BUSINESS LOAN AGREEMENT

Reference No. MCB-2025-0314

This Business Loan Agreement (this "Agreement") is made and entered into as of **March 14, 2025** (the "Effective Date"), by and between **Meridian Commercial Bank, N.A.**, with a principal place of business at 440 Harborview Plaza, Suite 1200, Seattle, WA 98104 (the "Lender"), and **Blue Horizon Shipping Co.**, a Washington corporation, with a principal place of business at 17 Dockside Way, Tacoma, WA 98402 (the "Borrower"). The Lender and the Borrower may each be referred to as a "Party" and collectively as the "Parties."

NOW, THEREFORE, in consideration of the mutual covenants herein, the Parties agree as follows:

ARTICLE 1. LOAN AND DISBURSEMENT

Subject to the terms and conditions of this Agreement, the Lender agrees to lend to the Borrower the principal sum of $750,000.00 (Seven Hundred Fifty Thousand and 00/100 U.S. Dollars) (the "Loan"). The Lender shall disburse the Loan proceeds in a single advance within ten (10) business days following the Effective Date, provided all conditions precedent have been satisfied.

ARTICLE 2. PURPOSE OF LOAN

The Borrower shall use the Loan proceeds solely for the acquisition and refit of one (1) coastal container feeder vessel and related port-operating capital. The Borrower shall not, without the prior written consent of the Lender, apply any portion of the proceeds to a materially different purpose.

ARTICLE 3. INTEREST

Interest shall accrue on the outstanding principal balance at a fixed annual rate of 6.75%, calculated on the basis of a 365-day year for the actual number of days elapsed, and shall be payable monthly as part of each scheduled installment.

ARTICLE 4. REPAYMENT

The Borrower shall repay the Loan in 60 equal consecutive monthly installments of $14,756.41 each, comprising principal and interest. The first installment is due on May 1, 2025, with subsequent installments due on the first (1st) day of each calendar month thereafter. The entire remaining balance, with accrued interest, is due in full on the Maturity Date of April 1, 2030.

ARTICLE 5. PREPAYMENT

The Borrower may prepay all or any part of the outstanding principal at any time without penalty. Partial prepayments shall be applied first to accrued interest and then to principal in inverse order of maturity, and shall not relieve the Borrower of subsequent scheduled installments until the Loan is paid in full.

ARTICLE 6. LATE CHARGES AND DEFAULT INTEREST

If any installment is not paid within ten (10) days of its due date, the Borrower shall pay a late charge of 5% of the overdue installment. During the continuance of an Event of Default, interest shall accrue on all outstanding amounts at the default rate of 12.75% per annum until cured.

ARTICLE 7. SECURITY / COLLATERAL

As security for all obligations under this Agreement, the Borrower grants to the Lender a continuing security interest in the vessel M/V Blue Horizon (IMO 9412305), together with its engines, tackle, apparel, and freight earnings. The Borrower shall execute such further documents as the Lender may reasonably require to perfect such interest.

ARTICLE 8. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that it is duly organized and in good standing; has full authority to enter into and perform this Agreement; that this Agreement is a valid and binding obligation enforceable against it; and that no pending or threatened litigation would materially impair its performance hereunder.

ARTICLE 9. COVENANTS

Until all obligations are paid in full, the Borrower shall maintain its corporate existence and good standing; keep the collateral adequately insured against customary marine and casualty risks; furnish annual financial statements within ninety (90) days of each fiscal year-end; and promptly notify the Lender of any material adverse change in its financial condition.

ARTICLE 10. EVENTS OF DEFAULT

An “Event of Default” occurs upon: (a) failure to pay any amount when due, continuing for ten (10) days; (b) breach of any covenant uncured for thirty (30) days after notice; (c) any representation proving materially false when made; or (d) the Borrower's insolvency, bankruptcy, or assignment for the benefit of creditors.

ARTICLE 11. REMEDIES

Upon an Event of Default, the Lender may declare the entire unpaid balance and accrued interest immediately due and payable and may exercise any rights and remedies available at law or in equity, including enforcement of its security interest in the collateral.

ARTICLE 12. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its conflict-of-laws principles. The Parties consent to the exclusive jurisdiction of the state and federal courts located therein.

ARTICLE 13. MISCELLANEOUS

This Agreement constitutes the entire agreement between the Parties and supersedes all prior understandings. No amendment is effective unless in writing and signed by both Parties. If any provision is held invalid, the remaining provisions remain in effect. This Agreement may be executed in counterparts, each deemed an original.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date first written above.

LENDER

Meridian Commercial Bank, N.A.

_____

By: James R. Calloway, Senior Vice President

Date: _____

BORROWER

Blue Horizon Shipping Co.

_____

By: Elena Vasquez, Chief Executive Officer

Date: _____