

SALVAGE AGREEMENT

FOR NON TANK VESSELS

This agreement is entered into as of the [**1st day of January, 2005**] between Donjon-SMIT LLC, having its principal place of business at 15402 Vantage Parkway East, Suite 316, Houston, Texas 77032-1966 USA ("Donjon-SMIT"), and _____, having its principal place of business at:

_____ (hereinafter referred to as the Company) for the provision of salvage, fire-fighting and lightering services as described below in response to vessel/facility contingency response regulations as promulgated under the Oil Pollution Act of 1990.

ARTICLE 1 - CONTRACT PERIOD OF PERFORMANCE

This Agreement shall commence in full force as of 0001 hours, EST, on [**January 1, 2005**] and shall remain in effect until 2400 hours, EST, on **December 31, 2006**.

ARTICLE 2 - DESCRIPTION OF SERVICES

a) Donjon-SMIT agrees to maintain readiness to perform salvage of ships, crafts, cargo, and other items as tasked by separate contract, including salvage-related towing, wreck removal, harbor clearance, fire-fighting and lightering services to include fendering, transfer equipment and portable pumps, for the account of the Company and its underwriters.

GEOGRAPHIC AREA DESCRIPTION

The Geographic Area includes the inland, near shore, offshore, and open ocean areas of the Continental United States as defined by the Oil Pollution Act of 1990, including all harbors and navigable waters draining to the coast.

- b) Donjon-SMIT agrees to provide all personnel and equipment necessary for the performance of salvage, lighterage and/or firefighting task orders required by the Company. To fulfill such requirements, Donjon-SMIT shall be obligated, during the period of performance of the contract to:
- i). maintain under their full-time employ, or to have available under other arrangements satisfactory to the Company, personnel of skill and experience; and
 - ii). maintain in company stock inventory or have available under other arrangements satisfactory to the Company, items of material and equipment; and
 - iii). maintain shore-based facilities in the Port of New York, such shore-based facility to be a pier or other secure berthing space for ships/crafts used by Donjon, and adjacent thereto, storage space for the equipment provided by Donjon; and at Houston, Texas, such shore-based facility to support SMIT's administrative capabilities and for equipment storage space in support of the work being performed in the geographic zone, and to maintain the facilities as

the primary bases of operations such that equipment, personnel, ships and crafts can be promptly deployed by land, sea or air as required, and, further provide containerized capability as may be required and agreed between the parties; and

- iv). provide ships, tugs, and crafts (i.e., barges, derricks, and workboats) that may be required for salvage, salvage-related towing, wreck removal, harbor clearance, fire-fighting, and pollution control/containment/abatement, at rates to be mutually agreed upon between the parties; and
- v). upon receipt of a verbal or written task order accepted by Donjon-SMIT from the Company, to respond within four (4) hours, where response depending on the situation is in the form of having either salvage/pollution control personnel enroute, a salvage/towing ship underway, or a logistical organization operational in the case of an emergency operation, at rates to be mutually agreed upon between the parties; and
- vi). be capable of performing a minimum of two (2) simultaneous emergency response operations anywhere within the Geographic Area.

ARTICLE 3 - MINIMUM RETAINER PROVISION

Except as provided below, for maintaining the readiness levels as cited herewith, the Company agrees to pay Donjon-SMIT an annual retainer; USD \$475.00 per vessel and \$275.00 per barge to be paid at the time of executing this agreement for the Company's vessel list attached on Schedule A. If the company enrolls (10) vessels or more for joint coverage services, we offer an additional 10% discount on the company's yearly charge.

No retainer fee shall be due for the period until December 31, 2006 for the non-tank vessels listed on Schedule A. Such provided that this agreement is made effective prior to the first of August 2005.

The above applies only for compliance with the provisions of the Oil Pollution Act of 1990. If tasked by the Company for a specific operation, the rates and contract terms will be mutually agreed to between the parties in an expeditious manner.

ARTICLE 4 - NON-EXCLUSIVE SERVICES

The parties agree that these services and the personnel, equipment, ships/crafts offered by Donjon-SMIT to the Company are not exclusively offered to the Company and that Donjon-SMIT has the right to contract with others for the provision of similar response services. Notwithstanding, this does not release Donjon-SMIT from the requirements of article 2(b) (vi).

ARTICLE 5 - GENERAL PROVISIONS

- a. The person signing this contract agreement on behalf of the Company enters into this Agreement for the vessels listed in Schedule A, and the respective owners and

binds each (but not the one for the other or himself personally) to the due performance thereof.

b. The parties hereby evidenced their agreement with the above mentioned scope-of-work, rates, terms and conditions by executing this Agreement in the spaces provided below

c. In the event the Company sells or disposes of any of the enrolled vessels which appear in Schedule A and gives written certification that the vessel in question will not trade in the Geographic Area as part of fleet for the duration of this Agreement, Donjon-SMIT agrees to delete this vessel from this Agreement and deobligate the Company from any future payments relating to the deleted vessel, except for those payments accrued previous to the above referenced certification.

d. In the event the Company adds a vessel or group of vessels and wishes to have them enrolled and/or added as part of Schedule A, the charges for each additional vessel will be consistent with the payment breakdown as appears below for the duration of the Agreement. All other terms and conditions will remain in full effect.

e. Any notice required to be given hereunder will be given by hand delivery, facsimile, overnight mail, certified or registered mail, postage prepaid at the following addresses or such substitute addresses as are later supplied in writing:

If to: Donjon-SMIT LLC
15402 Vantage Parkway East, Suite 316
Houston, Texas 77032-1966 U.S.A. Attention: Richard E. Fredricks

If to: Company:

IN WITNESS WHEREOF, Donjon-SMIT and the Company have caused this Agreement to be executed by their duly authorized representative as of the day and year first above written.

Company

Donjon-SMIT LLC

Name
Title

Richard E. Fredricks
Vice President Marketing & Sales

