

AUTHORIZATION AGREEMENT

BETWEEN

THE UNITED STATES OF AMERICA

AND

_____, Indenture Trustee

This Authorization Agreement, dated as of _____, is entered into between (i) the United States of America, represented by the Maritime Administrator (the "Administrator"), and (ii) _____, as the Indenture Trustee under the Trust Indenture dated as of the date hereof between the Indenture Trustee and _____, a _____ (the "Shipowner").

RECITALS:

A. Under the provisions of 46 USC Chapter 537 ("Chapter 537"), the Administrator has determined that the requirements of Chapter 537 with respect to the Guarantees and the Obligations proposed to be issued under the Indenture have been met; and

B. The Administrator and the Indenture Trustee have entered into this Authorization Agreement in order (1) to authorize the Indenture Trustee to endorse and execute by means of a facsimile signature of the Administrator and a facsimile seal of the U.S. Department of Transportation and to authenticate on each of the Obligations the Guarantee of the United States pursuant to the terms of the Indenture, (2) to agree upon the procedures whereby the Indenture Trustee or any Holder of any Outstanding Obligation, as agent and attorney-in-fact for the Holders of all Outstanding Obligations, as provided in the Indenture, will make demand upon the Administrator for payment of the Guarantees, and (3) to provide for the payment of the Guarantees by the Administrator to the Indenture Trustee.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

EXECUTION, AUTHENTICATION AND DELIVERY OF THE GUARANTEES

SECTION 1.01. Authorization to Imprint, Authenticate and Deliver. (a) The Administrator hereby authorizes and directs the Indenture Trustee to cause the Guarantees, the facsimile signature of the Maritime Administrator or the Acting Maritime Administrator, and facsimile seal of the U.S. Department of Transportation to be imprinted upon Obligations issued in accordance with Article II and Article III of the Indenture. The form of the Guarantee to be imprinted on the Obligation is as follows:

"The United States of America, represented by the Maritime Administrator, pursuant to the provisions of Title XI of the Merchant Marine Act, 1936, now codified at 46 USC Chapter 537, hereby guarantees to the holder of the Obligation annexed hereto, upon demand of the holder or his agent, payment of the unpaid interest on, and the unpaid balance of the principal of, such Obligation, including interest accruing between the date of default under such Obligation and the payment in full of the Obligation under this Guarantee; provided however, payment of any unearned interest and/or any premium of any description whatsoever, including, without limitation, any prepayment premium, are not guaranteed hereunder. The full faith and credit of the United States of America is pledged to the payment of this Guarantee. The validity of this Guarantee is incontestable in the hands of any holder of such Obligation. Payment of this Guarantee will be made in accordance with the provisions of such Obligation, subject to the above limitations on payment under the Guarantee.

UNITED STATES OF AMERICA
MARITIME ADMINISTRATION

(SEAL)

BY: _____
Maritime Administrator"

(b) The Administrator hereby authorizes and directs the Indenture Trustee to authenticate the Obligations and Guarantees thereon, and to deliver such Obligations and Guarantees in accordance with the Indenture and herewith.

(c) Once an Obligation has been imprinted with the Guarantees, the requisite facsimile signatures and seals, authenticated by the Trustee and delivered to the Holders, then that Obligation shall bind the United States regardless of the fact that the individual signing as such Maritime Administrator or Acting Maritime Administrator ceased to hold such office prior to the authentication and delivery of the Obligation bearing such Guarantee, or did not hold such office on the date of such Obligation.

SECTION 1.02. Issuance of Obligations. The Indenture Trustee is authorized to

execute, authenticate and deliver the Guarantees in the manner set forth in Section 1.01 above, only in accordance with the Obligations issued under Sections 2.01, 2.02, 2.07, 2.09 and 3.10 (b) of the Indenture.

ARTICLE II DEMAND FOR PAYMENT OF GUARANTEES

SECTION 2.01. Default under the Indenture. (a) In the event of any Indenture Default, the Indenture Trustee or any Holder of an Outstanding Obligation may demand, in accordance with the provisions of Section 6.02 of the Indenture, on behalf of the Holders of all the Obligations then Outstanding, payment by the Administrator of the unpaid principal and interest to the date of payment on all Outstanding Obligations.

(b) Within 30 days from the date of any demand for payment made pursuant to paragraph (a) of this Section, the Administrator shall pay to the Indenture Trustee as agent and attorney-in-fact for the Holders of the Outstanding Obligations, all the unpaid interest to the date of such payment on, and the unpaid balance of the principal of, all Outstanding Obligations as aforesaid in full, in cash; provided that, in the case of a demand made as a result of a Payment Default, the Administrator shall not be required to make such payment if (1) the Administrator shall have assumed the Obligations pursuant to Section 6.09 of the Indenture or (2) such 30-day period subsequent to such demand and prior to any payment of the Guarantees by the Administrator, he shall find there was no Payment Default or that such Payment Default had been remedied prior to such demand, and in any such case the Guarantees shall remain in full force and effect. The Administrator shall give prompt written notice to the Shipowner and the Indenture Trustee of each such finding.

SECTION 2.02. Payment of the Guarantees. The Administrator and the Indenture Trustee confirm that, in accordance with the provisions of the Obligations and the Indenture, the payment of the Guarantees as provided in Section 2.01 by the Administrator to the Indenture Trustee, as agent and attorney-in-fact for the Holders of all Outstanding Obligations, shall be made by the Administrator to, and accepted by, the Indenture Trustee, solely for the benefit of the Holders of Outstanding Obligations, as payment in full of the Outstanding Obligations, and that such Obligations will thereupon cease to be obligations of the Shipowner.

ARTICLE III REPRESENTATIONS AND COVENANTS OF THE INDENTURE TRUSTEE

SECTION 3.01. Consent of the Administrator. The Indenture Trustee covenants that it will not, without the written consent of the Administrator, and then only upon such conditions, if any, as may be specified in such consent, (a) take or participate in the taking of any action which, by the terms of the Indenture, may require the consent of the Administrator, or (b) enter into any amendment or supplement to the Indenture, or waive any condition of the Indenture, except in the case of any such waiver as the Indenture may expressly permit.

SECTION 3.02. Authorization, Execution and Delivery. The Indenture Trustee represents and warrants that it has satisfied all requirements of law for the due execution and delivery of this Authorization Agreement and upon execution and delivery hereof, this Authorization Agreement will constitute a valid and legally binding obligation of the Indenture Trustee, enforceable in accordance with its terms.

SECTION 3.03. Agreements of Indenture Trustee. The Indenture Trustee agrees that it shall:

(a) Furnish to the Administrator a written statement of the principal amount, interest rate, Stated Maturity and date of delivery of any (1) Obligations that are authenticated and delivered in accordance with Sections 2.01 and 2.02 of the Indenture on the date hereof and on each subsequent date of delivery; (2) Obligations that are authenticated and delivered by the Indenture Trustee under Section 1.02 and 1.03 hereof within 15 Business Days after each such delivery; (3) Obligations that are redeemed or Retired or Paid as defined in Schedule A hereto within 10 days of the event; and (4) issue and deliver to the Administrator a certificate stating the Obligations are Retired or Paid within 10 days of the occurrence of any of the events set forth in the Schedule A definition of “Retired or Paid”.

(b) Permit the Administrator, at all reasonable times upon request, to make such reasonable, material and pertinent examinations and audits of its records and books of account and take such information as the Administrator deems reasonable pertaining to the Indenture, the Obligations, the Guarantees and this Authorization Agreement, and all matters related thereto; and

(c) Furnish to the Administrator, promptly upon request, such reasonable, material and pertinent reports, evidence, proof or information, in addition to that furnished under other provisions hereof, bearing on matters pertaining to the Indenture, the Obligations, and the Guarantees, and acts performed by the Indenture Trustee with respect thereto, as the Administrator may reasonably deem necessary or appropriate.

(d)

ARTICLE IV GENERAL PROVISIONS

SECTION 4.01. Definitions. For all purposes of this Authorization Agreement, unless otherwise expressly provided or unless the context otherwise requires, capitalized terms not specifically defined herein shall have the respective meanings given in Schedule A to the Indenture.

SECTION 4.02. Administrator's Agreements. The Administrator agrees that:

(a) This Authorization Agreement and the Guarantees of the Obligations are made and entered into pursuant to Title XI of the Act, and conclusively evidence the eligibility of the Obligations for the Guarantees, and the validity of the Guarantees shall be incontestable;

(b) The obligations of the United States to pay the Guarantees shall be subject to no conditions whatsoever, express or implied, except that demand shall have been made therefor by the Indenture Trustee or any Holder of an Outstanding Obligation not later than 60 days from the date of an Indenture Default that shall have occurred and be continuing, it being the intent of the United States that the Guarantees will be paid under any and all circumstances upon demand duly made therefor; and

(c) In the event of an Indenture Default of which the Administrator has actual knowledge, the Administrator will publish notice in the Authorized Newspaper of the occurrence of such Indenture Default within 30 days from the date of such Indenture Default, unless demand for payment under the Guarantees shall previously have been made by the Indenture Trustee, but any failure to publish such notice or any defect therein shall not affect in any way any rights of the Indenture Trustee or any Holder of an Obligation with respect to such Indenture Default, or in any way affect the rights of the Administrator.

SECTION 4.03. Benefits to Holders of Obligations. All authorizations and directions to authenticate and deliver Obligations and Guarantees, and all other agreements of the Administrator herein are made with the Indenture Trustee for, and shall inure to, the benefit of all Holders of the Obligations. The agreements of the Indenture Trustee herein are made with the Administrator for, and shall inure to, the benefit of all Holders of the Obligations.

SECTION 4.04. Successor Indenture Trustee; Amendments and Supplements. The authority and direction granted to the Indenture Trustee hereby, and all rights of the Indenture Trustee hereunder, are granted to and shall accrue to the benefit of any Person who from time to time acts as successor Indenture Trustee, pursuant to the terms of Article VII of the Indenture; provided that, such successor Indenture Trustee and the Administrator shall have entered into an amendment hereto whereby such successor Indenture Trustee agrees to fulfill the obligations of the Indenture Trustee hereunder. Except as provided in the preceding sentence, this Authorization Agreement may not be amended or supplemented in any regard whatever, nor may the rights or obligations of the Indenture Trustee hereunder be assigned to any other Person, except by a writing duly executed by the Indenture Trustee and the Administrator.

SECTION 4.05. Effective Period. This Authorization Agreement and the authorization and direction to authenticate and deliver Guarantees granted to the Indenture Trustee (or any successor Indenture Trustee) shall have effect from the date hereof until termination upon, and only upon, the occurrence of one or both of the following events:

(a) When the Indenture shall have been satisfied and discharged in accordance with Section 12.01 thereto; or

(b) When the Guarantees of all the Outstanding Obligations shall have been terminated in accordance with Section 6.04(a) of the Indenture.

SECTION 4.06. Payments, Notices or Other Communications. Except as otherwise provided herein, all payments, notices or other communications provided for herein may be made or delivered in person, or by registered or certified mail, postage prepaid, addressed to the party at the address of such party specified below, or at such other address as such party shall advise the other party by written notice, and shall be effective upon mailing or delivery in person.

The addresses of the Administrator and the Indenture Trustee are as follows:

Maritime Administrator
Maritime Administration
1200 New Jersey Avenue SE
Washington, D.C. 20590

SECTION 4.07. Execution of Counterparts. This Authorization Agreement may be executed in any number of counterparts. All such counterparts shall be deemed to be originals, and shall together constitute but one and the same instrument.

SECTION 4.08. Titles and Headings. The titles of the Articles and the headings of the Sections are not a part of this Authorization Agreement, and shall not be deemed to affect the meaning or construction of any of its provisions.

SECTION 4.09. Conformity with Regulations. The Administrator hereby affirms that, with respect to the rights of the Indenture Trustee and the Holders, this Authorization Agreement conforms to its existing regulations governing the issuance of commitments to guarantee and guarantees under Title XI of the Act.

IN WITNESS WHEREOF, this Authorization Agreement has been duly executed by the parties hereto as of the day and year first above written.

(SEAL)

Attest:

Assistant Secretary
Maritime Administration

UNITED STATES OF AMERICA
MARITIME
ADMINISTRATOR

By:

Secretary

(SEAL)

Attest:

INDENTURE TRUSTEE

BY:

Name: _____

Title: _____