 3.50% per annum. The Credit Agreement matures on the earlier of (i) five years from the initial borrowing date under the Credit Agreement and (ii) December 8, 2022.

The net proceeds from the Bonds, the Credit Agreement (including the drawdown by Eagle Shipping of the \$5 million revolving credit facility), and cash on hand were used to repay in full the amounts outstanding (including accrued interest) under the Prior Credit Facilities.

Eagle Shipco entered into a revolving credit facility in an aggregate amount of up to \$15 million (the “Super Senior Facility”). The Super Senior Facility matures on the earlier of (i) December 8, 2022 and (ii) three months prior to the final maturity of the Bonds. Outstanding borrowings under the Super Senior Facility will bear an interest of LIBOR plus 2.00% per annum. The Super Senior Facility is currently undrawn.

Members of the Company’s senior management team will host a teleconference and webcast at 9:00 a.m. ET on Tuesday, December 12, to discuss the transactions described above.

To participate in the teleconference, investors and analysts are invited to call +1 844-282-4411 in the U.S., or +1 512-900-2336 outside of the U.S., and reference participant code 4864719. A simultaneous webcast of the call, including a slide presentation for interested investors and others, may be accessed by visiting <http://www.eagleships.com>.

A replay will be available following the call from 12:00 PM ET on December 12, 2017 until 12:00 PM ET on December 21, 2017. To access the replay, call +1 855-859-2056 in the U.S., or +1 404-537-3406 outside of the U.S., and reference passcode 4864719.

About Eagle Bulk Shipping

Eagle Bulk Shipping Inc. is a Marshall Islands corporation headquartered in Stamford, Connecticut. Eagle Bulk owns one of the largest fleets of Supramax/Ultramax dry bulk vessels in the world. Supramax/Ultramax vessels, which are constructed with on-board cranes, range in size from approximately 50,000 to 65,000 dwt. The Company transports a broad range of major and minor bulk cargoes, including but not limited to coal, grain, ore, pet coke, cement and fertilizer, along worldwide shipping routes.

Forward-Looking Statements

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect management's current expectations and observations with respect to future events and financial performance. Where the Company expresses an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, the Company's forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected, or implied by those forward-looking statements. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including changes in the Company's financial resources and operational capabilities and as a result of certain other factors listed from time to time in the Company's filings with the U.S. Securities and Exchange Commission. The Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

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