

PROMISSORY NOTE TO UNITED STATES OF AMERICA

_____ (the "Shipowner"), for value received, promises to pay **THE UNITED STATES OF AMERICA**, represented by the Secretary of Transportation, acting by and through the Maritime Administrator (the "Secretary"), at the office of the Maritime Administration, U.S. Department of Transportation, Washington, D.C., in lawful money of the United States of America, the aggregate 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. This Secretary's Note ("secretary's Note") is subject to mandatory prepayment on the same terms and conditions as the Obligation.

This Secretary's Note is given (1) in consideration of the Secretary's issuance, pursuant to the provisions of Title XI of the Merchant Marine Act, 1936, as amended, of the Guarantee of payment of the unpaid interest on and the unpaid balance of the principal amount of the Shipowner's United States Government Guaranteed Ship Financing Obligation (the "Obligation") issued by the Shipowner on the date hereof in order to finance a portion of the cost of construction of the Vessels, and (2) to evidence the Shipowner's obligation to pay to the Secretary any amount that the Secretary may be required to pay to the Holder of the Obligation under said Guarantee.

This Secretary's Note is issued pursuant to the provisions of the Security Agreement, Contract No. MA-_____, dated _____, between the Shipowner and the Secretary. The Security Agreement contemplates that on the date hereof, a first preferred fleet mortgage on the Vessels will be executed and delivered by the Shipowner, as mortgagor, to the Secretary, as mortgagee, covering the Shipowner's interest in such Vessels. The definitions used in, and the provisions of, the Security Agreement and the Mortgage are incorporated herein by reference.

This Secretary's Note has been negotiated and received by the Secretary, is secured by the Security Agreement and the Mortgage, and is subject to all the terms of the Security Agreement and the Mortgage, to the same extent as if said documents were set out herein in full.

To the extent that the Obligation is Outstanding and until the Guarantee on the Obligation has been terminated pursuant to Section 3.02(a), (b) or (d) of the Security Agreement, the principal of and the interest on this Secretary's Note shall remain outstanding and unpaid. Payments on the Obligation shall be deemed a payment of principal and interest on this Secretary's Note when paid in the following manner:

- (1) by payment of interest on such Obligation in accordance with the provisions thereof and of the Loan Agreement;

(2) by any payment of such Obligation in accordance with the provisions thereof and of the Loan Agreement;

(3) when such Obligation has been Retired or Paid, other than by payment of the Guarantee;

If such payment is made with moneys advanced or loaned to the Shipowner by the Secretary, such payment on the Obligation shall not, as to such amount, constitute payment of principal or interest on this Secretary's Note and the same shall not in any way be discharged as to such amount. In the event that the Secretary assumes the Shipowner's rights and duties under the Loan Agreement and the Obligation and makes any payments, such payments shall not, as to such amounts, constitute payment of principal and interest on this Secretary's Note and the same shall not in any way discharge such amounts until such time as this Secretary's Note is paid in full or otherwise discharged in an appropriate proceeding in a court of competent jurisdiction as established by the final order of a court of last resort or the final order of an inferior court which is not appealed.

The unpaid balance of the principal of this Secretary's Note and the interest hereon may be declared or may become immediately due and payable by declaration of the Secretary at any time after the Secretary (i) is required to pay the Guarantee pursuant to the terms of the Loan Agreement or (ii) assumes pursuant to the terms of the Loan Agreement, the Shipowner's rights and duties under the Loan Agreement and the Obligation. Thereupon, the unpaid balance of the principal of and the interest on this Secretary's Note shall become due and payable, together with interest thereon at the Obligation rate plus one percent.

IN WITNESS THEREOF, the Shipowner has caused this Secretary's Note to be signed on this _____ day of _____.

as Shipowner

BY: _____

(SEAL)

Attest:

BY: _____
Assistant Secretary