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David N. Lakin

Director

Government Affairs

1350 I Street, NW Suite 300 Washington, DC 20005
202 408 5795 Fax 202 371 0401

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STATE OF TENNESSEE

CHARTER

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OF

BRYANT MILLSAPS MARINE SPILL RESPONSE CORPORATION
SECRETARY OF STATE

1990 JUL 30 1990

We, the undersigned natural persons over the age of 18, acting as incorporators of a corporation under the Tennessee Nonprofit Corporation Act, do hereby adopt the following Charter for such corporation:

ARTICLE I

The name of the Corporation is Marine Spill Response Corporation.

ARTICLE II

The Corporation is a mutual benefit corporation organized exclusively to promote the welfare of the public by mitigating environmental damage to the coastal and certain upstream waters of the Continental United States, Hawaii, Alaska, Puerto Rico and the Virgin Islands through:

(a) the establishment of a program to render its best efforts to contain and cleanup --

(i) catastrophic and other oil spills in coastal zone or tidal waters of the United States (including in particular open sea spills estimated to be in excess of 25,000 barrels and protected water spills estimated to be in excess of 40,000 barrels);

(ii) any oil spill in U.S. coastal zone and tidal waters judged by the U.S. Coast Guard to be in excess of the local oil spill response capability;

(iii) any spill of a cargo of a vessel traversing inland U.S. waters upstream from a river mouth on its way to or from an upstream facility, provided the cargo of the vessel would otherwise be (or have been) on its way to or from an upstream facility on a voyage that either took or would have taken it into the open sea, coastal zone or tidal waters of the United States, and provided the spill is judged by the U.S. Coast Guard to be in excess of the local oil spill response capability; and

(iv) any other spill where the corporation is retained by the Coast Guard and directed to respond;

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The development and maintenance of a comprehensive data
bank of oil spill response resources and related
information; the carrying out of training and review of
local capabilities to help assure their readiness;
(c) the identification and management of selected oil spill
research projects; and

DEC 11 1990

(d) the doing of such other things as may be necessary to
achieve the foregoing.

ARTICLE III

The street address of the principal office of the
Corporation is 1220 L Street, N.W., Suite 612, Washington, D.C.
20005

The initial registered office of the Corporation is 530 Gay
Street, Knoxville, Knox County, Tennessee, 37902, and the name of
its initial registered agent at such address is C T Corporation
System.

ARTICLE IV

The names and residences of the three persons who shall
serve as the initial Board of Directors and until their
successors are duly elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
John D. Costello	1220 L Street, N.W. Suite 612 Washington, D.C. 20005
Alan D. Breed	1220 L Street, N.W. Suite 612 Washington, D.C. 20005
Stephen F. Saine	1220 L Street, N.W. Suite 612 Washington, D.C. 20005

The initial Board of Directors shall serve until such time
as a full nine (9) person Board of Directors is elected pursuant
to Article VIII hereof.

ARTICLE V

The Corporation shall have no members.

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ARTICLE VI

The period of the Corporation's duration is perpetual. 1950

ARTICLE VII

A. The Corporation is not for profit. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to, its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein.

B. The Corporation shall not have the power to engage in any activities, except to an insubstantial degree, that are not in furtherance of the purposes set forth in Article II above.

C. The Corporation shall not respond to any spill estimated to be in excess of 1,200 barrels unless the United States Coast Guard has exercised its authority to coordinate and direct or to federalize the spill and the Corporation has been satisfied that its costs will be reimbursed by prearrangement with either (1) a member of the Marine Preservation Association, an Arizona corporation (the "Association"), or (2) the U.S. Coast Guard.

D. The Corporation shall not participate in the development or approval of oil spill cleanup contingency plans for the vessels or facilities of any owner or class of owners.

E. The Corporation shall maintain standing as a qualified oil spill cleanup response organization for purposes of federal (and, where approved by the Board of Directors, state) law pertaining to oil spill cleanup responsibility or liability. The Corporation shall authorize members of the Association to identify the Corporation as being available for such assistance in contingency plans filed with the United States Coast Guard or any other department or agency of the federal government, provided that such authorization shall not be made available to any organization which is not a member (or a deemed member) of the Association or to any member which does not agree to comply with such policies and procedures as the Corporation may reasonably adopt.

ARTICLE VIII

The full and complete management and control of the Corporation shall be vested in the Board of Directors. The Board

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1980 have named 9 directors shall be an independent body. The Corporation shall have named 9 directors on its Board of Directors. The directors shall be divided into three (3) classes of three (3) directors each designated as Class I, Class II, and Class III. At the first meeting of the Board of Directors, the initial directors shall elect nine (9) directors, dividing such directors into Classes I, II, and III, with the terms of such directors expiring three (3), four (4), and five (5) years, respectively, after their election. Commencing with the expiration of the terms of the initial Class I directors, and thereafter on an annual basis, successors to the directors whose terms are expiring shall be elected by the Board of Directors (including the outgoing directors) to hold office for a three-year term, so that the term of office of one (1) class of directors shall expire each year. Any vacancy on the Board of Directors shall be filled by the remaining members of the Board of Directors. The qualifications, duties, and other matters relating to the Board of Directors shall be as provided in the By-laws, provided that a change in the number of directors shall be made only by amendment of the Charter pursuant to Article X hereof.

ARTICLE IX

The power to adopt, alter, amend, or repeal the By-laws of the Corporation shall be vested in the Board of Directors, provided that any such action to adopt, alter, amend, or repeal By-laws shall require the vote of two-thirds (2/3) of the directors.

ARTICLE X

An amendment of Article II or Article X of this Charter pursuant to the Tennessee Nonprofit Corporation Act shall require the unanimous vote of the directors, and any other amendment of this Charter pursuant to the Tennessee Nonprofit Corporation Act shall require the vote of two thirds (2/3) of the directors.

ARTICLE XI

The Corporation is a nonprofit corporation and shall have all of the powers, duties, authorizations, and responsibilities as provided in the Tennessee Nonprofit Corporation Act; provided, however, that the Corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity, that would invalidate its status as a corporation that is exempt from federal income taxation as an organization described in Section 501(c)(4) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax law (hereinafter referred to as the "Code"). Since

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BRYANT T. HARRIS
SECRETARY OF STATE

The Corporation is not an organization described in Section 501(c)(3) of the Code, for purposes of the Tennessee Nonprofit Corporation Act this Corporation is a mutual benefit corporation as defined in Section 48-68-104 of such Act.

ARTICLE XII

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A director of the Corporation shall not be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director except for liability (1) for any breach of the director's duty of loyalty to the Corporation, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, or (3) under Section 48-58-304 of the Tennessee Nonprofit Corporation Act. Any repeal or amendment of this Article XII by the Corporation shall be prospective only and shall not adversely affect any limitation on the personal liability of a director existing at the time of such repeal or amendment. In addition to the circumstances in which a director of the Corporation is not personally liable as set forth in the first sentence of this Article XII, a director shall not be liable to the Corporation to such further extent as permitted by applicable law and any law hereafter enacted, including, without limitation, any subsequent amendments of the Tennessee Nonprofit Corporation Act.

ARTICLE XIII

Upon the dissolution of the Corporation, no director, officer, or private person shall be entitled to any distribution or division of its remaining property or its proceeds, and the balance of all money and other property received by the Corporation from any source, after the payment of all debts and obligations of the Corporation, shall be used or distributed exclusively for purposes within the scope of Section 501(c)(3) or (c)(4) of the Code. Any such assets not so disposed of shall be disposed of by the appropriate court of the county in which the principal office of the Corporation is then located exclusively for the purposes described in the preceding sentence, or to such organization or organizations as said court shall determine which are organized and operated exclusively for such purposes.

ARTICLE XIV

The name and street address of the incorporators are as follows:

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John D. Costello

BRYANT MILLSAPS
SECRETARY OF STATE

Alan D. Breed

Stephen F. Saine

Address

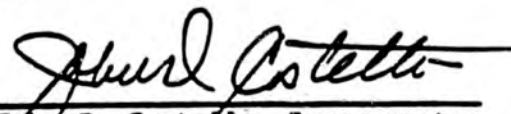
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Washington, D.C. 20005

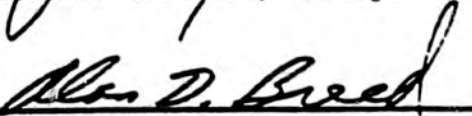
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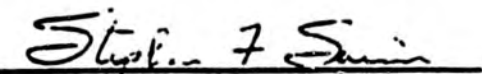
1220 L Street, N.W.
Suite 612
Washington, D.C. 20005

1220 L Street, N.W.
Suite 612
Washington, D.C. 20005

In witness whereof, we have signed and acknowledged this
Charter this 27th day of July, 1990.


John D. Costello, Incorporator


Alan D. Breed, Incorporator


Stephen F. Saine, Incorporator

**BY-LAWS
OF
MARINE SPILL RESPONSE CORPORATION**

**ARTICLE I
GOVERNING POLICIES**

1.1. Spills to Which the Corporation Will Respond. The corporation is organized to promote the welfare of the public by mitigating environmental damage to the coastal and certain upstream waters of the Continental U.S., Hawaii, Alaska, Puerto Rico and the Virgin Islands. The policies of the corporation with respect to the types of oil spills to which it will respond shall be as follows:

(a) Catastrophic Spills. Each region shall be designed to respond primarily to catastrophic and other oil spills of up to 216,000 barrels in coastal zone or tidal waters of the United States (including in particular open sea spills estimated to be in excess of 25,000 barrels and protected water spills estimated to be in excess of 40,000 barrels);

(b) Spills Exceeding Local Capability. Subject to any limitations contained in the Corporation's charter or these by-laws, each region shall use its best efforts to respond to any oil spill in U.S. coastal zone and tidal waters judged by the United States Coast Guard to be in excess of the local oil spill response capability.

(c) Certain Inland Waters. Subject to any limitations contained in the Corporation's charter or these by-laws, each region shall use its best efforts to respond to any spill of a cargo of a vessel traversing inland U.S. waters upstream from a river mouth on its way to or from an upstream facility, provided the cargo of the vessel would otherwise be (or have been) on its way to or from an upstream facility on a voyage that either took or would have taken it into the open sea, coastal zone or tidal waters of the United States, and provided the spill is judged by the U.S. Coast Guard to be in excess of the local oil spill response capability.

(d) Other Spills. Each region shall be authorized to respond to any other spill where the corporation is retained by the Coast Guard and directed to respond.

(e) Federal Coordination and Direction or Funding. The corporation shall not respond to any spill in excess of 1,200 barrels unless (I) the United States Government has exercised its authority to coordinate and direct or to federalize the spill and (II) either (A) the spiller is identified and is a member of Marine Preservation Association, an Arizona nonprofit corporation (the "Association"), or (B) either (1) the spiller is identified and is a member of the Association, or (2) the spiller is unidentified or is not a member of the Association and the U.S. government has entered into an agreement with the Corporation

guaranteeing reimbursement of the Corporation's costs incurred in responding.

(f) Minor Spills. For spills of less than 1,200 barrels where the Coast Guard has judged that the spill exceeds local oil spill response capabilities, the corporation shall be authorized to participate in the spill response as a subcontractor responsible only for providing equipment and equipment supervision, provided it has received acceptable indemnification assurances from the spiller.

1.2. Vessel and Facility Owner Contingency Plans. The corporation shall not participate directly or otherwise in the development of individual vessel or facility owner contingency plans, nor shall it advise on or approve the adequacy of any vessel or facility owner's contingency plans, except in regard to the corporation's own response capabilities.

1.3. Agreement to Provide Services. The corporation shall be authorized to enter into an agreement with the Association, obligating the corporation to provide oil spill response services in a manner consistent with its charter and these by-laws to the members of the Association and authorizing members of the Association to identify the corporation as their catastrophic spill subcontractor in the preparation of such member's oil spill contingency plans. In entering into any such agreement, the corporation shall require that it be given the opportunity to review in advance those portions of each Association member's contingency plans which relate to the obligations and abilities of the corporation to ascertain that such plans accurately describe the corporation's cleanup capabilities and responsibilities.

1.4. Deeming Option. For purposes of Section 1.3 above, any vessel whose cargo is destined for delivery to a member of the Association shall be deemed to be a vessel of a member of the Association for a particular voyage, if (1) the receiving member elects in advance such treatment for the cargo by notifying the Corporation in writing, (2) the receiving member accepts responsibility for reimbursing the corporation in the event of a spill by such vessel, and (3) such vessel otherwise meets any federal certification requirements.

1.5. Disposal of Waste and Hazardous Material. To the extent possible, the corporation shall avoid undertaking management of the disposal of waste oils and other materials collected during cleanup and removal operations. With respect to the removal of waste oils and other regulated materials, the corporation shall delegate these removal obligations to subcontractors to the maximum extent permissible under law.

1.6. Borrowing and Liabilities. In addition to the powers provided by law, the corporation shall be authorized to borrow money and to assume or become secondarily liable for the obligations of the Association when such obligations are undertaken for the benefit of the corporation.

ARTICLE II BOARD OF DIRECTORS

2.1. Number, Qualifications, Tenure, and Election. The direction and management of the affairs of the corporation and the control and disposition of its properties and funds shall be vested in a Board of Directors (the "Board"). A director need not be a resident of the State of Tennessee. The directors named in the charter shall hold office until the first annual meeting of the Board and until their successors are elected and qualified. At the first annual meeting of the Board, there shall be elected nine (9) directors, who shall be divided into three (3) classes, designated as Class I, II and III, of three (3) directors each. Class I shall serve for three (3) years, Class II for four (4) years, and Class III for five (5) years, from the date of the first annual meeting. Commencing with the expiration of the terms of the initial Class I directors, and thereafter on an annual basis, successors to the directors whose terms are expiring shall be elected to the Board to serve three (3) year terms, so that the term of office of one class of directors shall expire each year. Of the nine (9) persons serving as directors at any time, seven (7) of such persons shall be either current or retired senior-level business or government executives, former military (including Coast Guard) officers, or members of the legal or accounting professions. The remaining two (2) directors shall be persons from the environmental science, academic, or not-for-profit fields. No person shall serve as a director of the corporation if such person has ever served as a director of the Association; if at the same time such person is serving as an officer of the corporation (other than as president); or if such person has within the previous two (2) years been employed by any member of the petroleum or energy industries or the related petroleum transportation industry. Each director shall serve as such for his term of office and until his successor shall have been duly elected and qualified or until his earlier death, resignation, disability or removal. A director may serve for more than one (1) term and may be elected for unlimited successive terms.

2.2. Vacancies. A vacancy shall be declared in any seat on the Board upon the death or resignation of the occupant thereof, upon the disability of any occupant rendering him permanently incapable of participating in the management and affairs of the corporation, or upon removal for cause by the affirmative vote of two-thirds (2/3) of the directors (other than the director being voted on) then serving at a special meeting of the directors called for such purpose. For this purpose, "cause" for removal shall be deemed to exist if a director willfully and materially breaches or habitually neglects his duties as a director of the corporation, is grossly negligent in carrying out his duties as a director, engages in fraud on the corporation, engages in any other act materially detrimental to the best interests of the corporation, or is convicted of a felony. In the event of a vacancy in any seat on the Board, the remaining directors shall, as soon as reasonably possible, eliminate such vacancy by selecting a new person to be director for a term equal to the unexpired term of the former occupant thereof.

2.3. Annual Meeting. The annual meeting of the Board shall be held at a time and place to be determined by the Board on the first Tuesday in April of each year and if not so held, then as soon thereafter as convenient. At such meeting, officers shall be elected, annual reports considered and acted upon, and such other business as shall properly come before the meeting shall be transacted.

2.4. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall from time to time be determined by the Board. At least ten (10) days notice of each regular meeting shall be given to each director.

2.5. Special Meetings. Special meetings of the Board shall be held whenever called by the secretary of the corporation upon the direction of the president of the corporation or upon written request of any two (2) directors; and it shall be the duty of the secretary to give sufficient notice of such meetings in person or by mail, telex, or telegraph to enable the directors so notified to attend such meetings.

2.6. Quorum for Meetings. A majority of the directors shall constitute a quorum for the transaction of business at all meetings convened according to these by-laws. The act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise provided by law, the charter or these by-laws.

2.7. Telephone Attendance. At any meeting of the Board, a director may attend by telephone, radio, television, or other similar means of communication, provided that all persons participating in the meeting can hear each other. A director so attending shall be deemed to be present at the meeting for all purposes, including a determination of whether a quorum is present.

2.8. Notice. It shall be the duty of the secretary to give sufficient notice of all regular and special meetings to enable the directors so notified to attend such meetings. Whenever under any provision of an applicable statute, the charter or these by-laws, notice is required to be given to a director and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing by mail, postage prepaid, addressed to such director at such address as appears on the books of the corporation. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be deposited in the United States mails as aforesaid.

2.9. Waiver of Notice. Notice of a meeting may be waived if before or after the meeting each of the directors not present signs a written waiver of notice or consent to the holding of such meeting, or in writing approves the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

2.10. Attendance as Waiver. Attendance of a director at a meeting shall constitute

a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

2.11. Business to be Transacted. The business to be transacted at any annual, regular or special meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law.

2.12. Consent to Action. All actions taken at a meeting of the Board which is not regularly called or noticed shall be valid as if taken at a meeting regularly called and noticed if all directors consent in one of the following manners: either by a writing on the records of a meeting of the Board filed with the secretary, or by presence at such meeting and oral consent entered in the minutes of such meeting, or by taking part in the deliberations undertaken at such meeting without objection. At such meeting any business may be transacted which is not excepted from the written consent or which is not objected to at such meeting for want of notice. If any meeting of the Board is irregular for want of notice, the proceedings may be ratified, approved and rendered valid, and the irregularity or defect therein waived, by a writing signed by all directors, provided a quorum was present at such meeting.

2.13. Action Without a Meeting. Any action required to be taken at a meeting of the directors of the corporation, or any action which may be taken at a meeting of the directors of the corporation or of any committee, may be taken without a meeting if a consent in writing setting forth the action to be taken shall be signed by all of the directors, or all of the members of the committee, as the case may be.

2.14. Compensation. Directors, in their capacity as directors, may receive, by resolution of the Board, a fixed sum and expenses of attendance for attending meetings of the Board or a stated annual remuneration or both. No director shall, except as provided above, be precluded from serving the corporation in any other capacity or receiving compensation therefor.

ARTICLE III GENERAL OFFICERS

3.1. Election, Term and Removal. The Board shall nominate and elect officers. The officers of this corporation shall include a chairman of the board, and a president, both of whom shall be elected from among the nine (9) directors of the corporation; one (1) or more vice presidents; a secretary and a treasurer; and such other officers as may be determined and selected by the Board. Any person otherwise qualified may hold two (2) offices in the corporation except the office of president and vice president, or president and secretary, or president and treasurer, and except that the chairman of the board cannot

otherwise be an officer of the corporation.

The officers shall hold office until their successors are elected at a meeting of the Board called for such purpose and such successors qualify, provided that any office will become vacant upon the death, resignation, removal, or disqualification for any reason of the officeholder. Any officer elected or appointed by the Board may be removed by the Board at any time with or without cause whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer shall not of itself create contract rights.

3.2. Attendance at Board Meetings. The chairman of the board, and in his absence the president, shall call meetings of the Board to order, and shall act as chairman of such meetings, and the secretary of the corporation shall act as secretary of all such meetings, but in the absence of the secretary the chairman may appoint any person present to act as secretary of the meeting.

3.3. Duties. The principal duties of the several officers are as follows:

(a) **Chairman of the Board.** The chairman of the board shall, if present, preside at all meetings of the Board and shall exercise and perform such other powers and duties as may be from time to time assigned to him by the Board or prescribed by the by-laws.

(b) **President.** Subject to such supervisory powers, if any, as may be given by the Board to the chairman of the board, the president shall be the chief executive officer of the corporation and shall have general charge and supervision of the administration and management of the affairs and business of the corporation. The president shall see that all orders and resolutions of the Board are carried into effect. The president may sign, with the secretary or any other proper officer of the corporation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments that the Board has authorized, generally or specifically, to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board, by these by-laws, or by statute, to some other officer or agent of the corporation; and, in general, the president shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board from time to time. The president shall be required to report to the Board at least annually with respect to the oil spill cleanup activities undertaken by the corporation in the preceding year, the state of readiness of the corporation to clean up oil spills in the future, and such other matters as may be appropriate.

(c) **Vice Presidents.** The vice presidents shall, in the order of their seniority, discharge the duties of the president in the event of his absence or disability for any cause whatever, and shall perform such additional duties as may be prescribed from time to time by the Board.

(d) Secretary. The secretary shall have charge of the records and correspondence of the corporation under the direction of the president, and shall be the custodian of the seal, if any, of the corporation. He shall give notice of and attend all meetings of the Board. He shall take and keep true minutes of all meetings of the Board of which, ex officio, he shall be the secretary. He shall discharge such other duties as shall be assigned to him by the president or the Board. In case of the absence or disability of the secretary, the Board may appoint an assistant secretary to perform the duties of the secretary during such absence or disability.

(e) Treasurer. The treasurer shall keep account of all moneys, credits and property of the corporation which shall come into his hands and keep an accurate account of all moneys received and discharged. Except as otherwise ordered by the Board, he shall have the custody of all the funds and securities of the corporation and shall deposit the same in such banks or depositories as the Board shall designate. He shall keep proper books of account and other books showing at all times the amount of the funds and other property belonging to the corporation, all of which books shall be open at all times to the inspection of the Board. He shall submit a report of the accounts and financial condition of the corporation at each annual meeting of the Board or when the president or Board so requires. He shall also make such transfers and alterations in the securities of the corporation, if any, as may be ordered by the Board. In general, the treasurer shall perform all the duties which are incident to the office of treasurer, subject to the Board, and shall perform such additional duties as may be prescribed from time to time by the Board. The treasurer shall give bond only if required by the Board. In case of absence or disability of the treasurer, the Board may appoint an assistant treasurer to perform the duties of the treasurer during such absence or disability.

3.4. Compensation. The compensation, if any, of officers shall be fixed from time to time by the Board; provided that the Board may by resolution delegate to any one (1) or more officers of the corporation the authority to fix such compensation.

ARTICLE IV APPOINTIVE OFFICERS AND AGENTS

The Board may appoint such officers and agents in addition to those provided for in Article III, as may be deemed necessary, who shall have such authority and perform such duties as shall from time to time be prescribed by the Board. All appointive officers and agents shall hold their respective offices or positions at the pleasure of the Board, and may be removed from office or discharged at any time with or without cause; provided that removal without cause shall not prejudice the contract rights, if any, of such officers and agents.

ARTICLE V COMMITTEES

5.1. Committees of Directors. The Board by resolution adopted by a majority of the directors in office, may designate one (1) or more committees, including an executive committee, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board in the management of the corporation. Each such committee shall consist of two (2) or more directors. The designation of such committees and the delegation thereto of authority shall not operate to relieve the Board, or any individual director, of any responsibility imposed on it, him or her by law. The Board shall elect an audit committee of three or more directors (not including the president). The audit committee shall appoint a reputable accounting firm to conduct an annual audit of the corporation, shall review the report of the auditors, and shall recommend to the Board any actions that should, in its judgment, be taken as a result thereof.

5.2. Advisory Boards or Committees. Advisory boards or committees not having and exercising the authority, responsibility, or duties of the Board in the management of the corporation may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such advisory board or committee need not be directors of the corporation, the president of the corporation shall appoint the members thereof, and any member thereof may be removed by the president whenever in the president's judgment the best interests of the corporation shall be served by such removal.

5.3. Term of Office. Each member of a committee of directors or advisory board or committee shall continue as such until the next annual meeting of the Board of the corporation and until his or her successor is appointed, unless the board or committee is sooner terminated, or unless such member is removed from such board or committee or unless such member shall cease to qualify as a member thereof.

5.4. Chairman. Unless otherwise provided in the resolution of the Board designating a committee of directors or advisory board or committee, one (1) or more members of each directors' committee or advisory board or committee shall be appointed chairman, or co-chairman, by the person or persons authorized to appoint the members thereof.

5.5. Vacancies. Vacancies in the membership of any committee of directors or advisory board or committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

5.6. Quorum; Manner of Acting. Unless otherwise provided in the resolution of the Board designating a committee of directors or advisory board or committee, a majority of the whole board or committee shall constitute a quorum, and the act of the majority of the members present at a meeting at which a quorum is present shall be the act of the board

or committee.

5.7. Rules. Each committee of directors or advisory board or committee may adopt rules for its own government not inconsistent with these by-laws or with rules adopted by the Board.

ARTICLE VI CONTRACTS, CHECKS, DEPOSITS AND FUNDS

6.1. Contracts. The Board may authorize any officer or officers, or agent or agents, of the corporation, in addition to the officers so authorized by these by-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

6.2. Checks, Drafts, or Orders for Payment. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, or agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the president and countersigned by the treasurer of the corporation.

6.3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board may select.

6.4. Investments. The corporation shall have the right to retain all or any part of any property, real, personal, tangible or intangible, acquired by it in whatever manner, and pursuant to the direction and judgment of the Board, to invest and reinvest any funds held by it without being restricted to the class of investments available to directors by law or any similar restriction; provided, however, that no action shall be taken by or on behalf of the corporation if such action would result in denial of the corporation's exemption from federal income taxation under the Internal Revenue Code and its regulations.

ARTICLE VII AMENDMENTS

The by-laws may be amended, altered or repealed by a vote of two-thirds (2/3) of the directors of the corporation.

ARTICLE VIII INDEMNIFICATION OF DIRECTORS AND OFFICERS

Directors and officers of the corporation shall be indemnified to the fullest extent now or hereafter permitted by law in connection with any actual or threatened action or proceeding (including civil, criminal, administrative or investigative proceedings) arising out of their service to the corporation or to another organization or enterprise at the corporation's request. Persons who are not directors or officers of the corporation may be similarly indemnified in respect of such service to the extent authorized at any time by the Board of Directors. The corporation may at any time, to the extent authorized by the Board of Directors, take such steps as may be deemed appropriate by the corporation, including purchasing and maintaining insurance, entering into contracts (including, without limitation, contracts of indemnification between the corporation and its directors and officers), creating a trust fund, granting security interests or using other means to insure the payment of such amount as may be necessary to effect such indemnification. Neither the amendment nor repeal of this Article VIII shall affect any right of protection of a person with respect of any act or omission occurring prior to the time of such repeal or modification. The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which a director or officer or former director or officer may be entitled under any by-law, agreement, insurance policy or otherwise.

ARTICLE IX MISCELLANEOUS

9.1. Fiscal Year. The fiscal year of the corporation shall be fixed by the Board.

9.2. Books and Records. The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board and committees having any authority of the Board.

9.3. Invalid Provisions. If any part of these by-laws is held invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall remain valid and operative.

9.4. Headings. The headings used in these by-laws are for convenience only and do not constitute matter to be construed in the interpretation of these by-laws.

9.5. Gender. Wherever the context requires, all words in these by-laws in the male gender shall be deemed to include the female gender, all singular words shall include the plural, and all plural words shall include the singular.

9.6. Seal. The Board may provide for a corporate seal.

9.7. Legal Authorities Governing Construction. These by-laws shall be construed in accordance with the laws of the State of Tennessee. All references in these by-laws to statutes, regulations or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

CERTIFICATION

The undersigned hereby certifies the foregoing is a true and correct copy of the By-laws of Marine Spill Response Corporation, a Tennessee non-stock, nonprofit corporation (the "Corporation") adopted by the Corporation on the ____ day of _____, 1990.

Secretary

September 24, 1991

MSRC STATUS

BACKGROUND

Two year's ago, on a reef in Alaska's Prince William Sound, the oil tanker Exxon Valdez ran aground causing America's biggest oil spill. While thousands worked to clean up the spill in Alaska, in Washington, a task force representing America's oil industry, set about studying the existing resources across the nation for responding to catastrophic oil spills.

In June of 1989 the task force reported its findings: the capability did not exist, neither in industry nor government, to successfully contain and remove a spill the magnitude of the one in Alaska.

As a result of task force recommendations, twenty oil companies began the process of creating the Petroleum Industry Response Organization (PIRO) to manage catastrophic spills. In August 1990, the oil companies created two new organizations: the Marine Spill Response Corporation (MSRC) and the Marine Preservation Association (MPA). MSRC which has succeeded PIRO, is an independent oil spill response organization.

MSRC will operate from five regional response centers, each supported by several strategically placed equipment sites along the coast, and will become the nation's largest spill response and cleanup organization. MPA, an organization comprised of oil companies and the shippers and receivers of oil, will fund MSRC but have no control over day-to-day operations.

MSRC is headquartered in Washington, D.C., with our five Regional Response Centers located along the coastal United States in the New York/ New Jersey area, South Florida in Miami, in Lake Charles, Louisiana in the Gulf, Port Hueneme, California in the Southwest, and the Seattle area, Washington in the Northwest.

Each region will have three to six prestaging areas (twenty two in all) where equipment, supplies and sometimes vessels and personnel will be located. Each site has been selected to enable a quicker response to a large spill in areas of greater oil movements, and hence risk, along the coast.

RESPONSE CAPABILITY

MSRC, under the direction of the Coast Guard, will provide a "best-effort" response to cleaning up spills of persistent (crude) oils that are beyond the capacity of local response organizations. Each of the five regional centers is designed to provide this "best effort" response to spills. MSRC's response capabilities are being designed based on a spill roughly the size of the Alaska spill. Operationally, the nearest equipment/resources will be brought to the scene. In the event of an even larger spill some of the resources of two or more regions may be combined.

MSRC's five year costs for operations, capital equipment, and research and development are estimated at more than \$900 million. These costs are funded through MPA members' annual dues, which will be based on the number of barrels of oil transported in the previous year. In the event an MPA member becomes a spiller, MSRC will be available to aid the spiller, consistent with its agreement with the spiller and the direction of the Coast Guard. The spiller -- not MPA or MSRC -- will pay for the actual cleanup.

Although MSRC is a private organization that will work closely under contract with a spiller, it will also work closely with government efforts. MSRC will be available to execute the appropriate portions of the spiller's response plan. Under the Oil Pollution Act, spillers must respond under the direction of the Coast Guard during major spills in coastal areas. The presence of the Coast Guard at a spill site does not relieve spillers of their responsibilities for funding the clean up. The Coast Guard must, however, provide clear direction and coordination of cleanup operations when spills or potential spills pose a substantial threat to the public health and safety.

MSRC is not intended to replace existing oil spill cooperatives and independent response contractors. In fact, MSRC will use co-ops and independent responders as subcontractors for major spills and will train and drill with them. These existing entities have done a good job handling smaller spills. MSRC will only act when this infrastructure does not have sufficient resources for larger spills.

Under federal law, the responder to an oil spill has limited immunity. He is not liable for removal costs or damages unless he acts with gross negligence or willful misconduct. This limited immunity does not involve cases of personal injury or wrongful death. Under some state laws, however, the responder is not provided this limited immunity. MSRC is seeking state liability standards that are the same as the federal standard. This standard is appropriate because an oil spill responder must act decisively in a dynamic environment. Moreover, responders frequently must act with less than perfect information.

Another unique aspect of MSRC will be administration of a research and development program to improve the technology and knowledge used to respond to and clean up spills. This program will complement others in government, academia, and industry. MSRC plans to study such subjects as prevention of oil loss from damaged ships, on-water oil recovery and treatment, prevention and mitigation of shoreline impacts, fate and effects of spilled oil and petroleum products, mitigation of adverse effects on wildlife, and health and safety. MSRC will also aim to develop standards for oil spill response equipment, techniques and training.

MSRC PLANS

MSRC plans to be fully operational by February of 1993 -- the date when the Oil Pollution Act requires owners and operators of vessels, terminals, pipelines and offshore platforms to submit comprehensive spill response plans. Much must be done in the intervening two years.

A detailed implementation plan has been developed for MSRC, with most of the plan still in the process of being implemented. Equipment and vessels are being procured. Regional Response Centers must be surveyed and acquired. Land and buildings are being purchased or leased. Personnel -- including hundreds of subcontractors -- must be hired, trained and integrated into MSRC operations. Insurance must be arranged, and the research and readiness programs must be launched.

The Oil Pollution Act of 1990 requires that shippers and others responsible for oil transported on offshore and tidal waters show they can, to the maximum extent practicable, remove a "worst case" spill they might cause. This capability must reside in the private sector, and many companies may want to rely on MSRC to meet important federal response requirements, rather than obtain other response and cleanup capabilities.