**ANNEX M-1**

**FORM OF ANNUAL FINANCIAL STATEMENT CERTIFICATION**

**ANNUAL AUDITED FINANCIAL STATEMENT DELIVERY, SUPPLEMENTAL FINANCIAL COVENANT CALCULATIONS AND CERTIFICATION**

[LETTERHEAD OF SHIPOWNER]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_

[Analyst Name]

Maritime Administration

Office of Marine Financing, MAR-750

Room \_\_\_\_\_\_\_

1200 New Jersey Avenue, S.E.

Washington, DC 20590

**RE: Contract No. MA-\_\_\_\_\_\_**

Dear [Analyst Name]:

Pursuant to Section 13.04 (Annual Audited Financial Statements of Shipowner and Affiliate Guarantor) of Annex C of the Consolidated Agreement, Contract No. MA-\_\_\_\_\_\_, dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ (the “***Agreement***”; capitalized terms used herein, unless otherwise noted, have the respective meanings set forth in the Agreement), you will find enclosed the following covenant compliance documents:

1. Two copies of the Shipowner’s Audited Financial Statements for the fiscal year ended \_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_, along with such other form(s) requested by the Administrator;
2. Two copies of the Affiliate Guarantor’s Audited Financial Statements for such fiscal year;
3. Two copies of the consolidated and consolidating Audited Financial Statements of the Shipowner and the Affiliate Guarantor for such fiscal year; and
4. Calculations of the Supplemental Financial Covenants of the Shipowner and the Supplemental Financial Covenants of the Affiliated Guarantor as of the end of such fiscal year.

Each of the undersigned officers of the Shipowner and the Affiliate Guarantor hereby certifies that, to the best of his or her knowledge and belief, the enclosed financial statements are complete, accurate and free from any misstatements and fairly present the financial position of such entities for such fiscal year. The undersigned officer of the Shipowner hereby certifies that, to the best of his or her knowledge and belief, and as of \_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_:

1. The undersigned (a) has read the covenants, agreements and conditions set forth in the Agreement and (b) has made or caused to be made such examination or investigation as is necessary to enable the undersigned to express an informed opinion with respect to such covenants, agreements and conditions set forth in the Agreement.
2. Neither the Shipowner nor the Affiliate Guarantor was and is in Default in the performance of or in Default with any covenant, agreement or condition contained in the Agreement, the Mortgage, any other Transaction Documents to which it is party or charter relating to any Vessel, except as specified in Attachment I hereto. (***Please specify any defaults, if any, and the nature thereof on Attachment I hereto***).
3. The Shipowner and the Affiliate Guarantor is in compliance with all other applicable covenants, agreements, and conditions contained in the Agreement, the Mortgage, and all other Transaction Documents. (***Please specify any non-compliance, if any, and the nature thereof on Attachment I hereto***).
4. All filings and recordings under the laws of the UCC States have been duly effected to maintain the Administrator’s security interest under the Agreement. ***(Any renewal statements required to be filed since the last annual audit financial statement certification are attached hereto as Exhibit A.)***

Respectfully,

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| [NAME OF SHIPOWNER] | |  | [NAME OF AFFILIATE GUARANTOR] | |
| By: |  |  | By: |  |
| Name: |  |  | Name: |  |
| Title: |  |  | Title: |  |

Enclosures

**ATTACHMENT I**

**Defaults/NON-COMPLIANCE**

(***Please specify any defaults or non-compliance, if any, and the nature thereof***)

**EXHIBIT A**

**UCC RENEWAL**

*(End of Annex M-1)*