

NOTE PURCHASE AGREEMENT made as of _____, by and among the **FEDERAL FINANCING BANK** ("**FFB**"), a body corporate and instrumentality of the United States of America, _____ ("**Borrower**"), a _____ organized and existing under the laws of the State of _____, and the **MARITIME ADMINISTRATOR, MARITIME ADMINISTRATION, U.S. DEPARTMENT OF TRANSPORTATION** ("**Administrator**").

WHEREAS, the Administrator is authorized, pursuant to the Guarantee Act (as hereinafter defined), to guarantee loans that meet the requirements of the Guarantee Act; and

WHEREAS, FFB is authorized, under section 6(a) of the FFB Act (as hereinafter defined), to make commitments to purchase, and to purchase on terms and conditions determined by FFB, any obligation that is issued, sold, or guaranteed by an agency of the United States of America; and

WHEREAS, pursuant to the FFB Act, FFB has entered into the Program Financing Agreement (as hereinafter defined) with the Administrator setting forth the commitment of FFB to enter into agreements to purchase Notes issued by entities designated by the Administrator when those Notes have been guaranteed by the Administrator, and the commitment of the Administrator to guarantee those Notes; and

WHEREAS, pursuant to the Program Financing Agreement, the Administrator has delivered to FFB and the Borrower a Designation Notice (as hereinafter defined) designating the Borrower to be a "Borrower" for purposes of the Program Financing Agreement; and

WHEREAS, FFB is entering into this Note Purchase Agreement, as authorized by section 6(a) of the FFB Act and in fulfillment of its commitment under the Program Financing Agreement, setting out, among other things, FFB's agreement to purchase, pursuant to the FFB Act, the Note (as hereinafter defined) to be issued by the Borrower, when the terms and conditions specified herein have been satisfied, as hereinafter provided.

NOW, THEREFORE, for and in consideration of the mutual agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, FFB, the Administrator, and the Borrower agree as follows:

ARTICLE 1

DEFINITIONS AND RULES OF INTERPRETATION

Section 1.1 Definitions.

As used in this Agreement, the following terms shall have the respective meanings specified in this section 1.1, unless the context clearly requires otherwise.

“Administrator’s Certificate” shall mean a certificate relating to the Administrator’s Guarantee and other matters, in the form of certificate that is attached as Exhibit F to this Agreement.

“Administrator’s Guarantee” shall mean a guarantee of the Note issued by the Administrator, in the form of guarantee that is attached as Exhibit G to this Agreement.

“Administrator’s Instruments” shall have the meaning specified in section 3.3.1 this Agreement.

“Advance” shall mean an advance of funds made by FFB under the Note in accordance with the provisions of article 7 of this Agreement.

“Advance Identifier” shall mean, for each Advance, the particular sequence of letters and numbers constituting the Note Identifier plus the particular sequence of additional numbers assigned by FFB to the respective Advance in the interest rate confirmation notice relating to such Advance delivered by FFB in accordance with section 7.8 of this Agreement.

“Advance Request” shall mean a letter from a Borrower requesting an Advance under a Note, in the form of letter attached as Exhibit A to this Agreement.

“Advance Request Approval Notice” shall mean the written notice from the Agency located at the end of an Advance Request advising FFB that such Advance Request has been approved on behalf of the Administrator.

“Agency” shall mean the Maritime Administration, an agency of the U.S. Department of Transportation.

“Borrower Instruments” shall have the meaning specified in section 3.2.1 of this Agreement.

“Borrower State” shall mean the particular state specified in Schedule I to this Agreement as being the “Borrower State”.

“Business Day” shall mean any day on which FFB and the Federal Reserve Bank of New York are both open for business.

“Certificate Specifying Authorized Borrower Officials/Incumbency” shall mean a certificate of the Borrower specifying the names and titles of those officials of the Borrower who are authorized to execute and deliver from time to time Advance Requests on behalf of the Borrower, and containing the original signature of each of those officials, substantially in the form of the Certificate Specifying Authorized Borrower Officials/Incumbency attached as Exhibit B to this Agreement.

“Certificate Specifying Authorized Agency Officials/Incumbency” shall mean a certificate specifying the names and titles of those officials of the Agency who are authorized to execute and deliver Advance Request Approval Notices from time to time on behalf of the Administrator and setting out the original signature of each of those authorized officials, and specifying the name and title of those officials of the Agency who are authorized to confirm telephonically the authenticity of the Advance Request Approval Notices from time to time on behalf of the Administrator and setting out the telephone number of each of those authorized officials, in the form of the Certificate Specifying Authorized Agency Officials/Incumbency attached as Annex 1 to the Program Financing Agreement.

“Designation Notice” shall mean, generally, a notice from the Administrator to FFB and the particular entity identified therein as the respective “Borrower,” designating that entity to be a “Borrower” for purposes of the Program Financing Agreement, in the form of notice that is attached as Annex 2 to the Program Financing Agreement; and “the Designation Notice” shall mean the particular Designation Notice delivered by the Administrator to FFB and the Borrower designating the Borrower to be a “Borrower” for purposes of the Program Financing Agreement.

“Equal Principal Payments Method” shall have the meaning specified in section 10.3 of this Agreement.

“FFB Act” shall mean the Federal Financing Bank Act of 1973 (Pub. L. No. 93-224, 87 Stat. 937, codified at 12 U.S.C. § 2281 et seq.), as amended.

“FFB Financing Options Fee” shall mean the fee, expressed in terms of a basis point increment in the basic interest rate established for an Advance, payable by the Borrower to the Holder if the Borrower elects to have the Par Prepayment/Refinancing Privilege apply to such Advance, as described in section 12.3 of this Agreement.

“5-Year No-Call Period” shall mean a 5-year period during which an advance shall not be eligible for any elective prepayment.

“10-Year No-Call Period” shall mean a 10 year period during which an advance shall not be eligible for any elective prepayment.

“Governmental Approval” shall mean any approval, consent, authorization, license, permit, order, certificate, qualification, waiver, exemption, or variance, or any other action of a similar nature, of or by a Governmental Authority having jurisdiction over the Borrower or any of its properties.

“Governmental Authority” shall mean any federal, state, county, municipal, regional, or foreign authority, or any other entity of a similar nature, exercising any executive, legislative, judicial, regulatory, or administrative function of government.

“Governmental Judgment” shall mean any judgment, order, decision, or decree, or any action of a similar nature, of or by a Governmental Authority having jurisdiction over the Borrower or any of its properties.

“Governmental Registration” shall mean any registration, filing, declaration, or notice, or any other action of a similar nature, with or to a Governmental Authority having jurisdiction over the Borrower or any of its properties.

“Governmental Rule” shall mean any statute, law, rule, regulation, code, or ordinance of a Governmental Authority having jurisdiction over the Borrower or any of its properties.

“Guarantee Act” shall mean Chapter 537 of Title 46 of the United States Code.

“Guarantee Agreement” shall mean the particular agreement specified in Schedule I to this Agreement as being the “Guarantee Agreement”.

“Holder” shall mean FFB, for so long as it shall be the holder of the Note, and any successor or assignee of FFB, for so long as such successor or assignee shall be the holder of the Note.

“Initial Advance” shall mean the first Advance made under the Note.

“Initial Advance Request” shall mean the first Advance Request submitted by the Borrower under the Note.

“Level Debt Service Payments Method” shall have the meaning specified in section 10.2 of this Agreement.

“Loan Commitment Amount” shall mean the particular amount specified in Schedule I to this Agreement as being the “Loan Commitment Amount”.

[“Loan Servicer” shall mean the particular entity specified in Schedule I to this Agreement as being the “Loan Servicer”.]

“Market Value Premium (or Discount)” shall have the meaning specified in section 12.2 of this Agreement.

“Market Value Prepayment/Refinancing Privilege” shall have the meaning specified in section 12.2 of this Agreement.

“Material Adverse Effect on the Borrower” shall mean any material adverse effect on the financial condition, operations, business or prospects of the Borrower or the ability of the Borrower to perform its obligations under this Agreement or any of the other Borrower Instruments.

“No-Call Period” shall mean either a 5-Year No-Call Period or a 10-Year No-Call Period.

“Note” shall mean a future advance promissory Note payable to FFB, in the form of Note that is attached as Exhibit C to this Agreement, as such Note may be amended, supplemented, and restated from time to time in accordance with its terms.

“Note Identifier” shall mean the particular sequence of letters and numbers assigned by FFB to the Note in the Principal Instruments acceptance notice relating to the Note delivered by FFB in accordance with section 5.1 of this Agreement.

“Opinion of Borrower’s Counsel re: Borrower Instruments” shall mean an opinion of counsel from counsel to the Borrower, substantially in the form of opinion that is attached as Exhibit D to this Agreement.

“Opinion of Administrator’s Counsel re: Administrator’s Guarantee” shall mean an opinion of counsel from counsel to the Administrator, substantially in the form of opinion that is attached as Exhibit E to this Agreement.

“Other Debt Obligation” shall mean any bond or note, or any other evidence of an obligation for borrowed money of a similar nature, made or issued by the Borrower (other

than the Note purchased by FFB under this Agreement), or any mortgage, indenture, deed of trust or loan agreement with respect thereto to which the Borrower is a party or by which the Borrower or any of its properties is bound (other than this Agreement).

“Par Prepayment/Refinancing Privilege” shall have the meaning specified in section 12.3 of this Agreement.

“Person” shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, trust company, unincorporated organization, limited liability company or Governmental Authority.

“Principal Instruments” shall have the meaning specified in section 4.2 of this Agreement.

“Program Financing Commitment Amount” shall have the meaning specified in section 1.1 of the Program Financing Agreement.

“Program Financing Agreement” shall mean the Program Financing Agreement dated as of January 19, 2017, between FFB and the Administrator, as such agreement may be amended, supplemented, and restated from time to time in accordance with its terms.

“Project State” shall mean the particular state specified in Schedule I to this Agreement as being the “Project State”.

“Requested Advance Amount” shall have the meaning specified in section 7.3.1(a)(2) of this Agreement.

“Requested Advance Date” shall have the meaning specified in section 7.3.1(a)(3) of this Agreement.

“Security Instruments” shall mean the particular instruments and agreements specified in Schedule I to this Agreement as being the “Security Instruments”.

“this Agreement” shall mean this Note Purchase Agreement between FFB, the Administrator, and the Borrower.

“Uncontrollable Cause” shall mean an unforeseeable cause beyond the control and without the fault of FFB, being: act of God, fire, flood, severe weather, epidemic, quarantine restriction, explosion, sabotage, act of war, act of terrorism, riot, civil commotion, lapse of the statutory authority of the United States Department of the Treasury to raise cash through the issuance of Treasury debt instruments, disruption or failure of the Treasury Financial Communications System, closure of the Federal Government, or an unforeseen or unscheduled closure or evacuation of the FFB offices.

Section 1.2 Rules of Interpretation.

Unless the context shall otherwise indicate, the terms defined in section 1.1 of this Agreement shall include the plural as well as the singular and the singular as well as the plural. The words “herein,” “hereof,” and “hereto,” and words of similar import, refer to this Agreement as a whole.

ARTICLE 2

FFB COMMITMENT TO PURCHASE THE NOTE

Subject to the terms and conditions of this Agreement, FFB agrees to purchase the Note that is offered by the Borrower to FFB for purchase under this Agreement.

ARTICLE 3

COMMITMENT CONDITIONS

FFB shall be under no obligation to purchase the Note under this Agreement unless and until each of the conditions specified in this Article 3 has been satisfied.

Section 3.1 Commitment Amount Limits.

3.1.1 Loan Commitment Amount. The maximum principal amount of the Note that is offered for purchase shall not exceed the Loan Commitment Amount.

3.1.2 Program Financing Commitment Amount. At the time that the Note is offered to FFB for purchase under this Agreement, the maximum principal amount of the Note, when added to the aggregate maximum principal amount of all other Notes that have been issued by entities that have been designated by the Administrator in Designation Notices to be “Borrowers” for purposes of the Program Financing Agreement and which Notes have been guaranteed by the Administrator pursuant to the Guarantee Act, shall not exceed the Program Financing Commitment Amount.

Section 3.2 Borrower Instruments.

3.2.1 Borrower Instruments. FFB shall have received the following instruments in accordance with section 4.1 (such instruments being, collectively, the “Borrower Instruments”):

(a) an original counterpart of this Agreement, duly executed by the Borrower; and

(b) the original Note, with all of the blanks on page 1 of the Note filled in with information consistent with the information set out in the Designation Notice, and duly executed by the Borrower.

3.2.2 Opinion of Borrower’s Counsel re: Borrower Instruments. FFB shall have received from the Borrower an Opinion of Borrower’s Counsel re: Borrower Instruments.

3.2.3 Certificate Specifying Authorized Borrower Officials/Incumbency. FFB shall have received from the Borrower a completed and signed Certificate Specifying Authorized Borrower Officials/Incumbency.

Section 3.3 Administrator’s Instruments.

3.3.1 Administrator’s Instruments. FFB shall have received from the Administrator the following instruments (such instruments being, collectively, the “Administrator’s Instruments”):

(a) an original counterpart of this Agreement, duly executed by or on behalf of the Administrator;

(b) the original Administrator’s Guarantee relating to the Note, duly executed by or on behalf of the Administrator; and

(c) an original Administrator’s Certificate relating to the Administrator’s Guarantee and other matters, duly executed by or on behalf of the Administrator.

3.3.2 Opinion of Administrator’s Counsel re: Administrator’s Guarantee. FFB shall have received an Opinion of Administrator’s Counsel re: Administrator’s Guarantee.

Section 3.4 Conditions Specified in Other Agreements.

Each of the conditions specified in the Program Financing Agreement as being conditions to purchasing the Note shall have been met to the satisfaction of the FFB and the Administrator.

ARTICLE 4

OFFER OF THE NOTE FOR PURCHASE

The Note that is to be offered to FFB for purchase under this Agreement shall be offered in accordance with the procedures described in this article 4.

Section 4.1 Delivery of Borrower Instruments to the Administrator.

The Borrower shall deliver to the Administrator, for redelivery to FFB, the following:

- (a) all of the Borrower Instruments, each duly executed by the Borrower;
- (b) an Opinion of Borrower's Counsel re: Borrower Instruments; and
- (c) a completed and signed Certificate Specifying Authorized Borrower Officials/Incumbency.

Section 4.2 Delivery of Principal Instruments by the Administrator to FFB.

The Administrator shall deliver to FFB all of the following instruments (collectively being the "Principal Instruments"):

- (a) all of the instruments described in section 4.1;
- (b) all of the Administrator's Instruments, each duly executed by the Administrator; and
- (c) an Opinion of Administrator's Counsel re: Administrator's Guarantee.

ARTICLE 5

PURCHASE OF THE NOTE BY FFB

Section 5.1 Acceptance or Rejection of Principal Instruments.

Within five Business Days after delivery to FFB of the Principal Instruments relating to the Note that is offered for purchase under this Agreement, FFB shall deliver by facsimile transmission (fax) or email to the Agency one of the following:

(a) an acceptance notice, which notice shall:

(1) state that the Principal Instruments meet the terms and conditions detailed in article 3 of this Agreement, or are otherwise acceptable to FFB; and

(2) assign a Note Identifier to such Note for use by the Borrower and the Agency in all communications to FFB making reference to such Note; or

(b) a rejection notice, which notice shall state that one or more of the Principal Instruments does not meet the terms and conditions of this Agreement and specify how such instrument or instruments does not meet the terms and conditions of this Agreement.

Section 5.2 Timing of Delivery of Borrower's Initial Advance Request.

5.2.1 After Receipt of Principal Instruments Acceptance Notice. The Administrator shall not deliver to FFB the Initial Advance Request and the Advance Request Approval Notice relating to the Initial Advance Request before the Agency has received from FFB the acceptance notice described in section 5.1.(a) of this Agreement.

5.2.2 Limitation on Requested Advance Date for Initial Advance. As prescribed in section 7.4.2 of this Agreement, the Requested Advance Date specified in the Initial Advance Request delivered under article 7 of this Agreement shall not be earlier than the fifth Business Day to occur after the date on which FFB shall have received the Principal Instruments under article 4 of this Agreement.

Section 5.3 Purchase.

FFB shall not be deemed to have accepted the Note offered for purchase under this Agreement until such time as FFB shall have delivered an acceptance notice accepting the Principal Instruments relating to the Note; provided, however, that in the event that FFB shall make an Advance under the Note, then FFB shall be deemed to have accepted the Note offered for purchase.

ARTICLE 6

CUSTODY OF NOTE; LOSS OF NOTE, ETC.

Section 6.1 Custody.

FFB shall have custody of the Note purchased under this Agreement until all amounts owed under the Note have been paid in full.

Section 6.2 Lost, Stolen, Destroyed, or Mutilated Note.

In the event that the Note purchased under this Agreement shall become lost, stolen, destroyed, or mutilated, the Borrower shall, upon the written request of FFB to the Borrower, with a copy to the Administrator, execute and deliver, in replacement thereof, a new Note of like tenor, dated and bearing interest from the date to which interest has been paid on such lost, stolen, destroyed, or mutilated Note or, if no interest has been paid thereon, dated the same date as such lost, stolen, destroyed, or mutilated Note. Upon delivery of such replacement Note, the Borrower shall be released and discharged from any further liability on account of the lost, stolen, or destroyed Note. If the Note being replaced has been mutilated, such mutilated Note shall be surrendered to the Borrower for cancellation. The Administrator shall deliver to FFB a written confirmation that the Administrator's Guarantee related to the lost, stole, destroyed, or mutilated Note remains in full force and effect with respect to the replacement Note.

ARTICLE 7**ADVANCES****Section 7.1 Commitment.**

Subject to the terms and conditions of this Agreement, FFB agrees to make Advances under the Note for the account of the Borrower.

Section 7.2 Treasury Policies Applicable to Advances.

Each of the Borrower and the Administrator understands and consents to the following Treasury financial management policies generally applicable to all advances of funds:

(a) each Advance will be requested by the Borrower, and each Advance Request will be approved by the Administrator, only at such time and in such amount as shall be necessary to meet the immediate payment or disbursing need of the Borrower;

(b) except for Advances to reimburse the Borrower for expenditures that it has made from its own working capital, each Advance will be requested to be disbursed directly to the Person(s) to whom the Borrower is obligated to make payments;

(c) Advances for investment purposes will not be requested by the Borrower or approved by the Administrator; and

(d) all interest earned on any lawful and permitted investment of Advances in excess of the interest accrued on such Advances will be remitted to FFB.

Section 7.3 Conditions to Making All Advances.

FFB shall be under no obligation to make any Advance under the Note unless and until each of the conditions specified in this section 7.3 is satisfied.

7.3.1 Advance Requests. For each Advance, the Borrower shall have delivered to the Administrator, for review and approval before being forwarded to FFB, an Advance Request, which Advance Request:

(a) shall specify, among other things:

(1) the particular "Note Identifier" that FFB assigned to this Note (as provided in section 5.1 of this Agreement);

(2) the particular amount of funds that the Borrower requests to be advanced (such amount being the "Requested Advance Amount" for the respective Advance);

(3) the particular calendar date that the Borrower requests to be the date on which the respective Advance is to be made (such date being the "Requested Advance Date" for such Advance), which date:

(A) must be a Business Day; and

(B) shall not be earlier than the third Business Day to occur after the date on which FFB shall have received the respective Advance Request;

(4) the particular bank account to which the Borrower requests that the respective Advance be made;

(5) the particular principal repayment method that the Borrower elects to apply to the respective Advance (i.e., either the Level Debt Service Payments Method described in section 10.2 of this Agreement or the Equal Principal Payments Method described in section 10.3 of this Agreement); and

(6) the particular prepayment/refinancing privilege that the Borrower elects to apply to the respective Advance (i.e., either the Market Value Prepayment/Refinancing Privilege described in section 12.2 of this Agreement or the Par Prepayment/Refinancing Privilege described in section 12.3 of this Agreement); and

(b) shall have been duly executed by an official of the Borrower whose name and signature appear on the Certificate Specifying Authorized Borrower Officials/Incumbency delivered by the Borrower to FFB pursuant to sections 3.2.3, 4.1(c), and 4.2(a), or pursuant to section 13.4, of this Agreement; and

(c) shall have been received by FFB not later than the third Business Day before the Requested Advance Date specified in such Advance Request.

7.3.2 Advance Request Approval Notice. For each Advance, the Administrator shall have delivered to FFB the Borrower's executed Advance Request, together with the Agency's executed Advance Request Approval Notice, which Advance Request Approval Notice:

(a) shall have been duly executed on behalf of the Administrator by an official of the Agency whose name and signature appear on the Certificate Specifying Authorized Agency Officials/Incumbency delivered to FFB pursuant to section 3.1.3 or section 6.1 of the Program Financing Agreement; and

(b) shall have been received by FFB not later than the third Business Day before the Requested Advance Date specified in such Advance Request.

7.3.3 Telephonic Confirmation of Authenticity of Advance Request Approval Notices. For each Advance, FFB shall have obtained telephonic confirmation of the authenticity of the related Advance Request Approval Notice from an official of the Agency (a) whose name, title, and telephone number appear on the Certificate Specifying Authorized Agency Officials/Incumbency that has been delivered by the Administrator to FFB pursuant to section 3.1.3 or section 6.1 of the Program Financing Agreement; and (b) who is not the same official of the Agency who executed the Advance Request Approval Notice on behalf of the Administrator.

7.3.4 Note Maximum Principal Amount Limit. At the time of making any Advance under the Note, the amount of such Advance, when added to the aggregate amount of all Advances previously made under the Note, shall not cause the resulting sum to exceed the maximum principal amount of the Note.

7.3.5 Conditions Specified in Other Agreements. Each of the conditions specified in the Program Financing Agreement as being conditions to making Advances under the Note, shall have been met to the satisfaction of the FFB and the Administrator.

7.3.6 No Prohibition Against Funding by FFB. At the time of making any Advance under the Note, there shall be no Governmental Rule or Governmental Judgement that prohibits FFB from distributing funds provided for in such Advance.

7.3.7. Notification of Stop Notices. Promptly upon the Borrower obtaining knowledge of any action taken against FFB by any contractor, subcontractor, material supplier, or laborer working on any construction project financed in whole or in part with any Advance or Advances made under the Note, including, without limitation, any mechanics lien, bonded stop notice, or similar contractor mechanism under applicable law (a "Stop Notice"), the Borrower shall (1) provide notice thereof to FFB and the Agency and (2) certify that it has used or is using commercially reasonable efforts to fully resolve, have the FFB dismissed from, or obtain a bond for the release of any Stop Notice.

Section 7.4 Conditions to Making the Initial Advance.

FFB shall be under no obligation to make the Initial Advance under the Note unless and until each of the conditions specified in this section 7.4 is satisfied.

7.4.1 Conditions Specified in Section 7.3. Each of the conditions applicable to all Advances specified in section 7.3 of this Agreement is satisfied.

7.4.2 Timing of Delivery of Initial Advance Request. The Initial Advance Request, together with the related Advance Request Approval Notice, shall have been received by FFB:

(a) not earlier than the fifth Business Day to occur after the date on which FFB shall have received the Principal Instruments; and

(b) not later than the third Business Day to occur before the date specified in the Initial Advance Request as Requested Advance Date for the Initial Advance.

Section 7.5 Amount and Timing of Advances.

FFB shall make each Advance in the Requested Advance Amount specified in the respective Advance Request and on the Requested Advance Date specified in the respective Advance Request, subject to satisfaction of the conditions specified in section 7.3 of this Agreement and subject to the following additional limitations:

(a) in the event that the Requested Advance Date specified in the respective Advance Request is not a Business Day, FFB shall make the respective Advance on the first day thereafter that is a Business Day;

(b) in the event that FFB receives the respective Advance Request and the related Advance Request Approval Notice later than the third Business Day before the Requested Advance Date specified in such Advance Request, FFB shall make the respective Advance as soon as practicable thereafter, but in any event not later than the third

Business Day after FFB receives such Advance Request, unless the Borrower delivers to FFB and the Administrator a written cancellation of such Advance Request or a replacement Advance Request specifying a later Requested Advance Date; and

(c) in the event that an Uncontrollable Cause prevents FFB from making the respective Advance on the Requested Advance Date specified in the respective Advance Request, FFB shall make such Advance as soon as such Uncontrollable Cause ceases to prevent FFB from making such Advance, unless the Borrower delivers to FFB and the Administrator a written cancellation of such Advance Request or a replacement Advance Request specifying a later Requested Advance Date.

Section 7.6 Type of Funds and Means of Advance.

Each Advance shall be made in immediately available funds by electronic funds transfer to such bank account(s) as shall have been specified in the respective Advance Request.

Section 7.7 Interest Rate Applicable to Advances.

The rate of interest applicable to each Advance made under the Note shall be established as provided in paragraph 6 of the Note.

Section 7.8 Interest Rate Confirmation Notices.

After making each Advance, FFB shall deliver, by email, personal delivery or facsimile transmission, to the Borrower, the Agency, [and the Loan Servicer] written confirmation of the making of the respective Advance, which confirmation shall:

- (a) state the date on which such Advance was made and the amount of such Advance;
- (b) state the interest rate applicable to such Advance; and
- (c) assign an Advance Identifier to such Advance for use by the Borrower [the Loan Servicer,] and the Agency in all communications to FFB making reference to such Advance.

ARTICLE 8

REPRESENTATIONS AND WARRANTIES BY THE BORROWER

The Borrower makes the representations and warranties provided in this article 8 to FFB and the Administrator.

Section 8.1 Organization.

The Borrower is a legal entity duly organized, validly existing and in good standing under the laws of the Borrower State or country and is qualified to do business in the Project State or country.

Section 8.2 Authority.

The Borrower has all requisite power and authority to carry on its business as presently conducted, to execute and deliver this Agreement and each of the other Borrower Instruments, to consummate the transactions contemplated hereby and thereby, and to perform its obligations hereunder and thereunder.

Section 8.3 Due Authorization.

The execution and delivery by the Borrower of this Agreement and each of the other Borrower Instruments, the consummation by the Borrower of the transactions contemplated hereby and thereby, and the performance by the Borrower of its obligations hereunder and thereunder have been duly authorized by all necessary action.

Section 8.4 Due Execution.

This Agreement has been, and each of the other Borrower Instruments will have been at the respective time of delivery of each thereof, duly executed and delivered by officials of the Borrower who are duly authorized to execute and deliver such documents on its behalf.

Section 8.5 Validity and Enforceability.

This Agreement constitutes, and each of the other Borrower Instruments will constitute at the respective time of delivery of each thereof, the legal, valid, and binding agreement of the Borrower, enforceable against the Borrower in accordance with their respective terms.

Section 8.6 No Governmental Actions Required.

No Governmental Approvals or Governmental Registrations are now, or under existing Governmental Rules will in the future be, required to be obtained or made, as the case may be, by the Borrower to authorize the execution and delivery by the Borrower of this Agreement or any of the other Borrower Instruments, the consummation by the Borrower of the transactions contemplated hereby or thereby, or the performance by the Borrower of its obligations hereunder or thereunder.

Section 8.7 No Conflicts or Violations.

The execution and delivery by the Borrower of this Agreement or any of the other Borrower Instruments, the consummation by the Borrower of the transactions contemplated hereby or thereby, and the performance by the Borrower of its obligations hereunder or thereunder do not and will not conflict with or violate, result in a breach of, or constitute a default under (a) any term or provision of the charter or organization documents or bylaws of the Borrower; (b) any of the covenants, conditions or agreements contained in any Other Debt Obligation of the Borrower; (c) any Governmental Approval or Governmental Registration obtained or made, as the case may be, by the Borrower; or (d) any Governmental Judgment or Governmental Rule currently applicable to the Borrower.

Section 8.8 No Material Litigation.

There are no lawsuits or judicial or administrative actions, proceedings or investigations pending or, to the best knowledge of the Borrower, threatened against the Borrower which, in the reasonable opinion of the Borrower, is likely to have a Material Adverse Effect on the Borrower.

ARTICLE 9**BILLING BY FFB****Section 9.1 Billing Statements to the Borrower, the Agency[, and the Loan Servicer].**

FFB shall prepare a billing statement for the amounts owed to FFB on each Advance that is made under the Note purchased under this Agreement, and shall deliver each such billing statement to the Borrower [, the Loan Servicer,] and the Agency.

Section 9.2 Failure to Deliver or Receive Billing Statements No Release.

Failure on the part of FFB to deliver any billing statement or failure on the part of the Borrower to receive any billing statement shall not, however, relieve the Borrower of any of its payment obligations under the Note or this Agreement.

Section 9.3 FFB Billing Determinations Conclusive.

9.3.1 Acknowledgment and Consent. The Borrower acknowledges that FFB has described to it:

- (a) the rounding methodology employed by FFB in calculating the amount of accrued interest owed at any time on the Note; and

(b) the methodology employed by FFB in calculating the level debt service payment schedule for amounts due and payable on the Note;

and the Borrower consents to these methodologies.

9.3.2 Agreement. The Borrower agrees that any and all determinations made by FFB shall be conclusive and binding upon the Borrower with respect to:

(a) the amount of accrued interest owed on the Note determined using this rounding methodology; and

(b) the amount of any level debt service payment due and payable on the Note determined using this methodology.

ARTICLE 10

BORROWER'S OPTIONS FOR PRINCIPAL REPAYMENT METHODS

Section 10.1 Required Selection.

For each Advance, the Borrower *must* select, at the time of requesting the respective Advance, the particular principal repayment method that is to apply to such Advance from between the options described in sections 10.2 and 10.3 of this Agreement.

Section 10.2 "Level Debt Service Payments Method".

If the Borrower selects, at the time of requesting an Advance, to have the "Level Debt Service Payments Method" apply to such Advance, the amount of principal due on each Payment Date and on the Maturity Date shall be, in each case, equal to an amount which, when added to the accrued interest due on such Payment Date or the Maturity Date, as the case may be, will be substantially equal to every other _____ payment consisting of an installment of principal, and accrued interest, and shall be sufficient, when added to all other such _____ payments consisting of an installment of principal, and accrued interest, to repay the principal amount of the respective Advance in full on the Maturity Date.

Section 10.3 "Equal Principal Payments Method".

If the Borrower selects, at the time of requesting an Advance, to have the "Equal Principal Payments Method" apply to such Advance, the amount of principal due on each Payment Date and on the Maturity Date shall be, in each case, substantially equal to the amount of every other _____ installment of principal, and shall be sufficient, when added to all

other such _____ installments of equal principal to repay the principal amount of the respective Advance in full on the Maturity Date.

ARTICLE 11

PAYMENTS TO FFB

Each amount that becomes due and owing on the Note purchased under this Agreement shall be paid when and as due, as provided in the Note.

ARTICLE 12

BORROWER'S OPTIONS FOR PREPAYMENT AND REFINANCING PRIVILEGES

Section 12.1 Required Selection.

For each Advance, the Borrower *must* select, at the time of requesting the respective Advance, the particular prepayment/refinancing privilege that is to apply to such Advance from between the options described in sections 12.2 and 12.3 of this Agreement, subject to terms acceptable to the Administrator.

Section 12.2 "Market Value Prepayment/Refinancing Privilege".

If the Borrower selects, at the time of requesting an Advance, to have the "Market Value Prepayment[/Refinancing Privilege]" apply to such Advance, the Borrower shall have the privilege to prepay such Advance (as provided in paragraph 14 of the Note) or to refinance such Advance (as provided in paragraph 15 of the Note) at a prepayment or refinancing price that will include, in either case, a premium (or discount credit) equal to the *difference* between:

(a) the price for such Advance that would, if such Advance (including all unpaid interest accrued thereon through the date of prepayment or refinancing, as the case may be) were purchased by a third party and held to the "Maturity Date" specified in the Note, produce a yield to the third-party purchaser for the period from the date of purchase to such Maturity Date substantially equal to the interest rate that would be set on a loan from the Secretary of the Treasury to FFB to purchase an obligation having a payment schedule identical to the payment schedule of such Advance for the period from the date of prepayment or refinancing, as the case may be, to such Maturity Date; and

(b) the sum of:

(1) the outstanding principal amount of such Advance on the date of prepayment or refinancing, as the case may be (after taking into account the payment of the principal installment (if any) that is due on date of prepayment or refinancing, as the case may be, in accordance with the principal repayment schedule that applied to such Advance immediately before such prepayment or refinancing); and

(2) all unpaid interest accrued on such Advance through the date of prepayment or refinancing, as the case may be,

(the difference between the price described in paragraph (a) of this section 12.2 and the sum of the amounts described in paragraph (b) of this section 12.2 being the “Market Value Premium (or Discount)”). The price described in paragraph (a) of this section 12.2 shall be calculated by the Secretary of the Treasury as of the close of business on the second Business Day before the date of prepayment or refinancing, as the case may be, using standard calculation methods of the United States Department of the Treasury.

Section 12.3 “Par Prepayment/Refinancing Privilege”.

12.3.1 No Premium. If the Borrower selects, at the time of requesting an Advance, to have the “Par Prepayment/Refinancing Privilege” apply to such Advance, the Borrower shall have the privilege to prepay such Advance (as provided in paragraph 14 of the Note) or to refinance such Advance (as provided in paragraph 15 of the Note) at a prepayment or refinancing price that will include, in either case, no premium.

12.3.2 Standard for Calculating FFB Financing Options Fee for Par Prepayment[/Refinancing Privilege]. The fee assessed by FFB and payable by the Borrower to have the Par Prepayment/Refinancing Privilege apply to any Advance (such fee being an “FFB Financing Options fee”) shall be established on the basis of the determination made by FFB described in paragraph 6(d) of the Note.

12.3.3 Calculation and Notification of FFB Financing Options Fee for Par Prepayment/Refinancing Privilege. FFB shall make the determination described in section 12.3.2 of this Agreement for each Advance to which the Borrower has selected to have the Par Prepayment/Refinancing Privilege apply, at the time of the establishment of the particular basic interest rate that is to apply to the respective Advance. After making such determination for each Advance, FFB shall notify the Borrower [, the Loan Servicer,] and the Agency of the particular FFB Financing Options Fee (expressed in terms of a basis point increment) that is assessed by FFB and payable by such Borrower for the Par Prepayment/Refinancing Privilege in the particular interest rate confirmation notice relating to such Advance to be delivered by FFB in accordance with section 7.8 of this Agreement.

Section 12.4 New Notices and Billing Statements After Refinancings.

In the event of a refinancing of any Advance, FFB shall provide the Borrower [, the Loan Servicer,] and the Agency with a new interest rate confirmation notice and a new billing statement reflecting the new interest rate applicable to such Advance.

ARTICLE 13**AGREEMENTS AND RIGHTS OF THE ADMINISTRATOR AND THE BORROWER****Section 13.1 Administrator's Authority.**

In consideration of the Administrator's Guarantee relating to the Note that has been purchased by FFB under this Agreement, the Administrator shall have the sole authority (vis-à-vis FFB), in the case of a default by the Borrower under such Note or the occurrence of an event of default under the Security Instruments, in respect of acceleration of such Note, the exercise of other available remedies, and the disposition of sums or property recovered.

Section 13.2 Administrator's Right to Purchase Advances or the Note.

Notwithstanding the provisions of the Note, the Borrower acknowledges that the Administrator may purchase from FFB all or any portion of any Advance that has been made under the Note, or may purchase from FFB the Note in its entirety, in the same manner, at the same price, and subject to the same limitations as shall be applicable, under the terms of the Note, to a prepayment by the Borrower of all or any portion of any Advance made under the Note, or a prepayment by the Borrower of the Note in its entirety, as the case may be.

Section 13.3 Administrator's Confirmation Relating to the Administrator's Guarantee.

The Administrator confirms to FFB that the obligation of the United States of America to pay amounts due and payable under the Administrator's Guarantee when such amounts become due and payable in accordance with its terms, constitutes the absolute obligation of the United States of America, against which no offset may be made by the United States of America in discharge of its obligation to make these payments and for which the full faith and credit of the United States of America are pledged.

Section 13.4 Delivery of Replacement Certificates Specifying Authorized Borrower Signatories/Incumbency.

The Borrower may, at any time and from time to time, deliver to FFB a revised Certificate Specifying Authorized Borrower Signatories/Incumbency, updated and completed as appropriate, in replacement of the original such certificate delivered pursuant to sections 3.2.3, 4.1(c), and 4.2(a) of this Agreement.

Section 13.5. Administrator's Notice Obligation For Stop Notices.

If the Administrator shall receive any notice of any Stop Notice against the Borrower, FFB or the Agency, which action has not been dismissed against each such applicable party, or has not been bonded in full compliance with, and in satisfaction of all requirements of, applicable law, and in accordance with the terms of the Guarantee Agreement, the Administrator shall provide FFB with notice of such Stop Notice.

ARTICLE 14

EFFECTIVE DATE, TERM, SURVIVAL

Section 14.1 Effective Date.

This Agreement shall be effective as of the date first above written.

Section 14.2 Term of Commitment to Make Advances.

The obligation of FFB under this Agreement to make Advances under the Note issued by the Borrower shall expire on the "Last Day for an Advance" specified in the Note.

Section 14.3 Survival.

14.3.1 Representations, Warranties, and Certifications. All representations, warranties, and certifications made by the Borrower in this Agreement, or in any agreement, instrument, or certificate delivered pursuant hereto, shall survive the execution and delivery of this Agreement, the purchasing of the Note hereunder, and the making of Advances thereunder.

14.3.2 Remainder of Agreement. Notwithstanding the occurrence and passage of the Last Day for an Advance, the remainder of this Agreement shall remain in full force and effect until all amounts owed under this Agreement and the Note purchased by FFB under this Agreement have been paid in full.

ARTICLE 15

MISCELLANEOUS

Section 15.1 Notices.

15.1.1 Addresses of the Parties. All notices and other communications hereunder to be made to either party shall be in writing and shall be addressed as follows:

To FFB:

Federal Financing Bank
Main Treasury Building
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Attention: Chief Financial Officer

Telephone No. (202) 622-2470

Facsimile No. (202) 622-0707

To the Borrower:

Attention: _____

Telephone No. () -

Facsimile No. () -

Email Address _____

To the Administrator (or the Agency):

Maritime Administrator
Office of Marine Financing

U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

Telephone No. (202) 366-5737
Facsimile No. (202) 366-7901
Email Address marinefinancing@dot.gov

[To the Loan Servicer:

Attention: _____

Telephone No. () ____ - ____
Facsimile No. () ____ - ____
Email Address _____]

The address, telephone number, facsimile number, or email address for any party [or the Loan Servicer] may be changed at any time and from time to time upon written notice given by such changing party to the other party hereto.

15.1.2 Permitted Means of Delivery. Advance Requests, a Rate Commitment Request, notices, and other communications to FFB may be delivered by email, personal delivery or facsimile (fax) transmission of the executed instrument.

15.1.3 Delivery. A properly addressed notice or other communication shall be deemed to have been “delivered” for purposes of this Agreement:

- (a) if made by personal delivery, on the date of such personal delivery;
- (b) if mailed by first class mail, registered or certified mail, express mail, or by any commercial overnight courier service, on the date that such mailing is received;
- (c) if sent by email or facsimile (fax) transmission:

(1) if the transmission is received and receipt confirmed before 4:00 p.m. (Washington, DC, time) on any Business Day, on the date of such transmission; and

(2) if the transmission is received and receipt confirmed after 4:00 p.m. (Washington, DC, time) on any Business Day or any day that is not a Business Day, on the next Business Day.

15.1.4 Notices to FFB to Contain FFB Identification References. All notices to FFB making any reference to either the Note or any Advance made thereunder shall identify the Note or such Advance by the Note Identifier or the respective Advance Identifier, as the case may be, assigned by FFB to the Note or such Advance.

Section 15.2 Amendments.

No provision of this Agreement may be amended, modified, supplemented, waived, discharged, or terminated orally but only by an instrument in writing duly executed by each of the parties hereto.

Section 15.3 Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of each of FFB, the Administrator and the Borrower, and each of their respective successors and assigns.

Section 15.4 Sale or Assignment of Note.

15.4.1 Sale or Assignment Permitted. Subject to the requirements of the Office of Management and Budget Circular A-129 revised (January 2013), FFB may sell, assign, or otherwise transfer all or any part of the Note or any participation share thereof.

15.4.2 Notice of Sale, Etc. FFB will deliver to the Borrower, the Agency, [and the Loan Servicer] written notice of any sale, assignment, or other transfer of any Note promptly after any such sale, assignment, or other transfer.

15.4.3 Manner of Payment after Sale. Any sale, assignment, or other transfer of all or any part of any Note may provide that, following such sale, assignment, or other transfer, payments on such Note shall be made in the manner specified by the respective purchaser, assignee, or transferee, as the case may be.

15.4.4 Replacement Notes. The Borrower agrees:

(a) to issue a replacement Note or Notes with the same aggregate principal amount, interest rate, maturity, and other terms as each respective Note or Notes sold, assigned, or transferred pursuant to subsection 15.4.1 of this Agreement;

provided, however, that, when requested by the respective purchaser, assignee, or transferee, such replacement Note or Notes shall provide that payments thereunder shall be made in the manner specified by such purchaser, assignee, or transferee; and

(b) to effect the change in ownership on its records and on the face of each such replacement Note issued, upon receipt of each Note or Notes so sold, assigned, or transferred.

Section 15.5 Forbearance Not a Waiver.

Any forbearance on the part of FFB from enforcing any term or condition of this Agreement shall not be construed to be a waiver of such term or condition or acquiescence by FFB in any failure on the part of Borrower to comply with or satisfy such term or condition.

Section 15.6 Rights Confined to Parties.

Nothing expressed or implied herein is intended or shall be construed to confer upon, or to give to, any Person other than FFB, the Borrower, and the Administrator, and their respective successors and permitted assigns, any right, remedy or claim under or by reason of this Agreement or of any term, covenant or condition hereof, and all of the terms, covenants, conditions, promises, and agreements contained herein shall be for the sole and exclusive benefit of FFB, the Borrower, and the Administrator, and their respective successors and permitted assigns.

Section 15.7 Governing Law.

This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the federal law and not the law of any state or locality.

Section 15.8 Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not of itself invalidate or render unenforceable such provision in any other jurisdiction.

Section 15.9 Headings.

The descriptive headings of the various articles, sections, and subsections of this Agreement were formulated and inserted for convenience only and shall not be deemed to affect the meaning or construction of the provisions hereof.

Section 15.10 Counterparts.

This Agreement may be executed in separate counterparts, each of which when so executed and delivered shall be an original, but all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, FFB, the Borrower, and the Administrator have each caused this Agreement to be executed as of the day and year first above mentioned.

FEDERAL FINANCING BANK
(“FFB”)

By: _____

Name: _____

Title: Vice President and Treasurer

(the “Borrower”)

By: _____

Name: _____

Title: _____

MARITIME ADMINISTRATOR
MARITIME ADMINISTRATION
U.S. DEPARTMENT OF TRANSPORTATION
(“Administrator”)

By: _____

Name: _____

Title: _____

SCHEDULE I
to
NOTE PURCHASE AGREEMENT
by and among
the Federal Financing Bank,
[name of the Borrower],
and
the Maritime Administrator, Maritime Administration, U.S. Department of Transportation

1. **“Borrower State”** means _____.
2. **“Loan Commitment Amount”** means \$ _____.
3. **“Guarantee Agreement”** means the Guarantee Agreement dated as of _____, between the Administrator and the Borrower, as such agreement may be amended, supplemented, and restated from time to time in accordance with its terms.
4. **“Loan Servicer”** means _____.
5. **“Project State”** means _____.
6. **“Security Instruments”** means _____, as such agreements and documents may be amended, supplemented, and restated from time to time in accordance with their respective terms.