

# QEL (SHORTFORM)

## QUIET ENJOYMENT LETTER FOR SHIP FINANCING (SHORTFORM)

1. Date	2. Vessel (state name and IMO number)
3. Mortgagor (state name)	4. Mortgagee (state name)
5. Charterer (state name)	6. Charter Party (state date of and parties to charter party and whether time or bareboat charter)
7. Facility Agreement (state date of and parties to facility or credit agreement)	8. Law and Jurisdiction

Dear Charterer

### 1. Background

- (a) The Mortgagor is the owner of the Vessel.
- (b) The Charterer has agreed to charter the Vessel from the Mortgagor under the Charter Party.
- (b) The Mortgagor has granted a mortgage over the Vessel in favour of the Mortgagee (the "Mortgage") to secure certain loans made available pursuant to the Facility Agreement.
- (d) In connection with the foregoing, the Mortgagee has agreed to provide an undertaking of quiet enjoyment in relation to the Vessel on the terms set out in this letter.

### 2. Quiet enjoyment

The Mortgagee undertakes to the Charterer that, so long as no event has occurred which would entitle the Mortgagor to terminate the Charter Party in accordance with its terms, the Mortgagee shall not, without the prior written consent of the Charterer, exercise its rights as mortgagee in relation to the Vessel in any manner that would affect or disturb the Charterer's free and uninterrupted use and enjoyment of the Vessel in accordance with the terms of the Charter Party and this letter.

### 3. Reservation of Mortgagee's rights

The Mortgagee's undertaking in paragraph 2 shall not be construed as restricting:

- (a) the Mortgagee from enforcing its rights in respect of the Vessel during the term of the Charter Party, provided that the Mortgagee shall enforce such rights on the basis that the Charter Party remains in place and subject to the terms of this letter; or
- (b) the Mortgagee or any other finance parties from enforcing any other rights not in respect of the Vessel they may have under or in connection with the Facility Agreement.

### 4. Effective date and termination

The Mortgagee's undertaking in paragraph 2 shall take effect on the date stated in Box 1 and shall terminate on the earliest of:

- (a) the Charterer ceasing to be the Charterer under the Charter Party;
- (b) the Mortgagee ceasing to be the mortgagee in respect of the Vessel;
- (c) the Charter Party being cancelled, rescinded or terminated; or
- (d) the actual, arranged, constructive or compromised total loss of the Vessel.

**5. Law and Jurisdiction**

This letter and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the law referred to in Box 8. The courts of the place referred to in Box 8 shall have exclusive jurisdiction with respect to any dispute arising out of or in connection with this letter.

**The Mortgagee**

*[Company]*

Name:

Title:

Working Copy