

CONTRIBUTION AGREEMENT
Seawater Scrubber Demonstration Project
effective upon signature

Between **Her Majesty the Queen in Right of Canada** represented by the Minister of the Environment, hereinafter called the "Minister" who is responsible for Environment Canada, hereinafter called "EC"

and **Puget Sound Clean Air Agency**, a municipal corporation of the laws of the State of Washington, United States, hereinafter referred to as the "Recipient"

Whereas ocean-going ships release substantial quantities of emissions that have an adverse impact on the atmosphere and on air quality in Canada.

Whereas the Government of Canada's *Notice of intent to develop and implement regulations and other measures to reduce pollutants and greenhouse gases* states that:

The Minister of Transport, with the Minister of the Environment, will support the development of new international standards, established by the International Maritime Organization, for controlling air pollution emissions from ships... This will include support for a process to designate North American coasts as areas where ships must reduce sulphur emissions.

Whereas EC and the US Environmental Protection Agency, with the support of several other government agencies such as the Puget Sound Clean Air Agency, are working together to prepare an application to the International Maritime Organization to establish a SOx Emission Control Area (SECA) in North America, under international treaty.

Whereas a critical element of the SECA analysis is determination of feasibility and readiness of SOx emission control technologies such as seawater scrubbers.

Whereas the US Environmental Protection Agency and the Puget Sound Clean Air Agency have a project underway with Holland America Line and several additional partners, to demonstrate and evaluate the feasibility of seawater scrubbing in commercial cruise ship operation.

Whereas EC wishes to provide funds to public agencies to enable them to conduct environmental and sustainable development projects and initiatives at the regional level;

Whereas EC seeks to encourage partnerships and networking for the exchange and dissemination of information to foster better informed public judgment and environmentally responsible action;

Whereas EC is responding to the emerging regional (Georgia Basin / Puget Sound) and national issue of air emissions from ships, and wishes to address the specific need for demonstrated sulphur oxides and particulate matter emission control technology for ships;

Whereas EC wishes to lever non-Government-of-Canada, voluntary in-kind and financial support for environmental and sustainable development projects (domestic and international);

Whereas EC wishes to support departmental participation in environmental initiatives, programs and activities;

Whereas the Recipient is a special-purpose regional agency chartered by Washington state law, whose mission is to ensure that people in the four counties within its jurisdiction have clean air to breathe;

Whereas the Recipient sponsors voluntary initiatives to improve air quality and has a lengthy successful track record delivering such projects using grant monies from US federal and state governments;

Whereas the Recipient has established the Diesel Solutions program to promote and facilitate the retrofit of existing diesel vehicles and equipment used in public and private fleets with emission control equipment;

Whereas it is in the interest of EC, the Recipient and the other Holland America Line Seawater Scrubber Demonstration Project ("the project") partners (Holland America Line, U.S. Environmental Protection Agency, Port of Seattle, Vancouver Port Authority, B.C. Ministry of Environment and B.C. Clean Air Research Fund) to reduce air quality impacts associated with oceangoing ships;

Whereas the Recipient is in the unique position of having contracted with Holland America Line to conduct the project and will serve as the fiscal manager of the funds from the partners;

Whereas the Recipient has secured resources valued at approximately US\$1,515,000, including US\$100,000 from its state clean diesel grant, for the project; and

Whereas under the authority of the *Department of the Environment Act*, the Minister wishes to provide financial assistance to the Recipient to enable it to carry out the activities described under Section 2;

Now therefore, this Agreement witnesses that in consideration of the mutual promises and agreements hereinafter set out, the Minister and the Recipient (hereinafter called the "Parties") agree as follows:

1. PURPOSE AND EXPECTED RESULTS

The purpose of this agreement is to enable the Recipient, by means of contributions, to carry out the activities described in Section 2.

The purpose of the activities described in Section 2 is to demonstrate the technical feasibility and reliability of seawater scrubbing technology to reduce particulate matter (PM), sulphur oxides (SO_x), and nitrogen oxides (NO_x) emissions, on a large ocean-going cruise ship in commercial sea operation.

These activities will further the evaluation of seawater scrubbing as an emission reduction option for ships. Marine vessels, especially ocean-going ships, release substantial quantities of

emissions that have an adverse impact on the atmosphere and on air quality in Canada. The resulting understanding of the state of readiness of SOx emission control technologies for ships will be an important component of the evaluation of the feasibility of establishing a SECA in North America. The activities under this agreement will support the Government of Canada's *Notice of intent to develop and implement regulations and other measures to reduce pollutants and greenhouse gases* and *Turning the Corner: an action plan to reduce greenhouse gases and air pollution*.

2. ACTIVITIES TO BE UNDERTAKEN BY THE RECIPIENT

The Recipient will ensure the completion of the activities described in this section. The Recipient may contract (or otherwise arrange with) other parties, such as Holland America Line, to undertake any of these activities on its behalf. These other parties may in turn engage subcontractors (or other partners).

Activity 0: The Recipient will convene a project technical advisory committee including EC. The committee will meet in person or by teleconference periodically (at least quarterly) throughout the entire period of this Agreement to provide guidance regarding the activities described in this Agreement. The Recipient will also invite other relevant federal, provincial and local agencies, industry and others with expertise in emissions reduction, marine operations, wastewater treatment and discharge requirements, and sludge disposal requirements, to participate in the technical advisory committee.

Activity 1: The Recipient will ensure that detailed engineering and specifications are completed for the following: a) a wet seawater scrubber to remove sulphur oxides and particulate matter from ship emissions; b) a wastewater treatment system for the scrubber system; c) fuel additives or a fuel oil emulsifier system for particulate, opacity, and nitrogen oxides reductions; and d) an emissions and wastewater sampling and analysis program; for example by contracted parties such as Holland America Line.

Activity 2: The Recipient will ensure the procurement of the scrubber/wastewater treatment system through an open, competitive process.

Activity 3: The Recipient will ensure the installation of the system on a cruise ship in regular service on Canada's Pacific coast.

Activity 4: The Recipient will conduct operational testing of the scrubber and wastewater system, including quantification of air emissions and wastewater quality.

Activity 5: The Recipient will submit to EC a final project report as described under "Deliverables."

The Recipient will ensure through provisions in its agreements with parties such as Holland America Line that all operation of the system, including emissions to air, wastewater discharges and sludge disposal, is undertaken in accordance with all local, state/provincial, national and international requirements.

Deliverables

The Recipient will submit to EC the following deliverables:

1. The Recipient will convene a project technical advisory committee including EC. The committee will meet periodically throughout the entire period of this Agreement to provide guidance regarding the activities described in this Agreement. The Recipient will also invite other relevant federal, provincial and local agencies, industry and others with expertise in emissions reduction, marine operations, wastewater treatment and discharge requirements, and sludge disposal requirements, to participate in the technical advisory committee.
2. By October 15, 2007, an outline for an environmental impact report covering scrubber and wastewater treatment system operation
3. First interim report by October 15, 2007.
4. Second interim report, containing preliminary results of operational testing of the scrubber and wastewater system, including quantification of air emissions and wastewater quality, by January 15, 2008.
5. Brief quarterly progress reports, due no later than 15 days after the end of the calendar quarter, beginning April 15, 2008.
6. By December 31, 2008, a final report summarizing the project and its results

At an appropriate time, the Recipient will offer EC staff one or more technically-oriented tour(s) demonstrating the scrubber and wastewater systems as installed and operating on the vessel.

The regular meetings of the technical advisory committee, the tour, and the completion of the progress, interim and final reports will indicate successful completion of the activities.

3. MAXIMUM AMOUNT OF CONTRIBUTION

Exact dollar amounts are either US dollar or Canadian dollar amounts, as specified. Where these amounts are added together, this agreement assumes US\$1=C\$1 and indicates a US dollar total, but it is understood that such totals are approximate.

- a. The Minister agrees, subject to the terms and conditions of this Agreement, to contribute towards the eligible costs set out in this Agreement that could be incurred by the Recipient for the activities described in this Agreement, to a maximum cash amount of **C\$50,000**.
- b. The Minister may also provide to this project in-kind contributions. For example it is anticipated that EC will provide emissions measurement and analysis services valued at approximately C\$60,000.
- c. The Recipient has secured additional cash contributions valued at US\$538,000 plus in-kind contributions valued at approximately US\$977,000. These consist of:
 - i. US\$300,000 grant from US Environmental Protection Agency;
 - ii. US\$100,000 grant from Washington Department of Ecology;
 - iii. US\$50,000 contribution from Vancouver Port Authority;
 - iv. US\$50,000 contribution from Port of Seattle;

- v. US\$38,000 contribution from B.C. Clean Air Research Fund partners (B.C. Ministry of Environment US\$13,000 and Canadian Petroleum Products Institute US\$25,000);
 - vi. Approximately US\$727,000 to be spent by Holland America Line (these funds will not flow via the Recipient);
 - vii. Holland America Line in-kind contributions (project management, technical and operations staff time, use of vessel & equipment) conservatively valued at approximately US\$250,000; and
 - viii. Recipient in-kind contributions (project management).
- d. The total value of the contributions secured by the Recipient for the purposes set out in Section 2 is approximately US\$588,000 cash plus US\$1,037,000 in-kind, for a total of US\$1,588,000. The Total Canadian Government Assistance (from federal, provincial and municipal sources) is US\$13,000 plus C\$50,000 plus approximately C\$60,000 in-kind, which adds to approximately 8% of the total.
- e. EC's financial contributions will be based upon the agreed upon cash flow requirements herein, as follows:
- i. Up to C\$40,000 for the fiscal period ending March 31, 2008; and
 - ii. Up to C\$10,000 for the fiscal period ending March 31, 2009.

4. ALLOWABLE EXPENDITURES

The Recipient agrees that the payments referred to in Section 3 shall be applied to the allowable expenditures incurred in the course of conducting the activities described in the Agreement. The allowable expenditures are:

- Charges for the services or expenses of qualified partners or contractor(s), for example Holland America Line or its subcontractors, to carry out work under this agreement to fabricate, install, operate or test the seawater scrubbing system including its ancillary systems.

Costs, other than those herein allowed, are ineligible unless specifically approved in writing by the Minister prior to the time the costs are incurred.

5. REPORTING

The following conditions must be met before payments will be made:

- (a) An operating plan and cash flow statement for the period starting as of the effective date of this Agreement and ending December 31, 2008, is contained in Appendix B.
- (b) The Recipient shall provide, with each claim for payment, a brief progress report outlining all Agreement-related revenues (e.g. grant payments) and expenses incurred since the last invoice to EC.
- (c) The Recipient shall also provide, with each claim for payment, the relevant progress reports pertaining to the activities in Section 2.

6. CONTACTS

The contacts for this Agreement are:

Environment Canada
Andrew Green, Air Quality Management
201 - 401 Burrard St.
Vancouver, BC V6C 3S5
Canada

Puget Sound Clean Air Agency
Dave Kircher
1904 Third Avenue, Suite 105
Seattle, WA 98101
United States

7. METHOD OF PAYMENT

Within the limits of Section 3 and in accordance with the laws of Canada relating to financial administration, as amended from time to time, the Minister agrees to pay the Recipient on the basis of reimbursement of expenditures incurred as follows:

- a) A payment in arrears of up to C\$40,000 upon receipt between April 1, 2007 and March 31, 2008 of:
 - i) an invoice;
 - ii) the first interim report described in Section 2; and
 - iii) an accounting of all Agreement-related revenues and expenditures incurred by the Recipient up to the date of the invoice, as outlined in Section 5, that indicates that C\$40,000 or more worth of eligible expenditures were incurred by the Recipient between April 1, 2007 and the date of the invoice.
- b) A payment in arrears of up to C\$10,000 upon receipt between April 1, 2008 and March 31, 2009 of:
 - i) an invoice;
 - ii) all the progress reports described in Section 2, for the period up to the invoice and since the previous invoice;
 - iii) the second interim report described in Section 2;
 - iv) the final report described in Section 2; and
 - v) an accounting of all Agreement-related revenues and expenditures incurred by the Recipient up to the date of the invoice, as outlined in Section 5, that indicates that C\$50,000 or more worth of eligible expenditures were incurred by the Recipient between April 1, 2007 and the date of the invoice.

Payments will meet cash flow requirements for the periods indicated, based on the agreed-upon cash flow statement in Appendix B.

8. INVOICES OR REQUESTS FOR PAYMENT

- a) All invoices and supporting documentation (e.g. progress reports) should be sent to:

Environment Canada
Andrew Green, Air Quality Management
201 - 401 Burrard St.
Vancouver, BC V6C 3S5
Canada

- b) All payments to the Recipient shall be addressed to:

Finance Manager
Puget Sound Clean Air Agency:
1904 Third Avenue, Suite 105
Seattle, WA 98101
United States

9. ACCOUNTS AND FINANCIAL STATEMENTS

The Recipient agrees to keep proper accounts and records of the revenues and expenditures for the subject matter of the Agreement, including all invoices, receipts and vouchers relating thereto. The Recipient will provide financial statements and forecasts as stipulated in the Agreement and shall conduct its financial affairs according to generally accepted accounting principles and practices. For the purposes of this Agreement, the Recipient will keep all financial accounts and vouchers and other records for a period of at least three years after the expiry of the Agreement.

10. AMOUNTS OWING TO THE GOVERNMENT OF CANADA

The Recipient attests to have declared any and all amounts owing to the Government of Canada under legislation or contribution agreements, and recognizes that EC may set-off amounts due to the Recipient against amounts owing to the Government of Canada.

11. INTELLECTUAL PROPERTY

Any intellectual property rights arising from the activities under this Agreement will be vested in the Recipient provided that the Recipient hereby grants to EC the licensed rights to produce, publish, translate, reproduce, adapt, broadcast or use at no cost, any work subject to such intellectual property rights.

12. NOT A PARTNERSHIP

EC and the Recipient expressly disclaim any intention to create a partnership, joint venture or agency. It is understood, acknowledged and agreed that nothing contained in this Agreement nor any acts of EC or the Recipient shall constitute or be deemed to constitute EC and the Recipient as partners, joint venturers or principal and agent in any way or for any purpose. The Recipient shall not represent or hold itself out to be an agent of EC. No party shall have any authority to act for or to assume any obligations or responsibility on behalf of the other party.

The Recipient agrees to be liable to EC for any liability that EC incurs by virtue of being found to be liable with the Recipient as a partner of, joint venturer with, or principal of the Recipient. For greater certainty, the Recipient assumes no responsibility for any liability arising to EC as a result of the act or omission of EC or his agent which are the basis for the finding that EC or his agent is a partner of, joint venturer with, or principal of the Recipient.

13. DURATION

This Agreement shall bind the Parties for the period beginning on the effective date and ending on March 31, 2009.

14. AMENDMENTS

This Agreement may be amended or modified only by written and signed agreement of the Parties.

15. TERMINATION

The Minister may terminate this Agreement and withdraw from the project if, in the opinion of the Minister, the Recipient fails to complete the work described in Section 2.

Additionally, either the Recipient or the Minister may terminate this Agreement on one (1) month written notice to the other Party. Payment for incurred costs and non-reversible commitments by the Recipient for the purposes set out in Section 2, not covered by other revenue sources, will be covered by the Minister.

This Agreement and the obligations of the Minister under this Agreement shall terminate upon receipt of notification to the Minister of a notice of the Recipient's dissolution or insolvency.

16. ENTIRE AGREEMENT

This Agreement, along with the Terms and Conditions in Appendix A and any other appendices and schedules cited in this Agreement, shall constitute the entire and sole Agreement between the Parties regarding the seawater scrubber demonstration project and the activities in Section 2, and shall supersede all other communications, negotiations, arrangements and agreements of any nature between them regarding the seawater scrubber demonstration project and the activities in Section 2, prior to the date of this Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement on the effective date indicated.

**BY THE PUGET SOUND CLEAN
AIR AGENCY**

Paul Roberts
Signature

Paul Roberts
Board of Directors, Chair

Date 1/22/08

**FOR HER MAJESTY THE QUEEN IN
RIGHT OF CANADA**

Al Hammit
Signature

Date Feb 6, 2008

Witness [Signature]

Attest

By: Dennis J. McLerran
Dennis J. McLerran
Executive Director

Date: 1/16/08

Approved as to Form:

By: Laurie Halvorson
Laurie Halvorson
General Counsel

Date: 1/11/08

APPENDIX A

CONTRIBUTION AGREEMENT TERMS AND CONDITIONS

1. DEFINITIONS

Unless the context otherwise requires:

- a) The term "fiscal period" shall mean the period or part of the period commencing April 1 and ending March 31 of any year during the Agreement;
- b) "Minister" means the Minister of the Environment and includes any person duly authorized to act on behalf of the Minister;
- c) "Department" means the Department of the Environment;
- d) "Agreement" means the Contribution Agreement, these Appendix A Terms and Conditions and such amendments and agenda which are or may be expressed to form part of the Agreement;
- e) "Recipient" means the organization or person receiving the contribution and being responsible for the performance and administration of the Agreement;
- f) "Financial Audit" means any examination of the accounts and records of a Recipient or other information determined necessary by the Minister in the circumstances;
- g) "Government of Canada" means Her Majesty the Queen in Right of Canada.

2. APPROPRIATION

The payment of any money under this Agreement is subject to there being an appropriation by Parliament for the fiscal year in which the payment is to be made. The Minister may cancel or reduce the contribution if funding levels are reduced by Parliament.

3. PROGRAM ALLOCATION

The Minister may reduce funding under this Agreement in response to the Government's annual Budget, a parliamentary or governmental spending restraint decision or a restructuring or reordering of the federal mandate and responsibilities which impacts on the Program under which this Agreement is made. If the funding for the Program is thereby reduced, the amount remaining unpaid under this Agreement may be reduced, as of the date the reduction takes effect, by a percentage equal to or less than the percentage of the reduction. The Parties understand that any such reduction may affect the full implementation of the activities under this Agreement.

4. PERSONS NOT TO BENEFIT

No member of the Canadian House of Commons and Senate shall be admitted to any share or part of the Agreement or to any benefit arising therefrom.

No current or former Canadian public office holder or public servant who is not in compliance with the *Conflict of Interest and Post-employment Code for Public Office Holders* or the *Conflict of Interest and Post-Employment Code for the Public Service* shall derive a direct benefit from the Agreement.

5. LIABILITY

The Recipient agrees, at all times, to indemnify and save harmless, Her Majesty or any of Her officers, servants, employees or agents from and against all claims and demands, loss, costs, damages, actions, suits or other proceedings by whomsoever made, brought or prosecuted, in any manner based upon, occasioned by or attributable to the execution of this Agreement or

any action taken or things done or maintained by virtue hereof, or the exercise in any manner of rights arising hereunder, except claims for damage resulting from the negligence of any officers, servants, employees, or agents of Her Majesty while acting within the scope of their duties or employment.

If Her Majesty is made a party to any action, suit or proceeding in respect of a matter for which the Recipient is obligated to indemnify Her Majesty, the Recipient shall defend such action, suit or proceeding in the name of Her Majesty at the Recipient's expense. The foregoing obligation of indemnification is subject to the requirement that the Recipient, in respect of any claim made by a third party, be notified by Her Majesty of all material particulars thereof and be afforded an opportunity at the Recipient's sole expense to resist, defend and compromise the same, provided that the Recipient is not obligated to do so; and further provided that if the Recipient does not assume the defense of such claim, Her Majesty may defend against the claim in any manner She deems appropriate and may take such action as may be reasonably prudent in the circumstances to settle the claim.

6. LIMITED LIABILITY

The Recipient understands and agrees that Her Majesty's sole liability under this agreement is to advance funds as per the terms of this agreement and specifically Her Majesty is not liable for any loan lease or other obligation entered into by the Recipient.

7. NON-COMPLIANCE

Should either the Minister or the Recipient fail to comply with any of the terms and conditions contained herein, a Party may give 30 days written notice of the non-compliance to the other. If either the Minister or the Recipient does not remedy the non-compliance within the notice period, the party giving the notice may terminate, suspend or reduce the scope of this Agreement at the end of the 30 day written notice. The Minister may demand repayment of funds already paid to the Recipient that have not been expended, or are payable to a third party. Any Party may seek any other appropriate legal and equitable remedy. In the event that non-compliance is the subject of dispute, the Agreement will be considered in force until the dispute has been resolved in the manner provided for in this Agreement (see "Settlement of Disputes").

8. OVERPAYMENT

In the event that payments made to the Recipient under this Agreement exceed the amount thereof required or spent by the Recipient or were used to reimburse expenditures that are not in accordance with this Agreement, any such surplus is payable forthwith to the Minister. If the initial contribution payments by the Minister are not required or spent by the Recipient, or were used to reimburse expenditures that are not in accordance with this Agreement, then any such surplus is payable forthwith to the Minister. Where any surplus payable has to be repaid, an amount equal to the surplus may be retained by way of deducting from or set-off against any sum of money that may be due or payable to the Recipient.

In the event that the Total Government Assistance (from federal, provincial or municipal governments) exceeds the amount or the proportion anticipated at the development of this Agreement, the Recipient shall repay the Minister an amount equivalent to the established overpayment.

9. AUDIT

The Minister reserves the right to audit or cause to have audited the accounts and records of the Recipient to ensure compliance with the terms and obligations of the Agreement, and the Recipient shall make available to such auditors any records, documents, and information that the auditors may require. The scope, coverage and timing of such audit shall be as determined by the Minister and, if conducted, may be carried out by employees of the Minister or its agent(s).

The Department may choose to rely on an opinion from a Recipient's external auditor regarding compliance to any or all terms and conditions of the contribution. Such an opinion shall be supported by audited financial statements and/or a statement of disposition of the federal contribution funds.

10. AUDIT RESULTS

The Minister agrees to inform the Recipient of the financial results of any audit and to pay the Recipient, as soon as possible after the completion of the audit, any moneys which the audit may show to be then due and owing to the Recipient. The Recipient agrees to pay the Minister, on being informed of the results of such audit, any moneys which the audit may show to be then due and owing to the Minister.

11. EVALUATION

The Minister or its delegate may at its discretion carry out an evaluation of the effectiveness or efficiency of this Agreement. The Recipient agrees to cooperate with the Minister if it decides to conduct an evaluation. This cooperation includes, but is not limited to, providing the Minister, its contractors or employees with: access to staff and records; and such information as the Minister may request during or within a reasonable period of time after the termination of this Agreement.

12. PAYMENTS IN CASE OF TERMINATION

In the event this Agreement is terminated for any reason whatsoever, the Minister or the Recipient may reduce, in whole or in part, the amounts to be paid, and the Recipient shall pay back to the Minister all monies not expended or payable to a third party at the date of termination.

13. INTEREST

Interest on any amount due to the Minister pursuant to this Agreement will be payable to the Receiver General for Canada or may be waived by the Minister as prescribed in the *Interest and Administrative Charges Regulations*, under the *Financial Administration Act*, except that interest will accrue:

- from the due date in the case of overdue amounts and other arrears;
- from the date that an overpayment is made in the case of overpayments.
- in the case of a repayable contribution, from the date that an amount becomes repayable whether or not that amount is due, in whole or in part, at one or more different dates.

14. GOODS AND SERVICES TAX

No contribution is payable by the Minister in respect of the portion of the cost of any eligible goods or services which represents the amount of the Goods and Services Tax (GST) paid on such goods or services for which the Recipient is entitled to claim an input tax credit or rebate. "Eligible goods or services" means any goods or services purchased by the Recipient in

carrying out this agreement in respect of the cost of which the Minister has agreed to pay a contribution.

15. SURVIVAL OF TERMS

All representations, warranties, covenants and agreements contained in this Agreement on the part of each of the Parties shall survive the termination of this Agreement.

16. WAIVER OF RIGHTS

The waiver of any rights following any breach of any representation, warranty, covenant or agreement shall not be deemed to be a waiver of any further breach. No waiver is effective unless in writing.

17. NO AGENCY

No Party is an agent of, or for any other party, for any purpose of this Agreement and nothing in this Agreement shall be construed to enable any Party to act as agent for any other Party.

18. OFFICIAL LANGUAGES

The Recipient shall serve and communicate with the public in the English and French languages, where applicable. For greater certainty, this is not applicable in the United States.

19. PUBLIC ACKNOWLEDGEMENT

Due acknowledgement to the Department's contribution shall be made in the Recipient's publications and other media or public information releases.

20. SETTLEMENT OF DISPUTES

Any dispute between the Parties concerning the interpretation or application of this Agreement which cannot be settled amicably shall be submitted to a mediator as agreed upon by both Parties.

21. ACCESS TO PREMISES

The Recipient agrees to give access to the Minister to visit the premises or site where the activities funded under this Agreement are being carried out.

22. CONFLICT OF INTEREST

The Recipient shall at no time during the duration of this Agreement pursue interests that are inconsistent with the interests served by this Agreement.

23. LOBBY GROUPS

Any person lobbying on behalf of the applicant for a contribution from the Government of Canada must be registered pursuant to the *Lobbyist Registration Act*.

24. LEGALITY

The Recipient shall ensure that the activities or programs will be conducted in compliance with all applicable laws.

25. ASSIGNMENT

The Recipient shall not assign this agreement or any part thereof or any payments to be made thereunder without the written permission of the Minister, but nothing shall preclude the Recipient from enlisting the assistance of others in carrying out the obligations under this agreement.

26. NOTICE

- a) Any notice to the Recipient shall be effectively given if sent by letter or facsimile, postage prepaid as the case may be, addressed to the Recipient at the address shown in the Agreement or any alternative address given to the Minister in writing by the Recipient. Any notice so given shall be deemed to have been received by the Recipient at the time when, in the ordinary course of events, such a letter or facsimile, would have reached its destination.
- b) Any notice to the Minister shall be effectively given if sent by letter or facsimile, postage prepaid as the case may be, at the address shown in the Agreement, or any alternative address given to the Recipient in writing by the Minister. Any notice so given shall be deemed to have been received by the Minister at the time when, in the ordinary course of events, such a letter, or facsimile would have reached its destination.

APPENDIX B

OPERATING PLAN AND CASH FLOW STATEMENT

Date	Activity	Recipient Expense	Maximum Claim to EC (not to exceed actual expenses)
April 2007 – March 2008	Activities 0, 1, 2, 3, 4	US\$578,000	
	<i>Total in FY 07/08</i>	<i>US\$578,000</i>	<i>C\$40,000</i>
April 2008 – March 2009	Activities 0, 4, 5	US\$10,000	
	<i>Total in FY 08/09</i>	<i>US\$10,000</i>	<i>C\$10,000</i>
	Grand Total	US\$588,000	C\$50,000