

MARAD

[NAME OF BORROWER]

EXHIBIT C  
TO  
NOTE PURCHASE AGREEMENT

FORM  
OF  
NOTE

**MARAD**

<p><b>FOR FFB USE ONLY</b></p> <p>Note Identifier: _____</p> <p>Purchase Date: _____</p>
--

Note Date \_\_\_\_\_

Place of Issue \_\_\_\_\_

Last Day for an Advance (¶3) \_\_\_\_\_

Maximum Principal Amount (¶4) \_\_\_\_\_

Maturity Date (¶5) \_\_\_\_\_

Payment Dates (¶7) \_\_\_\_\_ & \_\_\_\_\_ of each year

First Principal Payment Date (¶8) \_\_\_\_\_

Security Instruments (¶21) \_\_\_\_\_

**FUTURE ADVANCE PROMISSORY NOTE**

**1. Promise to Pay.**

**FOR VALUE RECEIVED,**

(the "Borrower", which term includes any successors or assigns), promises to pay the **FEDERAL FINANCING BANK ("FFB")**, a body corporate and instrumentality of the United States of America (FFB, for so long as it shall be the holder of this Note, and any successor or assignee of FFB, for so long as such successor or assignee shall be the holder of this Note, being the "Holder"), at the times, in the manner, and with interest at the rates to be established as hereinafter provided, such amounts as may be advanced from time to time by FFB to or for the account of the Borrower under this Note (each such amount being an "Advance" and more than one such amounts being "Advances").

## MARAD

### 2. Reference to Certain Agreements.

(a) Program Financing Agreement. This Note is one of the “Notes” referred to in, and entitled to the benefits of, the Program Financing Agreement dated as of January 19, 2017, made by and between FFB and the Maritime Administrator, Maritime Administration, U.S. Department of Transportation (the “Administrator”) (such agreement, as it may be amended, supplemented, and restated from time to time in accordance with its terms, being the “Program Financing Agreement”).

(b) Note Purchase Agreement. This Note is the “Note” referred to in, and entitled to the benefits of, the Note Purchase Agreement dated as of even date herewith, made by and among FFB, the Borrower, and the Administrator (such agreement, as it may be amended, supplemented, and restated from time to time in accordance with its terms, being the “Note Purchase Agreement”).

### 3. Advances; Advance Requests; Last Day for Advances.

(a) Subject to the terms and conditions of the Note Purchase Agreement, FFB shall make Advances under this Note in the amounts, at the times, and to the accounts requested by the Borrower from time to time, in each case upon delivery to FFB of a written request by the Borrower for an Advance under this Note, in the form of request attached to the Note Purchase Agreement as Exhibit A thereto (each such request being an “Advance Request”), completed as prescribed in the Note Purchase Agreement; provided, however, that no Advance may be made under this Note after the particular date specified on page 1 of this Note as being the “Last Day for an Advance”.

(b) To be effective, an Advance Request must first be delivered to the Administrator for approval and be approved by or on behalf of the Administrator in writing, and such Advance Request, together with written notification of the Administrator’s approval thereof, must be received by FFB on or before the third Business Day before the particular calendar date specified in such Advance Request that the Borrower requests to be the date on which the respective Advance is to be made.

(c) The Borrower hereby agrees that FFB, for its purposes, may consider any Advance Request approved by or on behalf of the Administrator and delivered to FFB in accordance with the terms of the Note Purchase Agreement to be an accurate representation of the Borrower’s request for an Advance under this Note and the Administrator’s approval of that Advance Request.

### 4. Principal Amount of Advances; Maximum Principal Amount.

The principal amount of each Advance shall be the amount specified in the respective Advance Request; provided, however, that the aggregate principal amount of all Advances made under this Note may not exceed the particular amount specified on page 1 of this Note as the “Maximum Principal Amount.”

## MARAD

### 5. Maturity Date.

This Note, and each Advance made hereunder, shall mature on the particular date specified on page 1 of this Note as the "Maturity Date" (such date being the "Maturity Date").

### 6. Computation of Interest on Each Advance.

(a) Subject to paragraphs 11 and 14 of this Note, interest on the outstanding principal of each Advance shall accrue from the date on which the respective Advance is made to the date on which such principal is due.

(b) Interest on each Advance shall be computed on the basis of (1) 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 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 Note for the respective Advance), to (and including) the date on which payment is next due, and (2) a year of 365 days.

(c) The basic interest rate applicable to each Advance shall be established by FFB at the time that the respective Advance is made on the basis of the determination made by the Secretary of the Treasury pursuant to section 6(b) (12 U.S.C. § 2285(b)) of 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 (the "FFB Act"), and shall be equal to \_\_\_\_\_ of 1 percent per annum (0. \_\_\_%) over the current average yield on outstanding marketable obligations of the United States of comparable maturity, as determined by the Secretary of the Treasury; provided, however, that the shortest maturity used as the basis for any basic interest rate determination shall be the remaining maturity of the most recently auctioned United States Treasury bills having the shortest maturity of all United States Treasury bills then being regularly auctioned.

(d) In the event that the Borrower has selected, at the time of requesting an Advance, to have the "Par Prepayment/Refinancing Privilege" described in the Note Purchase Agreement apply to such Advance, then the interest rate for the Advance shall also include a fee (expressed in terms of a basis point increment to the applicable basic interest rate) for the Par Prepayment/Refinancing Privilege, which fee shall be established by FFB on the basis of a determination made by FFB as to the difference between (1) the estimated market yield of a notional obligation if such obligation were to (A) be issued by the Secretary of the Treasury, (B) have a maturity comparable to the maturity of such Advance, and (C) include prepayment and refinancing privileges identical to the Par Prepayment/Refinancing Privilege, and (2) the estimated market yield of a notional obligation if such obligation were to (A) be issued by the Secretary of the Treasury, (B) have a maturity comparable to the maturity of such Advance, but (C) not include such prepayment and refinancing privileges.

### 7. Payment of Interest; Payment Dates

Interest accrued on the outstanding principal balance of each Advance shall be due and payable on each of the particular dates specified on page 1 of this Note as "Payment Dates"

## MARAD

(each such date being a "Payment Date"), beginning on the first Payment Date to occur after the date on which such Advance is made, up through and including the Maturity Date.

### 8. Payment of Principal.

(a) The principal amount of each Advance shall be payable in installments, which payments shall be due beginning on the particular date specified as the "First Principal Payment Date" on page 1 of this Note (such date being the "First Principal Payment Date"), and shall be due on each Payment Date to occur thereafter until the principal of the respective Advance is repaid in full on or before the Maturity Date of such Advance.

(b) With respect to each Advance for which the Borrower selected, at the time of requesting the respective Advance, the "Level Debt Service Payments Method" described in the Note Purchase Agreement as the principal repayment method to apply to such Advance (such method being the "Level Debt Service Payments Method"), the amount of principal, due on the First Principal Payment Date, on each Payment Date to occur thereafter, 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;

(b) With respect to each Advance for which the Borrower selected, at the time of requesting the respective Advance, the "Equal Principal Payments Method" described in the Note Purchase Agreement as the principal repayment method to apply to such Advance (such method being the "Equal Principal Payments Method"), the amount of principal due on the First Principal Payment Date, on each Payment Date to occur thereafter, 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.

### 9. Business Days.

(a) Whenever any Payment Date or the Maturity Date shall fall on a day on which neither FFB nor the Federal Reserve Bank of New York is open for business, the payment which would otherwise be due on such Payment Date or the Maturity Date shall be due on the first day thereafter on which FFB and the Federal Reserve Bank of New York are both open for business (any such day being a "Business Day").

(b) In the case of a Payment Date falling on a day other than a Business Day, the extension of time for making the payment that would otherwise be due on such Payment Date shall (1) be taken into account in establishing the interest rate for each Advance, and (2) be included in computing interest due in connection with such payment and excluded in computing interest due in connection with the next payment.

## MARAD

(c) In the case of the Maturity Date falling on a day other than a Business Day, the extension of time for making the payment that would otherwise be due on the Maturity Date shall (1) be taken into account in establishing the interest rate for each Advance, and (2) be included in computing interest due in connection with such payment.

### 10. Manner of Making Payments.

(a) For so long as FFB is the Holder of this Note, unless as shall be specified by FFB in a written notice to the Borrower and the Administrator, each payment under this Note shall be paid in immediately available funds by electronic funds transfer to the account of the United States Treasury (for credit to the subaccount of the Administrator) maintained at the Federal Reserve Bank of New York in the manner described below:

U.S. Treasury Department  
ABA No. 0210-3000-4  
TREAS NYC/CTR/BNF= \_\_\_\_\_

provided, however, that a payment made in the manner described above shall not discharge any portion of a payment obligation under this Note, or be applied as provided in paragraph 13 of this Note, until the payment has been received and credited to the subaccount of FFB (within the account of the United States Treasury maintained at the Federal Reserve Bank of New York) specified by FFB in a written notice to the Administrator, or to such other account as may be specified from time to time by FFB in a written notice to the Administrator.

(b) In the event that FFB is *not* the Holder of this Note, then each payment under this Note shall be made in immediately available funds by electronic funds transfer to such account as shall be specified by the Holder in a written notice to the Borrower.

### 11. Late Payments.

(a) In the event that any payment of any amount owing under this Note is not made when and as due (any such amount being then an "Overdue Amount"), then the amount payable shall be such Overdue Amount plus interest thereon (such interest being the "Late Charge") computed in accordance with this subparagraph (a):

(1) The Late Charge shall accrue from the scheduled date of payment for the Overdue Amount (taking into account paragraph 9 of this Note) to the date on which payment is made.

(2) The Late Charge shall be computed on the basis of (A) actual days elapsed from (but not including) the scheduled date of payment for such Overdue Amount (taking into account paragraph 9 of this Note) to (and including) the date on which payment is made, and (B) a year of 365 days.

(3) The Late Charge shall accrue at a rate (the "Late Charge Rate") equal to one and one-half times the rate to be determined by the Secretary of the Treasury taking into

## MARAD

consideration the prevailing market yield on the remaining maturity of the most recently auctioned 13-week United States Treasury bills.

(4) The initial Late Charge Rate shall be in effect until the earlier to occur of either (A) the date on which payment of the Overdue Amount and the amount of the accrued Late Charge is made, or (B) the first Payment Date to occur after the scheduled date of payment for such Overdue Amount. In the event that the Overdue Amount and the amount of the accrued Late Charge are not paid on or before the such Payment Date, then the amount payable shall be the sum of the Overdue Amount and the amount of the accrued Late Charge, plus a Late Charge on such sum accruing at a new Late Charge Rate to be then determined in accordance with the principles of clause (3) of this subparagraph (a). For so long as any Overdue Amount remains unpaid, the Late Charge Rate shall be redetermined in accordance with the principles of clause (3) of this subparagraph (a) on each Payment Date to occur thereafter, and shall be applied to the Overdue Amount and all amounts of the accrued Late Charge to the date on which payment of the Overdue Amount and all amounts of the accrued Late Charge is made.

(b) Nothing in subparagraph (a) of this paragraph 11 shall be construed as permitting or implying that the Borrower may, without the written consent of the Holder, modify, extend, alter or affect in any manner whatsoever (except as explicitly provided herein) the right of the Holder to receive any and all payments on account of this Note on the dates specified in this Note.

### **12. Final Due Date.**

Notwithstanding anything in this Note to the contrary, all amounts outstanding under this Note remaining unpaid as of the Maturity Date shall be due and payable on the Maturity Date.

### **13. Application of Payments.**

Each payment made on this Note shall be applied first to the payment of Late Charges (if any) payable under paragraphs 11 and 16 of this Note, then to the payment of premiums (if any) payable under paragraphs 14 and 15 of this Note, then to the payment of accrued interest, and then on account of outstanding principal.

### **14. Prepayments.**

(a) The Borrower may elect to prepay all or any portion of the outstanding principal amount of any Advance made under this Note, or to prepay this Note in its entirety, in the manner, at the price, and subject to the limitations specified in this paragraph 14 (each such election being a "Prepayment Election").

(b) The Borrower shall deliver to FFB (and if FFB is not the Holder, then also to the Holder) written notification of each Prepayment Election (each such notification being a "Prepayment Election Notice"), specifying:

## MARAD

(1) the Advance Identifier that FFB assigned to the respective Advance (as provided in the Note Purchase Agreement);

(2) the particular date on which the Borrower intends to prepay the respective Advance (such date being the "Intended Prepayment Date" for the respective Advance), which date *must* be a Business Day; and

(3) the amount of principal of the respective Advance that the Borrower intends to prepay, which amount may be either:

(A) the total outstanding principal amount of such Advance; or

(B) an amount less than the total outstanding principal amount of such Advance (any such amount being a "Portion").

(c) To be effective, a Prepayment Election Notice must be received by FFB (and if FFB is not the Holder, then also by the Holder) on or before the fifth Business Day before the date specified in therein as the Intended Prepayment Date for the respective Advance or Portion.

(d) The Borrower shall pay to the Holder a price for the prepayment of any Advance or Portion (such price being the "Prepayment Price" for such Advance or Portion) determined as follows:

(1) in the event that the Borrower elects to prepay the entire outstanding principal amount of any Advance, then the Borrower shall pay to the Holder a Prepayment Price for such Advance equal to the sum of:

(A) the outstanding principal amount of such Advance on the Intended Prepayment Date;

(B) all unpaid interest (and Late Charges, if any) accrued on such Advance through the Intended Prepayment Date;

(C) in the event that the Borrower selected, at the time of requesting such Advance, the "Market Value Prepayment/Refinancing Privilege" described in the Note Purchase Agreement to apply to such Advance (such privilege being the "Market Value Prepayment/Refinancing Privilege"), the amount of the premium or discount credit (if any) that is required under the Market Value Prepayment/Refinancing Privilege, determined as provided in the Note Purchase Agreement (such premium or discount credit being the "Market Value Premium (or Discount)"); and

(D) in the event that the Borrower selected, at the time of requesting such Advance, the "Par Prepayment/Refinancing Privilege" described in the Note Purchase Agreement to apply to such Advance (such privilege being the "Par Prepayment/Refinancing Privilege"), no premium; and

## MARAD

(2) in the event that the Borrower elects to prepay a Portion of any Advance, then the Borrower shall pay to the Holder a Prepayment Price for such Portion that would equal such Portion's pro rata share of the Prepayment Price that would be required for a prepayment of the entire principal amount of such Advance (determined in accordance with the principles of clause (1) of this subparagraph (d));

(3) in the event that the Borrower elects to prepay this Note in its entirety, then the Borrower shall pay to the Holder an amount equal to the sum of the Prepayment Prices for all outstanding Advances (determined in accordance with the principles of clause (1) of this subparagraph (d)); and

(4) in the event of an actual, constructive, agreed or compromised total loss of the project or projects financed with Advances made under this Note (as determined in writing by the Administrator), then the Borrower shall pay to the Holder an amount equal to the sum of the Prepayment Prices for all outstanding Advances (determined in accordance with the principles of clause (1) of this subparagraph (d) without regard to subclauses (C) and (D) of clause (1) of this subparagraph (d)).

(e) Payment of the Prepayment Price for any Advance or any Portion shall be due to the Holder before 3:00 p.m. (Washington, DC, time) on the Intended Prepayment Date for such Advance or Portion.

(f) Each prepayment of a Portion shall, as to the principal amount of such Portion, be subject to a minimum amount equal to \$100,000.00 of principal.

(g) In the event that the Borrower makes a Prepayment Election with respect to any Portion of an Advance, then the Prepayment Price paid for such Portion will be applied as provided in paragraph 13 of this Note, and, with respect to application to outstanding principal, such Prepayment Price shall be applied to principal installments in the inverse order of maturity.

(h) In the event that the Borrower makes a Prepayment Election with respect to any Portion of an Advance, then the outstanding principal amount of such Advance, from and after such partial prepayment, shall be due and payable in accordance with this subparagraph (h).

(1) In the event that the Borrower selected, at the time of requesting such Advance, the Level Debt Service Payments Method to apply to the Advance, the amount of the \_\_\_\_\_ level payments of principal, and accrued interest that will be due after such partial prepayment shall be equal to the \_\_\_\_\_ level debt service payments that were due in accordance with the level debt service payment schedule that was in effect for such Advance immediately before such partial prepayment, and such payments shall be allocated by FFB between outstanding principal, and accrued interest, as appropriate.

(2) In the event that the Borrower selected, at the time of requesting such Advance, the Equal Principal Payments Method to apply to the Advance, the amount of

## MARAD

the \_\_\_\_\_ principal installments that will be due after such partial prepayment shall be equal to the \_\_\_\_\_ installments of equal principal that were due in accordance with the principal repayment schedule that applied to such Advance immediately before such partial prepayment.

(3) The payments of principal and accrued interest shall be due beginning on the first Payment Date to occur after such partial prepayment, and shall be due on each Payment Date to occur thereafter up through and including the date on which the entire principal amount of such Advance, and all unpaid interest (and Late Charges, if any) accrued thereon, are paid.

### 15. Refinancings.

(a) The Borrower may elect to refinance the entire principal amount of any Advance made under this Note, or to refinance this Note in its entirety, in the manner, at the price, and subject to the limitations specified in this paragraph 15 (each such election being a "Refinancing Election").

(b) The Borrower shall deliver to FFB (and if FFB is not the Holder, then also to the Holder) written notification of each Refinancing Election (each such notification being a "Refinancing Election Notice"), specifying:

(1) the Advance Identifier that FFB assigned to the respective Advance (as provided in the Note Purchase Agreement); and

(2) the particular date on which the Borrower intends to refinance the respective Advance (such date being the "Intended Refinancing Date" for the respective Advance), which date *must* be a Payment Date.

(c) To be effective, a Refinancing Election Notice must be received by FFB (and if FFB is not the Holder, then also by the Holder) on or before the fifth Business Day before the date specified therein as the Intended Refinancing Date for the respective Advance.

(d) The Borrower shall pay to the Holder a price for the refinancing of any Advance (such price being the "Refinancing Price" for such Advance) determined as follows:

(1) in the event that the Borrower elects to refinance the outstanding principal amount of any Advance, then the Borrower shall pay to the Holder a Refinancing Price for such Advance equal to the sum of:

(A) the installment (if any) of principal that is due on the particular Payment Date that the Borrower specified to be the Intended Refinancing Date, in accordance with the principal repayment schedule that is in effect for such Advance immediately before such refinancing;

## MARAD

(B) all unpaid interest (and Late Charges, if any) accrued on such Advance through the Intended Refinancing Date; and

(C) the amount of the premium (if any) that is required under the particular prepayment/refinancing privilege that applies to such Advance, determined as provided in the Note Purchase Agreement.

In the event that (A) the prepayment/refinancing privilege that applies to the particular Advance being refinanced is the Market Value Prepayment/Refinancing Privilege, and (B) the Market Value Premium (or Discount) that is to be included in the Refinancing Price for such Advance is a discount on such Advance, then such discount shall be applied by FFB in the manner requested by the Borrower in a written notice delivered by the Borrower to FFB and approved by the Administrator in writing.

(2) in the event that the Borrower elects to refinance this Note in its entirety, then the Borrower shall pay to the Holder an amount equal to the sum of the Refinancing Prices for all outstanding Advances (determined in accordance with the principles of clause (1) of this subparagraph (d)).

(e) Payment of the Refinancing Price for any Advance shall be due to the Holder before 3:00 p.m. (Washington, DC, time) on the Intended Refinancing Date for such Advance.

(f) The refinancing of any Advance shall become effective on the Intended Refinancing Date specified in the Refinancing Election Notice for such Advance (in which event, such Intended Refinancing Date being the “Initial Refinancing Effective Date”).

(g) In the event that the Borrower selects, at the time of its initial Refinancing Election respecting any Advance, to have, from and after the Initial Refinancing Effective Date for such Advance, to have the Par Prepayment/Refinancing Privilege apply again to such Advance, then the interest rate for such Advance, from and after the Initial Refinancing Effective Date, shall be the respective rate that is established in accordance with the principles of paragraph 6(c) of this Note (provided, however, that the reference to “the time that the respective Advance is made” in paragraph 6(c) of this Note shall be deemed to be a reference to “as of such Initial Refinancing Effective Date”), plus an increment to such rate, which increment shall be established by FFB in accordance with the principles of paragraph 6(d) of this Note. In the event that the Borrower does *not* select, at the time of its initial Refinancing Election respecting any Advance, to have, from and after the Initial Refinancing Effective Date for such Advance, the Par Prepayment/Refinancing Privilege to apply again such Advance, then the interest rate for such Advance, from and after the Initial Refinancing Effective Date, shall be the rate that is established, as of the Initial Refinancing Effective Date, in accordance with the principles of paragraph 6(c) of this Note.

(h) In the event that the Borrower makes a Refinancing Election with respect to any Advance, then the outstanding principal amount of such Advance, from and after the respective Initial Refinancing Effective Date, shall be due and payable in accordance with this subparagraph (h).

## MARAD

(1) In the event that the Borrower selected, at the time of requesting such Advance, the Level Debt Service Payments Method to apply to the Advance:

(A) the amount of the level payments of principal and accrued interest that will be due after such Initial Refinancing Effective Date shall be newly computed so that the amount of each such payment consisting of an installment of principal and accrued interest (taking into account the new interest rate that is in effect for such Advance from and after such Initial Refinancing Effective Date) shall be substantially equal to the amount of 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 outstanding principal amount of such refinanced Advance in full on the Maturity Date; and

(B) the newly-computed level payments of principal or capitalized interest or combination of both, as the case may be, and accrued interest shall be due beginning on the first Payment Date to occur after the Initial Refinancing Effective Date, and shall be due on each Payment Date to occur thereafter up through and including the Maturity Date.

(2) In the event that the Borrower selected, at the time of requesting such Advance, the Equal Principal Payments Method to apply to the Advance:

(A) the amount of the semi-annual principal installments that will be due after such Initial Refinancing Effective Date shall be equal to the semi-annual installments of equal principal that were due in accordance with the principal repayment schedule that applied to such Advance immediately before such partial prepayment; and

(B) the payments of equal principal and accrued interest shall be due beginning on the first Payment Date to occur after the Initial Refinancing Effective Date, and shall be due on each Payment Date to occur thereafter up through and including the Maturity Date.

(i) In the event that the Borrower makes a Refinancing Election with respect to any Advance, the Borrower may thereafter prepay or refinance again such Advance in accordance with this subparagraph (i).

(1) In the event that the Borrower selected, at the time of its initial Refinancing Election respecting such Advance, to have, after the Initial Refinancing Effective Date for such Advance, the Par Prepayment/Refinancing Privilege apply again to such Advance, then the Borrower may:

(A) prepay such Advance or any Portion thereof on any Business Day in the manner described in paragraph 14 of this Note at a Prepayment Price for such

## MARAD

Advance or Portion, as the case may be, determined in accordance with the principles of paragraph 14(d) of this Note; or

(B) refinance such Advance on any Payment Date in the manner described in this paragraph 15 at a Refinancing Price for such Advance determined in accordance with the principles of subparagraph (d) of this paragraph 15.

(2) In the event that the Borrower did *not* elect, at the time of its initial Refinancing Election respecting any Advance, to have, after the Initial Refinancing Effective Date for such Advance, the Par Prepayment/Refinancing Privilege apply again to such Advance, then the Borrower may:

(A) prepay such Advance on any Business Day occurring after the Initial Refinancing Effective Date for such Advance in the manner described in paragraph 14 of this Note at a Prepayment Price for such Advance equal to the sum of:

(i) the price that would, if such Advance (including all unpaid interest accrued thereon through the Intended Prepayment Date) were purchased by a third party and held to the Maturity Date, produce a yield to the third-party purchaser for the period from the date of purchase to the 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 Intended Prepayment Date to the Maturity Date; and

(ii) all unpaid Late Charges (if any) accrued on such Advance through the Intended Prepayment Date;

(B) prepay any Portion of such Advance on any Business Day occurring after the Initial Refinancing Effective Date for such Advance in the manner described in paragraph 14 of this Note at a Prepayment Price for such Portion that would equal such Portion's pro rata share of the Prepayment Price that would be required for a prepayment of the entire outstanding principal amount of such Advance (determined in accordance with the principles of subclause (A) of this clause (2)); or

(C) refinance again such Advance on any Payment Date occurring after the Initial Refinancing Effective Date for such Advance in the manner described in this paragraph 15 at a Refinancing Price for such Advance equal to the *difference* between:

(i) an amount equal to the Prepayment Price that would be required for a prepayment of the entire outstanding principal amount of such

Advance on the Intended Refinancing Date (determined in accordance with the principles of subclause (A) of this clause (2)); and

(ii) the outstanding principal amount of such Advance on the Intended Refinancing Date, after taking into account the payment of the installment (if any) of principal, or capitalized interest, or combination of both, as the case may be, that is due on the particular Payment Date that the Borrower specified to be the Intended Refinancing Date, in accordance with the principal repayment schedule that is in effect for such Advance immediately before such refinancing.

The price described in subclause (A)(i) of this clause (2) shall be calculated by the Secretary of the Treasury as of the close of business on the second Business Day before the Intended Prepayment Date, using standard calculation methods of the United States Agency of the Treasury.

**16. Rescission of Prepayment or Refinancing Elections; Late Charges for Late Payments of Prepayment or Refinancing Prices.**

(a) The Borrower may rescind any Prepayment Election made in accordance with paragraph 14 of this Note or any Refinancing Election made in accordance with paragraph 15 of this Note, but only in accordance with this paragraph 16.

(b) The Borrower shall deliver to FFB written notification of each rescission of a Prepayment Election or a Refinancing Election (each such notification being an "Election Rescission Notice") specifying the particular Advance for which the Borrower wishes to rescind such Prepayment Election or Refinancing Election, as the case may be, which specification must make reference to the particular "Advance Identifier" (as that term is defined in the Note Purchase Agreement) that FFB assigned to such Advance (as provided in the Note Purchase Agreement). The Election Rescission Notice may be delivered by email or facsimile transmission to FFB at (202) 622-0707 or at such email or other facsimile number or numbers as FFB may from time to time communicate to the Borrower.

(c) To be effective, an Election Rescission Notice must be received by FFB not later than 3:30 p.m. (Washington, DC, time) on the second Business Day before the Intended Prepayment Date or the Intended Refinancing Date, as the case may be.

(d) In the event that the Borrower (1) makes a Prepayment Election in accordance with paragraph 14 of this Note or a Refinancing Election in accordance with paragraph 15 of this Note, (2) does not rescind such Prepayment Election or Refinancing Election, as the case may be, in accordance with this paragraph 16, and (3) does not, before 3:00 p.m. (Washington, DC, time) on the Intended Prepayment Date or Intended Refinancing Date, as the case may be, pay to FFB the Prepayment Price described in paragraph 14(d) of this Note or Refinancing Price described in paragraph 15(d) of this Note, as the case may be, then a Late Charge shall accrue on any such unpaid amount from the Intended Prepayment Date or Intended Refinancing Date, as

## MARAD

the case may be, to the date on which payment is made, computed in accordance with the principles of paragraph 11 of this Note.

### 17. Amendments to Note.

To the extent not inconsistent with applicable law, this Note shall be subject to modification by such amendments, extensions, and renewals as may be agreed upon from time to time by the Holder and the Borrower, with the written approval of the Administrator.

### 18. Certain Waivers.

The Borrower hereby waives any requirement for presentment, protest, or other demand or notice with respect to this Note.

### 19. Effective Until Paid.

This Note shall continue in full force and effect until all amounts due and payable hereunder have been paid in full.

### 20. Administrator's Guarantee of Note.

Upon execution of the guarantee set forth at the end of this Note (the "Administrator's Guarantee"), the payment by the Borrower of all amounts due and payable under this Note, when and as due, shall be guaranteed, pursuant to the Administrator's Guarantee, by the United States of America, acting through the Administrator, pursuant to Chapter 537 of Title 46 of the United States Code. In consideration of the Administrator's Guarantee, the Borrower promises to the Administrator to make all payments due under this Note when and as due.

### 21. Security Instruments; Administrator as "Holder" of Note for Purposes of the Security Instruments.

This Note is [one of several notes permitted to be executed and delivered by, and is] entitled to the benefits and security of, the particular security instrument or instruments specified on page 1 of this Note (such security instrument or instruments, as it or they may have heretofore been, and as it or they may hereafter be, amended, supplemented, restated, or consolidated from time to time in accordance with its or their terms, being, collectively, the "Security Instruments"), whereby the Borrower pledged and granted a security interest in certain property of the Borrower, described therein, to secure the payment of and performance of certain obligations owed to the Administrator, as set forth in the Security Instruments. For purposes of the Security Instruments, in consideration of the undertakings of the Administrator set forth in the Administrator's Guarantee, the Administrator shall be considered to be, and shall have the rights, powers, privileges, and remedies of, the Holder of this Note.

**22. Guarantee Payments; Reimbursement.**

If the Administrator makes any payment, pursuant to the Administrator's Guarantee, of any amount due and payable under this Note, when and as due, each and every such payment so made shall be deemed to be a payment hereunder; provided, however, that no payment by the Administrator pursuant to the Administrator's Guarantee shall be considered a payment for purposes of determining the existence of a failure by the Borrower to perform its obligation to the Administrator to make all payments under this Note when and as due. The Administrator shall have any rights by way of subrogation, agreement, or otherwise which arise as a result of such payment pursuant to the Administrator's Guarantee.

**23. Default and Enforcement.**

In case of a default by the Borrower under this Note or the occurrence of an event of default under the Guarantee Agreement or the Security Instruments, then, in consideration of the obligation of the Administrator under the Administrator's Guarantee, in that event, to make payments to FFB as provided in this Note, the Administrator, in the name of the Administrator or the United States of America, shall have all rights, powers, privileges, and remedies of the Holder of this Note, in accordance with the terms of this Note and the Security Instruments, including, without limitation, the right to enforce or collect all or any part of the obligation of the Borrower under this Note or arising as a result of the Administrator's Guarantee, to file proofs of claim or any other document in any bankruptcy, insolvency, or other judicial proceeding, and to vote such proofs of claim.

**24. Acceleration.**

The entire unpaid principal amount of this Note, and all interest thereon, may be declared, and upon such declaration shall become, due and payable to the Administrator, under the circumstances described, and in the manner and with the effect provided, in the Guarantee Agreement or the Security Instruments.

**25. Governing Law.**

This Note shall be governed by, and construed and interpreted in accordance with, the Federal laws and not the law of any state or locality.

**MARAD**

**IN WITNESS WHEREOF**, the Borrower has caused this Note to be signed in its corporate name and its corporate seal to be hereunder affixed and attested by its officers thereunto duly authorized, all as of the day and year first above written.

(name of Borrower)

**BY:**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTEST:**

Signature: \_\_\_\_\_

(SEAL)

Print Name: \_\_\_\_\_

Title: Secretary