

CONSENT OF SHIPYARD

This Consent of Shipyard dated \_\_\_\_\_, is made by \_\_\_\_\_, a \_\_\_\_\_ corporation (the "Shipyard"), to \_\_\_\_\_ a \_\_\_\_\_ corporation (the "Shipowner") and the United States of America (the "United States") represented by the Secretary of Transportation, acting by and through the Maritime Administrator (the "Secretary") pursuant to the provisions of Title XI of the Merchant Marine Act, 1936, as amended, the purpose of which is to allow and acknowledge the assignment of all of the right, title and interest of the Shipowner in and to those certain construction contracts dated as of \_\_\_\_\_, between the Shipyard and the Shipowner (the "Construction Contracts"), in so far as they relate to the Vessels, together with all of the Shipowner's right, title and interest in and to the Vessels including their component parts and equipment, from the Shipowner to the Secretary under a security agreement (the "Security Agreement"). The Shipyard acknowledges that it has received a true copy of the form of the Security Agreement.

Now, therefore, in consideration of the premises and mutual covenants herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. The Shipyard hereby acknowledges receipt of notice of and hereby consents and agrees to the aforesaid assignment of, and grant of a security interest in the Construction Contracts and the Vessels including their component parts and equipment in favor of the Secretary pursuant to the Security Agreement;

2. The Shipyard hereby acknowledges, understands and agrees that:

(a) the Secretary shall, by virtue of the Security Agreement, have no obligation or duty under the Construction Contracts and shall not be required to make any payment due and owing by the Shipowner under the Construction Contracts;

(b) the Shipyard shall pay any amount coming due to the Shipowner under the Construction Contracts promptly to the Depository for application pursuant to the Security Agreement so long as it shall not have received written notice of the Secretary that the Guarantees shall have been terminated pursuant to Section 3.02(a), (b) or (d) of the Security Agreement and that the Security Agreement is no longer in effect; upon receipt of such notice, the Shipyard shall promptly pay any such moneys to the Shipowner;

(c) except during any period after the Shipyard shall have received written notice from the Secretary indicating the existence of a Default under the Security Agreement and until the Secretary shall have notified the Shipyard in writing that such Default has been cured or waived, the Shipowner shall be entitled to exercise all of its rights under the Construction Contracts with respect to the Vessels and to receive all of the benefits thereunder, subject to paragraph 2(b) hereof, to the same extent as if the Construction Contracts and the Vessels had not in any way been subjected to the liens of or security interests under the Security Agreement.

3. For all purposes of this Consent of Shipyard, unless otherwise expressly provided, all capitalized terms used but not defined herein shall have the meaning ascribed in Schedule X to the Security Agreement.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be duly executed as of the day and year first above written.

(SEAL)

\_\_\_\_\_  
BY: \_\_\_\_\_  
ITS: \_\_\_\_\_

ATTEST:

\_\_\_\_\_