

SPECIMEN OBLIGATION

No. _____

\$ _____

UNITED STATES GOVERNMENT GUARANTEED SHIP FINANCING OBLIGATION

DUE _____

Issued by

For value received, _____, a _____ (the "Shipowner"), promises to pay _____, a _____ (the "Lender"), at the office of the Lender stated in the Loan Agreement dated _____ between the Shipowner and the Lender, in lawful money of the United States of America, the principal amount of \$ _____ on or before _____, together with interest thereon from the date hereof at the rate of ___% per annum (calculated on the basis of a 360-day year of twelve 30-day months) to be paid semi-annually on _____ and _____ of each year commencing on _____ until such principal sum has been paid. Installment payments of the principal amount due under this Obligation each in the amount of \$ _____ shall be paid on the semi-annual dates specified for the payment of interest with a final payment of \$ _____ on _____. This Obligation is also subject to mandatory and optional prepayment of principal on the terms and conditions specified in Article III of the Loan Agreement. In the event of any prepayments, a new payment schedule shall be prepared in accordance with Section 3.11 of the Loan Agreement.

The Shipowner has issued this Obligation in consideration of the Lenders loan of the Loan Amount set out above. The Lender has made the Loan in consideration of the Secretary's issuance, pursuant to the provisions of Title XI of the Act, of Guarantees of payment of the unpaid interest on and the unpaid balance of the principal amount of this Obligation.

This Obligation is issued pursuant to the provisions of the Loan Agreement and is subject to all the terms of the Loan Agreement to the same extent as if it were set out herein in full. The capitalized terms used in this Obligation have the meaning given to them by Schedule A of the Loan Agreement. Reference is hereby made to the Loan Agreement for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Secretary and the Holder of this Obligation.

After payment of the Guarantee by the Secretary to the Lender, this Obligation shall (1) no longer constitute or represent an obligation of the Shipowner to the Lender, even if it has not been surrendered for cancellation or have been canceled, and (2) not be entitled to any other rights or benefits provided in the Loan Agreement or the Guarantee, save for the provisions of Section 4.04 of the Loan Agreement. So long as the Guarantee is in effect, the Lender shall have no recourse

against the Shipowner, and the Lender shall have no right, title or interest in any collateral or security given by the Shipowner to the Secretary.

No recourse shall be had for the payment of principal of, or the interest or premium (if any) on, this Obligation, or for any claim based hereon or on the Loan Agreement, against any incorporator or any past, present or future subscriber to the capital stock, stockholder, limited partner, member, officer or director of the Shipowner or of any successor company, either directly or indirectly, and all such liability being expressly waived and released by the acceptance of this Obligation and by the terms of the Loan Agreement.

In addition to any other right to prepay this Obligation, the Shipowner may, at its option and subject to the restrictions and limitations of Section 3.08 of the Loan Agreement, make payments to reduce the principal of the Obligation, in whole or in part, at any time, at a price equal to _____% of the principal amount hereof, if redeemed on or prior to _____, and thereafter at the following prices (expressed in percentages of the principal amount), together with the interest accrued thereon to the date fixed for payment:

If Paid During the 12-Months Period Ending on or Prior to: _____	<u>Percentage</u>
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and thereafter to maturity at 100%, provided that, no such payment shall be made prior to _____, directly or indirectly, with the proceeds of, or in anticipation of, borrowing by or for the account of the Shipowner if such borrowing has an effective interest cost (calculated in accordance with generally accepted financial practice) of less than the rate borne by the Obligation.

The Holder may transfer its interests in this Obligation, but only in the manner provided in Section 5.03 of the Loan Agreement. Neither this Obligation nor the Guarantee shall be valid or become obligatory for any purpose until the Secretary shall have fully signed the Guarantee certificate endorsed hereon.

IN WITNESS THEREOF, the Shipowner has caused this Obligation to be signed on this _____ day of _____.

as Shipowner

(SEAL)

BY: _____

Attest:

BY: _____

PAYMENTS ON ACCOUNT OF PRINCIPAL

<u>Payment Date</u>	<u>Amount of Principal Paid</u>	<u>Balance of Principal Unpaid</u>	<u>Authorized Signature</u>
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GUARANTEE OF THE UNITED STATES OF AMERICA

The United States of America, represented by the Secretary of Transportation, acting by and through the Maritime Administrator, pursuant to Title XI of the Merchant Marine Act, 1936, as amended, hereby guarantees to the holder of the Obligation annexed hereto, upon demand of the holder or his agent, payment of the unpaid interest on, and the unpaid balance of the principal of, such Obligation, including interest accruing between the date of default under such Obligation, and the payment in full of the Obligation under this Guarantee. The full faith and credit of the United States of America is pledged to the payment of this Guarantee. The validity of this Guarantee is incontestable in the hands of any holder of such Obligation. Payment of this Guarantee will be made in accordance with the provisions of such Obligation.

UNITED STATES OF AMERICA
SECRETARY OF TRANSPORTATION

(SEAL OF THE DEPARTMENT
OF TRANSPORTATION)

BY: _____
Maritime Administrator