RECORDATION NO W-145 FILED
December 05, 2013 11:15 AM
SURFACE TRANSPORTATION BOARD

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December 5, 2013

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Dear Section Chief,

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Bareboat Charter, dated as of April 16, 2001, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Shipowner: PNC Leasing, LLC
Two PNC Plaza
620 Liberty Square Avenue
Pittsburgh, Pennsylvania 15265

Charterer: Mon River Towing, Inc.
1200 Maronda Way, Suite 100
Monessen, PA 15062

A description of the railroad equipment covered by the enclosed document is:

15 open hopper barges named 401- 415, inclusive, with hull numbers 1564-1 - 1564-15, and official numbers 1109829 – 1109843, respectively.

A short summary of the document to appear in the index is:

Bareboat Charter.

Also enclosed is a check in the amount of $44.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

Edward M. Luria

EML/sem
Enclosures

RECORDATION NO W-145 FILED
December 05, 2013 11:15 AM
SURFACE TRANSPORTATION BOARD

180
04/16/2001

Execution Copy

2

BAREBOAT CHARTER

Dated as of April 16, 2001

Between

PNC LEASING, LLC

and

MON RIVER TOWING, INC.

15 Open Hopper Barges

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RECORDED BOOK_____ PAGE_____

DOCUMENTATION OFFICER

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BAREBOAT CHARTER

THIS BAREBOAT CHARTER, dated as of as of April 16, 2001, between PNC LEASING, LLC, a Delaware limited liability company, with offices at Two PNC Plaza, 13th Floor, Pittsburgh, Pennsylvania 15222, and MON RIVER TOWING, INC , a Pennsylvania corporation, having its principal place of business at 200 Speers Street, Belle Vernon, Pennsylvania 15012

WITNESSETH

WHEREAS, as provided in Section 25 hereof, the capitalized terms used herein that are defined in Schedule X hereto or by reference therein to other agreements or instruments shall, unless otherwise defined herein, have the respective meanings stated in Schedule X or such other agreements or instruments

WHEREAS, the Shipbuilder has entered into the Barge Purchase Agreement with the Charterer providing for the purchase of 15 open hopper barges Hull Nos 1564-1 through 1564-15, inclusive,

WHEREAS, the Charterer has assigned to the Shipowner its rights under the Barge Purchase Agreement pursuant to the Barge Purchase Agreement Assignment and the Shipowner proposes to purchase the Vessels,

WHEREAS, the Shipowner and the Charterer desire that the Vessels be bareboat chartered by the Shipowner to the Charterer upon the terms and conditions hereof

NOW, THEREFORE, the Shipowner agrees to let and demise, and the Charterer agrees to hire, the Vessels on the following terms and conditions

Section 1 The Charter Period The period of this Charter shall commence on the Delivery Date of the Vessels delivered to the Shipowner pursuant to the Barge Purchase Agreement and the Barge Purchase Agreement Assignment and shall continue through and including April 27, 2016 The period of this Charter for any particular Vessel shall commence on the Delivery Date thereof after execution and delivery by the Shipowner and the Charterer of a Charter Supplement with respect thereto substantially in the form of Schedule One hereto The Charter Period shall be subject to earlier termination with respect to one or more Vessels as provided in Sections 14 and 20 hereof, and shall be extended with respect to one or more Vessels

(a) for any period required to effect redelivery as described in Section 16 hereof, including completion of any loaded voyage in progress at midnight (Pittsburgh time) on the last day of the Charter Period (which loaded voyage shall be deemed to commence on tender of notice of readiness to load), provided, however, that for any extension of the Charter Period by reason of completion of any such loaded voyage in progress, Charterer shall pay hire as provided in Section 16(b) hereof, and

(b) for any period for which this Charter shall be renewed pursuant to Section 21(a) hereof

Section 2. Intentionally Omitted

Section 3 Charter Hire The Charterer will pay to the Shipowner, or as the Shipowner may direct, during the Charter Period, charter hire as follows:

(a) One Hundred Eighty (180) installments of Basic Charter Hire, payable monthly in arrears, in the amounts and on the dates set forth on Schedule Two hereto (each such date a "**Charter Hire Payment Date**") together with on the first Charter Hire Payment Date the sum of all lease documentation fees and counsel fees and disbursements of counsel incurred by the Shipowner through the Delivery Date, but not in excess of $5,000

(b) The Stipulated Loss Values are set forth in Schedule Three hereto

(c) Each installment of Basic Charter Hire and any payment of Stipulated Loss Value made pursuant to Section 14 or 20 hereof shall be paid in immediately available funds to the Shipowner prior to 11 00 A M on the date when such installment or payment is due All payments of Hire shall be free and clear of, and without deduction for, or on account of, any and all present or future taxes, levies, imposts, deductions or other charges whatsoever imposed or levied by any governmental or taxing authority wheresoever located In the event of any failure on the part of the Charterer to pay any Supplemental Hire, the Shipowner shall have all rights, powers and remedies provided for herein or at law or in equity or admiralty or otherwise in the case of nonpayment of Basic Charter Hire Charterer also agrees to pay to the Shipowner, on demand, as Supplemental Hire, to the extent permitted by applicable law, interest at the Default Rate on any part of any installment of Basic Charter Hire not paid when due for any period for which the same shall be overdue and on any payment of Supplemental Charter Hire not paid when demanded by the Shipowner for the period from the date of any such demand until the same shall be paid

(d) This Charter is a net bareboat charter, and except as herein otherwise provided, no payments to be made by the Charterer under this Charter during the Charter Period shall be subject to any abatement, reduction, adjustment, right of set-off, counterclaim, recoupment or defense due to any present or future claims of the Charterer against the Shipowner under this Charter or otherwise, or against the Shipbuilder under the Barge Purchase Agreement, or against any other party, or for any other reason whatsoever, nor shall the Charterer be entitled to retain any interest in or with respect to Basic Charter Hire or any Supplemental Hire which has already been paid to the Shipowner or to assert any right to any refund or adjustment in the event of termination of this Charter or otherwise Except as herein otherwise provided, the Charterer shall have no right to terminate this Charter before the end of the Charter Period, or be released, relieved or discharged from the obligation or liability to make all payments due hereunder for any reason whatsoever, including, without being limited to, the following any breach of any representation or warranty of, or any act or omission of, the Shipowner under this Charter or any other agreement at any time existing between the Shipowner and the Charterer, any claims as a result of any other business dealings by the Shipowner, and/or the Charterer, any reorganization, arrangement, insolvency, readjustment of debt, bankruptcy, dissolution or liquidation proceeding involving the Shipowner or the Charterer, any defect in, or damage to, or loss or destruction of, any of the Vessels from any cause; the requisitioning, seizure or other taking of title or use of any of the Vessels by any government or governmental authority or otherwise whether or not by reason of any act or omission of the Shipowner, the invalidity or unenforceability or lack of due authorization or other infirmity of this Charter; the lack of right, power or authority of the Shipowner to enter into this Charter, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding. Compliance with this Section 3(d) by the Charterer shall not waive or release any claim, right or remedy of the Charterer against any party named herein or any other Person and the enforcement thereof by any means available to the Charterer not inconsistent with the provisions of this Section 3(d)

Section 4 Representations and Warranties of the Charterer Charterer represents and warrants to the Shipowner as follows.

(a) The Charterer is a corporation duly incorporated, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania with corporate power and authority to conduct its business as such business is presently being conducted, to own or hold under charter or lease its properties and to enter into and perform its obligations under this Agreement, the Charter, the Barge Purchase Agreement Assignment and the Barge Purchase Agreement The Charterer is duly qualified to do business and is in good standing as a foreign corporation in all states where its failure to so qualify would have a materially adverse affect on its ability to perform its obligations under the aforesaid instruments.

(b) (i) The Charterer is not in violation of any terms of its Articles of Incorporation or its By-Laws, or of any material term of any material agreement, instrument, judgment, decree, franchise, permit, order, law, statute, rule or governmental regulation presently applicable to it, and (ii) the execution, delivery and performance by the Charterer of the Principal Documents to which it is a party and the consummation by the Charterer of the transactions contemplated thereby (w) have been duly authorized by all necessary corporate action on the part of the Charterer, (x) do not require any shareholder approval or the consent of any trustee or holder of any indebtedness or obligation of the Charterer (or, if so required, such approval or consent has been obtained), (y) under present law do not and will not result in any material violation of any term referred to in clause (i) above (provided that the representation in this clause (y) is made on the assumption that the Charterer will remain a Citizen after the date hereof), and (z) are not in conflict with and do not constitute a default under any such term-or any provision of, or subject the Vessels or any part thereof to any Lien of, any indenture, mortgage, lease, contract or other agreement or instrument (other than the Charter and as permitted thereunder) to which the Charterer is a party or by which it or its property is bound or affected

(c) The execution, delivery and performance by the Charterer of the agreements referred to in Section 4(a) hereof do not require any consent, authorization or approval of, or any filing or registration with, or the taking of any other action in respect of, any federal, state or other governmental authority or agency (except routine information filings and the actions described in Section 4(m) hereof) or if so required the same have been obtained or made

(d) Each Principal Document to which it is a party has been (or, when delivered, will be) duly executed and delivered by the Charterer, and, assuming the due authorization, execution and delivery by the other party or parties hereto and thereto, each constitutes a legal, valid and binding agreement of the Charterer enforceable against the Charterer in accordance with its terms

(e) There are no actions, suits or proceedings pending or, to the best of the Charterer's knowledge, threatened before any court, administrative agency, environmental council, arbitrator or governmental body which will, if determined adversely to the Charterer, materially adversely affect its ability to perform its obligations under the agreements referred to in Section 4(a) hereof, including the operation or use of the Vessels as contemplated by the Charter

(f) The Charterer has heretofore caused to be delivered to the Shipowner copies of the audited consolidated balance sheet of the Charterer as of December 31, 2000, and the related consolidated statements of income and retained earnings Said financial statements are, to the best of the Charterer's knowledge, correct and complete and fairly present the financial condition of the Charterer on a consolidated basis as of the date of said balance sheet and the results of the operations of the Charterer on a consolidated basis for the period covered by said

statement of income and retained earnings and have been prepared in accordance with generally accepted accounting principles consistently applied (except as set forth therein) Since December 31, 2000, there have been no materially adverse changes in the assets or liabilities of the Charterer which will materially impair the Charterer's ability to perform its obligations under the Principal Documents to which it is a party

(g) On the Delivery Date for each Vessel, such Vessel shall be free and clear of any Liens arising as a result of acts or omissions to act by or on behalf of the Charterer or any Affiliate of the Charterer, except such Liens as are expressly permitted by the Charter

(h) Assuming due authorization, execution and delivery of the Barge Purchase Agreement by the Shipbuilder and the Barge Purchase Agreement Assignment by the Shipowner, the Barge Purchase Agreement and the Barge Purchase Agreement Assignment are each in full force and effect and the Barge Purchase Agreement Assignment effectively conveys to the Shipowner the rights and claims purported to be conveyed to the Shipowner thereby, free and clear of all Liens, except for such Liens as are expressly permitted by the Charter, and the Charterer is not in default in any material respect under the Barge Purchase Agreement or the Barge Purchase Agreement Assignment

(i) The Charterer is, and at all times since the execution of the Barge Purchase Agreement has been, a U.S Citizen

(j) The Charterer has delivered or caused to be delivered to the Shipowner a correct and complete copy of the Barge Purchase Agreement as amended, modified and supplemented to the date hereof

(k) Neither the Charterer nor anyone acting on its behalf has directly or indirectly offered any security relating to the Vessels to or solicited any offer to acquire any of the same from, or otherwise approached or negotiated with respect thereto with anyone

(l) Neither the Charterer nor any Affiliate of the Charterer has taken any action the effect of which would be to cause the Shipowner or any of its Affiliates to be liable for any broker's, finder's or agent's fee or commission

(m)Except for the due recording and endorsement of financing statements and continuation statements under the Uniform Commercial Code as in force in the Commonwealth of Pennsylvania, and the Shipowner's possession of the original counterpart of the Charter and the documentation of each Vessel in the name of the Shipowner under the laws of the United States of America, no further action, including any filing or recording of any document, is necessary or advisable in any jurisdiction in order to establish, preserve and perfect the Shipowner's legal title to and interest in each such Vessel and the Charter created for the benefit of the Shipowner

(n) None of the financial statements referred to in Section 4(f) hereof contains any untrue statement of a material fact or omits a material fact necessary to make the statements contained therein not misleading There is no fact which has not been disclosed to the Shipowner which materially affects adversely or, so far as the Charterer now foresees, will materially affect adversely the ability of the Charterer to perform its obligations under the Principal Documents to which it is a party

(o) The Charterer has, to the best of Charterer's knowledge, filed all required tax returns and has paid all taxes shown to be due and payable thereon and all other taxes which are payable by it to the extent the same have become due and payable, except taxes being contested

in good faith by appropriate proceedings and with respect to which adequate reserves have been provided on its books

Section 5 Disclaimer of Warranties, Claims Under the Barge Purchase Agreement

(a) Notwithstanding any other provision in this Charter, simultaneously with the delivery of each of the Vessels by the Shipbuilder to the Charterer on behalf of the Shipowner, the Charterer shall unconditionally accept delivery of the Vessels under this Charter, provided, however, that the Charterer shall not accept any Vessels hereunder after May 31, 2001. The Charterer shall in no event reject a vessel when so tendered by the Shipowner and no delay by the Shipbuilder in the construction and delivery of a Vessel shall affect the Charterer's duty to accept delivery

As between the Shipowner and the Charterer, acceptance of a Vessel by an employee or designee of the Charterer on behalf of the Shipowner shall be conclusive proof of the Vessel's compliance with all requirements of this Charter and with the plans and specifications forming a part of the Barge Purchase Agreement THE SHIPOWNER SHALL NOT BE DEEMED TO HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN THE VESSELS, OR AS TO THE MERCHANTABILITY OF THE VESSELS OR THE FITNESS OF THE VESSELS FOR ANY PARTICULAR USE OR PURPOSE OR ANY PARTICULAR TRADE OR AS TO THE DATE OF DELIVERY OF ANY VESSEL, it being agreed that all such risks, as between the Shipowner and the Charterer, are to be borne by the Charterer during the Charter Period except that the Shipowner represents and warrants that on the Delivery Date for each Vessel it has such title thereto as has been conveyed to it by the Shipbuilder or by the Charterer, but subject to this Charter The Charterer's acceptance of delivery of a Vessel under this Charter shall be conclusive evidence, as between the Shipowner and the Charterer, that the Vessel is in all respects satisfactory to the Charterer and the Charterer will not assert any claim of any nature whatsoever against the Shipowner based on any of the foregoing matters other than the foregoing warranty of title by the Shipowner, including any claim for delay in delivery of the Vessel

(b) Nothing contained herein shall in any way diminish or otherwise affect any right the Charterer or the Shipowner may have against the Shipbuilder, and the Shipowner, at the Charterer's sole cost and expense, agrees to take such action as the Charterer may reasonably request to permit the Charterer to assert and enforce, from time to time, in the name of and for the account of the Shipowner, whatever claims and rights the Shipowner may have as owner of the Vessels against the Shipbuilder or any vendors to the Shipbuilder of material included in the Vessels.

(c) So long as no Event of Default has occurred and is continuing, the Shipowner hereby irrevocably appoints and constitutes the Charterer as its agent and attorney in fact during the Charter Period to institute from time to time in the name and for the account of the Shipowner and/or the Charterer, as their interests may appear, at the Charterer's sole cost and expense, whatever claims and rights the Shipowner may have against the Shipbuilder or any of the Vessels or any supplier of any other equipment for use on or in connection with the Vessels. The Charterer will give the Shipowner timely notice of any action which is required to be taken or, in the Charterer's judgment, is advisable to be taken by or on behalf of the Shipowner in order to protect or enforce the Shipowner's or the Charterer's rights in respect of the Vessels under or in respect of the Barge Purchase Agreement (as affected by the Barge Purchase Agreement Assignment) against the Shipbuilder

Section 6 Title to and Use of the Vessels, Documentation of the Vessels, No Liens

(a) The Shipowner retains full legal title to the Vessels notwithstanding their delivery to and possession and use by the Charterer hereunder, and Charterer obtains no rights in the Vessels other than those set forth herein So long as no Event of Default shall have occurred and be continuing, Charterer shall have exclusive possession, control and use of the Vessels during the Charter Period and the Charterer shall man, victual, navigate, operate, supply, fuel, maintain and repair (subject to this Charter) the Vessels at its own expense or by its own procurement throughout the Charter Period The Shipowner hereby covenants that if, and so long as, no Event of Default shall have occurred and be continuing the Charterer shall have all the rights of possession, use and quiet enjoyment of the Vessels chartered hereunder without hindrance or molestation by the Shipowner or any other person claiming the same by, through or under the Shipowner as a result of acts or omissions of the Shipowner During the Charter Period, the possession, use, operation and maintenance of the Vessels shall be at the sole risk, cost and expense of the Charterer

(b) At or before the time of delivery of each Vessel to Charterer hereunder on the applicable Delivery Date, the Charterer shall, at the Charterer's expense, cause such Vessel to be documented in the name of the Shipowner under the laws and flag of the United States and shall not permit any Vessel to be employed in a trade not covered by the endorsement issued for such Vessel The Charterer agrees to maintain throughout the Charter Period the documentation of the Vessels in the Shipowner's name under the laws and flag of the United States The Shipowner will, upon the request of the Charterer, execute such documents and furnish such information as the Charterer may reasonably require to enable the Charterer to maintain such documentation

(c) The Charterer shall, without extra cost, have the use of such equipment outfit, appliances, tools, spare and replacement parts, non-consumable stores, etc , as shall be provided for the Vessels by the Shipowner or the Shipbuilder under the Barge Purchase Agreement or other contracts The same or any replacements thereof from time to time made by Charterer shall be returned to the Shipowner on redelivery of the Vessels in the same good order and condition as received, ordinary wear and tear and ordinary depreciation excepted The Charterer shall provide such additional equipment, outfit, appliances, tools, spare and replacement parts, non-consumable stores, etc , as shall not be provided by the Shipowner or the Shipbuilder under the Barge Purchase Agreement or other contracts and as shall be required for operation of the Vessels Such equipment, etc , shall remain the property of the Charterer and the Charterer shall remove the same at its expense at or before redelivery of the Vessels Leased equipment may be placed on board the Vessels by the Charterer, but all such leased equipment shall be removed at its own expense by the Charterer prior to redelivery

(d) The Charterer shall not directly or indirectly create, incur, assume or suffer to exist any Liens on or with respect to any of the Vessels, or any part thereof, title thereto or any interest therein, except (i) Shipowner's Liens, (ii) Liens for taxes either not yet due or being contested by the Charterer in good faith and by appropriate proceedings, so long as such proceedings do not involve any substantial risk of sale, forfeiture or loss of any Vessel, or any interest therein, or interfere with the payment of Hire, (iii) materialmen's, mechanics', workmen's, repairmen's, employees', crew members' wages, longshoremen's, general average or salvage, including contract salvage, or other like Liens arising in the ordinary course of business which are not delinquent, or which are bonded, or the enforcement of which has been suspended (but then only for the duration of such suspension), and (iv) Liens upon the Charterer's interest in this Charter arising out of judgments or awards against the Charterer with respect to which at the time an appeal or proceeding for review is being prosecuted in good faith with respect to which there shall have been secured a stay of execution pending such appeal or proceeding for review

Charterer will promptly, at its own expense, take such action as may be necessary duly to discharge or eliminate or bond any Lien not excepted above if the same shall arise at any time Except for any Liens expressly permitted by this Section 6(d), the Charterer will notify the Shipowner of any Lien that shall attach to any Vessel, or part thereof, or interest therein, within ten days of the Charterer's learning of such attachment, together with full particulars thereof, and will promptly cause the same to be discharged

(e) The Charterer will not knowingly charter any of the Vessels to, or knowingly engage in a prohibited transaction involving any of the Vessels with, a person included within the definition of "designated foreign country" or "national" of a "designated foreign country" in the Foreign Assets Control Regulations or Cuban Assets Control Regulations of the United States Treasury Department, 31 C F R , Chapter V, as now or hereafter amended, within the meaning of said Regulations or of any regulation, interpretation or ruling issued thereunder, nor will it charter or otherwise permit any of the Vessels to be used in any fashion which will subject the Vessels to forfeiture under the laws of the United States.

(f) Except for substances specified in Schedule 6(f) to this Charter, Charterer will not use the Vessels for the transport of any materials which are "hazardous substances" as defined by the Comprehensive Environmental Response, compensation and Liability Act, 42 U S C Section 9601(14)

Section 7 Maintenance, Certification, Repairs

(a) During the Charter Period the Charterer at its expense shall at all times maintain and preserve the Vessels in good running order and repair, in accordance with good commercial maintenance practices in all respects similar to those practices which the Charterer currently undertakes to preserve and maintain other vessels of similar size, design and class within its barge fleet, except ordinary wear and tear as provided in Section 16(a) hereof, so that the Vessels shall be, in so far as due diligence can make them so, tight, staunch, strong and well and sufficiently tackled, apparelled, furnished, equipped and in every respect seaworthy and in good operating condition

(b) The Vessels shall be repaired, overhauled, dry-docked and cleaned by the Charterer at its expense whenever necessary to maintain and preserve the Vessels in accordance with Section 7(a) hereof

(c) The Shipowner (or any Person or Persons designated by the Shipowner from the attached listing of acceptable marine surveyors designated as Schedule 7(c)) shall have the right but not the obligation, on reasonable notice, to inspect the Vessels in a reasonable manner and at reasonable times in order to ascertain whether the Vessels are being repaired and maintained The Charterer shall also permit the Shipowner (or any Person or Persons designated by the Shipowner) to inspect the Charterer's records with respect to the Vessels, whenever requested on reasonable notice, and shall at its expense furnish to the Shipowner full information regarding any casualty or other accident or damage to a Vessel if the potential liability exceeds $250,000 or cost of repair arising from such casualty, accident or damage exceeds $30,000 with respect to a Vessel

In addition the Charterer shall provide annually the Shipowner a certificate stating that the Vessels have been maintained in accordance with the requirements of this Section 7

Section 8 Charterer's Changes and Equipment

(a) Except as otherwise specifically permitted hereby, the Charterer shall make no structural changes in any of the Vessels that would result in a violation of Section 7 hereof

without first securing written approval of the Shipowner Subject to this Section 8, Charterer shall have the right to install any pumps, gear or equipment it may require in addition to that on board the Vessels on the applicable Delivery Date, provided that such installations are accomplished at the Charterer's expense and risk and provided further that such installation shall be readily removable without causing material damage to such Vessels Pumps, gear or equipment so installed shall remain the property of the Charterer and the Charterer shall remove the same at the expense of the Charterer prior to the redelivery of the Vessels.

(b) In addition, the Charterer at its own expense may from time to time make such alterations to the Vessels of a permanent, structural nature as the Charterer may deem desirable in the proper conduct of its business, provided, however, that (i) no such alteration shall diminish the value, utility, capacity or operating condition of any Vessel below the value, utility, capacity and operating condition thereof immediately prior to such alteration assuming such Vessel was then in the condition required to be maintained by the terms of this Charter and (ii) all such alterations are readily removable from such vessel without diminishing or impairing the value, utility, capacity or operating condition which such Vessel would have had at such time had such alterations not been made assuming such Vessel was then in the condition required to be maintained by the terms of this Charter and are capable of being so removed without causing damage thereto, or, if not capable of being so removed, represent a nonseverable improvement (**"Nonseverable Improvement"**) which both satisfies the conditions of Section 4(4) 03(B) of Rev. Proc. 75-21 (**"Rev. Proc. 75-21"**), 1975-1 C B 715, as amended by Rev. Proc 79-48 (**"Rev. Proc. 79-48"**), 1979-2 C B 529, and is described in subparagraph (i) or (ii) of Section 4(4) 03(C) of Rev Proc 75-21 Alterations shall be considered readily removable without material damage to a Vessel if (i) they can be removed in good and workmanlike manner with reasonable dispatch and (ii) after such removal the condition of the Vessel can be restored in all material respects to the same value, utility, capacity and operating condition which such Vessel would have had at such time had such alterations not been made assuming such Vessels were then in the condition required to be maintained by the terms of this Charter All alterations made pursuant to this Section 8 shall be completed in a good and workmanlike manner and with reasonable dispatch Title to all parts added to a Vessel as a result of any alteration constituting or installed in a Nonseverable Improvement shall, without further act, vest in the Shipowner free and clear of all liens, encumbrances and rights of others except those permitted hereunder, become subject to this Charter Title to all such parts not constituting or installed in a Nonseverable Improvement shall remain in the Charterer or such other owner as may have provided the same to the Charterer, may be removed from the Vessel by the Charterer or such other owner at any time, provided that such removal does not damage the Vessel (or any such damage is promptly repaired in good and workmanlike manner) and the Vessel after such removal is restored to the value, utility, capacity and operating condition which such Vessel would have had at such time and such alterations not been made assuming such Vessel was then in the condition required to be maintained by the terms of this Charter, and shall not constitute a part of the Vessel for any purposes hereof In the event that Charterer has not elected to exercise its purchase or renewal rights in accordance with Section 21 hereof, then, as of the end of the Charter Period, the Shipowner shall have the right to purchase any part described in the preceding sentence which is owned by the Charterer at the end of the Charter Period for the fair market sales value thereof, as determined by agreement of the Charterer and the Shipowner or in the absence of such agreement by the Appraisal Procedure, Provided that the Shipowner has given the Charterer notice of its election to purchase such part not less than six months before the expiration of the Charter Period Any such part which the Shipowner has not so elected to purchase shall be removed from the Vessel by the Charterer prior to the expiration of the Charter Period in a good and workmanlike manner so as not to cause any material damage to the Vessel and so that the Vessel is restored to the value, utility, capacity and operating condition which such Vessel would have had at such time had such part not been added assuming such Vessel was then in the condition required to be maintained by the terms of this Charter

Section 9 Insurance

(a) The Charterer shall, without cost to the Shipowner, keep the Vessels insured against such risks and in such form (including, without limitation, the form of the loss payable clause and the designation of named assureds in addition to the Charterer) insuring as to such risks, and containing limits in such amounts, as customarily carried by companies in similar business and similarly situated, issued by carriers acceptable to the Shipowner, provided that the amount of hull and machinery insurance as to each Vessel (plus any permitted deductible) shall in no event be less than the smaller of 100% of Shipowner's Cost of such Vessel or the applicable Stipulated Loss Value of such Vessel and the limit of liability for any policies of liability insurance shall not be less than $25,000,000 per occurrence, nor contain deductibles of more than $250,000 All policies for such insurance so taken out shall provide that (1) there shall be no recourse against the Shipowner for the payment of premiums or commissions, (2) if such policies provide for the payment of assessments, advances, or deductibles there shall be no recourse against the Shipowner for the payment thereof, (3) at least thirty (30) days' prior notice shall be given to the Shipowner by the underwriters in the event of any actual or proposed cancellation or reduction of coverage, (4) the insurer shall not seek contribution from any insurance carried by the Shipowner, (5) the insurer waives subrogation against the Charterer, (6) there shall be breach of warranty coverage for the benefit of the insureds other than the Charterer, and (7) shall name the Shipowner and any mortgagee providing financing to the Shipowner to acquire the Vessels, as lender loss payee and as additional insureds, as their interest may appear

(b) So long as there shall not have occurred and be continuing an Event of Default (and the underwriters may, for purposes of this Section 9, rely on a certificate of an officer of the Charterer as to the existence of an Event of Default), (i) any loss under any insurance on a Vessel with respect to protection and indemnity risks may be paid directly to the Charterer to reimburse it for any loss, damage or expense paid by it and covered by such insurance or to the Person to whom any liability covered by such insurance has been insured and (ii) in the case of any loss (other than a loss covered by clause (i) of this Section 9(b) or by Section 9(c) hereof) under any insurance with respect to a Vessel involving any damage to the Vessel, the underwriters may pay directly for the repair, salvage or other charges involved or, if the Charterer shall have first fully repaired the damage or paid all of the salvage or other charges, may pay the Charterer as reimbursement therefor.

(c) All payments of insurance proceeds received on account of an Event of Loss with respect to a Vessel shall be paid to the Shipowner up to an amount equal to the Stipulated Loss Value applicable to such Vessel in accordance with the provisions of Section 14 hereof, and the balance, if any, shall be paid to the Charterer or to whomsoever may be entitled thereto

(d) The Charterer shall carry such workers' compensation or longshoremen's and harborworkers' compensation insurance as shall be required by applicable law

(e) The Charterer shall if requested deliver to the Shipowner a certified true copy of all policies evidencing insurance maintained under this Charter, provided that original policies shall be made available for inspection to the Shipowner promptly upon written request On the first Delivery Date and annually thereafter and at such other times as the Shipowner may reasonably request, the Charterer shall furnish to the Shipowner a detailed certificate or opinion (signed by a firm of marine insurance brokers selected by the Charterer and approved by the Shipowner) as to the insurance maintained by the Charterer pursuant to this Section 9, specifying and stating, in effect, that such insurance complies in all respects with the applicable requirements of this Section 9

(f) The Charterer will not do any act, nor suffer any act to be done, whereby any insurance coverage of or for the benefit of, the Shipowner required hereunder shall or may be suspended, impaired or defeated

Section 10 Statutory Benefits. This Charter is not a personal contract. The Shipowner shall have the benefit of all limitations of and exemptions from liability accruing to owners of Vessels by any statute or rule of law for the time being in force, and Charterer shall have the benefit of all limitations of and exemptions from liability accruing to owners or charterers of vessels by any statute or rule of law for the time being in force, provided, however, that such limitations of and exemptions from liability shall not in any way affect the obligations of the Charterer to the Shipowner under this Charter or otherwise

Section 11 Compliance with Laws The Charterer hereby covenants that· (i) the Charterer shall comply in all material respects with all applicable laws, regulations, requirements and rules, domestic and foreign, with respect to the registration, licensing, use, maintenance and operation of the Vessels (unless otherwise required by any military authority of the United States, except during any period when (1) the use or title of the Vessel has been taken, requisitioned or chartered by any government or governmental body, (2) there has been an Event of Loss with respect to any Vessel, or (3) there has been any other loss with respect to any Vessel and the Charterer shall not have had a reasonable time to repair the same) including, without limitation, all applicable laws, rules and regulations administered by the United States Coast Guard, the Bureau of Customs, the Treasury Department, the Federal Communications Commission, the Environmental Protection Agency, the Public Health Service, the Department of Transportation and their successors, except to the extent that, with the prior written consent of the Shipowner (which consent shall not be unreasonably withheld), such requirements shall then be contested in good faith by the Charterer, provided, however, that in the case of remediable or curable non-material non-compliance with a law, regulation, requirement or rule with respect to the Vessels, the Charterer shall have a period of thirty (30) days within which to remedy or cure such non-compliance, from the date that a Responsible Officer acquires knowledge of such non-compliance, (ii) the Charterer shall keep in its offices, as and when required thereby, valid certificates showing compliance therewith, (iii) the Charterer will make any changes or additions to the Vessels required by any applicable laws or applicable rules or regulations thereunder Where such compliance requires the execution and delivery by the Shipowner of any instruments or the taking of any other action by the Shipowner, the Charterer will in a timely manner prepare and submit to the Shipowner such instruments and specify in writing to the Shipowner the action by it so required and (iv) the Charterer shall cause a copy of the certificate of documentation and a copy of any mortgage granted by the Shipowner in respect to the Vessels to be maintained and exhibited by the Charterer to any persons having business with the Vessels which might give rise to a maritime lien upon the Vessels or otherwise, and in compliance with all statutory requirements regarding the maintenance of proper documentation of the Vessels

Section 12 Indemnification.

(a) General Indemnity

(i) The Charterer, whether or not any of the transactions contemplated hereby are consummated, shall defend, indemnify and save harmless the Shipowner and its successors and assigns, officers, directors and agents on a net after-tax basis (taking into account the tax effect of any payment by the Shipowner to others occasioned by the event giving rise to the indemnity payment), from and against any claim, penalty, cause of action, damage, liability (whether or not based on a theory of strict or absolute liability in tort or otherwise) or expense (including reasonable legal fees and expenses) in any manner arising prior to the end of the Charter Period (or during any period in which the Shipowner is exercising any remedies pursuant to Section 20 hereof) out of, or relating to

(1) the construction (other than payment of the contract price), acceptance, rejection, delivery, possession, ownership, chartering, subchartering, maintenance, use, repair, operation, redelivery, permitted sale or other permitted disposition (other than as provided in Section 21 hereof) of any of the Vessels, or by reason of their condition (whether or not discoverable by due diligence), including, without limitation, claims for patent, trademark or copyright infringement, loss or any damage to a Vessel or any cargo carried by a Vessel or damage to any other craft or vessels or other property belonging to third parties or death or injury to any person, regardless of whether such claim is made or cause of action brought during or subsequent to the Charter Period, except only that the Charterer shall not be required to indemnify (i) the Shipowner for any loss or liability resulting from the Shipowner's own negligence (except to the extent such negligence is attributable to the negligence of the Charterer) or willful misconduct or (ii) the Shipowner for any loss or liability which it may incur as a result of a default or breach by the Shipowner under or in connection with any agreement referred to herein to which the Shipowner is a party or (iii) the Shipowner from any loss or liability arising as a result of any matter occurring after the expiration or earlier termination of the Charter (except during any period in which the Shipowner is exercising any remedies pursuant to Section 20 hereof),

provided, however, that the indemnities set forth in this Section 12(a) shall not include any item financed as part of Shipowner's Cost or paid by the Charterer as an advance pursuant to Section 2(i) hereof, provided further, however, that neither the indemnities set forth in this Section 12(a) nor any other provision of the Principal Documents shall be construed as a guarantee by the Charterer of the residual value of the Vessels

(ii) The indemnities provided for in this Section 12 are expressly subject to the following in case any action, including any investigatory proceeding, shall be brought against, or commenced with respect to, the Shipowner in respect of which the Charterer is required to indemnify the Shipowner pursuant to the provisions of this Section 12, the Charterer shall have the right to, and upon request of the Shipowner shall, assume the defense thereof, including the employment of counsel reasonably satisfactory to the Shipowner and the payment of all fees and expenses related thereto In the event the Charterer assumes the defense of any such action, the Shipowner shall have the right to employ separate counsel in such action and participate therein, but the fees and expenses of such counsel shall be at the expense of the Shipowner, unless (a) the employment of such counsel has been specifically authorized by the Charterer, (b) the named parties to such action (including any impleaded parties) include both the Shipowner and the Charterer and representation of the Shipowner and the Charterer by the same counsel would be inappropriate under applicable standards of professional conduct due to actual or potential conflicting interests between them, or (c) the counsel employed by the Charterer and satisfactory to the Shipowner has advised the Shipowner, in writing, that such counsel's representation of the Shipowner would be likely to involve such counsel in representing differing interests which could adversely affect either the judgment or loyalty of such counsel to the Shipowner, whether it be a conflicting, inconsistent, diverse or other interest (in which case the Charterer shall not have the right to assume the defense of such action on behalf of the Shipowner, it being understood, however, that the Charterer shall not, in connection with any one such action, or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allocations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for the Shipowner, which firm shall be designated in writing by the Shipowner) The Charterer shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the Charterer or if there be a final judgment, beyond further review or appeal, for the plaintiff in any such action, the Charterer agrees to indemnify and hold harmless the Shipowner from and against any loss or liability on a net after-tax basis by reason of such settlement or judgment Notwithstanding anything in this Agreement to the contrary, the Shipowner shall never be entitled under any circumstances to any amount hereunder which, when added to all amounts received under

contracts, indemnity agreements or insurance policies, would result in the Shipowner's receiving more than it would be entitled to recover under the provisions of, or as contemplated by, this Agreement

(iii) If the Shipowner has knowledge of any liability indemnified against pursuant to this Section 12, it shall give prompt written notice thereof to the Charterer, but the failure to give such notice shall not relieve the Charterer of its obligations under this Section 12

(b) Direct Tax Costs In addition to all other Hire payable hereunder, the Charterer agrees to indemnify, protect and hold harmless Shipowner, its agents, servants, employees, officers, successors and assigns from and against any and all taxes, license fees, assessments and other governmental charges, fees, fines or penalties of whatsoever kind or character and by whomsoever payable, which are levied, assessed, imposed or incurred during the Charter Period, (i) on or relating to each Vessel, including any tax on the sale, ownership, use, leasing, shipment, transportation, delivery or operation thereof, (ii) on the exercise of any option, election or performance of any obligation by the Charterer hereunder, (iii) of the kind generally referred to in items (i) and (ii) above which may remain unpaid as of the date of delivery of any Vessel to the Charterer irrespective of when the same may have been levied, assessed, imposed or incurred, and (iv) by reason of all gross receipts and like taxes on or measured by rents payable hereunder levied by any state or local taxing authority having jurisdiction where any Vessel is located The Charterer agrees to comply with all state and local laws requiring the filing of ad valorem tax returns relating to each Vessel Any statements for such taxes received by the Shipowner shall be promptly forwarded to the Charterer This subparagraph shall not be deemed to obligate the Charterer to pay (i) any taxes, fees, assessments and charges which may have been included in the Shipowner's Cost of each Vessel as set forth in Charter Supplements hereto, or (ii) any income or like taxes against the Shipowner on or measured by the net income from the rents payable hereunder The Charterer shall not be obligated to pay any amount under this subparagraph so long as it shall, at its expense and in good faith and by appropriate proceedings, contest the validity or the amount thereof unless such contest would adversely affect the title of the Shipowner to a Vessel or would subject any Vessel to forfeiture or sale The Charterer agrees to indemnify the Shipowner against any loss, claim, demand and expense including legal expense resulting from such nonpayment or contest

(c) Loss of Tax Benefits (i) This Charter has been entered into on the basis that Shipowner is entitled to such federal, state and local income tax deductions, credits and other benefits (the "**Tax Benefits**") as are provided to an owner of property including, without limitation· (A) depreciation deductions under the "applicable depreciation method" provided by Section 168(b)(1) (A) and (B) of the Internal Revenue Code of 1986, as amended (the "**Code**"), for the Vessel based upon the Code Section 168(c) "applicable recovery period" of ten (10) years and the Code Section 168(e)(1) "property class" of ten (10) years, and (B) the interest deductions under the Code in the full amount of any interest paid or accrued by Shipowner, using Shipowner's method of tax accounting, for any indebtedness incurred by Shipowner in financing its purchase of the Vessel

(ii) This Charter has also been entered into on the basis of, among other things, the following assumptions (the "**Assumptions**"), and Charterer represents and warrants to Shipowner that (A) at the time Shipowner becomes the owner of each Vessel and on the date of acceptance (x) such Vessel will not have been used by any person so as to preclude "the original use of such property" within the meaning of Sections 167 and 168 of the Code from commencing with the Shipowner, and (y) each Vessel shall have a "property class" and "applicable recovery period" of ten (10) years, (B) all amounts includable in the gross income of Shipowner with respect to each Vessel and all deductions allowable to Shipowner with respect to each Vessel will be treated as derived from, or allocable to, sources within the United States, (C) Charterer will maintain sufficient records to verify such use which records will be furnished to Shipowner

within 30 days after receipt of a demand therefor, (D) each Vessel is eligible for the "applicable depreciation method" provided by Code Section 168(b)(1)(A) and (B) and is not, and will not become, subject to the "alternative depreciation system" of Code Section 168(g), (E) the federal corporate income tax rate applicable to the Shipowner will be thirty-five (35%) percent, and (F) the Shipowner is entitled to federal, state and local depreciation deductions which are based upon, and will fully recover, the total cost of each Vessel, as adjusted pursuant to Section 1031 of the Code,

(iii) If for any reason whatsoever (excluding only a failure of Shipowner to claim properly or timely the depreciation deductions or interest deductions for the appropriate year, or the failure of Shipowner to have sufficient taxable income to benefit from the depreciation deductions or interest deductions) (A) Shipowner shall lose, shall not have or shall lose the right to claim or there shall be disallowed, eliminated, reduced or recaptured with respect to Shipowner, for federal, state or local income tax purposes, all or any portion of the Tax Benefits with respect to any Vessel or (B) the Shipowner's net after-tax economic and accounting yields and net after-tax cash flow (based upon the same assumptions used in originally evaluating the Charter and applicable Schedule) is adversely affected due to a change to the Code causing the maximum federal corporate income tax rate applicable to Shipowner to be more or less than thirty-five (35%) percent (individually or collectively a "**Loss**"), then, at the option of the Shipowner, (x) the rent shall, on and after the next succeeding rent payment date, after written notice to Charterer by Shipowner that a Loss has occurred, be increased by such amount which, in the sole opinion of Shipowner, after deduction of all taxes owed by Shipowner to any governmental or taxing authority as a result of such increase in rent, will cause Shipowner's actual net after-tax economic and accounting yields and net after-tax cash flow over the term of the applicable Schedule to equal the net after-tax economic and accounting yields and net after-tax cash flow that would have been available if such Loss had not occurred, and Charterer shall forthwith pay to Shipowner, on demand, an amount which, after deduction of all taxes owed by Shipowner to any governmental or taxing authority as a result of the receipt of such amount, shall be equal to the amount of any penalties, interest or additions to tax which may be assessed by any governmental or taxing authority against Shipowner attributable to the Loss, or (y) after written notice to Charterer by Shipowner that a Loss has occurred, Charterer shall pay to Shipowner, upon demand, in a lump sum, an amount which, after deduction of all taxes owed to any governmental or taxing authority by Shipowner as a result of the receipt of such lump sum payment, will cause Shipowner's net after-tax economic and accounting yields and net after-tax cash flow to be equal to the net after-tax economic and accounting yields and net after-tax cash flow that would have been available if such Loss had not occurred plus an amount which, after deduction of all taxes owed by Shipowner to any governmental or taxing authority as a result of the receipt of such amount, shall be equal to the amount of any penalties, interest or additions to tax which may be assessed by any governmental or taxing authority against Shipowner attributable to the Loss Upon failure to pay any indemnification amount when due ' by demand or otherwise, such unpaid obligation shall bear interest at a per annum rate equal to the prime rate of interest as announced, from time to time, by PNC Bank, National Association

(iv) Any written notice that any Loss has occurred pursuant to this Section 12(c) shall be accompanied by a written statement from Shipowner describing in reasonable detail such Loss and the computations of the amounts payable, either in a lump sum or revised rent payments as set forth above, which computation shall be initially made by the Shipowner using the same ABC lease analysis program utilized by the Shipowner to calculate the original Hire Factors and which computation shall be reasonably acceptable to the Charterer

(d) Indemnity Payment The amount payable pursuant to subparagraphs (a) and (b) shall be payable upon demand of the Shipowner accompanied by a statement describing in

reasonable detail such loss, liability, injury, claim, expense or tax and setting forth the computation of the amount so payable

(e) Survival. The indemnities and assumptions of liabilities and obligations provided for in this Section 12 shall continue in full force and effect notwithstanding the expiration or other termination of this Charter until the expiration of the applicable statute of limitations in respect to claims of that type.

Section 13 Additional Covenants of the Charterer During the Charter Period and so long as any amounts are due from the Charterer under this Charter·

(a) The Charterer will deliver to the Shipowner, in duplicate

(i) as soon as available, and in any event within 90 days after the end of each fiscal year of the Charterer, a balance sheet of the Charterer as of the end of such fiscal year and the related statements of income and retained earnings for such fiscal year, certified by independent public accountants of recognized standing selected by the Charterer, all in reasonable detail and setting forth in comparative form the corresponding figures for the preceding fiscal year,

(ii) as soon as available, and in any event within 60 days after the end of the first three quarters accounting period in each fiscal year of the Charterer, an unaudited balance sheet of the Charterer as of the end of such period and the related statements of income and retained earnings for such period, all in reasonable detail and setting forth in comparative form the corresponding figures for the comparable period of the preceding fiscal year,

(iii) with the delivery of the annual financial statements described in subparagraph (i) above, the Charterer shall deliver a current certificate signed by the chief financial officer of the Charterer to the effect that as of the date of such certificate no default, or any act or event that with the giving of notice, or the passage of time, or both, would become a default, under the Charterer has occurred, and

(iv) such other financial information relating to the affairs of the Charterer as the Shipowner may reasonably request

All such financial statements shall fairly present the financial condition and results of operations of the Charterer and any consolidated subsidiaries at the dates and for the periods specified therein and shall be prepared in accordance with generally accepted accounting principles consistently applied throughout the periods covered thereby, except for immaterial changes and except for any material change in accounting principles specified in the related notes, in the case of audited financial statements, or in the accompanying certificate

(b) The Shipowner (or any Person or Persons designated by the Shipowner) shall have the right to discuss the affairs, finances and accounts of Charterer relative to the Vessels with the officers thereof, all at such reasonable times, subject to such constraints regarding confidentiality as the Charterer may reasonably require.

(c) Average adjusters shall be appointed by the Charterer from a list of adjusters satisfactory to the Shipowner. General and particular average losses shall be adjusted according to the laws and usages at the port or place in the United States selected by the Charterer The Charterer agrees to assist the adjuster in preparing the average statement and to take all other possible measures to protect the interests of the Vessels and the Shipowner

(d) Intentionally Omitted

(e) To the extent permissible, the Charterer will prepare and file in timely fashion or, where the Shipowner is required to file, prepare and deliver (or cause to be prepared and delivered) to the Shipowner within a reasonable time prior to the date for filing any reports, certificates, applications, licenses, notices, consents, bonds, agreements, requests, orders or any other instruments or documents with respect to the Vessels, this Charter or any of the transactions contemplated hereby which are required by any federal, state or other governmental or regulatory authority. The Shipowner will take, at Charterer's cost, reasonable steps to furnish to the Charterer such information relating thereto as the Charterer may reasonably request and otherwise cooperate with the Charterer in connection therewith The Charterer will take, at Charterer's cost, reasonable steps to furnish to the Shipowner such information relating to the Shipowner's tax reports and returns as the Shipowner may reasonably request and otherwise cooperate with the Shipowner in connection therewith Nothing in this Section 13(e) shall require disclosure to any Person of trade secrets or information the disclosure of which is prohibited by law

Section 14. Loss, Destruction, Requisition, Etc.

(a) Upon the occurrence of an Event of Loss with respect to a Vessel, the Charterer shall forthwith (and in any event within 30 days after such occurrence) give to the Shipowner written notice of such Event of Loss and on the next Charter Hire Payment Date following the date of the occurrence of such Event of Loss (or, if there is no such Charter Hire Payment Date, on a date 90 days after the date of the occurrence of such Event of Loss) the Charterer shall pay to the Shipowner in addition to any installment of Hire then otherwise due and payable, the Stipulated Loss Value for such Vessel computed as of such date In the event of payment in full of such Stipulated Loss Value and all other Hire then due hereunder, the obligation of the Charterer to pay Basic Charter Hire hereunder with respect to such Vessel after such Charter Hire Payment Date shall terminate, provided that the Charterer shall remain liable for all payments of Hire for such Vessel due on or before the date of such payment of Stipulated Loss Value

(b) Payments received at any time by the Shipowner or by the Charterer from any governmental authority or other Person with respect to an Event of Loss resulting from the condemnation, confiscation, theft or seizure of, or requisition of title to or use of a Vessel will be applied to reimburse the Shipowner for costs and expenses incurred in connection therewith and then to pay the Shipowner so much of such payments remaining as shall not exceed the Stipulated Loss Value required to be paid by the Charterer in connection therewith in reduction of the Charterer's obligation to pay such Stipulated Loss Value, if not already paid by the Charterer, or, if already paid by the Charterer, shall be applied to reimburse the Charterer for its payment of such Stipulated Loss Value, and the balance, if any, of such payments remaining thereafter will be paid over to, or retained by, the Shipowner

(c) In the event of the requisition for use by the United States or any instrumentality or agency thereof (for purposes of this Section 14(c) called the "**Government**") or by any other governmental authority of a Vessel, the Charterer shall promptly notify the Shipowner of such requisition, and all of the Charterer's obligations under this Charter with respect to said Vessel shall continue to the same extent as if such requisition had not occurred, provided that if such requisition is by such other governmental authority and is for a period in excess of 60 days or is by the Government or such other governmental authority and continues beyond the termination of the Charter Period an Event of Loss shall be deemed to occur on the 61st day after such requisition or on the last day of the Charter Period, as the case may be All payments received by the Shipowner or the Charterer from the Government for the use of said Vessel shall be paid over to, or retained by, the Charterer, provided that if a requisition of use results in an Event of Loss, such payments shall be disbursed as provided in Section 14(b) hereof

(d) Any amount referred to in Section 14(b) or 14(c) hereof that is payable to the Charterer, shall not be paid to the Charterer if at the time of such payment an Event of Default shall have occurred and be continuing, but shall be held by the Shipowner for the account of the Charterer in a segregated interest-bearing account with a banking institution selected by the Shipowner without any duty to maximize the return thereon and, if the Shipowner declares this Charter to be in default pursuant to Section 20 hereof, such amount shall be applied (together with any such interest) against the Charterer's obligations hereunder as and when due At such time as there shall not be continuing any such Event of Default such amount shall be paid to the Charterer to the extent not previously applied in accordance with the preceding sentence

Section 15 Citizenship of the Parties Both the Charterer and the Shipowner agree, to the extent within its reasonable control or the reasonable control of any of its Affiliates, to remain a Citizen during the term of this Agreement. In the event any party hereto shall for any reason cease to be a Citizen during such term, such party shall promptly notify the other parties hereto and, after consultation with the other parties, will take such reasonable steps as may be necessary or advisable to enable such other parties to enjoy the benefits of the transactions originally contemplated by this Agreement; provided that the Shipowner shall promptly so notify the other parties after having Actual Knowledge of ceasing to be a Citizen

Section 16 Redelivery

(a) Except to the extent that the Charterer has been relieved of the obligation by the occurrence of an Event of Loss with respect to one or more of the Vessels, the Charterer at its own expense shall redeliver (with 180 days written notice of the time of redelivery) each of the Vessels to the Shipowner at the expiration of the Charter Period and the extension period, if any, provided for in this Section 16, at a port, within a Three hundred (300) mile radius of Pittsburgh, Pennsylvania, specified by Shipowner or to a port, within a Three hundred (300) mile radius of Pittsburgh, Pennsylvania, mutually agreed to by Shipowner and Charterer, at the expiration of the Charter Period or extension period, as the case may be, in such good order and condition as when delivered hereunder and in the condition required by Section 7(a) hereof except for depreciation and ordinary wear and tear as might reasonably be expected for vessels of similar age, class, and design engaging in operations normal to the Charterer's industry Such wear and tear will specifically not include wastage of framing or plating in excess of 50% of original construction characteristics Additionally, normal wear and tear will not include damaged or tripped framing or distortions in hull or cargo box plating in excess of 3 inches Indents in excess of 3 inches but less than 5 inches that do not affect the structural integrity of the Vessel may be compromised on an individual basis Further, the hull and cargo compartment will not show misalignment in excess of 2-1/2" over respective lengths So that the above items and conditions can be verified, the Vessels will be dry docked for complete examination upon redelivery corrosive wear resulting from and directly attributable to the transportation of corrosive material, as defined in 49 C F R § 173 136 and itemized in 49 C F R § 172.101 (as said regulations may be amended from time to time) shall not be considered ordinary wear and tear for purposes of the preceding sentence and Section 7(a) hereof The Vessels shall be redelivered charter free, cargo free, with no unfulfilled requirements of any governmental agency or department having jurisdiction in the premises, and free and clear of all Liens, except for any Shipowner's Liens

(b) This Charter shall be extended, at a daily charter hire rate equal to 100% of the Basic Charter Hire of the Vessel or Vessels not redelivered and due for the period ending on the preceding Charter Hire Payment Date, for the duration of any voyage in progress at the time of expiration of the Charter Period and for such additional period as shall reasonably be required to effect redelivery During such extension period, if any, all of the obligations of the Charterer under this Charter in respect of the Charter Period (other than the payment of Basic Charter Hire which shall be payable as set forth above) shall continue in respect of such extension period

(c) The Charterer shall permit access to the Vessels at all reasonable times during the last six months of the Charter Period to the Shipowner and to persons designated by the Shipowner in connection with any prospective sale or charter of the Vessels by the Shipowner, and shall permit the superficial inspection of the Vessels by such persons, provided, however, that the exercise of such rights shall in no way unreasonably interfere with the use by the Charterer of the Vessels

(d) Upon the redelivery of each Vessel, the Charterer will make such Vessel available to the Shipowner at the port of redelivery and will hire an independent marine surveyor acceptable to the Shipowner to inspect the Vessels The Charterer, at its expense, will fully correct and repair any condition disclosed by such inspection to the extent necessary to cause such Vessel to comply with the terms of Section 7(a) and 16(a) hereof. In the event the Shipowner and the Charterer do not agree on the nature of the corrections or repairs to be made, an independent marine surveyor reasonably satisfactory to the Shipowner and the Charterer shall be selected who shall make such determination. Such determination shall be final and binding on the parties hereto The Charterer and the Shipowner shall equally share the costs and expenses of such surveyor

(e) Upon redelivery of each Vessel hereunder, the Charterer will provide storage for such Vessel, without cost to the Shipowner, for a period of sixty (60) days from (but not including) the date of the redelivery of such Vessel as aforesaid, provided that if suitable storage space is actually available at any location where the Charterer stores its own Vessels, the Vessels shall be stored at such a location, and in all events the location at which the Vessels are stored shall be no less secure than the locations at which the Charterer stores its own vessels The actual availability of space referred to in the preceding sentence shall be deemed to exist if the Charterer, as of the date of redelivery, shall have storage space for such Vessel which is not then physically occupied by another vessel In the event the Shipowner insists on redelivery pursuant to Section 16(a) hereof at any other location, the Charterer shall have no such obligation to provide storage for the Vessels During such sixty (60) day period the Charterer shall permit access to such Vessel at all reasonable times to the Shipowner, and to Persons designated by either of them in connection with any prospective sale or charter of such Vessel by the Shipowner, and shall permit the full inspection of such Vessel by such Persons, which inspection shall be at the sole cost and expense of the Shipowner, or such Persons During the period of such storage the entire risk of loss for such Vessels (except if due to the negligence of the Charterer) is for the Shipowner and the Charterer shall have no responsibility for insurance, maintenance, taxes or repair with respect to the Vessels Notwithstanding the foregoing, if after redelivery of the Vessels it is determined in accordance with Section 16(d) hereof that one or more Vessels must be repaired or corrected by the Charterer, the storage period for such Vessels shall be extended until the completion of such repair or correction

Section 17 Conditions to Charter Unless otherwise agreed to by Shipowner and subject to the performance by the Charterer of its other obligation under the other Charter Documents, the Shipowner shall have no obligation to complete the actions contemplated hereunder until all legal matters incident to the transactions contemplated by this Charter and the other Principal Documents are resolved in a manner satisfactory to Shipowner's counsel and until Charterer shall have satisfied all of the following further conditions:

(a) Bareboat Charter Receipt by the Shipowner of the fully executed Bareboat Charter

(b) Barge Purchase Agreement. Receipt by the Shipowner of the fully executed Barge Purchase Agreement

(c) Assignment of Barge Purchase Agreement Receipt by the Shipowner of the fully executed Assignment of Barge Purchase Agreement

(d) Shipbuilder's Acknowledgement Receipt by the Shipowner of the fully executed Acknowledgement of Assignment of Barge Purchase Agreement (to be executed by Shipbuilder)

(e) Resolutions Receipt by the Shipowner of a copy, duly certified as of the date of closing by the secretary or assistant secretary of the Charterer of the resolutions of the board of directors of the Charterer authorizing the transactions hereunder and execution and delivery of the Bareboat Charter and the other documents referred to herein

(f) Incumbency Certificates Receipt by the Shipowner of the secretary or assistant secretary of the Charterer certifying the names of the Persons authorized to sign this Bareboat Charter and the other documents referred to herein to be delivered by Charterer and the true signatures of such Persons

(g) By-laws Receipt by the Shipowner of a copy of the By-Laws of the Charterer and all amendments thereto certified by the secretary or assistant secretary of the Charterer

(h) Articles of Incorporation Receipt of the Shipowner of a copy, duly certified by the secretary of the Charterer, of the Articles of Incorporation of the Charterer and all amendments thereto

(i) Opinion of Counsel Receipt by the Shipowner of a signed favorable opinion of Buchanan Ingersoll, Professional Corporation, special counsel to the Charterer, in form and substance satisfactory to the Shipowner's counsel

(j) Certification of Vessels Receipt by the Shipowner of all items required to be filed to permit the Vessel to be properly documented by the United States Coast Guard

(k) UCC-1s Receipt by the Shipowner of all UCC-1s and other documents deemed reasonably necessary by the Shipowner, executed by Charterer and in recordable form

(l) Bill of Sale Receipt by the Shipowner of an executed Bill of Sale referencing all of the Vessels

(m) Insurance Receipt by the Shipowner of satisfactory evidence of the existence of all risk property insurance on the Vessels and comprehensive general liability insurance

(n) Supplemental Agreement Receipt by Shipowner of a fully executed counterpart of the Supplemental Agreement.

(o) Other Conditions Receipt by the Shipowner of such other documents and instruments, and evidence of the performance by Charterer of such other obligations, as Shipowner may reasonably request

Section 18. Assignments and Subcharters

(a) Sublease/Assignment by Charterer The Charterer shall not sell, assign, sublet or otherwise convey or transfer any interest in this Charter or in the Vessels, except for the temporary transfer of possession of any Vessels in the normal course of business of the Charterer and so long as such transfer of possession does not void or impair the terms of any insurance coverage maintained on the Vessels by the Charterer Notwithstanding the foregoing, so long as

no Event of Default exists hereunder, Charterer shall have the right, upon 30 days' prior written notice to Shipowner, to subcharter any Vessel to any Person who is solvent and not involved in any bankruptcy proceeding at the commencement of such subcharter, but in each and every case only upon and subject and subordinate to all the terms and conditions of this Charter and only after such other Person or subcharterer so agrees in writing No such subcharter shall be for a term in excess of the shorter of two (2) years or the remaining term of this Charter, nor shall any such subcharter relieve Charterer of its obligations hereunder or result in any adverse tax consequences to Shipowner, unless Charterer shall have agreed to indemnify Shipowner for any such adverse tax consequences in a manner reasonably acceptable to Shipowner. Charterer shall assign, set over and transfer to Shipowner by an instrument in form and substance reasonably acceptable to Shipowner all of Charterer's right, title and interest in any permitted subcharter the term of which exceeds six months

(b) Assignment by Shipowner All rights of Shipowner hereunder and in any of the Vessels may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part, without notice to the Charterer, provided that the Charterer shall be under no obligation to any assignee of the Shipowner, except upon written notice of such assignment from the Shipowner Upon notice to the Charterer of any such assignment, the Hire and other sums payable by the Charterer hereunder which are the subject matter of the assignment shall be paid to or upon the written order of the assignee No such assignee shall be obligated to perform any duty, covenant or condition required to be performed by the Shipowner under the terms of this Charter unless such assignee expressly assumes such obligation Shipowner shall remain liable to the Charterer to perform such duties, covenants and conditions unless such assignee expressly assumes such obligations, and the Shipowner shall be released of any further liability hereunder upon the written approval of the Charterer, which approval shall not be unreasonably withheld Such assignee shall have all rights, powers and remedies given to the Shipowner by this Charter, and shall be named as lender loss payee or additional insured under all policies of insurance maintained by the Charterer pursuant to Section 9 hereof If the Shipowner assigns this Charter or the monies due or to become due hereunder for security or collateral purposes, the Charterer agrees not to assert against such assignee any defense, set-off, recoupment, claim or counterclaim which the Charterer may have against the Shipowner, whether arising under this Charter or any other transactions between the Shipowner and the Charterer

Section 19. Events of Default The following events shall constitute Events of Default

(a) the Charterer shall fail to make any payment of Basic Charter Hire or Supplemental Hire when and as the same shall become due and payable and such failure shall continue for 20 days after the failure to make such payment, or

(b) the Charterer shall fail to maintain in effect at all times insurance with respect to the Vessels as required by Section 9 hereof, or

(c) the Charterer shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure shall not have been remedied within 30 days after written notice of such failure from the Shipowner, or

(d) any representation or warranty made by the Charterer herein, or in any document or certificate furnished to the Shipowner, in connection herewith or therewith or pursuant hereto or thereto or in the Barge Purchase Agreement Assignment shall prove at any time to be incorrect as of the date made and such condition shall continue unremedied for 30 days after written notice thereof from the Shipowner to the Charterer specifying the default and demanding that the same be remedied, or

(e) the Charterer shall become insolvent or bankrupt or shall cease paying or providing for the payment of its debts or makes an assignment for the benefit of creditors or consents to the appointment of a trustee or receiver, or a trustee or a receiver shall be appointed for the Charterer or for a substantial part of the property of the Charterer without its consent and shall not be dismissed within a period of sixty (60) days, or bankruptcy, arrangement, reorganization or insolvency proceedings shall be instituted by or against the Charterer and, if instituted against the Charterer, shall not be dismissed within a period of sixty (60) days.

(f) the Charterer shall be in default in respect to any other equipment lease or obligations for borrowed money owed to the Shipowner or to any Affiliate of the Shipowner, including without limitation, to PNC Bank, National Association, whether such lease or obligation is now existent or hereafter contracted for, and whether or not the holder of such lease or obligation has chosen to declare such lease or obligation to be in default or to exercise any remedies available to such holder due to such default

(g) the Charterer shall cease doing business as a going concern or shall terminate its existence

(h) the Charterer shall be in default (after the expiration of any cure or grace period applicable to such default) in respect to any obligation for borrowed money or equipment lease obligation owed to any person or entity (other than to the Shipowner or to an Affiliate of the Shipowner)

(i) the Charterer shall consolidate with, merge with or into, or convey or lease all or substantially all of its assets as an entirety to any Person or engage in, or is involved in or affected by, any other transaction or reorganization as a result of which the owners of 100% of the voting power of Charterer on the Closing Date will own or control less than 51% of the voting power of Charterer (each of such actions being referred to as an "**Event**"), unless (i) Charterer provides Shipowner 45 days' prior written notice of such Event, (ii) such Person is organized and existing under the laws of the United States or any state thereof, (iii) on or prior to the consummation of such Event, such Person executes and delivers to Shipowner an agreement containing an effective assumption by such Person of the due and punctual performance of this Agreement, and (iv) Shipowner is reasonably satisfied as to the creditworthiness of such Person

Section 20 Action Following Event of Default If any Event of Default specified in Section 19 shall have occurred and be continuing the Shipowner may declare this Charter to be in default, and at any time thereafter, so long as the Charterer shall not have remedied all outstanding Events of Default, at its option, exercise any of the following rights and remedies·

(a) the Shipowner may proceed either at law, in admiralty or in equity to enforce performance by the Charterer of the applicable provisions of this Charter or to recover damages for the breach thereof, or

(b) the Shipowner may terminate this Charter, by notice in writing to the Charterer, whereupon all rights of the Charterer to the use of the Vessels shall absolutely cease and terminate, but the Charterer shall remain liable as to payment of Basic Charter Hire and Supplemental Charter Hire, as hereinafter in this clause (b) provided, and thereupon the Charterer shall, if requested by the Shipowner, forthwith at the Charterer's expense deliver or cause to be delivered the Vessels to the Shipowner at a safe berth at a port designated by Shipowner, to be stored at the Charterer's expense and risk for a period not to exceed 30 days and, whether or not the Shipowner shall have made such a request, the Shipowner may enter upon and take possession of the Vessels, wherever found, whether underway or in any port, harbor or other place, without prior demand and without legal process, and for that purpose may enter upon any dock, pier or other premises and take such steps as may be necessary to take

possession of the same and to discharge, deliver, redeliver or otherwise dispose of any cargo aboard the same, all at the sole risk, cost and expense of the Charterer, and thenceforth the Shipowner shall hold, possess and enjoy the Vessels free from any right of the Charterer, but the Shipowner may, nevertheless, recover from the Charterer all Hire which under the terms of this Charter may then be due and also recover forthwith from the Charterer (i) as liquidated damages for loss of the bargain and not as a penalty, an amount equal to the Stipulated Loss Value applicable to the Charter Hire Payment Date coinciding with or immediately preceding the date of such payment; provided, however, that if one or more Vessels have been sold by the Shipowner on or prior to the date of payment of liquidated damages, the Charterer shall pay, with respect to such Vessels, an amount equal to the Stipulated Loss Value then applicable for such Vessels less the sale price of such Vessels but plus any expenses incurred by the Shipowner in connection with such sale, (ii) interest on the Stipulated Loss Value aforesaid from such Charter Hire Payment Date to the date of payment at the Default Rate; (iii) any damages which the Shipowner shall have sustained by reason of the breach of any provision of this Charter other than for the payment of Basic Charter Hire, and (iv) any expenses, including reasonable attorney's fees, which the Shipowner shall have incurred by reason of the breach of any provision of this Charter (unless already paid for in accordance with the second provision of clause (i) of this Section 20(b))

(c) The Shipowner or its agent may sell any Vessel at public or private sale, with or without notice to the Charterer, advertisement or publication, as the Shipowner may determine, or otherwise may dispose of, hold, use, operate or charter (whether for a period greater or less than the balance of what would have been the Charter Period in the absence of the termination of the rights of the Charterer to the Vessels) to others, all on such terms and conditions and at such place or places as the Shipowner may reasonably determine and all free and clear of any rights of the Charterer

At any time after an Event of Default shall have occurred and be continuing, the Shipowner may request the Charterer to deliver, and the Charterer shall deliver, as soon as possible, a certificate setting forth the current location of all of the Vessels

The remedies in this Charter provided in favor of the Shipowner shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law, in admiralty or equity The Charterer hereby waives, so far as permitted by law, any notice to quit or notice of re-entry or of the institution of legal proceedings to that end, any right of re-entry or repossession, or any other requirements of law, now or hereafter in effect, which may require the Shipowner to sell, lease, or otherwise use the vessels in mitigation (except to the extent that the fair value of the Vessels shall be credited in reduction of the Shipowner's claim as provided above) of Shipowner's damages as set forth in this Section or which might limit or modify the remedies herein provided

The failure of the Shipowner to exercise its rights granted it hereunder, or the partial exercise of such rights', upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such rights upon the continuation or recurrence of any such contingencies or similar contingencies or preclude any other or further exercise of such rights or of any other rights

The Shipowner may, at its option but at the expense of and for the account of the Charterer, and without waiving any of the rights of the Shipowner against the Charterer, cure any such Event of Default, and if the Shipowner shall so cure any such Event of Default it shall be entitled to interest at the Default Rate from the date of curing such Event of Default until reimbursed by the Charterer, on the amount expended by the Shipowner to cure any such Event of Default.

Section 21 End of Term and Early Buy-Out Options.

(a) Renewal of Charter upon Expiration The Charterer shall have the right, exercisable by giving a Renewal Notice to the Shipowner at least six months prior to the expiration of the Charter Period, to renew and extend for an unlimited number of times the Original Term or any Renewal Term, as the case may be, all and not less than all of the Vessels from the stated expiration date hereof for a period of no less than one year at a charter rate payable monthly in advance which shall be equal to the fair market bareboat charter hire then applicable to such Vessels as of the expiration date of the Charter Period as determined by agreement between the Shipowner and the Charterer, or, if they fail to reach such agreement within 20 days of such notice, in accordance with the Appraisal Procedure set out in Section 21(c) hereof.

(b) Purchase Option Upon Expiration In addition to the right of renewal provided above, the Charterer shall have the right, exercisable by giving a Purchase Notice to the Shipowner at least six months prior to the expiration of the Charter Period, to purchase all and not less than all of the Vessels for a purchase price equal to the fair market value of the Vessels as of the expiration date of the Charter Period as determined by agreement between the Shipowner and the Charterer, or, if they fail to reach such agreement within 20 days of such notice, in accordance with the Appraisal Procedure set forth in Section 21(c) hereof Shipowner shall convey title to the Charterer on an as-is, where-is basis without representation or warranty save from Liens arising by or through the Shipowner

(c) Early Buy-Out Option. If no Event of Default or an event which, with notice or the passage of time, or both, would become an Event of Default, shall have occurred and be continuing, Charterer shall have the right (the "**Early Buyout Option**") to terminate this Charter and to purchase all, but not less than all, the Vessels on the EBO Date at a price equal to the EBO Price Charterer shall give Shipowner written notice at least sixty (60) days prior to the EBO Date of its election to exercise the Early Buyout Option, which notice shall be irrevocable Payment of the EBO Price, together with Basic Charter Hire and all other amounts due on such date, shall be made on the EBO Date at the place of payment specified in Section 3 hereof in immediately available funds against delivery of appropriate documentation transferring title to the Vessels to the Charterer on an as-is, where-is basis without representation or warranty save from Liens arising by or through the Shipowner The EBO Price shall bear interest for the period, if any, from the EBO Date to the date of payment of the EBO Price at the Late Payment Rate

(d) "**Appraisal Procedure**" shall mean the following procedure for determining the fair market sales value or the fair market bareboat charter hire or both, as the case may be, of a Vessel or Vessels If the appropriate party hereto shall have given written notice to the other requesting determination of such value by the Appraisal Procedure, each party shall appoint an independent appraiser within 15 days of the giving of such notice. Each appraiser so appointed shall be instructed to independently determine the fair market sales value or the fair market bareboat charter hire or both, as the case may be, of the Vessel or Vessels in accordance with the respective definitions of such terms contained herein and within 40 days of the giving of such notice If only one appraiser shall have been so appointed within 15 days of the giving of such notice, or if two appraisers shall have been so appointed but only one such appraiser shall have made such determination within 40 days of the giving of such notice, then the determination of such appraiser shall be final and binding upon the parties If two appraisers shall have been appointed and shall have made their determinations within the respective requisite periods set forth above and if the difference between the amounts so determined shall not exceed 10% of the lesser of such amounts, then the fair market sales value or the fair market bareboat charter hire or both, as the case may be, of the Vessel or Vessels shall be an amount equal to 50% of the sum of the amounts so determined If the difference between the amounts so determined shall exceed

10% of the lesser of such amounts, or if neither appraiser shall have made a determination within 40 days of the giving of notice then such two appraisers shall have 15 days to appoint a third appraiser, but if such appraisers fail to do so, then either party may request the American Arbitration Association or any successor organization thereto to appoint an appraiser within 15 days of such request, and both parties shall be bound by any appointment so made within such 15 day period If no such appraiser shall have been appointed within such 15 days or within 90 days of the original notice requesting a determination pursuant to the Appraisal Procedure, whichever is earlier, either party may apply to any court having jurisdiction to make such appointment, and both parties shall be bound by any appointment made by such court. Any appraiser appointed by the original appraisers, by the American Arbitration Association or by such court shall be instructed to determine the fair market sales value or the fair market bareboat charter hire or both, as the case may be, of the Vessel or Vessels in accordance with the respective definitions of such terms contained herein and within 30 days after its appointment The determination of the appraiser which differs most from the determinations of the other two appraisers shall be excluded, and 50% of the sum of the remaining two determinations shall be final and binding upon the parties hereto as the fair market bareboat charter hire or the fair market sales value, as the case may be This provision for determination by appraisal shall be specifically enforceable to the extent such remedy is available under applicable law and any determination shall be final and binding upon the parties except as otherwise provided by applicable law. The Charterer and the Shipowner shall each pay the fees and disbursements of any appraiser appointed by it and shall share equally the fees and expenses of any third appraiser and any other costs and expenses of any appraisal pursuant to this Section 21(d)

(e) Notwithstanding the foregoing provisions of this Section 21, the Charterer's request for a determination of fair market value or fair market bareboat charter hire shall not obligate the Charterer to exercise its options provided in this Section 21 If the Charterer does not exercise either such options, the Charterer shall pay all costs and expenses of any appraisal pursuant to Section 21(d) hereof and shall notify the Shipowner of the decision not to exercise such option at least 60 days prior to the termination of the Charter Period It is understood and agreed that neither the Shipowner nor the Charterer shall be limited in the selection of an appraiser under this Section 21, to one of the marine surveyors listed on Schedule 7(c) attached hereto

Section 22 Notices All notices and other communications hereunder shall be mailed postage prepaid by certified mail, return receipt requested, delivered by hand, or sent by overnight courier or facsimile transmission, and addressed to the Charterer and the Shipowner, respectively, at the addresses/ fax numbers set forth on the signature page or at such other address/fax number or addresses/fax numbers as such parties shall hereafter specify in writing to the other parties hereto. All such notices shall be deemed given upon their receipt by the party to whom addressed, if such receipt is on a Business Day, or on the next succeeding Business Day if receipt is other than a Business Day

Section 23 Miscellaneous

(a) This Charter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns

(b) All amounts and moneys referred to in, this Charter shall be construed to mean money which at the time is lawful money of the United States

(c) The section headings are for convenience only and shall not be construed as a part of this Charter

(d) Except as otherwise provided herein, this Charter shall be governed by and construed in accordance with the laws of the United States and the Commonwealth of Pennsylvania.

(e) If any payment to be made by the Charterer hereunder shall become due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day

(f) Any payment not made by the Charterer to the Shipowner when due as provided in this Charter shall bear interest from the due date thereof at the Default Rate until paid

Section 24 Severability, Effect and Modification of Charter Any provision of this Charter which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or enforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction

No variation or modification of this Charter and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Shipowner and the Charterer

Section 25 Definitions For all purposes of this Charter, unless otherwise expressly provided or unless the context otherwise requires

(a) All references herein to sections or other subdivisions, unless otherwise specified, refer to the corresponding sections and other subdivisions of the Charter,

(b) The terms "hereof", "herein", "hereby"', "hereto", "hereunder", and "herewith" refer to this Charter,

(c) Capitalized terms used herein which are not defined herein but which are defined in Schedule X attached hereto, or by reference therein to other instruments, shall have the respective meanings stated therein or in such other instruments

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IN WITNESS WHEREOF, the Charterer and the Shipowner have executed this Charter the day and year first above written

MON RIVER TOWING, INC.

By _____
James L Guttman
President

200 Speers Street
Belle Vernon, Pennsylvania 15202
Attention Ivan Melnick
Vice President-Finance
Fax (724) 483-3697

PNC LEASING, LLC

By _____
Timothy S Moriarity
Vice President

Two PNC Plaza, 13th Floor
Pittsburgh, Pennsylvania 15222
Attention Manager, Portfolio Administration
Fax (412) 762-7575

COMMONWEALTH OF PENNSYLVANIA)
) ss
COUNTY OF ALLEGHENY)

On this 27 day of April 2001, before me personally appeared James L Guttman, to me personally known, who, being by me duly sworn, says that he is the President of Mon River Towing, Inc , that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation

Shirley A Nickolas
Notary Public
Notarial Seal

My commission expires

NOTARIAL SEAL
SHIRLEY A NICKOLAS, Notary Public
Pittsburgh, Allegheny County, PA
My Commission Expires June 1, 2001

COMMONWEALTH OF PENNSYLVANIA)
) ss
COUNTY OF ALLEGHENY)

On this 27 day of April 2001, before me personally appeared Timothy S Moriarity, to me personally known, who, being by me duly sworn, says that he is a Vice President of PNC Leasing, LLC, that one of the seals affixed to the foregoing instrument is the seal of said limited liability company, that said instrument was signed and sealed on behalf of said limited liability company by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Shirley A Nickolas
Notary Public
Notarial Seal

My commission expires

NOTARIAL SEAL
SHIRLEY A NICKOLAS, Notary Public
Pittsburgh, Allegheny County, PA
My Commission Expires June 1, 2001

Execution Copy

SCHEDULE X - DEFINITIONS

BAREBOAT CHARTER, as of April 16, 2001
BETWEEN MON RIVER TOWING, INC. and PNC LEASING, LLC

"**Act**" means the Merchant Marine Act, 1936, as amended

"**Actual Knowledge**" or "actual knowledge" means, when used with respect to a corporation, actual knowledge of a Responsible Officer thereof

"**Affiliate**" of any specified Person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person For the purposes of this definition, the term "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing

"**Appraisal Procedure**" has the meaning set forth in Section 21(b) of the Charter

"**Barge Purchase Agreement**" means the Vessel Construction Contract (Hopper Barges), dated April 6, 2001, between the Shipbuilder and the Charterer, and as the same may be modified, amended or supplemented from time to time in accordance with the applicable provisions thereof

"**Barge Purchase Agreement Assignment**" means the Assignment of Barge Purchase Agreement, dated as of April 16, 2001, between the Charterer and the Shipowner, and consented to by the Shipbuilder, as the same may be modified, amended or supplemented from time to time in accordance with the applicable provisions thereof

"**Basic Charter Hire**" means the amounts payable by the Charterer pursuant to Section 3(a) of the Charter

"**Business Day**" means a day that is not a Saturday, Sunday or other day on which banking institutions doing business in Pittsburgh, Pennsylvania are authorized or obligated by law or required by executive order to be closed.

"**Charter**" means the Bareboat Charter, dated as of April 16, 2001, between the Shipowner and the Charterer, as the same may be modified, amended or supplemented (whether by a Charter Supplement or otherwise) from time to time in accordance with the applicable provisions thereof

"**Charterer**" means Mon River Towing, Inc, a Pennsylvania corporation, and its successors and assigns

"**Charter Hire Payment Date**" means each date specified as such on Schedule Two to the Charter, and, during any Renewal Term, the same date of each third month in the Renewal Term

"**Charter Period**" means, prior to the giving of the first Renewal Notice, the Original Term, and after any Renewal Notice has been given, the Original Term and all succeeding Renewal Terms

"**Charter Supplement**" means any supplement to the Charter substantially in the form attached thereto between the Shipowner and the Charterer, as the same may be modified, amended or supplemented in accordance with the applicable provisions thereof.

"**Citizen**" means a "citizen of the United States" within the meaning of Section 2 of the Shipping Act, 1916, as amended, qualified to engage in the coastwide trade.

"**Code**" means the Internal Revenue Code of 1986, as amended, or any comparable successor law

"**Consent of Shipbuilder**" means the Consent of Shipbuilder, dated as of April 16, 2001, by the Shipbuilder to the Shipowner, as the same may be modified, amended or supplemented from time in accordance with the applicable provisions thereof

"**Crew's Wages**" means wages of the crew of a Vessel including the wages of a master to the extent provided by Public Law 90-293 of the United States, approved April 25, 1968

"**Default Rate**" means, with respect to any time period, the annual rate of interest then in effect as the Prime Rate of PNC Bank, National Association, plus 1%

"**Delivery Date**" *means April [ ], 2001, the date that all of the Vessels are* delivered by the Shipbuilder and accepted by the Shipowner pursuant to the Construction Contract and simultaneously delivered by the Shipowner and accepted by the Charterer pursuant to the Charter

"**Dollars**" means any coin or currency which at -the time of payment is legal tender for the payment of public and private debts in the United States.

"**EBO Date**" shall mean the 36th Charter Hire Payment Date

"**EBO Price**" shall mean 77 305562% of Shipowner's Cost for each Vessel then subject to the Charter

"**Event of Default**" means any of the events specified in Section 19 of the Charter

"**Event of Loss**" with respect to any Vessel means any of the following events with respect to such Vessel (i) loss of such Vessel or of the use thereof due to theft, disappearance, destruction or damage thereto which, in the sole opinion of the Charterer, shall make repair thereof uneconomical or make such Vessel permanently unfit for normal use for any reason whatsoever, (ii) any damage to such Vessel which results in an insurance settlement with respect to such Vessel on the basis of a total loss, (iii) the condemnation, forfeiture, confiscation or seizure of, or requisition of title to, such Vessel provided that, if such condemnation,

forfeiture, confiscation or seizure under this clause (iii) occurs as a result of or in connection with Shipowner's Liens and if, on or prior to the date for payment of Stipulated Loss Value with respect to such Event of Loss, the Vessel condemned, forfeited, confiscated or seized is recovered by the Shipowner or the Charterer, no Event of Loss shall be deemed to have occurred and the Charter shall continue in full force and effect with respect to such Vessel, (iv) a requisition of use of such Vessel by any governmental authority (other than the United States or any agency or instrumentality thereof) for a period in excess of 60 days, or (v) a requisition of use of such Vessel by any governmental authority for a period which extends beyond the end of the Charter Period with respect to such Vessel

"**Hire**" means Basic Charter Hire and Supplemental Charter Hire

"**Hire Factors**" means Basic Charter Hire and Stipulated Loss Values

"**Lien**" means any lien, encumbrance, mortgage, pledge, charge, lease, security interest or claim of any nature whatsoever

"**Loss**" shall have the meaning as set forth in Section 12(c)(iii) of the Charter

"**Non-Severable Improvement**" shall have the meaning assigned in Section 8(b) of the Charter

"**Officer's Certificate**" means, when used with respect to any corporation, a certificate signed by the chairman or vice chairman of the board, the president, any vice president, any assistant vice president, the comptroller, the secretary', any assistant secretary, the treasurer, or any assistant treasurer of such corporation

"**Opinion of Counsel**" means an opinion of Buchanan Ingersoll Professional Corporation, special counsel to the Charterer

"**Original Term**" means the period beginning on April [ ], 2001, and ending on April [ ], 2016, as such period may be extended pursuant to Section 1(a), 1(b) or 16 of the Charter

"**Overall Transaction**" means the construction, purchase, ownership, financing, chartering, operation and management of the Vessels as described in and contemplated by the Principal Documents

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

"**Plans and Specifications**" means the plans and specifications for the construction of the Vessels as identified in the Construction Contract, as the same may be modified, amended or supplemented from time to time pursuant to the Construction Contract

"**Principal Documents**" means the following agreements and documents

Barge Purchase Agreement
Barge Purchase Agreement Assignment Charter
Supplemental Agreement
Charter Supplements
Consent of Shipbuilder

"**Purchase Notice**" means the notice given by the Charterer to the Shipowner pursuant to Section 21(b) of the Charter stating that the Charterer elects to exercise its option to purchase the Vessels

"**Renewal Notice**" means the notice given by the Charterer to the Shipowner pursuant to Section 21(a) of the Charter stating that the Charterer irrevocably elects to exercise its option to extend the Charter Period for a Renewal Period as stated therein

"**Renewal Term**" means a period commencing at midnight on the last day of the Original Term or of the Renewal Term immediately preceding, and ending, except as expressly specified in Section 20 or 21(a) of the Charter, at midnight one year after the commencement of such period

"**Request**" means a written request to a Person for the action therein specified, signed, if the Person making such request is a corporation by a Responsible Officer thereof or, if the Person making such request is not a corporation by such Person

"**Responsible Officer**" means, when used with respect to any corporation, the chairman or vice chairman of the board, the president, any vice president, any assistant vice president, the comptroller, the secretary, any assistant secretary, the treasurer, any assistant treasurer, or any other officer of such corporation, customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject

"**Shipbuilder**" means Trinity Marine Products, Inc , and its successors and assigns

"**Shipowner**" means PNC Leasing, LLC, a Delaware limited liability company, and its successors and assigns

"**Shipowner's Cost**" of each Vessel shall mean the amount set forth in the applicable Charter Supplement for such Vessel

"**Stipulated Loss Value**" means, as of any Charter Hire Payment Date with respect to a Vessel, and assuming that the Basic Hire payment due on such date has been paid, an amount determined by multiplying Shipowner's Cost for such Vessel by the appropriate percentage indicated in Schedule Three to the Charter (as such percentage may be adjusted pursuant to the terms of Section 12(c) of the Charter)

"**Supplemental Agreement**" means the Supplemental Agreement, dated as of April 16, 2001, between Shipowner, Charterer, and PNC Bank, National Association

"**Supplemental Hire**" means all amounts which the Charterer agrees to pay to the Shipowner pursuant to the Charter other than Basic Charter Hire

"**Tax Loss**" shall have the meaning set forth in Section 12(c)(i) of the Charter.

"**Treasury Regulations**" means the federal income tax regulations issued under the Code

"**Vessel**" means each of the 15 open hopper barges delivered by the Shipbuilder and accepted by the Shipowner pursuant to the Barge Purchase Agreement and simultaneously delivered by the Shipowner and accepted by the Charterer pursuant to the Charter, being 195' x 35' x 12', SI Hopper Barges and constructed pursuant to General Arrangement Drawing No 48055-G1, Exhibit A-2, in 2001 at Port Allen, Louisiana, together with all of its engines, boilers, machinery, masts, spars, boats, anchors, cables, chains, rigging, tackle, apparel, furniture, capstans, outfit, tools, pumps, pumping and other equipment or gear, furnishings, appliances, fittings and spare and replacement parts and all other appurtenances to said barge pertaining or belonging, including the Charterer-Furnished Equipment, if any, whether now owned or hereafter acquired, whether on board or not on board, and also any and all additions, improvements and replacements hereafter made in or to said barge or any part thereof, or in or to her equipment and appurtenances aforesaid, excepting, however, any equipment or appurtenances owned by a third-party lessor which has furnished the same to the Charterer under a rental agreement and further excepting any equipment or appurtenances which remain or become the property of the Charterer pursuant to the Charter and the value of such equipment or appurtenances shall not be included in the Vessel for purposes of the Appraisal Procedure or the determinations of the fair market sales value of the Vessel

"**Vessel Costs**" means, with respect to any Vessel, an amount equal to the sum of (i) the amount paid or payable by the Shipowner to the Charterer to reimburse the Charterer for amounts paid by or on behalf of the Charterer under the Construction Contract or for Charterer-Furnished Equipment, plus (ii) the aggregate of all payments due from the Charterer to the Shipbuilder pursuant to the terms of the Construction Contract and to other Persons with regard to Charterer-Furnished Equipment, plus (iii) to the extent not included as a part of (i) or (ii) above, any appraisal fees, fees relating to documentation of the Vessels, costs of construction supervision, naval architects and engineers fees, interest on construction costs during the period of construction, and any delivery or other transportation charges and sales taxes

Schedule One to
Bareboat Charter

CHARTER SUPPLEMENT NO. 1

THIS CHARTER SUPPLEMENT NO. 1, dated April [ ], 2001, to Bareboat Charter, dated as of April 16, 2001 (the "Charter") between MON RIVER TOWING, INC (the "**Charterer**") and PNC LEASING, LLC (the "**Shipowner**").

WITNESSETH:

WHEREAS, the Charter provides for the execution and delivery on the Delivery Date of a Vessel or Vessels of a Charter Supplement, substantially in the form hereof,

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, the Shipowner and the Charterer hereby agree as follows:

(1) The Shipowner hereby confirms that it has let, chartered and demised to the Charterer under the Charter, and the Charterer hereby confirms that it has unconditionally accepted and hired form the Shipowner under the charter, for all purposes thereof the following numbered Vessel(s) (the "delivered Vessel(s)") with the Official Number and designation by -the Charterer as follows

Name	Hull No.	Official No
401	1564-1	1109829
402	1564-2	1109830
403	1564-3	1109831
404	1564-4	1109832
405	1564-5	1109833
406	1564-6	1109834
407	1564-7	1109835
408	1564-8	1109836
409	1564-9	1109837
410	1564-10	1109838
411	1564-11	1109839
412	1564-12	1109840
413	1564-13	1109841
414	1564-14	1109842
415	1564-15	1109843

(2) The Delivery Date of each delivered Vessel is the date of this Charter Supplement

(3) The Shipowner's Cost of each delivered Vessel on the Delivery Date is as follows·

Hull No.	Shipowner's Cost of Vessel
1564-1	
1564-2	$ 209,000
1564-3	$ 209,000
1564-4	$ 209,000
1564-5	$ 209,000
1564-6	$ 209,000
1564-7	$ 209,000
1564-8	$ 209,000
1564-9	$ 209,000
1564-10	$ 209,000
1564-11	$ 209,000
1564-12	$ 209,000
1564-13	$ 209,000
1564-14	$ 209,000
1564-15	$ 209,000
	$ 209,000
Total Shipowner's Cost	$3,135,000

(4) The Charterer hereby confirms as between it and the Shipowner that the delivered Vessels comply with the requirements of the Charter and with all specifications of the Barge Purchase Agreement, provided, however, that nothing contained herein shall in any way diminish or otherwise affect any right which the Charterer, or the Shipowner may have with respect to such Vessels against Trinity Marine Products, Inc or any subcontractor of Trinity Marine Products, Inc under the Barge Purchase Agreement or otherwise

IN WITNESS WHEREOF, the Shipowner and the Charterer have caused this Charter Supplement to be duly executed as of the day and year first above written

MON RIVER TOWING, INC.

By _____
James L Guttman
President

PNC LEASING, LLC

By
Timothy S Moriarity
Vice President

COMMONWEALTH OF PENNSYLVANIA)
) ss
COUNTY OF ALLEGHENY)

On this ___ day of April 2001, before me personally appeared James L Guttman, to me personally known, who, being by me duly sworn, says that he is the President of Mon River Towing, Inc , that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation

_____
Notary Public

Notarial Seal

My commission expires _____

COMMONWEALTH OF PENNSYLVANIA)
) ss
COUNTY OF ALLEGHENY)

On this ___ day of April 2001, before me personally appeared Timothy S Moriarity, to me personally known, who, being by me duly sworn, says that he is a Vice President of PNC Leasing, LLC, that one of the seals affixed to the foregoing instrument is the seal of said limited liability company, that said instrument was signed and sealed on behalf of said limited liability company by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation

_____
Notary Public

Notarial Seal

My commission expires _____, 20__

Schedule Two to
Bareboat Charter

STIPULATED LOSS VALUES

CHARTER HIRE PAYMENT DATE	STIPULATED LOSS VALUE*
Apr 27 2001	100 58770781%
Jul 27 2001	100.47520781%
Oct 27 2001	100 33212951%
Jan 27 2002	100 15976443%
Apr 27 2002	99 96104306%
Jul 27 2002	99 72372041%
Oct 27 2002	99 45184274%
Jan 27 2003	99 14487289%
Apr 27 2003	98 80691228%
Jul 27 2003	98 43990287%
Oct 27 2003	98 04512185%
Jan 27 2004	97 62213764%
Apr 27 2004	97 17224019%
Jul 27 2004	96 70195455%
Oct 27 2004	96.21010144%
Jan 27 2005	95 69634657%
Apr 27 2005	95 15948740%
Jul 27 2005	94 60510319%
Oct 27 2005	94 03101021%
Jan 27 2006	93 43690223%
Apr 27 2006	92 82055694%
Jul 27 2006	92 18882344%
Oct 27 2006	91 53871100%
Jan 27 2007	90 86993445%
Apr 27 2007	90 17945263%
Jul 27 2007	89 47392839%
Oct 27 2007	88 75000447%
Jan 27 2008	88 00739410%
Apr 27 2008	87 24268262%
Jul 27 2008	86 46275423%
Oct 27 2008	85 66400351%
Jan 27 2009	84 38187416%
Apr 27 2009	83 06561372%
Jul 27 2009	81 72595423%
Oct 27 2009	80 35803636%
Jan 27 2010	78 96142153%
Apr 27 2010	77 30556190%

Schedule Two to
Bareboat Charter

STIPULATED LOSS VALUES

CHARTER HIRE PAYMENT DATE	STIPULATED LOSS VALUE*
Jul 27 2010	74 63824306%
Oct 27 2010	73 21526029%
Jan 27 2011	71 76175279%
Apr 27 2011	70 27275056%
Jul 27 2011	68 76268772%
Oct 27 2011	67 22524817%
Jan 27 2012	65 66000638%
Apr 27 2012	64 06054258%
Jul 27 2012	62 44429569%
Oct 27 2012	60 80352408%
Jan 27 2013	59 13784625%
Apr 27 2013	57 43939394%
Jul 27 2013	55 72262010%
Oct 27 2013	53 97975853%
Jan 27 2014	52 21040351%
Apr 27 2014	50 40666252%
Jul 27 2014	48 58296332%
Oct 27 2014	46 73151388%
Jan 27 2015	44 85188325%
Apr 27 2015	42 93615247%
Jul 27 2015	40 99872185%
Oct 27 2015	39 03177384%
Jan 27 2016	37 03484880%
Apr 27 2016	35 00000000%

* Expressed as a percentage of Shipowner's Cost of the Vessel(s) suffering the Event of Loss amount is after payment of all Hire due and payable on the applicable Charter Hire Payment Date

BASIC CHARTER HIRE

Schedule Three to
Bareboat Charter

NO.	CHARTER HIRE PAYMENT DATE	BASIC CHARTER HIRE*	
1	July 27, 2001	$	65,496 14
2	October 27, 2001	$	65,496 14
3	January 27, 2002	$	65,496 14
4	April 27, 2002	$	65,496 14
5	July 27, 2002	$	65,496 14
6	October 27, 2002	$	65,496 14
7	January 27, 2003	$	65,496 14
8	April 27, 2003	$	65,496 14
9	July 27, 2003	$	65,496 14
10	October 27, 2003	$	65,496 14
11	January 27, 2004	$	65,496 14
12	April 27, 2004	$	65,496 14
13	July 27, 2004	$	65,496 14
14	October 27, 2004	$	65,496 14
15	January 27, 2005	$	65,496 14
16	April 27, 2005	$	65,496 14
17	July 27, 2005	$	65,496 14
18	October 27, 2005	$	65,496 14
19	January 27, 2006	$	65,496 14
20	April 27, 2006	$	65,496 14
21	July 27, 2006	$	65,496 14
22	October 27, 2006	$	65,496 14
23	January 27, 2007	$	65,496 14
24	April 27, 2007	$	65,496 14
25	July 27, 2007	$	65,496 14
26	October 27, 2007	$	65,496 14
27	January 27, 2008	$	65,496 14
28	April 27, 2008	$	65,496 14
29	July 27, 2008	$	65,496 14
30	October 27, 2008	$	65,496 14
31	January 27, 2009	$	80,050 84
32	April 27, 2009	$	80,050 84
33	July 27, 2009	$	80,050 84
34	October 27, 2009	$	80,050 84
35	January 27, 2010	$	80,050 84
36	April 27, 2010	$	80,050 84

Schedule Three to
Bareboat Charter

BASIC CHARTER HIRE

NO.	CHARTER HIRE PAYMENT DATE	BASIC CHARTER HIRE*	
37	July 27, 2010	$	80,050 84
38	October 27, 2010	$	80,050 84
39	January 27, 2011	$	80,050 84
40	April 27, 2011	$	80,050 84
41	July 27, 2011	$	80,050 84
42	October 27, 2011	$	80,050 84
43	January 27, 2012	$	80,050 84
44	April 27, 2012	$	80,050 84
45	July 27, 2012	$	80,050 84
46	October 27, 2012	$	80,050 84
47	January 27, 2013	$	80,050 84
48	April 27, 2013	$	80,050 84
49	July 27, 2013	$	80,050 84
50	October 27, 2013	$	80,050 84
51	January 27, 2014	$	80,050 84
52	April 27, 2014	$	80,050 84
53	July 27, 2014	$	80,050 84
54	October 27, 2014	$	80,050 84
55	January 27, 2015	$	80,050 84
56	April 27, 2015	$	80,050 84
57	July 27, 2015	$	80,050 84
58	October 27, 2015	$	80,050 84
59	January 27, 2016	$	80,050 84
60	April 27, 2016	$	80,050 84

* 2 0892% of Shipowner's Cost for payments 1-30
and 2 5535% of Shipowner's Cost for payments 31-60

LSL
04/27/2001

CHARTER SUPPLEMENT NO. 1

THIS CHARTER SUPPLEMENT NO. 1, dated April 27, 2001, to Bareboat Charter, dated as of April 16, 2001 (the "Charter") between MON RIVER TOWING, INC (the "**Charterer**") and PNC LEASING, LLC (the "**Shipowner**")

(3)

WITNESSETH:

WHEREAS, the Charter provides for the execution and delivery on the Delivery Date of a Vessel or Vessels of a Charter Supplement, substantially in the form hereof,

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, the Shipowner and the Charterer hereby agree as follows·

(1) The Shipowner hereby confirms that it has let, chartered and demised to the Charterer under the Charter, and the Charterer hereby confirms that it has unconditionally accepted and hired form the Shipowner under the charter, for all purposes thereof the following numbered Vessel(s) (the "delivered Vessel(s)") with the Official Number and designation by -the Charterer as follows

Name	Hull No.	Official No.
401	1564-1	1109829
402	1564-2	1109830
403	1564-3	1109831
404	1564-4	1109832
405	1564-5	1109833
406	1564-6	1109834
407	1564-7	1109835
408	1564-8	1109836
409	1564-9	1109837
410	1564-10	1109838
411	1564-11	1109839
412	1564-12	1109840
413	1564-13	1109841
414	1564-14	1109842
415	1564-15	1109843

(2) The Delivery Date of each delivered Vessel is the date of this Charter Supplement

(3) The Shipowner's Cost of each delivered Vessel on the Delivery Date is as follows

Hull No	Shipowner's Cost of Vessel
1564-1	
1564-2	$ 209,000
1564-3	$ 209,000
1564-4	$ 209,000
1564-5	$ 209,000
1564-6	$ 209,000
1564-7	$ 209,000
1564-8	$ 209,000
1564-9	$ 209,000
1564-10	$ 209,000
1564-11	$ 209,000
1564-12	$ 209,000
1564-13	$ 209,000
1564-14	$ 209,000
1564-15	$ 209,000
	$ 209,000
Total Shipowner's Cost	$3,135,000

(4) The Charterer hereby confirms as between it and the Shipowner that the delivered Vessels comply with the requirements of the Charter and with all specifications of the Barge Purchase Agreement, provided, however, that nothing contained herein shall in any way diminish or otherwise affect any right which the Charterer, or the Shipowner may have with respect to such Vessels against Trinity Marine Products, Inc or any subcontractor of Trinity Marine Products, Inc under the Barge Purchase Agreement or otherwise

IN WITNESS WHEREOF, the Shipowner and the Charterer have caused this Charter Supplement to be duly executed as of the day and year first above written

MON RIVER TOWING, INC.

By James L. Guttman
James L Guttman
President

PNC LEASING, LLC

By
Timothy S Moriarity
Vice President

COMMONWEALTH OF PENNSYLVANIA)
) ss
COUNTY OF ALLEGHENY)

On this 27 day of April 2001, before me personally appeared James L Guttman, to me personally known, who, being by me duly sworn, says that he is the President of Mon River Towing, Inc , that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation

Shirley A. Nickolas
Notary Public

Notarial Seal

My commission expires 6/1/2001

NOTARIAL SEAL
SHIRLEY A NICKOLAS, Notary Public
Pittsburgh, Allegheny County, PA
My Commission Expires June 1, 2001

COMMONWEALTH OF PENNSYLVANIA)
) ss
COUNTY OF ALLEGHENY)

On this 27 day of April 2001, before me personally appeared Timothy S Moriarity, to me personally known, who, being by me duly sworn, says that he is a Vice President of PNC Leasing, LLC, that one of the seals affixed to the foregoing instrument is the seal of said limited liability company, that said instrument was signed and sealed on behalf of said limited liability company by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation

Shirley A. Nickolas
Notary Public

Notarial Seal

My commission expires 6/1, 2001

NOTARIAL SEAL
SHIRLEY A NICKOLAS, Notary Public
Pittsburgh, Allegheny County, PA
My Commission Expires June 1, 2001

Execution Copy

SUPPLEMENTAL AGREEMENT

This Supplemental Agreement (the "**Agreement**"), dated as of April 16, 2001, by and between MON RIVER TOWING, INC., a Pennsylvania corporation ("**MRT**"), PNC LEASING, LLC, a Delaware limited liability company ("**PNCL**"), and PNC BANK, NATIONAL ASSOCIATION ("**PNC Bank**").

WITNESSETH:

WHEREAS, MRT and PNC Bank (under its former name, Pittsburgh National Bank), entered into a certain Loan Agreement, dated as of May 24, 1985 ("**1985 Loan Agreement**"), and a Loan Agreement, dated as of May 31, 1988 ("**1988 Loan Agreement**"), as amended by a certain Amendment to Loan Agreement, dated as of May 22, 1989, as further amended by a certain Second Amendment to Loan Agreement and First Amendment to Note, dated as of June 28, 1990, as further amended by that certain Third Amendment to Loan Agreement, dated as of January 11, 1993, and as further amended by a certain Fourth Amendment, dated as of March 16, 1993, pursuant to which PNC Bank has made available to MRT one or more loans and other extensions of credit in the maximum principal amount of $10,117,050 (the 1985 Loan Agreement and the 1988 Loan Agreement, as so amended, are herein referred to as the "**Credit Agreements**," and the loans extended thereunder are herein referred to as the "**Bank Loans**"); and

WHEREAS, pursuant to a Bareboat Charter of even date herewith (the "**Charter**"), from PNCL as the Shipowner (as defined in the Charter) to MRT as the Charterer (as defined in the Charter), PNCL has agreed to demise to MRT, 15 additional barges recently constructed by Trinity Marine Products ("**Trinity**"); and

WHEREAS, pursuant to a Loan Agreement of even date herewith (the "**2001 Loan Agreement**"), between PNCL, as lender, and MRT, as borrower, PNCL has agreed to make a loan to MRT to defray the purchase by MRT of 12 used barges from Trinity, which loan is to be secured by a First Preferred Ship Mortgage on such barges;

WHEREAS, PNCL, as a condition of the Charter and the 2001 Loan Agreement, has required that certain covenants and conditions set forth in the Credit Agreements shall be applicable to and pertain to the obligations of MRT under the Charter and the 2001 Loan Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, for other good and valuable consideration and with the intent to be legally bound, the parties hereto agree as follows:

1. Incorporation of Recitals. The recitals set forth in the preamble to this Agreement are incorporated herein and made part of this Agreement.

2. Negative Pledge. MRT hereby covenants and agrees for the benefit of PNC Bank and PNCL (the "**Negative Covenant**") that so long as the Bank Loans and/or the obligations of MRT as Charterer under the Charter or Borrower under the 2001 Loan Agreement remain outstanding, MRT shall not grant, convey or suffer to exist any lien, encumbrance or security interest in any of its river barges in favor of any person or entity other than PNC Bank or PNCL, except for the following:

a. Liens in favor of National City Bank of Pennsylvania, formerly Integra Bank, N.A. and Union National Bank of Pittsburgh, under that certain Credit Agreement, dated May 15, 1990, among Guttman Oil Company, Guttman Realty Company and the Charterer, as amended by Modification of Credit Agreement, dated as of July 31, 1991, securing indebtedness in the maximum principal amount of $2,769,250; and

b. Liens in favor of repairmen, materialmen, suppliers, taxing authorities and other like liens arising in the ordinary course of business securing obligations that are not overdue or are being contested in good faith by appropriate proceedings.

3. Financial Covenants. (a) The Credit Agreements contain financial covenants that require MRT at all times to maintain a Consolidated Tangible Net Worth (as defined in the Credit Agreements) of not less than the sum of (1) $8,000,000 plus (b) 50% of the accompanying Consolidated Net Income (as defined in the Credit Agreements), as determined on a quarterly basis and after provision for any applicable Income Taxes (hereafter the "**Net Worth Covenant**"), and to maintain a minimum ratio of cash flow to current maturities of long term debt of 1:1 (hereafter the "**Cash Flow Covenant**"). MRT hereby agrees to comply with the Net Worth Covenant and the Cash Flow Covenant to the same extent as if fully set forth in each of the Charter and the 2001 Loan Agreement and agrees that any failure to so comply shall be an "Event of Default" under the Charter and/or the 2001 Loan Agreement, as applicable. PNC Bank and PNCL agree that compliance by MRT with the Net Worth Covenant and the Cash Flow Covenant for purposes of the Credit Agreements shall constitute compliance for purposes of this Agreement. For the avoidance of doubt, the parties hereto agree that as of March 31, 2001, the Net Worth Covenant requires MRT to have a Consolidated Tangible Net Worth of not less than $9,230,000.

(b) In the event that (i) the Bank Loans shall be repaid or the Credit Agreements otherwise terminated, or (ii) PNC Bank shall sell or transfer its interest in the Credit Agreements to a party that is not an Affiliate of PNCL, and (iii) at the time that (i) or (ii) occurs, the Charter or the 2001 Loan Agreement remains in effect, MRT agrees that the Charter and/or the 2001 Loan Agreement shall be thereupon amended, without further act or consent by MRT (the "**Deemed Amendment**"). The Deemed Amendment shall be immediately effective from that date (the "**Amendment Date**") forward, the Net Worth Covenant and Cash Flow Covenant in effect under the Credit Agreements as of the Amendment Date shall become part of the Charter and/or the 2001 Loan Agreement, as applicable, and shall be incorporated into the Charter and/or the 2001 Loan Agreement for all purposes. Notwithstanding that the Charter and/or the 2001 Loan Agreement will be deemed amended as aforesaid, at the request or PNCL, MRT shall execute and deliver to PNCL, in form and substance as PNCL may require, a formal amendment to the Charter and/or the 2001 Loan Agreement, as the case may be, to further evidence the inclusion of the Net Worth and Cash Flow Covenant into the Charter and/or the 2001 Loan Agreement, as applicable.

4. In the event that PNC Bank waives compliance by MRT with any part of the Negative Covenant, Net Worth Covenant, and/or the Cash Flow Covenant under the Credit Agreements or PNC Bank and MRT amend or revise the Negative Covenant, the Net Worth Covenant, and/or the Cash Flow Covenant as they apply under the Credit Agreements, including any amendment that deletes or eliminates any or all of such Covenants, such waiver and/or amendment shall be deemed to be incorporated herein and shall apply to the Charter and the 2001 Loan Agreement to the same extent as if set forth in full in this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WITNESS the due execution hereof as of the latest of the dates set forth below the signatures hereto.

MON RIVER TOWING, INC.

By: James L. Guttman

James L. Guttman
President
April 27, 2001

PNC LEASING, LLC

By: _____

Timothy S. Moriarity
Vice President
April 27, 2001

PNC BANK, NATIONAL ASSOCIATION

By: Robert L. Heath
Name ROBERT L. HEATH
Title VICE PRESIDENT
Date: April 27, 2001

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 12/5/13

Edward M Luria

Edward M. Luria