

Capital Product Partners L.P.  
Form F-3  
March 24, 2016  
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**As filed with the Securities and Exchange Commission on March 24, 2016**

**Registration No. 333-**

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

**FORM F-3**  
**REGISTRATION STATEMENT**  
***UNDER***  
***THE SECURITIES ACT OF 1933***

**Capital Product Partners L.P.**  
**(as Specified in Its Charter)**

**4412**  
**(Primary Standard Industrial**  
**Classification of Code Number)**

**3 Iassonos Street**

**Piraeus, 18537 Greece**

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

**Telephone: +30 210 458 4950  
(Address and telephone number of  
registrant's principal executive  
offices)**

**Not Applicable  
(IRS Employer  
Identification Number)**

**Corporation Service Company**

**1180 Avenue of the Americas, Suite 210**

**New York, NY 10036**

**Tel: 800-927-9800**

**(Name, address and telephone number of agent for service)**

*With copies to:*

**Jay Clayton, Esq.**

**Sullivan & Cromwell LLP**

**125 Broad Street**

**New York, NY 10004**

**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this registration statement.

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If only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

### CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum aggregate price per unit	Proposed maximum aggregate offering price	Amount of registration fee(2)(5)
<b>Primary Offering:</b>				
Common units	(1)(4)	(1)	\$(1)(4)	
Preferred units	(1)(4)	(1)	\$(1)(4)	
Debt Securities	(1)(3)(4)	(1)	\$(1)(3)(4)	
<b>Total:</b>			\$500,000,000	\$50,350

(1) There is being registered hereunder an indeterminate principal amount or number of our common units, preferred units or debt securities which may be issued in primary offerings from time to time at indeterminate prices, with an aggregate offering price not to exceed \$500,000,000. This registration statement shall also cover any additional securities to be offered or issued from stock splits, stock dividends, recapitalizations or similar transactions.

(2) Estimated solely for the purposes of calculating the registration fee pursuant to Rule 457(o) under the Securities Act. The table does not specify by each class information as to the amount to be registered or the proposed maximum offering price per security.

- (3) If any debt securities are issued at an original issue discount, then the offering price of such debt securities shall be in such greater principal amount as shall result in a maximum aggregate offering price not to exceed \$500,000,000, less the aggregate dollar amount of all securities previously issued hereunder.
- (4) Also includes such indeterminate amount of debt securities and number of preferred units and common units as may be issued upon conversion of, or in exchange for, any other debt securities or preferred units that provide for conversion or exchange into other securities.
- (5) Pursuant to Rule 457(p) under the Securities Act, the registration fee of \$2,779.54 relating to the unsold securities previously registered under our Registration Statement No. 333-177491 is being offset against the total registration fee currently due for this registration statement. Registration Statement No. 333-177491 was filed with the Commission on October 25, 2011.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended (the Act ) or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. CPLP may not sell these securities until the registration statement filed with the Securities and Exchange Commission, in which this prospectus is included, is declared effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**PROSPECTUS (subject to completion, dated March 24, 2016)**

**\$500,000,000**

**Capital Product Partners L.P.**

**Common Units**

**Preferred Units**

**Debt Securities**

This prospectus relates to:

Common units;

Preferred units; and

Debt Securities, including debt securities convertible into or exchangeable for common units or other securities.

The aggregate offering price of the securities issued under this prospectus may not exceed \$500,000,000. We may offer these common units, preferred units or debt securities directly or to or through underwriters, dealers or other

agents. The names of any underwriters or dealers will be set forth in the applicable prospectus supplement.

Our common units trade on the Nasdaq Global Market under the symbol CPLP.

This prospectus provides you with a general description of the common units, preferred units and debt securities. Each time we offer to sell common units, preferred units or debt securities, we will provide a prospectus supplement that will contain specific information about those securities and the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. This prospectus may be used to offer and sell securities only if accompanied by a prospectus supplement. You should read this prospectus and any prospectus supplement carefully before you invest. You should also read the documents we refer to in the **Where You Can Find More Information** section of this prospectus for information about us and our financial statements.

**Limited partnerships are inherently different from corporations. You should carefully consider each of the factors described under Risk Factors beginning on page 9 of this prospectus before you make an investment in our securities.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is \_\_\_\_\_, 2016**

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement on Form F-3 that we have filed with the U.S. Securities and Exchange Commission (the SEC or the Commission ) using a shelf registration process. Under this shelf registration process, we may sell, in one or more offerings, up to \$500,000,000 in total aggregate offering price of the common units, preferred units or debt securities, each as described in this prospectus. This prospectus generally describes Capital Product Partners L.P. and the securities we may offer. Each time we offer securities with this prospectus, we will provide this prospectus and a prospectus supplement that will describe, among other things, the specific amounts and prices of the securities being offered and the terms of the offering, including the specific terms of the securities being offered. The prospectus supplement may also add to, update or change information in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in the prospectus supplement.

Unless otherwise indicated, references in this prospectus to Capital Product Partners, the Partnership , CPLP , we , or our refer to Capital Product Partners L.P.; Capital Maritime or CMTC refer to Capital Maritime & Trading Corp., our sponsor, and Capital Ship Management or the Manager refer to Capital Ship Management Corp., a subsidiary of Capital Maritime and our manager. Unless otherwise indicated, all references in this prospectus to dollars and \$ are to, and amounts are presented in, U.S. Dollars, and financial information presented in this prospectus is prepared in accordance with accounting principles generally accepted in the United States or GAAP. References to our Annual Report are to our Annual Report on Form 20-F for the year ended December 31, 2015 incorporated by reference herein.

You should read carefully this prospectus, any prospectus supplement, and the additional information described below under the heading Where You Can Find More Information. You should rely only on the information contained or incorporated by reference in this prospectus and any accompanying prospectus supplement. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell securities in any jurisdiction where an offer or sale is not permitted. You should not assume that the information appearing in this prospectus or information we previously filed with or furnished to the SEC that is incorporated by reference herein is accurate as of any date other than its respective date. Our business, financial condition, results of operations and prospects may have changed since such dates.



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**CAPITAL PRODUCT PARTNERS L.P.**

We are a limited partnership organized under the laws of the Republic of the Marshall Islands on January 16, 2007, by Capital Maritime, an international shipping company with a long history of operating and investing in the shipping market. We maintain our principal executive headquarters at 3 Iassonos Street, Piraeus, 18537 Greece and our telephone number is +30 210 4584 950.

We are an international owner of crude tanker, product tanker, container and drybulk vessels. Our vessels trade on a worldwide basis and are capable of carrying a wide range of cargoes, including crude oil, refined oil products, such as gasoline, diesel, fuel oil and jet fuel, edible oils and certain chemicals, such as ethanol, as well as containerized goods and dry cargo. As of the date of this prospectus, our fleet consists of 35 modern high-specification vessels with an average age of approximately 6.7 years. Our fleet comprises four Suezmax crude oil tankers with total carrying capacity of 0.6 million dwt, 20 medium range product tankers with total carrying capacity of 0.9 million dwt, ten post-panamax container carrier vessels with total carrying capacity of 0.9 million dwt and one Capesize bulk carrier with carrying capacity of 0.2 million dwt.

On April 3, 2007, we completed our initial public offering (the IPO) on the Nasdaq Global Select Market of 13,512,500 common units at a price of \$21.50 per unit. Capital Ship Management, our manager, provides management and technical services to us in connection with our vessels under fixed and floating rate arrangements. Since the IPO, we have increased the size of our fleet in terms of both number of vessels and carrying capacity, and Capital Maritime has granted us a right of first offer for any product or crude oil tankers with a carrying capacity greater than or equal to 30,000 dwt in its fleet. In addition, we have a right of first refusal over eight newbuild eco medium range product tankers built by Samsung Heavy Industries (Ningbo) Co. Ltd. We intend to continue to make strategic acquisitions and to take advantage of our relationship with Capital Maritime. As of December 31, 2015, the Marinakis family, including Evangelos M. Marinakis, our former chairman, may be deemed to beneficially own on a fully converted basis a 16.4% interest in us (18.1% on a non-fully converted basis), through, among others, Capital Maritime.

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**WHERE YOU CAN FIND MORE INFORMATION**

This prospectus is part of a registration statement on Form F-3 that we filed with the SEC, utilizing a shelf registration process or continuous offering process. Under this shelf registration process, we may, from time to time, sell up to \$500,000,000 of the securities described in this prospectus in one or more offerings. Each time we sell securities, the specific terms of the securities to be offered and any other information relating to a specific offering will be set forth in an amendment to the registration statement of which this prospectus is a part, or in a supplement to this prospectus, or may be set forth in one or more documents incorporated by reference in this prospectus.

Any such amendment to the registration statement of which this prospectus is a part, or any such prospectus supplement, may include additional risk factors or other special considerations applicable to those securities and may also add, update, or change information in this prospectus. If there is any inconsistency between the information in this prospectus and any amendment to the registration statement of which this prospectus is a part or any prospectus supplement, you should rely on the information in that amendment to the registration statement of which this prospectus is a part or that prospectus supplement.

In addition, we are subject to the information requirements of the Securities Exchange Act of 1934 (the Exchange Act), and, in accordance therewith, are required to file with the SEC annual reports on Form 20-F within four months of our fiscal year-end, and provide to the SEC other material information on Form 6-K. These reports and other information may be inspected and copied at the public reference facilities maintained by the SEC or obtained from the SEC's website as provided above.

As a foreign private issuer, we are exempt under the Securities Exchange Act from, among other things, certain rules prescribing the furnishing and content of proxy statements, and our directors and principal unitholders and the executive officers of our general partner are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act, including the filing of quarterly reports or current reports on Form 8-K. However, we furnish or make available to our unitholders annual reports containing our audited consolidated financial statements prepared in accordance with U.S. GAAP and make available to our unitholders quarterly reports containing our unaudited interim financial information for the first three fiscal quarters of each fiscal year.

CPLP files annual reports with and furnishes other reports and information to the SEC. You may read and copy any document CPLP files with or furnishes to the SEC free of charge at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain documents CPLP files with or furnishes to the SEC on the SEC website at [www.sec.gov](http://www.sec.gov). The address of the SEC's website is provided solely for the information of prospective investors and is not intended to be an active link. Please visit the website or call the SEC at +1 (800) 732-0330 for further information about its public reference room. Reports and other information concerning the business of CPLP may also be inspected at the offices of the Nasdaq Global Select Market at One Liberty Plaza, 165 Broadway, New York, NY 10006.

We also make our periodic reports as well as other information filed with or furnished to the SEC available, free of charge, through our website, at [www.capitalpplp.com](http://www.capitalpplp.com), as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC.

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**INCORPORATION OF DOCUMENTS BY REFERENCE**

The SEC allows us to incorporate by reference certain information that we file with or furnish to the SEC, which means that we can disclose important information to you without actually including the specific information in this prospectus by referring you to those documents. The information incorporated by reference is an important part of this prospectus. With respect to this prospectus, information that we later file with or furnish to the SEC and that is incorporated by reference will automatically update and supersede information in this prospectus and information previously incorporated by reference into this prospectus.

Each document incorporated by reference into this prospectus is current only as of the date of such document, and the incorporation by reference of such document is not intended to create any implication that there has been no change in our affairs since the date of the relevant document or that the information contained in such document is current as of any time subsequent to its date. Any statement contained in such incorporated documents is deemed to be modified or superseded for the purpose of this prospectus to the extent that a subsequent statement contained in another document that is incorporated by reference into this prospectus at a later date modifies or supersedes that statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

This prospectus incorporates by reference the documents listed below, which we have previously filed with or furnished to the SEC. These documents contain important information about us and our financial condition, business and results.

Annual Report on Form 20-F for the fiscal year ended December 31, 2015 (our Annual Report );

Current Report on Form 6-K furnished on March 1, 2016; and

The description of our common units contained in our Registration Statement on Form 8-A filed on March 20, 2007 and the Current Reports filed on Form 6-K for the purpose of updating such description on September 30, 2011, May 23, 2012, March 21, 2013 and August 26, 2014.

We are also incorporating by reference all subsequent annual reports on Form 20-F that we file with the SEC and certain Current Reports on Form 6-K that we furnish to the SEC after the date of this prospectus (if such Current Reports state that they are incorporated by reference into this prospectus) until we file a post-effective amendment indicating that the offering of the securities made by this prospectus has been terminated. In all cases, you should rely on the later information over different information included in this prospectus.

You should rely only on the information contained or incorporated by reference in this prospectus. We have, and any underwriters have not, not authorized any other person to provide you with different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell securities in any jurisdiction where their offer or sale is not permitted. You should not assume that the information contained in this prospectus or information we previously filed with or furnished to the SEC that is incorporated by reference herein is accurate as of any date other than its respective date. Our business, financial condition, results of operations and prospects may have changed since such dates.



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You may obtain any of the documents incorporated by reference in this prospectus from the SEC through its public reference facilities or its website at the addresses provided in the section of this prospectus captioned "Where You Can Find More Information." You also may request a copy of any document incorporated by reference in this prospectus (excluding exhibits to those documents, unless the exhibit is specifically incorporated by reference in this document), at no cost by visiting our website at [www.capitalplp.com](http://www.capitalplp.com). The information contained on our website, or any other website, is not incorporated by reference in this prospectus and does not constitute a part of this prospectus. You may also make requests for such documents at no cost by writing or calling us at the following address:

Capital Product Partners L.P.

Investor Relations Representative

Nicolas Bornozis, President

Capital Link, Inc.

230 Park Avenue Suite 1536

New York, NY 10160, USA

Tel: +1 212 661-7566

In reviewing any agreements included as exhibits to the registration statement relating to the securities covered by this prospectus or to other SEC filings incorporated by reference into this prospectus, please be aware that these agreements are attached as exhibits to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about us or the other parties to the agreements. The agreements may contain representations and warranties by each of the parties to the applicable agreement, which representations and warranties may have been made solely for the benefit of the other parties to the applicable agreement and, as applicable:

should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;

have been qualified by disclosures that may have been made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;

may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and

were made only as of the date of the applicable agreement (or such other date or dates as may be specified in the agreement) and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time and should not be relied upon by investors in considering whether to invest in our securities.



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**FORWARD-LOOKING STATEMENTS**

Our disclosure and analysis included or incorporated by reference in this prospectus concerning our business, operations, cash flows, and financial position, including, in particular, the likelihood of our success in developing and expanding our business, include forward-looking statements. In addition, we and our representatives may from time to time make other oral or written statements which are also forward-looking statements. Such statements include, in particular, statements about our plans, strategies, business prospects, changes and trends in our business, financial condition and the markets in which we operate, and involve risks and uncertainties. In some cases, you can identify the forward-looking statements by the use of words such as may, might, could, should, would, expect, plan, likely, intend, forecast, believe, estimate, project, predict, propose, potential, continue, seek or terms or other comparable terminology. Although these statements are based upon assumptions we believe to be reasonable based upon available information, including projections of revenues, operating margins, earnings, cash flow, working capital and capital expenditures, they are subject to risks and uncertainties that are described more fully in this prospectus in the section titled Risk Factors beginning on page 9 of this prospectus or documents incorporated by reference in this prospectus. These forward-looking statements represent our estimates and assumptions only as of the date of this prospectus and are not intended to give any assurance as to future results. As a result, you are cautioned not to rely on any forward-looking statements. Forward-looking statements appear in a number of places in this prospectus or documents incorporated by reference in this prospectus and include statements with respect to, among other things:

expectations regarding our ability to make distributions on our common units and our Class B Convertible Preferred Units (the Class B Units), which rank senior to our common units and receive distributions prior to any distributions on our common units;

our ability to increase our distributions over time;

global economic outlook and growth;

shipping conditions and fundamentals, including the balance of supply and demand in the tanker, drybulk and container markets in which we operate, as well as trends and conditions in the newbuilding markets and scrapping of older vessels;

increases or decreases in domestic or worldwide oil consumption;

increases or decreases in seaborne transportation of containerized goods;

future supply of, and demand for, refined products and crude oil;

future refined product and crude oil prices and production;

our ability to operate in various new markets, including the tanker, drybulk and container carrier markets;

tanker, drybulk and container carrier industry trends, including charter rates and factors affecting the chartering of vessels;

our future financial condition or results of operations and our future revenues and expenses, including revenues from any profit sharing arrangements, and required levels of reserves;

future levels of operating surplus and levels of distributions, as well as our future cash distribution policy;

future charter hire rates and vessel values;

anticipated future acquisitions of vessels from Capital Maritime and from third parties, including the eight newbuild Samsung eco medium range product tankers controlled by Capital Maritime on which we have a right of first refusal;

anticipated future chartering arrangements with Capital Maritime and third parties;



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our ability to secure employment for our vessels that come off their current charters;

our ability to leverage to our advantage Capital Maritime's relationships and reputation in the shipping industry;

our ability to compete successfully for future chartering and newbuilding opportunities;

our current and future business and growth strategies and other plans and objectives for future operations;

our ability to access debt, credit and equity markets;

changes in the availability and costs of funding due to conditions in the bank market, capital markets and other factors;

our ability to refinance and/or repay our debt and/or achieve further postponement of any amortization of our debt if necessary under the current terms of our credit facilities;

interest rate developments in any of our funding currencies;

the ability of our customers to meet their obligations under the terms of our charter agreements, including the timely payment of the rates under the agreements;

the financial condition, viability and sustainability of our customers, including their ability to obtain liquidity and access the capital markets;

changes in interest rates and any interest rate hedging practices in which we may engage;

the debt amortization payments and repayment of debt and settling of interest rate swaps we may make, if any;

planned capital expenditures and availability of capital resources to fund capital expenditures;

our ability to maintain long-term relationships with major refined product importers and exporters, major crude oil companies and major commodity traders, operators and liner companies;

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the ability of our Manager to qualify for short- and long-term charter business with oil major charterers and oil traders, drybulk operators and liner companies;

our ability to maximize the use of our vessels, including the redeployment or disposition of vessels no longer under long-term time charter;

our continued ability to enter into long-term, fixed-rate time charters with our charterers and to recharter our vessels as their existing charters expire at attractive rates;

the changes to the regulatory requirements applicable to the shipping and oil transportation industry, including, without limitation, stricter requirements adopted by international organizations, such as the International Maritime Organization and the European Union, or by individual countries or charterers and actions taken by regulatory authorities and governing such areas as safety and environmental compliance;

the expected cost of, and our ability to comply with, governmental regulations and maritime self-regulatory organization standards, including with new environmental regulations and standards being introduced, as well as with standard regulations imposed by our charterers applicable to our business;

the impact of heightened regulations and the actions of regulators and other government authorities, including anti-corruption laws and regulations, as well as sanctions and other governmental actions;

our anticipated general and administrative expenses and our costs and expenses under the management agreements and the administrative services agreement with our Manager, and for reimbursement for fees and costs of Capital GP L.L.C., our general partner;

increases in costs and expenses, including but not limited to crew wages, insurance, provisions, port expenses, lubricating oil, bunkers, repairs, maintenance and general and administrative expenses;

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the adequacy of our insurance arrangements and our ability to obtain insurance and required certifications;

the impact on operating expenses of the floating fee structure under which an increasing number of our vessels are managed;

potential increases in costs and expenses under our management agreements following expiration and/or renewal of such agreements in connection with certain of our vessels;

the impact of heightened environmental and quality concerns of insurance underwriters and charterers;

the anticipated taxation of our partnership and distributions to our common and Class B unitholders;

estimated future maintenance and replacement capital expenditures;

expected demand in the shipping sectors in which we operate in general and the demand for our crude oil and product tankers, container and drybulk vessels in particular;

the expected lifespan and condition of our vessels;

our ability to employ and retain key employees;

our track record, and past and future performance, in safety, environmental and regulatory matters;

potential liability and costs due to environmental, safety and other incidents involving our vessels;

the effects of increasing emphasis on environmental and safety concerns by customers, governments and others, as well as changes in maritime regulations and standards;

expected financial flexibility to pursue acquisitions and other expansion opportunities;

anticipated funds for liquidity needs and the sufficiency of cash flows;

our transition in leadership following Mr. Gerasimos (Jerry) Kalogiratos' appointment as Chief Executive Officer and Chief Financial Officer;

the performance and expected cost savings of the vessels we have acquired from CMTC, including three newbuild Daewoo 9,288 TEU eco-flex containerships (collectively, the Dropdown Containerships ), and two newbuild Samsung eco medium range product tankers (collectively, the Dropdown Tankers and, together with the Dropdown Containerships, the Dropdown Vessels ), and any new technologies incorporated into their construction, at least some of which may not have yet been tested; and

future sales of our units in the public market.

These and other forward-looking statements are made based upon management's current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and therefore involve a number of risks and uncertainties, including those risks discussed in our Annual Report under the heading Risk Factors and in this prospectus in the section titled Risk Factors beginning on page 9. The risks, uncertainties and assumptions involve known and unknown risks and are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

Unless required by law, we expressly disclaim any obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement. You should carefully review and consider the various disclosures included in this prospectus, our Annual Report and in our other filings made with the SEC that attempt to advise interested parties of the risks and factors that may affect our business, prospects and results of operations.

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**RISK FACTORS**

*An investment in our securities involves a high degree of risk. Although many of our business risks are comparable to those that a corporation engaged in a similar business would face, limited partner interests differ from the capital stock of a corporation in certain respects. If any of the following risks actually occurs, our business, financial condition or operating results could be materially adversely affected. In that case, we might not be able to pay distributions on our common units, the trading price of our securities could decline and you could lose all or part of your investment. You should carefully consider the following risk factors together with all of the other information included in this prospectus, any prospectus supplement and the information that we have incorporated herein by reference in evaluating an investment in us. When we offer and sell any securities pursuant to a prospectus supplement, we may include additional risk factors relevant to such securities in the prospectus supplement.*

*We hereby incorporate by reference all of our risk factors included in our Annual Report on Form 20-F for the year ended December 31, 2015 or included in any Annual Report on Form 20-F or Current Report on Form 6-K filed or furnished after the date of this prospectus (in the case of Current Reports on Form 6-K, to the extent that such reports state that they are incorporated by reference into this prospectus).*

**RISK RELATING TO CPLP'S COMMON UNITS**

***We cannot assure you that we will pay any distributions to holders of our common units.***

We currently observe a cash dividend and cash distribution policy implemented by our board of directors. The actual declaration of future cash distributions, and the establishment of record and payment dates, is subject to the terms of the partnership agreement and final determination by our board of directors each quarter after its review of financial performance. Our ability to grow and pay distributions in any period will depend upon factors, including, but not limited to, our financial condition, results of operations, prospects and applicable provisions of Marshall Islands law. Further, holders of our common units are subject to the prior distribution rights of any holders of our preferred units then outstanding. As of the date hereof, there are 12,983,333 Class B Units issued and outstanding. Under the terms of our partnership agreement, we are prohibited from declaring and paying distributions on our common units until we declare and pay (or set aside for payment) full distributions on the Class B Units. We may not have sufficient cash available each quarter to pay the declared quarterly distribution per Class B or per common unit following establishment of cash reserves and payment of fees and expenses.

The timing and amount of distributions, if any, could be affected by factors affecting cash flows, results of operations, required capital expenditures, compliance with our loan covenants, or reserves. Maintaining the distribution policy will depend on shipping market developments and the charter rates we earn when we recharter our vessels, the ability of our customers to meet their obligations under the terms of our charter agreements, our cash earnings, financial condition and cash requirements, and could be affected by a variety of factors, including the loss of a vessel, required capital expenditures, reserves established by our board of directors, increased or unanticipated expenses, refinancing or repayment of indebtedness, additional borrowings and compliance with our loan covenants, our anticipated future cost of capital and access to equity and debt capital markets including for the purposes of refinancing or repaying existing indebtedness, asset valuations or future issuances of securities, which may be beyond our control.

Under Marshall Islands law, a limited partnership shall not make a distribution to a partner to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the limited partnership, other than liabilities to partners on account of their partnership interests and liabilities for which the recourse of creditors is limited to specified property of the limited partnership, exceed the fair value of the assets of the limited partnership, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be

included in the assets of the limited partnership only to the extent that the fair value of that property exceeds that liability.

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The amount of cash we generate from our operations may differ materially from our profit or loss for the period, which will be affected by non-cash items. As a result of this and the other factors mentioned above, we may make cash distributions during periods when we record losses and may not make cash distributions during periods when we record net income.

Subject to limited exceptions, our distribution policy may be changed at any time, and from time to time, by our board of directors.

***Our common units are equity securities and are subordinated to our existing and future indebtedness and our Class B Units.***

Our common units are equity interests in us and do not constitute indebtedness. The common units rank junior to all indebtedness and other non-equity claims on us with respect to the assets available to satisfy claims, including a liquidation of the Partnership. Additionally, holders of the common units are subject to the prior distribution and liquidation rights of any holders of the Class B Units and any other preferred units we may issue in the future.

As long as our outstanding Class B Units remain outstanding, distribution payments relating to our common units are prohibited under our partnership agreement, until all accrued and unpaid distributions are paid on the Class B Units.

Our board of directors is authorized to issue additional classes or series of preferred units without the approval or consent of the holders of our common units. In addition, holders of the Class B Units have the right to convert all or a portion of their Class B Units at any time into common units. As of the date hereof, there are 12,983,333 Class B Units issued and outstanding. Any such actions as described above could adversely affect the market price of our common units.

***Future sales of our common units or the issuance of additional preferred units or debt securities could cause the market price of our common units to decline.***

The market price of our common units could decline due to sales of a large number of units or the issuance of debt securities in the market, or the perception that these sales could occur.

These sales could also make it more difficult or impossible for us to sell equity securities in the future at a time and price that we deem appropriate to raise funds through future offerings of common units.

In addition, pursuant to the terms of our partnership agreement, holders of our Class B Units may convert all or a portion of their Class B Units into common units at any time, and from time to time, at a ratio of one-for-one, such conversion ratio to be adjusted in the event that, among other certain anti-dilution protection provisions, the distribution rate on our common units is increased. As of December 31, 2015, certain Class B unitholders, including Capital Maritime, have converted an aggregate of 11,672,221 Class B Units into 11,672,221 common units. As of December 31, 2015, there were 12,983,333 Class B Units outstanding. During 2015, our sponsor converted 315,908 common units into general partner units and delivered such units to our general partner in order for it to maintain its 2% interest in us. For a more thorough description of the rights and privileges of our Class B unitholders under our partnership agreement, including voting rights, please refer to our partnership agreement, as amended, filed as Exhibit I to our Current Report on Form 6-K dated February 22, 2010, as Exhibit I to our Current Report on Form 6-K dated September 30, 2011, as Exhibit II to our Current Report on Form 6-K/A dated May 23, 2012, as Exhibit II to our Current Report on Form 6-K dated March 21, 2013 and as Exhibit A to Exhibit I to our Current Report on Form 6-K dated August 26, 2014.

***We may issue additional equity securities without your approval, which would dilute your ownership interests.***

We may, without the approval of our unitholders, issue an unlimited number of additional units or other equity securities, including securities to Capital Maritime. To date, we have issued 24,655,554 Class B Units to



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certain investors, which are convertible on a one-for-one basis into common units under certain circumstances. As of December 31, 2015, as a result of conversions, there were 12,983,333 Class B Units remaining outstanding. In September 2011, we issued 24,967,240 common units to holders of Crude Carriers shares, in a unit-for-share transaction whereby Crude Carriers became a wholly owned subsidiary of ours. We have also issued common units in connection with the acquisition of certain of our vessels, to repay outstanding indebtedness or for other purposes, either directly to Capital Maritime or through public offerings. In August 2013, we issued 279,286 common units in connection with the purchase of the Hyundai Prestige, Hyundai Privilege and Hyundai Platinum. In September 2014, we issued an aggregate of 17,250,000 common units in a public offering. We used part of the proceeds from this offering to acquire from Capital Maritime 5,950,610 common units, which were canceled immediately after their acquisition. In April 2015, we issued an aggregate of 14,555,000 million units, which included a sale of 1,100,000 common units to Capital Maritime. The net proceeds from this offering were partly used for the repayment of \$115.9 million under three of our credit facilities and for general corporate purposes. Also, in August 2014, following approval obtained from our limited partners at our 2014 annual meeting, we amended and restated our Omnibus Incentive Compensation Plan, adopted in April 2008, as amended (the Plan), to increase the maximum number of restricted units authorized for issuance thereunder from 800,000 to 1,650,000, of which 795,200 have been previously issued and vested and 850,000 were issued in December 2015 and remained unvested as of December 31, 2015. We may make additional issuances in the future.

The issuance by us of additional units or other equity securities of equal or senior rank may have the following effects:

our unitholders' proportionate ownership interest in us will decrease;

the amount of cash available for distribution on each unit may decrease;

the relative voting strength of each previously outstanding unit may be diminished; and

the market price of the units may decline.

***CPLP's organization as a limited partnership under the laws of the Republic of the Marshall Islands may limit the ability of unitholders to protect their interests.***

Our affairs are governed by our partnership agreement and the Marshall Islands Limited Partnership Act (MILPA). The provisions of the MILPA resemble provisions of the limited partnership laws of a number of states in the United States, most notably Delaware. The MILPA also provides that it is to be applied and construed to make the laws of the Marshall Islands, with respect to the subject matter of the MILPA, as it relates to nonresident limited partnerships, such as us, uniform with the laws of the State of Delaware and, so long as it does not conflict with the MILPA or decisions of the High and Supreme Courts of the Republic of the Marshall Islands, the non-statutory law (or case law) of the State of Delaware is adopted as the law of the Marshall Islands. However, there have been few, if any, judicial cases in the Republic of the Marshall Islands interpreting the MILPA. For example, the rights and fiduciary responsibilities of directors under the laws of the Republic of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain U.S. jurisdictions. Although the MILPA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware, our public unitholders may have more difficulty in protecting their interests in the face of actions by management, directors or controlling unitholders than would shareholders of a limited partnership organized in a

U.S. jurisdiction.

***It may not be possible for investors to enforce U.S. judgments against CPLP.***

We are organized under the laws of the Republic of the Marshall Islands, as are our general partner and most of our subsidiaries. Most of our directors and the directors and officers of our general partner and those of our subsidiaries are residents of countries other than the United States. Substantially all of our assets and those of our subsidiaries are located outside the United States. As a result, it may be difficult or impossible for U.S.

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investors to serve process within the United States upon us or to enforce judgment upon us for civil liabilities in U.S. courts. In addition, you should not assume that courts in the countries in which we or our subsidiaries are incorporated or organized or where our assets or the assets of our subsidiaries are located (1) would enforce judgments of U.S. courts obtained in actions against us or our subsidiaries based upon the civil liability provisions of applicable U.S. federal and state securities laws or (2) would impose, in original actions, liabilities against us or our subsidiaries based upon these laws.

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**USE OF PROCEEDS**

Unless we specify otherwise in any prospectus supplement, we will use the net proceeds from our sale of securities covered by this prospectus for general partnership purposes, which may include, among other things:

acquisitions, including vessel acquisitions;

paying or refinancing all or a portion of our indebtedness outstanding at the time;

funding working capital or capital expenditures; and

acquisition of our common units.

The actual application of proceeds from the sale of any particular offering of securities covered by this prospectus will be described in the applicable prospectus supplement relating to the offering.

**Table of Contents****PRICE RANGE OF COMMON UNITS**

Our common units started trading on the Nasdaq Global Market under the symbol **CPLP** on March 30, 2007. The following table sets forth the high and low closing market prices in U.S. Dollars for our common units for each of the periods indicated.

	<b>High</b>	<b>Low</b>
<b>Year Ended: December 31,</b>		
2015	9.94	5.05
2014	11.56	6.79
2013	10.57	6.81
2012	8.74	6.21
2011	11.32	4.89
<b>Quarter Ended:</b>		
December 31, 2015	7.57	5.05
September 30, 2015	8.18	5.94
June 30, 2015	9.93	7.78
March 31, 2015	9.94	7.84
December 31, 2014	9.90	6.79
September 30, 2014	11.56	9.79
June 30, 2014	11.56	10.53
March 31, 2014	11.15	9.68
<b>Month Ended:</b>		
March 31, 2016 <sup>(1)</sup>	3.63	2.51
February 29, 2016	4.67	3.20
January 31, 2016	5.25	3.55
December 31, 2015	6.31	5.05
November 30, 2015	7.49	6.24
October 31, 2015	7.57	6.34
September 30, 2015	7.36	5.94

<sup>(1)</sup> Through March 23, 2016

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The following table sets forth our ratio of earnings to (a) fixed charges and (b) fixed charges and preferred unit distributions for the periods presented.

For the purpose of calculating such ratios, earnings consist of CPLP's net income before fixed charges. Fixed charges consist of interest expense and amortization of debt issuance finance costs. Preferred dividend declared represents the amount of pre-tax earnings that is required to pay the distributions on outstanding preferred units and is computed as the amount of (a) the distribution divided by (b) the result of one minus the effective income tax rate applicable to continuing operations.

(Expressed in thousands of United States Dollars)

	<b>Year Ended December 31,</b>				
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>EARNINGS</b>					
Partnership's net income/(loss)	55,410	44,012	99,481	(21,189)	87,120
Interest Expense <sup>(1)</sup>	18,882	18,076	15,338	26,095	32,970
Amortization of finance cost	974	821	451	481	618
<b>Total Earnings</b>	<b>75,266</b>	<b>62,909</b>	<b>115,270</b>	<b>5,387</b>	<b>120,708</b>
<b>FIXED CHARGES</b>					
Interest Expense <sup>(1)</sup>	18,882	18,076	15,338	26,095	32,970
Amortization of finance cost	974	821	451	481	618
<b>Total Fixed Charges</b>	<b>19,856</b>	<b>18,897</b>	<b>15,789</b>	<b>26,576</b>	<b>33,588</b>
<b>Preferred dividend declared</b>	<b>11,334</b>	<b>14,042</b>	<b>18,805</b>	<b>10,809</b>	
<b>Total Fixed Charges and Preferred Dividends</b>	<b>31,190</b>	<b>32,939</b>	<b>34,594</b>	<b>37,385</b>	<b>33,588</b>
<b>Ratio of Earnings to Fixed Charges</b>	<b>3.8x</b>	<b>3.3x</b>	<b>7.3x</b>	<b>0.2x<sup>(2)</sup></b>	<b>3.6x</b>
<b>Ratio of Earnings to Fixed Charges and Preferred Dividends</b>	<b>2.4x</b>	<b>1.9x</b>	<b>3.3x</b>	<b>0.1x<sup>(2)</sup></b>	<b>3.6x</b>

(1) Interest expense consists of interest costs incurred under our \$370.0 million, \$350.0 million, \$25.0 million, and \$225.0 million credit facilities, interest costs associated with our swap agreements until their expiration in March 2013, as well as commitment and annual loan fees.

(2) For the year ended December 31, 2012, earnings were inadequate to cover total fixed charges by approximately \$21.2 million and the sum of total fixed charges and preferred dividends by approximately \$32.0 million.

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**DESCRIPTION OF THE COMMON UNITS**

**The Units**

The common units represent limited partner interests in us. The holders of units are entitled to participate in partnership distributions and exercise the rights and privileges available to limited partners under CPLP's limited partnership agreement (as amended, the Partnership Agreement).

For a description of the rights and privileges of holders of common units in and to partnership distributions, please read *How We Make Cash Distributions* in the prospectus included in our registration statement on Form F-1 filed with the SEC on March 19, 2007 as well as the section *Cash Distributions* beginning on page 18 of this prospectus. For a description of the rights and privileges of limited partners under the Partnership Agreement, please refer to *The Partnership Agreement* in the prospectus included in our registration statement on Form F-1 filed with the SEC on March 19, 2007, our current reports on Form 6-K filed on September 30, 2011, May 23, 2012, March 21, 2013 and August 26, 2014, as well as the Partnership Agreement.

**Transfer Agent and Registrar**

***Duties***

Computershare will serve as registrar and transfer agent for the common units. We pay all fees charged by the transfer agent for transfers of common units, except the following, which must be paid by common unitholders:

surety bond premiums to replace lost or stolen certificates, taxes and other governmental charges;

special charges for services requested by a holder of a common unit; and

other similar fees or charges.

There is no charge to unitholders for disbursements of our cash distributions. We will indemnify the transfer agent, its agents and each of their stockholders, directors, officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

***Resignation or Removal***

The transfer agent may resign, by notice to us, or be removed by us. The resignation or removal of the transfer agent will become effective upon our appointment of a successor transfer agent and registrar and its acceptance of the appointment. If a successor has not been appointed or has not accepted its appointment within 30 days after notice of the resignation or removal, our general partner may, at the direction of our board of directors, act as the transfer agent and registrar until a successor is appointed.

**Transfer of Common Units**

By transfer of common units in accordance with the Partnership Agreement, each transferee of common units shall be admitted as a limited partner with respect to the common units transferred when such transfer and admission is reflected in our books and records. Each transferee:

represents that the transferee has the capacity, power and authority to become bound by the Partnership Agreement;

automatically agrees to be bound by the terms and conditions of, and is deemed to have executed, the Partnership Agreement; and

gives the consents and approvals contained in the Partnership Agreement, such as the approval of all transactions and agreements we are entering into in connection with our formation and this offering.



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Common units are securities and are transferable according to the laws governing transfer of securities. In addition to other rights acquired upon transfer, the transferor gives the transferee the right to become a limited partner in our partnership for the transferred common units.

Until a common unit has been transferred on our books, we and the transfer agent may treat the record holder of the unit as the absolute owner for all purposes, except as otherwise required by law or stock exchange regulations.

A transferee will become a substituted limited partner of our partnership for the transferred common units automatically upon the recording of the transfer on our books and records. Our general partner will cause any transfers to be recorded on our books and records no less frequently than quarterly.

We may, at our discretion, treat the nominee holder of a common unit as the absolute owner. In that case, the beneficial holder's rights are limited solely to those that it has against the nominee holder as a result of any agreement between the beneficial owner and the nominee holder.

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**CASH DISTRIBUTIONS**

**Rationale for Our Cash Distribution Policy**

Our cash distribution policy reflects a basic judgment that our unitholders will be better served by our distributing our cash available (after deducting expenses, including estimated maintenance and replacement capital expenditures and reserves and subject to prior distribution rights of other security holders) rather than retaining it. Because we believe we will generally finance any expansion capital expenditures from external financing sources, we believe that our investors are best served by our distributing all of our available cash. Our cash distribution policy is consistent with the terms of the 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 and subject to prior distribution rights of other security holders).

**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. In particular, you should carefully consider the relevant risks included in the section entitled **Risk Factors** beginning on page 9. Our distribution policy is subject to certain restrictions and may be changed at any time, including:

Our unitholders have no contractual or other legal right to receive distributions other than the obligation under our Partnership Agreement to distribute available cash on a quarterly basis, which is subject to the broad discretion of our board of directors to establish reserves and other limitations.

While our Partnership Agreement requires us to distribute all of our available cash, our Partnership Agreement, including provisions requiring us to make cash distributions contained therein, may be amended. The Partnership Agreement can be amended in certain circumstances with the approval of a majority of the outstanding common units (including in certain circumstances described in our Partnership Agreement with the holders of Class B Units voting on an as-converted basis). As of December 31, 2015, the Marinakis family, including Evangelos M. Marinakis, may be deemed to beneficially own on a fully converted basis a 16.4% interest and on a non-fully converted basis a 18.1% interest in us through its beneficial ownership of common units and Class B Units through, amongst others, Capital Maritime.

Even if our cash distribution policy is not modified or revoked, the amount of distributions we pay under our cash distribution policy and the decision to make any distribution is determined by our board of directors, taking into consideration the terms of our Partnership Agreement and the establishment of any reserves for the prudent conduct of our business.

Under Section 51 of the Marshall Islands Limited Partnership Act, we may not make a distribution if the distribution would cause our liabilities (other than liabilities to partners on account of their partnership interest and liabilities for which the recourse of creditors is limited to specified property of ours) to exceed the fair value of our assets, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in our assets only to the extent that the fair value of that property exceeds that liability.

Our common units are subject to the prior distribution rights of any holders of our preferred units then outstanding. As of the date of this prospectus, there were 12,983,333 Class B Units issued and outstanding. Under the terms of our Partnership Agreement, we are prohibited from declaring and paying distributions on our common units until we declare and pay (or set aside for payment) full distributions on the Class B Units. Furthermore, pursuant to the terms of the Third Amendment to our Partnership Agreement, dated as of March 19, 2013, an upward adjustment to the distribution rate for the Class B Units occurs in the event the distribution rate on our common units is increased.

We may lack sufficient cash to pay distributions on our common units due to decreases in net revenues or increases in operating expenses, principal and interest payments on outstanding debt, tax expenses,

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working capital requirements, maintenance and replacement capital expenditures, anticipated cash needs or the payment of distributions on the Class B Units, which our Partnership Agreement requires us to pay prior to distributions on our common units.

Our distribution policy will be affected by restrictions on distributions under our credit facilities which contain material financial tests and covenants that must be satisfied. Should we be unable to satisfy the terms, covenants and restrictions included in our credit facilities or if we are otherwise in default under the credit agreements, our ability to make cash distributions to our unitholders, notwithstanding our stated cash distribution policy, would be materially adversely affected.

If we make distributions out of capital surplus, as opposed to operating surplus, such distributions will constitute a return of capital and will result in a reduction in the quarterly distribution and the target distribution levels. We do not anticipate that we will make any distributions from capital surplus.

If the ability of our subsidiaries to make any distribution to us is restricted by, among other things, the provisions of existing and future indebtedness, applicable partnership and limited liability company laws or any other laws and regulations, our ability to make distributions to our unitholders may be restricted.

## **Quarterly Distributions**

Our common unitholders are entitled under our partnership agreement to receive a quarterly distribution to the extent we have sufficient cash on hand to pay the distribution after we establish cash reserves, pay fees and expenses and make distributions to Class B unitholders, which our partnership agreement requires us to pay prior to distributions on our common units. Although we intend to continue to make strategic acquisitions and to take advantage of our unique relationship with Capital Maritime in a prudent manner that is accretive to our unitholders and to long-term distribution growth, there is no guarantee that we will pay a quarterly distribution on the common 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 and other factors. We will be prohibited from making any distributions to unitholders if it would cause an event of default, or if an event of default exists, under the terms of our credit facilities.

We have generally declared distributions on our common units in January, April, July and October of each year and paid those distributions in the subsequent month. In January 2010, we introduced an annual distribution guidance of \$0.90 per unit per annum, which was revised in July 2010 upwards to \$0.93 per unit per annum, or \$0.2325 per quarter. Between April 2015 and October 2015, we increased our quarterly distribution by \$0.002 every quarter to \$0.2385 for the third quarter of 2015. Our board of directors chose to maintain the distribution level for the fourth quarter of 2015 at \$0.2385, due to, among other factors, the severe pricing dislocation affecting master limited partnerships observed at the end of 2015 and at the beginning of 2016.

## **Incentive Distribution Rights**

Incentive distribution rights ( IDRs ) represent the right to receive an increasing percentage of quarterly distributions of available cash from operating surplus (as defined in our partnership agreement) after the minimum quarterly distribution and the target distribution levels have been achieved. Our general partner currently holds the IDRs, but may transfer these rights separately from its general partner interest, subject to restrictions in the partnership agreement. Except for transfers of IDRs 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 and Class B Units, considered together as a single class (excluding common units held by our general partner and its affiliates), is required for a transfer of the IDRs to a third party prior to March 31, 2017. Any transfer by our general partner of the IDRs would not change the percentage allocations of quarterly distributions with respect to such rights. The target amounts for our IDRs were reset pursuant to the Fourth Amendment to the Partnership Agreement to the amounts set forth in the table below.

**Table of Contents****Percentage Allocations of Available Cash From Operating Surplus**

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 percentage allocations in the table are subject to the distribution rights of the holders of our Class B Units. 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 a 2% general partner interest and assume our general partner has not transferred the IDRs.

	<b>Total Quarterly Distribution Target Amount</b>	<b>Marginal Percentage Interest in Distributions</b>	
		<b>Unitholders</b>	<b>General Partner</b>
Minimum Quarterly Distribution	\$0.2325	98%	2%
First Target Distribution	up to \$0.2425 <sup>(1)</sup>	98%	2%
Second Target Distribution	above \$0.2425 <sup>(1)</sup> up to \$0.2675	85%	15%
Third Target Distribution	above \$0.2675 up to \$0.2925	75%	25%
Thereafter	above \$0.2925	65%	35%

- (1) As disclosed on our Current Report on Form 6-K furnished on August 26, 2014, Capital Maritime unilaterally notified the Partnership that it decided to waive its rights to receive quarterly incentive distributions between \$0.2425 and \$0.25. Capital Maritime waived these rights after discussion with, and with the unanimous support of, the conflicts committee of our board of directors. This waiver effectively increases the First Target Distribution and the lower bound of the Second Target Distribution (as referenced in the table above) from \$0.2425 to \$0.25.

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**DESCRIPTION OF PREFERRED UNITS**

Our partnership agreement authorizes our board of directors to establish one or more series of preferred units and to determine, with respect to any series of preferred units, the preferences, powers, duties, terms and rights of that series, including but not limited to:

the designation of the series;

the number of units in the series, which our board of directors may, except where otherwise provided in the preferred unit designation, increase or decrease, but not below the number of units then outstanding;

the terms and conditions upon which each preferred unit in such series will be issued, evidenced, and assigned or transferred;

whether distributions, if any, will be cumulative or non-cumulative and the distribution rate of the series;

the dates at which distributions, if any, will be payable;

the redemption rights and price or prices, if any, for units of the series;

the terms and amounts of any sinking fund provided for the purchase or redemption of units of the series;

the amounts payable on units of the series in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of our company;

whether the units of the series will be convertible or exchangeable into units of any other class or series, or any other security, of our company or any other corporation, and, if so, the specification of the other class or series or other security, the conversion or exchange price or prices or rate or rates, any rate adjustments, the date or dates as of which the units will be convertible or exchangeable and all other terms and conditions upon which the conversion or exchange, as applicable, may be made;

restrictions on the issuance of units of the same series or of any other class or series; and

the voting rights, if any, of the holders of the series.

To date, we have issued 24,655,554 Class B units, which are convertible on a one-for-one basis into common units under certain circumstances. As of December 31, 2015, as a result of conversions, 12,983,333 Class B Units remained

outstanding. Our Class B units were sold in transactions exempt from registration under the U.S. Securities Act of 1933, as amended.

The material terms of any series of preferred units that we may offer through a prospectus supplement will be described in that prospectus supplement.



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**DESCRIPTION OF DEBT SECURITIES**

*This section describes the general terms and provisions of the debt securities that we may issue in the form of one or more series of debt securities. You should read the more detailed provisions of the indenture, including the defined terms, for provisions that may be important to you. You should also read the particular terms of a series of debt securities, which will be described in more detail in the applicable prospectus supplement. The following summary is subject to and is qualified in its entirety by reference to all the provisions of the indenture and its associated documents, including the definitions of certain terms, and, with respect to any particular debt security, to the description of the terms of such debt securities that will be included in the applicable prospectus supplement.*

***General***

The debt securities will be issued under an indenture, to be entered into between us and a trustee to be named in the applicable prospectus supplement, the form of which is filed as an exhibit to the registration statement of which this prospectus is a part. The indenture will provide that debt securities may be issued from time to time in one or more series, without limitation as to the aggregate principal amount. We may specify a maximum aggregate principal amount for the debt securities of any particular series. Specific issuances of debt securities may also be governed by a supplemental indenture, an officer's certificate or a document evidencing the authorization of any corporate body required by applicable law. The particular terms of each series, or of debt securities forming part of a series, will be described in the prospectus supplement relating to that series. Those terms may vary from the terms described here. This section summarizes material terms of the debt securities that are common to all series, unless otherwise indicated in this section or in the prospectus supplement relating to a particular series.

We may issue debt securities at par, at a premium or as original issue discount securities, which are debt securities that are offered and sold at a substantial discount to their stated principal amount. We may also issue debt securities as indexed securities or securities denominated in currencies other than the U.S. dollar, currency units or composite currencies, as described in more detail in the prospectus supplement relating to any such debt securities. We will describe the U.S. federal income tax consequences and any other special considerations applicable to original issue discount, indexed or foreign currency debt securities in the applicable prospectus supplement.

The debt securities may be convertible into common units or other securities if specified in the applicable prospectus supplement.

The prospectus supplement relating to a series of debt securities will describe the following terms of the series:

the title of such debt securities;

any limit on the aggregate principal amount of such debt securities or the series of which they are a part (including any provision for the future offering of additional debt securities of such series beyond any such limit);

whether the debt securities will be issued in registered or bearer form;

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the date or dates on which the debt securities of the series will mature, if any, and any other date or dates on which we will pay the principal of the debt securities of the series, if any;

the rate or rates, which may be fixed or variable, at which the debt securities will bear interest, if any, and the date or dates from which that interest will accrue;

the date or dates on which any interest on the debt securities of the series will be payable and the regular record date or dates we will use to determine who is entitled to receive interest payments;

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the place or places where the principal and any premium and interest in respect of the debt securities of the series will be payable;

the period or periods within which, the price or prices at which, and the terms and conditions on which any of such debt securities may be, at our option, redeemed or repurchased, in whole or in part, and the other material terms and provisions applicable to our redemption or repurchase rights;

the obligation, if any, we may have to redeem or repurchase any such debt securities, including at the option of the holder, the period or periods within which, the price or prices at which, and the terms and conditions on which any of such debt securities will be redeemed or repurchased, in whole or in part, pursuant to such obligation;

whether the debt securities will be convertible into, or exchangeable for, common units or other securities, or subordinated in right of payment to senior debt;

whether the debt securities will be our secured or unsecured obligations;

if other than \$1,000 or an even multiple of \$1,000, the denominations in which the series of debt securities will be issuable;

if other than U.S. dollars, the currency in which the debt securities of the series will be denominated or in which the principal of or any premium or interest on the debt securities of the series will be payable;

if we or you have a right to choose the currency, currency unit or composite currency in which payments on any of the debt securities of the series will be made, the currency, currency unit or composite currency that we or you may elect, the period during which we or you must make the election and the other material terms applicable to the right to make such elections;

if other than the full principal amount, the portion of the principal amount of the debt securities of the series that will be payable upon a declaration of acceleration of the maturity of the debt securities of the series;

any index or other special method we will use to determine the amount of principal or any premium or interest on the debt securities of the series;

the applicability of the provisions described under Defeasance and Covenant Defeasance Defeasance and Discharge ;

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if applicable, a discussion of material United States federal and Marshall Islands income tax, accounting or other considerations applicable to the debt securities;

if we issue the debt securities of the series in whole or part in the form of global securities as described under Legal Ownership Global Securities, the name of the depositary with respect to the debt securities of the series, and the circumstances under which the global securities may be registered in the name of a person other than the depositary or its nominee if other than those described under Legal Ownership Global Securities ;

the securities clearance system(s) for the debt securities;

any covenants to which we will be subject with respect to the debt securities of the series; and

any other special features of the debt securities of the series that are not inconsistent with the provisions of the indenture.

In addition, the prospectus supplement will state whether we will list the debt securities of the series on any stock exchange and, if so, which one.

Debt securities may bear interest at fixed or floating rates. We may issue our debt securities at an original issue discount, bearing no interest or bearing interest at a rate that, at the time of issuance, is below market rate,

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to be sold at a discount below their principal amount. Certain special U.S. federal income tax considerations, if any, applicable to debt securities sold at an original issue discount may be described in the applicable prospectus supplement. Moreover, certain special U.S. federal income tax or other considerations, if any, applicable to any debt securities which are denominated in a currency or currency unit other than the U.S. dollar may be described in the applicable prospectus supplement.

### ***Governing Law***

Unless otherwise specified in the applicable prospectus supplement or indenture, the governing law of the indenture relating to the debt securities shall be the law of the State of New York.

### ***Form, Exchange and Transfer***

The debt securities will be issued, unless otherwise indicated in the applicable prospectus supplement, in denominations that are even multiples of \$1,000 and in global registered form. You may have your debt securities broken into more debt securities of smaller denominations or combined into fewer debt securities of larger denominations, as long as the total principal amount is not changed. This is called an exchange. You may exchange or transfer your registered debt securities at the office of the trustee. The trustee will maintain an office in New York, New York. The trustee acts as our agent for registering debt securities in the names of holders and transferring registered debt securities. We may change this appointment to another entity or perform the service ourselves. The entity performing the role of maintaining the list of registered holders is called the security registrar. It will also register transfers of the registered debt securities.

You will not be required to pay a service charge to transfer or exchange debt securities, but you may be required to pay any tax or other governmental charge associated with the exchange or transfer. The transfer or exchange of a registered debt security will only be made if the security registrar is satisfied with your proof of ownership.

If we designate additional transfer agents, they will be named in the prospectus supplement. We may cancel the designation of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If the debt securities are redeemable and we redeem less than all of the debt securities of a particular series, we may block the transfer or exchange of debt securities in order to freeze the list of holders to prepare the mailing during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing. We may also refuse to register transfers or exchanges of debt securities selected for redemption. However, we will continue to permit transfers and exchanges of the unredeemed portion of any debt security being partially redeemed.

### ***Payment and Paying Agents***

If your debt securities are in registered form, we will pay interest to you if you are a direct holder listed in the trustee's records at the close of business on a particular day in advance of each due date for interest, even if you no longer own the security on the interest due date. That particular day, usually about two weeks in advance of the interest due date, is called the regular record date and will be stated in the prospectus supplement.

We will pay interest, principal, additional amounts and any other money due on the registered debt securities at the corporate trust office of the applicable trustee in New York City. You must make arrangements to have your payments picked up at or wired from that office. We may also choose to pay interest by mailing checks. Interest on global securities will be paid to the holder thereof by wire transfer of same-day funds.

Holders buying and selling debt securities must work out between themselves how to compensate for the fact that we will pay all the interest for an interest period to, in the case of registered debt securities, the one who

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is the registered holder on the regular record date. The most common manner is to adjust the sales price of the debt securities to pro-rate interest fairly between the buyer and seller. This pro-rated interest amount is called accrued interest.

### **Street name and other indirect holders should consult their banks or brokers for information on how they will receive payments.**

We may also arrange for additional payment offices, and may cancel or change these offices, including our use of the trustee's corporate trust office. These offices are called paying agents. We may also choose to act as our own paying agent. We must notify you of changes in the paying agents for the debt securities of any series that you hold.

### ***Ranking***

Unless otherwise provided in a prospectus supplement relating to any debt securities, our debt securities will not be secured by any of our assets or properties. As a result, the securities will effectively be subordinated to our secured indebtedness, if any, and indebtedness preferred by law.

The applicable prospectus supplement will indicate whether the debt securities are subordinated to any of our other debt obligations. If they are not subordinated, in the event of bankruptcy or liquidation proceeding against us, they will rank equally with all our other unsecured and unsubordinated indebtedness, except for indebtedness having priority by operation of law.

### ***Restrictive Covenants***

Restrictive covenants, if any, with respect to any of our debt securities may be contained in the applicable supplemental indenture and described in the applicable prospectus supplement with respect to those securities. You should refer to the prospectus supplement relating to a particular series of debt securities for information about any deletions from, modifications of or additions to, the Events of Default or covenants of ours contained in the indenture, including any addition of a covenant or other provision providing event risk or similar protection.

### ***Redemption and Repayment***

Unless otherwise indicated in the applicable prospectus supplement, your debt security will not be entitled to the benefit of any sinking fund; that is, we will not deposit money on a regular basis into any separate custodial account to repay your debt securities. In addition, other than as set forth in **Optional Tax Redemption** below, we will not be entitled to redeem your debt security before its stated maturity unless the applicable prospectus supplement specifies a redemption commencement date. You will not be entitled to require us to buy your debt security from you, before its stated maturity, unless the applicable prospectus supplement specifies one or more repayment dates.

If the applicable prospectus supplement specifies a redemption commencement date or a repayment date, it will also specify one or more redemption prices or repayment prices, which may be expressed as a percentage of the principal amount of your debt security or by reference to one or more formulas used to determine the applicable redemption price. It may also specify one or more redemption periods during which the redemption price or prices relating to the redemption of debt securities during those periods will apply.

If the applicable prospectus supplement specifies a redemption commencement date, we may redeem your debt security at our option at any time on or after that date. If we redeem your debt security, we will do so at the specified redemption price, together with interest accrued to the redemption date. If different prices are specified for different

redemption periods, the price we pay will be the price that applies to the redemption period during



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which your debt security is redeemed. If less than all of the debt securities are redeemed, the trustee will choose the debt securities to be redeemed by lot, or in the trustee's discretion, pro-rata.

If the applicable prospectus supplement specifies a repayment date, your debt security will be repayable by us at our option on the specified repayment date at the specified repayment price, together with interest accrued and any additional amounts to the repayment date.

In the event that we exercise an option to redeem any debt security, we will give to the trustee and the holder written notice of the principal amount of the debt security to be redeemed, not less than 30 days nor more than 60 days before the applicable redemption date. We will give the notice in the manner described under the heading Notices.

If a debt security represented by a global security is subject to repayment at the holder's option, the depositary or its nominee, as the holder, will be the only person that can exercise the right to repayment. Any indirect holders who own beneficial interests in the global security and wish to exercise a repayment right must give proper and timely instructions to their banks or brokers through which they hold their interests, requesting that they notify the depositary to exercise the repayment right on their behalf. Different firms have different deadlines for accepting instructions from their customers, and you should take care to act promptly enough to ensure that your request is given effect by the depositary before the applicable deadline for exercise.

### **Street name and other indirect holders should contact their banks or brokers for information about how to exercise a repayment right in a timely manner.**

In the event that the option of the holder to elect repayment as described above is deemed to be a tender offer within the meaning of Rule 14e-1 under the Exchange Act, we will comply with Rule 14e-1 as then in effect to the extent it is applicable to us and the transaction.

Subject to any restrictions that will be described in the prospectus supplement, we or our affiliates may purchase debt securities from investors who are willing to sell from time to time, either in the open market at prevailing prices or in private transactions at negotiated prices. Debt securities that we or they purchase may, in our discretion, be held, resold or canceled.

### ***Optional Tax Redemption***

Unless otherwise indicated in a prospectus supplement, we shall have the option (but not the obligation) to redeem, in whole but not in part, the debt securities where, as a result of a change in, execution of or amendment to any laws or treaties or the official application or interpretation of any laws or treaties, we would be required to pay additional amounts as described later under Payment of Additional Amounts. This applies only in the case of changes, executions or amendments that occur on or after the date specified in the prospectus supplement for the applicable series of debt securities.

If the debt securities are redeemed, the redemption price for debt securities (other than original issue discount debt securities) will be equal to the principal amount of the debt securities being redeemed plus accrued interest and any additional amounts due up to, but not including, the date fixed for redemption. The redemption price for original issue discount debt securities will be specified in the prospectus supplement for such securities. Furthermore, we must give you between 30 and 60 days' notice before redeeming the debt securities.

### ***Conversion or Exchange Rights***

If debt securities of any series are convertible or exchangeable, the applicable prospectus supplement will specify:

the type of securities into which they may be converted or exchanged;

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the conversion price or exchange ratio, or its method of calculation;

whether conversion or exchange is mandatory or at the holder's election;

how and when the conversion price or exchange ratio may be adjusted; and

any other important terms concerning the conversion or exchange rights.

***Payment of Additional Amounts***

All payments in respect of debt securities by any person on behalf of CPLP or any successor thereto (each, a *Payor*), shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (collectively, *Taxes*) imposed, collected, withheld, assessed or levied by or on behalf of (1) the Republic of the Marshall Islands or any political subdivision or governmental authority thereof or therein having power to tax; and (2) any other jurisdiction in which the Payor is organized, tax resident or engaged in business, or any political subdivision or governmental authority thereof or therein having the power to tax (any such authority, a *Taxing Authority*), unless the withholding or deduction of the Taxes is required by law. In the event that we are required to withhold or deduct any amount for or on account of such Taxes from any payment made under or with respect to any debt securities, we will except in the circumstances set forth below pay such additional amounts so that the net amount received by each holder of debt securities, including the additional amounts, will equal the amount that such holder would have received if such Taxes had not been required to be withheld or deducted. We refer to the amounts that we are required to pay to preserve the net amount receivable by the holders of debt securities as *Additional Amounts*.

Our obligation to pay Additional Amounts is, however, subject to several important exceptions. Additional Amounts will not be payable with respect to a payment made to a holder of debt securities to the extent:

that any such Taxes would not have been so imposed but for the existence of any current or former connection between such holder and the jurisdiction of the Taxing Authority imposing such Taxes, other than the mere receipt of such payment, acquisition, ownership or disposition of such debt securities or the exercise or enforcement of rights under the debt securities or the indenture;

that any such Taxes are imposed on or measured by net income of the beneficiary or holder or his net wealth or similar;

of any such Taxes required to be withheld by any paying agent from any payment of principal or of interest on the debt securities, if such payment can be made without withholding by any other paying agent and we duly provide for such other paying agent;

of any estate, inheritance, gift, sales, transfer, or personal property Taxes imposed with respect to the debt securities, except as otherwise provided in the indenture;

that any such Taxes are payable other than by deduction or withholding from payments on the debt securities;

that any such Taxes would not have been imposed but for the presentation of the debt securities, where presentation is required, for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever is later, except to the extent that the beneficiary or holder thereof would have been entitled to Additional Amounts had the debt securities been presented for payment on any date during such 30-day period;

that such holder would not be liable or subject to such withholding or deduction of Taxes but for the failure to make a valid declaration of non-residence, residence or other similar claim for exemption or to provide a certificate, if:

(1) the making of such declaration or claim or the provision of such certificate is required or imposed by statute, treaty, regulation, ruling or administrative practice of the relevant Taxing Authority as a precondition to an exemption from, or reduction in, the relevant Taxes; and

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(2) at least 60 days prior to the first payment date with respect to which we shall apply this condition, we shall have notified all holders of the debt securities in writing that they shall be required to provide such declaration or claim; and

of any combination of the above conditions.

Such Additional Amounts also will not be payable where, had the beneficial owner of the debt securities been the holder of such debt securities, it would not have been entitled to payment of Additional Amounts by reason of the conditions set forth above. The prospectus supplement relating to the debt securities may describe additional circumstances in which we would not be required to pay additional amounts.

Notwithstanding any other provision in the indenture, any amounts to be paid on the debt securities will be paid net of any deduction or withholding imposed or required pursuant to, or made for or on account of, Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the Code), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and no Additional Amounts will be required to be paid on account of any such deduction or withholding.

We will also:

withhold or deduct the Taxes as required;

remit the full amount of Taxes deducted or withheld to the relevant Taxing Authority in accordance with all applicable laws;

use our reasonable efforts to obtain from each Taxing Authority imposing such Taxes copies of tax receipts evidencing the payment of any Taxes deducted or withheld; and

upon request, and to the extent reasonably practicable, make available to the holders of the debt securities, within 90 days after the date the payment of any Taxes deducted or withheld is due pursuant to applicable law, copies of tax receipts evidencing such payment by us or if, notwithstanding our efforts to obtain such receipts, the same are not obtainable, other evidence of such payments.

At least 30 days prior to each date on which any payment under or with respect to the debt securities is due and payable, if we will be obligated to pay Additional Amounts with respect to such payment, we will deliver to the trustee an officer's certificate stating the fact that such Additional Amounts will be payable, the amounts so payable and such other information as is necessary to enable the trustee to pay such Additional Amounts to holders of the debt securities on the payment date.

In addition, we will pay any stamp, issue, registration, documentary or other similar taxes and duties, including interest, penalties and Additional Amounts with respect thereto, payable in the Marshall Islands or the United States or any political subdivision or taxing authority of or in the foregoing in respect of the creation, issue, offering,

enforcement, redemption or retirement of the debt securities if and to the extent any such creation, issue, offering, enforcement, redemption or retirement was required pursuant to applicable law or ordered by a court or Taxing Authority.

The foregoing provisions shall survive any termination or the discharge of the indenture and shall apply to any jurisdiction in which any successor to us is organized or is engaged in business for tax purposes or any political subdivisions or taxing authority or agency thereof or therein.

Whenever in the indenture, the debt securities, in this Description of Debt Securities or in the applicable prospectus supplement there is mentioned, in any context, the payment of principal, premium, if any, redemption

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price, interest or any other amount payable under or with respect to any note, such mention includes the payment of Additional Amounts to the extent payable in the particular context.

In the event that Additional Amounts actually paid with respect to the debt securities pursuant to the preceding paragraphs are based on rates of deduction or withholding of Taxes in excess of the appropriate rate applicable to the holder of such debt securities, and as a result thereof such holder is entitled to make a claim for a refund or credit of such excess from the Taxing Authority imposing such Taxes, then such holder shall, by accepting such debt securities, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to us. However, by making such assignment, the holder makes no representation or warranty that we will be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

### ***Defeasance and Covenant Defeasance***

We may, to the extent indicated in the applicable prospectus supplement, elect, at our option at any time, to have the provisions of the indenture relating to defeasance and discharge of indebtedness or to defeasance of certain restrictive covenants in the indenture, applied to the debt securities of any series, or to any specified part of a series.

*Defeasance and Discharge.* Upon the exercise of our option, if any, to have applied the provisions of the indenture relating to defeasance and discharge, we will be discharged from all our payment and other obligations, and the provisions relating to subordination, if any, will cease to be effective, with respect to such debt securities, subject to certain exceptions, upon the deposit in trust for the benefit of the holders of such debt securities of money or U.S. Government Obligations, as such term is defined in the indenture, or both, which, through the payment of principal and interest in respect thereof in accordance with their terms, will provide money in an amount sufficient to pay the principal of and any premium and interest on such debt securities on their respective stated maturities. Such defeasance may occur only if we have complied with certain conditions that will be set forth in the relevant indenture.

*Defeasance of Certain Covenants.* Upon the exercise of our option, if any, to have applied the provisions of the indenture relating to defeasance of certain restrictive covenants in the indenture, we may omit to comply with certain restrictive covenants, including any that may be described in the applicable prospectus supplement, and the occurrence of certain events of default as specified in the applicable prospectus supplement, will be deemed not to be or result in an event of default and the provisions relating to subordination, if any, will cease to be effective, in each case with respect to such debt securities, subject to certain exceptions, upon the deposit in trust for the benefit of the holders of such debt securities of money or U.S. Government Obligations, as such term is defined in the indenture, or both, which, through the payment of principal and interest in respect thereof in accordance with their terms, will provide money in an amount sufficient to pay the principal of and any premium and interest on such debt securities on the respective stated maturities. Such defeasance or discharge may occur only if we have complied with certain conditions that will be set forth in the relevant indenture.

### ***Events of Default***

Each of the following will constitute an event of default under the indenture with respect to the debt securities of any series:

failure to pay principal of or any premium on any debt securities of such series when due, continued for 30 days;

failure to pay any interest on any debt securities of such series when due, continued for 30 days;

failure to perform any other covenant in the indenture (other than a covenant included in the indenture solely for the benefit of a series other than that series), continued for 60 days after written notice has



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been given by the trustee, or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series, as provided in the indenture;

failure to pay when due (subject to any applicable grace period) any principal in an amount exceeding \$50 million under an agreement evidencing indebtedness for money we borrowed, or acceleration of any indebtedness for money we borrowed having an aggregate principal amount outstanding of at least \$50 million, if, in the case of any such failure, such indebtedness has not been discharged or, in the case of any such acceleration, such indebtedness has not been discharged or such acceleration has not been rescinded or annulled, in each case within 30 days after written notice has been given by the trustee, or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series, as provided in the indenture; and

certain events in bankruptcy, insolvency or reorganization.

The applicable prospectus supplement will describe any additional events of default.

If an event of default (other than an event of default related to certain events in bankruptcy, insolvency or reorganization) with respect to the debt securities of any series at the time outstanding shall occur and be continuing, either the trustee or the holders of not less than 25% in principal amount of the outstanding debt securities of such series by notice as provided in the indenture may declare the principal amount of the debt securities of such series (or, in the case of any debt security that is an original issue discount security or the principal amount of which is not then determinable, such portion of the principal amount of such security, or such other amount in lieu of such principal amount, as may be specified in the terms of such debt security) to be due and payable immediately. If an event of default related to certain events in bankruptcy, insolvency or reorganization with respect to the debt securities of any series at the time outstanding shall occur, the principal amount of all the debt securities of such series (or, in the case of any such original issue discount security or other debt security, such specified amount) will automatically, and without any action by the trustee or any holder, become immediately due and payable. After any such acceleration, but before a judgment or decree based on acceleration, the holders of a majority in aggregate principal amount of the outstanding debt securities of such series may, under certain circumstances, rescind and annul such acceleration if all events of default, other than the non-payment of accelerated principal (or other specified amount), have been cured or waived as provided in the indenture. For information as to waiver of defaults, see Modification and Waiver.

Subject to the provisions of the indenture relating to the duties of the trustee in case an event of default shall occur and be continuing, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders, unless such holders shall have offered to the trustee reasonable indemnity. Subject to such provisions for the indemnification of the trustee, the holders of a majority in aggregate principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the debt securities of that series.

No holder of a debt security of any series will have any right to institute any proceeding with respect to the indenture, or for the appointment of a receiver or a trustee, or for any other remedy thereunder, unless (i) such holder has previously given to the trustee written notice of a continuing event of default with respect to the debt securities of that series, (ii) the holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series have made written request, and such holder or holders have offered reasonable indemnity, to the trustee to institute such proceeding as trustee and (iii) the trustee has failed to institute such proceeding, and has not received from the holders of a majority in aggregate principal amount of the outstanding debt securities of such series a direction

inconsistent with such request, within 60 days after such notice, request and offer. However, such limitations do not apply to a suit instituted by a holder of a debt security for the enforcement of payment of the principal of or any premium or interest on such debt security on or after the applicable due date specified in such debt security.

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We will be required to furnish to the trustee annually a statement by certain of our officers as to whether or not we, to their knowledge, are in default in the performance or observance of any of the terms, provisions and conditions of the indenture and, if so, specifying all such known defaults. The indenture provides that if a default occurs with respect to debt securities of any series, the trustee will give the holders of the relevant series notice of the default when, as and to the extent provided by the Trust Indenture Act of 1939. However, in the case of any default under any covenant with respect to the series, no notice of default to holders will be given until at least 30 days after the occurrence of the default.

An event of default under any of our other outstanding or future debt instruments or guarantees shall not constitute an event of default under the terms of the indenture and the debt securities described in this prospectus.

***Modification and Waiver***

There are three types of changes we can make to the indenture and the debt securities.

*Changes Requiring Your Approval.* First, there are changes that cannot be made to your debt securities without your specific approval. These are the following types of changes:

change the stated maturity of the principal, interest or premium on a debt security;

reduce any amounts due on a debt security;

change any obligation to pay the additional amounts described under **Payment of Additional Amounts** ;

reduce the amount of principal payable upon acceleration of the maturity of a debt security following a default;

change the place or currency of payment on a debt security;