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January 14, 2005

Sharon Shutler, Esquire
Office of General Counsel
National Oceanic and Atmospheric
Administration
1315 East West Highway
Silver Springs, MD 20910-3281

Marcia Gittes, Esquire
Office of the Regional Solicitor
Department of the Interior
1 Gateway Center-Suite 612
Newtown Corner, MA 02458

Robert Kuehl, Esquire
Deputy Attorney General
State of Delaware
Department of Natural Resources and
Environmental Control
Division of Air and Waste Management
Site Investigation and Restoration Branch
391 Lukens Drive
New Castle, DE 19720-2774

Joan Olawski-Stiener
State of New Jersey
Department of Law and Public Safety
25 Market Street
P.O. Box 093
Trenton, NJ 08625-0093

Re: Funding for Joint Preassessment/Assessment Activities, Athos I Oil Spill

Dear Trustee Counsel:

This is to confirm that Frescati Shipping Company, Ltd., owner of the M/T Athos I, and Tsakos Shipping & Trading, S.A., manager of the M/T Athos (collectively the "Responsible Party") wish to participate with the Natural Resource Trustees (trustees) in their preassessment and assessment of injuries to natural resources related to the Athos I Oil Spill (the "Athos Spill") which occurred on or about November 26, 2004 and affected natural resources in the vicinity of the Delaware River and Bay off the shores of Pennsylvania, New Jersey and Delaware. In furtherance and support of the trustees' agreement to allow the Responsible Party to participate cooperatively in these activities, the Responsible Party hereby agrees to pay/advance the sum of \$100,000, as provided herein, to cover the reasonable, statutorily authorized and recoverable costs of assessment previously incurred or to be incurred by the Department of the Interior, the

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National Oceanic and Atmospheric Administration, the State of New Jersey, and the State of Delaware for such activities.

As respects certain federal trustees for whom the Anti-Deficiency Act is a consideration, or in response to specific requests received from state trustees, the Responsible Party agrees to provide, within ten (10) days of the date of this letter, payments in the aggregate amount of \$100,000 to the trustee parties in the specific individual amounts and as set forth on Exhibit A hereto. Each trustee receiving said funds shall use them to reimburse its statutorily authorized and recoverable past and future natural resource damage assessment and preassessment costs and expenses incurred or to be incurred in connection with the Athos Spill. In accepting the payments hereunder, the trustees each represent that their respective costs and expenses to which such funds will be applied were or are authorized by statute, consistent with the National Contingency Plan and have been or will be incurred in performing statutorily authorized natural resource damage assessment or preassessment activities in response to the Athos Spill. This payment by the RP's is strictly without prejudice and does not constitute an admission that any such trustee costs were necessary and reasonable, statutorily authorized or consistent with the NCP.

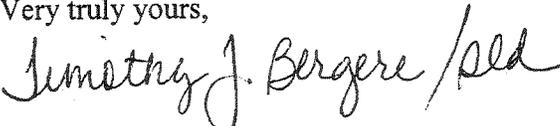
Upon request of the Responsible Party, each trustee shall provide the Responsible Party, through its counsel identified below, with appropriate documentation supporting the costs and expenses paid using said funds, sufficient in each case to support a claim for reimbursement or contribution by the Responsible Party, should it wish to pursue one in connection with its expenditures relating to the Athos Spill. All monies paid by the Responsible Party under this letter shall be fully credited towards the assessment cost liabilities of the Responsible Party under applicable state and federal laws that permit the trustees to recover such costs from the Responsible Party, whether or not such cost liabilities are or may be recoverable from any other party and without regard to any rights the Responsible Party may have to seek reimbursement therefore. Additionally, the trustees whose costs and expenses are paid hereunder shall, upon request, reasonably cooperate with the Responsible Party in establishing the accuracy and appropriateness of their respective costs and expenditures should the Responsible Party be called upon itself to do so in any reimbursement or contribution proceeding.

The parties enter into this letter agreement for a one-time pre-payment of certain trustee costs and expenses with the specific understanding that it is their joint intention to negotiate and enter into a Memorandum of Agreement for Cooperative Assessment for further specific, cooperative assessment activities, which agreement shall, *inter alia*, establish a formal cooperative framework and also provide for ongoing reimbursement of trustee assessment costs. This letter agreement is entered without admission of fault or liability by the Responsible Party and it shall not be admissible in any proceeding for the purpose of establishing or imputing any liability on the part of the Responsible Party, except for the limited purpose of enforcing the obligations assumed hereunder. The parties each recognize and agree that the Responsible Party reserves all rights, claims and defenses it may have in connection with the Athos Spill, including,

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without limitation, the right to seek reimbursement from the Pollution Fund established under the Oil Pollution Act of 1990.

Very truly yours,

Handwritten signature of Timothy J. Bergere in cursive, followed by the initials "sld" in a smaller, slanted font.

Timothy J. Bergere
As Counsel for the Responsible Party

TJB:sld

cc: Rachel Jacobson, Esquire, Department of Justice
Eugene O'Connor, Esquire
Alfred Kuffler, Esquire

EXHIBIT A



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
Washington, DC 20230

OFFICE OF THE GENERAL COUNSEL

1315 East West Highway
Silver Spring, MD 20910

7 January 2005

Gene O'Connor, Esq.
Fowler, Rodriguez & Chalois
266 Main St.
Port Washington, NY 11050

Tim Bergere, Esq.
Montgomery, McCracken, Walker & Rhoads, LLP
123 S. Broad Street
Philadelphia, PA 19109

Dear Gene and Tim,

RE: Athos 1 Spill; NRDA Up-Front Funding

Per our discussion on January 3, 2005, I presented your client's offer to provide a total of \$100,000 in up-front funding of some of the natural resource damage (NRD) costs to the Trustees. We appreciate your efforts to secure this funding.

The Trustees have agreed to an allocation of \$100,000 as described in this letter. Please advise your client that the allocations do not cover all costs incurred by the Trustees receiving allocation portions. Furthermore, both NOAA and the Commonwealth of Pennsylvania have agreed to forgo up-front funding with the expectation that damage assessment costs incurred will be reimbursed once a Trustee - Responsible Party (RP) Memorandum of Agreement (MOA) is executed. Likewise, the States of New Jersey and Delaware and the U.S. Department of the Interior will seek reimbursement of any NRD costs incurred but not covered by the \$100,000.

The Trustees hope that the Trustee-RP MOA will be executed quickly. Should negotiations become protracted and delay the execution of the MOA, the Trustees may seek more up-front funding from the RP.

The allocation of up-front funds, along with specific payment instructions, is as follows:

U.S. Department of the Interior: \$50,000

- Please make the check payable to the "Department of Interior" and reference "Athos 1 Oil Spill" and "NRDAR Account Number 14X5198."
- The check should be mailed to:



U.S. Department of Interior
NBC/Division of Financial Management Services
Branch of Accounting Operations
Mail Stop D-2777
7401 W. Mansfield Ave.
Lakewood, CO 80235

- A copy of the notification of payment and a copy of the check shall be sent to:
Marcia Gittes
U.S. Department of the Interior
Office of the Solicitor
One Gateway Center, Suite 612
Newtown Corner, MA 02458

Bruce Nesslage, Restoration Fund Manager
Office of Natural Resource Damage Assessment and Restoration
Mailstop 4449
1849 C Street, NW
Washington, D.C. 20240

State of New Jersey: \$43,000

- Please make check payable to "Treasurer, State of New Jersey" and reference "Athos 1 Spill."
- Checks should be mailed to
Chief, Office of Natural Resource Restoration
P.O.B. 404
Station 5
501 East State Street
Building 5
Trenton, NJ 08625-0404
- Notification of payment shall be sent to:
Joan Olawski-Stiener
Deputy Attorney General
Division of Law
Richard J. Hughes Justice Complex
25 Market Street
P.O.B. 093
Trenton, NJ 08625-0093

State of Delaware: \$7,000

- Checks should be made payable to the "Delaware Division of Fish and Wildlife" and reference "Athos 1 Oil Spill"

- Checks shall be mailed to:
Delaware Division of Fish and Wildlife
89 Kings Highway
Dover, DE 19901
- Notification of payment shall be sent to:
Robert Hossler
Delaware Division of Fish and Wildlife
89 Kings Highway
Dover, DE 19901

Robert Kuehl
Deputy Attorney General
391 Lukens Dr.
New Castle, DE 19720

Please feel free to call me if you have any further questions.

Sincerely,



Sharon K. Shutler
NOAA Office of General Counsel
for Natural Resources

cc: Rachel Jacobson
Robert Kuehl
Marcia Gittes
Joan Steiner-Olawski-Stiener
Stan Sneath