

LETTER OF QUIET ENJOYMENT

[Charterer's name]
[Charterer's address]

Date: []

Dear Sirs,

[TO BE ADJUSTED]

Re: " _____ ", IMO No. [] (the "Vessel")

1. We refer to:
 - a) the bareboat charter dated [XX] in respect of the Vessel made between [XX] (the "**Owner**") as the owner and [XX] (the "**Charterer**") as charterers (as amended from time to time, the "**Charter**"); and
 - b) [the loan agreement dated [XX] (as amended from time to time) in respect of the Vessel between the Owner and [Bank] (the "**Agent**") acting as agent and the other lenders as listed on the signature page of this letter (together the "**Senior Lenders**")];
2. In this Letter, unless a contrary indication appears, any reference in this Letter to the Owner, the Charterer, the Agent and a Senior Lender shall be construed so as to include its successors in title, permitted assigns and permitted transferees. In addition the definition below shall apply:
 - a) "**Finance Documents**" means the loan agreement referred to in recital b) above, including any security documents entered into in relation thereto.
3. The Agent on behalf of the Senior Lenders hereby irrevocably undertakes and agrees not, without the Charterer's prior written consent, but subject to the exceptions set out below and subject to this undertaking expiring on the expiry or earlier termination of the Charter to:
 - a) issue any arrest, detention or similar proceedings against the Vessel in any jurisdiction; or
 - b) exercise any power of sale or other disposal of the Vessel or of foreclosure to which the Senior Lenders may be entitled or make any application for the sale of the Vessel or any share therein in any part of the world whether by public auction or private treaty or otherwise; or
 - c) take possession of, or appoint a receiver in respect of, the Vessel; or
 - d) exercise against the Vessel or the Owner any right or remedy which would interfere with the quiet use and enjoyment of the Vessel by the Charterer under the Charter; or
 - e) take any step to wind up, liquidate, or place in administration or receivership the Owner nor commence or continue any analogous steps, actions or proceedings in any jurisdiction (excluding, for the avoidance of doubt, proving in a liquidation commenced by any third party); or
 - f) exercise any right or remedy or take any action of whatsoever nature against the Owner which would diminish, prejudice or interfere with the Charterer's rights, options, benefits or privileges under the Charter or otherwise in any way whatsoever interfere with the Charterer's full and unrestricted use and enjoyment of the Vessel under the Charter.
4. The undertakings given by the Agent on behalf of the Senior Lenders in paragraphs 3 and 5 are SUBJECT ALWAYS to (a) there having occurred no event under the Charter in consequence of which the Owner is entitled to terminate the Charter in accordance with its terms, including, without limitation, withdrawal of the Vessel from the Charter under the terms of the Charter for non-payment of hire; and (b) to the Vessel not having become a total loss.

5. The Agent on behalf of the Senior Lenders agrees that unless the Charterer is no longer entitled to the use and quiet enjoyment of the Vessel under paragraph 4 above, if the Senior Lenders enforce or exercise their rights pursuant to the Finance Documents in accordance with the terms thereof, the Vessel may only be sold or transferred expressly subject to the terms of the Charter (a "**Permitted Transfer**") and provided that:
- (a) the rights of the Charterer under the Charter shall be fully preserved and protected following the Permitted Transfer; and
 - (b) before the Permitted Transfer, if the Owner's rights as "Owner" under the Charter are to be assigned or transferred to a third party, such third party (the "**Substitute**") has assumed the rights and obligations of the Owner under the Charter.

The Substitute shall have the (i) legal capacity (ii) technical competence, and (iii) financial capability as is reasonably required to become a party and to perform the obligations of the Owner under the Charter, and (iv) all necessary certificates and approvals from relevant public authorities, and, provided that (but without prejudice to such Substitute's ability to meet the foregoing criteria in other circumstances):

- (a) arrangements concluded with third parties by the proposed Substitute shall be taken into account in evaluating its technical competence and financial capability; and
- (b) in the case of any proposed Substitute which is an affiliate of a Senior Lender, evidence that it is controlled by the relevant Senior Lender shall be sufficient evidence of financial capability for the purposes of this paragraph 4(a);

The Charterer shall use all reasonable endeavors to co-operate with the Senior Lenders in order to effect a Permitted Transfer at the expense of the Senior Lenders (or of any person other than the Charterer).

6. The Charterer agrees that:
- (a) the sale or transfer of the Vessel pursuant to paragraph 5 above shall not constitute a disturbance of the Charter or the Charterer's use and quiet enjoyment of the Vessel in accordance with the terms of the Charter.
 - (b) without prejudice to any other rights the Charterer may have in respect of any default by the Owner of any of its obligations under the Charter, the Charterer will not take any enforcement action in respect of or otherwise terminate the Charter without first notifying the Agent on behalf of the Senior Lenders in writing and giving the Senior Lenders the opportunity to remedy (or procure the remedy of) any default by the Owner of any of its obligations under or in connection with the Charter within the relevant period referred to below, provided that the Senior Lenders demonstrate that the default can be remedied without interrupting the Charterers quiet enjoyment in accordance with this Letter. Unless the Agent on behalf of the Senior Lenders notify the Charterer in writing that they do not wish to exercise any remedy rights, the Charterer will not terminate the Charter if the Senior Lenders do so remedy (or procure the remedy of) the default within five (5) days of the Charterer giving notice to the Owner (copied to the Agent on behalf of the Senior Lenders) of the default by the Owner to perform its obligations under the Charter (which cure period shall be extended by up to five (5) additional days if it is demonstrated to the Charterer (acting reasonably) that the Senior Lenders are continuing to seek in good faith to remedy (or procure the remedy of) the default.
 - (c) if the Senior Lenders, pursuant to a Permitted Transfer, exercises the power of sale under the Finance Documents and/or assigns or transfers the rights of the "Owner" under the Charter to the Substitute, the Charterer will not terminate the Charter by reason solely of such transfer (without prejudice to any accrued rights). In such circumstances, the Charterer agrees that the Substitute shall, with effect from the date of the Permitted Transfer and notwithstanding any other provisions thereof, become a party to the Charter in place of the Owner and shall be treated for all purposes as if the Substitute had originally been named a party in place of the Owner (without prejudice to any accrued rights).

7. This Letter is governed by and shall be construed in accordance with Norwegian law. The courts of Norway shall have exclusive jurisdiction to settle any dispute arising out of, or in connection with, this Letter (including a dispute

relating to the existence, validity or termination of this Letter), and the parties hereby submit to Oslo district court (*Nw. Oslo tingrett*) as the court of first instance.

IN WITNESS OF WHICH the parties to this Letter of Quiet Enjoyment have executed it the day and year first above written:

The Agent:

[XX]

Name:
Position:

Agreed and accepted by
The Charterer

[XX]

Name:
Position:

Agreed and accepted by
The Owner

[XX]

Name:
Position: