**ANNEX E**

**FORM OF ADMINISTRATOR’S NOTE**

**PROMISSORY NOTE TO UNITED STATES OF AMERICA**

**(“Administrator’s Note”)**

**For Maximum Principal Amount of the Note**

**$\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

(the "***Shipowner***"), for value received, promises to pay to the order of **THE UNITED STATES OF AMERICA** (the "***United States***"), represented by the Maritime Administrator of the Maritime Administration (the "***Administrator***"), 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 all Advances on the Note (FFB Note Identifier \_\_\_\_\_\_\_\_\_\_\_, Maximum Principal Amount $\_\_\_\_\_\_\_\_\_\_), dated \_\_\_\_\_\_\_\_\_ (the “***Note***”), issued by the Shipowner to the Federal Financing Bank, a body corporate and instrumentality of the United States (“***FFB***”), pursuant to the Note Purchase Agreement, dated \_\_\_\_\_\_\_\_\_\_\_, by and among FFB, the Shipowner and the Administrator (the “***Note Purchase Agreement***”), on or before the Stated Maturity Date, together with interest thereon from the date hereof at the Approved Interest Rate with respect to each Advance (calculated on the basis of (a) actual days elapsed from (but not including) the date on which the respective Advance is made (for the first payment of interest due under this Administrator’s Note for the respective Advance) or the date on which the payment of interest was last due (for all other payments of interest due under this Administrator’s Note for the respective Advance), to (and including) the date on which payment is next due, and (b) a year of 365 days) to be paid in installments of principal based upon the Principal Repayment Method applicable to the corresponding Advance under the Note on each of the Payment Dates commencing on the First Principal Payment Date and continuing until such principal sum and all accrued interest on this Administrator’s Note have been paid. Every Advance under the Note is deemed an advance for purposes of calculating outstanding principal and interest under this Administrator’s Note.

This Administrator's Note is subject to mandatory prepayment on the terms and conditions as are set forth in the Agreement (as hereinafter defined) and elective prepayment and refinancing on the terms and conditions as are set forth in the Note. Capitalized terms used herein, and not otherwise defined herein, have the respective meanings set forth in the Consolidated Agreement, Contract No. MA- \_\_\_\_\_, dated \_\_\_\_\_\_\_\_\_\_\_\_, 20 between the Shipowner and the Administrator (the “***Agreement***”).

This Administrator’s Note is issued pursuant to the provisions of the Agreement and is given (a) in consideration of the Administrator’s issuance of the Guarantee pursuant to the provisions of Chapter 537 of Title 46 of the United States Code, of the unpaid interest on and the unpaid principal balance of all Advances made under the Note issued by the Shipowner on the date hereof in order to finance a portion of the construction, reconstruction and refinancing Vessels, as the case may be, and (b) to evidence the Shipowner’s obligation to pay the Administrator any amount that the Administrator may be required to pay to the Holder of the Note under said Guarantee.

This Administrator’s Note has been negotiated and received by the Administrator, is secured pursuant to the terms of the Agreement and the First Preferred [Fleet/Ship] Mortgage, Contract No. MA-\_\_\_\_\_\_, dated \_\_\_\_\_\_, by the Shipowner to the Administrator (the “Mortgage”), and is subject to all the terms of the Agreement and the Mortgage, to the same extent as if said documents were set out herein in full.

To the extent that the Note is Outstanding and until the Guarantee of the Note has been terminated pursuant to the provisions of Section 2.04(a) or (b) of Annex C of the Agreement, this Administrator’s Note shall remain outstanding and unpaid. Payments on the Note shall be deemed a payment of principal and interest on this Administrator’s Note when paid in the following manner:

(a) by payment of principal and interest on each Advance in accordance with the provisions of the Note;

(b) by any prepayment or refinancing of any Advance in accordance with the provisions set forth in the Note, the Note Purchase Agreement or the Agreement; or

(c) when the Note has been Paid, other than by payment under the Guarantee;

If such payment is made with moneys advanced or loaned to the Shipowner by the Administrator, such payment on the Note shall not, as to such amount, constitute payment of principal or interest on this Administrator’s Note and the same shall not in any way be discharged as to such amount. In the event that the Administrator assumes the Shipowner’s rights and duties under the Note Purchase Agreement and the Note and makes any payments, such payments shall not, as to such amounts, constitute payment of principal and interest on this Administrator’s Note and the same shall not in any way discharge such amounts until such time as this Administrator’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 Administrator’s Note and the interest hereon may be declared or may become immediately due and payable by declaration of the Administrator at any time after a Default has occurred and is continuing under the terms of the Agreement or otherwise as provided in the Agreement. Thereupon, the unpaid balance of the principal of this Administrator’s Note and the interest hereon shall become due and payable, together with interest thereon at the Approved Interest Rate(s) plus two percent.

**IN WITNESS THEREOF**, the Shipowner has caused this Administrator’s Note to be signed on this day of .

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (SEAL)  Attest: | |  | SHIPOWNER | |
| By: |  |  | By: |  |
| Name: |  |  | Name: |  |
| Title: |  |  | Title: |  |

(End of Annex E)