
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16
OF THE SECURITIES EXCHANGE ACT OF 1934**

DATED: May 5, 2015

Commission File No. 001-33811

NAVIOS MARITIME PARTNERS L.P.

**7 Avenue de Grande Bretagne, Office 11B2
Monte Carlo, MC 98000 Monaco
(Address of Principal Executive Offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

N/A

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NAVIOS MARITIME PARTNERS L.P.

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The information contained in this Report is hereby incorporated by reference into the Registration Statement on Form F-3, File No. 333-192176.

Operating and Financial Review

The following is a discussion of the financial condition and results of operations for the three month periods ended March 31, 2015 and 2014 of Navios Maritime Partners L.P. (referred to herein as “we”, “us” or “Navios Partners”). All of the financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“US GAAP”). You should read this section together with the consolidated financial statements and the accompanying notes included in Navios Partners’ 2014 Annual Report filed on Form 20-F with the Securities and Exchange Commission.

This report contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward looking statements are based on Navios Partners’ current expectations and observations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, changes in the demand for dry bulk vessels, fluctuation of charter rates, competitive factors in the market in which Navios Partners operates, risks associated with operations outside the United States, and other factors listed from time to time in the Navios Partners’ filings with the Securities and Exchange Commission.

Recent Developments

On April 22, 2015, Navios Partners took delivery of the MSC Cristina, a 2011 South Korean-built Container vessel of 13,100 TEU for a purchase price of \$147.8 million. The acquisition was financed with cash on its balance sheet and bank debt. The vessel is chartered-out for 12 years at a rate of \$60,275 net per day, with Navios Partners’ option to terminate after year seven. Navios Partners entered into a credit facility of \$79.8 million, which bears interest at LIBOR plus 275 basis points (“bps”) per annum.

On February 11, 2015, Navios Partners completed its public offering of 4,000,000 common units at \$13.09 per unit and raised gross proceeds of approximately \$52.4 million to fund its fleet expansion. The net proceeds of this offering, including the underwriting discount and excluding offering costs of \$0.2 million were approximately \$50.1 million. Pursuant to this offering, Navios Partners issued 81,633 general partnership units to its general partner. The net proceeds from the issuance of the general partnership units were \$1.1 million. On the same date, Navios Partners completed the exercise of the option previously granted to the underwriters in connection with the offering and issued 600,000 additional common units at the public offering price less the underwriting discount. As a result of the exercise of the option, Navios Partners raised additional gross proceeds of \$7.9 million and net proceeds, including the underwriting discount, of approximately \$7.5 million and issued 12,245 additional general partnership units to its general partner. The net proceeds from the issuance of the general partnership units were \$0.2 million. In addition, Navios Partners completed a private placement of 1,120,547 common units and 22,868 general partner units at \$13.09 per unit to Navios Maritime Holdings Inc. (“Navios Holdings”), raising additional gross proceeds of \$15.0 million. Following the public offering and the private placement, Navios Holdings currently owns a 20.1% interest in Navios Partners, which includes the 2.0% interest through Navios Partners’ general partner which Navios Holdings owns and controls.

Overview

Navios Partners is an international owner and operator of dry cargo vessels, formed on August 7, 2007 under the laws of the Republic of the Marshall Islands by Navios Holdings, a vertically integrated seaborne shipping and logistics company with over 60 years of operating history in the drybulk shipping industry. Navios GP L.L.C. (the “General Partner”), a wholly owned subsidiary of Navios Holdings, was also formed on that date to act as the general partner of Navios Partners and received 2.0% general partner interest in Navios Partners.

As of May 4, 2015, there were outstanding 83,079,710 common units and 1,695,509 general partnership units. Navios Holdings owns a 20.1% interest in Navios Partners, which includes the 2.0% general partner interest.

Fleet

Our fleet consists of 12 Panamax vessels, eight Capesize vessels, three Ultra-Handymax vessels and eight Container vessels.

In general, the vessels in our fleet are chartered-out under time charters, which range in length from one to twelve years at inception. From time to time, we operate vessels in the spot market until the vessels have been chartered under long-term charters.

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The following table provides summary information about our fleet as of May 4, 2015:

Owned Drybulk Vessels	Type	Built	Capacity (DWT)	Charter Expiration Date	Charter-Out Rate (1)
Navios Apollon	Ultra-Handymax	2000	52,073	May 2016	\$ 12,500 ⁽²⁾
Navios Soleil	Ultra-Handymax	2009	57,337	February 2016	\$ 12,000 ⁽²⁾
Navios La Paix	Ultra-Handymax	2014	61,485	January 2016	6TC BSI +10% ⁽³⁾
Navios Gemini S	Panamax	1994	68,636	January 2016	\$ 7,600 ⁽²⁾
Navios Libra II	Panamax	1995	70,136	May 2016	\$ 12,000 ⁽²⁾
Navios Felicity	Panamax	1997	73,867	May 2016	\$ 12,000 ⁽²⁾
Navios Galaxy I	Panamax	2001	74,195	February 2018	\$ 21,937
Navios Hyperion	Panamax	2004	75,707	February 2016	12,000 ⁽²⁾
Navios Alegria	Panamax	2004	76,466	May 2016	\$ 12,000 ⁽²⁾
Navios Orbiter	Panamax	2004	76,602	May 2016	\$ 12,000 ⁽²⁾
Navios Helios	Panamax	2005	77,075	September 2015	\$ 7,790
Navios Sun	Panamax	2005	76,619	May 2016	\$ 12,000 ⁽²⁾
Navios Hope	Panamax	2005	75,397	February 2016	\$ 10,000 ⁽²⁾
Navios Sagittarius	Panamax	2006	75,756	November 2018	\$ 26,125
Navios Harmony	Panamax	2006	82,790	May 2016	\$ 12,000 ⁽²⁾
Navios Fantastiks	Capesize	2005	180,265	May 2016	\$ 12,500 ⁽²⁾
Navios Aurora II	Capesize	2009	169,031	November 2019	\$ 41,325
Navios Pollux	Capesize	2009	180,727	February 2016	\$ 11,400
Navios Fulvia	Capesize	2010	179,263	September 2015	\$ 50,588
Navios Melodia ⁽⁴⁾	Capesize	2010	179,132	September 2022	\$ 29,356 ⁽⁵⁾
Navios Luz	Capesize	2010	179,144	November 2020	\$ 29,356 ⁽⁶⁾
Navios Buena Ventura	Capesize	2010	179,259	October 2020	\$ 29,356 ⁽⁶⁾
Navios Joy	Capesize	2013	181,389	June 2016	\$ 19,000 ⁽⁷⁾

Owned Container Vessels	Type	Built	TEU	Charter Expiration Date	Charter-Out Rate (1)
Hyundai Hongkong	Container	2006	6,800	December 2023	\$ 30,119
Hyundai Singapore	Container	2006	6,800	December 2023	\$ 30,119
Hyundai Tokyo	Container	2006	6,800	December 2023	\$ 30,119
Hyundai Shanghai	Container	2006	6,800	December 2023	\$ 30,119
Hyundai Busan	Container	2006	6,800	December 2023	\$ 30,119
YM Utmost	Container	2006	8,204	August 2018	\$ 34,266
YM Unity	Container	2006	8,204	October 2018	\$ 34,266
MSC Cristina	Container	2011	13,100	April 2027	\$ 60,275

- (1) Daily charter-out rate per day, net of commissions or settlement proceeds, where applicable.
- (2) Profit sharing 50% on actual results at the end of the charter period. Any adjustment by the charters for hire expense/loss will be settled accordingly at the end of the charter period.
- (3) The charter rate is based on the Supramax Time Charter Index plus 10% with a minimum rate of \$9,500 net per day.

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- (4) In January 2011, Korea Line Corporation (“KLC”) filed for receivership. The charter was affirmed and will be performed by KLC on its original terms, following an interim suspension period until April 2016 during which Navios Partners trades the vessel directly. Rate assumes amortization of payment \$13.3 million received upfront covering the interim suspension period.
- (5) Profit sharing 50% above \$37,500/ day based on Baltic Exchange Capesize TC Average.
- (6) Profit sharing 50% above \$38,500/ day based on Baltic Exchange Capesize TC Average.
- (7) The charterer has been granted an option to extend the charter for two optional years, the first at \$22,325 (net) per day and the second at \$25,650 (net) per day.

Our Charters

We generate revenues by charging our customers for the use of our vessels to transport their dry cargos. In general, the vessels in our fleet are chartered-out under time charters, which range in length from one to twelve years at inception. From time to time, we operate vessels in the spot market until the vessels have been chartered under long-term charters.

For the three month period ended March 31, 2015, our most significant counterparties were Hyundai Merchant Marine Co., Ltd., Navios Corporation and Yang Ming Marine Transport Corporation, which accounted for approximately 24.5%, 11.3% and 11.0%, respectively, of total revenues. For the year ended December 31, 2014, our most significant counterparties were Hyundai Merchant Marine Co., Ltd and Navios Corporation, which accounted for approximately 24.4% and 11.0%, respectively, of total revenues. We believe that the combination of the long-term nature of most of our charters (which provide for the receipt of a fixed fee for the life of the charter) and our management agreement with the Manager, a wholly-owned subsidiary of Navios Holdings (which provides for a fixed management fee until December 31, 2015), provides us with a strong base of stable cash flows.

Our revenues are driven by the number of vessels in the fleet, the number of days during which the vessels operate and our charter hire rates, which, in turn, are affected by a number of factors, including:

- the duration of the charters;
- the level of spot and long-term market rates at the time of charter;
- decisions relating to vessel acquisitions and disposals;
- the amount of time spent positioning vessels;
- the amount of time that vessels spend undergoing repairs and upgrades in drydock;
- the age, condition and specifications of the vessels; and
- the aggregate level of supply and demand in the dry cargo shipping industry.

Time charters are available for varying periods, ranging from a single trip (spot charter) to long-term which may be many years. In general, a long-term time charter assures the vessel owner of a consistent stream of revenue. Operating the vessel in the spot market affords the owner greater spot market opportunity, which may result in high rates when vessels are in high demand or low rates when vessel availability exceeds demand. We intend to operate our vessels in the long-term charter market. Vessel charter rates are affected by world economics, international events, weather conditions, strikes, governmental policies, supply and demand and many other factors that might be beyond our control. Please read “Risk Factors” in our 2014 Annual Report on Form 20-F for a discussion of certain risks inherent in our business.

We could lose a customer or the benefits of a charter if:

- the customer fails to make charter payments because of its financial inability, disagreements with us or otherwise;
- the customer exercises certain rights to terminate the charter of the vessel;
- the customer terminates the charter because we fail to deliver the vessel within a fixed period of time, the vessel is lost or damaged beyond repair, there are serious deficiencies in the vessel or prolonged periods of off-hire, or we default under the charter; or

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- a prolonged force majeure event affecting the customer, including damage to or destruction of relevant production facilities, war or political unrest prevents us from performing services for that customer.

Under some of our time charters, either party may terminate the charter contract in the event of war in specified countries or in locations that would significantly disrupt the free trade of the vessel. Some of the time charters covering our vessels require us to return to the charterer, upon the loss of the vessel, all advances paid by the charterer but not earned by us.

Trends and Factors Affecting Our Future Results of Operations

We believe the principal factors that will affect our future results of operations are the economic, regulatory, political and governmental conditions that affect the shipping industry generally and that affect conditions in countries and markets in which our vessels engage in business. Please read “Risk Factors” in our 2014 Annual Report on Form 20-F for a discussion of certain risks inherent in our business.

Results of Operations

Overview

The financial condition and the results of operations presented for the three month period ended March 31, 2015 and 2014 of Navios Partners discussed below include the following entities and chartered-in vessels:

Company name	Vessel name	Country of incorporation	Statements of income	
			2015	2014
Libra Shipping Enterprises Corporation	Navios Libra II	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Alegria Shipping Corporation	Navios Alegria	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Felicity Shipping Corporation	Navios Felicity	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Gemini Shipping Corporation	Navios Gemini S	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Galaxy Shipping Corporation	Navios Galaxy I	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Aurora Shipping Enterprises Ltd.	Navios Hope	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Palermo Shipping S.A.	Navios Apollon	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Fantastiks Shipping Corporation	Navios Fantastiks	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Sagittarius Shipping Corporation	Navios Sagittarius	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Hyperion Enterprises Inc.	Navios Hyperion	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Chilali Corp.	Navios Aurora II	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Surf Maritime Co.	Navios Pollux	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Pandora Marine Inc.	Navios Melodia	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Customized Development S.A.	Navios Fulvia	Liberia	1/01 – 03/31	1/01 – 03/31
Kohylia Shipmanagement S.A.	Navios Luz	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Orbiter Shipping Corp.	Navios Orbiter	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Floral Marine Ltd.	Navios Buena			
	Ventura	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Golem Navigation Limited	Navios Soleil	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Kymata Shipping Co.	Navios Helios	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Joy Shipping Corporation	Navios Joy	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Micaela Shipping Corporation	Navios Harmony	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Pearl Shipping Corporation	Navios Sun	Marshall Is.	1/01 – 03/31	1/18 – 03/31
Velvet Shipping Corporation	Navios La Paix	Marshall Is.	1/01 – 03/31	1/07 – 03/31
Rubina Shipping Corporation	Hyundai Hongkong	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Topaz Shipping Corporation	Hyundai Singapore	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Beryl Shipping Corporation	Hyundai Tokyo	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Cheryl Shipping Corporation	Hyundai Shanghai	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Christal Shipping Corporation	Hyundai Busan	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Fairy Shipping Corporation	YM Utmost	Marshall Is.	1/01 – 03/31	—
Limestone Shipping Corporation	YM Unity	Marshall Is.	1/01 – 03/31	—
Dune Shipping Corp.	MSC Cristina	Marshall Is.	—	—
Citrine Shipping Corporation	—	Marshall Is.	—	—
Chartered-in vessels				
Prosperity Shipping Corporation	Navios Prosperity	Marshall Is.	1/01 – 03/05	1/01 – 03/31
Aldebaran Shipping Corporation	Navios Aldebaran	Marshall Is.	1/01 – 02/28	1/01 – 03/31
Other				
JTC Shipping and Trading Ltd (*)	Holding Company	Malta	1/01 – 03/31	1/01 – 03/31
Navios Maritime Partners L.P.	N/A	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Navios Maritime Operating LLC	N/A	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Navios Partners Finance (US) Inc.	Co-Borrower	Delaware	1/01 – 03/31	1/01 – 03/31
Navios Partners Europe Finance Inc.	Sub-Holding Company	Marshall Is.	1/01 – 03/31	1/01 – 03/31

(*) Not a vessel-owning subsidiary and only holds right to a charter-in contract.

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The accompanying interim condensed consolidated financial statements of Navios Partners are unaudited, but, in the opinion of management, contain all adjustments necessary to present a fair statement of results, in all material respects, Navios Partners' condensed consolidated financial position as of March 31, 2015 and the condensed consolidated results of operations for the three months ended March 31, 2015 and 2014. The footnotes are condensed as permitted by the requirements for interim financial statements and, accordingly, do not include information and disclosures required under US GAAP for complete financial statements. All such adjustments are deemed to be of a normal, recurring nature. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year. These financial statements should be read in conjunction with the consolidated financial statements and related notes included in Navios Partners' Annual Report on Form 20-F for the year ended December 31, 2014.

FINANCIAL HIGHLIGHTS

The following table presents consolidated revenue and expense information for the three month period ended March 31, 2015 and 2014.

	Three Month Period ended March 31, 2015 (\$'000) (unaudited)	Three Month Period ended March 31, 2014 (\$'000) (unaudited)
Time charter and voyage revenues (includes related party revenue of \$6,410 and \$6,127 for the three months ended March 31, 2015 and 2014, respectively)	\$ 56,786	\$ 57,498
Time and voyage charter expenses	(3,471)	(4,443)
Direct vessel expenses	(537)	—
Management fees	(13,401)	(12,005)
General and administrative expenses	(1,875)	(1,944)
Depreciation and amortization	(18,099)	(43,678)
Interest expense and finance cost, net	(8,501)	(7,029)
Interest income	53	53
Other income	469	30,040
Other expense	(545)	(131)
Net income	\$ 10,879	\$ 18,361
EBITDA (1)	\$ 37,963	\$ 69,015
Operating Surplus (1)	\$ 27,595	\$ 56,847

- (1) EBITDA and Operating Surplus are non-GAAP financial measures. See “—Reconciliation of EBITDA to Net Cash from Operating Activities, Operating Surplus and Available Cash for Distribution” for a description of EBITDA and Operating Surplus and a reconciliation of EBITDA and Operating Surplus to the most comparable measure under US GAAP.

Period over Period Comparisons

For the Three Month Period ended March 31, 2015 compared to the Three Month Period ended March 31, 2014

Time charter and voyage revenues: Time charter and voyage revenues for the three month period ended March 31, 2015 decreased by \$0.7 million or 1.2% to \$56.8 million, as compared to \$57.5 million for the same period in 2014. The decrease was mainly attributable to the decrease in TCE to \$18,625 per day for the three month period ended March 31, 2015, from \$20,785 per day for the three month period ended March 31, 2014. The above decrease in time charter and voyage revenues was partially mitigated by an increase in revenue due to the delivery of the YM Utmost and the YM Unity in the second half of 2014 which was primarily due to the decline in the freight market during 2015, as compared to the same period in 2014. As a result of the vessel acquisitions, available days of the fleet increased to 2,952 days for the three month period ended March 31, 2015, as compared to 2,668 days for the three month period ended March 31, 2014.

Time charter and voyage expenses: Time charter and voyage expenses for the three month period ended March 31, 2015 decreased by \$1.0 million or 21.9% to \$3.5 million, as compared to \$4.4 million for the three month period ended March 31, 2014. The decrease was mainly attributable to termination of charter-in contracts of the Navios Prosperity and the Navios Aldebaran. On February 11, 2015, Navios Partners and Navios Holdings entered into a novation agreement whereby the rights to the time charter contracts of the Navios Aldebaran and the Navios Prosperity was transferred to Navios Holdings as of February 28, 2015 and March 5, 2015, respectively.

Management fees: Management fees for the three month period ended March 31, 2015, increased by \$1.4 million or 11.6% to \$13.4 million, as compared to \$12.0 million for the same period in 2014. The increase was mainly attributable to the increased fleet.

Pursuant to the Management Agreement, the Manager, a wholly owned subsidiary of Navios Holdings, provides commercial and technical management services to Navios Partners' vessels for a daily fee of: (a) \$4,000 daily rate per Ultra-Handymax vessel; (b) \$4,100 daily rate per Panamax vessel; (c) \$5,100 daily rate per Capesize vessel; (d) \$6,500 daily rate per Container vessel of TEU 6,800; (e) \$7,200 daily rate per Container vessel of more than TEU 8,000; and (f) \$8,500 daily rate per very large Container vessel of more than TEU 13,000 through December 31, 2015. Drydocking expenses under this agreement will be reimbursed by Navios Partners at cost at occurrence.

General and administrative expenses: General and administrative expenses amounted to \$1.9 million for each of the three month periods ended March 31, 2015 and 2014.

Depreciation and amortization: Depreciation and amortization amounted to \$18.1 million for the three month period ended March 31, 2015 compared to \$43.7 million for the three month period ended March 31, 2014. The decrease of \$25.6 million was attributable to: (a) a \$22.0 million accelerated amortization of the Navios Pollux favorable lease intangible due to a change in its useful life in the first quarter of 2014; and (b) a decrease in amortization expense of \$4.7 million due to write-offs of favorable lease of the Navios Orbiter, the Navios Hyperion and the Navios Pollux in the first quarter of 2014. The above decrease was partially mitigated by an increase in depreciation expense of \$1.2 million due to the increased number of vessels that were delivered into our owned fleet. Depreciation of vessels is calculated using an estimated useful life of 25 and 30 years for drybulk and container vessels, respectively, from the date the vessel was originally delivered from the shipyard. Intangible assets are amortized over the contract periods, which range from one to eight years.

Interest expense and finance cost, net: Interest expense and finance cost, net for the three months ended March 31, 2015 increased by \$1.5 million or 20.9% to \$8.5 million, as compared to \$7.0 million for the three months ended March 31, 2014. The increase was due to the increase in the average outstanding loan balance to \$582.9 million for the three months ended March 31, 2015 from \$537.5 million for the three months ended March 31, 2014 mitigated by the lower weighted average interest rate of 4.56% for the three months ended March 31, 2015, compared to 4.67% for the same period in 2014. As of March 31, 2015 and 2014, the outstanding loan balance under Navios Partners' credit facilities was \$529.7 million and \$524.0 million, respectively.

Other income: Other income for the three months ended March 31, 2015 amounted to \$0.5 million compared to \$30.0 million for the three months ended March 31, 2014. The decrease was attributable to the compensation received from our third-party insurer for the termination of the credit default insurance in the first quarter of 2014. (See Note 15 of our condensed notes to the condensed consolidated financial statements).

Other expense: Other expense for the three months ended March 31, 2015 amounted to \$0.5 million compared to \$0.1 million for the three months ended March 31, 2014.

Net income: Net income for the three months ended March 31, 2015 amounted to \$10.9 million compared to \$18.4 million for the three months ended March 31, 2014. The decrease in net income of \$7.5 million was due to the factors discussed above.

Operating surplus: Navios Partners generated operating surplus for the three month period ended March 31, 2015 of \$27.6 million, compared to \$56.8 million for the three month period ended March 31, 2014. Operating Surplus is a non-GAAP financial measure used by certain investors to assist in evaluating a partnership's ability to make quarterly cash distributions (See "Reconciliation of EBITDA to Net Cash from Operating Activities, Operating Surplus and Available Cash for Distribution" contained herein).

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Seasonality: Since Navios Partners' vessels generally operate under long-term charters, the results of operations are not generally subject to the effect of seasonal variations in demand.

Liquidity and Capital Resources

In addition to distributions on our units, our primary short-term liquidity needs are to fund general working capital requirements, cash reserve requirements as per our credit facilities and debt service, while our long-term liquidity needs primarily relate to expansion and investment capital expenditures and other maintenance capital expenditures and debt repayment. Expansion capital expenditures are primarily for the purchase or construction of vessels to the extent the expenditures increase the operating capacity of or revenue generated by our fleet, while maintenance capital expenditures primarily consist of drydocking expenditures and expenditures to replace vessels in order to maintain the operating capacity of or revenue generated by our fleet. Investment capital expenditures are those capital expenditures that are neither maintenance capital expenditures nor expansion capital expenditures.

We anticipate that our primary sources of funds for our short-term liquidity needs will be cash flows from operations. We believe that cash flows from operations will be sufficient to meet our existing short-term liquidity needs for at least the next 12 months. In addition, we filed a shelf registration statement on November 1, 2013, which was declared effective on January 15, 2014, under which we may sell any combination of securities (debt or equity) for up to a total of \$500.0 million, approximately \$330.4 million of which is currently available.

Generally, our long-term sources of funds derive from cash from operations, long-term bank borrowings and other debt or equity financings. Because we distribute our available cash, we expect that we will rely upon external financing sources, including bank borrowings and the issuance of debt and equity securities, to fund acquisitions and expansion and investment capital expenditures, including opportunities we may pursue under the Omnibus Agreement. We cannot assure you that we will be able to raise the size of our credit facilities or obtaining additional funds on favorable terms.

Cash deposits and cash equivalents in excess of amounts covered by government provided insurance are exposed to loss in the event of non-performance by financial institutions. Navios Partners does maintain cash deposits and equivalents in excess of government provided insurance limits. Navios Partners also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

Credit Facilities

Term Loan B facility

In June 2013, Navios Partners completed the issuance of the \$250.0 million Term Loan B facility. The Term Loan B facility bears an interest rate of LIBOR plus 425 bps and has a five-year term with 1.0% amortization profile and was issued at 98.0% (at a discount of \$5.0 million). Navios Partners used the net proceeds of the Term Loan B facility to: (i) prepay \$101.6 million of the July 2012 Credit Facility; (ii) fully repay the outstanding balance of \$41.2 million of the August 2012 Credit Facility; (iii) deposit \$98.2 million to be held in escrow, to partially finance part of the acquisition of four new vessels, of which \$47.0 million was released in September 2013 for the acquisition of the Navios Joy and \$17.8 million was released in October 2013 for the acquisition of the Navios Harmony; and (iv) cover fees and expenses. The refinancing of the August 2012 Credit Facility was accounted for as a debt extinguishment in accordance with ASC470 Debt and the remaining unamortized balance of \$0.7 million was written-off from the deferred financing fees.

On November 1, 2013, Navios Partners completed the issuance of a \$189.5 million add-on to its existing Term Loan B facility. The add-on to the Term Loan B facility bears the same terms as Term Loan B facility and was issued at 100%. Navios Partners used the net proceeds to partially finance the acquisition of five Container vessels.

On March 30, 2015, Navios Partners prepaid \$21.0 million of the Term Loan B facility. The prepayment was fully applied to the balloon payment. Following this prepayment an amount of \$0.3 million was written off from the deferred financing fees.

The Term Loan B facility is secured by first priority mortgages covering certain vessels owned by subsidiaries of Navios Partners, in addition to other collateral and is guaranteed by each subsidiary of Navios Partners. The Term Loan B Agreement requires maintenance of a loan to value ratio of 0.8 to 1.0, and other restrictive covenants customary for facilities of this type (subject to negotiated exceptions and baskets), including restrictions on indebtedness, liens, acquisitions and investments, restricted payments and dispositions. The Term Loan B Agreement also provides for customary events of default.

As of March 31, 2015, the outstanding balance of the Term Loan B facility including the add-on was \$408.1 million, net of discount of \$3.2 million, and it is repayable in 13 quarterly installments of \$1.1 million, with a final payment of \$397.0 million, in June 2018.

ABN AMRO facility

On September 22, 2014, Navios Partners entered into a term loan facility with ABN AMRO Bank N.V. (the “September 2014 Credit Facility”) of up to \$56.0 million (divided into two tranches) in order to finance a portion of the purchase price payable in connection with the acquisition of the YM Utmost and the YM Unity. Each tranche of the September 2014 Credit Facility was repayable in 20 equal quarterly installments of approximately \$0.7 million, with a final balloon payment of \$14.3 million on the last repayment date. The maturity date of each tranche was five years after the drawdown date of such tranche. The tranches of the September 2014 Credit Facility bear interest at LIBOR plus 300 bps per annum. On March 30, 2015, Navios Partners prepaid \$21.3 million. On April 8, 2015, Navios Partners entered into a supplemental agreement (the “First Supplemental Agreement”) to its September 2014 Credit Facility with ABN AMRO Bank N.V. following the release and discharge of Fairy Shipping Corporation and the YM Utmost from its obligations and liabilities under the September 2014 Credit Facility pursuant to a deed of release dated March 30, 2015. The First Supplemental Agreement amended the outstanding balance of the loan to \$32.6 million, and is repayable in 19 consecutive quarterly installments, the first 14 of which are \$1.1 million and the next five are \$0.7 million, with a final balloon payment of \$14.3 million on the last repayment date. The First Supplemental Agreement is attached as exhibit 10.2 to this report and is incorporated herein by reference.

Commerzbank/DVB facility

On March 27, 2015, Navios Partners prepaid \$2.3 million of the July 2012 Credit facility and the prepayment was applied to 2015 installments. As of March 31, 2015, the outstanding balance of the July 2012 Credit facility was \$95.2 million, and it is repayable in nine installments of \$3.5 million and one installment of 5.9 million with a final balloon payment of \$58.2 million.

HSH facility

On April 16, 2015, Navios Partners, through certain of its wholly-owned subsidiaries, entered into a term loan facility agreement of up to \$164.0 million (divided into two tranches) with HSH Nordbank AG (the “April 2015 Credit Facility”), in order to finance a portion of the purchase price payable in connection with the acquisition of the MSC Cristina and one more super-post-panamax 13,100 TEU container vessel. The first tranche of the term loan facility, related to the MSC Cristina, is repayable in 28 equal consecutive quarterly installments of \$1.5 million, with a final balloon payment of \$38.4 million on the last repayment date and the second tranche will be repayable in 28 equal consecutive quarterly installments of \$1.5 million, with a final balloon payment of \$41.0 million on the last repayment date. The final maturity date is May 29, 2022. The tranches of the April 2015 Credit Facility bear interest at LIBOR plus 275 bps per annum. The April 2015 Credit Facility also requires compliance with certain financial covenants. Among other events, it will be an event of default under this credit facility if the financial covenants are not complied with. The April 2015 Credit Facility agreement is attached as Exhibit 10.1 to this report and is incorporated herein by reference.

As of March 31, 2015, the total borrowings under the Navios Partners’ credit facilities were \$529.7 million, net.

Amounts drawn under the July 2012 Credit Facility are secured by first preferred mortgages on certain Navios Partners’ vessels and other collateral and are guaranteed by the respective vessel-owning subsidiary. Amounts drawn under the September 2014 Credit Facility are secured by first preferred mortgages on certain Navios Partners’ vessels and other collateral and are guaranteed by Navios Partners. The July 2012 Credit Facility and the September 2014 Credit Facility contain a number of restrictive covenants that prohibit or limit Navios Partners from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; charging, pledging or encumbering the vessels; changing the flag, class, management or ownership of Navios Partners’ vessels; changing the commercial and technical management of Navios Partners’ vessels; selling or changing the beneficial ownership or control of Navios Partners’ vessels; and subordinating the obligations under the credit facilities to any general and administrative costs relating to the vessels, including the fixed daily fee payable under the management agreement.

The July 2012 Credit Facility and the September 2014 Credit Facility also require compliance with a number of financial covenants, including: (i) maintain a required security amount of over 140%; (ii) minimum free consolidated liquidity of at least the higher of \$25.0 million and the aggregate of interest and principal falling due during the previous six months; (iii) maintain a ratio of EBITDA to interest expense of at least 5.00 : 1.00; (iv) maintain a ratio of total liabilities to total assets (as defined in our credit facilities) of less than 0.65 : 1.00; and (v) maintain a minimum net worth to \$250.0 million. It is an event of default under the loan facilities if such covenants are not complied with.

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As of March 31, 2015, Navios Partners was in compliance with the financial covenants of all of its credit facilities.

	Three Month Period Ended March 31, 2015 (\$'000) (Unaudited)	Three Month Period Ended March 31, 2014 (\$'000) (Unaudited)
Net cash provided by operating activities	\$ 27,336	\$ 36,284
Net cash used in investing activities	(14,802)	(3,638)
Net cash (used in)/provided by financing activities	(12,106)	72,567
Increase in cash and cash equivalents	\$ 428	\$ 105,213

Cash provided by operating activities for the three month period ended March 31, 2015 as compared to the cash provided for the three month period ended March 31, 2014:

Net cash provided by operating activities decreased by \$8.9 million to \$27.3 million for the three month period ended March 31, 2015, as compared to \$36.3 million for the same period in 2014.

Net income decreased by \$7.5 million to \$10.9 million for the three month period ended March 31, 2015, from \$18.4 million in the three month period ended March 31, 2014. In determining net cash provided by operating activities for the three month period ended March 31, 2015 net income was adjusted for the effects of certain non-cash items, including \$18.1 million depreciation and amortization, \$1.4 million amortization and write-off of deferred financing costs and \$0.5 million amortization of deferred drydock and special survey costs. For the three month period ended March 31, 2014, net income was adjusted for the effects of certain non-cash items, including \$43.7 million depreciation and amortization and \$0.7 million amortization and write-off of deferred financing costs.

Accounts receivable increased by \$4.0 million, from \$13.3 million at December 31, 2014, to \$17.3 million at March 31, 2015 due to the increase in amounts due from charterers.

Accounts payable increased by \$0.2 million, from \$3.8 million at December 31, 2014, to \$4.1 million at March 31, 2015.

Accrued expenses decreased by \$0.6 million from \$3.6 million at December 31, 2014, to \$3.0 million at March 31, 2015.

Deferred voyage revenue primarily relates to cash received from charterers prior to it being earned. Deferred voyage revenue, net of commissions increased by \$0.4 million from \$4.3 million at December 31, 2014, to \$4.7 million at March 31, 2015.

Amounts due to related parties increased by \$1.9 million, from \$1.9 million at December 31, 2014, to \$3.8 million at March 31, 2015. The increase was mainly attributable to an increase in other payables for drydock and special survey expenses of \$1.4 million and other payables of \$0.5 million.

Payments for drydock and special survey costs incurred at March 31, 2015 and December 31, 2014 were \$0.8 million and \$8.7 million, respectively and related to drydock and special survey costs incurred for certain vessels of the fleet.

Cash used in investing activities for the three month period ended March 31, 2015 as compared to the three month period ended March 31, 2014:

Net cash used in investing activities increased to \$14.8 million for the three month period ended March 31, 2015, as compared to \$3.6 million for the same period in 2014.

Cash used in investing activities of \$14.8 million for the three month period ended March 31, 2015 related to a deposit of \$14.8 million paid for the acquisition of the MSC Cristina, which was delivered in April 22, 2015.

Cash used in investing activities of \$3.6 million for the three month period ended March 31, 2014 was due to: (i) \$36.9 million paid for the acquisition of the Navios La Paix and the Navios Sun in January 2014 of which \$33.4 million was released from escrow; and (ii) a \$0.2 million loan granted to Navios Europe Inc. ("Navios Europe").

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Cash used in financing activities for the three month period ended March 31, 2015 as compared to cash provided by financing activities for the three month period ended March 31, 2014:

Net cash (used in)/provided by financing activities decreased by \$84.7 million to \$12.1 million outflow for the three month period ended March 31, 2015, as compared to \$72.6 million inflow for the same period in 2014.

Cash used in financing activities of \$12.1 million for the three month period ended March 31, 2015 was due to: (a) \$72.1 million proceeds from the issuance of 4,600,000 common units in February 2015, net of offering costs; and (b) \$1.5 million proceeds from the issuance of additional general partnership units. This overall increase was partially offset by: (a) loan repayments of \$47.6 million; and (b) payment of a total cash distribution of \$38.1 million.

Cash provided by financing activities of \$72.6 million for the three month period ended March 31, 2014 was due to: (a) \$104.5 million proceeds from the issuance of 6,325,000 common units in February 2014, net of offering costs; and (b) \$2.2 million proceeds from the issuance of additional general partnership units. This overall increase was partially offset by: (a) loan repayments of \$1.6 million; and (b) payment of a total cash distribution of \$32.6 million.

Reconciliation of EBITDA to Net Cash from Operating Activities, Operating Surplus and Available Cash for Distribution

	Three Month Period ended March 31, 2015 (\$'000) (unaudited)	Three Month Period ended March 31, 2014 (\$'000) (unaudited)
Net cash provided by operating activities	\$ 27,336	\$ 36,284
Net decrease in operating assets	4,031	27,355
Net decrease in operating liabilities	(482)	(850)
Net interest cost	8,448	6,976
Amortization and write-off of deferred financing cost	(1,370)	(750)
EBITDA⁽¹⁾	\$ 37,963	\$ 69,015
Cash interest income	27	27
Cash interest paid	(7,170)	(6,287)
Maintenance and replacement capital expenditures	(3,225)	(5,908)
Operating Surplus	\$ 27,595	\$ 56,847
Cash reserves	10,502	(21,373)
Available cash for distribution	\$ 38,097	\$ 35,474

(1)

	Three Month Period ended March 31, 2015 (\$'000) (unaudited)	Three Month Period ended March 31, 2014 (\$'000) (unaudited)
Net cash provided by operating activities	\$ 27,336	\$ 36,284
Net cash used in investing activities	\$ (14,802)	\$ (3,638)
Net cash (used in)/provided by financing activities	\$ (12,106)	\$ 72,567

EBITDA

EBITDA represents net income plus interest and finance costs plus depreciation and amortization including accelerated amortization of time charters and income taxes.

EBITDA is presented because Navios Partners believes that EBITDA is a basis upon which liquidity can be assessed and present useful information to investors regarding Navios Partners' ability to service and/or incur indebtedness, pay capital expenditures, meet working capital requirements and pay dividends. EBITDA is a "non-GAAP financial measure" and should not be considered a substitute for net income, cash flow from operating activities and other operations or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States or as a measure of profitability or liquidity.

While EBITDA is frequently used as a measure of operating results and the ability to meet debt service requirements, the definition of EBITDA used here may not be comparable to that used by other companies due to differences in methods of calculation.

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EBITDA decreased by \$31.1 million to \$38.0 million for the three month period ended March 31, 2015, as compared to \$69.0 million for the same period in 2014. The decrease in EBITDA was due a \$0.7 million decrease in revenue, a \$1.4 million increase in management fees due to the increased number of vessels, a \$29.6 million decrease in other income attributable to the compensation received from a third-party insurer for the termination of the credit default insurance in the first quarter of 2014 and a \$0.4 million increase in other expense. The above decrease was partially mitigated by a \$0.1 million decrease in general and administrative expenses and a \$1.0 million decrease in time charter and voyage expenses.

Operating Surplus

Operating Surplus represents net income adjusted for depreciation and amortization expense, non-cash interest expense and estimated maintenance and replacement capital expenditures. Maintenance and replacement capital expenditures are those capital expenditures, estimated by the board of directors to be required to maintain over the long term the operating capacity of, or the revenue generated by, Navios Partners' capital assets.

Operating Surplus is a quantitative measure used in the publicly-traded partnership investment community to assist in evaluating a partnership's ability to make quarterly cash distributions. Operating Surplus is not required by accounting principles generally accepted in the United States and should not be considered a substitute for net income, cash flow from operating activities and other operations or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States or as a measure of profitability or liquidity.

Available Cash

Available Cash generally means, for each fiscal quarter, all cash on hand at the end of the quarter:

- less the amount of cash reserves established by the board of directors to:
 - provide for the proper conduct of Navios Partners' business (including reserve for maintenance and replacement capital expenditures);
 - comply with applicable law, any of Navios Partners' debt instruments, or other agreements; or
 - provide funds for distributions to the unitholders and to the general partner for any one or more of the next four quarters;
 - plus all cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made after the end of the quarter. Working capital borrowings are generally borrowings that are made under any revolving credit or similar agreement used solely for working capital purposes or to pay distributions to partners.

Available Cash is a quantitative measure used in the publicly traded partnership investment community to assist in evaluating a partnership's ability to make quarterly cash distributions. Available Cash is not required by accounting principles generally accepted in the United States and should not be considered a substitute for net income, cash flow from operating activities and other operations or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States or as a measure of profitability or liquidity.

Borrowings

Navios Partners' long-term third party borrowings are reflected in its balance sheet as "Long-term debt, net" and "Current portion of long-term debt, net". As of March 31, 2015 and December 31, 2014, total debt, net amounted to \$529.7 million and \$576.0 million, respectively. The current portion of long-term debt, net amounted to \$16.0 million at March 31, 2015 and \$16.4 million December 31, 2014, respectively.

Capital Expenditures

Navios Partners finances its capital expenditures with cash flow from operations, owners' contribution, equity raisings and bank borrowings. Capital expenditures the three month period ended March 31, 2015 and 2014 were \$14.8 million and \$3.4 million, respectively. The reserve for estimated maintenance and replacement capital expenditures for the three month period ended March 31, 2015 was \$3.2 million. The reserve for estimated maintenance and replacement capital expenditures for the three month period ended March 31, 2014 was \$5.9 million.

Maintenance for our vessels and expenses related to drydocking expenses are now reimbursed at cost by Navios Partners to our Manager under the amended management agreement. In October 2011, Navios Partners extended the duration of its existing Management Agreement with the Manager until December 31, 2017 and fixed the rate for shipmanagement services of its owned fleet

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through December 31, 2013. The management fees, including drydocking expenses were: (a) \$4,650 daily rate per Ultra-Handymax vessel; (b) \$4,550 daily rate per Panamax vessel; and (c) \$5,650 daily rate per Capesize vessel. In each of October 2013, August 2014 and February 2015, Navios Partners amended its existing management agreement with the Manager to fix the fees for ship management services of its owned fleet excluding drydocking expenses which are reimbursed at cost by Navios Partners at: (a) \$4,000 daily rate per Ultra-Handymax vessel; (b) \$4,100 daily rate per Panamax vessel; (c) \$5,100 daily rate per Capesize vessel; (d) \$6,500 daily rate per Container vessel of TEU 6,800; (e) \$7,200 daily rate per Container vessel of more than TEU 8,000; and (f) \$8,500 daily rate per very large Container vessel of more than TEU 13,000 through December 31, 2015.

Maintenance and Replacement Capital Expenditures Reserve

We estimate that our annual replacement reserve for the year ending December 31, 2015, will be approximately \$13.7 million, for replacing our vessels at the end of their useful lives.

The amount for estimated maintenance and replacement capital expenditures attributable to future vessel replacement was based on the following assumptions: (i) current market price to purchase a five year old vessel of similar size and specifications; (ii) a 25-year useful life for drybulk vessels and a 30-year useful life for container vessels; and (iii) a relative net investment rate.

Our Board of Directors, with the approval of the conflicts committee, may determine that one or more of our assumptions should be revised, which could cause our Board of Directors to increase or decrease the amount of estimated maintenance and replacement capital expenditures. The actual cost of replacing the vessels in our fleet will depend on a number of factors, including prevailing market conditions, charter hire rates and the availability and cost of financing at the time of replacement. We may elect to finance some or all of our maintenance and replacement capital expenditures through the issuance of additional common units which could be dilutive to existing unitholders.

Off-Balance Sheet Arrangements

Navios Partners has no off-balance sheet arrangements that have or are reasonably likely to have, a current or future material effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Contractual Obligations and Contingencies

The following table summarizes Navios Partners' long-term contractual obligations as of March 31, 2015:

	Payments due by period (Unaudited)				Total
	Less than 1 year	1-3 years	3-5 years	More than 5 years	
	(In thousands of U.S. dollars)				
Loan obligations ⁽¹⁾ ⁽²⁾ ⁽³⁾ ⁽⁴⁾	\$ 19,024	\$ 102,139	\$ 417,947	\$ —	\$ 539,110
Vessels deposits ⁽⁵⁾	\$ 132,975	\$ —	\$ —	\$ —	\$ 132,975
Total contractual obligations	\$ 151,999	\$ 102,139	\$ 417,947	\$ —	\$ 672,085

- (1) The amount identified does not include interest costs associated with the outstanding July 2012 Credit Facility which are based on LIBOR plus the costs of complying with any applicable regulatory requirements and a margin ranging from 1.80% to 2.05% per annum.
- (2) The amount identified does not include interest costs associated with the outstanding Term Loan B facility which are based on 4.25% per annum plus LIBOR with a floor of 1.0%.
- (3) The amount identified excludes the discount associated with the outstanding Term Loan B facility.
- (4) The amount identified does not include interest costs associated with the outstanding September 2014 Credit Facility which are based on 3.0% per annum plus LIBOR.
- (5) Contractual obligation for the acquisition of the MSC Cristina, which was delivered in April 2015.

Navios Holdings, Navios Acquisition and Navios Partners will make available to Navios Europe (in each case, in proportion to their ownership interests in Navios Europe) revolving loans up to \$24.1 million to fund working capital requirements (collectively, the "Navios Revolving Loans"). As of March 31, 2015, the amounts undrawn from the Navios Revolving Loans was \$9.1 million, of which Navios Partners was committed to fund \$0.5 million (See Note 13 for the Investment in Navios Europe and respective ownership interests).

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Fleet Employment Profile

The following table reflects certain key indicators indicative of the performance of Navios Partners and its core fleet performance for the three month period ended March 31, 2015 and 2014.

	Three Month Period ended March 31, 2015 (\$'000) (unaudited)	Three Month Period ended March 31, 2014 (\$'000) (unaudited)
Available Days (1)	2,952	2,668
Operating Days (2)	2,949	2,665
Fleet Utilization (3)	99.92%	99.88%
Time Charter Equivalent (per day) (4)	\$ 18,625	\$ 20,785
Vessels operating at period end	30	30

- (1) Available days for the fleet represent total calendar days the vessels were in Navios Partners' possession for the relevant period after subtracting off-hire days associated with scheduled repairs, dry dockings or special surveys. The shipping industry uses available days to measure the number of days in a relevant period during which a vessel is capable of generating revenues.
- (2) Operating days is the number of available days in the relevant period less the aggregate number of days that the vessels are off-hire due to any reason, including unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a relevant period during which vessels actually generate revenues.
- (3) Fleet utilization is the percentage of time that Navios Partners' vessels were available for revenue generating available days, and is determined by dividing the number of operating days during a relevant period by the number of available days during that period. The shipping industry uses fleet utilization to measure efficiency in finding employment for vessels and minimizing the amount of days that its vessels are off-hire for reasons other than scheduled repairs, drydockings or special surveys.
- (4) TCE rates: TCE rates are defined as voyage and time charter revenues less voyage expenses during a period divided by the number of available days during the period. The TCE rate is a standard shipping industry performance measure used primarily to present the actual daily earnings generated by vessels on various types of charter contracts for the number of available days of the fleet.

Cash Distribution Policy

Rationale for Our Cash Distribution Policy

Our cash distribution policy reflects a basic judgment that our unitholders are better served by distributing our cash available (after deducting expenses, including estimated maintenance and replacement capital expenditures and reserves) rather than retaining it. Because we believe we will generally finance any expansion capital expenditures from external financing sources or through equity raising, we believe that our investors are best served by our distributing our available cash. Our cash distribution policy is consistent with the terms of our partnership agreement, which requires that we distribute all of our available cash quarterly (after deducting expenses, including estimated maintenance and replacement capital expenditures and reserves).

Limitations on Cash Distributions and Our Ability to Change Our Cash Distribution Policy

There is no guarantee that unitholders will receive quarterly distributions from us. Our distribution policy is subject to certain restrictions and may be changed at any time.

Our ability to make distributions to our unitholders depends on the performance of our subsidiaries and their ability to distribute funds to us. The ability of our subsidiaries to make distributions to us may be restricted by, among other things, the provisions of existing and future indebtedness, applicable partnership and limited liability company laws and other laws and regulations.

Minimum Quarterly Distribution

We intend to distribute to the holders of common units and subordinated units on a quarterly basis at least the minimum quarterly distribution of \$0.35 per unit, or \$1.40 per unit per year, to the extent we have sufficient cash on hand to pay the distribution after we establish cash reserves and pay fees and expenses. The amount of available cash from operating surplus needed to pay the minimum quarterly distribution for four quarters on all units outstanding and the related distribution on the 2.0% general partner interest is approximately \$118.7 million. There is no guarantee that we will pay the minimum quarterly distribution on the common units and subordinated units in any quarter. Even if our cash distribution policy is not modified or revoked, the amount of distributions paid under our policy and the decision to make any distribution is determined by our board of directors, taking into consideration the terms of our partnership agreement. We are prohibited from making any distributions to unitholders if it would cause an event of default, or an event of default exists, under our existing credit facilities.

On January 26, 2015, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2014 of \$0.4425 per unit. The distribution was paid on February 13, 2015 to all holders of record of common and general partner units on February 11, 2015, including unitholders of February 2015 offering (See Note 8 — Issuance of Units). The aggregate amount of the declared distribution was \$38.1 million.

On April 28, 2015, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended March 31, 2015 of \$0.4425 per unit. The distribution is payable on May 14, 2015 to all holders of record of common and general partner units on May 13, 2015. The aggregate amount of the declared distribution is anticipated to be \$38.1 million.

Incentive Distribution Rights

Incentive distribution rights represent the right to receive an increasing percentage of quarterly distributions of available cash from Operating Surplus after the minimum quarterly distribution and the target distribution levels have been achieved. Our general partner currently holds the incentive distribution rights, but may transfer these rights separately from its general partner interest, subject to restrictions in the partnership agreement. Except for transfers of incentive distribution rights to an affiliate or another entity as part of our general partner’s merger or consolidation with or into, or sale of substantially all of its assets to such entity, the approval of a majority of our common units (excluding common units held by our general partner and its affiliates), voting separately as a class, generally is required for a transfer of the incentive distribution rights to a third party prior to December 31, 2017.

The following table illustrates the percentage allocations of the additional available cash from Operating Surplus among the unitholders and our general partner up to the various target distribution levels. The amounts set forth under “Marginal Percentage Interest in Distributions” are the percentage interests of the unitholders and our general partner in any available cash from Operating Surplus we distribute up to and including the corresponding amount in the column “Total Quarterly Distribution Target Amount,” until available cash from Operating Surplus we distribute reaches the next target distribution level, if any. The percentage interests shown for the unitholders and our general partner for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests shown for our general partner assume that our general partner maintains its 2.0% general partner interest and assume our general partner has not transferred the incentive distribution rights.

	Total Quarterly Distribution Target Amount	Marginal Percentage Interest in Distributions	
		Common Unitholders	General Partner
Minimum Quarterly Distribution	\$0.35	98%	2%
First Target Distribution	up to \$0.4025	98%	2%
Second Target Distribution	above \$0.4025 up to \$0.4375	85%	15%
Third Target Distribution	above \$0.4375 up to \$0.525	75%	25%
Thereafter	above \$0.525	50%	50%

Related Party Transactions

Management fees: Pursuant to the amended Management Agreement, in each of October 2013, August 2014 and February 2015, the Manager, a wholly owned subsidiary of Navios Holdings, provides commercial and technical management services to Navios Partners’ vessels for a daily fee of: (a) \$4,000 daily rate per Ultra-Handymax vessel; (b) \$4,100 daily rate per Panamax vessel; (c) \$5,100 daily rate per Capesize vessel; (d) \$6,500 daily rate per Container vessel of TEU 6,800; (e) \$7,200 daily rate per Container vessel of TEU 8,000; and (f) \$8,500 daily rate per very large Container vessel of more than TEU 13,000 through December 31, 2015. Drydocking expenses under this agreement are reimbursed by Navios Partners at cost at occurrence.

Total management fees for the three months ended March 31, 2015 and 2014 amounted to \$13.4 million and \$12.0 million, respectively.

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General and administrative expenses: Pursuant to the Administrative Services Agreement, the Manager also provides administrative services to Navios Partners, which include bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other. The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Navios Partners extended the duration of its existing Administrative Services Agreement with the Manager pursuant to the same terms, until December 31, 2017.

Total general and administrative expenses charged by Navios Holdings for the three month periods ended March 31, 2015 and 2014 amounted to \$1.6 million and \$1.5 million, respectively.

Balance due to related parties: Included in the current liabilities as of March 31, 2015 was an amount of \$3.8 million, which represented the current account payable to Navios Holdings and its subsidiaries. The balance mainly consisted of payables for drydock and special survey expenses of \$3.5 million and other payables of \$0.2 million. Amounts due to related parties as of December 31, 2014 was \$1.9 million mainly consisted of other payables for drydock and special survey expenses of \$2.2 million mitigated by other receivables of \$0.3 million.

Vessel Chartering: In February 2012, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Apollon, a 2000-built Ultra-Handymax vessel. The term of this charter was approximately two years, at a net daily rate of \$12,500 for the first year and \$13,500 for the second year, plus 50/50 profit sharing based on actual earnings. In January 2014, this charter was extended for approximately six months at a net daily rate of \$13,500 plus 50/50 profit sharing based on actual earnings and in October 2014, this charter was further extended for approximately one year at a net daily rate of \$12,500 plus 50/50 profit sharing based on actual earnings. For this charter, for the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from Navios Holdings amounted to \$1.1 million and \$1.1 million, respectively.

In May 2012, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Prosperity, a 2007-built Panamax vessel. The term of this charter was approximately one year with two six-month extension options granted to Navios Holdings, at a net daily rate of \$12,000 plus profit sharing. In April 2014, this charter was extended for approximately one year and the owners will receive 100% of the first \$1,500 in profits above the base rate, and thereafter all profits will be split 50/50 to each party. On February 11, 2015, Navios Partners and Navios Holdings entered into a novation agreement whereby the rights to the time charter contract of Navios Prosperity were transferred to Navios Holdings as of March 5, 2015. For this charter, for the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from Navios Holdings amounted to \$0.8 million and \$1.3 million, respectively.

In September 2012, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Libra, a 1995-built Panamax vessel. The term of this charter is approximately three years commencing in October 2012, at a net daily rate of \$12,000 plus 50/50 profit sharing based on actual earnings. For this charter, for the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from Navios Holdings amounted to \$1.1 million and \$1.0 million, respectively.

In May 2013, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Felicity, a 1997-built Panamax vessel. The term of this charter was approximately one year with two six-month extension options, at a net daily rate of \$12,000 plus profit sharing. The owners will receive 100% of the first \$1,500 in profits above the base rate, and thereafter all profits will be split 50/50 to each party. In February 2014, Navios Holdings exercised its first option to extend this charter, and in August 2014, Navios Holdings exercised its second option. For this charter, for the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from Navios Holdings amounted to \$1.1 million and \$1.1 million, respectively.

In May 2013, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Aldebaran, a 2008-built Panamax vessel. The term of this charter was approximately six months commencing in June 2013, at a net daily rate of \$11,000 plus profit sharing, with a six-month extension option. In December 2013, Navios Holdings exercised its option to extend this charter, at a net daily rate of \$11,000 plus profit sharing. The owners will receive 100% of the first \$2,500 in profits above the base rate, and thereafter all profits will be split 50/50 to each party. In July 2014, the Company further extended this charter for approximately six to nine months. On February 11, 2015, Navios Partners and Navios Holdings entered into a novation agreement whereby the rights to the time charter contract of Navios Aldebaran were transferred to Navios Holdings as of February 28, 2015. For this charter, for the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from Navios Holdings amounted to \$0.6 million and \$1.0 million, respectively.

In July 2013, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Hope, a 2005-built Panamax vessel. The term of this charter was approximately one year, at a net daily rate of \$10,000. In December 2013, Navios Holdings extended this charter for approximately six months at a net daily rate of \$10,000 plus 50/50 profit sharing based on actual earnings. For this charter, for the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from Navios Holdings amounted to \$0.7 million and \$0.6 million, respectively.

In February 2015, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Pollux. The term of this charter is approximately for twelve months at a daily rate of \$11,400 net per day. For the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from the subsidiary of Navios Holdings amounted to \$0.9 million and \$0, respectively.

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In March 2015, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Gemini, a 1994-built Panamax vessel. The term of this charter is approximately nine months commencing in March 2015, at a net daily rate of \$7,600 plus 50/50 profit sharing based on actual earnings. For this charter, for the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from Navios Holdings amounted to \$0.01 million and \$0, respectively.

In April 2015, Navios Partners entered into new charters with a subsidiary of Navios Holdings for the Navios Fantastiks and the Navios Apollon. The terms of these charters are at a net daily rate of \$12,500 plus 50% profit sharing on actual results at the end of the charter period. Any adjustment by the charterers for hire expense/loss will be settled accordingly at the end of the charter period.

In April 2015, Navios Partners entered into new charters with a subsidiary of Navios Holdings for the Navios Libra, the Navios Felicity, the Navios Sun, the Navios Orbiter, the Navios Soleil, the Navios Alegria, the Navios Harmony and the Navios Hyperion. The terms of these charters are at a net daily rate of \$12,000 plus 50% profit sharing on actual results at the end of the charter period. Any adjustment by the charterers for hire expense/loss will be settled accordingly at the end of the charter period.

Share Purchase Agreements: On February 4, 2015, Navios Partners entered into a share purchase agreement with Navios Holdings pursuant to which Navios Holdings made an investment in the Company by purchasing common units, and general partnership interests, in order to maintain at least a 20% partnership interest in the Company.

Registration Rights Agreement: On February 4, 2015, in connection with the share purchase agreement as discussed above, Navios Partners entered into a registration rights agreement with Navios Holdings pursuant to which Navios Partners provide Navios Holdings with certain rights relating to the registration of the common units.

Revolving Loans to Navios Europe: Navios Holdings, Navios Maritime Acquisition Corporation (“Navios Acquisition”) and Navios Partners will make available to Navios Europe Inc. (“Navios Europe”) (in each case, in proportion to their ownership interests in Navios Europe) revolving loans up to \$24.1 million to fund working capital requirements (collectively, the “Navios Revolving Loans”). See Note 13 for the Investment in Navios Europe and respective ownership interests.

The Navios Revolving Loans earn a 12.7% preferred distribution and are repaid from Free Cash Flow (as defined in the loan agreement) to the fullest extent possible at the end of each quarter. There are no covenant requirements or stated maturity dates.

As of March 31, 2015, Navios Partners’ portion of the outstanding amount relating to portion of the investment in Navios Europe (5.0% of the \$10.0 million) was \$0.5 million, under the caption “Investment in affiliates” and the outstanding amount relating to the Navios Revolving Loans capital is \$0.8 million, under the caption “Loans receivable from affiliates.” As of March 31, 2015 and December 31, 2014, the amounts undrawn from the Navios Revolving Loans was \$9.1 million, of which Navios Partners was committed to fund \$0.5 million.

Others: Navios Partners has entered into an omnibus agreement with Navios Holdings (the “Partners Omnibus Agreement”) in connection with the closing of Navios Partners’ IPO governing, among other things, when Navios Holdings and Navios Partners may compete against each other as well as rights of first offer on certain drybulk carriers. Pursuant to the Partners Omnibus Agreement, Navios Partners generally agreed not to acquire or own Panamax or Capesize drybulk carriers under time charters of three or more years without the consent of an independent committee of Navios Partners. In addition, Navios Holdings has agreed to offer to Navios Partners the opportunity to purchase vessels from Navios Holdings when such vessels are fixed under time charters of three or more years.

Navios Partners entered into an omnibus agreement with Navios Acquisition and Navios Holdings (the “Acquisition Omnibus Agreement”) in connection with the closing of Navios Acquisition’s initial vessel acquisition, pursuant to which, among other things, Navios Holdings and Navios Partners agreed not to acquire, charter-in or own liquid shipment vessels, except for container vessels and vessels that are primarily employed in operations in South America, without the consent of an independent committee of Navios Acquisition. In addition, Navios Acquisition, under the Acquisition Omnibus Agreement, agreed to cause its subsidiaries not to acquire, own, operate or charter drybulk carriers subject to specific exceptions. Under the Acquisition Omnibus Agreement, Navios Acquisition and its subsidiaries granted to Navios Holdings and Navios Partners, a right of first offer on any proposed sale, transfer or other disposition of any of its drybulk carriers and related charters owned or acquired by Navios Acquisition. Likewise, Navios Holdings and Navios Partners agreed to grant a similar right of first offer to Navios Acquisition for any liquid shipment vessels it might own. These rights of first offer will not apply to a (i) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a counterparty, or (ii) merger with or into, or sale of substantially all of the assets to, an unaffiliated third party.

In connection with the Navios Maritime Midstream Partners L.P (“Navios Midstream”) initial public offering and effective November 18, 2014, Navios Partners entered into an omnibus agreement with Navios Midstream, Navios Acquisition and Navios Holdings pursuant to which Navios Acquisition, Navios Holdings and Navios Partners have agreed not to acquire or own any VLCCs, crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers under time charters of five or more years and also providing rights of first offer on certain tanker vessels.

As of March 31, 2015, Navios Holdings held a total of 15,344,310 common units, representing a 18.1% common unit interest in Navios Partners and a general partner interest of 2.0%.

Quantitative and Qualitative Disclosures about Market Risks

Foreign Exchange Risk

Our functional and reporting currency is the U.S. dollar. We engage in worldwide commerce with a variety of entities. Although our operations may expose us to certain levels of foreign currency risk, our transactions are predominantly U.S. dollar denominated. Transactions in currencies other than U.S. dollars are translated at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated, are recognized.

Interest Rate Risk

Borrowings under our credit facilities bear interest at rate based on a premium over U.S.\$ LIBOR. Therefore, we are exposed to the risk that our interest expense may increase if interest rates rise. For the three month period ended March 31, 2015, we paid interest on our outstanding debt at a weighted average interest rate of 4.56%. A 1% increase in LIBOR would have increased our interest expense for the three month period ended March 31, 2015 by \$1.5 million. For the three month period ended March 31, 2014, we paid interest on our outstanding debt at a weighted average interest rate of 4.67%. A 1% increase in LIBOR would have increased our interest expense for the three month period ended March 31, 2014 by \$1.3 million.

Concentration of Credit Risk

Financial instruments, which potentially subject us to significant concentrations of credit risk, consist principally of trade accounts receivable. We closely monitor our exposure to customers for credit risk. We have policies in place to ensure that we trade with customers with an appropriate credit history.

For the three month period ended March 31, 2015, our most significant counterparties were Hyundai Merchant Marine Co., Ltd., Navios Corporation and Yang Ming Marine Transport Corporation, which accounted for approximately 24.5%, 11.3% and 11.0%, respectively, of total revenues. For the year ended December 31, 2014, our most significant counterparties were Hyundai Merchant Marine Co., Ltd and Navios Corporation, which accounted for approximately 24.4% and 11.0%, respectively, of total revenues. No other customers accounted for 10% or more of total revenue for any of the years presented. Navios Partners has insurance on certain long-term charter-out contracts of drybulk vessels for credit default occurring until the end of 2016, through an agreement with Navios Holdings up to a maximum cash payment of \$20.0 million.

Inflation

Inflation has had a minimal impact on vessel operating expenses, drydocking expenses and general and administrative expenses. Our management does not consider inflation to be a significant risk to direct expenses in the current and foreseeable economic environment.

Recent Accounting Pronouncements

In April 2015, the FASB issued the ASU 2015-06, an update for Earnings per Share (Topic 260), “Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions”. This update requires that for purposes of calculating historical earnings per unit under the two-class method, the earnings (losses) of a transferred business before the date of a dropdown transaction should be allocated entirely to the general partner. In that circumstance, the previously reported earnings per unit of the limited partners (which is typically the earnings per unit measure presented in the financial statements) would not change as a result of the dropdown transaction. Qualitative disclosures about how the rights to the earnings (losses) differ before and after the dropdown transaction occurs for purposes of computing earnings per unit under the two-class method also are required. The ASU is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early application is permitted. An entity should apply the new guidance on a retrospective basis. The adoption of this update is not expected to have a material impact on Navios Partners’ results of operations, financial position or cash flows, to the extent that no drop down transactions occurs.

In April 2015, the FASB issued the ASU 2015-03, “Simplifying the Presentation of Debt Issuance Costs”, in order to simplify presentation of debt issuance costs. This update requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this update. The ASU is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early application is permitted. An entity should apply the new guidance on a retrospective basis, wherein the balance sheet of each individual period presented should be adjusted to reflect the period-specific effects of applying the new guidance. Navios Partners early adopted the new standard. (See Note 2 - “Basis of Presentation”).

In February 2015, the FASB issued the ASU 2015-02, “Consolidation (Topic 810)—Amendments to the Consolidation Analysis”, which amends the criteria for determining which entities are considered VIEs, amends the criteria for determining if a service provider possesses a variable interest in a VIE and ends the deferral granted to investment companies for application of the VIE consolidation model. The ASU is effective for interim and annual periods beginning after December 15, 2015. Early application is permitted. We do not expect the adoption of this ASU to have a material impact on the Company’s results of operations, financial position or cash flows, except if Navios Partners were to enter into new arrangements in 2015 that fall into the scope prior to adoption of this standard.

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In January 2015, the FASB issued ASU 2015-01, Income Statement Extraordinary and Unusual Items. This standard eliminates the concept of extraordinary and unusual items from U.S. GAAP. The new standard is effective for annual and interim periods after December 15, 2015. Early adoption is permitted. Navios Partners plans to adopt this standard effective January 1, 2016. The adoption of the new standard is not expected to have a material impact on Navios Partners' results of operations, financial position or cash flows.

In August 2014, the FASB issued ASU No. 2014-15, Presentation of Financial Statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. This standard requires management to assess an entity's ability to continue as a going concern, and to provide related footnote disclosures in certain circumstances. Before this new standard, no accounting guidance existed for management on when and how to assess or disclose going concern uncertainties. The amendments are effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016. Early application is permitted. We plan to adopt this standard effective January 1, 2017. The adoption of the new standard is not expected to have a material impact on Navios Partners' results of operations, financial position or cash flows.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, clarifying the method used to determine the timing and requirements for revenue recognition on the statements of income. Under the new standard, an entity must identify the performance obligations in a contract, the transaction price and allocate the price to specific performance obligations to recognize the revenue when the obligation is completed. The amendments in this update also require disclosure of sufficient information to allow users to understand the nature, amount, timing and uncertainty of revenue and cash flow arising from contracts. The new accounting guidance was originally effective for interim and annual periods beginning after December 15, 2016. In April 2015, the FASB proposed a one-year deferral of the effective date for the new revenue standard. Under the proposal, the standard would be effective for public entities for annual reporting periods beginning after December 15, 2017 and interim periods therein. Early adoption is not permitted. We are currently reviewing the effect of ASU No. 2014-09 on our revenue recognition.

In April 2014, the FASB issued ASU 2014-08, Presentation of Financial Statements and Property, Plant and Equipment changing the presentation of discontinued operations on the statements of income and other requirements for reporting discontinued operations. Under the new standard, a disposal of a component or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results when the component meets the criteria to be classified as held-for-sale or is disposed. The amendments in this update also require additional disclosures about discontinued operations and disposal of an individually significant component of an entity that does not qualify for discontinued operations. The new accounting guidance is effective for interim and annual periods beginning after December 15, 2014. The adoption had no impact to Navios Partners' results of operations, financial position or cash flows.

Critical Accounting Policies

Our financial statements have been prepared in accordance with US GAAP. The preparation of these financial statements requires us to make estimates in the application of our accounting policies based on the best assumptions, judgments and opinions of management. Following is a discussion of the accounting policies that involve a higher degree of judgment and the methods of their application that affect the reported amount of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are those that reflect significant judgments or uncertainties, and potentially result in materially different results under different assumptions and conditions. Other than as described below, all significant accounting policies are as described in Note 2 to the Notes to the consolidated financial statements included in the Company's Annual Report on Form 20-F for the year ended December 31, 2014 filed with the Securities and Exchange Commission on March 13, 2015.

Exhibit List

Exhibit Number	
10.1	Facility Agreement for \$164.0 million term loan facility, dated April 16, 2015
10.2	Supplemental Agreement, dated April 8, 2015, to Facility Agreement for \$56.0 million term loan facility, dated September 22, 2014
10.3	Amendment No. 6, dated May 4, 2015, to the Management Agreement, dated November 16, 2007, between Navios Maritime Partners L.P. and Navios ShipManagement Inc.

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NAVIOS MARITIME PARTNERS L.P.

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NAVIOS MARITIME PARTNERS L.P.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of U.S. dollars except unit amounts)

	Notes	March 31, 2015 (unaudited)	December 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents	3	\$ 99,923	\$ 99,495
Restricted cash	3	1,038	954
Accounts receivable, net		17,280	13,278
Prepaid expenses and other current assets		1,419	1,470
Total current assets		119,660	115,197
Vessels, net	4	1,125,982	1,139,426
Deposits for vessels acquisitions	4	14,812	10
Deferred dry dock and special survey costs, net and other long term assets		9,592	8,750
Investment in affiliates	13	521	521
Loans receivable from affiliates	12	750	750
Intangible assets	5	69,400	74,055
Total non-current assets		1,221,057	1,223,512
Total assets		\$1,340,717	\$1,338,709
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities			
Accounts payable		\$ 4,059	\$ 3,824
Accrued expenses		2,955	3,623
Deferred voyage revenue		4,720	4,310
Current portion of long-term debt, net	6	15,992	16,435
Amounts due to related parties	12	3,769	1,880
Total current liabilities		31,495	30,072
Long-term debt, net	6	513,724	559,539
Total non-current liabilities		513,724	559,539
Total liabilities		545,219	589,611
Commitments and contingencies	11	—	—
Partners' capital:			
Common Unitholders (83,079,710 and 77,359,163 units issued and outstanding at March 31, 2015 and December 31, 2014, respectively)	14	789,491	744,075
General Partner (1,695,509 and 1,578,763 units issued and outstanding at March 31, 2015 and December 31, 2014, respectively)	14	6,007	5,023
Total partners' capital		795,498	749,098
Total liabilities and partners' capital		\$1,340,717	\$1,338,709

See unaudited condensed notes to the condensed consolidated financial statements

NAVIOS MARITIME PARTNERS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Expressed in thousands of U.S. dollars except unit prices and amounts)

	<u>Notes</u>	Three Month Period ended March 31, 2015 (unaudited)	Three Month Period ended March 31, 2014 (unaudited)
Time charter and voyage revenues (includes related party revenue of \$6,410 and \$6,127 for the three months ended March 31, 2015 and 2014, respectively)	9,12	\$ 56,786	\$ 57,498
Time charter and voyage expenses		(3,471)	(4,443)
Direct vessel expenses		(537)	—
Management fees (entirely through related parties transactions)	12	(13,401)	(12,005)
General and administrative expenses	12	(1,875)	(1,944)
Depreciation and amortization	4,5	(18,099)	(43,678)
Interest expense and finance cost, net		(8,501)	(7,029)
Interest income		53	53
Other income	15	469	30,040
Other expense		(545)	(131)
Net income		<u>\$ 10,879</u>	<u>\$ 18,361</u>

Earnings per unit (see note 14):

	Three Month Period ended March 31, 2015 (unaudited)	Three Month Period ended March 31, 2014 (unaudited)
Earnings per unit:		
Common unit (basic and diluted)	\$ 0.13	\$ 0.24

See unaudited condensed notes to the condensed consolidated financial statements

NAVIOS MARITIME PARTNERS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. dollars)

	<u>Notes</u>	<u>Three Month Period ended March 31, 2015 (unaudited)</u>	<u>Three Month Period ended March 31, 2014 (unaudited)</u>
OPERATING ACTIVITIES			
Net income		\$ 10,879	\$ 18,361
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	4,5	18,099	43,678
Amortization and write-off of deferred financing cost and discount		1,370	750
Amortization of deferred dry dock and special survey costs		537	—
Changes in operating assets and liabilities:			
Net (increase)/decrease in restricted cash		(84)	1
(Increase)/decrease in accounts receivable		(4,002)	4,446
Decrease/(increase) in prepaid expenses and other current assets		51	(31,711)
Increase in other long term assets and investment in affiliates		4	15
Increase in accounts payable		235	439
Decrease in accrued expenses		(668)	(6)
Increase/(decrease) in deferred voyage revenue		410	(231)
Increase in amounts due to related parties		1,889	648
Payments for dry dock and special survey costs		(1,384)	(106)
Net cash provided by operating activities		27,336	36,284
INVESTING ACTIVITIES:			
Deposits for vessels acquisitions	4	(14,802)	—
Acquisition of vessels	4	—	(36,854)
Loans receivable from affiliates		—	(213)
Release of restricted cash for vessel acquisitions		—	33,429
Net cash used in investing activities		(14,802)	(3,638)
FINANCING ACTIVITIES:			
Cash distributions paid	14	(38,097)	(32,573)
Net proceeds from issuance of general partner units	8	1,528	2,233
Proceeds from issuance of common units, net of offering costs	8	72,090	104,499
Repayment of long-term debt and payment of principal	6	(47,627)	(1,592)
Net cash (used in)/provided by financing activities		(12,106)	72,567
Increase in cash and cash equivalents		428	105,213
Cash and cash equivalents, beginning of period		99,495	35,346
Cash and cash equivalents, end of period		\$ 99,923	\$ 140,559
		<u>Three Month Period ended March 31, 2015 (unaudited)</u>	<u>Three Month Period ended March 31, 2014 (unaudited)</u>
Supplemental disclosures of cash flow information			
Cash interest paid, net of capitalized interest		\$ 7,170	\$ 6,287
Non-cash financing activities			
Due to related parties		\$ —	\$ 529
Acquisition of vessels		\$ —	\$ (529)

See unaudited condensed notes to condensed consolidated financial statements

NAVIOS MARITIME PARTNERS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL
(Expressed in thousands of U.S. dollars except unit prices and amounts)

	General Partner		Limited Partners Common Unitholders		Total Partners' Capital
	Units		Units		
Balance December 31, 2013	1,449,681	\$ 4,029	71,034,163	\$ 702,478	\$ 706,507
Cash distribution paid	—	(1,141)	—	(31,432)	(32,573)
Proceeds from issuance of common units, net of offering costs (see note 8)	—	—	6,325,000	104,499	104,499
Proceeds from issuance of general partners units (see note 8)	129,082	2,233	—	—	2,233
Net income	—	900	—	17,461	18,361
Balance March 31, 2014 (unaudited)	<u>1,578,763</u>	<u>\$ 6,021</u>	<u>77,359,163</u>	<u>\$ 793,006</u>	<u>\$ 799,027</u>
Balance December 31, 2014	1,578,763	\$ 5,023	77,359,163	\$ 744,075	\$ 749,098
Cash distribution paid (see note 14)	—	(1,334)	—	(36,763)	(38,097)
Proceeds from issuance of common units, net of offering costs (see note 8)	—	—	5,720,547	72,090	72,090
Proceeds from issuance of general partners units (see note 8)	116,746	1,528	—	—	1,528
Net income	—	790	—	10,089	10,879
Balance March 31, 2015 (unaudited)	<u>1,695,509</u>	<u>\$ 6,007</u>	<u>83,079,710</u>	<u>\$ 789,491</u>	<u>\$ 795,498</u>

See unaudited condensed notes to the condensed consolidated financial statements

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. dollars except unit prices and amounts)

NOTE 1 — DESCRIPTION OF BUSINESS

Navios Maritime Partners L.P. (“Navios Partners” or the “Company”), is an international owner and operator of dry cargo and container vessels, formed on August 7, 2007 under the laws of the Republic of the Marshall Islands. Navios GP L.L.C. (the “General Partner”), a wholly owned subsidiary of Navios Maritime Holdings Inc. (“Navios Holdings”), was also formed on that date to act as the general partner of Navios Partners and received a 2.0% general partner interest in Navios Partners.

Navios Partners is engaged in the seaborne transportation services of a wide range of dry cargo commodities including iron ore, coal, grain, fertilizer and also containers, chartering its vessels under medium to long-term charters. The operations of Navios Partners are managed by Navios ShipManagement Inc., a subsidiary of Navios Holdings (the “Manager”), from its offices in Piraeus, Greece, Singapore and Monaco.

Pursuant to the initial public offering (“IPO”) on November 16, 2007, Navios Partners entered into the following agreements:

- (a) a management agreement with the Manager (the “Management Agreement”), pursuant to which the Manager provides Navios Partners commercial and technical management services;
- (b) an administrative services agreement with the Manager (the “Administrative Services Agreement”), pursuant to which the Manager provides Navios Partners administrative services; and
- (c) an omnibus agreement with Navios Holdings (the “Omnibus Agreement”), governing, among other things, when Navios Partners and Navios Holdings may compete against each other as well as rights of first offer on certain drybulk carriers.

As of March 31, 2015, there were outstanding: 83,079,710 common units and 1,695,509 general partnership units. As of March 31, 2015, Navios Holdings owned a 20.1% interest in Navios Partners, which includes a 2.0% general partner interest.

NOTE 2 — BASIS OF PRESENTATION

The accompanying interim condensed consolidated financial statements are unaudited, but, in the opinion of management, reflect all adjustments for a fair statement of Navios Partners’ consolidated financial positions, statement of partner’s capital, statements of income and cash flows for the periods presented. The results of operations for the interim periods are not necessarily indicative of results for the full year. The footnotes are condensed as permitted by the requirements for interim financial statements and accordingly, do not include information and disclosures required under United States generally accepted accounting principles (“U.S. GAAP”) for complete financial statements. All such adjustments are deemed to be of a normal recurring nature. These interim financial statements should be read in conjunction with the Company’s consolidated financial statements and notes included in Navios Partners’ 2014 annual report filed on Form 20-F with the Securities and Exchange Commission (“SEC”).

Change in Accounting Principle

The Company historically presented deferred debt issuance costs, or fees related to directly issuing debt, as long-term assets on the consolidated balance sheets. During the first quarter of 2015, the Company adopted guidance codified in ASU 2015-03 Interest - Imputation of Interest (Subtopic 835-30), Simplifying the Presentation of Debt Issuance Costs. The guidance simplifies the presentation of debt issuance costs by requiring debt issuance costs to be presented as a deduction from the corresponding liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs is not affected. Therefore, these costs will continue to be amortized as interest expense using the effective interest method pursuant to ASC 835-30-35-2 through 35-3. Upon adoption, the Company applied the new guidance retrospectively to all prior periods presented in the financial statements. The Company elected to early adopt the requirements of ASU 2015-03 effective beginning the first quarter ending March 31, 2015 and applied this guidance retrospectively to all prior periods presented in the Company’s financial statements.

The reclassification does not impact net income as previously reported or any prior amounts reported on the Statements of Income, or the Consolidated Statements of Cash Flows. The effect of the retrospective application of this change in accounting principle on the Company’s Consolidated Balance Sheets as of December 31, 2014 resulted in a reduction of Total non-current assets and Total assets in the amount of \$7,305, with a corresponding decrease of \$5,102 in Long-term debt, net and Total non-current liabilities and a decrease of 2.203 in Current portion of long-term debt net and Total current liabilities.

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. dollars except unit prices and amounts)

The accompanying consolidated financial statements include the following entities and chartered-in vessels:

Company name	Vessel name	Country of incorporation	Statements of income	
			2015	2014
Libra Shipping Enterprises Corporation	Navios Libra II	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Alegria Shipping Corporation	Navios Alegria	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Felicity Shipping Corporation	Navios Felicity	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Gemini Shipping Corporation	Navios Gemini S	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Galaxy Shipping Corporation	Navios Galaxy I	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Aurora Shipping Enterprises Ltd.	Navios Hope	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Palermo Shipping S.A.	Navios Apollon	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Fantastiks Shipping Corporation	Navios Fantastiks	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Sagittarius Shipping Corporation	Navios Sagittarius	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Hyperion Enterprises Inc.	Navios Hyperion	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Chilali Corp.	Navios Aurora II	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Surf Maritime Co.	Navios Pollux	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Pandora Marine Inc.	Navios Melodia	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Customized Development S.A.	Navios Fulvia	Liberia	1/01 – 03/31	1/01 – 03/31
Kohylia Shipmanagement S.A.	Navios Luz	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Orbiter Shipping Corp.	Navios Orbiter	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Floral Marine Ltd.	Navios Buena Ventura	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Golem Navigation Limited	Navios Soleil	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Kymata Shipping Co.	Navios Helios	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Joy Shipping Corporation	Navios Joy	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Micaela Shipping Corporation	Navios Harmony	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Pearl Shipping Corporation	Navios Sun	Marshall Is.	1/01 – 03/31	1/18 – 03/31
Velvet Shipping Corporation	Navios La Paix	Marshall Is.	1/01 – 03/31	1/07 – 03/31
Rubina Shipping Corporation	Hyundai Hongkong	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Topaz Shipping Corporation	Hyundai Singapore	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Beryl Shipping Corporation	Hyundai Tokyo	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Cheryl Shipping Corporation	Hyundai Shanghai	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Christal Shipping Corporation	Hyundai Busan	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Fairy Shipping Corporation	YM Utmost	Marshall Is.	1/01 – 03/31	—
Limestone Shipping Corporation	YM Unity	Marshall Is.	1/01 – 03/31	—
Dune Shipping Corp.	MSC Cristina	Marshall Is.	—	—
Citrine Shipping Corporation	—	Marshall Is.	—	—
Chartered-in vessels				
Prosperity Shipping Corporation	Navios Prosperity	Marshall Is.	1/01 – 03/05	1/01 – 03/31
Aldebaran Shipping Corporation	Navios Aldebaran	Marshall Is.	1/01 – 02/28	1/01 – 03/31
Other				
JTC Shipping and Trading Ltd (*)	Holding Company	Malta	1/01 – 03/31	1/01 – 03/31
Navios Maritime Partners L.P.	N/A	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Navios Maritime Operating LLC	N/A	Marshall Is.	1/01 – 03/31	1/01 – 03/31
Navios Partners Finance (US) Inc.	Co-Borrower	Delaware	1/01 – 03/31	1/01 – 03/31
Navios Partners Europe Finance Inc.	Sub-Holding Company	Marshall Is.	1/01 – 03/31	1/01 – 03/31

(*) Not a vessel-owning subsidiary and only holds right to a charter-in contract.

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NOTE 3 — CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	March 31, 2015	December 31, 2014
Cash on hand and at banks	\$ 89,756	\$ 79,103
Short term deposits and highly liquid funds	10,167	20,392
Total cash and cash equivalents	\$ 99,923	\$ 99,495

Short term deposits and highly liquid funds relate to amounts held in banks for general financing purposes. As of March 31, 2015, Navios Partners held money market funds of \$10,167 with duration of less than three months. As of December 31, 2014, Navios Partners held time deposits of \$19,000 and money market funds of \$1,392 with duration of less than three months.

Cash deposits and cash equivalents in excess of amounts covered by government-provided insurance are exposed to loss in the event of non-performance by financial institutions. Navios Partners does maintain cash deposits and equivalents in excess of government-provided insurance limits. Navios Partners also reduces exposure to credit risk by dealing with a diversified group of major financial institution.

Restricted cash, at each of March 31, 2015 and December 31, 2014, included \$1,038 and \$954, respectively, which related to amounts held in retention accounts as required by certain of Navios Partners' credit facilities.

NOTE 4 — VESSELS, NET

Vessels	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2013	\$ 1,194,603	\$ (168,450)	\$ 1,026,153
Additions	163,745	(50,472)	113,273
Balance December 31, 2014	\$ 1,358,348	\$ (218,922)	\$ 1,139,426
Additions	—	(13,444)	(13,444)
Balance March 31, 2015	\$ 1,358,348	\$ (232,366)	\$ 1,125,982

In December 2014, Navios Partners acquired from an unrelated third party the MSC Cristina, a 2011 South Korean-built Container vessel of 13,100 TEU, for a purchase price of \$147,750, which was delivered on April 22, 2015. The acquisition was financed with cash on its balance sheet (see Note 17). As of March 31, 2015 and December 31, 2014, Navios Partners paid deposits for this vessel of \$14,802 and \$10, respectively.

On January 18, 2014, Navios Partners acquired from an unrelated third party the Navios Sun, a 2005-built Panamax vessel of 76,619 dwt, for an acquisition cost of \$16,176, of which \$1,583 was transferred from vessel deposits.

On January 7, 2014, Navios Partners acquired from an unrelated third party the Navios La Paix, a 2014-built Ultra-Handymax vessel of 61,485 dwt, for an acquisition cost of \$28,478, of which \$5,688 was transferred from vessel deposits.

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NOTE 5 — INTANGIBLE ASSETS

Intangible assets and unfavorable leases terms as of March 31, 2015 and December 31, 2014 consisted of the following:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Favorable lease terms December 31, 2013	\$ 248,528	\$ (129,123)	\$ 119,405
Additions	—	(23,287)	(23,287)
Accelerated amortization	(89,541)	67,478	(22,063)
Favorable lease terms December 31, 2014	\$ 158,987	\$ (84,932)	\$ 74,055
Additions	—	(4,655)	(4,655)
Favorable lease terms March 31, 2015	\$ 158,987	\$ (89,587)	\$ 69,400

Amortization expense of favorable lease terms for the three month periods ended March 31, 2015 and 2014 is presented in the following table:

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Favorable lease terms charter-out	\$ (4,655)	\$ (9,321)
Acceleration of favorable lease term	—	(22,063)
Total	\$ (4,655)	\$ (31,384)

The aggregate amortization of the intangibles for the 12-month periods ended March 31 is estimated to be as follows:

<u>Year</u>	<u>Amount</u>
2016	\$15,433
2017	13,389
2018	13,389
2019	12,348
2020	8,955
2021 and thereafter	5,886
	\$69,400

During the three month period ended March 31, 2014, Navios Partners' accelerated \$22,010 of amortization of the Navios Pollux favorable lease intangible due to a change in its useful life following the termination of the credit default insurance policy (Refer to Note 15 "Other Income" for further details). The additional amount of \$53 of accelerated amortization incurred through March 31, 2014, relates to the expiration of the intangible assets associated with two vessels of our fleet.

Intangible assets subject to amortization are amortized using straight line method over their estimated useful lives to their estimated residual value of zero. The weighted average useful lives are 8.7 years for favorable lease terms charter out.

NOTE 6 — BORROWINGS

Borrowings as of March 31, 2015 and December 31, 2014 consisted of the following:

	<u>March 31, 2015</u>	<u>December 31, 2014</u>
Term Loan B facility	\$411,292	\$ 433,389
Credit facilities	127,818	153,349
Total borrowings	\$ 539,110	\$ 586,738
Less: Long term unamortized discount	(3,210)	(3,459)
Less: Current portion, net	(15,992)	(16,435)
Less: Deferred financing costs, net	(6,184)	(7,305)
Total long-term borrowings	\$ 513,724	\$ 559,539

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In June 2013, Navios Partners completed the issuance of the \$250,000 Term Loan B facility. The Term Loan B facility bears an interest rate of LIBOR plus 425 basis points (“bps”) and has a five-year term with 1.0% amortization profile and was issued at 98.0% (at a discount of \$5,000). Navios Partners used the net proceeds of the Term Loan B facility to: (i) prepay \$101,614 of the July 2012 Credit Facility; (ii) fully repay the outstanding balance of \$41,225 of the August 2012 Credit Facility; (iii) deposit \$98,179 to be held in escrow, to partially finance part of the acquisition of four new vessels, of which \$47,000 was released in September 2013 for the acquisition of the Navios Joy and \$17,750 was released in October 2013 for the acquisition of the Navios Harmony; and (iv) cover fees and expenses. The refinancing of the August 2012 Credit Facility was accounted for as a debt extinguishment in accordance with ASC470 Debt and the remaining unamortized balance of \$707 was written-off from the deferred financing fees.

On November 1, 2013, Navios Partners completed the issuance of a \$189,500 add-on to its existing Term Loan B facility. The add-on to the Term Loan B facility bears the same terms as Term Loan B facility and was issued at 100%. Navios Partners used the net proceeds to partially finance the acquisition of five Container vessels.

On March 30, 2015, Navios Partners prepaid \$21,000 of the Term Loan B facility. The prepayment was fully applied to the balloon payment. Following this prepayment an amount of \$256 was written off from the deferred financing fees.

The Term Loan B facility is secured by first priority mortgages covering certain vessels owned by subsidiaries of Navios Partners, in addition to other collateral and is guaranteed by each subsidiary of Navios Partners. The Term Loan B Agreement requires maintenance of a loan to value ratio of 0.8 to 1.0, and other restrictive covenants customary for facilities of this type (subject to negotiated exceptions and baskets), including restrictions on indebtedness, liens, acquisitions and investments, restricted payments and dispositions. The Term Loan B Agreement also provides for customary events of default.

As of March 31, 2015, the outstanding balance of the Term Loan B facility including the add-on was \$408,082, net of discount of \$3,210, and it is repayable in 13 quarterly installments of \$1,097, with a final payment of \$397,028, in June 2018.

On September 22, 2014, Navios Partners entered into the September 2014 Credit Facility of up to \$56,000 (divided into two tranches) with ABN AMRO Bank N.V. in order to finance a portion of the purchase price payable in connection with the acquisition of the YM Utmost and the YM Unity. Each tranche of the September 2014 Credit Facility was repayable in 20 equal quarterly installments of approximately \$688, with a final balloon payment of \$14,250 on the last repayment date. The maturity date of each tranche was five years after the drawdown date of such tranche. The tranches of the September 2014 Credit Facility bear interest at LIBOR plus 300 bps per annum. On March 30, 2015, Navios Partners prepaid \$21,312. On April 8, 2015, Navios Partners entered into a supplemental agreement (the “First Supplemental Agreement”) to its September 2014 Credit Facility with ABN AMRO Bank N.V. following the release and discharge of Fairy Shipping Corporation and the YM Utmost from its obligations and liabilities under the September 2014 Credit Facility pursuant to a deed of release dated March 30, 2015. The First Supplemental Agreement amended the outstanding balance of the loan to \$32,625, and is repayable in 19 consecutive quarterly installments, the first 14 of which are \$1,067 and the next five are \$688, with a final balloon payment of \$14,250 on the last repayment date.

On March 27, 2015, Navios Partners prepaid \$2,346 of the July 2012 Credit facility and the prepayment was applied to 2015 installments. As of March 31, 2015, the outstanding balance of the July 2012 Credit facility was \$95,194, and it is repayable in nine installments of \$3,456 and one installment of \$5,868 with a final balloon payment of \$58,223.

As of March 31, 2015, the total borrowings, net under the Navios Partners’ credit facilities were \$529,716.

Amounts drawn under the July 2012 Credit Facility are secured by first preferred mortgages on certain Navios Partners’ vessels and other collateral and are guaranteed by the respective vessel-owning subsidiary. Amounts drawn under the September 2014 Credit Facility are secured by first preferred mortgages on certain Navios Partners’ vessels and other collateral and are guaranteed by Navios Partners. The July 2012 Credit Facility and the September 2014 Credit Facility contain a number of restrictive covenants that prohibit or limit Navios Partners from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; charging, pledging or encumbering the vessels; changing the flag, class, management or ownership of Navios Partners’ vessels; changing the commercial and technical management of Navios Partners’ vessels; selling or changing the beneficial ownership or control of Navios Partners’ vessels; and subordinating the obligations under the credit facilities to any general and administrative costs relating to the vessels, including the fixed daily fee payable under the management agreement.

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The July 2012 Credit Facility and the September 2014 Credit Facility also require compliance with a number of financial covenants, including: (i) maintain a required security amount of over 140%; (ii) minimum free consolidated liquidity of at least the higher of \$25,000 and the aggregate of interest and principal falling due during the previous six months; (iii) maintain a ratio of EBITDA to interest expense of at least 5.00 : 1.00; (iv) maintain a ratio of total liabilities to total assets (as defined in our credit facilities) of less than 0.65 : 1.00; and (v) maintain a minimum net worth to \$250,000. It is an event of default under the loan facilities if such covenants are not complied with.

As of March 31, 2015, Navios Partners was in compliance with the financial covenants of all of its credit facilities.

The maturity table below reflects the gross principal payments due under its credit facilities for the 12-month periods ended March 31:

Year	Amount
2016	\$ 19,024
2017	24,892
2018	77,248
2019	401,634
2020	16,312
	\$ 539,110

NOTE 7 — FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value amounts of many of Navios Partners' financial instruments, including cash and cash equivalents, restricted cash, accounts receivable and accounts payable and amounts due to related parties approximate their fair value due primarily to the short-term maturity of the related instruments.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amounts reported in the consolidated balance sheets for interest bearing deposits and money market funds approximate their fair value because of the short maturity of these investments.

Other long-term debt: The carrying amount of the floating rate loans approximates its fair value, excluding the effect of any deferred finance costs.

Term Loan B facility: The fair value of the Company's debt is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities, as well as taking into account our creditworthiness, excluding the effect of any deferred finance costs.

The estimated fair values of the Navios Partners' financial instruments are as follows:

	March 31, 2015		December 31, 2014	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	\$ 99,923	\$ 99,923	\$ 99,495	\$ 99,495
Restricted cash	\$ 1,038	\$ 1,038	\$ 954	\$ 954
Loans receivable from affiliates	\$ 750	\$ 750	\$ 750	\$ 750
Amounts due to related parties	\$ (3,769)	\$ (3,769)	\$ (1,880)	\$ (1,880)
Term Loan B facility, net of unamortized discount	\$(408,082)	\$(417,720)	\$(429,930)	\$(431,764)
Other long-term debt	\$(127,818)	\$(127,818)	\$(153,349)	\$(153,349)

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Fair Value Measurements

The estimated fair value of our financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows:

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable. The Company did not use any Level 3 inputs as of March 31, 2015 and December 31, 2014.

	Fair Value Measurements at March 31, 2015			
	Total	Level I	Level II	Level III
Cash and cash equivalents	\$ 99,923	\$99,923	\$ —	\$ —
Restricted cash	\$ 1,038	\$ 1,038	\$ —	\$ —
Loans receivable from affiliates	\$ 750	\$ —	\$ 750	\$ —
Term Loan B facility, net of unamortized discount (1)	\$(417,720)	\$ —	\$(417,720)	\$ —
Other long-term debt(1)	\$(127,818)	\$ —	\$(127,818)	\$ —

	Fair Value Measurements at December 31, 2014			
	Total	Level I	Level II	Level III
Cash and cash equivalents	\$ 99,495	\$99,495	\$ —	\$ —
Restricted cash	\$ 954	\$ 954	\$ —	\$ —
Loans receivable from affiliates	\$ 750	\$ —	\$ 750	\$ —
Term Loan B facility, net of unamortized discount (1)	\$(431,764)	\$ —	\$(431,764)	\$ —
Other long-term debt(1)	\$(153,349)	\$ —	\$(153,349)	\$ —

(1) The fair value of the Company's debt is estimated based currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account our creditworthiness.

NOTE 8 — ISSUANCE OF UNITS

On February 11, 2015, Navios Partners completed its public offering of 4,000,000 common units at \$13.09 per unit and raised gross proceeds of approximately \$52,360 to fund its fleet expansion. The net proceeds of this offering, including the underwriting discount and excluding offering costs of \$216 were approximately \$50,120. Pursuant to this offering, Navios Partners issued 81,633 general partnership units to its general partner. The net proceeds from the issuance of the general partnership units were \$1,069. On the same date, Navios Partners completed the exercise of the option previously granted to the underwriters in connection with the offering and issued 600,000 additional common units at the public offering price less the underwriting discount. As a result of the exercise of the option, Navios Partners raised additional gross proceeds of \$7,854 and net proceeds, including the underwriting discount, of approximately \$7,518 and issued 12,245 additional general partnership units to its general partner. The net proceeds from the issuance of the general partnership units were \$160. In addition, Navios Partners completed a private placement of 1,120,547 common units and 22,868 general partner units at \$13.09 per unit to Navios Holdings, raising additional gross proceeds of \$14,967. Following the public offering and the private placement, Navios Holdings currently owns a 20.1% interest in Navios Partners, which includes the 2.0% interest through Navios Partners' general partner which Navios Holdings owns and controls.

On February 14, 2014, Navios Partners completed its public offering of 5,500,000 common units at \$17.30 per unit and raised gross proceeds of approximately \$95,150 to fund its fleet expansion. The net proceeds of this offering, including the underwriting discount and excluding offering costs of \$306 were approximately \$91,135. Pursuant to this offering, Navios Partners issued 112,245 general partnership units to its general partner. The net proceeds from the issuance of the general partnership units were \$1,942. On February 18, 2014, Navios Partners completed the exercise of the option previously granted to the underwriters in connection with the offering and issued 825,000 additional common units at the public offering price less the underwriting discount. As a result of the exercise of the option, Navios Partners raised additional gross proceeds of \$14,273 and net proceeds, including the underwriting discount, of approximately \$13,670 and issued 16,837 additional general partnership units to its general partner. The net proceeds from the issuance of the general partnership units were \$291.

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NOTE 9 — SEGMENT INFORMATION

Navios Partners reports financial information and evaluates its operations by charter revenues. Navios Partners does not use discrete financial information to evaluate operating results for each type of charter or by sector. As a result, management reviews operating results solely by revenue per day and operating results of the fleet and thus Navios Partners has determined that it operates under one reportable segment.

The following table sets out operating revenue by geographic region for Navios Partners' reportable segment. Revenue is allocated on the basis of the geographic region in which the customer is located. Drybulk and container vessels operate worldwide. Revenues from specific geographic region which contribute over 10% of total revenue are disclosed separately.

Revenue by Geographic Region

Vessels operate on a worldwide basis and are not restricted to specific locations. Accordingly, it is not possible to allocate the assets of these operations to specific countries.

	Three Month Period ended March 31, 2015 (\$'000) (unaudited)	Three Month Period ended March 31, 2014 (\$'000) (unaudited)
Asia	\$ 38,184	\$ 31,990
Europe	12,815	17,542
North America	3,239	4,388
Australia	2,548	3,578
Total	\$ 56,786	\$ 57,498

NOTE 10 — INCOME TAXES

Marshall Islands, Malta and Liberia do not impose a tax on international shipping income. Under the laws of Marshall Islands, Malta and Liberia, the countries of the vessel-owning subsidiaries' incorporation and vessels' registration, the vessel-owning subsidiaries are subject to registration and tonnage taxes which have been included in vessel operating expenses in the accompanying consolidated statements of income.

In accordance with the currently applicable Greek law, foreign flagged vessels that are managed by Greek or foreign ship management companies having established an office in Greece are subject to duties towards the Greek state which are calculated on the basis of the relevant vessel's tonnage. The payment of said duties exhausts the tax liability of the foreign ship owning company and the relevant manager against any tax, duty, charge or contribution payable on income from the exploitation of the foreign flagged vessel.

Pursuant to Section 883 of the Internal Revenue Code of the United States, U.S. source income from the international operation of ships is generally exempt from U.S. income tax if the company operating the ships meets certain incorporation and ownership requirements. Among other things, in order to qualify for this exemption, the company operating the ships must be incorporated in a country which grants an equivalent exemption from income taxes to U.S. corporations. All the vessel-owning subsidiaries satisfy these initial criteria. In addition, these companies must meet an ownership test. The management of Navios Partners believes that this ownership test was satisfied prior to the IPO by virtue of a special rule applicable to situations where the ship operating companies are beneficially owned by a publicly traded company. Although not free from doubt, management also believes that the ownership test will be satisfied based on the trading volume and ownership of Navios Partners' units, but no assurance can be given that this will remain so in the future.

NOTE 11 — COMMITMENTS AND CONTINGENCIES

Navios Partners is involved in various disputes and arbitration proceedings arising in the ordinary course of business. Provisions have been recognized in the financial statements for all such proceedings where Navios Partners believes that a liability may be probable, and for which the amounts are reasonably estimable, based upon facts known at the date the financial statements were prepared. Management believes, the ultimate disposition of these matters will be immaterial individually and in the aggregate to Navios Partners' financial position, results of operations or liquidity.

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In January 2011, Korea Line Corporation (“KLC”) which is the charterer of the Navios Melodia filed for receivership. The charter contract was affirmed and will be performed by KLC on its original terms, following an interim suspension period until April 2016 during which Navios Partners trades the vessel directly.

In December 2014, Navios Partners agreed to acquire from an unrelated third party the MSC Cristina, a 2011 South Korean-built Container vessel for a purchase price of \$147,750, which was delivered on April 22, 2015 (Refer to Note 4 “Vessels, net”).

The future minimum commitment for the 12-month periods ended March 31, of Navios Partners for delivery of the MSC Cristina is as follows:

	<u>Amount</u>
2016	<u>\$132,975</u>
	<u>\$132,975</u>

NOTE 12 — TRANSACTIONS WITH RELATED PARTIES AND AFFILIATES

Management fees: Pursuant to the amended Management Agreement, in each of October 2013, August 2014 and February 2015, the Manager, a wholly owned subsidiary of Navios Holdings, provides commercial and technical management services to Navios Partners’ vessels for a daily fee of: (a) \$4.00 daily rate per Ultra-Handymax vessel; (b) \$4.10 daily rate per Panamax vessel; (c) \$5.10 daily rate per Capesize vessel; (d) \$6.50 daily rate per Container vessel of TEU 6,800; (e) \$7.20 daily rate per Container vessel of TEU 8,000; and (f) \$8.50 daily rate per very large Container vessel of more than TEU 13,000 through December 31, 2015. Drydocking expenses under this agreement are reimbursed by Navios Partners at cost at occurrence.

Total management fees for the three months ended March 31, 2015 and 2014 amounted to \$13,401 and \$12,005, respectively.

General and administrative expenses: Pursuant to the Administrative Services Agreement, the Manager also provides administrative services to Navios Partners, which include bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other. The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. Navios Partners extended the duration of its existing Administrative Services Agreement with the Manager pursuant to the same terms, until December 31, 2017.

Total general and administrative expenses charged by Navios Holdings for the three month periods ended March 31, 2015 and 2014 amounted to \$1,600 and \$1,486, respectively.

Balance due to related parties: Included in the current liabilities as of March 31, 2015 was an amount of \$3,769, which represented the current account payable to Navios Holdings and its subsidiaries. The balance mainly consisted of payables for drydock and special survey expenses of \$3,528 and other payables of \$241. Amounts due to related parties as of December 31, 2014 was \$1,880 mainly consisted of other payables for drydock and special survey expenses of \$2,155 mitigated by other receivables of \$275.

Vessel Chartering: In February 2012, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Apollon, a 2000-built Ultra-Handymax vessel. The term of this charter was approximately two years, at a net daily rate of \$12.5 for the first year and \$13.5 for the second year, plus 50/50 profit sharing based on actual earnings. In January 2014, this charter was extended for approximately six months at a net daily rate of \$13.5 plus 50/50 profit sharing based on actual earnings and in October 2014, this charter was further extended for approximately one year at a net daily rate of \$12.5 plus 50/50 profit sharing based on actual earnings. For this charter, for the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from Navios Holdings amounted to \$1,120 and \$1,148, respectively.

In May 2012, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Prosperity, a 2007-built Panamax vessel. The term of this charter was approximately one year with two six-month extension options granted to Navios Holdings, at a net daily rate of \$12.0 plus profit sharing. In April 2014, this charter was extended for approximately one year and the owners will receive 100% of the first \$1.5 in profits above the base rate, and thereafter all profits will be split 50/50 to each party. On February 11, 2015, Navios Partners and Navios Holdings entered into a novation agreement whereby the rights to the time charter contract of Navios Prosperity were transferred to Navios Holdings on March 5, 2015. For this charter, for the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from Navios Holdings amounted to \$771 and \$1,268, respectively.

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In September 2012, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Libra, a 1995-built Panamax vessel. The term of this charter is approximately three years commencing in October 2012, at a net daily rate of \$12.0 plus 50/50 profit sharing based on actual earnings. For this charter, for the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from Navios Holdings amounted to \$1,074 and \$1,017, respectively.

In May 2013, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Felicity, a 1997-built Panamax vessel. The term of this charter was approximately one year with two six-month extension options, at a net daily rate of \$12.0 plus profit sharing. The owners will receive 100% of the first \$1.5 in profits above the base rate, and thereafter all profits will be split 50/50 to each party. In February 2014, Navios Holdings exercised its first option to extend this charter, and in August 2014, Navios Holdings exercised its second option. For this charter, for the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from Navios Holdings amounted to \$1,071 and \$1,088, respectively.

In May 2013, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Aldebaran, a 2008-built Panamax vessel. The term of this charter was approximately six months commencing in June 2013, at a net daily rate of \$11.0 plus profit sharing, with a six-month extension option. In December 2013, Navios Holdings exercised its option to extend this charter, at a net daily rate of \$11.0 plus profit sharing. The owners will receive 100% of the first \$2.5 in profits above the base rate, and thereafter all profits will be split 50/50 to each party. In July 2014, the Company further extended this charter for approximately six to nine months. On February 11, 2015, Navios Partners and Navios Holdings entered into a novation agreement whereby the rights to the time charter contract of Navios Aldebaran were transferred to Navios Holdings on February 28, 2015. For this charter, for the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from Navios Holdings amounted to \$640 and \$998, respectively.

In July 2013, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Hope, a 2005-built Panamax vessel. The term of this charter was approximately one year, at a net daily rate of \$10.0. In December 2013, Navios Holdings extended this charter for approximately six months at a net daily rate of \$10.0 plus 50/50 profit sharing based on actual earnings. For this charter, for the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from Navios Holdings amounted to \$726 and \$608, respectively.

In February 2015, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Pollux, a 2009-built Capesize vessel. The term of this charter is approximately for twelve months at a daily rate of \$11.4 net per day. For the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from the subsidiary of Navios Holdings amounted to \$923 and \$0, respectively.

In March 2015, Navios Partners entered into a charter with a subsidiary of Navios Holdings for the Navios Gemini, a 1994-built Panamax vessel. The term of this charter is approximately nine months commencing in March 2015, at a net daily rate of \$7.6 plus 50/50 profit sharing based on actual earnings. For this charter, for the three months ended March 31, 2015 and 2014, the total revenue of Navios Partners from Navios Holdings amounted to \$85 and \$0, respectively.

Share Purchase Agreements: On February 4, 2015, Navios Partners entered into a share purchase agreement with Navios Holdings pursuant to which Navios Holdings made an investment in the Company by purchasing common units, and general partnership interests, in order to maintain at least a 20% partnership interest in the Company.

Registration Rights Agreement: On February 4, 2015, in connection with the share purchase agreement as discussed above, Navios Partners entered into a registration rights agreement with Navios Holdings pursuant to which Navios Partners provide Navios Holdings with certain rights relating to the registration of the common units.

Revolving Loans to Navios Europe: Navios Holdings, Navios Maritime Acquisition Corporation (“Navios Acquisition”) and Navios Partners will make available to Navios Europe Inc. (“Navios Europe”) (in each case, in proportion to their ownership interests in Navios Europe) revolving loans up to \$24,100 to fund working capital requirements (collectively, the “Navios Revolving Loans”). See Note 13 for the Investment in Navios Europe and respective ownership interests.

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The Navios Revolving Loans earn a 12.7% preferred distribution and are repaid from Free Cash Flow (as defined in the loan agreement) to the fullest extent possible at the end of each quarter. There are no covenant requirements or stated maturity dates.

As of March 31, 2015, Navios Partners' portion of the outstanding amount relating to portion of the investment in Navios Europe (5.0% of the \$10,000) was \$500, under the caption "Investment in affiliates" and the outstanding amount relating to the Navios Revolving Loans capital is \$750, under the caption "Loans receivable from affiliates." As of March 31, 2015 and December 31, 2014, the amounts undrawn from the Navios Revolving Loans was \$9,100, of which Navios Partners was committed to fund \$455.

Others: Navios Partners has entered into an omnibus agreement with Navios Holdings (the "Partners Omnibus Agreement") in connection with the closing of Navios Partners' IPO governing, among other things, when Navios Holdings and Navios Partners may compete against each other as well as rights of first offer on certain drybulk carriers. Pursuant to the Partners Omnibus Agreement, Navios Partners generally agreed not to acquire or own Panamax or Capesize drybulk carriers under time charters of three or more years without the consent of an independent committee of Navios Partners. In addition, Navios Holdings has agreed to offer to Navios Partners the opportunity to purchase vessels from Navios Holdings when such vessels are fixed under time charters of three or more years.

Navios Partners entered into an omnibus agreement with Navios Acquisition and Navios Holdings (the "Acquisition Omnibus Agreement") in connection with the closing of Navios Acquisition's initial vessel acquisition, pursuant to which, among other things, Navios Holdings and Navios Partners agreed not to acquire, charter-in or own liquid shipment vessels, except for container vessels and vessels that are primarily employed in operations in South America, without the consent of an independent committee of Navios Acquisition. In addition, Navios Acquisition, under the Acquisition Omnibus Agreement, agreed to cause its subsidiaries not to acquire, own, operate or charter drybulk carriers subject to specific exceptions. Under the Acquisition Omnibus Agreement, Navios Acquisition and its subsidiaries granted to Navios Holdings and Navios Partners, a right of first offer on any proposed sale, transfer or other disposition of any of its drybulk carriers and related charters owned or acquired by Navios Acquisition. Likewise, Navios Holdings and Navios Partners agreed to grant a similar right of first offer to Navios Acquisition for any liquid shipment vessels it might own. These rights of first offer will not apply to a (i) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a counterparty, or (ii) merger with or into, or sale of substantially all of the assets to, an unaffiliated third party.

In connection with the Navios Maritime Midstream Partners L.P ("Navios Midstream") initial public offering and effective November 18, 2014, Navios Partners entered into an omnibus agreement with Navios Midstream, Navios Acquisition and Navios Holdings pursuant to which Navios Acquisition, Navios Holdings and Navios Partners have agreed not to acquire or own any VLCCs, crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers under time charters of five or more years and also providing rights of first offer on certain tanker vessels.

As of March 31, 2015, Navios Holdings held a total of 15,344,310 common units, representing a 18.1% common unit interest in Navios Partners and general partner interest of 2.0%.

NOTE 13 — INVESTMENT IN NAVIOS EUROPE INC.

On October 9, 2013, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe and have ownership interests of 47.5%, 47.5% and 5.0%, respectively. On December 18, 2013, Navios Europe acquired ten vessels for aggregate consideration consisting of (i) cash consideration of \$127,753 (which was funded with the proceeds of a \$117,753 senior loan facilities (the "Senior Loans") and loans aggregating \$10,000 from Navios Holdings, Navios Acquisition and Navios Partners (in each case, in proportion to their ownership interests in Navios Europe) (collectively, the "Navios Term Loans") and (ii) the assumption of a junior participating loan facility (the "Junior Loan") with a face amount of \$173,367 and fair value of \$71,929 as of December 31, 2013. In addition to the Navios Term Loans, Navios Holdings, Navios Acquisition and Navios Partners will also make available to Navios Europe (in each case, in proportion to their ownership interests in Navios Europe) revolving loans up to \$24,100 to fund working capital requirements (collectively, the "Navios Revolving Loans").

On an ongoing basis, Navios Europe is required to distribute cash flows (after payment of operating expenses, amounts due pursuant to the terms of the Senior Loan and repayments of the Navios Revolving Loans) according to a defined waterfall calculation. Navios Partners evaluated its investment in Navios Europe under ASC 810 and concluded that Navios Europe is a variable interest entity ("VIE") and that they are not the party most closely associated with Navios Europe and, accordingly, is not the primary beneficiary of Navios Europe. Navios Partners further evaluated its investment in the common stock of Navios Europe under ASC 323 and concluded that it has the ability to exercise significant influence over the operating and financial policies of Navios Europe and, therefore, its investment in Navios Europe is accounted for under the equity method.

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As of March 31, 2015, the estimated maximum potential loss by Navios Partners in Navios Europe would have been \$1,271, which represents the Company's carrying value of the investment of \$521 plus the Company's balance of the Navios Revolving Loans of \$750 and does not include the undrawn portion of the Navios Revolving Loans.

As of March 31, 2015, the Navios Partners' portion of the Navios Revolving Loan outstanding was \$750. For the three month periods ended March 31, 2015 and 2014, Navios Europe had minimal operations and therefore, the Company did not record any equity method investee income/(loss).

NOTE 14 — CASH DISTRIBUTIONS AND EARNINGS PER UNIT

The partnership agreement of Navios Partners requires that all available cash is distributed quarterly, after deducting expenses, including estimated maintenance and replacement capital expenditures and reserves. Distributions may be restricted by, among other things, the provisions of existing and future indebtedness, applicable partnership and limited liability company laws and other laws and regulations. The amount of the minimum quarterly distribution is \$0.35 per unit or \$1.40 per unit per year and is made in the following manner:

- First, 98% to all unitholders;

Thereafter there is incentive distribution rights held by the General Partner, which are analyzed as follows:

	Total Quarterly Distribution Target Amount	Marginal Percentage Interest in Distributions	
		Common Unitholders	General Partner
Minimum Quarterly Distribution	\$0.35	98%	2%
First Target Distribution	up to \$0.4025	98%	2%
Second Target Distribution	above \$0.4025 up to \$0.4375	85%	15%
Third Target Distribution	above \$0.4375 up to \$0.525	75%	25%
Thereafter	above \$0.525	50%	50%

On January 26, 2015, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2014 of \$0.4425 per unit. The distribution was paid on February 13, 2015 to all holders of record of common and general partner units on February 11, 2015, including unitholders of February 2015 offering (See Note 8-Issuance of units). The aggregate amount of the declared distribution was \$38,097.

Navios Partners calculates earnings per unit by allocating reported net income for each period to each class of units based on the distribution waterfall for available cash specified in Navios Partners' partnership agreement, net of the unallocated earnings (or losses). Basic earnings net income per unit is determined by dividing net income by the weighted average number of units outstanding during the period. Diluted earnings per unit is calculated in the same manner as net income per unit, except that the weighted average number of outstanding units increased to include the dilutive effect of outstanding unit options or phantom units. Net loss per unit undistributed is determined by taking the distributions in excess of net income and allocating between common units and general partner units on a 98%-2% basis. There were no options or phantom units outstanding during the three months ended March 31, 2015 and 2014.

The calculations of the basic and diluted earnings per unit are presented below.

	Three Month Period Ended	
	March 31, 2015	March 31, 2014
Net income	\$ 10,879	\$ 18,361
Earnings attributable to:		
Common unit holders	10,089	17,461
Weighted average units outstanding (basic and diluted)		
Common unit holders	80,473,683	74,230,274
Earnings per unit (basic and diluted):		
Common unit holders	\$ 0.13	\$ 0.24
Earnings per unit — distributed (basic and diluted):		
Common unit holders	\$ 0.46	\$ 0.46
Loss per unit — undistributed (basic and diluted):		
Common unit holders	\$ (0.33)	\$ (0.22)

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NOTE 15 — OTHER INCOME

As of March 25, 2014, the Company terminated the amended credit default insurance policy. In connection with the termination, Navios Partners received compensation of \$30,956 (which was received in April 2014). From the total compensation, \$1,170 was recorded immediately in the statement of income within the caption of “Revenue”, which represents reimbursements for insurance claims submitted for the period prior to the date of the termination and the remaining amount of \$29,786 was recorded immediately in the statement of income within the caption of “Other income”. The Company has no future requirement to repay any of the lump sum cash payment back to the insurance company or provide any further services.

NOTE 16 — RECENT ACCOUNTING PRONOUNCEMENTS

In April 2015, the FASB issued the ASU 2015-06, an update for Earnings per Share (Topic 260), “Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions”. This update requires that for purposes of calculating historical earnings per unit under the two-class method, the earnings (losses) of a transferred business before the date of a dropdown transaction should be allocated entirely to the general partner. In that circumstance, the previously reported earnings per unit of the limited partners (which is typically the earnings per unit measure presented in the financial statements) would not change as a result of the dropdown transaction. Qualitative disclosures about how the rights to the earnings (losses) differ before and after the dropdown transaction occurs for purposes of computing earnings per unit under the two-class method also are required. The ASU is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early application is permitted. An entity should apply the new guidance on a retrospective basis. The adoption of this update is not expected to have a material impact on Navios Partners’ results of operations, financial position or cash flows, to the extent that no drop down transactions occurs.

In April 2015, the FASB issued the ASU 2015-03, “Simplifying the Presentation of Debt Issuance Costs”, in order to simplify presentation of debt issuance costs. This update requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this update. The ASU is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early application is permitted. An entity should apply the new guidance on a retrospective basis, wherein the balance sheet of each individual period presented should be adjusted to reflect the period-specific effects of applying the new guidance. Navios Partners early adopted the new standard (see Note 2 – “Basis of Presentation”).

In February 2015, the FASB issued the ASU 2015-02, “Consolidation (Topic 810)—Amendments to the Consolidation Analysis”, which amends the criteria for determining which entities are considered VIEs, amends the criteria for determining if a service provider possesses a variable interest in a VIE and ends the deferral granted to investment companies for application of the VIE consolidation model. The ASU is effective for interim and annual periods beginning after December 15, 2015. Early application is permitted. We do not expect the adoption of this ASU to have a material impact on the Company’s results of operations, financial position or cash flows, except if Navios Partners were to enter into new arrangements in 2015 that fall into the scope prior to adoption of this standard.

In January 2015, the FASB issued ASU 2015-01, Income Statement Extraordinary and Unusual Items. This standard eliminates the concept of extraordinary and unusual items from U.S. GAAP. The new standard is effective for annual and interim periods after December 15, 2015. Early adoption is permitted. Navios Partners plans to adopt this standard effective January 1, 2016. The adoption of the new standard is not expected to have a material impact on Navios Partners’ results of operations, financial position or cash flows.

In August 2014, the FASB issued ASU No. 2014-15, Presentation of Financial Statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties About an Entity’s Ability to Continue as a Going Concern. This standard requires management to assess an entity’s ability to continue as a going concern, and to provide related footnote disclosures in certain circumstances. Before this new standard, no accounting guidance existed for management on when and how to assess or disclose going concern uncertainties. The amendments are effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016. Early application is permitted. We plan to adopt this standard effective January 1, 2017. The adoption of the new standard is not expected to have a material impact on Navios Partners’ results of operations, financial position or cash flows.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, clarifying the method used to determine the timing and requirements for revenue recognition on the statements of income. Under the new standard, an entity must identify the performance obligations in a contract, the transaction price and allocate the price to specific performance obligations to recognize the revenue when the obligation is completed. The amendments in this update also require disclosure of sufficient information to allow users to understand the nature, amount, timing and uncertainty of revenue and cash flow arising from contracts. The new accounting guidance was originally is effective for interim and annual periods beginning after December 15, 2016. In April 2015, the FASB proposed a one-year deferral of the effective date for the new revenue standard. Under the proposal, the standard would be effective for public entities for annual reporting periods beginning after December 15, 2017 and interim periods therein. Early adoption is not permitted. We are currently reviewing the effect of ASU No. 2014-09 on our revenue recognition.

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In April 2014, the FASB issued ASU 2014-08, Presentation of Financial Statements and Property, Plant and Equipment changing the presentation of discontinued operations on the statements of income and other requirements for reporting discontinued operations. Under the new standard, a disposal of a component or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results when the component meets the criteria to be classified as held-for-sale or is disposed. The amendments in this update also require additional disclosures about discontinued operations and disposal of an individually significant component of an entity that does not qualify for discontinued operations. The new accounting guidance is effective for interim and annual periods beginning after December 15, 2014. The adoption had no impact to Navios Partners' results of operations, financial position or cash flows.

NOTE 17 — SUBSEQUENT EVENTS

(a) On April 28, 2015, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended March 31, 2015 of \$0.4425 per unit. The distribution is payable on May 14, 2015 to all holders of record of common and general partner units on May 13, 2015. The aggregate amount of the declared distribution is anticipated to be \$38,097.

(b) On April 22, 2015, Navios Partners took delivery of the MSC Cristina, a 2011 South Korean-built Container vessel of 13,100 TEU for a purchase price of \$147,750. The acquisition was financed with cash on its balance sheet and bank debt. On April 16, 2015, Navios Partners, through certain of its wholly-owned subsidiaries, entered into a term loan facility agreement of up to \$164,000 (divided into two tranches) with HSH Nordbank AG (the "April 2015 Credit Facility"), in order to finance a portion of the purchase price payable in connection with the acquisition of the MSC Cristina and one more super-post-panamax 13,100 TEU container vessel. The first tranche of the term loan facility, related to the MSC Cristina, is repayable in 28 equal consecutive quarterly installments of \$1,480, with a final balloon payment of \$38,379 on the last repayment date and the second tranche will be repayable in 28 equal consecutive quarterly installments of \$1,500, with a final balloon payment of \$41,000 on the last repayment date. The final maturity date is May 29, 2022. The tranches of the April 2015 Credit Facility bear interest at LIBOR plus 275 bps per annum. The April 2015 Credit Facility also requires compliance with certain financial covenants. Among other events, it will be an event of default under this credit facility if the financial covenants are not complied with.

SIGNATURES

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

NAVIOS MARITIME PARTNERS L.P.

By: /s/ Angeliki Frangou
Angeliki Frangou
Chief Executive Officer

Date: May 5, 2015

Dated April 16, 2015

**DUNE SHIPPING CORP. and
CITRINE SHIPPING CORPORATION**
as joint and several borrowers

and

THE BANKS AND FINANCIAL INSTITUTIONS
listed in Schedule 1
as Lenders

and

HSH NORDBANK AG
as Agent, Mandated Lead Arranger, Bookrunner,
Underwriting Bank and Security Trustee

LOAN AGREEMENT

in relation to a senior secured post-delivery term loan facility of up to US\$164,000,000
to part-finance the acquisition cost of two super-post-panamax
13,100 TEU container vessels named
“MSC CRISTINA” and “MSC RENEE”

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THIS AGREEMENT is made on April 16, 2015

BETWEEN

- (1) **DUNE SHIPPING CORP.** and **CITRINE SHIPPING CORPORATION**, each a corporation incorporated in the Marshall Islands whose registered office is at Ajeltake Road, Ajeltake Island, Majuro MH96960, The Marshall Islands as **joint and several Borrowers**;
- (2) **THE BANKS AND FINANCIAL INSTITUTIONS** listed in Schedule 1, as **Lenders**;
- (3) **HSH NORDBANK AG** acting through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, as **Agent**;
- (4) **HSH NORDBANK AG** acting through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, as **Mandated Lead Arranger**;
- (5) **HSH NORDBANK AG** acting through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, as **Bookrunner**;
- (6) **HSH NORDBANK AG** acting through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, as **Underwriting Bank**; and
- (7) **HSH NORDBANK AG** acting through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, as **Security Trustee**.

BACKGROUND

The Lenders have agreed to make available to the Borrowers a senior secured post-delivery term loan facility of up to \$164,000,000, in two advances, each being in the amount of up to the lesser of:

- (a) in respect of the advance to be used to part-finance the acquisition cost of m.v. "MSC CRISTINA":
 - (i) \$81,000,000; and
 - (ii) 67.5 per cent. of the market value (determined pursuant to Clause 15.3(a)) of that ship; and
- (b) in respect of the advance to be used to part-finance the acquisition cost of m.v. "MSC RENEE":
 - (i) \$83,000,000; and
 - (ii) 67.5 per cent. of the market value (determined pursuant to Clause 15.3(a)) of that ship.

IT IS AGREED as follows:

1 INTERPRETATION

1.1 Definitions

Subject to Clause 1.5, in this Agreement:

"**Account**" means each of the Earnings Accounts and the Retention Account in the plural, means all of them;

“**Account Pledge**” means, in relation to each Account, a pledge agreement creating security in respect of that Account in the Agreed Form and, in the plural, means all of them;

“**Additional Charterparty**” has the meaning given in Schedule 7;

“**Advance**” means, each of Advance A and Advance B and, in the plural, means both of them;

“**Advance A**” means an amount equal to the relevant Maximum Advance Amount in respect of that Advance to be used in or towards financing in part the Contract Price of Ship A or, as the context may require, the principal amount outstanding of that Advance at any relevant time;

“**Advance B**” means an amount equal to the relevant Maximum Advance Amount in respect of that Advance to be used in or towards financing in part the Contract Price of Ship B or, as the context may require, the principal amount outstanding of that Advance at any relevant time;

“**Affected Lender**” has the meaning given in Clause 5.7;

“**Agency and Trust Agreement**” means the agency and trust agreement dated the same date as this Agreement and made between the same parties;

“**Agent**” means HSH Nordbank AG, acting in such capacity through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, or any successor of it appointed under clause 5 of the Agency and Trust Agreement;

“**Agreed Form**” means in relation to any document, that document in the form approved in writing by the Agent (acting on the instructions of all the Lenders) or as otherwise approved in accordance with any other approval procedure specified in any relevant provisions of any Finance Document;

“**Approved Auditor**” means any auditors acceptable to the Lenders;

“**Approved Broker**” means Howe Robinson & Co Ltd London, Arrow Valuations Ltd United Kingdom, Barry Rogliano Salles, H. Clarkson & Co. Ltd., SSY Valuation Services Ltd., Maersk Brokers K/S or Fearnleys A/S and, in the plural, means all of them;

“**Approved Charter**” has the meaning given in Schedule 7;

“**Approved Charterer**” has the meaning given in Schedule 7;

“**Approved Flag**” means, in relation to each Ship, the Liberian flag or such other flag as the Agent may approve (with the authorisation of the Majority Lenders) as the flag on which the Ship is or, as the case may be, shall be registered;

“**Approved Flag State**” means, in relation to each Ship, Liberia or any other country in which the Agent may approve (with the authorisation of the Majority Lenders) that that Ship is or, as the case may be, shall be registered;

“**Approved Manager**” has the meaning given in Schedule 7;

“**Approved Manager’s Undertaking**” means a letter of undertaking executed or, as the context may require, to be executed by that Approved Manager in respect of the Ship in favour of the Security Trustee in the Agreed Form agreeing certain matters in relation to that Approved Manager, serving as manager of that Ship and subordinating its rights against that Ship and that Borrower to the rights of the Creditor Parties under the Finance Documents and, in the plural, means both of them;

“**Availability Period**” means the period commencing on the date of this Agreement and ending on:

- (a) in relation to:
 - (i) Advance A, 29 May 2015; and
 - (ii) Advance B, 30 September 2015,
(or such later date as the Agent may, with the authorisation of the Lenders, agree with the Borrowers); or
- (b) if earlier, the date on which the Total Commitments are fully borrowed, cancelled or terminated;

“**Balloon Instalment**” has the meaning given in Clause 8.1(b)(ii);

“**Basel III**” means, together:

- (a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (b) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement—Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”;

“**Bookrunner**” means HSH Nordbank AG, acting in such capacity through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany;

“**Borrower**” means each of Borrower A and Borrower B and, in the plural, means both of them;

“**Borrower A**” means Dune Shipping Corp., a corporation incorporated and existing in the Marshall Islands whose registered office is at Ajeltake Road, Ajeltake Island, Majuro MH96960, The Marshall Islands;

“**Borrower B**” means Citrine Shipping Corporation, a corporation incorporated and existing in the Marshall Islands whose registered office is at Ajeltake Road, Ajeltake Island, Majuro MH96960, The Marshall Islands;

“**Break Costs**” has the meaning given in Clause 21.2;

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Piraeus and Hamburg and, in respect of a day on which a payment is required to be made under a Finance Document, also in New York City;

“**Cancellation Notice**” has the meaning given in Clause 8.11;

“Charterparty” means, in relation to each Ship, any time charterparty in relation to that Ship (including, without limitation, any Approved Charter in relation to that Ship) for a duration exceeding 11 months (or having an unexpired duration exceeding, or capable of exceeding, 11 months) and any guarantee of such charter or any bareboat charter in respect of that Ship to be entered into by the Borrower owning that Ship and a charterer and, in the plural, means all of them;

“Charterparty Assignment” means, in relation to each Ship an assignment of the rights of the Borrower which is the owner of that Ship under any Charterparty relative thereto executed or, as the context may require, to be executed by that Borrower in favour of the Security Trustee in the Agreed Form and, in the plural, means all of them;

“Commitment” means, in relation to a Lender, the amount set opposite its name in Schedule 1, or, as the case may require, the amount specified in the relevant Transfer Certificate, as that amount may be reduced, cancelled or terminated in accordance with this Agreement (and **“Total Commitments”** means the aggregate of the Commitments of all the Lenders);

“Compliance Certificate” means a certificate in the form set out in Schedule 1 of the Corporate Guarantee (or in any other form which the Agent approves or requires) to be provided at the times and in the manner set out in Clause 11.18;

“Confirmation Agreement” means:

- (a) in relation to Ship A, an agreement dated 18 December 2014 entered into between Seller A, the Corporate Guarantor and Borrower A in relation to the retrofit costs referred to in addendum No. 4 to the relevant Initial Approved Charter; and
- (b) an agreement dated 9 March 2015 entered into between Seller B, the Corporate Guarantor and Borrower B in relation to the retrofit costs referred to in addendum No. 5 to the relevant Initial Approved Charter,

and, in the plural, means both of them.

“Contractual Currency” has the meaning given in Clause 21.6;

“Contract Price” means, in relation to each Ship, \$147,750,000;

“Contribution” means, in relation to a Lender, the part of the Loan which is owing to that Lender;

“Corporate Guarantee” means a corporate guarantee of the obligations of the Borrowers under this Agreement and the other Finance Documents to which it is a party in the Agreed Form;

“Corporate Guarantor” means Navios Maritime Partners L.P. a limited partnership incorporated in the Republic of the Marshall Islands whose registered office is at Ajeltake Road, Ajeltake Island, Majuro MH96960, The Marshall Islands;

“Creditor Party” means the Agent, the Security Trustee, the Mandated Lead Arranger, the Bookrunner, the Underwriting Bank or any Lender, whether as at the date of this Agreement or at any later time and, in the plural, means all of them;

“Delivery Date” means, in relation to each Ship, the date on which title to and possession of that Ship is transferred from the relevant Seller to the relevant Borrower pursuant to the relevant MOA;

“Dollars” and **“\$”** means the lawful currency for the time being of the United States of America;

“Drawdown Date” means, in respect of each Advance, the date requested by the Borrowers for that Advance to be borrowed, or (as the context requires) the date on which that Advance is actually borrowed;

“Drawdown Notice” means a notice in the form set out in Schedule 2 (or in any other form which the Agent approves or reasonably requires);

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

- (a) except to the extent that they fall within paragraph (b):
 - (i) all freight, hire and passage moneys;
 - (ii) compensation payable to that Borrower or the Security Trustee in the event of requisition of the Ship owned by it for hire;
 - (iii) remuneration for salvage and towage services;
 - (iv) demurrage and detention moneys;
 - (v) damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of that Ship; and
 - (vi) all moneys which are at any time payable under any Insurances in respect of loss of hire; and
- (b) if and whenever that Ship is employed on terms whereby any moneys falling within paragraphs (a)(i) to (vi) are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to that Ship;

“Earnings Account” means, in relation to each Ship, an account in the name of the Borrower owning that Ship with the Agent in Hamburg designated “[Name of Borrower] - Earnings Account”, or any other account (with that or another office of the Agent) which replaces this account and is designated by the Agent as the Earnings Account in respect of that Ship for the purposes of this Agreement in accordance with the Agent’s instructions and, in the plural, means both of them;

“Environmental Claim” means:

- (a) any claim by any governmental, judicial or regulatory authority which arises out of an Environmental Incident or an alleged Environmental Incident or which relates to any Environmental Law; or
- (b) any claim by any other person which relates to an Environmental Incident or to an alleged Environmental Incident,

and **“claim”** means a claim for damages, compensation, fines, penalties or any other payment of any kind whether or not similar to the foregoing; an order or direction to take, or not to take, certain action or to desist from or suspend certain action; and any form of enforcement or regulatory action, including the arrest or attachment of any asset;

“Environmental Incident” means, in relation to each Ship :

- (a) any release of Environmentally Sensitive Material from that Ship; or

- (b) any incident in which Environmentally Sensitive Material is released from a vessel other than that Ship and which involves a collision between that Ship and such other vessel or some other incident of navigation or operation, in either case, in connection with which that Ship is actually or potentially liable to be arrested, attached, detained or injuncted and/or that Ship and/or the Borrower which is the owner thereof and/or any operator or manager of that Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action; or
- (c) any other incident in which Environmentally Sensitive Material is released otherwise than from that Ship and in connection with which that Ship is actually or potentially liable to be arrested and/or where the Borrower which is the owner thereof and/or any operator or manager of that Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action;

“**Environmental Law**” means any law relating to pollution or protection of the environment, to the carriage of Environmentally Sensitive Material or to actual or threatened releases of Environmentally Sensitive Material;

“**Environmentally Sensitive Material**” means oil, oil products and any other substance (including any chemical, gas or other hazardous or noxious substance) which is (or is capable of being or becoming) polluting, toxic or hazardous;

“**Event of Default**” means any of the events or circumstances described in Clause 19.1;

“**Fee Letter**” means a fee letter issued or to be issued by the Borrowers to the Agent in the Agreed Form;

“**Finance Documents**” means together:

- (a) this Agreement;
- (b) the Corporate Guarantee;
- (c) the Agency and Trust Agreement;
- (d) the General Assignments;
- (e) the Mortgages;
- (f) the Account Pledges;
- (g) any Charterparty Assignment;
- (h) the Approved Manager’s Undertakings;
- (i) the Fee Letter; and
- (j) any other document (whether creating a Security Interest or not) which is executed at any time by either Borrower, the Corporate Guarantor, any Approved Manager or any other person as security for, or to establish any form of subordination or priorities arrangement in relation to, any amount payable to the Lenders under this Agreement or any of the other documents referred to in this definition and, in the singular, means any of them;

“**Final Maturity Date**” means, in respect of an Advance, the date falling on the earlier of (i) the seventh anniversary of the Drawdown Date of that Advance and (ii) 29 May 2022;

“Financial Indebtedness” means, in relation to a person (the **“debtor”**), any actual or contingent liability of the debtor:

- (a) for principal, interest or any other sum payable in respect of any moneys borrowed or raised by the debtor;
- (b) under any loan stock, bond, note or other security issued by the debtor;
- (c) under any acceptance credit, guarantee or letter of credit facility made available to the debtor;
- (d) under a financial lease, a deferred purchase consideration arrangement or any other agreement having the commercial effect of a borrowing or raising of money by the debtor;
- (e) under any interest or currency swap or any other kind of derivative transaction entered into by the debtor or, if the agreement under which any such transaction is entered into requires netting of mutual liabilities, the liability of the debtor for the net amount;
- (f) under receivables sold or discounted (other than any receivables to the extent that they are sold on a non-recourse basis); or
- (g) under a guarantee, indemnity or similar obligation entered into by the debtor in respect of a liability of another person which would fall within (a) to (e) if the references to the debtor referred to the other person;

“Financial Year” means, in relation to the Borrowers, the Corporate Guarantor and the Group, each period of 1 year commencing on 1 January in respect of which their individual or, as the case may be, consolidated accounts are or ought to be prepared;

“General Assignment” means, in relation to each Ship, a general assignment of (inter alia) the Earnings, the Insurances and any Requisition Compensation in respect of that Ship in executed or, as the context may require, to be executed by the Borrower which is the owner thereof in favour of the Security Trustee in the Agreed Form and, in the plural, means both of them;

“Group” means, together, the Corporate Guarantor and its subsidiaries (including, but not limited to, the Borrowers) and **“member of the Group”** shall be construed accordingly;

“IACS” means the International Association of Classification Societies;

“Initial Approved Charter” has the meaning given in Schedule 7;

“Initial Market Value” means, in relation to each Ship, the Market Value of the Ship calculated in accordance with the valuations relative thereto referred to in Clause 15.3(a);

“Instalment” has the meaning given in Clause 8.1(b)(i);

“Insurances” means, in relation to each Ship:

- (a) all policies and contracts of insurance (including, without limitation, any loss of hire insurance) and any reinsurance, policies or contracts, including entries of that Ship in any protection and indemnity or war risks association, effected in respect of that Ship, its Earnings or otherwise in relation to it; and
- (b) all rights (including, without limitation, any and all rights or claims which the Borrower owning that Ship may have under or in connection with any cut-through clause relative to any reinsurance contract relating to the aforesaid policies or contracts of insurance) and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium;

“**Interest Period**” means a period determined in accordance with Clause 6;

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

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

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

“**Lender**” means, subject to Clause 26.6, a bank or financial institution listed in Schedule 1 and acting through its branch indicated in Schedule 1 (or through another branch notified to the Agent under Clause 26.16) or its transferee, successor or assign;

“**LIBOR**” means, for an Interest Period:

- (a) the rate per annum equal to the offered quotation for deposits in Dollars for a period equal to, or as near as possible equal to, the relevant Interest Period which appears on the Screen Rate; or
- (b) if no rate is quoted on the Screen Rate, the rate per annum determined by the Agent to be the arithmetic mean (rounded upwards, if necessary, to the nearest one-sixteenth of one per cent.) of the rates per annum notified to the Agent by each Reference Bank as the rate at which deposits in Dollars are offered to that Reference Bank by leading banks in the London Interbank Market at that Reference Bank’s request at or about 11.00 a.m. (London time) on the Quotation Date for that Interest Period for a period equal to that Interest Period and for delivery on the first Business Day of it;

“**Loan**” means the principal amount for the time being outstanding under this Agreement;

“**Major Casualty**” means, in relation to a Ship, any casualty to that Ship in respect of which the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds \$500,000 or the equivalent in any other currency;

“**Majority Lenders**” means:

- (a) before an Advance is made, Lenders whose Commitments total 66,66 per cent. of the Total Commitments; and
- (b) after an Advance is made, Lenders whose Contributions total 66,66 per cent. of the Loan;

“**Management Agreement**” means, in relation to each Ship, an agreement entered into between the Borrower owning that Ship and an Approved Manager, in respect of the commercial and/or the technical management of that Ship in a form acceptable to the Agent and in the plural, means all of them;

“Mandated Lead Arranger” means HSH Nordbank AG, acting in such capacity through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, or any successor;

“Mandatory Cost” means the percentage rate per annum calculated by the Agent in accordance with Schedule 4;

“Margin” means 2.75 per cent. per annum;

“Market Value” means, in relation to each Ship, the market value of that Ship determined in accordance with Clause 15.3;

“Material Adverse Change” means any event or series of events which, in the reasonable opinion of the Majority Lenders, is likely to have a Material Adverse Effect;

“Material Adverse Effect” means in the reasonable opinion of the Majority Lenders, a material adverse effect on:

- (a) the business, property, assets, liabilities, operations or condition (financial or otherwise) of either Borrower and/or any Security Party (other than the Other Manager) taken as a whole;
- (b) the ability of either Borrower and/or any Security Party (other than the Other Manager) to (i) comply with or perform any of its obligations or (ii) discharge any of its liabilities, under any Finance Document as they fall due; or
- (c) the validity, legality or enforceability of any Finance Document;

“Maximum Advance Amount” means:

- (a) in respect of Advance A, an amount equal to the lesser of (i)\$81,000,000 and (ii) 67.5 per cent. of the Initial Market Value of Ship A; and
- (b) in respect of Advance B, an amount equal to the lesser of (i)\$83,000,000 and (ii) 67.5 per cent. of the Initial Market Value of Ship B;

“MOA” means:

- (a) in relation to Ship A, a memorandum of agreement dated 18 December 2014 (as amended and supplemented by an addendum no. 1 dated 13 January 2015 and as the same may be supplemented and amended from time to time subject to the provisions of this Agreement and the other Finance Documents) made between Seller A and Borrower A for the sale by Seller A, and the purchase by Borrower A, of Ship A; and
- (b) in relation to Ship B a memorandum of agreement dated 20 March 2015 (as amended and supplemented by an addendum no. 1 dated 20 March 2015 and as the same may be supplemented and amended from time to time subject to the provisions of this Agreement and the other Finance Documents) made between Seller B and Borrower B for the sale by Seller B, and the purchase by Borrower B, of Ship B;

“Mortgage” means, in relation to each Ship, the first preferred or, as the case may be, priority ship mortgage on that Ship and, if required pursuant to the laws of the applicable Approved Flag State, a deed of covenant collateral thereto executed or to be executed by the Borrower owning that Ship in favour of the Security Trustee in the Agreed Form and, in the plural, means both of them;

“Mortgaged Ship” means a Ship which is subject to a Mortgage at the relevant time and, in the plural, means both of them;

“Negotiation Period” has the meaning given in Clause 5.10;

“Notifying Lender” has the meaning given in Clause 21.2, 23.1 or Clause 24.1 as the context requires;

“Novation Agreement” means:

- (a) in relation to the Initial Approved Charter A, the deed of novation dated 23 December 2014 entered into between Seller A, Borrower A and the Approved Charterer pursuant to which Borrower A shall substitute, and assume all rights, obligations and liabilities of, Seller A as owner of Ship A under that Initial Approved Charter; and
- (b) in relation to the Initial Approved Charter B, the deed of novation dated 26 February 2015 entered into between Seller B, Borrower B and the Approved Charterer pursuant to which Borrower B shall substitute, and assume all rights, obligations and liabilities of, Seller B as owner of Ship B under that Initial Approved Charter;

and, in the plural, means both of them.

“Optional Extension” has the meaning given in Schedule 7;

“Payment Currency” has the meaning given in Clause 21.6;

“Permitted Security Interests” means:

- (a) Security Interests created by the Finance Documents;
- (b) Security Interests created by the Term Loan B Agreement and the Term Loan B Guarantees (excluding, for the avoidance of doubt, any Security Interest in relation to either of the Ships, its Earnings, Insurances, any Requisition Compensation and any Charterparty in respect of that Ship);
- (c) liens for unpaid master’s and crew’s wages in accordance with usual maritime practice;
- (d) liens for salvage;
- (e) liens arising by operation of law for not more than 2 months’ prepaid hire under any charter in relation to a Ship not prohibited by this Agreement;
- (f) liens for master’s disbursements incurred in the ordinary course of trading and any other lien arising by operation of law or otherwise in the ordinary course of the trading, chartering, operation, repair or maintenance of a Ship, provided such liens do not secure amounts more than 30 days overdue (unless the overdue amount is being contested by the Borrower owning that Ship in good faith by appropriate steps) and subject, in the case of liens for repair or maintenance, to Clause 14.13(e);
- (g) any Security Interest created in favour of a plaintiff or defendant in any proceedings or arbitration as security for costs and expenses while the Borrowers are actively prosecuting or defending such proceedings or arbitration in good faith; and
- (h) Security Interests arising by operation of law in respect of taxes which are not overdue for payment or in respect of taxes being contested in good faith by appropriate steps and in respect of which appropriate reserves have been made;

“Pertinent Document” means:

- (a) any Finance Document;
- (b) any policy or contract of insurance contemplated by or referred to in Clause 13 or any other provision of this Agreement or another Finance Document;
- (c) any other document contemplated by or referred to in any Finance Document; and
- (d) any document which has been or is at any time sent by or to a Servicing Bank in contemplation of or in connection with any Finance Document or any policy, contract or document falling within paragraphs (b) or (c);

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

- (a) England and Wales;
- (b) the country under the laws of which the company is incorporated or formed;
- (c) a country in which the company has the centre of its main interests or which the company’s central management and control is or has recently been exercised;
- (d) a country in which the overall net income of the company is subject to corporation tax, income tax or any similar tax;
- (e) a country in which assets of the company (other than securities issued by, or loans to, related companies) having a substantial value are situated, in which the company maintains a branch or permanent place of business, or in which a Security Interest created by the company must or should be registered in order to ensure its validity or priority; and
- (f) a country the courts of which have jurisdiction to make a winding up, administration or similar order in relation to the company, whether as a main or territorial or ancillary proceedings, or which would have such jurisdiction if their assistance were requested by the courts of a country referred to in paragraphs (b) or (c);

“Potential Event of Default” means an event or circumstance which, with the giving of any notice, the lapse of time, a reasonable determination of the Majority Lenders and/or the satisfaction of any other condition, would constitute an Event of Default;

“Prepayment Date” has the meaning given in Clause 15.2;

“Prepayment Notice” has the meaning given in Clause 8.5(b);

“Quotation Date” means, in relation to any Interest Period (or any other period for which an interest rate is to be determined under any provision of a Finance Document), the day on which quotations would ordinarily be given by leading banks in the London Interbank Market for deposits in the currency in relation to which such rate is to be determined for delivery on the first day of that Interest Period or other period;

“Reference Banks” means, subject to Clause 26.19, together, the Hamburg branch of HSH Nordbank AG and any other bank acceptable to, and designated as such by, the Agent (acting on the instructions of the Majority Lenders) and any of their respective successors;

“Relevant Person” has the meaning given in Clause 19.9;

“Repayment Date” means a date on which a repayment is required to be made under Clause 8;

“Requisition Compensation” includes all compensation or other moneys payable by reason of any act or event such as is referred to in paragraph (b) of the definition of “Total Loss”;

“Retention Account” means an account in the joint names of the Borrowers with the Agent in Hamburg designated “Dune Shipping Corp. and Citrine Shipping Corporation – Retention Account”, or any other account (with that or another office of the Agent) which replaces such account and is designated by the Agent as the Retention Account for the purposes of this Agreement in accordance with the Agent’s instructions;

“Screen Rate” means the London interbank offered rate administered by the ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for Dollars for the relevant period displayed on pages LIBOR01 or LIBOR02 of the Reuters screen (or any replacement Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrowers;

“Secured Liabilities” means all liabilities which the Borrowers, the Corporate Guarantor, the other Security Parties or any of them have, at the date of this Agreement or at any later time or times, under or in connection with any Finance Document or any judgment relating to any Finance Document; and for this purpose, there shall be disregarded any total or partial discharge of these liabilities, or variation of their terms, which is effected by, or in connection with, any bankruptcy, liquidation, arrangement or other procedure under the insolvency laws of any country;

“Security Interest” means:

- (a) a mortgage, charge (whether fixed or floating) or pledge, any maritime or other lien or any other security interest of any kind; and
- (b) the rights of a plaintiff under an action in rem in which the vessel concerned has been arrested or a writ has been issued or similar step taken;

“Security Party” means the Corporate Guarantor, any Approved Manager and any other person (except a Creditor Party) who, as a surety or mortgagor, as a party to any subordination or priorities arrangement, or in any similar capacity, executes a document falling within the final paragraph of the definition of “Finance Documents” and, in the plural, means all of them;

“Security Period” means the period commencing on the date of this Agreement and ending on the date on which the Agent notifies the Borrowers, the Security Parties and the other Creditor Parties that:

- (a) all amounts which have become due for payment by the Borrowers or any Security Party (under the Finance Documents have been paid;
- (b) no amount is owing or has accrued (without yet having become due for payment) under any Finance Document;
- (c) Neither Borrower nor any Security Party (other than the Other Manager) has any future or contingent liability under Clauses 20, 21 or 22 or any other provision of this Agreement or another Finance Document; and
- (d) the Agent, the Mandated Lead Arranger, the Security Trustee and the Majority Lenders do not consider that there is a significant risk that any payment or transaction under a Finance Document would be set aside, or would have to be reversed or adjusted, in any present or possible future bankruptcy of either Borrower or a Security Party (other than the Other Manager) or in any present or possible future proceeding relating to a Finance Document or any asset covered (or previously covered) by a Security Interest created by a Finance Document;

“**Security Trustee**” means HSH Nordbank AG, acting in such capacity through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, or any successor of it appointed under clause 5 of the Agency and Trust Agreement;

“**Seller**” means each of Seller A and Seller B and, in the plural, means both of them;

“**Seller A**” means Achte “Michel” Schiffahrts GmbH & Co. KG a company incorporated and existing in Germany, whose principal office is at Hohe Bleichen 12, 20354 Hamburg, Germany;

“**Seller B**” means Vierzehnte “Michel” Schiffahrts GmbH & Co. KG a company incorporated and existing in Germany, whose principal office is at Hohe Bleichen 12, 20354 Hamburg, Germany;

“**Servicing Bank**” means the Agent or the Security Trustee;

“**Ship**” means each of Ship A and Ship B and, in the plural, means both of them;

“**Ship A**” means the 2011-built 13,092 TEU super-post-panamax container vessel with IMO number 9465241 which is to be purchased by Borrower A from Seller A pursuant to the relevant MOA and registered in its ownership under an Approved Flag in accordance with the laws of the applicable Approved Flag Stage with the name “MSC CRISTINA”;

“**Ship B**” means the 2012-built 13,092 TEU super-post-panamax container vessel with IMO number 9465306 which is to be purchased by Borrower B from Seller B pursuant to the relevant MOA and registered in its ownership under an Approved Flag in accordance with the laws of the applicable Approved Flag Stage with the name “MSC RENEE”;

“**Term Loan B Agreement**” means a loan facility agreement by the Corporate Guarantor as borrower in June 2013 in respect of a secured term loan facility of up to \$250,000,000;

“**Term Loan B Guarantee**” means, in relation to a Borrower, an unsecured guarantee executed, or as the case may be, to be executed by that Borrower as security for the obligations and liability of the Corporate Guarantor under the Term Loan B Agreement and, in the plural, means both of them;

“**Total Loss**” means, in relation to each Ship:

- (a) actual, constructive, compromised, agreed or arranged total loss of that Ship;
- (b) any expropriation, confiscation, requisition or acquisition of that Ship, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a government or official authority unless it is within 1 month from the date of such occurrence redelivered to the full control of the Borrower owning that Ship excluding a requisition for hire for a fixed period not exceeding 90 days without any right to an extension;
- (c) any condemnation of that Ship by any tribunal or by any person or persons claiming to be a tribunal; and
- (d) any arrest, capture, seizure, confiscation or detention of that Ship (including any hijacking or theft) unless it is:

- (i) within 90 days; and
- (ii) in the case of piracy, if the relevant underwriters confirm to the Agent in writing prior to the end of such 90 day period that a Ship is subject to an approved piracy insurance cover, within the period ending on the earlier of 270 days after the date on which that Ship is captured by pirates and the date on which the piracy insurance cover expires,

redelivered to the full control of that Borrower;

“Total Loss Date” means, in relation to each Ship:

- (a) in the case of an actual loss of that Ship, the date on which it occurred or, if that is unknown, the date when that Ship was last heard of;
- (b) in the case of a constructive, compromised, agreed or arranged total loss of that Ship, the earliest of:
 - (i) 30 days after the date on which a notice of abandonment is given to the insurers; and
 - (ii) the date of any compromise, arrangement or agreement made by or on behalf of the Borrower owning that Ship with that Ship’s insurers in which the insurers agree to treat that Ship as a total loss; and
- (c) in the case of any other type of total loss, on the date (or the most likely date) on which it appears to the Agent that the event constituting the total loss occurred;

“Transfer Certificate” has the meaning given in Clause 26.2;

“Trust Property” has the meaning given in clause 3.1 of the Agency and Trust Agreement;

“Underlying Document” means each of the Approved Charters, the Confirmation Agreements, the Novation Agreements, the Management Agreements and the MOAs and, in the plural, means all of them;

“Underwriting Bank” means HSH Nordbank AG, acting in such capacity through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany; and

“US GAAP” means generally accepted accounting principles as from time to time in effect in the United States of America.

1.2 Construction of certain terms

In this Agreement:

“administration notice” means a notice appointing an administrator, a notice of intended appointment and any other notice which is required by law (generally or in the case concerned) to be filed with the court or given to a person prior to, or in connection with, the appointment of an administrator;

“approved” means, for the purposes of Clause 13, approved in writing by the Agent at its discretion;

“asset” includes every kind of property, asset, interest or right, including any present, future or contingent right to any revenues or other payment;

“company” includes any partnership, joint venture and unincorporated association;

“**consent**” includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration, notarisation and legalisation;

“**contingent liability**” means a liability which is not certain to arise and/or the amount of which remains unascertained;

“**document**” includes a deed; also a letter or fax;

“**excess risks**” means, in relation to each Ship, the proportion of claims for general average, salvage and salvage charges not recoverable under the hull and machinery policies in respect of that Ship in consequence of its insured value being less than the value at which the Ship is assessed for the purpose of such claims;

“**expense**” means any kind of cost, charge or expense (including all legal costs, charges and expenses) and any applicable value added or other tax;

“**gross negligence**” means a form of negligence which is distinct from ordinary negligence, in which the due diligence and care which are generally to be exercised have been disregarded to a particularly high degree, in which the plainest deliberations have not been made and that which should be most obvious to everybody has not been followed;

“**law**” includes any order or decree any form of delegated legislation, any treaty or international convention and any regulation or resolution of the Council of the European Union, the European Commission, the United Nations or its Security Council;

“**legal or administrative action**” means any legal proceeding or arbitration and any administrative or regulatory action or investigation;

“**liability**” includes every kind of debt or liability (present or future, certain or contingent), whether incurred as principal or surety or otherwise;

“**months**” shall be construed in accordance with Clause 1.3;

“**obligatory insurances**” means, in relation to each Ship, all insurances effected, or which the Borrower owning that Ship is obliged to effect, under Clause 13 or any other provision of this Agreement or another Finance Document;

“**parent company**” has the meaning given in Clause 1.4;

“**person**” includes any individual, any partnership, any company; any state, political sub-division of a state and local or municipal authority; and any international organisation;

“**policy**”, in relation to any insurance, includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms;

“**protection and indemnity risks**” means the usual risks covered by a protection and indemnity association managed in London, including pollution risks and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation of clause 6 of the International Hull Clauses (1/11/02 or 1/11/03), clause 8 of the Institute Time (Hulls) (1/11/95) or clause 8 of the Institute Time Clauses (Hulls) (1/10/83) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision;

“**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental body, intergovernmental or supranational body, agency (monetary or otherwise), department, central bank, regulatory, self-regulatory or other authority or organisation;

“**subsidiary**” has the meaning given in Clause 1.4;

“**successor**” includes any person who is entitled (by assignment, novation, merger or otherwise) to any person’s rights under this Agreement or any other Finance Document (or any interest in those rights) or who, as administrator, liquidator or otherwise, is entitled to exercise those rights; and in particular references to a successor include a person to whom those rights (or any interest in those rights) are transferred or pass as a result of a merger, division, reconstruction or other reorganisation of it or any other person;

“**tax**” includes any present or future tax, duty, impost, levy or charge of any kind which is imposed by any state, any political sub-division of a state or any local or municipal authority (including any such imposed in connection with exchange controls), and any connected penalty, interest or fine; and

“**war risks**” includes the risk of mines and all risks excluded by clause 29 of the International Hull Clauses (1/11/02 or 1/11/03), clause 24 of the Institute Time Clauses (Hulls)(1/11/1995) or clause 23 of the Institute Time Clauses (Hulls) (1/10/83).

1.3 Meaning of “month”

A period of one or more “**months**” ends on the day in the relevant calendar month numerically corresponding to the day of the calendar month on which the period started (“**the numerically corresponding day**”), but:

- (a) on the Business Day following the numerically corresponding day if the numerically corresponding day is not a Business Day or, if there is no later Business Day in the same calendar month, on the Business Day preceding the numerically corresponding day; or
 - (b) on the last Business Day in the relevant calendar month, if the period started on the last Business Day in a calendar month or if the last calendar month of the period has no numerically corresponding day,
- and “**month**” and “**monthly**” shall be construed accordingly.

1.4 Meaning of “subsidiary”

A company (S) is a subsidiary of another company (P) if a majority of the issued shares in S (or a majority of the issued shares in S which carry unlimited rights to capital and income distributions) are directly owned by P or are indirectly attributable to P and any company of which S is a subsidiary is a parent company of S.

1.5 General Interpretation

In this Agreement:

- (a) references to, or to a provision of, a Finance Document or any other document are references to it as amended or supplemented, whether before the date of this Agreement or otherwise;
- (b) references to, or to a provision of, any law include any amendment, extension, re-enactment or replacement, whether made before the date of this Agreement or otherwise;
- (c) words denoting the singular number shall include the plural and vice versa; and
- (d) Clauses 1.1 to 1.5 apply unless the contrary intention appears.

1.6 Headings

In interpreting a Finance Document or any provision of a Finance Document, all clause, sub-clause and other headings in that and any other Finance Document shall be entirely disregarded.

2 FACILITY

2.1 Amount of facility

Subject to the other provisions of this Agreement, the Lenders shall make available to the Borrowers, a senior secured post-delivery term loan facility, in two Advances, in an aggregate amount of up to \$164,000,000.

2.2 Lenders' participations in an Advance

Subject to the other provisions of this Agreement, each Lender shall participate in each Advance in the proportion which, as at the relevant Drawdown Date, its Commitment bears to the Total Commitments.

2.3 Purpose of Advance

The Borrowers undertake with each Creditor Party to use each Advance only for the purpose stated in the preamble to this Agreement.

3 POSITION OF THE LENDERS

3.1 Interests several

The rights of the Lenders under this Agreement are several.

3.2 Individual right of action

Each Lender shall be entitled to sue for any amount which has become due and payable by the Borrowers to it under this Agreement without joining the Agent, the Security Trustee, any other Lender as additional parties in the proceedings.

3.3 Proceedings requiring Majority Lender consent

Except as provided in Clause 3.2, no Lender may commence proceedings against the Borrowers or any Security Party in connection with a Finance Document without the prior consent of the Majority Lenders.

3.4 Obligations several

The obligations of the Lenders under this Agreement are several; and a failure of a Lender to perform its obligations under this Agreement shall not result in:

- (a) the obligations of the other Lenders being increased; nor
- (b) either Borrower, any Security Party, any other Lender being discharged (in whole or in part) from its obligations under any Finance Document, and in no circumstances shall a Lender have any responsibility for a failure of another Lender to perform its obligations under this Agreement.

4 DRAWDOWN

4.1 Request for an Advance

Subject to the following conditions, the Borrowers may request an Advance to be borrowed by ensuring that the Agent receives a completed Drawdown Notice not later than 11.00 a.m. (Hamburg time) 3 Business Days prior to the relevant Drawdown Date (or such other period acceptable to the Agent (acting on the instructions of the Lenders)).

4.2 Availability

The conditions referred to in Clause 4.1 are that:

- (a) a Drawdown Date has to be a Business Day during the relevant Availability Period;
- (b) the amount of each Advance shall not exceed the Maximum Advance Amount for that Advance and shall be used to part finance the Contract Price of the Ship to which that Advance relates;
- (c) any undrawn portion of the Total Commitments in respect of an Advance to occur, upon the determination of the Initial Market Value of the Ship to be financed by that Advance, shall be automatically cancelled on the earlier of (i) the Drawdown Date of that Advance and (ii) the last day of the relevant Availability Period; and
- (d) the aggregate amount of the Advances shall not exceed the Total Commitments.

4.3 Notification to Lenders of receipt of a Drawdown Notice

The Agent shall promptly notify the Lenders that it has received a Drawdown Notice and shall inform each Lender of:

- (a) the amount of the Advance to which that Drawdown Notice relates and the relevant Drawdown Date;
- (b) the amount of that Lender's participation in that Advance; and
- (c) the duration of the first Interest Period in respect of that Advance.

4.4 Drawdown Notice irrevocable

Each Drawdown Notice must be duly signed by a director or a duly appointed attorney-in-fact of each Borrower; and once served, it cannot be revoked without the prior consent of the Agent, acting on the authority of the Majority Lenders.

4.5 Lenders to make available Contributions

Subject to the provisions of this Agreement, each Lender shall, on and with value on each Drawdown Date, make available to the Agent for the account of the Borrowers the amount due from that Lender on that Drawdown Date under Clause 2.2.

4.6 Disbursement of Advance

Subject to the provisions of this Agreement, the Agent shall on each Drawdown Date pay to the Borrowers the amounts which the Agent receives from the Lenders under Clause 4.5; and that payment to the Borrowers shall be made:

- (a) to the account which the Borrowers specify in the relevant Drawdown Notice; and
- (b) in the like funds as the Agent received the payments from the Lenders.

4.7 Disbursement of Advance to a third party

The payment by the Agent under Clause 4.6 shall constitute the making of the relevant Advance and the Borrowers shall at that time become indebted, as principal and direct obligors, to each Lenders in an amount equal to that Lender's Contribution.

5 INTEREST

5.1 Payment of normal interest

Subject to the provisions of this Agreement, interest on each Advance in respect of each Interest Period relative to that Advance shall be paid by the Borrowers on the last day of that Interest Period.

5.2 Normal rate of interest

Subject to the provisions of this Agreement, the rate of interest on each Advance in respect of an Interest Period relative to that Advance shall be the aggregate of (i) the Margin, (ii) the Mandatory Cost (if any) and (iii) LIBOR for that Interest Period.

5.3 Payment of accrued interest

In the case of an Interest Period relative to an Advance of longer than 3 months, accrued interest on that Advance shall be paid every 3 months during that Interest Period and on the last day of that Interest Period.

5.4 Notification of Interest Periods and rates of normal interest

The Agent shall notify the Borrowers and each Lender of:

- (a) each rate of interest; and
- (b) the duration of each Interest Period,
as soon as reasonably practicable after each is determined.

5.5 Obligation of Reference Banks to quote

A Reference Bank which is a Lender shall use all reasonable efforts to supply the quotation required of it for the purposes of fixing a rate of interest under this Agreement unless that Reference Bank ceases to be a Lender pursuant to Clause 26.19.

5.6 Absence of quotations by Reference Banks. If any Reference Bank fails to supply a quotation, the Agent shall determine the relevant LIBOR on the basis of the quotations supplied by any other Reference Bank or Banks; but if no Reference Bank provides a quotation, the relevant rate of interest shall be set in accordance with the following provisions of this Clause 5.

5.7 Market disruption

The following provisions of this Clause 5 apply if:

- (a) no rate is quoted on the Screen Rate and no Reference Bank, before 1.00 p.m. (London time) on the Quotation Date for an Interest Period, provides quotations to the Agent in order to fix LIBOR; or
- (b) at least 1 Business Day before the start of an Interest Period, a Lender notifies the Agent that LIBOR fixed by the Agent would not accurately reflect the cost to those Lenders of funding their respective Contributions (or any part of them) during the Interest Period in the London Interbank Market at or about 11.00 a.m. (London time) on the Quotation Date for the Interest Period; or

- (c) at least 1 Business Day before the start of an Interest Period, the Agent is notified by a Lender (the “**Affected Lender**”) that for any reason it is unable to obtain Dollars in the London Interbank Market or otherwise in order to fund its Contribution (or any part of it) during the Interest Period.

5.8 Notification of market disruption

The Agent shall promptly notify the Borrowers and each of the Lenders stating the circumstances falling within Clause 5.7 which have caused its notice to be given.

5.9 Suspension of drawdown

If the Agent’s notice under Clause 5.8 is served before an Advance is borrowed:

- (a) in a case falling within Clauses 5.7(a) or (b), the Lender’s obligations to make that Advance;
- (b) in a case falling within Clause 5.7(c), the Affected Lender’s obligation to participate in that Advance;

shall be suspended while the circumstances referred to in the Agent’s notice continue,

Provided that in a case falling under Clause 5.7(b) the Lender shall make available that Advance subject to that Lender’s cost of funding that Advance being paid in full by no later than the end of the first Interest Period in respect of that Advance.

5.10 Negotiation of alternative rate of interest

If the Agent’s notice under Clause 5.8 is served after an Advance is borrowed, the Borrowers, the Agent, the Lenders or (as the case may be) the Affected Lender shall use reasonable endeavours to agree, within 30 days after the date on which the Agent serves its notice under Clause 5.8 (the “**Negotiation Period**”), an alternative interest rate or (as the case may be) an alternative basis for the Lenders or (as the case may be) the Affected Lender to fund or continue to fund their or its Contribution during the Interest Period concerned.

5.11 Application of agreed alternative rate of interest

Any alternative interest rate or an alternative basis which is agreed during the Negotiation Period shall take effect in accordance with the terms agreed.

5.12 Alternative rate of interest in absence of agreement

If an alternative interest rate or alternative basis is not agreed within the Negotiation Period, and the relevant circumstances are continuing at the end of the Negotiation Period, then the Agent shall, with the agreement of each Lender or (as the case may be) the Affected Lender, set an interest period of 3 months and interest rate representing the cost of funding of the Lenders or (as the case may be) the Affected Lender in Dollars or in any available currency of their or its Contribution plus the Margin and the Mandatory Cost (if any); and the procedure provided for by this Clause 5.12 shall be repeated if the relevant circumstances are continuing at the end of the interest period so set by the Agent.

5.13 Notice of prepayment

If the Borrowers do not agree with an interest rate set by the Agent under Clause 5.12, the Borrowers may give the Agent not less than 15 Business Days’ notice of their intention to prepay the Loan or, as the case may be, the relevant Contribution of the Affected Lender at the end of the interest period set by the Agent.

5.14 Prepayment; termination of Commitments

A notice under Clause 5.13 shall be irrevocable; the Agent shall promptly notify the Lenders or (as the case may require) the Affected Lender of the Borrowers' notice of intended prepayment; and:

- (a) on the date on which the Agent serves that notice, the Total Commitments or (as the case may require) the Commitment of the Affected Lender shall be cancelled; and
- (b) on the last Business Day of the interest period set by the Agent, the Borrowers shall prepay (without premium or penalty) the Loan or, as the case may be, the Affected Lender's Contribution, together with accrued interest thereon at the applicable rate plus the Margin and the Mandatory Cost (if any).

5.15 Application of prepayment

The provisions of Clause 8 shall apply in relation to the prepayment.

6 INTEREST PERIODS

6.1 Commencement of Interest Periods

The first Interest Period applicable to an Advance shall commence on the Drawdown Date in respect of that Advance and each subsequent Interest Period shall commence on the expiry of the preceding Interest Period.

6.2 Duration of normal Interest Periods

Subject to Clauses 6.3 and 6.4, each Interest Period in respect of each Advance shall be:

- (a) 3 or 6 months as notified by the Borrowers to the Agent not later than 11.00 a.m. (Hamburg time) 3 Business Days before the commencement of that Interest Period in respect of that Advance (or such other period acceptable to the Agent (acting on the instructions of the Lenders));
- (b) 3 months, if the Borrowers fail to notify the Agent by the time specified in paragraph (a); or
- (c) such other period (as notified by the Borrowers to the Agent not later than 11.00 a.m. (Hamburg time) 3 Business Days before the commencement of that Interest Period in respect of that Advance) as the Agent may, with the authorisation of the Majority Lenders, agree with the Borrowers subject to availability.

6.3 Duration of Interest Periods for Instalments

In respect of an amount due to be repaid under Clause 8 on a particular Repayment Date, an Interest Period in respect of the Advance to which that Repayment Date relates shall end on that Repayment Date.

6.4 Non-availability of matching deposits for Interest Period selected

If, after the Borrowers have requested and the Lenders have agreed an Interest Period other than 3 months, any Lender notifies the Agent by 11.00 a.m. (Hamburg time) on the third Business Day before the commencement of the Interest Period that it is not satisfied that deposits in Dollars for a period equal to the Interest Period will be available to it in the London Interbank Market when the Interest Period commences, the Interest Period shall be of 3 months.

7 DEFAULT INTEREST

7.1 Payment of default interest on overdue amounts

The Borrowers shall pay interest in accordance with the following provisions of this Clause 7 on any amount payable by the Borrowers under any Finance Document which the Agent, the Security Trustee or the other designated payee does not receive on or before the relevant date, that is:

- (a) the date on which the Finance Documents provide that such amount is due for payment; or
- (b) if a Finance Document provides that such amount is payable on demand, the date on which the demand is served; or
- (c) if such amount has become immediately due and payable under Clause 19.4, the date on which it became immediately due and payable.

7.2 Default rate of interest

Interest shall accrue on an overdue amount from (and including) the relevant date until the date of actual payment (as well after as before judgment) at the rate per annum determined by the Agent to be 2.50 per cent. above:

- (a) in the case of an overdue amount of principal, the higher of the rates set out at Clauses 7.3(a) and 7.3(b); or
- (b) in the case of any other overdue amount, the rate set out at Clause 7.3(b).

7.3 Calculation of default rate of interest

The rates referred to in Clause 7.2 are:

- (a) the rate applicable to the overdue principal amount immediately prior to the relevant date (but only for any unexpired part of any then current Interest Period applicable to it);
- (b) the aggregate of the Margin and the Mandatory Cost (if any) plus, in respect of successive periods of any duration (including at call) up to 3 months which the Agent may select from time to time:
 - (i) LIBOR; or
 - (ii) if the Agent determines (after consultation with the Reference Banks) that Dollar deposits for any such period are not being made available to any Reference Bank or (as the case may be) Lenders by leading banks in the London Interbank Market in the ordinary course of business, a rate from time to time determined by the Agent by reference to the cost of funds to the Reference Banks from such other sources as the Agent (after consultation with the Reference Banks) may from time to time determine.

7.4 Notification of interest periods and default rates

The Agent shall promptly notify the Lenders and the Borrowers of each interest rate determined by the Agent under Clause 7.3 and of each period selected by the Agent for the purposes of paragraph 7.3(b) of that Clause; but this shall not be taken to imply that the Borrowers are liable to pay such interest only with effect from the date of the Agent's notification.

7.5 **Payment of accrued default interest**

Subject to the other provisions of this Agreement, any interest due under this Clause shall be paid on the last day of the period by reference to which it was determined; and the payment shall be made to the Agent for the account of the Creditor Party to which the overdue amount is due.

7.6 **Compounding of default interest**

Any such interest which is not paid at the end of the period by reference to which it was determined shall thereupon be compounded.

8 **REPAYMENT AND PREPAYMENT**

8.1 **Amount of Instalments**

The Borrowers shall repay:

(a) Advance A, by:

- (i) 28 equal consecutive quarterly instalments, each in the amount of \$1,500,000 (each an “**Advance A Instalment**” and, together, the “**Advance A Instalments**”); and
- (ii) a balloon instalment in the amount of \$39,000,000 (the “**Advance A Balloon Instalment**”); and

(b) Advance B, by:

- (i) 28 equal consecutive quarterly instalments, each in the amount of \$1,500,000 (each an “**Advance B Instalment**” and, together, the “**Advance B Instalments**” and, together with the Advance A Instalments, the “**Instalments**” and each an “**Instalment**”); and
- (ii) a balloon instalment in the amount of \$41,000,000 (the “**Advance B Balloon Instalment**” and, together with the Advance A Balloon Instalment, the “**Balloon Instalments**” and each a “**Balloon Instalment**”)

Provided that if the amount drawdown (a) in respect of Advance A is less than \$81,000,000 and (b) in respect of Advance B is less than \$83,000,000, each Instalment and the Balloon Instalment in respect of that Advance shall be reduced pro rata by an aggregate amount equal to the undrawn amount.

8.2 **Repayment Dates**

The first Instalment in respect of each Advance shall be repaid on the date falling three months from the relevant Drawdown Date, each subsequent Instalment shall be repaid, subject to the proviso of this Clause 8.2, at three-monthly intervals thereafter and the last Instalment in respect of that Advance shall be repaid, together with the Balloon Instalment of that Advance, on the Final Maturity Date in respect of that Advance **Provided that** if the Repayment Date of any Instalment falls after the Final Maturity Date, that Instalment or Instalments would be paid, together with the relevant Balloon Instalment, on the Final Maturity Date in respect of the relevant Advance.

8.3 Final Repayment Date

On the final Repayment Date to occur pursuant to this Agreement, the Borrowers shall additionally pay to the Agent for the account of the Creditor Parties all other sums then accrued or owing under any Finance Document.

8.4 Voluntary prepayment

Subject to the following conditions, the Borrowers may prepay the whole or any part of the Loan on the last day of an Interest Period.

8.5 Conditions for voluntary prepayment

The conditions referred to in Clause 8.4 are that:

- (a) a partial prepayment in respect of the Loan shall be in an amount equal to \$500,000 or a higher integral multiple thereof (or such other amount acceptable to the Agent in its discretion);
- (b) the Agent has received from the Borrowers at least 5 Business Days' prior written notice (the "**Prepayment Notice**") specifying:
 - (i) the amount to be prepaid and the date on which the prepayment is to be made; and
 - (ii) whether such prepayment will be applied against an Advance, in which case the Borrowers will specify the Advance against which that prepayment should be applied. A failure by the Borrowers to make such a designation shall result in the prepayment being applied against each Advance in accordance with Clause 8.10(a); and
- (c) the Borrowers have provided evidence satisfactory to the Agent that any consent required by the Borrowers or any Security Party (other than the Other Manager) in connection with the prepayment has been obtained and remains in force, and that any requirement relevant to this Agreement which affects the Borrowers or any Security Party (other than the Other Manager) has been complied with.

8.6 Effect of Prepayment Notice and Cancellation Notice

A Prepayment Notice or Cancellation Notice may not be withdrawn or amended without the consent of the Agent, given with the authorisation of the Majority Lenders, and:

- (a) in the case of a Prepayment Notice, the amount specified in the Prepayment Notice shall become due and payable by the Borrowers on the date for prepayment specified in the prepayment notice; and
- (b) in the case of a Cancellation Notice, the amount cancelled shall be permanently cancelled and may not be reborrowed.

8.7 Notification of Prepayment Notice or Cancellation Notice

The Agent shall notify the Lenders promptly upon receiving a Cancellation Notice or Prepayment Notice, and shall provide any Lender which so requests with a copy of any document delivered by the Borrowers under Clause 8.5(c).

8.8 Mandatory prepayment

The Borrowers shall be obliged to prepay the Relevant Amount if either Ship is sold or becomes a Total Loss:

- (a) in the case of a sale on or before the date on which the sale is completed by delivery of the Ship to the buyer; or
- (b) in the case of a Total Loss, on the earlier of the date falling 120 days after the Total Loss Date and the date of receipt by the Security Trustee of the proceeds of insurance relating to such Total Loss.

In this Clause 8.8 “**Relevant Amount**” means an amount equal to the higher of:

- (i) the current principal amount outstanding of the Advance to which the Ship being sold on which has become a Total Loss at the relevant time; and
- (ii) an amount which after the application of the prepayment to be made pursuant to this Clause 8.8, results in the security cover ratio under Clause 15.1 being 125 per cent.

8.9 Amounts payable on prepayment

A prepayment shall be made together with accrued interest (and any other amount payable under Clause 21 or otherwise) in respect of the amount prepaid and, if the prepayment is not made on the last day of an Interest Period together with any sums payable under Clause 21.1(b) but without premium or penalty.

8.10 Application of partial prepayment or cancellation

Each partial prepayment shall be applied:

if made pursuant to Clause 8.4, proportionately between each Advance and thereafter against the Instalments in respect of that Advance which are at the time being outstanding and the relevant Balloon Instalment in order of maturity Provided that the Borrowers may, at their option, request that a prepayment made in accordance with Clauses 8.4 and 8.5(b)(ii) be applied against one Advance only in which case such prepayment shall be applied in order of maturity against the Instalments in respect of that Advance which are at that time being outstanding and the relevant Balloon Instalment;

if made pursuant to Clause 8.8, first towards full repayment of the Advance related to the Ship being sold or which has become a Total Loss, and thereafter pro rata against the Instalments in respect of the other Advance which are at the time being outstanding and the relevant Balloon Instalment; and

if made pursuant to Clause 15.2, proportionately between each Advance and thereafter pro rata against the Instalments in respect of that Advance which are at the time being outstanding and the relevant Balloon Instalment.

8.11 Optional facility cancellation

The Borrowers shall be entitled upon giving to the Agent not less than 5 Business Days prior written notice (the “**Cancellation Notice**”), which notice shall be irrevocable and shall, at the option of the Borrowers, specify whether such cancellation will apply to a specific Advance, in which case the Borrowers will specify that Advance. A failure by the Borrowers to make such a designation shall result in the cancelled amount being applied proportionately between the undrawn Advance), to cancel, in whole or in part, and, if in part, by an amount not less than \$500,000 (or such other amount acceptable to the Agent) or a higher multiple thereof, the undrawn balance of the Total Commitments. Upon such cancellation taking effect on expiry of a Cancellation Notice the several obligations of the Lenders to make their respective Commitments available in relation to the portion of the Total Commitments to which such Cancellation Notice relates shall terminate.

8.12 No reborrowing

No amount prepaid or cancelled may be reborrowed.

9 CONDITIONS PRECEDENT

9.1 Documents, fees and no default

Each Lender's obligation to make available an Advance is subject to the following conditions precedent:

- (a) that, on or before the date of this Agreement, the Agent receives:
 - (i) the documents described in Part A of Schedule 3 in form and substance satisfactory to the Agent and its lawyers;
 - (ii) payment of structuring fee payable pursuant to Clause 20.1(a); and
 - (iii) payment of any expenses payable pursuant to Clause 20.2 which are due and payable on that date;
- (b) that, on or before each Drawdown Date, the Agent receives:
 - (i) the documents described in Part B of Schedule 3 in form and substance satisfactory to the Agent and its lawyers;
 - (ii) payment of any accrued commitment fee payable pursuant to Clause 20.1(b); and
 - (iii) payment of any expenses payable pursuant to Clause 20.2 which are due and payable on that Drawdown Date;
- (c) that both at the date of each Drawdown Notice and at the relevant Drawdown Date:
 - (i) no Event of Default or Potential Event of Default has occurred or would result from the borrowing of the relevant Advance;
 - (ii) the representations and warranties in Clause 10 and those of the Borrowers or any Security Party (other than the Other Manager) which are set out in the other Finance Documents would be true and not misleading if repeated on each of those dates with reference to the circumstances then existing;
 - (iii) none of the circumstances contemplated by Clause 5.7 has occurred and is continuing; and
 - (iv) there has been no Material Adverse Change;
- (d) that, if the ratio set out in Clause 15.1 were applied immediately following the borrowing of an Advance, the Borrowers would not be obliged to provide additional security or prepay part of the Loan under that Clause; and
- (e) that the Agent has received, and found to be acceptable to it, any further opinions, consents, agreements and documents in connection with the Finance Documents which the Agent may, with the authorisation of the Majority Lenders, request by notice to the Borrowers prior to the relevant Drawdown Date.

9.2 Waiver of conditions precedent

If the Majority Lenders, at their discretion, permit an Advance to be borrowed before certain of the conditions referred to in Clause 9.1 are satisfied, the Borrowers shall ensure that those conditions are satisfied within 5 Business Days after the relevant Drawdown Date (or such longer period as the Agent may, with the authorisation of the Majority Lenders, specify).

10 REPRESENTATIONS AND WARRANTIES

10.1 General

Each Borrower represents and warrants to each Creditor Party as follows.

10.2 Status

Each Borrower is duly incorporated, validly existing and in good standing under the laws of The Marshall Islands.

10.3 Share capital and ownership

Borrower A has an authorised share capital divided into 500 registered and/or bearer shares, without par value all of which have been issued in registered form and Borrower B has an authorised share capital divided into 500 registered shares with a par value of \$1.00 per share, all of which have been issued, and the legal title and beneficial ownership of all those shares is held, free of any Security Interest or other claim, by Navios Maritime Operating L.L.C., a limited liability company duly formed validly existing and in good standing under the laws of The Marshall Islands, the limited liability company interests in which are held in their entirety by the Corporate Guarantor.

10.4 Corporate power

Each Borrower has the corporate capacity, and has taken all corporate action and obtained all consents necessary for it:

- (a) to enter into each Underlying Document, to purchase and pay for the relevant Ship under the relevant MOA and register that Ship in its name under an Approved Flag;
- (b) to execute the Finance Documents to which that Borrower is a party; and
- (c) to borrow an Advance under this Agreement and to make all the payments contemplated by, and to comply with, those Finance Documents to which it is a party.

10.5 Consents in force

All the consents referred to in Clause 10.4 remain in force and nothing has occurred which makes any of them liable to revocation.

10.6 Legal validity; effective Security Interests

The Finance Documents and each Underlying Document to which each Borrower is a party, do now or, as the case may be, will, upon execution and delivery (and, where applicable, registration as provided for in the Finance Documents):

- (a) constitute that Borrower's legal, valid and binding obligations enforceable against that Borrower in accordance with their respective terms; and
- (b) create legal, valid and binding Security Interests enforceable in accordance with their respective terms over all the assets to which they, by their terms, relate, subject to any relevant insolvency laws affecting creditors' rights generally.

10.7 No third party Security Interests

Without limiting the generality of Clause 10.6, at the time of the execution and delivery of each Finance Document to which a Borrower is a party:

- (a) each Borrower which is a party to that Finance Document will have the right to create all the Security Interests which that Finance Document purports to create; and
- (b) no third party will have any Security Interest (except for Permitted Security Interests) or any other interest, right or claim over, in or in relation to any asset to which any such Security Interest, by its terms, relates.

10.8 No conflicts

The execution by each Borrower and each Security Party of each Finance Document and each Underlying Document to which it is a party, and the borrowing by that Borrower (together with the other Borrower) of the Loan, and its compliance with each Finance Document and each Underlying Document to which it is a party will not involve or lead to a contravention of:

- (a) any law or regulation; or
- (b) the constitutional documents of that Borrower; or
- (c) any contractual or other obligation or restriction which is binding on that Borrower or any of its assets, and will not have a Material Adverse Effect.

10.9 No withholding taxes

All payments which each Borrower is liable to make under the Finance Documents to which it is a party may be made without deduction or withholding for or on account of any tax payable under any law of any Pertinent Jurisdiction.

10.10 No default

No Event of Default or Potential Event of Default has occurred.

10.11 Information

All information which has been provided in writing by or on behalf of the Borrowers or any Security Party (other than the Other Manager) to any Creditor Party in connection with any Finance Document satisfied the requirements of Clause 11.5; all audited and unaudited accounts and financial statements which have been so provided satisfied the requirements of Clause 11.7; and there has been no change in the financial position or state of affairs of any Borrower or the Group from that disclosed in the latest of those accounts which is likely to have a Material Adverse Effect.

10.12 No litigation

No legal or administrative action involving either Borrower or any Security Party (other than the Other Manager) (including action relating to any alleged or actual breach of the ISM Code or the ISPS Code) has been commenced or taken or, to either Borrower's knowledge, is likely to be commenced or taken which would, in either case, be likely to have a Material Adverse Effect.

10.13 Validity and completeness of Underlying Documents

Each Underlying Document constitutes valid, binding and enforceable obligations of the parties thereto in accordance with its terms and:

- (a) the copy of that Underlying Document delivered to the Agent before the date of this Agreement is a true and complete copy; and
- (b) no amendments or additions to that Underlying Document have been agreed nor has any party which is a party thereto, waived any of its respective rights thereunder.

10.14 Compliance with certain undertakings

At the date of this Agreement, the Borrowers are in compliance with Clauses 11.2, 11.4, 11.9 and 11.13.

10.15 No rebates etc.

There is no agreement or understanding to allow or pay any rebate, premium, commission, discount or other benefit or payment (howsoever described) to either Borrower in connection with the purchase by each Borrower of the Ship, other than as disclosed to the Agent in writing on or prior to the date of this Agreement.

10.16 Taxes paid

Each Borrower has paid all taxes applicable to, or imposed on or in relation to that Borrower, its business or the Ship owned by it.

10.17 ISM Code and ISPS Code compliance

All requirements of the ISM Code and the ISPS Code as they relate to the Borrowers, the Approved Managers and the Ships have been complied with.

10.18 No Money laundering

Each Borrower:

- (a) will not, and will procure that no Security Party (other than the Other Manager), to the extent applicable, will, in connection with this Agreement or any of the other Finance Documents, contravene or permit any subsidiary to contravene, any law, official requirement or other regulatory measure or procedure implemented to combat "money laundering" (as defined in Article 1 of the Directive 2005/60/EC of the European Parliament and of the Council of the European Union of 26 October 2005) and comparable United States Federal and state laws. Each Borrower shall further submit any documents and declarations on request, if such documents or declarations are required by any Creditor Party to comply with its domestic money laundering and/or legal identification requirements; and
- (b) confirms that it is the beneficiary within the meaning of the German Anti Money Laundering Act (*Gesetz über das Aufspüren von Gewinnen aus schweren Straftaten (Geldwäschegesetz)*), acting for its own account and not for or on behalf of any other person for each part of the Loan made or to be made available to it under this Agreement. That is to say, it acts for its own account and not for or on behalf of anyone else.

Each Borrower will promptly inform the Agent by written notice, if it is not or ceases to be the beneficiary and will provide in writing the name and address of the beneficiary.

The Agent shall promptly notify the Lenders of any written notice it receives under this Clause 10.18.

10.19 No Immunity

Neither a Borrower nor any of its assets is entitled to immunity on grounds of sovereignty or otherwise from any legal action or proceeding (including, without limitation, suit, attachment prior to judgement, execution or other enforcement).

10.20 Choice of law

The choice of the laws of England to govern the Loan Agreement and those other Finance Documents which are expressed to be governed by the laws of England and the laws of Germany to govern the Account Pledges and the laws of the applicable Approved Flag State to govern the Mortgages, constitutes a valid choice of law and the submission by the Borrowers or, as the case may be, the relevant Security Parties, thereunder to the non-exclusive jurisdiction of the Courts of England or, in the case of the Account Pledges, Germany is a valid submission and does not contravene the laws of The Marshall Islands and the laws of England or, in the case of the Account Pledges, Germany or, in the case of the Mortgages, the applicable Approved Flag State will be applied by the Courts of The Marshall Islands if the Loan Agreement or those other Finance Documents or any claim thereunder comes under their jurisdiction upon proof of the relevant provisions of the laws of England or, in the case of the Account Pledges, Germany or, in the case of the Mortgages, the applicable Approved Flag State.

10.21 Pari passu ranking

The obligations of each Security Party (other than the Other Manager) under the Finance Documents to which it is a party are direct, general and unconditional obligations and rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors except for obligations mandatorily preferred by law applying to companies generally.

10.22 Repetition

The representations and warranties in this Clause 10 shall be deemed to be repeated by the Borrowers:

- (a) on the date of service of each Drawdown Notice;
- (b) on each Drawdown Date; and
- (c) with the exception of Clauses 10.9, 10.10, 10.11 and 10.12, on the first day of each Interest Period, and on the date on which any Compliance Certificate is given pursuant to Clause 11.18,

as if made with reference to the facts and circumstances existing on each such day.

11 GENERAL UNDERTAKINGS

11.1 General

Each Borrower undertakes with each Creditor Party to comply with the following provisions of this Clause 11 at all times during the Security Period except as the Agent may, with the authorisation of the Majority Lenders, otherwise permit.

11.2 Title; negative pledge and pari passu ranking

Each Borrower will:

- (a) as from the Delivery Date of its Ship, hold the legal title to, and own the entire beneficial interest in that Ship, her Insurances and Earnings, free from all Security Interests and other interests and rights of every kind, except for those created by the Finance Documents and the effect of assignments contained in the Finance Documents and except for Permitted Security Interests;
- (b) not create or permit to arise any Security Interest (except for Permitted Security Interests) over any other asset, present or future; and
- (c) procure that its liabilities under the Finance Documents to which it is a party rank at least pari passu with all its other present and future unsecured liabilities, except for liabilities which are mandatorily preferred by law.

11.3 No disposal of assets

Neither Borrower will transfer, lease or otherwise dispose of:

- (a) all or a substantial part of its assets, whether by one transaction or a number of transactions, whether related or not (whether by way of sale or leaseback or otherwise); or
- (b) any debt payable to it or any other right (present, future or contingent right) to receive a payment, including any right to damages or compensation, but paragraph (a) does not apply to any charter of a Ship as to which Clause 14.13 applies.

11.4 No other liabilities or obligations to be incurred

Neither Borrower will incur any liability or obligation (including, without limitation, any Financial Indebtedness, any derivative or swap transactions and obligations under a guarantee) except:

- (a) liabilities and obligations under the Finance Documents and the Underlying Documents to which it is or, as the case may be, will be a party and under the relevant Term Loan B Guarantee; and
- (b) liabilities or obligations reasonably incurred in the normal course of its business of trading, operating and chartering, maintaining and repairing the Ship owned by it (including, without limitation, investments (only if incurred in the normal course of its business trading), any shareholder loan subject to the relevant Borrower ensuring on or prior to the date of the first advance of that loan, that the rights of the shareholder which is the provider of that loan are fully subordinated)) in writing and upon such terms and conditions as shall be required by the Agent (acting on the instructions of the Majority Lenders) but excluding any liabilities and obligations arising under any sale or lease back agreements and any off-balance-sheet obligations).

11.5 Information provided to be accurate

All financial and other information, including but not limited to factual information, exhibits and reports, which is provided in writing by or on behalf of either Borrower under or in connection with any Finance Document will be true and not misleading and will not omit any material fact or consideration.

11.6 Provision of financial statements

Each Borrower will send or procure there are sent to the Agent:

- (a) as soon as possible, but in no event later than 180 days after the end of each Financial Year of the Corporate Guarantor (commencing with the Financial Year which ended on 31 December 2014) the consolidated audited annual accounts of the Group;
- (b) as soon as possible, but in no event later than 90 days after the end of each 6- month period in each Financial Year of the Corporate Guarantor (commencing with the 6-month period ending on 30 June 2015), the unaudited semi-annual financial statements of the Group for that 6-month period, certified as to their correctness by 1 director and/or officer of the Corporate Guarantor; and
- (c) promptly after each request by the Agent, such further financial or other information in respect of either Borrower, either Ship, the Corporate Guarantor, the Group and the other Security Parties (including, without limitation, any information regarding any sale and purchase agreements, investment brochures, shipbuilding contracts and charter agreements) as may be requested by the Agent.

11.7 Form of financial statements

All accounts delivered under Clause 11.6 will:

- (a) be prepared by and in accordance with all applicable laws and US GAAP and, in the case of any audited financial statements, be certified by an Approved Auditor;
- (b) give a true and fair view of the state of affairs of the Group at the date of those accounts and of its profit for the period to which those accounts relate; and
- (c) fully disclose or provide for all significant liabilities of the Group and the Ships.

11.8 Shareholder and creditor notices

Each Borrower will send the Agent, at the same time as they are despatched, copies of all communications which are despatched to that Borrower's shareholders or creditors or any class of them.

11.9 Consents

Each Borrower will maintain in force and promptly obtain or renew, and will promptly send certified copies to the Agent of, all consents required:

- (a) for that Borrower to perform its obligations under any Finance Document and any Underlying Document to which it is or, as the case may be, will be a party;
- (b) for the validity or enforceability of any Finance Document and any Underlying Document to which it is a party; and
- (c) for that Borrower to continue to own and operate the Ship owned by it,
and that Borrower will comply with the terms of all such consents.

11.10 Maintenance of Security Interests

Each Borrower will:

- (a) at its own cost, do all that it reasonably can ensure that any Finance Document validly creates the obligations and the Security Interests which it purports to create; and

- (b) without limiting the generality of paragraph (a), at its own cost, promptly register, file, record or enrol any Finance Document with any court or authority in all Pertinent Jurisdictions, pay any stamp, registration or similar tax in all Pertinent Jurisdictions in respect of any Finance Document, give any notice or take any other step which, in the opinion of the Majority Lenders, is or has become necessary or desirable for any Finance Document to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any Security Interest which it creates.

11.11 Notification of litigation

Each Borrower will provide the Agent with details of any legal or administrative action involving that Borrower, any Security Party (other than the Other Manager) or the Ship owned by it, the Earnings or the Insurances in respect of that Ship, any Security Party or any Approved Manager as soon as such action is instituted or it becomes apparent to that Borrower that it is likely to be instituted, unless it is clear that the legal or administrative action cannot be considered material in the context of any Finance Document and each Borrower shall procure that reasonable measures are taken for the defence in any such legal or administrative action.

11.12 No amendment to Underlying Documents

Neither Borrower will agree to any amendment or supplement to, or waive or fail to enforce, any Underlying Document to which it is a party or any of its provisions except for any Management Agreement provided that the Agent is informed in writing of such amendment to the Management Agreement on or prior to the effect of such change and that Borrower provides the Agent with a copy of that amended Management Agreement promptly after such date.

11.13 Principal place of business

Each Borrower will maintain its place of business, and keep its corporate documents and records, at the address stated in Clause 28.2(a); and neither Borrower will establish, or do anything as a result of which it would be deemed to have, a place of business in the United Kingdom or the United States.

11.14 Confirmation of no default

Each Borrower will, within 2 Business Days after service by the Agent of a written request, serve on the Agent a notice which is signed by the authorised representative or a director of that Borrower and which:

- (a) states that no Event of Default or Potential Event of Default has occurred; or
- (b) states that no Event of Default or Potential Event of Default has occurred, except for a specified event or matter, of which all material details are given.

The Agent may serve requests under this Clause 11.14 from time to time but only if asked to do so by a Lender or Lenders having Contributions exceeding 10 per cent. of the Loan or (if neither of the Advances have been drawn down) Commitments exceeding 10 per cent. of the Total Commitments; and this Clause 11.14 does not affect the Borrowers' obligations under Clause 11.15.

11.15 Notification of default

Each Borrower will notify the Agent as soon as that Borrower becomes aware of:

- (a) the occurrence of an Event of Default or a Potential Event of Default; or
- (b) any matter which indicates that an Event of Default or a Potential Event of Default may have occurred, and will keep the Agent fully up-to-date with all developments.

11.16 Provision of further information

Each Borrower will, as soon as practicable after receiving the request, provide the Agent with any additional financial or other information relating:

- (a) to that Borrower, the Ship owned by it, the Earnings or the Insurances in respect of that Ship; or
- (b) to any other matter relevant to, or to any provision of, a Finance Document, which may be requested by the Agent, the Security Trustee or any Lender at any time.

11.17 Provision of copies and translation of documents

Each Borrower will supply the Agent with a sufficient number of copies of the documents referred to above to provide 1 copy for each Creditor Party; and if the Agent so requires in respect of any of those documents, the Borrowers will provide a certified English translation prepared by a translator approved by the Agent or have been notarised and/or legalised by a competent authority.

11.18 Compliance Certificate

- (a) The Borrowers shall supply to the Agent, together with each set of financial statements delivered pursuant to paragraphs (a) and (b) of Clause 11.6, a Compliance Certificate.
- (b) Each Compliance Certificate shall be duly signed by one director and/or officer of the Corporate Guarantor, evidencing (inter alia) the Borrowers' compliance (or not, as the case may be) with the provisions of Clause 15.1 and the Corporate Guarantor's compliance with clause 12.3 of the Corporate Guarantee.

11.19 "Know your customer" checks

If:

- (a) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
- (b) any change in the status of either Borrower or any Security Party (other than the Other Manager) after the date of this Agreement; or
- (c) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (c), any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrowers shall promptly upon the request of the Agent or the Lender concerned supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or the Lender concerned (for itself or, in the case of the event described in paragraph (c), on behalf of any prospective new Lender) in order for the Agent, the Lender concerned or, in the case of the event described in paragraph (c), any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

12 CORPORATE UNDERTAKINGS

12.1 General

Each Borrower also undertakes with each Creditor Party to comply with the following provisions of this Clause 12 at all times during the Security Period except as the Agent may, with the authorisation of the Majority Lenders, otherwise permit in writing.

12.2 Maintenance of status

Each Borrower will maintain its separate corporate existence and remain in good standing under the laws of The Marshall Islands.

12.3 Negative undertakings

Neither Borrower will:

- (a) change the nature of its business or carry on any business other than the ownership, chartering and operation of the Ship owned by it; or
- (b) pay any dividend or make any other form of distribution or effect any form of redemption, purchase or return of share capital if an Event of Default has occurred and is continuing at the relevant time or an Event of Default will result from such payment of dividend or such distribution or effect any form of redemption, purchase or return of share capital; or
- (c) provide any form of credit or financial assistance to:
 - (i) a person who is directly or indirectly interested in the Borrower's share or loan capital; or
 - (ii) any company in or with which such a person is directly or indirectly interested or connected,or enter into any transaction with or involving such a person or company on terms which are, in any respect, less favourable to the Borrowers than those which it could obtain in a bargain made at arms' length;
- (d) open or maintain any account with any bank or financial institution except accounts with the Agent and the Security Trustee for the purposes of the Finance Documents; or
- (e) issue, allot or grant any person a right to any shares in its capital or repurchase or reduce its issued share capital;
- (f) acquire any shares or other securities other than US or UK Treasury bills and certificates of deposit issued by major North American or European banks, or enter into any transaction in a derivative; or
- (g) enter into any form of amalgamation, merger or de-merger or any form of reconstruction or reorganisation (including, without limitation, any split-up or divestiture of that Borrower).

12.4 Corporate Guarantor's subsidiaries

The Borrowers shall provide the Agent with a list of the Corporate Guarantor's subsidiaries at the date of this Agreement (together with any information requested by the Agent pursuant to Clause 11.6(c) in respect of such subsidiaries) and shall advise the Agent of any amendments to such list from time to time, unless such information are included in the financial statement or periodic public filings of the Corporate Guarantor.

13 INSURANCE

13.1 General

Each Borrower also undertakes with each Creditor Party to comply with the following provisions of this Clause 13 (as from the Delivery Date of the Ship owned by it and at all times thereafter), during the Security Period except as the Agent may, with the authorisation of the Lenders, otherwise permit.

13.2 Maintenance of obligatory insurances

Each Borrower shall keep the Ship owned by it insured at the expense of that Borrower against:

- (a) fire and usual marine risks (including hull and machinery and excess risks);
- (b) war risks (including protection and indemnity war risks with a separate limit not less than hull value);
- (c) protection and indemnity risks (including, without limitation protection and indemnity war risks in excess of the amount for war risks (hull) and oil pollution liability risks in each case in the highest amount available in the international insurance market); and
- (d) any other risks the insurance of which the Security Trustee acting on the instructions of the Majority Lenders, having regard to practices, recommendations and other circumstances prevailing at the relevant time, may from time to time require by notice to that Borrower.

13.3 Terms of obligatory insurances

Each Borrower shall effect such insurances in such amounts in such currency and upon such terms and conditions as shall from time to time be approved in writing by the Security Trustee in its sole discretion, but in any event as follows:

- (a) in Dollars;
- (b) in the case of fire and usual marine risks and war risks, on an agreed value basis in approved amounts but not in any event less than the higher of (i) an amount equal to 120 per cent. of the aggregate of (A) the Advance relative to the Ship owned by it, and (B) the principal amount secured by any equal or prior ranking Security Interest on the Ship and (ii) the Market Value of the Ship;
- (c) in the case of oil pollution liability risks, for an amount equal to the highest level of cover from time to time available under basic protection and indemnity club entry (with the International Group of Protection and Indemnity Clubs) and the international marine insurance market (currently \$1,000,000,000 for any one accident or occurrence);
- (d) in relation to protection and indemnity risks in respect of the full value and tonnage of that Ship;
- (e) in relation to war risks insurance, extended to cover piracy and terrorism where excluded under the fire and usual marine risks insurance;
- (f) on approved terms and conditions;
- (g) such other risks of whatever nature and howsoever arising in respect of which insurance would be maintained by a prudent owner of a vessel similar to that Ship; and

- (h) through approved brokers and with approved insurance companies and/or underwriters or, in the case of war risks and protection and indemnity risks, in approved war risks and protection and indemnity risks associations which are members of the International Group of Protection and Indemnity Associations, and have a Standard & Poor's rating of at least BBB- or a comparable rating by any other rating agency acceptable to the Security Trustee (acting on the instructions of the Majority Lenders).

13.4 Further protections for the Creditor Parties

In addition to the terms set out in Clause 13.3, each Borrower shall, and shall procure that:

- (a) it and any and all third parties who are named assured or co-assured under any obligatory insurance shall assign their interest in any and all obligatory insurances and other Insurances if so required by the Agent;
- (b) whenever the Security Trustee requires, the obligatory insurances name (or be amended to name) the Security Trustee as additional named assured for its rights and interests, warranted no operational interest and with full waiver of rights of subrogation they may have under any applicable law against the Security Trustee, but without the Security Trustee thereby being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance;
- (c) the interest of the Security Trustee as assignee and as loss payee shall be duly endorsed on all slips, cover notes, policies, certificates of entry or other instruments of insurance in respect of the obligatory insurances;
- (d) the obligatory insurances shall name the Security Trustee as sole loss payee with such directions for payment as the Security Trustee may specify;
- (e) the obligatory insurances shall provide that all payments by or on behalf of the insurers under the obligatory insurances to the Security Trustee shall be made without set-off, counterclaim or deductions or condition whatsoever;
- (f) the obligatory insurances shall provide that the insurers shall waive, to the fullest extent permitted by English law, their entitlement (if any) (whether by statute, common law, equity, or otherwise) to be subrogated to the rights and remedies of the Security Trustee in respect of any rights or interests (secured or not) held by or available to the Security Trustee in respect of the Secured Liabilities, until the Secured Liabilities shall have been fully repaid and discharged, except that the insurers shall not be restricted by the terms of this paragraph (f) from making personal claims against persons (other than either Borrower or any Creditor Party) in circumstances where the insurers have fully discharged their liabilities and obligations under the relevant obligatory insurances;
- (g) the obligatory insurances shall provide that the obligatory insurances shall be primary without right of contribution from other insurances effected by the Security Trustee or any other Creditor Party;
- (h) the obligatory insurances shall provide that the Security Trustee may make proof of loss if that Borrower fails to do so; and
- (i) the obligatory insurances shall provide that if any obligatory insurance is cancelled, or if any substantial change is made in the coverage which adversely affects the interest of the Security Trustee, or if any obligatory insurance is allowed to lapse for non-payment of premium, such cancellation, charge or lapse shall not be effective with regard to the Security Trustee for 14 days (or 7 days in the case of war risks) after receipt by the Security Trustee of prior written notice from the insurers of such cancellation, change or lapse.

13.5 Renewal of obligatory insurances

Each Borrower shall:

- (a) at least 14 days before the expiry of any obligatory insurance effected by it:
 - (i) notify the Security Trustee of the brokers, underwriters, insurance companies and any protection and indemnity or war risks association through or with whom that Borrower proposes to renew that obligatory insurance and of the proposed terms and conditions of renewal; and
 - (ii) seek the Security Trustee's approval to the matters referred to in paragraph (i);
- (b) at least 7 days before the expiry of any obligatory insurance, renew that obligatory insurance in accordance with the Security Trustee's approval pursuant to paragraph (a); and
- (c) procure that the approved brokers and/or the war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal notify the Security Trustee in writing of the terms and conditions of the renewal.

13.6 Copies of policies; letters of undertaking

Each Borrower shall ensure that all approved brokers provide the Security Trustee with pro forma copies of all cover notes and policies relating to the obligatory insurances which they are to effect or renew and of a letter or letters of undertaking in a form required by the Security Trustee and including undertakings by the approved brokers that:

- (a) they will have endorsed on each policy, immediately upon issue, a loss payable clause and a notice of assignment complying with the provisions of Clause 13.4;
- (b) they will hold such policies, and the benefit of such insurances, to the order of the Security Trustee in accordance with the said loss payable clause;
- (c) they will advise the Security Trustee immediately of any material change to the terms of the obligatory insurances;
- (d) they will notify the Security Trustee, not less than 14 days before the expiry of the obligatory insurances, in the event of their not having received notice of renewal instructions from that Borrower or its agents and, in the event of their receiving instructions to renew, they will promptly notify the Security Trustee of the terms of the instructions; and
- (e) they will not set off against any sum recoverable in respect of a claim relating to the Ship owned by it under such obligatory insurances any premiums or other amounts due to them or any other person whether in respect of that Ship or otherwise, they waive any lien on the policies, or any sums received under them, which they might have in respect of such premiums or other amounts, and they will not cancel such obligatory insurances by reason of non-payment of such premiums or other amounts, and will arrange for a separate policy to be issued in respect of that Ship forthwith upon being so requested by the Security Trustee provided that the general or, as the case may be, individual conditions of such insurances permit.

13.7 Copies of certificates of entry; letters of undertaking

Each Borrower shall ensure that any protection and indemnity and/or war risks associations in which the Ship owned by that Borrower is entered provides the Security Trustee with:

- (a) a certified copy of the certificate of entry for that Ship;

- (b) a letter or letters of undertaking in such form as may be required by the Security Trustee;
- (c) where required to be issued under the terms of insurance/indemnity provided by that Borrower's protection and indemnity association, a certified copy of each United States of America voyage quarterly declaration (or other similar document or documents) made by that Borrower in accordance with the requirements of such protections and indemnity association; and
- (d) a certified copy of each certificate of financial responsibility for pollution by oil or other Environmentally Sensitive Material issued by the relevant certifying authority or, as the case may be, protection and indemnity associations in relation to that Ship (if applicable).

13.8 Deposit of original policies

Each Borrower shall ensure that all policies relating to obligatory insurances effected by it are deposited with the approved brokers (where and if applicable or available) through which the insurances are effected or renewed.

13.9 Payment of premiums

Each Borrower shall punctually pay all premiums or other sums payable in respect of the obligatory insurances effected by it and produce all relevant receipts when so required by the Security Trustee.

13.10 Guarantees

Each Borrower shall ensure that any guarantees required by a protection and indemnity or war risks association are promptly issued and remain in full force and effect.

13.11 Restrictions on employment

Each Borrower shall not employ the Ship owned by it, nor shall permit it to be employed, outside the cover provided by any obligatory insurances.

13.12 Compliance with terms of insurances

Each Borrower shall not do or omit to do (nor permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable under an obligatory insurance repayable in whole or in part; and, in particular it shall:

- (a) take all necessary action and comply with all requirements which may from time to time be applicable to the obligatory insurances, and (without limiting the obligation contained in Clause 13.6(c)) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Security Trustee has not given its prior approval;
- (b) not make any changes relating to the classification or classification society or manager or operator of the Ship owned by it approved by the underwriters of the obligatory insurances;
- (c) make (and promptly supply copies to the Agent (upon its request)) of all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which that Ship is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation) and, if applicable, shall procure that the Approved Manager complies with this requirement; and
- (d) not employ that Ship, nor allow it to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances, without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify.

13.13 Alteration to terms of insurances

Each Borrower shall neither make nor agree to any alteration to the terms of any obligatory insurance or waive any right relating to any obligatory insurance.

13.14 Settlement of claims

Each Borrower shall not settle, compromise or abandon any claim under any obligatory insurance for Total Loss or for a Major Casualty, and shall do all things necessary and provide all documents, evidence and information to enable the Security Trustee to collect or recover any moneys which at any time become payable in respect of the obligatory insurances and shall do all things necessary to ensure such collection or recovery is made.

13.15 Provision of copies of communications

Each Borrower shall provide the Security Trustee, when so requested, copies of all written communications between that Borrower and:

- (a) the approved brokers; and
- (b) the approved protection and indemnity and/or war risks associations; and
- (c) the approved insurance companies and/or underwriters, which relate directly or indirectly to:
 - (i) that Borrower's obligations relating to the obligatory insurances including, without limitation, all requisite declarations and payments of additional premiums or calls; and
 - (ii) any credit arrangements made between that Borrower and any of the persons referred to in paragraphs (a) or (b) relating wholly or partly to the effecting or maintenance of the obligatory insurances.

13.16 Provision of information and further undertakings

In addition, each Borrower shall promptly provide the Security Trustee (or any persons which it may designate) with any information which the Security Trustee (or any such designated person) requests for the purpose of:

- (a) obtaining or preparing any report from an independent marine insurance broker as to the adequacy of the obligatory insurances effected or proposed to be effected; and/or
- (b) effecting, maintaining or renewing any such insurances as are referred to in Clause 13.17 or dealing with or considering any matters relating to any such insurances,

and each Borrower shall:

- (i) do all things necessary and provide the Agent and the Security Trustee with all documents and information to enable the Security Trustee to collect or recover any moneys in respect of the Insurances which are payable to the Security Trustee pursuant to the Finance Documents; and
- (ii) promptly provide the Agent with full information regarding any Major Casualty or in consequence whereof the Ship has become or may become a Total Loss and agree to any settlement of such casualty or other accident or damage to the Ship owned by that Borrower only with the Agent's prior written consent,

and that Borrower shall, forthwith upon demand, indemnify the Security Trustee in respect of all fees and other expenses incurred by or for the account of the Security Trustee in connection with any such report as is referred to in paragraph (a).

13.17 Mortgagee's interest and additional perils insurances

The Security Trustee shall be entitled from time to time to effect, maintain and renew all or any of the following insurances in such amounts, on such terms, through such insurers and generally in such manner as the Majority Lenders may from time to time consider appropriate:

- (a) a mortgagee's interest insurance providing for the indemnification of the Creditor Parties for any losses under or in connection with any Finance Document (in an amount of up to 120 per cent. of the Loan) which directly or indirectly result from loss of or damage to a Ship or a liability of that Ship or of the Borrower owning that Ship, being a loss or damage which is prima facie covered by an obligatory insurance but in respect of which there is a non-payment (or reduced payment) by the underwriters by reason of, or on the basis of an allegation concerning:
 - (i) any act or omission on the part of that Borrower, of any operator, charterer, manager or sub-manager of that Ship or of any officer, employee or agent of that Borrower or of any such person, including any breach of warranty or condition or any non-disclosure relating to such obligatory insurance;
 - (ii) any act or omission, whether deliberate, negligent or accidental, or any knowledge or privity of that Borrower, any other person referred to in paragraph (i) above, or of any officer, employee or agent of that Borrower or of such a person, including the casting away or damaging of that Ship and/or the Ship being unseaworthy; and/or
 - (iii) any other matter capable of being insured against under a mortgagee's interest marine insurance policy whether or not similar to the foregoing; and
- (b) a mortgagee's interest additional perils insurance providing for the indemnification of the Creditor Parties against, among other things, any possible losses or other consequences of any Environmental Claim, including the risk of expropriation, arrest or any form of detention of a Ship, the imposition of any Security Interest over that Ship and/or any other matter capable of being insured against under a mortgagee's interest additional perils policy whether or not similar to the foregoing, and in an amount of up to 110 per cent. of the Loan,

and the Borrowers shall upon demand fully indemnify the Security Trustee in respect of all premiums and other expenses which are incurred in connection with or with a view to effecting, maintaining or renewing any such insurance or dealing with, or considering, any matter arising out of any such insurance.

13.18 Review of insurance requirements

The Security Trustee shall be entitled to review the requirements of this Clause 13 from time to time in order to take account of any changes in circumstances after the date of this Agreement which are, in the opinion of the Agent (acting on the instructions of the Majority Lenders), significant and capable of affecting the Borrowers, each Ship and its Insurances (including, without limitation, changes in the availability or the cost of insurance coverage or the risks to which the Borrower owning that Ship may be subject) and the Borrowers shall upon demand fully indemnify the Agent in respect of all fees and other expenses incurred by or for the account of the Agent in appointing an independent marine insurance broker or adviser to conduct such review.

13.19 Modification of insurance requirements

The Security Trustee shall notify the Borrowers of any proposed modification under Clause 13.18 to the requirements of this Clause 13 which the Security Trustee reasonably considers appropriate in the circumstances, and such modification shall take effect on and from the date it is notified in writing to the Borrowers as an amendment to this Clause 13 and shall bind the Borrowers accordingly.

13.20 Compliance with mortgagee's instructions

The Security Trustee shall be entitled (without prejudice to or limitation of any other rights which it may have or acquire under any Finance Document) to require a Ship to remain at any safe port or to proceed to and remain at any safe port designated by the Security Trustee until the Borrower owning that Ship implements any amendments to the terms of the obligatory insurances and any operational changes required as a result of a notice served under Clause 13.19.

14 SHIP COVENANTS

14.1 General

Each Borrower also undertakes with each Creditor Party to comply with the following provisions of this Clause 14 (as from the Delivery Date of the Ship owned by it and at all times thereafter) during the Security Period except as the Agent, with the authorisation of the Majority Lenders, may otherwise permit.

14.2 Ship's name and registration

Each Borrower shall keep the Ship owned by it registered in its name under an Approved Flag; shall not do, omit to do or allow to be done anything as a result of which such registration might be cancelled or imperilled; and shall not change the name or port of registry of that Ship.

14.3 Repair and classification

Each Borrower shall, and shall procure that each Approved Manager shall, keep the Ship owned by that Borrower in a good and safe condition and state of repair, sea and cargo worthy in all respects:

- (a) consistent with first-class ship ownership and management practice;
- (b) so as to maintain the highest class free of overdue recommendations and conditions, with a classification society which is a member of IACS (other than the China Classification Society and the Russian Maritime Registry of Shipping) and acceptable to the Agent; and
- (c) so as to comply with all laws and regulations applicable to vessels registered at ports in the Approved Flag State or to vessels trading to any jurisdiction to which that Ship may trade from time to time, including but not limited to the ISM Code and the ISPS Code,

and the Agent shall be given power of attorney in the form attached as Schedule 6 to act on behalf of that Borrower in order to, inspect the class records and any files held by the classification society and to require the classification society to provide the Agent or any of its nominees with any information, document or file, it might request and the classification society shall be fully entitled to rely hereon without any further inquiry.

14.4 Classification society undertaking

Each Borrower shall instruct the classification society referred to in Clause 14.3 (and procure that the classification society undertakes with the Security Trustee if and to the extent that the rules of such classification society permit) in relation to the Ship owned by it:

- (a) to send to the Security Trustee, following receipt of a written request from the Security Trustee, certified true copies of all original class records and any other related records held by the classification society in relation to the Ship owned by that Borrower;
- (b) to allow the Security Trustee (or its agents), at any time and from time to time, to inspect the original class and related records of that Ship at the offices of the classification society and to take copies of them;
- (c) to notify the Security Trustee immediately in writing if the classification society:
 - (i) receives notification from that Borrower or any person that that Ship's classification society is to be changed; or
 - (ii) becomes aware of any facts or matters which may result in or have resulted in a change, suspension, discontinuance, withdrawal or expiry of that Ship's class under the rules or terms and conditions of that Borrower's or that Ship's membership of the classification society;
- (d) following receipt of a written request from the Security Trustee:
 - (i) to confirm that that Borrower is not in default of any of its contractual obligations or liabilities to the classification society and, without limiting the foregoing, that it has paid in full all fees or other charges due and payable to the classification society; or
 - (ii) if that Borrower is in default of any of its contractual obligations or liabilities to the classification society, to specify to the Security Trustee in reasonable detail the facts and circumstances of such default, the consequences thereof, and any remedy period agreed or allowed by the classification society.

14.5 Modification

Neither Borrower shall make any modification or repairs to, or replacement of, the Ship owned by it or equipment installed on it which would or might materially alter the structure, type or performance characteristics of the Ship or materially reduce its value.

14.6 Removal of parts

Neither Borrower shall remove any material part of the Ship owned by it, or any item of equipment installed on, that Ship unless the part or item so removed is forthwith replaced by a suitable part or item which is in the same condition as or better condition than the part or item removed, is free from any Security Interest or any right in favour of any person other than the Security Trustee and becomes on installation on that Ship the property of that Borrower and subject to the security constituted by the Mortgage on that Ship (if applicable) Provided that a Borrower may install equipment owned by a third party if the equipment can be removed without any risk of damage to the Ship owned by it.

14.7 Surveys

Each Borrower shall submit the Ship owned by it regularly to all periodical or other surveys which may be required for classification purposes and, if so required by the Security Trustee provide the Security Trustee, with copies of all survey reports.

14.8 Inspection

Each Borrower shall permit the Security Trustee (by surveyors or other persons appointed by it for that purpose) to board the Ship owned by that Borrower at all reasonable times to inspect its condition or to satisfy themselves about proposed or executed repairs and shall afford all proper facilities for such inspections at the Borrowers' expense.

14.9 Prevention of and release from arrest

Each Borrower shall promptly discharge:

- (a) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against the Ship owned by it, its Earnings or the Insurances applicable to that Ship;
 - (b) all taxes, dues and other amounts charged in respect of the Ship owned by it, its Earnings or the Insurances applicable to that Ship; and
 - (c) all other outgoings whatsoever in respect of the Ship owned by it, its Earnings or the Insurances applicable to that Ship,
- and, forthwith upon receiving notice of the arrest of that Ship, or of its detention in exercise or purported exercise of any lien or claim, that Borrower shall procure its release by providing bail or otherwise as the circumstances may require.

14.10 Compliance with laws etc.

Each Borrower shall:

- (a) comply, or procure compliance with the ISM Code, the ISPS Code, all Environmental Laws and all other laws or regulations relating to the Ship owned by it, its ownership, operation and management or to the business of that Borrower;
- (b) not employ the Ship owned by it nor allow its employment in any manner contrary to any law or regulation in any relevant jurisdiction including but not limited to the ISM Code and the ISPS Code; and
- (c) in the event of hostilities in any part of the world (whether war is declared or not), not cause or permit that Ship to enter or trade to any zone which is declared a war zone by any government or by the Ship's war risks insurers unless the prior written consent of the Security Trustee has been given and that Borrower has (at its expense) effected any special, additional or modified insurance cover which the Security Trustee may require.

14.11 Provision of information

Each Borrower shall promptly provide the Security Trustee with any information which it requests regarding:

- (a) the Ship owned by it, its employment, position and engagements;
- (b) the Earnings and payments and amounts due to the master and crew of that Ship;
- (c) any expenses incurred, or likely to be incurred, in connection with the operation, maintenance or repair of that Ship and any payments made in respect of that Ship;
- (d) any towages and salvages; and

- (e) its compliance, the Approved Manager's compliance and the compliance of that Ship with the ISM Code and the ISPS Code, and, upon the Security Trustee's request, provide copies of any current charter relating to that Ship, of any current charter guarantee and copies of that Borrower's or any Approved Manager's Document of Compliance, Safety Management Certificate and the ISSC.

14.12 Notification of certain events

Each Borrower shall immediately notify the Security Trustee by letter, of:

- (a) its entry into any agreement or arrangement for the postponement of any date on which any Earnings are due, the reduction of the amount of any Earnings or otherwise for the release or adverse alteration of any right of that Borrower to any Earnings;
- (b) its entry into a demise charter in respect of that Ship for any period;
- (c) the exercise or, as the case may be, non-exercise of the Optional Extension in respect of the Initial Approved Charter in relation to the Ship owned by that Borrower;
- (d) its entry into any time or consecutive voyage charter in respect of that Ship (other than any Initial Approved Charter) for a term which exceeds, or which by virtue of any optional extensions may exceed, 11 months;
- (e) any casualty which is or is likely to be or to become a Major Casualty;
- (f) any occurrence as a result of which the Ship owned by it has become or is, by the passing of time or otherwise, likely to become a Total Loss;
- (g) any requirement, overdue condition or recommendation made by any insurer or classification society or by any competent authority which is not complied with in accordance with its terms;
- (h) any arrest or detention of that Ship, any exercise or purported exercise of any lien on the Ship or its Earnings or any requisition of that Ship for hire;
- (i) any unscheduled dry docking of that Ship;
- (j) any Environmental Claim made against that Borrower or in connection with that Ship, or any Environmental Incident;
- (k) any claim for breach of the ISM Code or the ISPS Code being made against that Borrower, any Approved Manager or otherwise in connection with that Ship; or
- (l) any other matter, event or incident, the effect of which will or could lead to the ISM Code or the ISPS Code not being complied with, and that Borrower shall keep the Security Trustee advised in writing on a regular basis and in such detail as the Security Trustee shall require of that Borrower's, any Approved Manager's or any other person's response to any of those events or matters.

14.13 Restrictions on chartering, appointment of managers etc.

Neither Borrower shall in relation to the Ship owned by it:

- (a) enter into any charter in relation to that Ship under which more than 2 months' hire (or the equivalent) is payable in advance;

- (b) charter that Ship otherwise than on bona fide arm's length terms at the time when the Ship is fixed;
- (c) appoint a manager of that Ship other than an Approved Manager;
- (d) de-activate or lay up that Ship; or
- (e) put that Ship into the possession of any person for the purpose of work being done upon it in an amount exceeding or likely to exceed \$500,000 (or the equivalent in any other currency) unless that person has first given to the Security Trustee and in terms satisfactory to it a written undertaking not to exercise any lien on that Ship or its Earnings for the cost of such work or for any other reason.

14.14 Notice of Mortgage

Each Borrower shall keep the Mortgage relative to its Ship registered against that Ship owned by it as a valid first preferred or, as the case may be, priority mortgage, carry on board that Ship a certified copy of the Mortgage and place and maintain in a conspicuous place in the navigation room and the Master's cabin of that Ship a framed printed notice stating that that Ship is mortgaged by that Borrower to the Security Trustee.

14.15 Sharing of Earnings

Neither Borrower shall enter into any agreement or arrangement for the sharing of any Earnings other than through a profit sharing agreement with a charterer on bona fide arm's length terms which takes effect above an agreed charter hire rate payable under a charter party but not including pooling arrangements.

14.16 ISPS Code

Each Borrower shall comply with the ISPS Code and in particular, without limitation, shall:

- (a) procure that the Ship owned by it and the company responsible for that Ship's compliance with the ISPS Code comply with the ISPS Code; and
- (b) maintain for that Ship an ISSC; and
- (c) notify the Agent immediately in writing of any actual or threatened withdrawal, suspension, cancellation or modification of the ISSC.

14.17 Charterparty Assignment

If a Borrower enters into a Charterparty, it shall, at the request of the Agent:

- (a) execute in favour of the Security Trustee a Charterparty Assignment (other than in the case of any Initial Approved Charter, the assignment of which is contemplated pursuant to the Charterparty Assignment relative thereto to be delivered pursuant to paragraph 1 of Part B, Schedule 3) (such Charterparty Assignment to be notified to the relevant charterer and any charter guarantor); and
- (b) without limiting the generality of the above, if that Charterparty is a bareboat charter, procure that the bareboat charterer shall execute in favour of the Security Trustee an assignment of (inter alia) all its rights, title and interest in and to the Insurances in respect of that Ship effected either by the Borrower owning that Ship or by the bareboat charterer and a customary letter of undertaking in favour of the Security Trustee whereby (inter alia) the interests of the bareboat charterer under the bareboat charter are subordinated to the interests of the Security Trustee under the Finance Documents, each to be in an Agreed Form, and shall deliver to the Agent such other documents equivalent to those referred to at paragraphs 3, 4, 5, 6, 8 and 10 of Schedule 3, Part A as the Agent may require.

15 SECURITY COVER

15.1 Minimum required security cover

Clause 15.2 applies if the Agent notifies the Borrowers that:

- (a) the aggregate of the Market Value of the Mortgaged Ships; plus
 - (b) the net realisable value of any additional security previously provided under this Clause 15,
- is below an amount equal to 125 per cent. of the Loan.

15.2 Provision of additional security; prepayment

If the Agent serves a notice on the Borrowers under Clause 15.1, the Borrowers shall prepay such part at least of the Loan as will eliminate the shortfall on or before the date falling 14 Business Days after the date on which the Agent's notice is served under Clause 15.1 notifying the amount of the shortfall (the "**Prepayment Date**") unless at least 1 Business Day before the Prepayment Date the Borrowers have provided, or ensured that a third party has provided, additional security which, in the reasonable opinion of the Majority Lenders, has a net realisable value at least equal to the shortfall and is documented in such terms as the Agent may, with the authorisation of the Majority Lenders, approve or require.

15.3 Valuation of the Ships

The Market Value of a Ship:

- (a) to be determined for the purposes of Clause 4.2(b), is that shown by taking the arithmetic means of two valuations issued by 2 Approved Brokers, one of which shall be issued by an Approved Broker to be nominated by the Borrowers and appointed by the Agent and the other nominated and appointed by the Agent (unless the Borrowers do not elect to appoint an Approved Broker within 14 days prior to the relevant Delivery Date in which case the Agent will select and appoint a second Approved Broker and the Market Value of that Ship shall be shown by taking the arithmetic means of the two valuations obtained); and
- (b) at any other date is that shown in a valuation addressed to the Agent to be issued by an Approved Broker, nominated and appointed by the Borrowers (the "**First Valuation**") unless the Agent obtains a second valuation to be issued by an Approved Broker nominated and appointed by the Agent (the "**Second Valuation**") in which case the Market Value of that Ship at the relevant date is that shown:
 - (i) if at any relevant time the difference between the First Valuation and the Second Valuation in respect of a Ship is less than 10 per cent., in the First Valuation; and
 - (ii) if at any relevant time the difference between the First Valuation and the Second Valuation is greater than 10 per cent. but 15 per cent. or less, by taking the arithmetic average of such valuations,

each valuation issued pursuant to paragraphs (a) and (b) of this Clause 15.3 to be prepared:

- (i) as at a date not more than 14 days previously;
- (ii) with or without physical inspection of that Ship (as the Agent may require);

- (iii) on the basis of a sale for prompt delivery for cash on normal arm's length commercial terms as between a willing seller and a willing buyer, free of any existing charter or other contract of employment,

Provided that if the difference between 2 valuations in respect of a Ship obtained at any one time, in each case, pursuant to this Clause 15.3 is greater than 15 per cent. a valuation shall be commissioned from a third Approved Broker selected and appointed by the Agent. Such valuation to be conducted in accordance with this Clause 15.3 and the Market Value of that Ship in such circumstances shall be the average of all three valuations.

15.4 Value of additional vessel security

The net realisable value of any additional security which is provided under Clause 15.2 and which consists of a Security Interest over a vessel shall be that shown by a valuation complying with the requirements of Clause 15.3.

15.5 Valuations binding

Any valuation under Clause 15.2, 15.3 or 15.4 shall be binding and conclusive as regards the Borrowers, as shall be any valuation which the Majority Lenders make of any additional security which does not consist of or include a Security Interest.

15.6 Provision of information

The Borrowers shall promptly provide the Agent and any Approved Broker or expert acting under Clause 15.3 or 15.4 with any information which the Agent or that Approved Broker or expert may request for the purposes of the valuation; and, if the Borrowers fail to provide the information by the date specified in the request, the valuation may be made on any basis and assumptions which that Approved Broker or the Majority Lenders (or the expert appointed by them) consider prudent.

15.7 Payment of valuation expenses

Without prejudice to the generality of the Borrowers' obligations under Clauses 20.1, 20.3 and 21.4, the Borrowers shall, on demand, pay the Agent the amount of the fees and expenses of any Approved Broker or expert instructed by the Agent under this Clause and all legal and other expenses incurred by any Creditor Party in connection with any matter arising out of this Clause.

15.8 Frequency of valuations.

Each Borrower shall provide the Agent with a valuation of the Ship owned by it, dated as of June or, as the case may be, December, on the date on which the Agent receives any financial statements in accordance with Clauses 11.7(a) and 11.7(b) and the Compliance Certificate in accordance with Clause 11.18 and the Agent may, otherwise, request valuations to determine the Borrowers' compliance under Clause 15.1 not less than twice during each 12-month period during the Security Period.

16 PAYMENTS AND CALCULATIONS

16.1 Currency and method of payments

All payments to be made by the Lenders or by either Borrower under a Finance Document shall be made to the Agent or to the Security Trustee, in the case of an amount payable to it:

- (a) by not later than 11.00 a.m. (New York City time) on the due date;

- (b) in same day Dollar funds settled through the New York Clearing House Interbank Payments System (or in such other Dollar funds and/or settled in such other manner as the Agent shall specify as being customary at the time for the settlement of international transactions of the type contemplated by this Agreement);
- (c) in the case of an amount payable by a Lender to the Agent or by either Borrower to the Agent or any Lender, to the account of the Agent at JP Morgan Chase Bank, New York (SWIFT Code CHASUS33) (Account No. 001-1-331 808 in favour of HSH Nordbank AG, Hamburg, SWIFT Code HSHNDEHH; Reference “Dune Shipping Corp. and Citrine Shipping Corporation”) or to such other account with such other bank as the Agent may from time to time notify to the Borrowers and the other Creditor Parties; and
- (d) in the case of an amount payable to the Security Trustee, to such account as it may from time to time notify to the Borrowers and the other Creditor Parties.

16.2 Payment on non-Business Day

If any payment by either Borrower under a Finance Document would otherwise fall due on a day which is not a Business Day:

- (a) the due date shall be extended to the next succeeding Business Day; or
- (b) if the next succeeding Business Day falls in the next calendar month, the due date shall be brought forward to the immediately preceding Business Day,
and interest shall be payable during any extension under paragraph (a) at the rate payable on the original due date.

16.3 Basis for calculation of periodic payments

All interest and commitment fee and any other payments under any Finance Document which are of an annual or periodic nature shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed and a 360 day year.

16.4 Distribution of payments to Creditor Parties

Subject to Clauses 16.5, 16.6 and 16.7:

- (a) any amount received by the Agent under a Finance Document for distribution or remittance to a Lender or the Security Trustee shall be made available by the Agent to that Lender, as the case may be, the Security Trustee by payment, with funds having the same value as the funds received, to such account as the Lender or the Security Trustee may have notified to the Agent not less than 5 Business Days previously; and
- (b) amounts to be applied in satisfying amounts of a particular category which are due to the Lenders generally shall be distributed by the Agent to each Lender pro rata to the amount in that category which is due to it.

16.5 Permitted deductions by Agent

Notwithstanding any other provision of this Agreement or any other Finance Document, the Agent may, before making an amount available to a Lender, deduct and withhold from that amount any sum which is then due and payable to the Agent from that Lender under any Finance Document or any sum which the Agent is then entitled under any Finance Document to require that Lender to pay on demand.

16.6 Agent only obliged to pay when monies received

Notwithstanding any other provision of this Agreement or any other Finance Document, the Agent shall not be obliged to make available to either Borrower or any Lender any sum which the Agent is expecting to receive for remittance or distribution to that Borrower or that Lender until the Agent has satisfied itself that it has received that sum.

16.7 Refund to Agent of monies not received

If and to the extent that the Agent makes available a sum to either Borrower or a Lender, without first having received that sum, that Borrower or (as the case may be) the Lender concerned shall, on demand:

- (a) refund the sum in full to the Agent; and
- (b) pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding or other loss, liability or expense incurred by the Agent as a result of making the sum available before receiving it.

16.8 Agent may assume receipt

Clause 16.7 shall not affect any claim which the Agent has under the law of restitution, and applies irrespective of whether the Agent had any form of notice that it had not received the sum which it made available.

16.9 Creditor Party accounts

Each Creditor Party shall maintain accounts showing the amounts owing to it by the Borrowers and each Security Party under the Finance Documents and all payments in respect of those amounts made by the Borrowers and any Security Party (other than the Other Manager).

16.10 Agent's memorandum account

The Agent shall maintain a memorandum account showing the amounts advanced by the Lenders and all other sums owing to the Agent, the Security Trustee and each Lender from the Borrowers and each Security Party under the Finance Documents and all payments in respect of those amounts made by the Borrowers and any Security Party (other than the Other Manager).

16.11 Accounts prima facie evidence

If any accounts maintained under Clauses 16.9 and 16.10 show an amount to be owing by either Borrowers or a Security Party (other than the Other Manager) to a Creditor Party, those accounts shall be prima facie evidence that that amount is owing to that Creditor Party.

17 APPLICATION OF RECEIPTS

17.1 Normal order of application

Except as any Finance Document may otherwise provide, any sums which are received or recovered by any Creditor Party under or by virtue of any Finance Document shall be applied:

- (a) FIRST: in or towards satisfaction of any amounts then due and payable under the Finance Documents in the following order and proportions:

- (i) firstly, in or towards satisfaction pro rata of all amounts then due and payable to the Creditor Parties under the Finance Documents other than those amounts referred to at paragraphs (ii) and (iii) (including, but without limitation, all amounts payable by either Borrower under Clauses 20, 21 and 22 of this Agreement or by either Borrower or any Security Party under any corresponding or similar provision in any other Finance Document);
 - (ii) secondly, in or towards satisfaction pro rata of any and all amounts of interest or default interest payable to the Creditor Parties under the Finance Documents; and
 - (iii) thirdly, in or towards satisfaction of the Loan;
- (b) SECONDLY: in retention (in an interest bearing account) of an amount equal to any amount not then due and payable under any Finance Document but which the Agent, by notice to the Borrowers (or either of them), the Security Parties and the other Creditor Parties, states in its opinion will either or may become due and payable in the future and, upon those amounts becoming due and payable, in or towards satisfaction of them in accordance with the provisions of Clause 17.1(a); and
- (c) THIRDLY: any surplus shall be paid to the Borrowers or to any other person appearing to be entitled to it.

17.2 Variation of order of application

The Agent may, with the authorisation of the Majority Lenders, by notice to the Borrowers, the Security Parties and the other Creditor Parties provide for a different manner of application from that set out in Clause 17.1 either as regards a specified sum or sums or as regards sums in a specified category or categories **Provided that** Clause 17.1(c) shall not be deleted or rendered ineffective unless an Event of Default has occurred or is continuing.

17.3 Notice of variation of order of application

The Agent may give notices under Clause 17.2 from time to time; and such a notice may be stated to apply not only to sums which may be received or recovered in the future, but also to any sum which has been received or recovered on or after the third Business Day before the date on which the notice is served.

17.4 Appropriation rights overridden

This Clause 17 and any notice which the Agent gives under Clause 17.2 shall override any right of appropriation possessed, and any appropriation made, by either Borrower or any Security Party.

18 APPLICATION OF EARNINGS;

18.1 Payment of Earnings

Each Borrower undertakes with each Creditor Party to ensure that, throughout the Security Period (and subject only to the provisions of the General Assignment to which it is a party):

- (a) it shall maintain the Accounts applicable to it with the Agent; and
- (b) all Earnings of the Ship owned by it are paid to the Earnings Account for that Ship.

18.2 Monthly retentions

The Borrowers undertake with each Creditor Party to ensure that throughout the Security Period commencing on the date falling one month after the Drawdown Date and on the same day in each subsequent month, there is transferred to the Retention Account out of the Earnings received in the relevant Earnings Account during the preceding calendar month:

- (a) one-third of the amount of the relevant Instalment falling due in respect of that Advance under Clause 8.1 on the next Repayment Date in respect of that Advance;
- (b) the Relevant Fraction of the aggregate amount of interest on that Advance which is payable on the next due date for payment of interest under this Agreement;

and the Borrowers irrevocably authorise the Agent to make those transfers.

In this Clause 18.2 “**Relevant Fraction**” means a fraction of which the numerator is 1 and the denominator the number of months comprised in the then current Interest Period in respect of that Advance (or, if the current Interest Period in respect of that Advance ends after the next due date for payment of interest under this Agreement the number of months from the later of the commencement of the current Interest Period in respect of that Advance or the last due date for payment of interest to the next due date for payment of interest under this Agreement).

18.3 Shortfall in Earnings

If the aggregate Earnings received in the Earnings Accounts are insufficient at any time for the required amount to be transferred to the Retention Account under Clause 18.2, the Borrowers shall make up the amount of the insufficiency on demand from the Agent.

18.4 Application of retentions

Until an Event of Default or a Potential Event of Default occurs, the Agent shall on each Repayment Date and on each due date for the payment of interest under this Agreement distribute to the Lenders in accordance with Clause 16.4 so much of the then balance on the Retention Account as equals:

- (a) the Instalment due on that Repayment Date pursuant to Clause 8.1; or
- (b) the amount of interest in respect of the Loan payable on that interest payment date, in discharge of the Borrower’s liability for that Instalment or that interest.

18.5 Interest accrued on the Accounts

Any credit balance on each Account shall bear interest at the rate from time to time offered by the Agent to its customers for Dollar deposits of similar amounts and for periods similar to those for which such balances appear to the Agent likely to remain on that Account.

18.6 Release of accrued interest

Interest accruing on each Account under Clause 18.5 shall be released to the Borrowers on each Repayment Date unless an Event of Default or a Potential Event of Default has occurred or, in the case of the Retention Account, the then credit balance thereon is less than what would have been the balance had the full amount required by Clause 18.2 and Clause 18.3 been transferred in that and each previous month.

18.7 Location of Accounts

The Borrowers (or either of them) shall promptly:

- (a) comply with any requirement of the Agent as to the location or re-location of the Accounts (or either of them); and
- (b) execute any documents which the Agent specifies to create or maintain in favour of the Security Trustee a Security Interest over (and/or rights of set-off, consolidation or other rights in relation to) the Accounts.

18.8 Debits for fees, expenses etc.

The Agent shall be entitled (but not obliged) from time to time to debit either Earnings Account, with not later than 5 Business Days prior notice to the Borrower owning that Ship to which that Earnings Account relates, in order to discharge any amount due and payable under Clause 20.1 or 21 to a Creditor Party or payment of which any Creditor Party has become entitled to demand under Clause 20.1 or 21.

18.9 Borrower's obligations unaffected

The provisions of this Clause 18 (as distinct from a distribution effected under Clause 18.4) do not affect:

- (a) the liability of the Borrowers to make payments of principal and interest on the due dates; or
- (b) any other liability or obligation of either Borrower or any Security Party under any Finance Document.

19 EVENTS OF DEFAULT

19.1 Events of Default

An Event of Default occurs if:

- (a) either Borrower or any Security Party fails to pay when due or (if so payable) on demand within 3 Business Days of the due date of such payment, any sum payable under a Finance Document or under any document relating to a Finance Document; or
- (b) any breach occurs of Clause 9.2, 10.18, 10.19, 11.2, 11.3, 11.19, 12.2, 12.3 or 15.2 or Clause 12.3 of the Corporate Guarantee; or
- (c) any breach by either Borrower or any Security Party occurs of any provision of a Finance Document (other than a breach covered by paragraphs (a) or (b)) which, in the reasonable opinion of the Majority Lenders, is capable of remedy, and such default continues unremedied 14 Business Days (or any other grace period agreed by the Agent) after written notice from the Agent requesting action to remedy the same; or
- (d) (subject to any applicable grace period specified in the Finance Document) any material breach by either Borrower or any Security Party occurs of any provision of a Finance Document (other than a breach falling within paragraphs (a), (b) or (c)); or
- (e) any representation, warranty or statement made or repeated by, or by an officer of, either Borrower or a Security Party (other than the Other Manager) in a Finance Document or in a Drawdown Notice or any other notice or document relating to a Finance Document is untrue or misleading in any material respect when it is made or repeated; or
- (f) any of the following occurs in relation to any Financial Indebtedness of a Relevant Person:
 - (i) any Financial Indebtedness of a Relevant Person is not paid when due unless the Relevant Person is contesting its obligation to pay the relevant amount in good faith and on substantial grounds and by appropriate proceedings and adequate reserves having being set aside for its payment if such proceedings fail; or

- (ii) any Financial Indebtedness of a Relevant Person, which in the case of any Relevant Person other than a Borrower exceeds \$5,000,000 (or the equivalent in any other currency), becomes due and payable or capable of being declared due and payable prior to its stated maturity date as a consequence of any event of default; or
 - (iii) any overdraft, loan, note issuance, acceptance credit, letter of credit, guarantee, foreign exchange or other facility, or any swap or other derivative contract or transaction, relating to any Financial Indebtedness of a Relevant Person which in the case of any Relevant Person other than a Borrower exceeds \$5,000,000 (or the equivalent in any other currency) ceases to be available or becomes capable of being terminated as a result of any event of default, or cash cover is required, or becomes capable of being required, in respect of such a facility as a result of any event of default; or
 - (iv) any Security Interest securing any Financial Indebtedness of a Relevant Person, which in the case of any Relevant Person other than a Borrower exceeds an amount of \$5,000,000 (or the equivalent in any other currency), becomes enforceable; or
- (g) any of the following occurs in relation to a Relevant Person:
- (i) a Relevant Person is unable to pay its debts as they fall due; or
 - (ii) any assets of a Relevant Person are subject to any form of execution, attachment, arrest, sequestration or distress or any form of freezing order, which in the case of any Relevant Person other than a Borrower exceeds \$5,000,000 (or the equivalent in any other currency), and such execution, attachment, arrest, sequestration, distress or freezing order is not withdrawn within thirty (30) Business Days; or
 - (iii) any administrative or other receiver is appointed over any asset of a Relevant Person; or
 - (iv) an administrator is appointed (whether by the court or otherwise) in respect of a Relevant Person; or
 - (v) any formal declaration of bankruptcy or any formal statement to the effect that a Relevant Person is insolvent or likely to become insolvent is made by a Relevant Person or by the directors of a Relevant Person or, in any proceedings, by a lawyer acting for a Relevant Person; or
 - (vi) a provisional liquidator is appointed in respect of a Relevant Person, a winding up order is made in relation to a Relevant Person or a winding up resolution is passed by a Relevant Person; or
 - (vii) a resolution is passed, an administration notice is given or filed, an application or petition to a court is made or presented or any other step is taken by (aa) a Relevant Person, (bb) the members or directors of a Relevant Person, (cc) a holder of Security Interests which together relate to all or substantially all of the assets of a Relevant Person, or (dd) a government minister or public or regulatory authority of a Pertinent Jurisdiction for or with a view to the winding up of that or another Relevant Person or the appointment of a provisional liquidator or administrator in respect of that or another Relevant Person, or that or another Relevant Person ceasing or suspending business operations or payments to creditors, save that this paragraph does not apply to a fully solvent winding up of a Relevant Person other than a Borrower or the Corporate Guarantor which is, or is to be, effected for the purposes of an amalgamation or reconstruction previously approved by the Majority Lenders and effected not later than 3 months after the commencement of the winding up; or

- (viii) an administration notice is given or filed, an application or petition to a court is made or presented or any other step is taken by a creditor of a Relevant Person (other than a holder of Security Interests which together relate to all or substantially all of the assets of a Relevant Person) for the winding up of a Relevant Person or the appointment of a provisional liquidator or administrator in respect of a Relevant Person in any Pertinent Jurisdiction, unless the proposed winding up, appointment of a provisional liquidator or administration is being contested in good faith, on substantial grounds and not with a view to some other insolvency law procedure being implemented instead and either (aa) the application or petition is dismissed or withdrawn within 60 days of being made or presented, or (bb) within 60 days of the administration notice being given or filed, or the other relevant steps being taken, other action is taken which will ensure that there will be no administration and (in both cases (aa) or (bb)) the Relevant Person will continue to carry on business in the ordinary way and without being the subject of any actual, interim or pending insolvency law procedure; or
- (ix) a Relevant Person or its directors take any steps (whether by making or presenting an application or petition to a court, or submitting or presenting a document setting out a proposal or proposed terms, or otherwise) with a view to obtaining, in relation to that or another Relevant Person, any form of moratorium, suspension or deferral of payments, reorganisation of debt (or certain debt) or arrangement with all or a substantial proportion (by number or value) of creditors or of any class of them or any such moratorium, suspension or deferral of payments, reorganisation or arrangement is effected by court order, by the filing of documents with a court, by means of a contract or in any other way at all; or
- (x) any meeting of the members or directors, or of any committee of the board or senior management, of a Relevant Person is held or summoned for the purpose of considering a resolution or proposal to authorise or take any action of a type described in paragraphs (iv) to (ix) or a step preparatory to such action, or (with or without such a meeting) the members, directors or such a committee resolve or agree that such an action or step should be taken or should be taken if certain conditions materialise or fail to materialise; or
- (xi) in a country other than England, any event occurs, any proceedings are opened or commenced or any step is taken which, in the reasonable opinion of the Majority Lenders is similar to any of the foregoing; or
- (h) either Borrower or any Security Party (other than the Other Manager) ceases or suspends carrying on its business or a part of its business which, in the reasonable opinion of the Majority Lenders, is material in the context of this Agreement; or
- (i) it becomes unlawful in any Pertinent Jurisdiction or is impossible:
 - (i) for either Borrower, the Corporate Guarantor or any other Security Party to discharge any liability under a Finance Document or to comply with any other obligation which the Majority Lenders consider material under a Finance Document; or
 - (ii) for the Agent, the Security Trustee, the Lenders to exercise or enforce any right under, or to enforce any Security Interest created by, a Finance Document; or
- (j) any official consent necessary to enable either Borrower to own, operate or charter the Ship owned by it or to enable either Borrower or any Security Party to comply with any provision which the Majority Lenders reasonably consider material of a Finance Document or an

Underlying Document is not granted, expires without being renewed, is revoked or becomes liable to revocation or any condition of such a consent is not fulfilled unless such revocation is validly contested in good faith by that Borrower or, as the case may be, that Security Party; or

- (k) any Initial Approved Charter is terminated or rescinded prior to its contractual termination date or for any reason ceases to remain in full force and effect prior to its contractual termination date and is not replaced within thirty (30) days with any other Approved Charter; or
- (l) the Optional Extension of the Initial Approved Charter relevant to the Ship owned by either Borrower is not exercised unless that Initial Approved Charter is substituted by an Additional Charterparty in a manner acceptable to the Agent by no later than the first date following the expiration of the duration of that Initial Approved Charter; or
- (m) a change has occurred after the date of this Agreement in the indirect legal and beneficial ownership of any of the shares in either Borrower or in the control of the voting rights attaching to any of those shares or Navios Maritime Holdings Inc., Mrs Angeliki Frangou and their respective affiliates own, in aggregate, less than 15 per cent. of the voting rights in the Corporate Guarantor; or
- (n) any provision which the Majority Lenders reasonably consider material of a Finance Document proves to have been or becomes invalid or unenforceable, or a Security Interest created by a Finance Document proves to have been or becomes invalid or unenforceable or such a Security Interest proves to have ranked after, or loses its priority to, another Security Interest or any other third party claim or interest (excluding any Permitted Security Interests); or
- (o) the security constituted by a Finance Document is in any way imperilled or in jeopardy; or
- (p) a Security Party repudiates any of the Finance Documents to which that Security Party or person is a party or evidences an intention to do so; or
- (q) any other event occurs or any other circumstances arise or develop including, without limitation:
 - (i) a change in the financial position, state of affairs or prospects of either Borrower, the Corporate Guarantor, any other Security Party (other than the Other Manager) or any member of the Group; or
 - (ii) commencement of legal or administrative action involving either Borrower, either Ship or any Security Party (other than the Other Manager); or
 - (iii) the withdrawal of any material license or governmental or regulatory approval in respect of either Ship or either Borrower or either Borrower's business (unless such withdrawal has a suspensive effect and may be contested with the effect of suspension and is in fact so contested in good faith by that Borrower),

which in the reasonable opinion of the Lenders constitutes a Material Adverse Change.

19.2 Actions following an Event of Default

On, or at any time after, the occurrence of an Event of Default:

- (a) the Agent may, and if so instructed by the Majority Lenders, the Agent shall:

- (i) serve on the Borrowers a notice stating that all or part of the Commitments and all other obligations of each Lender to the Borrowers under this Agreement are cancelled; and/or
 - (ii) serve on the Borrowers a notice stating that all or part of the Loan together with accrued interest and all other amounts accrued or owing under this Agreement are immediately due and payable or are due and payable on demand; and/or
 - (iii) take any other action which, as a result of the Event of Default or any notice served under paragraph (i) or (ii), the Agent and/or the Lenders are entitled to take under any Finance Document or any applicable law; and/or
- (b) the Security Trustee may, and if so instructed by the Agent, acting with the authorisation of the Majority Lenders, the Security Trustee shall take any action which, as a result of the Event of Default or any notice served under paragraph (a)(i) or (a)(ii), the Security Trustee, the Agent, the Mandated Lead Arranger and/or the Lenders are entitled to take under any Finance Document or any applicable law.

19.3 Termination of Commitments

On the service of a notice under Clause 19.2(a)(i), the Commitments and all other obligations of each Lender to the Borrowers under this Agreement shall be cancelled.

19.4 Acceleration of Loan

On the service of a notice under Clause 19.2(a)(ii), all or, as the case may be, the part of the Loan specified in the notice together with accrued interest and all other amounts accrued or owing from the Borrowers or any Security Party under this Agreement and every other Finance Document shall become immediately due and payable or, as the case may be, payable on demand.

19.5 Multiple notices; action without notice

The Agent may serve notices under Clauses 19.2(a)(i) or 19.2(a)(ii) simultaneously or on different dates and it and/or the Security Trustee may take any action referred to in Clause 19.2 if no such notice is served or simultaneously with or at any time after the service of both or either of such notices.

19.6 Notification of Creditor Parties and Security Parties

The Agent shall send to each Lender, the Security Trustee and each Security Party a copy or the text of any notice which the Agent serves on the Borrowers under Clause 19.2; but the notice shall become effective when it is served on the Borrowers, and no failure or delay by the Agent to send a copy or the text of the notice to any other person shall invalidate the notice or provide either Borrower or any Security Party with any form of claim or defence.

19.7 Creditor Party's rights unimpaired

Nothing in this Clause shall be taken to impair or restrict the exercise of any right given to individual Lenders under a Finance Document or the general law; and, in particular, this Clause is without prejudice to Clause 3.1.

19.8 Exclusion of Creditor Party liability

No Creditor Party, and no receiver or manager appointed by the Security Trustee, shall have any liability to either Borrower or a Security Party:

- (a) for any loss caused by an exercise of rights under, or enforcement of a Security Interest created by, a Finance Document or by any failure or delay to exercise such a right or to enforce such a Security Interest; or
 - (b) as mortgagee in possession or otherwise, for any income or principal amount which might have been produced by or realised from any asset comprised in such a Security Interest or for any reduction (however caused) in the value of such an asset,
- except that this does not exempt a Creditor Party or a receiver or manager from liability for losses shown to have been directly and mainly caused by gross negligence, the dishonesty or the wilful misconduct of such Creditor Party's own officers and employees or (as the case may be) such receiver's or manager's own partners or employees.

19.9 Relevant Persons

In this Clause 19, a "**Relevant Person**" means either Borrower or any Security Party (other than any Approved Manager).

19.10 Interpretation

In Clause 19.1(f) references to an event of default or a termination event include any event, howsoever described, which is similar to an event of default in a facility agreement or a termination event in a finance lease; and in Clause 19.1(g) "**petition**" includes an application.

20 FEES AND EXPENSES

20.1 Structuring and commitment fees

The Borrowers:

- (a) shall pay to the Agent certain fees as referred to in the Fee Letter, such fees to be in such amount, to be payable at the times and in the manner referred to in the Fee Letter; and
- (b) shall pay to the Agent quarterly in arrears during the period from (and including) 15 April 2015 (being the date of the Borrowers' acceptance of the Agent's firm offer letter regarding the Loan) to the earlier of (i) the Drawdown Date in respect of Advance B and (ii) the last day of the Availability Period (and on the last day of such period), a non-refundable commitment fee at the rate of 0.90 per cent. per annum on the undrawn or uncanceled amount of the Loan, for distribution among the Lenders pro rata to their Commitments.

20.2 Costs of negotiation, preparation etc.

The Borrowers shall pay to the Agent on its demand the amount of all expenses (including, without limitation, legal fees and expenses) incurred by the Agent or the Security Trustee in connection with the negotiation, preparation, execution or registration of any Finance Document or any related document or with any transaction contemplated by a Finance Document or a related document.

20.3 Costs of variations, amendments, enforcement etc.

The Borrowers shall pay to the Agent, on the Agent's demand, for the account of the Creditor Party concerned, the amount of all expenses incurred by a Creditor Party in connection with:

- (a) any amendment or supplement (or any proposal for such an amendment or supplement) requested (or, in the case of a proposal, made) by or on behalf of the Borrowers and relating to a Finance Document or any other Pertinent Document;

- (b) any consent, waiver or suspension of rights by the Lenders, the Majority Lenders or the Creditor Party concerned or any proposal for any of the foregoing requested (or, in the case of a proposal, made) by or on behalf of the Borrowers under or in connection with a Finance Document or any other Pertinent Document;
- (c) the valuation of any security provided or offered under Clause 15 or any other matter relating to such security; or
- (d) any step taken by the Lender concerned with a view to the preservation, protection, exercise or enforcement of any rights or Security Interest created by a Finance Document or for any similar purpose including, without limitation, any proceedings to recover or retain proceeds of enforcement or any other proceedings following enforcement proceedings until the date all outstanding indebtedness to the Creditor Parties under the Finance Documents and any other Pertinent Document is repaid in full.

There shall be recoverable under paragraph (d) the full amount of all legal expenses, such as would be allowed under rules of court or any taxation or other procedure carried out under such rules.

20.4 Documentary taxes

The Borrowers shall promptly pay any tax payable on or by reference to any Finance Document, and shall, on the Agent's demand, fully indemnify each Creditor Party against any claims, expenses, liabilities and losses resulting from any failure or delay by the Borrowers to pay such a tax.

20.5 Certification of amounts

A notice which is signed by 2 officers of a Creditor Party, which states that a specified amount, or aggregate amount, is due to that Creditor Party under this Clause 20 and which indicates (without necessarily specifying a detailed breakdown) the matters in respect of which the amount, or aggregate amount, is due shall be prima facie evidence that the amount, or aggregate amount, is due.

21 INDEMNITIES

21.1 Indemnities regarding borrowing and repayment of Loan

The Borrowers shall fully indemnify the Agent and each Lender on the Agent's demand and the Security Trustee on its demand in respect of all claims, expenses, liabilities and losses which are made or brought against or incurred by that Creditor Party, or which that Creditor Party reasonably and with due diligence estimates that it will incur, as a result of or in connection with:

- (a) an Advance not being borrowed on the date specified in the relevant Drawdown Notice for any reason other than a default by the Lender claiming the indemnity after that Drawdown Notice has been served in accordance with the provisions of this Agreement;
- (b) the receipt or recovery of all or any part of the Loan or an overdue sum otherwise than on the last day of an Interest Period or other relevant period;
- (c) any failure (for whatever reason) by the Borrowers (or either of them) to make payment of any amount due under a Finance Document on the due date or, if so payable, on demand (after giving credit for any default interest paid by the Borrowers on the amount concerned under Clause 7); and
- (d) the occurrence and/or continuance of an Event of Default or a Potential Event of Default and/or the acceleration of repayment of the Loan under Clause 19, and in respect of any tax (other than tax on its overall net income) for which a Creditor Party is liable in connection with any amount paid or payable to that Creditor Party (whether for its own account or otherwise) under any Finance Document.

21.2 Break Costs

If a Lender (the “**Notifying Lender**”) notifies the Agent that as a consequence of receipt or recovery of all or any part of the Loan (a “**Payment**”) on a day other than the last day of an Interest Period applicable to the sum received or recovered the Notifying Lender has or will, with effect from a specified date, incur Break Costs:

- (a) the Agent shall promptly notify the Borrowers of a notice it receives from a Notifying Lender under this Clause 21.2;
- (b) the Borrowers shall, within 3 Business Days of the Agent’s demand, pay to the Agent for the account of the Notifying Lender the amount of such Break Costs; and
- (c) the Notifying Lender shall, as soon as reasonably practicable, following a request by the Borrowers, provide a certificate confirming the amount of the Notifying Lender’s Break Costs for the Interest Period in which they accrue, such certificate to be, in the absence of manifest error, conclusive and binding on the Borrowers.

In this Clause 21.2, “**Break Costs**” means, in relation to a Payment the amount (if any) by which:

- (i) the interest which the Notifying Lender, should have received in respect of the sum received or recovered from the date of receipt or recovery of such Payment to the last day of the then current Interest Period applicable to the sum received or recovered had such Payment been made on the last day of such Interest Period;

exceeds:

- (ii) the amount which the Notifying Lender, would be able to obtain by placing an amount equal to such Payment on deposit with a leading bank in the London Interbank Market for a period commencing on the Business Day following receipt or recovery of such Payment (as the case may be) and ending on the last day of the then current Interest Period applicable to the sum received or recovered.

21.3 Other breakage costs

Without limiting its generality, Clause 21.1 covers any claim, expense, liability or loss, including, without limitation, a loss of prospective profit, incurred by a Lender in borrowing, liquidating or re-employing deposits from third parties acquired, contracted for or arranged to fund, effect or maintain all or any part of its Contribution and/or any overdue amount (or an aggregate amount which includes its Contribution or any overdue amount) other than claims, expenses, liabilities and losses which are shown to have been directly and mainly caused by the gross negligence or wilful misconduct of the officers or employees of the Creditor Party concerned.

21.4 Miscellaneous indemnities

The Borrowers shall fully indemnify each Creditor Party severally on their respective demands, without prejudice to any of their other rights under any of the Finance Documents, in respect of all claims, expenses, liabilities and losses which may be made or brought against or sustained or incurred by a Creditor Party, in any country, as a result of or in connection with:

- (a) any action taken, or omitted or neglected to be taken, under or in connection with any Finance Document by the Agent, the Security Trustee or any other Creditor Party or by any receiver appointed under a Finance Document;
- (b) investigating any event which the Creditor Party concerned reasonably believes constitutes an Event of Default or Potential Event of Default; or
- (c) acting or relying on any notice, request or instruction which the Creditor Party concerned reasonably believes to be genuine, correct and appropriately authorised,

other than claims, expenses, liabilities and losses which are shown to have been directly and mainly caused by the dishonesty, gross negligence or wilful misconduct of the officers or employees of the Creditor Party concerned.

Without prejudice to its generality, Clause 21.1 and this Clause 21.4 cover any claims, expenses, liabilities and losses which arise, or are asserted, under or in connection with any law relating to safety at sea, the ISM Code, the ISPS Code or any Environmental Law.

21.5 Environmental Indemnity

Without prejudice to its generality, Clause 21.4 covers any claims, demands, proceedings, liabilities, taxes, losses or expenses of every kind which arise, or are asserted, under or in connection with any law relating to safety at sea, pollution or the protection of the environment, the ISM Code or the ISPS Code.

21.6 Currency indemnity

If any sum due from either Borrower or any Security Party to a Creditor Party under a Finance Document or under any order, award or judgment relating to a Finance Document (a “**Sum**”) has to be converted from the currency in which the Finance Document provided for the Sum to be paid (the “**Contractual Currency**”) into another currency (the “**Payment Currency**”) for the purpose of:

- (a) making, filing or lodging any claim or proof against that Borrower or any Security Party, whether in its liquidation, any arrangement involving it or otherwise; or
- (b) obtaining an order, judgment or award from any court or other tribunal in relation to any litigation or arbitration proceedings; or
- (c) enforcing any such order, judgment or award,

the Borrowers shall as an independent obligation, within 3 Business Days of demand, indemnify the Creditor Party to whom that Sum is due against any cost, loss or liability arising when the payment actually received by that Creditor Party is converted at the available rate of exchange back into the Contractual Currency including any discrepancy between (A) the rate of exchange actually used to convert the Sum from the Payment Currency into the Contractual Currency and (B) the available rate of exchange.

In this Clause 21.6, the “**available rate of exchange**” means the rate at which the Creditor Party concerned is able at the opening of business (London time) on the Business Day after it receives the Sum to purchase the Contractual Currency with the Payment Currency.

Each Borrower waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency other than that in which it is expressed to be payable.

If any Creditor Party receives any Sum in a currency other than the Contractual Currency, the Borrowers shall indemnify in full the Creditor Party concerned against any cost, loss or liability arising directly or indirectly from any conversion of such Sum to the Contractual Currency.

This Clause 21.6 creates a separate liability of each Borrower which is distinct from its other liabilities under the Finance Documents and which shall not be merged in any judgment or order relating to those other liabilities.

21.7 Certification of amounts

A notice which is signed by 2 officers of a Creditor Party, which states that a specified amount, or aggregate amount, is due to that Creditor Party under this Clause 21 and which indicates (without necessarily specifying a detailed breakdown) the matters in respect of which the amount, or aggregate amount, is due shall be prima facie evidence that the amount, or aggregate amount, is due.

21.8 Sums deemed due to a Lender

For the purposes of this Clause 21, a sum payable by the Borrowers to the Agent or the Security Trustee for distribution to a Lender shall be treated as a sum due to that Lender.

22 NO SET-OFF OR TAX DEDUCTION

22.1 No deductions

All amounts due from either Borrower under a Finance Document to which either Borrower is a party shall be paid:

- (a) without any form of set-off, counter-claim, cross-claim or condition; and
- (b) free and clear of any tax deduction except a tax deduction which either Borrower is required by law to make.

22.2 Grossing-up for taxes

If, at any time, either Borrower is required by law, regulation or regulatory requirement to make a tax deduction from any payment due under a Finance Document:

- (a) that Borrower shall notify the Agent as soon as it becomes aware of the requirement;
- (b) the amount due in respect of the payment shall be increased by the amount necessary to ensure that, after the making of such tax deduction, each Creditor Party receives on the due date for such payment (and retains free from any liability relating to the tax deduction) a net amount which is equal to the full amount which it would have received had no such tax deduction been required to be made; and
- (c) that Borrower shall pay the full amount of the tax required to be deducted to the appropriate taxation authority promptly in accordance with the relevant law, regulation or regulatory requirement, and in any event before any fine or penalty arises.

22.3 Indemnity and evidence of payment of taxes

The Borrowers shall fully indemnify each Creditor Party on the Agent's demand in respect of all claims, expenses, liabilities and losses incurred by any Creditor Party by reason of any failure of the Borrowers to make any tax deduction or by reason of any increased payment not being made on the due date for such payment in accordance with Clause 22.2. Within 30 days after making any tax deduction, the Borrowers shall deliver to the Agent any receipts, certificates or other documentary evidence satisfactory to the Agent that the tax had been paid to the appropriate taxation authority.

22.4 Exclusion of tax on overall net income

In this Clause 22 “**tax deduction**” means any deduction or withholding from any payment due under a Finance Document for or on account of any present or future tax except tax on a Creditor Party’s overall net income.

23 ILLEGALITY, ETC

23.1 Illegality

This Clause 23 applies if a Lender (the “**Notifying Lender**”) notifies the Agent that it has become, or will with effect from a specified date, become:

- (a) unlawful or prohibited as a result of the introduction of a new law, an amendment to an existing law or a change in the manner in which an existing law is or will be interpreted or applied; or
- (b) contrary to, or inconsistent with, any regulation, for the Notifying Lender to perform, maintain or give effect to any of its obligations under this Agreement in the manner contemplated by this Agreement or to fund or maintain the Loan.

23.2 Notification of illegality

The Agent shall promptly notify the Borrowers, the Security Parties, the Security Trustee and the other Lenders of the notice under Clause 23.1 which the Agent receives from the Notifying Lender.

23.3 Prepayment; termination of Commitment

On the Agent notifying the Borrowers under Clause 23.2, the Notifying Lender’s Commitment shall be immediately cancelled; and thereupon or, if later, on the date specified in the Notifying Lender’s notice under Clause 23.1 as the date on which the notified event would become effective the Borrowers shall prepay the Notifying Lender’s Contribution on the last day of the then current Interest Period in accordance with Clause 8.

24 INCREASED COSTS

24.1 Increased costs

This Clause 24 applies if a Lender (the “**Notifying Lender**”) notifies the Agent that the Notifying Lender considers that as a result of:

- (a) the introduction or alteration after the date of this Agreement of a law or an alteration after the date of this Agreement in the manner in which a law is interpreted or applied (disregarding any effect which relates to the application to payments under this Agreement of a tax on a Lender’s overall net income); or
- (b) complying with any regulation (including any which relates to capital adequacy or liquidity controls or which affects the manner in which the Notifying Lender allocates capital resources to its obligations under this Agreement) which is introduced, or altered, or the interpretation or application of which is altered, after the date of this Agreement; or
- (c) the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (the “**Basel II Accord**”) or any other law or regulation implementing the Basel II

Accord or any of the approaches provided for and allowed to be used by banks under or in connection with the Basel II Accord, in each case when compared to the cost of complying with such regulations as determined by the Agent (or parent company of it) on the date of this Agreement (whether such implementation, application or compliance is by a government, regulator, supervisory authority, the Notifying Lender or its holding company); or

- (d) the implementation or application of or compliance with Basel III or any law or regulation which implements or applies Basel III (regardless of the date on which it is enacted, adopted or issued and regardless of whether any such implementation, application or compliance is by a government, regulator, the Notifying Lender or any of its affiliates) is that the Notifying Lender (or a parent company of it), the Notifying Lender (or a parent company of it) has incurred or will incur an **“increased cost”**.

24.2 Meaning of “increased cost”

In this Clause 24, **“increased cost”** means, in relation to a Notifying Lender:

- (a) an additional or increased cost incurred as a result of, or in connection with, the Notifying Lender having entered into, or being a party to, this Agreement or a Transfer Certificate, of funding or maintaining its Commitment or Contribution or performing its obligations under this Agreement, or of having outstanding all or any part of its Contribution or other unpaid sums;
- (b) a reduction in the amount of any payment to the Notifying Lender under this Agreement or in the effective return which such a payment represents to the Notifying Lender or on its capital;
- (c) an additional or increased cost of funding all or maintaining all or any of the advances comprised in a class of advances formed by or including the Notifying Lender’s Contribution or (as the case may require) the proportion of that cost attributable to the Contribution; or
- (d) a liability to make a payment, or a return foregone, which is calculated by reference to any amounts received or receivable by the Notifying Lender under this Agreement,

but not an item attributable to a change in the rate of tax on the overall net income of the Notifying Lender (or a parent company of it) or an item covered by the indemnity for tax in Clause 21.1 or by Clause 22.

For the purposes of this Clause 24.2 the Notifying Lender may in good faith allocate or spread costs and/or losses among its assets and liabilities (or any class of its assets and liabilities) on such basis as it considers appropriate.

24.3 Notification to Borrowers of claim for increased costs

The Agent shall promptly notify the Borrowers and the Security Parties of the notice which the Agent received from the Notifying Lender under Clause 24.1.

24.4 Payment of increased costs

The Borrowers shall pay to the Agent, no later than 5 days after the Agent’s demand, for the account of the Notifying Lender the amounts which the Agent from time to time notifies the Borrowers that the Notifying Lender has specified to be necessary to compensate the Notifying Lender for the increased cost.

24.5 Notice of prepayment

If the Borrowers are not willing to continue to compensate the Notifying Lender for the increased cost under Clause 24.4, the Borrowers may give the Agent not less than 14 days' notice of their intention to prepay the Notifying Lender's Contribution at the end of an Interest Period.

24.6 Prepayment; termination of Commitment

A notice under Clause 24.5 shall be irrevocable; the Agent shall promptly notify the Notifying Lender of the Borrowers' notice of intended prepayment; and:

- (a) on the date on which the Agent serves that notice, the Commitment of the Notifying Lender shall be cancelled; and
- (b) on the date specified in its notice of intended prepayment, the Borrowers shall prepay (without premium or penalty) the Notifying Lender's Contribution, together with accrued interest thereon at the applicable rate plus the Margin and the Mandatory Cost (if any).

24.7 Application of prepayment

Clause 8 shall apply in relation to the prepayment.

25 SET-OFF

25.1 Application of credit balances

Each Creditor Party may without prior notice to the Borrowers:

- (a) apply any balance (whether or not then due) which at any time stands to the credit of any account in the name of either Borrower at any office in any country of that Creditor Party in or towards satisfaction of any sum then due from that Borrower to that Creditor Party under any of the Finance Documents; and
- (b) for that purpose:
 - (i) break, or alter the maturity of, all or any part of a deposit of that Borrower;
 - (ii) convert or translate all or any part of a deposit or other credit balance into Dollars; and
 - (iii) enter into any other transaction or make any entry with regard to the credit balance which the Creditor Party concerned considers appropriate.

25.2 Existing rights unaffected

No Creditor Party shall be obliged to exercise any of its rights under Clause 25.1; and those rights shall be without prejudice and in addition to any right of set-off, combination of accounts, charge, lien or other right or remedy to which a Creditor Party is entitled (whether under the general law or any document).

25.3 Sums deemed due to a Lender

For the purposes of this Clause 25, a sum payable by the Borrowers to the Agent or the Security Trustee for distribution to, or for the account of, a Lender shall be treated as a sum due to that Lender; and each Lender's proportion of a sum so payable for distribution to, or for the account of, the Lenders shall be treated as a sum due to such Lender.

25.4 No Security Interest

This Clause 25 gives the Creditor Parties a contractual right of set-off only, and does not create any equitable charge or other Security Interest over any credit balance of either Borrower.

26 TRANSFERS AND CHANGES IN LENDING OFFICES

26.1 Transfer by Borrower

Neither Borrower may assign or transfer any of its rights, liabilities or obligations under any Finance Document.

26.2 Transfer by a Lender

Subject to Clause 26.4, a Lender (the “**Transferor Lender**”) may, without the consent of, but in consultation with, the Borrowers, at any time, or any Security Party, cause:

- (a) its rights in respect of all or part of its Contribution; or
- (b) its obligations in respect of all or part of its Commitment; or
- (c) a combination of (a) and (b); or
- (d) all or part of its credit risk under this Agreement and the other Finance Documents,

to be syndicated to or, (in the case of its rights) assigned, pledged or transferred to, or (in the case of its obligations) pledged or assumed by, any third party (a “**Transferee Lender**”) by delivering to the Agent a completed certificate in the form set out in Schedule 5 with any modifications approved or required by the Agent (a “**Transfer Certificate**”) executed by the Transferor Lender and the Transferee Lender.

However any rights and obligations of the Transferor Lender in its capacity as Agent or Security Trustee will have to be dealt with separately in accordance with the Agency and Trust Agreement. All costs and expenses relating to a transfer effected pursuant to this Clause 26.2 shall be borne by the Transferee Lender.

26.3 Transfer Certificate, delivery and notification

As soon as reasonably practicable after a Transfer Certificate is delivered to the Agent, it shall (unless it has reason to believe that the Transfer Certificate may be defective):

- (a) sign the Transfer Certificate on behalf of itself, the Borrowers, the Security Parties, the Security Trustee and each of the other Lenders;
- (b) on behalf of the Transferee Lender, send to each Borrower and each Security Party letters or faxes notifying them of the Transfer Certificate and attaching a copy of it; and
- (c) send to the Transferee Lender copies of the letters or faxes sent under paragraph (b) above.

26.4 Effective Date of Transfer Certificate

A Transfer Certificate becomes effective on the date, if any, specified in the Transfer Certificate as its effective date, **Provided that** it is signed by the Agent under Clause 26.3 on or before that date.

26.5 No transfer without Transfer Certificate

Except as provided in Clause 26.16, no assignment or transfer of any right or obligation of a Lender under any Finance Document is binding on, or effective in relation to, either Borrower, any Security Party, the Agent or the Security Trustee unless it is effected, evidenced or perfected by a Transfer Certificate.

26.6 Lender re-organisation; waiver of Transfer Certificate

However, if a Lender enters into any merger, de-merger or other reorganisation as a result of which all its rights or obligations vest in another person (the “**successor**”), the Agent may, if it sees fit, by notice to the successor and the Borrowers and the Security Trustee waive the need for the execution and delivery of a Transfer Certificate; and, upon service of the Agent’s notice, the successor shall become a Lender with the same Commitment and Contribution as were held by the predecessor Lender.

26.7 Effect of Transfer Certificate

A Transfer Certificate takes effect in accordance with English law as follows:

- (a) to the extent specified in the Transfer Certificate, all rights and interests (present, future or contingent) which the Transferor Lender has under or by virtue of the Finance Documents are assigned to the Transferee Lender absolutely, free of any defects in the Transferor Lender’s title and of any rights or equities which the Borrowers or any Security Party had against the Transferor Lender;
- (b) the Transferor Lender’s Commitment is discharged to the extent specified in the Transfer Certificate;
- (c) the Transferee Lender becomes a Lender with the Contribution previously held by the Transferor Lender and a Commitment of an amount specified in the Transfer Certificate;
- (d) the Transferee Lender becomes bound by all the provisions of the Finance Documents which are applicable to the Lenders generally, including those about pro-rata sharing and the exclusion of liability on the part of, and the indemnification of, the Agent and the Security Trustee and, to the extent that the Transferee Lender becomes bound by those provisions (other than those relating to exclusion of liability), the Transferor Lender ceases to be bound by them;
- (e) any part of the Loan which the Transferee Lender advances after the Transfer Certificate’s effective date ranks in point of priority and security in the same way as it would have ranked had it been advanced by the transferor, assuming that any defects in the transferor’s title and any rights or equities of either Borrower or any Security Party against the Transferor Lender had not existed;
- (f) the Transferee Lender becomes entitled to all the rights under the Finance Documents which are applicable to the Lenders generally, including but not limited to those relating to the Majority Lenders and those under Clause 5.7 and Clause 20, and to the extent that the Transferee Lender becomes entitled to such rights, the Transferor Lender ceases to be entitled to them; and
- (g) in respect of any breach of a warranty, undertaking, condition or other provision of a Finance Document or any misrepresentation made in or in connection with a Finance Document, the Transferee Lender shall be entitled to recover damages by reference to the loss incurred by it as a result of the breach or misrepresentation, irrespective of whether the original Lender would have incurred a loss of that kind or amount.

The rights and equities of either Borrower or any Security Party referred to above include, but are not limited to, any right of set off and any other kind of cross-claim.

26.8 Maintenance of register of Lenders

During the Security Period the Agent shall maintain a register in which it shall record the name, Commitment, Contribution and administrative details (including the lending office) from time to time of each Lender holding a Transfer Certificate and the effective date (in accordance with Clause 26.4) of the Transfer Certificate; and the Agent shall make the register available for inspection by any Lender, the Security Trustee and the Borrowers during normal banking hours, subject to receiving at least 3 Business Days' prior notice.

26.9 Reliance on register of Lenders

The entries on that register shall, in the absence of manifest error, be conclusive in determining the identities of the Lenders and the amounts of their Commitments and Contributions and the effective dates of Transfer Certificates and may be relied upon by the Agent and the other parties to the Finance Documents for all purposes relating to the Finance Documents.

26.10 Authorisation of Agent to sign Transfer Certificates

The Borrowers, the Security Trustee and each Lender irrevocably authorise the Agent to sign Transfer Certificates on its behalf. The Borrowers and each Security Party irrevocably agree to the transfer procedures set out in this Clause 26 and to the extent the cooperation of the Borrowers and/or any Security Party shall be required to effect any such transfer, the Borrowers and such Security Party shall take all necessary steps to afford such cooperation **Provided that** this shall not result in any additional costs to the Borrowers or such Security Party.

26.11 Registration fee

In respect of any Transfer Certificate, the Agent shall be entitled to recover a registration fee of \$2,500 from the Transferor Lender or (at the Agent's option) the Transferee Lender.

26.12 Sub-participation; subrogation assignment

A Lender may sub-participate or include in a securitisation or similar transaction all or any part of its rights and/or obligations under or in connection with the Finance Documents without the Borrowers' or any other Security Party's prior consent and without serving a notice thereon and the Lenders may assign without the Borrowers' prior consent but in consultation with the Borrowers, in any manner and terms agreed by the Majority Lenders, the Agent and the Security Trustee, all or any part of those rights to an insurer or surety who has become subrogated to them.

26.13 Sub-division, split, modification or re-tranching

Any Lender may, in its sole discretion, sub-divide, split, sever, modify or re-tranche its Contribution into one or more parts subject to the overall cost of its Contribution to the Borrowers remaining unchanged, if such changes are necessary in order to achieve a successful execution of a securitisation, syndication or any other capital market exit in respect of its Contribution (or any applicable part thereof).

26.14 Disclosure of information

A Lender may, without the prior consent of the Borrowers or any Security Party, disclose to a potential Transferee Lender or sub participant as well as, where relevant, to rating agencies, trustees and accountants, any financial or other information which that Lender has received

in relation to the Loan, the Borrowers, any Security Party or their affairs and collateral or security provided under or in connection with any Finance Document, their financial circumstances and any other information whatsoever, as that Lender may deem reasonably necessary or appropriate in connection with the potential syndication, the assessment of the credit risk and the ongoing monitoring of the Loan by any potential Transferee Lender and that Lender shall be released from its obligation of secrecy and from banking confidentiality.

In the event any such potential Transferee Lender, sub-participant, rating agency, trustee or accountant is not already bound by any legal obligation of secrecy or banking confidentiality, the Lender concerned shall require such other party to sign a confidentiality agreement. The Borrowers shall, and shall procure that any other Security Party shall:

- (a) provide the Creditor Parties (or any of them) with all information deemed, reasonably, necessary by the Creditor Parties (or any of them) for the purposes of any transfer, syndication or sub-participation to be effected pursuant to this Clause 26;
- (b) procure that the directors and officers of each Borrower or any Security Party are available to participate in any meeting with any Transferee Lender or any rating agency at such times and places as the Creditor Parties may reasonably request following prior notice (to be served on the Borrowers reasonably in advance) to the Borrowers or that Security Party; and
- (c) permit any Transferee Lender to board the Ship at all reasonable times to inspect its condition with reasonable notice to the Borrowers (after taking into consideration the Ship's schedule).

26.15 Confidentiality

Any publicity regarding the Loan or any of the terms thereof shall be agreed in advance by the Corporate Guarantor and the Agent (acting on the instructions of the Majority Lenders) unless otherwise required in connection with the Corporate Guarantor's reporting obligations under or in connection with the SEC rules and/or the New York Stock Exchange's requirements.

26.16 Change of lending office

A Lender may change its lending office by giving notice to the Agent and the change shall become effective on the later of:

- (a) the date on which the Agent receives the notice; and
- (b) the date, if any, specified in the notice as the date on which the change will come into effect.

26.17 Notification

On receiving such a notice, the Agent shall notify the Borrowers and the Security Trustee; and, until the Agent receives such a notice, it shall be entitled to assume that a Lender is acting through the lending office of which the Agent last had notice.

26.18 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 26, each Lender may without consulting with or obtaining consent from either Borrower or any Security Party, at any time charge, assign or otherwise create a Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank; and

- (b) in the case of any Lender which is a fund, any charge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities;
except that no such charge, assignment or Security Interest shall:
 - (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security Interest for the Lender as a party to any of the Finance Documents; or
 - (ii) require any payments to be made by either Borrower or any Security Party or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

26.19 Replacement of Reference Bank

If any Reference Bank ceases to be a Lender or is unable on a continuing basis to supply quotations for the purposes of Clause 5 then, unless the Borrowers, the Agent and the Majority Lenders otherwise agree, the Agent, acting on the instructions of the Majority Lenders, and after consulting the Borrowers, shall appoint another bank (whether or not a Lender) to be a replacement Reference Bank; and, when that appointment comes into effect, the first-mentioned Reference Bank's appointment shall cease to be effective.

27 VARIATIONS AND WAIVERS

27.1 Required consents

- (a) Subject to Clause 27.2 (Exceptions) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Borrowers and any such amendment or waiver will be binding on all Creditor Parties and the Borrowers.
- (b) Any instructions given by the Majority Lenders will be binding on all the Creditor Parties.
- (c) The Agent may effect, on behalf of any Creditor Party, any amendment or waiver permitted by this Clause.

27.2 Exceptions

- (a) An amendment or waiver that has the effect of changing or which relates to:
 - (i) the definition of "Majority Lenders" or "Finance Documents" in Clause 1.1 (Definitions);
 - (ii) an extension to the date of payment of any amount under the Finance Documents;
 - (iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest fees, commission or other amount payable under any of the Finance Documents;
 - (iv) an increase in or an extension of any Lender's Commitment;
 - (v) any provision which expressly requires the consent of all the Lenders; or
 - (vi) Clause 3 (Position of the Lenders), Clause 11.5, 11.6 and 11.7, Clause 26 (Transfers and Changes in Lending Offices) or this Clause 27.2;
 - (vii) any release of any Security Interest, guarantee, indemnities or subordination arrangement created by any Finance Document;

(viii) any change of the currency in which the Loan is provided or any amount is payable under any of the Finance Documents;

(ix) an extension of the Availability Period;

(x) change clauses 22 (grossing-up) and 16.4 (distribution of payment to Creditor Parties).

may not be effected without the prior written consent of all Lenders.

- (b) An amendment or waiver which relates to the rights or obligations of the Agent, the Arranger or the Security Trustee may not be effected without the consent of the Agent, the Arranger or the Security Trustee, as the case may be.

27.3 Exclusion of other or implied variations

Except for a document which satisfies the requirements of Clauses 27.1 and 27.2, no document, and, subject to Clause 27.4, no act, course of conduct, failure or neglect to act, delay or acquiescence on the part of the Creditor Parties or any of them (or any person acting on behalf of any of them) shall result in the Creditor Parties or any of them (or any person acting on behalf of any of them) being taken to have varied, waived, suspended or limited, or being precluded (permanently or temporarily) from enforcing, relying on or exercising:

(a) a provision of this Agreement or another Finance Document; or

(b) an Event of Default; or

(c) a breach by either Borrower or a Security Party of an obligation under any Finance Document or the general law; or

(d) any right or remedy conferred by any Finance Document or by the general law,

and there shall not be implied into any Finance Document any term or condition requiring any such provision to be enforced, or such right or remedy to be exercised, within a certain or reasonable time.

27.4 Deemed consent

With respect to any amendment, variation, waiver, suspension or limit requested by any party to this Agreement and which requires the approval of all the Lenders or the Majority Lenders (as the case may be), the Agent shall provide each Lender with written notice of such request accompanied by such detailed background information as may be reasonably necessary (in the opinion of the Agent) to determine whether to approve such action. A Lender shall be deemed to have approved such action if such Lender fails to object to such action by written notice to the Agent within 10 days of that Lender's receipt of the Agent's notice or such other time as the Agent may state in the relevant notice as being the time available for approval of such action.

28 NOTICES

28.1 General

Unless otherwise specifically provided, any notice under or in connection with any Finance Document shall be given by letter or fax; and references in the Finance Documents to written notices, notices in writing and notices signed by particular persons shall be construed accordingly.

28.2 Addresses for communications

A notice by letter or fax shall be sent:

- (a) to the Borrowers: c/o Navios Shipmanagement Inc.
7 Avenue de Grande Bretagne
Monte Carlo, MC 98000
Monaco

Fax No: +30 210 453 1984
- (b) to a Lender: At the address below its name in Schedule 1 or
(as the case may require) in the relevant Transfer Certificate
- (c) to the Agent and Security Trustee: HSH Nordbank AG
CRM Shipping Europe & Offshore
Gerhart-Hauptmann-Platz 50
20095 Hamburg
Germany

Fax No: +49 40 3333 34118

or to such other address as the relevant party may notify the Agent or, if the relevant party is the Agent or the Security Trustee, the Borrowers, the Lenders and the Security Parties.

28.3 Effective date of notices

Subject to Clauses 28.4 and 28.5:

- (a) a notice which is delivered personally or posted shall be deemed to be served, and shall take effect, at the time when it is delivered; and
- (b) a notice which is sent by fax shall be deemed to be served, and shall take effect, 2 hours after its transmission is completed.

28.4 Service outside business hours

However, if under Clause 28.3 a notice would be deemed to be served:

- (a) on a day which is not a business day in the place of receipt; or
- (b) on such a business day, but after 5 p.m. local time,
the notice shall (subject to Clause 28.5) be deemed to be served, and shall take effect, at 9 a.m. on the next day which is such a business day.

28.5 Illegible notices

Clauses 28.3 and 28.4 do not apply if the recipient of a notice notifies the sender within 1 hour after the time at which the notice would otherwise be deemed to be served that the notice has been received in a form which is illegible in a material respect.

28.6 Valid notices

A notice under or in connection with a Finance Document shall not be invalid by reason that its contents or the manner of serving it do not comply with the requirements of this Agreement or, where appropriate, any other Finance Document under which it is served if:

- (a) the failure to serve it in accordance with the requirements of this Agreement or other Finance Document, as the case may be, has not caused any party to suffer any significant loss or prejudice; or
- (b) in the case of incorrect and/or incomplete contents, it should have been reasonably clear to the party on which the notice was served what the correct or missing particulars should have been.

28.7 Electronic communication

Any communication to be made between the Agent and a Creditor Party or either Borrower or any other Security Party under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Agent and, in the case of a communication to a Creditor Party, the relevant Creditor Party (or in the case of a communication to a Security Party, the relevant Security Party):

- (a) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
- (b) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (c) notify each other of any change to their respective addresses or any other such information supplied to them.

Any electronic communication made between the Agent and a Lender or a Borrower or any other Security Party will be effective only when actually received in readable form and, in the case of any electronic communication made by a Creditor Party or a Borrower or any other Security Party to the Agent, only if it is addressed in such a manner as the Agent shall specify for this purpose.

28.8 English language

Any notice under or in connection with a Finance Document shall be in English.

28.9 Meaning of “notice”

In this Clause 28, “notice” includes any demand, consent, authorisation, approval, instruction, waiver or other communication.

29 JOINT AND SEVERAL LIABILITY**29.1 General**

All liabilities and obligations of the Borrowers under this Agreement shall, whether expressed to be so or not, be several and, if and to the extent consistent with Clause 29.2, joint.

29.2 No impairment of a Borrowers' obligations

The liabilities and obligations of a Borrower shall not be impaired by:

- (a) this Agreement being or later becoming void, unenforceable or illegal as regards the other Borrower;
- (b) any Lender or the Security Trustee entering into any rescheduling, refinancing or other arrangement of any kind with the other Borrower;
- (c) any Lender or the Security Trustee releasing the other Borrower or any Security Interest created by a Finance Document; or
- (d) any combination of the foregoing.

29.3 Principal debtors

Each Borrower declares that it is and will, throughout the Security Period, remain a principal debtor for all amounts owing under this Agreement and the Finance Documents and neither Borrower shall in any circumstances be construed to be a surety for the obligations of the other Borrower under this Agreement.

29.4 Subordination

Subject to Clause 29.5, during the Security Period, neither Borrower shall:

- (a) claim any amount which may be due to it from the other Borrower whether in respect of a payment made, or matter arising out of, this Agreement or any Finance Document, or any matter unconnected with this Agreement or any Finance Document; or
- (b) take or enforce any form of security from the other Borrower for such an amount, or in any other way seek to have recourse in respect of such an amount against any asset of the other Borrower; or
- (c) set off such an amount against any sum due from it to the other Borrower; or
- (d) prove or claim for such an amount in any liquidation, administration, arrangement or similar procedure involving the other Borrower or other Security Party; or
- (e) exercise or assert any combination of the foregoing.

29.5 Borrowers' required action

If during the Security Period, the Agent, by notice to a Borrower, requires it to take any action referred to in paragraphs (a) to (d) of Clause 29.4, in relation to the other Borrower, that Borrower shall take that action as soon as practicable after receiving the Agent's notice.

30 SUPPLEMENTAL

30.1 Rights cumulative, non-exclusive

The rights and remedies which the Finance Documents give to each Creditor Party are:

- (a) cumulative;
- (b) may be exercised as often as appears expedient; and
- (c) shall not, unless a Finance Document explicitly and specifically states so, be taken to exclude or limit any right or remedy conferred by any law.

30.2 Severability of provisions

If any provision of a Finance Document is or subsequently becomes void, unenforceable or illegal, that shall not affect the validity, enforceability or legality of the other provisions of that Finance Document or of the provisions of any other Finance Document.

30.3 Counterparts

A Finance Document may be executed in any number of counterparts.

30.4 Third party rights

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

30.5 Benefit and binding effect

The terms of this Agreement shall be binding upon, and shall enure to the benefit of, the parties hereto and their respective (including subsequent) successors and permitted assigns and transferees.

31 LAW AND JURISDICTION

31.1 English law

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law.

31.2 Exclusive English jurisdiction

Subject to Clause 31.3, the courts of England shall have exclusive jurisdiction to settle any Dispute.

31.3 Choice of forum for the exclusive benefit of the Creditor Parties

Clause 31.2 is for the exclusive benefit of the Creditor Parties, each of which reserves the right:

- (a) to commence proceedings in relation to any Dispute in the courts of any country other than England and which have or claim jurisdiction to that Dispute; and
- (b) to commence such proceedings in the courts of any such country or countries concurrently with or in addition to proceedings in England or without commencing proceedings in England.

Neither Borrower shall commence any proceedings in any country other than England in relation to a Dispute.

31.4 Process agent

Each Borrower irrevocably appoints HFW Nominees Limited, at its registered office for the time being, presently at 65 Crutched Friars, London EC3N 2AE England to act as its agent to receive and accept on its behalf any process or other document relating to any proceedings in the English courts which are connected with a Dispute.

31.5 Creditor Party rights unaffected

Nothing in this Clause 31 shall exclude or limit any right which any Creditor Party may have (whether under the law of any country, an international convention or otherwise) with regard to the bringing of proceedings, the service of process, the recognition or enforcement of a judgment or any similar or related matter in any jurisdiction.

31.6 Meaning of “proceedings” and “Dispute”

In this Clause 31, “**proceedings**” means proceedings of any kind, including an application for a provisional or protective measure and a “**Dispute**” means any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement) or any non-contractual obligation arising out of or in connection with this Agreement.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

BORROWERS

SIGNED by)
Peter Kallifidas)
for and on behalf of) /s/ Peter Kallifidas
DUNE SHIPPING CORP.)
in the presence of:)

/s/ Christoforos Bispikos

SIGNED by)
Peter Kallifidas)
for and on behalf of) /s/ Peter Kallifidas
CITRINE SHIPPING CORPORATION)
in the presence of:)

/s/ Christoforos Bispikos

LENDERS

SIGNED by)
Konstantinos Mexias)
for and on behalf of) /s/ Konstantinos Mexias
HSH NORDBANK AG)
in the presence of:)

/s/ Christoforos Bispikos

AGENT

SIGNED by)
Konstantinos Mexias)
for and on behalf of) /s/ Konstantinos Mexias
HSH NORDBANK AG)
in the presence of:)

/s/ Christoforos Bispikos

MANDATED LEAD ARRANGER

SIGNED by)
Konstantinos Mexias)
for and on behalf of) /s/ Konstantinos Mexias
HSH NORDBANK AG)
in the presence of:)

/s/ Christoforos Bispikos

BOOKRUNNER

SIGNED by)
Konstantinos Mexias)
for and on behalf of) /s/ Konstantinos Mexias
HSH NORDBANK AG)
in the presence of:)

/s/ Christoforos Bispikos

UNDERWRITING BANK

SIGNED by)
Konstantinos Mexias)
for and on behalf of) /s/ Konstantinos Mexias
HSH NORDBANK AG)
in the presence of:)

/s/ Christoforos Bispikos

SECURITY TRUSTEE

SIGNED by)
Konstantinos Mexias)
for and on behalf of) /s/ Konstantinos Mexias
HSH NORDBANK AG)
in the presence of:)

/s/ Christoforos Bispikos

DATED 8 April 2015

LIMESTONE SHIPPING CORPORATION
as Borrower

-and-

ABN AMRO BANK N.V.
as Lender

-and-

ABN AMRO BANK N.V.
as Agent and Security Trustee

FIRST SUPPLEMENTAL AGREEMENT

in respect of
a loan facility of up to USD56,000,000

INCE & CO

PIRAEUS

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10	LAW AND JURISDICTION	5

BETWEEN:

- (1) **LIMESTONE SHIPPING CORPORATION** being a corporation incorporated and existing under the laws of the Republic of the Marshall Islands, whose registered address is located at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH969690, as Borrower;
- (2) **ABN AMRO BANK N.V.** as Lender;
- (3) **ABN AMRO BANK N.V.** as Agent; and
- (4) **ABN AMRO BANK N.V.** as Security Trustee.

BACKGROUND

- (A) By a Loan Agreement dated 22 September 2014 (the "**Loan Agreement**") and made originally between (i) the Borrower and Fairy Shipping Corporation ("**Fairy**" and, together with the Borrower, the "**Parties**"), (ii) the Lenders, (iii) the Agent and (iv) the Security Trustee, the Lenders made available to the Parties a loan facility of originally up to USD56,000,000, upon the terms and for the purposes therein specified.
- (B) The Borrower has requested that the Lenders amend certain terms of the Loan Agreement.
- (C) This Agreement sets out the terms and conditions on which the Lenders agree, with effect on and from the Effective Date, at the request of the Borrower, to make such amendments to the Loan Agreement (as set out in Clause 5.1 below).

IT IS AGREED as follows:

1 INTERPRETATION

1.1 Defined expressions. Words and expressions defined in the Loan Agreement shall have the same meanings when used in this Agreement unless the context otherwise requires.

1.2 Definitions. In this Agreement, unless the contrary intention appears:

"**Effective Date**" means the Banking Day (or such earlier date as the Lenders may agree) on which all the conditions precedent referred to in Clause 3.1 have been fulfilled by the Borrower;

"**Loan Agreement**" means the Loan Agreement dated 22 September 2014 referred to in Recital (A); and

"**Mortgage Addendum**" means, an addendum to the Mortgage over Vessel B, in such form as the Agent and the Majority Lenders may require in their sole discretion.

1.3 Application of construction and Interpretation provisions of Loan Agreement. Clauses 1.2, 1.3, 1.4, 1.5 and 1.6 of the Loan Agreement apply, with any necessary modifications, to this Agreement.

2 AGREEMENT OF THE LENDERS

2.1 **Agreement.** The Lenders agree to make the amendments to the Loan Agreement set out in Clause 5.1, on condition that the Agent, or its authorised representative, has received the documents and evidence specified in Clause 3.1 in form and substance satisfactory to the Agent.

3 CONDITIONS PRECEDENT

3.1 **Conditions precedent.** The conditions referred to in Clause 2.1 are that the Agent, or its authorised representative, shall have received the following documents:

(a) Corporate documents

Certified copies of all documents which evidence or relate to the constitution of the Borrower and its current corporate existence;

(b) Corporate authorities

(i) Certified copies of resolutions of the directors of the Borrower approving this Agreement and the Mortgage Addendum and authorising the execution and delivery hereof and performance of the Borrower's obligations hereunder, additionally certified by an officer of the Borrower as having been adopted by the directors of the Borrower and not having been amended, modified or revoked and being in full force and effect; and

(ii) originals of powers of attorney issued by the Borrower pursuant to such resolutions;

(c) Certificate of incumbency

a list of directors and officers of the Borrower specifying the names and positions of such persons, certified by an officer of the Borrower to be true, complete and up to date;

(d) Mortgage Addendum

evidence that the Mortgage Addendum has been duly executed and delivered, together with evidence that the Mortgage Addendum has been registered against Vessel B in accordance with the laws of the Marshall Islands;

(e) Laws of Marshall Islands: opinion

an opinion of Reeder & Simpson, special legal advisers to the Lenders on the laws of the Marshall Islands;

(f) Endorsement

the endorsement at the end of this Agreement signed by each Security Party (other than the Borrower);

(g) Agent for service of process

documentary evidence that the agent for service of process named in Clause 20.2.1 of the Loan Agreement has accepted its appointment in relation to this Agreement;

- (h) **Rescheduling Fee**
the rescheduling fee referred to in clause 7.1 of this Agreement; and
- (i) **Further opinions, etc.**
any further opinions, consents, agreements and documents in connection with this Agreement and the Security Documents which the Agent may request by notice to the Borrower prior to the Effective Date.
- 3.2 Waiver of conditions precedent.** If the Lenders, at their discretion, agree to amend the Loan Agreement before certain of the conditions referred to in Clause 3.1 are satisfied, the Borrower shall ensure that those conditions are satisfied as soon as the Agent requests after the amendment.

4 REPRESENTATIONS AND WARRANTIES

- 4.1 Repetition of Loan Agreement representations and warranties.** The Borrower represents and warrants to each Lender that the representations and warranties in Clause 7 of the Loan Agreement, as amended and supplemented by this Agreement and updated with appropriate modifications to refer to this Agreement, remain true and not misleading if repeated on the date of this Agreement with reference to the circumstances now existing.
- 4.2** The Borrower hereby irrevocably and unconditionally confirms that:
- (a) notwithstanding the release and discharge of Fairy from its obligations and liabilities under (i) the Loan Agreement and (ii) any other Security Document executed by Fairy pursuant to the Loan Agreement, pursuant to a deed of release dated 30 March 2015, none of its obligations or liabilities under the Loan Agreement have been released or discharged thereby; and
- (b) the Security Documents including the Loan Agreement to which the Borrower is a party shall remain in full force and effect and shall continue to stand as security for the obligations of the Borrower under the Loan Agreement and shall, without limitation, secure the Loan and each of those documents shall continue in full force and effect in accordance with its terms, save for the release of Fairy aforesaid.

5 AMENDMENTS TO LOAN AGREEMENT AND OTHER SECURITY DOCUMENTS

- 5.1 Specific amendments to Loan Agreement.** With effect on and from the Effective Date the Loan Agreement shall be, and shall be deemed by this Agreement to be, amended as follows:
- (a) by adding in Clause 1.2 thereof the definition of “**Mortgage Addendum**” from Clause 1.2 of this Agreement and construing the definition of “**Mortgage**” in Clause 1.2 thereof to mean the same, as amended by the Mortgage Addendum;
- (b) by deleting Clause 4.1.1 thereof and replacing it with:
“**4.1.1** Subject as otherwise provided in this Agreement, the Borrower must repay the Loan outstanding as at 8 April 2015 in the amount of \$32,625,000 by:

- (a) nineteen (19) consecutive quarterly instalments, the first thirteen (13) instalments in the amount of USD1,066,964 each, the next instalment in the amount of USD1,066,968 and the next five (5) instalments in the amount of USD687,500 each, the first instalment falling due on 29 April 2015 and each subsequent instalment falling due on a Repayment Date; and
 - (b) a balloon instalment of USD14,250,000 payable together with the final instalment on 29 October 2019.”
 - (c) by construing references throughout to “this Agreement”, “hereunder” and other like expressions as if the same referred to the Loan Agreement as amended and supplemented by this Agreement.
- 5.2 Amendments to Security Documents.** With effect on and from the date hereof each of the Security Documents other than the Loan Agreement, shall be, and shall be deemed by this Agreement to be, amended as follows:
- (a) the definition of, and references throughout each of the Security Documents to the Loan Agreement and any of the other Security Documents shall be construed as if the same referred to the Loan Agreement and those Security Documents as amended and supplemented by this Agreement; and
 - (b) by construing references throughout each of the Security Documents to “this Agreement”, “this Deed”, “hereunder” and other like expressions as if the same referred to such Security Documents as amended and supplemented by this Agreement.
- 5.3 Security Documents to remain in full force and effect.** The Security Documents shall remain in full force and effect as amended and supplemented by such further or consequential modifications as may be necessary to give full effect to the terms of this Agreement.

6 FURTHER ASSURANCES

6.1 Borrower’s obligation to execute further documents etc. The Borrower shall, and shall procure that any other party to any Security Document shall:

- (a) execute and deliver to the Agent (or as it may direct) any assignment, mortgage, power of attorney, proxy or other document, governed by the law of England or such other country as the Agent may, in any particular case, specify; and
- (b) effect any registration or notarisation, give any notice or take any other step, which the Agent may, by notice to the Borrower or other party, specify for any of the purposes described in Clause 6.2 or for any similar or related purpose.

6.2 Purposes of further assurances. Those purposes are:

- (a) validly and effectively to create any Encumbrance or right of any kind which the Lenders intended should be created by or pursuant to the Loan Agreement or any other Security Document, each as amended and supplemented by this Agreement; and
- (b) implementing the terms and provisions of this Agreement.

6.3 Terms of further assurances. The Agent may specify the terms of any document to be executed by the Borrower or any other party under Clause 3.1, and those terms may include any covenants, powers and provisions which the Agent considers appropriate to protect the interests of the Lenders.

- 6.4 Obligation to comply with notice.** The Borrower shall comply with a notice under Clause 4.1 by the date specified in the notice.
- 6.5 Additional corporate action.** At the same time as the Borrower or any other party deliver to the Agent any document executed under Clause 3.1(a), the Borrower or such other party shall also deliver to the Agent a certificate signed by an officer which shall:
- (a) set out the text of a resolution of the Borrower's or that other party's directors specifically authorising the execution of the document specified by the Agent; and
 - (b) state that either the resolution was duly passed at a meeting of the directors validly convened and held throughout which a quorum of directors entitled to vote on the resolution was present or that the resolution has been signed by all the directors and is valid under the Borrower's or that other party's constitutional documents.

7 EXPENSES

- 7.1 Rescheduling Fee.** The Borrower shall pay to the Agent a rescheduling fee of \$100,000 on the date of this Agreement.
- 7.2 Expenses.** The provisions of Clause 5 (Fees and expenses) of the Loan Agreement shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary modifications.

8 NOTICES

- 8.1 General.** The provisions of Clause 17 (Notices and other matters) of the Loan Agreement shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary modifications.

9 SUPPLEMENTAL

- 9.1 Counterparts.** This Agreement may be executed in any number of counterparts.
- 9.2 Third party rights.** A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

10 LAW AND JURISDICTION

- 10.1 Incorporation of the Loan Agreement provisions.** The provisions of Clause 19 (Governing law) and Clause (20) (Jurisdiction) of the Loan Agreement shall apply to this Agreement as if they were expressly incorporated in this Agreement with any necessary modifications.

IN WITNESS whereof the parties to this Agreement have caused this Agreement to be duly executed on the date first above written.

BORROWER

SIGNED by Peter Kallifidas)
as Attorney-in-Fact for and on behalf of) /s/ Peter Kallifidas
LIMESTONE SHIPPING CORPORATION)

LENDER

SIGNED by Robin Parry)
for and on behalf of) /s/ Robin Parry
ABN AMRO BANK N.V.)

AGENT

SIGNED by Robin Parry)
for and on behalf of) /s/ Robin Parry
ABN AMRO BANK N.V.)

SECURITY TRUSTEE

SIGNED by Robin Parry)
for and on behalf of) /s/ Robin Parry
ABN AMRO BANK N.V.)

Witness to all the above signatures)
Name:)
Address:) /s/ Victoria Liaou
47-49 Akti Miaouli)
Piraeus, Greece)

COUNTERSIGNED this 8th day of April 2015 by the following parties which, by their execution hereof confirm and acknowledge that they have read and understood the terms and conditions of the above First Supplemental Agreement, that they agree in all respects to the same and that the Security Documents to which they are respectively a party shall remain in full force and effect and shall continue to stand as security for the obligations of the Borrower under the Loan Agreement, as amended by the above First Supplemental Agreement, and they hereby reaffirm the Security Documents to which they are respectively a party as the same is amended by the above First Supplemental Agreement.

/s/ George Achniotis

George Achniotis, Director
for and on behalf of

NAVIOS MARITIME PARTNERS LP

/s/ Vasiliki Papaefthymiou

Vasiliki Papaefthymiou, Director-Secretary
for and on behalf of

NAVIOS MARITIME OPERATING L.L.C.

/s/ Vasiliki Papaefthymiou

Vasiliki Papaefthymiou, Director-Secretary
for and on behalf of

NAVIOS SHIPMANAGEMENT INC.

AMENDMENT NO. 6 TO THE MANAGEMENT AGREEMENT

This AMENDMENT NO. 6 TO THE MANAGEMENT AGREEMENT (the "Amendment"), dated as of May 4, 2015, is made by and between Navios Maritime Partners L.P., a Marshall Islands limited partnership ("NMLP") and Navios ShipManagement Inc., a Marshall Islands corporation ("NSM", and together with NMLP, the "Parties") and amends the Management Agreement (the "Management Agreement") entered into among the Parties on November 16, 2007 and the Amendments to the Management Agreement entered into among the Parties on October 27, 2009, October 21, 2011, October 30, 2013, August 29, 2014 and February 10, 2015 (together, with the Management Agreement, the "Agreement"). Capitalized terms used and not otherwise defined in this Amendment shall have the meanings given them in the Agreement.

W I T N E S S E T H:

WHEREAS, the Parties desire to amend the Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. The following para shall be added in "Schedule "B", Fees and Costs and Expenses:

The Parties have agreed that NMLP may, upon request, reimburse NSM, its affiliates and/or subsidiaries, partially or fully, at NMLP's sole discretion, in cash, cash equivalents or other financial instruments for any of the items referred to in Schedule C(2) and (11).

2. The following para shall be added in "Schedule "C", Extraordinary fees and Costs:

(11) NMLP shall pay for any hire expense adjustment incurred in connection with any time charter of the Vessels to Navios Maritime Holdings Inc., its affiliates and/or subsidiaries, including but not limited to any off-hire adjustment, Owners' items to be deducted from hire etc, in accordance with the terms of the relevant time charter.

3. Full Force and Effect. Except as modified by this Amendment, all other terms and conditions in the Agreement shall remain in full force and effect.

4. Effect. Unless the context otherwise requires, the Agreement, as amended, and this Amendment shall be read together and shall have effect as if the provisions of the Agreement, as amended, and this Amendment were contained in one agreement. After the effective date of this Amendment, all references in the Agreement to "this Agreement," "hereto," "hereof," "hereunder" or words of like import referring to the Agreement shall mean the Agreement, as amended, as further modified by this Amendment.

5. Counterparts. This Amendment may be executed in separate counterparts, all of which taken together shall constitute a single instrument.

[Remainder of page intentionally left blank. Signature page to follow.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the day and year first above written.

NAVIOS MARITIME PARTNERS L.P.

/s/ Efstratios Desypris

By: Efstratios Desypris

Title: Chief Financial Officer

NAVIOS SHIPMANAGEMENT INC.

/s/ George Achniotis

By: George Achniotis

Title: President/Director

[Signature Page – Amendment No. 6 to Management Agreement]