

\_\_\_\_\_ [Name of Obligor] \_\_\_\_\_

\$ \_\_\_\_\_

United States Government Guaranteed Shipyard Modernization Bonds, \_\_\_\_ Series  
\_\_\_\_% Sinking Fund Bonds due \_\_\_\_\_

BOND PURCHASE AGREEMENT

To each of the respective  
Purchasers named in Schedule 1 hereto: \_\_\_\_\_

Dear Sirs:

The undersigned, \_\_\_\_\_ a \_\_\_\_\_ (the  
“Company”), hereby agrees with each of you (each, a “Purchaser”) as follows:

1. The Bonds. The United States Government Guaranteed Shipyard Modernization Financing Bonds, \_\_\_\_ Series, due \_\_\_\_\_, referred to above (collectively the “Bonds”) in the aggregate principal amount set forth above are proposed to be issued and sold by the Company upon fulfillment of the terms and conditions set forth herein. The Bonds will be issued and sold to aid in the financing of the construction of \_\_\_\_\_ (the “Shipyard”). The Bonds will be in fully registered form only and will bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) from the date of issuance at the rate per annum set forth above, payable semi-annually, on \_\_\_\_\_ and \_\_\_\_\_ of each year until maturity, commencing \_\_\_\_\_.

The Bonds will be issued under a Trust Indenture (the “Indenture”) between the Company and \_\_\_\_\_, as Trustee (the “Indenture Trustee”). Payment of the principal of and interest on the Bonds will be fully and unconditionally guaranteed by the United States of America pursuant to the guarantee imprinted by the Indenture Trustee pursuant to an Authorization Agreement, on each of the Bonds (the “Guarantee”) under Title XI of the Merchant Marine Act, 1936, as amended and in effect on the Closing Date (the “Act”). Since the Bonds are guaranteed with the full faith and credit of the United States of America, it is understood that you will not independently review the financial condition of the Company and will rely completely on the Secretary's determination regarding the financial resources and maritime ability of the Company.

2. Agreement to Purchase. Subject to the conditions hereinafter set forth, and the

representations and warranties contained herein, the Company agrees to sell to you and you agree to purchase on the Closing Date the Bonds in the principal amount set forth opposite your name in Schedule 1 hereto (subject to adjustment as set forth in Section 6 hereof) at 100% of such principal amount thereof.

3. Closing. Delivery of the Bonds shall be made at the office of the Maritime Administration, 400 Seventh Street, S.W., Washington, D.C., at a closing commencing at \_\_\_\_\_ .m., Eastern time, on \_\_\_\_\_ (the "Closing Date") or such other place or such later business day (which, without the approval of Purchasers of at least 50% of the aggregate principal amount of Bonds, shall not be later than \_\_\_\_\_ ) as the Company shall designate by at least 3 days' prior written notice to the Indenture Trustee and to you at your address specified in Schedule 1 hereto. Delivery of the Bonds shall be made against payment therefor in funds immediately available to the Company in Washington, D.C. Except as you may otherwise direct three (3) business days before the Closing Date, a single Bond dated the Closing Date, authenticated by the Indenture Trustee, guaranteed by the United States of America, and registered in your name and issued in a denomination equal to the principal amount of Bonds to be purchased by you, will be delivered to you. For the purposes of this Agreement, a "business day" is a day which is not a Saturday, Sunday or bank holiday under the laws of the United States of America or the State of \_\_\_\_\_.

4. Representations and Warranties by the Company. The Company represents and warrants to you that this Agreement, the Indenture, and the Bonds have been duly authorized, executed and delivered by the Company and constitute, each in accordance with their terms, a legal, valid and binding instrument enforceable against the Company, except as limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally. On the Closing Date, the Indenture and the Bonds will have been duly authorized, executed and delivered by the Company and will constitute legal, valid and binding instruments enforceable against the Company, and the Bonds will be entitled to the benefits of the Indenture, the Guarantees and the Authorization Agreement. The Company represents that the Bonds, the Indenture, and the Authorization Agreement conform in all material respects to the descriptions thereof contained in the Offering Circular dated \_\_\_\_\_, unless you consent to a change.

5. Conditions to Purchaser's Obligations. Your obligation under this Agreement to purchase Bonds on the Closing Date is subject to the accuracy of the representations and warranties of the Company contained in Section 4 hereof on and as of the Closing Date and to the following further conditions:

(A) Opinion of Counsel for the Company. On the Closing Date, the Company shall have furnished an opinion of its counsel addressed to you and satisfactory to you and the Indenture Trustee regarding the representations and warranties set out in Item 4 of this Agreement;

(B) Opinion of the Chief Counsel of the Maritime Administration. On the Closing

Date, your counsel shall have received a copy of a legal opinion from the Maritime Administration addressed to the Purchasers and the Indenture Trustee to the effect that the Guarantees and the Authorization Agreement have been duly authorized, executed and delivered by the United States of America, and constitute the legal, valid and binding obligations of the United States of America; and

(C) Opinion of Counsel for the Purchasers. On the Closing Date, you shall have received an opinion from your counsel satisfactory to you as to the sufficiency of this Agreement, the Indenture, the Bonds, the Authorization Agreement and the Guarantee.

If any of the conditions specified in this Section 5 shall not have been fulfilled by the Company when and as required by this Agreement, you may cancel this Agreement and all of your obligations hereunder on, or at any time prior to, the Closing Date. Notice of such cancellation shall be given to the Company in writing.

6. Adjustment of Commitments. In the event that the Secretary determines, pursuant to the Act, that the aggregate principal amount of Bonds eligible for Guarantee under the Act is greater or less than \$ \_\_\_\_\_ on the Closing Date, the Company may increase or decrease the total principal amount of Bonds to be issued by not more than 5 percent. In such event, the principal amount of Bonds to be purchased by you shall equal a percentage of such greater or lesser principal amount determined by dividing the principal amount of Bonds which is stated opposite your name on Schedule 1 hereto by the amount that is in fact to be issued, rounded to the next nearest \_\_\_\_\_, provided the Company shall have given you written notice no later than the third day preceding the Closing Date, specifying the principal amount of the Bonds to be purchased by you. If notice has not been timely given or the amount of the increase or decrease is more than 5 percent, you may cancel this Agreement.

7. Conditions of Company's Obligations. The obligations of the Company to sell and deliver the Bonds under this Agreement on the Closing Date are subject to all of the following conditions: (A) on the Closing Date all the Bonds to be delivered by the Company shall have simultaneously been purchased by the Purchasers; and (B) on or before the Closing Date (i) the Secretary shall have duly authorized the execution and delivery of the Guarantee of the Bonds and shall have duly executed and delivered the Authorization Agreement; and (ii) the Indenture Trustee shall have duly executed and delivered the Indenture and the Authorization Agreement.

8. Entire Agreement Embodied, Changes, etc. This Agreement embodies the entire agreement and understanding among the Company and you relating to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. Neither this Agreement nor any term hereof may be changed, waived, discharged, or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought and with the written consent of the Secretary.

9. Miscellaneous. (A) Except as otherwise expressly provided in this Agreement, (i)

whenever notice is required by the provisions hereof to be given to \_\_\_\_\_, such notice shall be in writing addressed to Attention of \_\_\_\_\_, and (ii) whenever notice is required by the provisions of this Agreement to be given to you, such notice shall be in writing addressed to you at your address set forth in Schedule 1 hereto or any other address specified in a written notice to the Company; (B) This Agreement is made solely for the benefit of and is binding upon and enforceable by you, the Company, and your respective successors and assigns, and no other person shall acquire or have any right under, or by virtue of, this Agreement; (C) If this Agreement shall be canceled or terminated by you because of non-fulfillment of the conditions set forth in Section 6 hereof or because of the Company's failure to comply on or before the Closing Date with the conditions precedent set forth herein, the Company shall have no further obligations or liability hereunder to you except that the Company will reimburse you for out-of-pocket expenses reasonably incurred by you (including reasonable fees and disbursements of your counsel and interest on funds forwarded by you for delivery on the Closing Date to purchase Bonds, such interest to be at the rate borne by the Bonds for the period from the proposed Closing Date to the date on which such funds are returned to you); (D) This Agreement shall be governed and construed in accordance with the laws of the State of \_\_\_\_\_.

Very truly yours,

\_\_\_\_\_

By: \_\_\_\_\_

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

\_\_\_\_\_

By: \_\_\_\_\_

SCHEDULE 1

Purchaser

\_\_\_\_\_

Aggregate Principal  
Amount of Bonds To  
Be Purchased: \_\_\_\_\_

\$ \_\_\_\_\_

All payments on account of the Bonds held by such purchaser shall be made by wire transfer of immediately available funds not later than 12:00 noon on the date payment is due for credit to:

Account No. \_\_\_\_\_

ABA No. \_\_\_\_\_

Each such wire transfer shall set forth the name of the Company and the coupon rate of the Bonds.

Addresses for all communications and notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_