

Example Funding Agreement
May 2002

(PRPs)

Date: _____

ENFORCEMENT CONFIDENTIAL—FOR SETTLEMENT PURPOSES ONLY

Re: Funding Agreement for Preliminary Cooperative Assessment Efforts, _____
_____ Assessment Area.

This is to confirm that _____ (list PRPs) wish to explore with the _____ (list Trustees), an expedited cooperative assessment of natural resource injuries associated with the _____ (NRDA site), and identification of necessary and appropriate restoration activities.

In consideration of the Trustees' agreement to work with the (PRPs) to explore such an expedited cooperative assessment, the (PRPs) hereby agree to provide \$ _____ to the Trustees for the purpose of reimbursing the reasonable direct and indirect costs and expenses of the Trustees incurred from _____ until the expiration of this Letter Agreement in connection with meetings, travel, and other activities needed to explore and undertake such an expedited cooperative assessment.

The (PRPs) funding will be paid to a new escrow account established for the purpose of receiving such monies. The Trustees will be authorized to draw directly on the escrow account for reimbursement of the foregoing direct costs and expenses. The Trustees agree to provide appropriate documentation of their costs and expenses when drawing on the escrow account. Such documentation shall include a general description of the direct costs and expenses reimbursed to each Trustee, a specific description of the time and activities of each attorney for whom costs are being reimbursed. The (PRPs) agree to provide the above-described funding within ten days after their receipt of a fully executed copy of this Letter Agreement.

The Trustees and (PRPs) agree to negotiate and pursue in good faith a Memorandum of Agreement for further specific expedited cooperative assessment activities and related funding. However, until any such Memorandum of Agreement becomes effective, or until the (PRPs) provide written notice 30 days in advance, the (PRPs) agreement to pay contained in this letter shall remain in effect.

As previously noted, the (PRPs) and the Trustees are party to a 1991 Natural Resource Damage Assessment Funding Agreement. The (PRPs) and the Trustees hereby agree that all provisions of that Funding Agreement shall remain in force and effect during the period of this Letter Agreement, except that the 30 day time period for a meeting between the (PRPs) and Trustees after receipt by the Companies of the Preliminary Draft of the Assessment Plan, as set forth in Section VI(E), is hereby tolled during the period of this Letter Agreement.

It is understood and agreed that the Trustees, by their signatures below, join fully in this Letter Agreement. Each undersigned representative certifies that he or she is fully authorized to enter into the terms and conditions of this Letter Agreement and to execute and legally bind the party that he or she represents to this document. This Letter Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

Sincerely,

(PRPs Signature line)

By their signatures, the Trustees assent to this Letter Agreement:

_____ Date: _____

_____ Date: _____