

2200 FLEET NATIONAL BANK BUILDING  
PROVIDENCE, RHODE ISLAND 02903  
401 274-2000  
TELECOPIER: 277-9600

EDWARD M. WATSON  
ROBERT F. PICKARD  
RICHARD F. STAPLES  
ROBERT W. SHADD  
RICHARD W. BILLINGS  
JOACHIM A. WEISSFELD  
JAMES A. JACKSON  
JOHN R. ALLEN  
EDWIN G. TORRANCE  
THOMAS D. GIDLEY  
JACQUES V. HOPKINS  
RICHARD H. PIERCE  
JOHN J. PENDERGAST III  
NOEL M. FIELD, JR.  
ROBERT W. LOVEGREEN  
MALCOLM FARMER III  
STEPHEN J. CARLOTTI  
JAMES E. KEELEY  
H. PETER OLSEN  
EDMUND C. BENNETT  
MICHAEL E. DEFANTI

E. JEROME BATTY  
DORIS JAMI LICHT  
THOMAS R. COURAGE  
FREDERICK P. MCCLURE  
HOWARD E. WALKER  
MARGARET D. FARRELL  
PAUL A. SILVER  
GREGORY L. BENIK  
ROBERT C. BRUNS  
RICHARD G. SMALL  
PAUL V. CURCIO  
DAVID J. TRACY  
WILLIAM R. GRIMM  
MARK A. DINGLEY  
JOSEPH P. CURRAN  
MICHAEL G. SARLI  
KRISTIN A. DEKUIPER  
JAMES P. MARUSAK  
MARY LOU SAVAGE  
GERARD R. GOULET  
ROBERT C. CORRENTE

JOHN R. GOWELL, JR.  
F. ANTHONY FOX  
MARK BARRETT HEFFNER  
PAULA A. KELLY  
STEPHEN H. BURKE  
JONATHAN N. SAVAGE\*  
GERALD J. PETROS  
THOMAS A. HAIDA  
DEBORAH HURLEY  
JOHN H. FANNING  
COUNSEL  
STUART H. TUCKER  
MASON B. MERCHANT  
NOEL M. FIELD  
THOMAS J. HOGAN  
RETIRED

RECORDATION NO. W-27-D FILED 1475

MAY 9 1984 - 10 05 AM

INTERSTATE COMMERCE COMMISSION

HINCKLEY & ALLEN

Attorneys at Law

\*Admitted in Pennsylvania only

May 2, 1984

4-130A028

Office of the Secretary  
Interstate Commerce Commission  
Washington, D. C. 20423

No.

Date

Fee \$

10.50

ICC Washington, D. C.

Dear Secretary:

I am enclosing one original and one counterpart of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U. S. Code.

The document is a First Preferred Mortgage from American Line, Inc. to Fleet National Bank, a secondary document dated April 30, 1984.

The primary document to which this is connected is recorded under Recordation No. W-27.

The names and addresses of the parties to the document are as follows:

Mortgagee:

Fleet National Bank  
111 Westminster Street  
Providence, RI 02903

Mortgagor:

American Line, Inc.  
One Marine Park  
Haddam, CT 06438

A description of the vessel and equipment covered by the document is as follows:

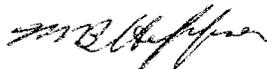
The whole of that certain oil screw vessel called the SAVANNAH, Official Number 666874, of about 77 gross tons and 53 net tons register, together with all her engines, boilers, machinery, masts, rigging, boats, anchors, chains, cables, tackle, apparel, furniture, equipment, nets and fishing gear, and all other appurtenances thereunto belonging, and any and all accessions thereto; and, if the indebtedness secured hereby is not incurred primarily for personal, family, household or agricultural purposes, all such after acquired equipment.

Office of the Secretary  
May 2, 1984  
Page Two

A fee of \$10.00 is enclosed. Please return the original document to me as follows:

Mark Barrett Heffner, Esq.  
2200 Fleet National Bank Building  
Providence, RI 02903

Very truly yours,



Mark Barrett Heffner  
Attorney for Fleet National Bank

MBH:lm  
enclosures

2200 FLEET NATIONAL BANK BUILDING  
PROVIDENCE, RHODE ISLAND 02903  
401 274-2000  
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MICHAEL P. DEFANTI	ROBERT C. CORRENTE	-----

\* Admitted in Pennsylvania only

## HINCKLEY & ALLEN

Attorneys at Law

May 15, 1984

RECORDATION NO. *W-27-D* Filed 1475

MAY 21 1984 10 AM

INTERSTATE COMMERCE COMMISSION

Office of the Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Attention: Mildred R. Lee, Conveyance Examiner

Re: Recordation Number: W-27-D

Dear Ms. Lee:

Pursuant to your letter dated May 9, 1984, I am enclosing a check in the amount of \$40.00, in order to supplement the earlier check which I sent to your office in the amount of \$10.00 in connection with the above-captioned filing.

I was not aware that a first-preferred mortgage such as the one corresponding to the above recordation number required a \$50.00 filing fee; consequently I had enclosed the \$10.00 fee for filing secondary documents when I filed the document. I appreciate your courtesy in having filed this document, and making me aware of the fee requirement.

Kindly acknowledge your receipt of the full fee by stamping the enclosed copy of this letter and returning it to me.

Again, thank you for your courtesy in this matter.

Very truly yours,



Mark Barrett Heffner

MBH:lm  
enclosures

Interstate Commerce Commission  
Washington, D.C. 20423

5/9/84

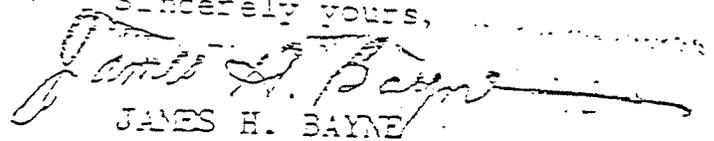
OFFICE OF THE SECRETARY

Mark Barrett Heffner, Esq.  
2200 Fleet Natl. Bank Bldg.  
Providence, RI. 02903

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **5/9/84** at **10:05am** and assigned re-  
recording number(s). **W-27-D**

Sincerely yours,



JAMES H. BAYNE

Secretary

Enclosure(s)

All Mortgages are \$50 it dosen't matter if they are filed first or second  
You owe me \$40 for the above Mortgage. Thank You.

Your Truly,  
Mildred R. Lee  
Conveyance Examiner

Ph. 202 2757087

RECORDATION NO. W-277 Filed 1425

MAY 9 1984 - 10 05 AM

INTERSTATE COMMERCE COMMISSION

F I R S T  
P R E F E R R E D M O R T G A G E

AMERICAN LINE, INC.  
TO  
FLEET NATIONAL BANK  
MATURITY DATE: JANUARY 20, 1989

THIS MORTGAGE, dated the 30th day of April, 1984, by and between AMERICAN LINE, INC., a Delaware Corporation having an address of 229 South State Street, Dover, Delaware 19901 (hereinafter jointly and severally if more than one called the "Mortgagor"), the sole owner of the Vessel hereinafter defined, and Fleet National Bank, a national banking association created under the laws of the United States of America with its principal place of business located at 111 Westminster Street in the City and County of Providence, State of Rhode Island (hereinafter called the "Mortgagee),

W I T N E S S E T H:

WHEREAS, the Mortgagor is justly indebted to the Mortgagee in the sum of Six Million Nine Hundred Forty Nine Thousand Nine Hundred Ninety Nine (\$6,949,999.00) Dollars plus interest thereon, as evidenced by (i) a certain promissory note dated January 20, 1984, in the original principal amount of Four Million Dollars (\$4,000,000) providing for the payment of said amount as follows: In consecutive quarterly installments of \$50,001.00 and a final installment equal to the remaining balance

due and (ii) a Credit Note dated January 20, 1984 in the maximum principal amount of Three Million Dollars (\$3,000,000.00 ) payable on January 19, 1987 and for the purpose of securing the payment of said indebtedness and the payment of any Advances as hereinafter defined, has executed and delivered this Preferred Ship Mortgage and said note to the Mortgagee.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt whereof is duly acknowledged, and in order to secure the payment of said indebtedness and the payment of any Advances as hereinafter defined, and to secure the performance of all the covenants and conditions herein contained, the Mortgagor by these presents does grant, bargain, sell, convey, transfer, mortgage, set over and confirm unto the Mortgagee all of the following described property:

The whole of that certain oil screw vessel called the SAVANNAH, Official Number 666874, of about 77 gross tons and 53 net tons register, together with all her engines, boilers, machinery, masts, rigging, boats, anchors, chains, cables, tackle, apparel, furniture, equipment, nets and fishing gear, and all other appurtenances thereunto belonging, and any and all accessions thereto; and, if the indebtedness secured hereby is not incurred primarily for personal, family, household or agricultural purposes, all such after acquired equipment, all the foregoing being hereinafter referred to as the "Vessel."

TO HAVE AND TO HOLD the Vessel unto the Mortgagee forever:

PROVIDED ALWAYS, and the condition of these presents is such, that if the Mortgagor shall pay, or cause to be paid, to the Mortgagee the indebtedness aforesaid, as and when the same shall become due and payable by maturity or otherwise, as provided in the said note in accordance with its terms and conditions, and shall pay any and all Advances hereafter made or expended by the Mortgagee to the Mortgagor for the maintenance, repairs, preservation or insurance of the Vessel or any part thereof (herein "Advances"), and shall keep, perform and observe all the covenants and promises in said note and in these presents expressed or implied to be kept, performed and observed by or on the part of the Mortgagor, then this Mortgage and the estate and rights hereby granted shall cease, determine and be void; otherwise to remain in full force and effect.

The Mortgagor hereby covenants and agrees that the Vessel and all replacements hereafter made in or to the same are to be held by the Mortgagee subject to the further covenants, conditions and uses hereinafter set forth as follows:

#### ARTICLE I

THE MORTGAGOR HEREBY COVENANTS AND AGREES THAT:

Section 1. Mortgagor is and shall continue to be a citizen of the United States as defined in Section 2 of the Shipping Act, 1916, as amended, entitled to own and operate the Vessel under

her marine document which Mortgagor shall maintain in full force and effect. The Mortgagor lawfully owns and is lawfully possessed of the Vessel, and covenants and warrants that the same is free of all liens and encumbrances, and that the Mortgagor will warrant and defend the title and possession thereto and every part thereof for the benefit of the Mortgagee against the claims and demands of all persons whomsoever.

Section 2.

(a) At the Mortgagor's own expense, so long as any part of the principal indebtedness evidenced by said note remains in any part outstanding, the Mortgagor will keep the Vessel insured with responsible underwriters and through responsible brokers, all in good standing and satisfactory to the Mortgagee, fully and adequately protecting the Vessel and the Mortgagee's interest therein against all marine perils and disasters and all hazards, risks and liabilities in any way arising out of the ownership, operation or maintenance of said Vessel, including but not limited to insurance as follows:

(i) While being operated, navigating hull insurance in an amount equal to the full commercial value of the Vessel, but in any case for not less than one hundred ten percentum (110%) of the unpaid principal at the time outstanding on the note.

(ii) Protection and indemnity insurance under form of protection and indemnity policies approved as to form by the Mortgagee and issued by marine insurance companies approved by the Mortgagee.

(iii) When and while the Vessel is laid up, and in lieu of the aforesaid navigating hull insurance referred to in (i) of this section, port risk insurance under forms of port risk policies approved by the Mortgagee.

(iv) Pollution coverage.

(v) War risk Coverage.

(vi) Breach of warranty of seaworthiness.

(b) The Mortgagor expressly covenants and agrees to keep the policies renewed from time to time, to keep the same valid at all times for the amounts aforesaid, and to keep the premiums thereon fully paid at all times. The Mortgagor shall not do any act nor voluntarily suffer or permit any act to be done whereby insurance is or may be suspended, impaired or defeated, and shall not suffer nor permit the Vessel to engage in any voyage or to carry any cargo not permitted under the policy or policies of insurance in effect, unless and until the Mortgagor shall first cover the Vessel to the amount herein provided for by insurance satisfactory to the Mortgagee for such voyage or for the carriage of such cargo.

(c) In the event the Mortgagor fails to procure any of the insurance hereinabove mentioned, or fails to perform any of the covenants and agreements contained herein, the Mortgagee may, but shall be under no duty, to procure such other or different insurance or coverage as it may deem advisable in the premises, with uncontrolled discretion in the Mortgagee as to the nature, form, type, class, amount and extent of such insurance or coverage.

(d) The insurance policies covering the Vessel shall provide, during any period in which the Mortgagee holds a mortgage on the Vessel, that the Mortgagee shall be the loss payee, and that policy proceeds shall be payable up to policy limits and mortgage balances in all events to Mortgagee, regardless of any breach of warranty of seaworthiness.

(e) All original policies, binders and cover notes and all endorsements and riders thereto shall be delivered to the Mortgagee for approval and custody upon request, and shall contain a provision to the effect that the said Mortgagee shall receive notice of at least twenty (20) days in the event that such insurance is to be cancelled or modified.

Section 3. Neither the Mortgagor nor anyone in the Mortgagor's behalf, nor the Master of the Vessel shall have any right, power or authority to create, incur, or permit to be placed or imposed on the Vessel any liens, maritime or otherwise, whatsoever, other than for crew's wages or salvage; provided, however, that this Section (i) shall not prohibit the Charter of the Vessel to American Cruise Lines, Inc. and (ii) shall not prohibit the execution and delivery of preferred mortgages, junior and subordinate to this Mortgage, in favor of commercial lending institutions.

Section 4. The Mortgagor shall carry a properly certified copy of this Mortgage with the Vessel's papers on board the Ves-

sel, shall exhibit the same on demand to any person having business with the said Vessel, or to any representative of the Mortgagee, and shall place and keep prominently displayed in the pilot house, master's cabin and engine room of the Vessel a framed, printed or typewritten notice reading as follows:

"NOTICE OF MORTGAGE

This Vessel is covered by a First Preferred Mortgage under authority of the Ship Mortgage Act of 1920, as amended. Under the terms of said Mortgage, neither the owner of this Vessel, nor anyone on the owner's behalf, nor the Master of this Vessel has any right, power or authority to create, incur or permit to be imposed upon the Vessel any liens, maritime or otherwise, other than for crew's wages or salvage and preferred mortgages."

Section 5. If a libel shall be filed against said Vessel, or if the Vessel shall be levied upon or taken into custody, or detained by any proceeding in any court or tribunal, the Mortgagor will within fifteen (15) days thereafter cause the Vessel to be released, and any lien thereon, other than this Mortgage, to be discharged. In the event a libel is filed against said Vessel, or in the event said Vessel is levied upon or taken into custody or detained by any authority whatsoever, the Mortgagor shall notify the Mortgagee forthwith by telegram, confirmed by letter.

Section 6. At all times, at Mortgagor's own cost and expense, Mortgagor will maintain and preserve the Vessel in as good condition, working order and repair as on the date of this Mort-

gage, or, where the proceeds of the loan evidenced by the note referred to herein are to be used, in whole or in part, for the reconstruction or reconditioning of the Vessel, in as good condition, working order and repair as on the date said repair or reconditioning shall have been completed, ordinary wear and tear excepted, and will keep the Vessel in as good condition as will enable her to pass such inspection as may be required by marine underwriters as a condition of their writing such insurance in such amounts as are required under the Mortgage. Mortgagor shall afford Mortgagee or its authorized representatives full and complete access to the Vessel for the purpose of inspecting the same, her cargos and ship's papers.

Section 7. The Mortgagor will pay and discharge when due and payable from time to time all taxes, assessments, governmental charges, fines and penalties lawfully imposed on the Vessel; provided that the Mortgagor shall not be required to pay and discharge or to cause to be paid and discharged any such tax, assessment, charge, fines and penalties so long as the validity thereof shall be contested in good faith by appropriate proceedings and there shall have been set aside on its books adequate reserves with respect to any such tax, assessment, charge, fines and penalties, so contested; and provided, further, that payment with respect to any such tax, assessment, charge, fine or penalty shall be made before the Vessel shall be seized and sold in satisfaction thereof.

Section 8. The Mortgagor will reimburse the Mortgagee promptly for any and all expenditures which the Mortgagee may elect to make from time to time to protect the security granted hereunder (in the event of the Mortgagor's failure to do so), including, without limitation of the foregoing, payment of taxes, repairs, insurance premiums, the discharge of any lien, libel or seizure of the Vessel, and expenses, including attorneys' fees, incurred by the Mortgagee in retaking or selling or endeavoring to retake or sell the Vessel; and any such payment made by the Mortgagee shall be for the account of the Mortgagor, and the making thereof by the Mortgagee shall not cure the Mortgagor's default in that regard nor constitute a waiver of any right or remedy granted to the Mortgagee hereunder, and all sums so expended by the Mortgagee or any liability incurred by it shall be deemed to be an indebtedness of the Mortgagor and secured by this Mortgage, and until paid shall bear interest at the annual rate of interest prior to maturity as provided in said note.

Section 9. The Mortgagor will not sell, mortgage (other than preferred mortgages), transfer nor charter the Vessel (other than the Charter to American Cruise Lines, Inc.) without the written consent of the Mortgagee first having been obtained. Any such sale, mortgage, transfer or charter of the Vessel shall be subject to the provisions of this Mortgage and to the lien it creates.

Section 10. The Mortgagor will comply with and satisfy all the provisions of the Ship Mortgage Act, 1920, as amended, in order to establish and maintain this Mortgage as a First Preferred Mortgage upon the Vessel and upon all renewals, improvements and replacements made on or to the same.

Section 11. The Mortgagor will keep the Vessel documented with a proper certificate of documentation and will not suffer nor permit it to be operated in any manner prohibited by such certificate and will duly comply with all laws and regulations applicable to the Vessel and its operation.

## ARTICLE II

Section 1. Mortgagor shall be in default hereunder upon the happening of any of the following events or conditions:

(a) Failure by Mortgagor to pay any indebtedness hereunder or under any note secured hereby when the same shall be due and payable.

(b) Failure by Mortgagor to observe or perform any covenant or agreement contained herein or in the Promissory Note and Loan Agreement secured hereby; provided, however, if any grace or cure period for such event of default shall exist in such Promissory Note or Loan Agreement, such grace or cure period shall apply to this Mortgage as well.

(c) The falsity in any material respect of any warranty, representation or statement made or furnished to the Mortgagee by or on behalf of the Mortgagor.

(d) The libel, levy or other taking under legal process of the Vessel which shall not be released within fifteen (15) days.

(e) The abandonment of the Vessel or the removal or attempt to remove the Vessel beyond the limits of the United States, except on voyages made with the intention of returning to the United States.

(f) The termination of the Mortgagor's status as a citizen of the United States.

(g) The occurrence of any substantial loss, theft, damage or destruction of the Vessel which is not fully and adequately insured against as provided herein; or

(h) Encumbrance, sale, transfer or other disposition of the Vessel; except for preferred mortgages and the Charter permitted herein;

(i) The occurrence of an Event of Default defined in the Loan Agreement dated September 9, 1983 between the Mortgagor and the Mortgagee.

Section 2. In the event of default, Mortgagee may pursue any or all of the following remedies:

(a) The Mortgagee may declare all obligations secured hereby to be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived.

(b) The Mortgagee may bring suit at law, in equity or in admiralty, as it may be advised, to receive judgment for any and all amounts due under said note, or otherwise hereunder, and collect the same out of any and all property of the Mortgagor whether covered by this Mortgage or otherwise.

(c) The Mortgagee may retake the Vessel with or without legal process wherever the same may be found, and the Mortgagor or other person in possession forthwith upon demand of the Mortgagee shall surrender to the Mortgagee possession of the Vessel, and, without being responsible for loss or damage, the Mortgagee may hold, lay-up, lease, charter (if authorized to do so by the Vessel's marine document), operate, or otherwise use the Vessel for such time and upon such terms as it may deem to be for its best advantage, accounting only for the net profits, if any, arising from such use of the Vessel and charging against all receipts from the use of the Vessel, or from the sale thereof by court proceeding or pursuant to subsection (e) following, all costs, expenses, charges, damages, or losses by reason of such use; and if at any time the Mortgagee shall avail itself of the right herein given it to retake the Vessel and shall retake it, the Mortgagee shall have the right to dock the Vessel for a reasonable time at any dock, pier or other premises of the Mortgagor without charge, or to dock it at any other place at the cost and expense of the Mortgagor.

(d) The Mortgagee may foreclose this Mortgage pursuant to the terms and provisions of the Ship Mortgage Act, 1920, as amended, or by other judicial process as may be provided in the Statutes.

(e) The Mortgagee may sell the Vessel upon such terms and conditions as it may deem to be for its best advantage, including the right to sell and dispose of the Vessel free from any claim of or by the Mortgagor, at public sale, after first giving notice of the time and place of sale, with a general description of the property, by publishing notice of any such sale for five (5) consecutive days (including Saturdays, Sundays and holidays), the last such publication to be at least one (1) day prior to such sale, in some newspaper of general circulation at the place designated for such sale, and by mailing notice of such sale to the Mortgagor at the last known address of Mortgagor, and the Mortgagee may become the purchaser at any such sale.

The Mortgagor does hereby irrevocably appoint the Mortgagee the true and lawful attorney of the Mortgagor, in Mortgagor's name and stead to make all necessary transfers of the Vessel and to execute all necessary instruments of assignment and transfer, the Mortgagor hereby ratifying and confirming all that said attorney shall lawfully do by virtue hereof. Nevertheless, the Mortgagor shall, if so requested by the Mortgagee, ratify and confirm such sale by executing and delivering to the purchaser of

the Vessel such proper bill of sale, conveyance, instrument of transfer and releases as may be designated in such request.

Section 3. Each and every power and remedy herein specifically given to the Mortgagee or otherwise in this Mortgage shall be cumulative and shall be in addition to every other power and remedy herein specifically given or now or hereafter existing at law, in equity, admiralty or by statute, and each and every power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Mortgagee, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other power or remedy. No delay or omission by the Mortgagee or by any of the holders of the note secured hereby in the exercise of any right or power or in the pursuance of any remedy occurring upon any default as above-defined shall impair any such right, power or remedy or be construed to be a waiver of any such event of default or to be any acquiescence therein; nor shall the acceptance by the Mortgagee of any security or of any payment of or on account of any installment of the note maturing after any event of default or of any payment on account of any past default be construed to be a waiver of any right to take advantage of any future event of default or of any past event of default not completely cured thereby.

Section 4. The proceeds of any sale of the Vessel (after paying or deducting in the case of sale under any judicial proceedings the fees, costs and other charges therein), and the net earnings from any management, charter or other use of the Vessel by Mortgagee under any of the powers above-specified, and the proceeds of any claim for damages on account of the Vessel received by the Mortgagee while exercising any such power, and the proceeds of any insurance on the Vessel (subject to the provisions of this agreement) shall be applied as follows:

First: To the payment of all expenses and charges including the expenses of any sale, counsel fees, the expenses of any taking possession of the Vessel and any other expenses or Advances made or incurred by Mortgagee in the protection of its rights or in the pursuance of its remedies hereunder and to the payment of any damages sustained by Mortgagee from the default or defaults of Mortgagor; and at the option of Mortgagee to provide a fund adequate in the opinion of Mortgagee to furnish suitable indemnity against liens claiming priority over this Mortgage;

Second: To the payment of the note, and of all other sums secured hereby, with interest to the date of such payment;

Third: Any surplus then remaining shall belong and be paid or returned to Mortgagor, and the heirs, executors, administrators, successors or assigns of Mortgagor, or to whomever shall be lawfully entitled to receive the same.

In the event that the proceeds are insufficient to pay the amount specified in paragraphs First and Second above, Mortgagor shall forthwith pay any balance remaining unpaid to Mortgagee, and any deficiency may be entered as a judgment against Mortgagor in any court of competent jurisdiction.

#### ARTICLE III

Until some one or more of the events of default hereinbefore described shall happen, the Mortgagor shall be suffered and permitted to retain actual possession and use of the Vessel.

#### ARTICLE IV

Section 1. This Mortgage may be executed simultaneously in any number of counterparts and all such counterparts executed and delivered each as an original shall constitute but one and the same instrument. The invalidity of any provision of this Mortgage shall not affect the remainder, which shall in such event be construed as if the invalid provisions had not been inserted.

Section 2. All the covenants, promises, stipulations and agreements of the Mortgagor in this Mortgage shall bind the Mortgagor, and the heirs, executors, administrators, successors and assigns of the Mortgagor and all of the covenants, premises, stipulations and agreements of the Mortgagee shall bind the Mortgagee and its assigns and shall inure to the benefit of the Mortgagee and its assigns, whether so expressed or not. Whenever used, the singular number shall include the plural and the plural the singular.

Section 3. Nothing in this Mortgage shall be construed as a waiver of the preferred status of this Mortgage by the Mortgagee. In the event that any provision of this Mortgage would, as a matter of law, operate to waive the preferred status thereof, such provision shall be deemed eliminated therefrom, the same for all intents and purposes as though such provision had never been inserted herein.

ARTICLE V

For the purposes of endorsement of this Preferred Mortgage on the certificate of documentation of the Vessel as required by law (Section D, Ship Mortgage Act, 1920, as amended), the total amount is \$6,949,999.00 plus interest thereon and performance of the mortgage covenants; the date of maturity is January 20, 1989, and the discharge amount is the same as the total amount.

IN WITNESS WHEREOF, THE MORTGAGOR has executed this Mortgage the day and year first above written, and has caused its corporate seal to be hereto affixed and its corporate name to be hereto subscribed by Charles A. Robertson, its President, hereto duly authorized.

AMERICAN LINE, INC.

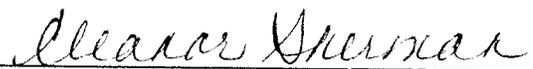
By

  
\_\_\_\_\_  
President

STATE OF RHODE ISLAND

COUNTY OF NEWPORT

I, Eleanor Sherman a notary public in and for the State of Rhode Island, do hereby certify that Charles A. Robertson, to me known and known by me to be the President of AMERICAN LINE, INC. and the person(s) who executed the within instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument of writing as his free and voluntary act and deed in said capacity and that of the said corporation for the uses and purposes therein set forth, and that the seal of the said corporation is affixed to the annexed instrument by authority of the Board of Directors at whose authority he signed, sealed and delivered the said instrument. Given under my hand and notarial seal this 30th day of April, 1984.



Notary Public

(My Commission expires  
June 30, 1986)

AFFIDAVIT OF GOOD FAITH

STATE OF RHODE ISLAND

COUNTY OF NEWPORT

I, Charles A. Robertson, being duly sworn, depose and say that I am the President of AMERICAN LINE, INC., the corporation described in and which executed as Mortgagor the certain first

preferred mortgage in the amount of \$6,949,999.00 plus interest dated April 30, 1984, given to the Fleet National Bank, covering the whole of the oil screw vessel SAVANNAH, Official Number 666874, and that the said mortgage was made in good faith and without any design to hinder, delay, or defraud any existing or future creditor of the mortgagor or any lienor of the mortgaged vessel.

Dated this 30th day of April, 1984 .

✓  \_\_\_\_\_

Subscribed and sworn to before me this 30th day of April, 1984.

 \_\_\_\_\_  
Notary Public  
(My Commission expires  
June 30, 1986)