

Forest Resource Improvement Association of Alberta

P.O. Box 11094, Main Post Office, Edmonton, Alberta T5J 3K4

PROPOSAL SUMMARY – APPLICATION

FRIP Program (the "Program")

Applicant Information

Name of Applicant:		Phone:	
Mailing Address:		Fax:	
Contact Person:			
Delivery Address:			

Sponsor Information (if applicable)

Name of Applicant:		Phone:	
Mailing Address:		Fax:	
Contact Person:			
Delivery Address:			

Project Information

Type of Project	Term of Project	Amount of Funds Applied For
Inventory/Planning Field Operations Applied Research Other: _____		

Attachments:

_____ Proposal
_____ Proposed payment schedule
_____ Schedule of financial and technical reports
_____ Other: _____

Acknowledged by Applicant and/or Sponsor

The Applicant (the "Signatory") acknowledges having read and agrees to the terms and conditions described on the attached schedule to which the Application under the Program is made subject. The Signatory acknowledges and agrees that by its submission of this application it shall be bound by the terms of the Program, FRIAA's policies, procedures, protocols and guidelines. It is also acknowledged and agreed that this application may be accepted by FRIAA on further terms or conditions, which shall be binding on the Signatory once the proposed project is undertaken by the Signatory.

Applicant

Sponsor

Forest Resource Improvement Association of Alberta ("FRIAA")

P.O. Box 11094, Main Post Office, Edmonton, Alberta T5J 3K4

Terms and Conditions for the FRIP Program

The Applicant, in consideration for having the Proposal accepted as a FRIP Project in accordance with the terms of the FRIP, hereby expressly agrees with FRIAA as follows:

1. These terms and conditions expressly incorporate the Proposal, and the Proposal forms part of these terms and conditions.
2. Where there is a conflict between these terms and condition and the Proposal, these terms and conditions shall be paramount.
3. Where a portion of the Proposal deals with work that is, in the opinion of FRIAA, the responsibility of the Applicant under existing legislation, only that portion of the Proposal that is not the responsibility of the Applicant under existing legislation tenure or other binding agreement is eligible for funding under the Program.
4. The amounts paid under these terms and conditions shall be used exclusively for the Proposal and not for any other purpose. The Applicant agrees to maintain separate books of account, records and financial statements relating to the Proposal, and shall identify FRIAA funding applied to the Proposal.

INDEPENDENT CONTRACTOR

5. The Applicant is expressly not an agent of FRIAA with respect to any matter under these terms and conditions and it shall not in any manner represent itself as an agent of FRIAA.

INDEMNITIES

6. The Applicant shall indemnify and hold harmless FRIAA, FRIAA's employees and agents, from any and all claims, demands, actions and costs whatsoever that may arise, directly or indirectly, out of any act or omission of the Applicant, its employees or agents, contractors or sub-contractors, in the performance by the Applicant of the Proposal or these terms and conditions. Such indemnification shall survive termination of these terms and conditions and completion of the Proposal as a FRIP project (the "Project").
7. FRIAA shall not be liable or responsible for any bodily or personal injury or property damage of any nature whatsoever that may be suffered or sustained by the Applicant, its employees, agents, contractors or sub-contractors in the performance of the Project or these terms and conditions.

PERMITS AND LICENSES

8. Approval of the Proposal is subject to the Applicant receiving all required approvals, licenses, certificates and permits to carry out the Proposal and the Applicant must satisfy FRIAA that all required approvals, licenses, certificates and permits are received or are forthcoming prior to commencement of work on the Project.
9. The Applicant shall be solely responsible for identifying and obtaining all necessary approvals, licenses, certificates and permits.

Terms and Conditions for the FRIP Program

REPORT REQUIREMENTS AND ACCESS TO RECORDS

10. The Applicant shall maintain separate records and books of accounts relating to the Project.
11. The Applicant shall, as soon as reasonably possible, provide any information whatsoever that FRIAA requests respecting any matter under these terms and conditions or the terms of the Proposal.
12. Without limiting paragraph 11 above, the Applicant shall make available to FRIAA, including but not limited to FRIAA appointed auditors or any other person designated by FRIAA, the existing records that relate to FRIP or the Project, in whatever form, on request and during the normal business hours.
13. Where an audited financial report is required by these terms and conditions, the audited financial report shall be prepared by an independent, qualified Auditor and the report shall be prepared in accordance with the Canadian Institute of Chartered Accountants handbook.
14. The Applicant shall submit a quarterly unaudited financial report and quarterly technical report, or as specifically set out in the Proposal, for the Proposal detailing how much of the Project has been completed, how much money has been spent, and how much of the Project remains to be completed, as may reasonably be required by FRIAA.
15. The Applicant shall submit an Audited Annual Financial report as well as an annual technical report, or as specifically set out in the Proposal, detailing how much of the Project has been completed, how much money has been spent, and how much of the Project remains to be completed, as may reasonably be required by FRIAA.
16. The Applicant shall submit an end-of-Project technical report, within 30 days of the Project's completion, summarizing the results of the Project.

MONIES HELD IN TRUST

17. All FRIAA Funds advanced or paid prior to the completion of the Project are hereby held in trust by the Applicant until FRIAA has acknowledged in writing to the Applicant that the Project is completed in accordance with the terms of the Approval by FRIAA.
18. All FRIAA Funds advanced or paid prior to the completion of this Project in satisfaction of the requirements herein shall be held by the Applicant separate and apart from other assets of the Applicant, and shall be returned to FRIAA in the event of:
 - a. termination of the Project by FRIAA, or
 - b. the requirements of paragraphs 16 and 17 are not satisfied, or
 - c. otherwise as may be provided by the Program or the terms of this Proposal.
19. The Applicant shall be personally liable and where there is more than one Applicant, jointly and severally liable, for ensuring all funding provided by FRIAA is supplied to the Project as required.

PAYMENT OF FRIAA FUNDS

20. The Applicant acknowledges that no payment of funds will be made until such time as a proper request for payment has been approved by FRIAA. FRIAA may require, and then the Applicant shall provide, verification of any information contained in the payment request prior to FRIAA approving payment.
21. Any payment made by FRIAA, where there is false or misleading information provided by the Applicant, shall be considered to have been paid in mistake, and such payment is held in trust by the Applicant for the sole and

Terms and Conditions for the FRIP Program

exclusive benefit of FRIAA. Such payments or funds shall be returned forthwith to FRIAA upon discovery of the error.

22. FRIAA maintains the right, at its sole discretion, to withhold any payment until the Applicant provides sufficient verification or information in relation to any matter for which FRIAA reasonably requests verification.
23. All payments made under the FRIP are made in the sole discretion of FRIAA and in accordance with the terms of the FRIP. FRIAA may withhold, delay or reduce any particular payment to the Applicant in any of the following circumstances:
 - a. the Applicant has not been able to demonstrate the Project meets the FRIP criteria;
 - b. the Applicant's processes, premises, equipment, or procedures are unsafe or are potentially unsafe, in the reasonable discretion of FRIAA;
 - c. there is a breach of any term, condition or provision of the Project, the FRIP or any contract or agreement between the Applicant and FRIAA;
 - d. there is an unsatisfactory audit or compliance review result.

NON-COMPLIANCE

24. Failure by the Applicant to carry out any of these terms and conditions or any additional terms and conditions of the Proposal shall be considered a breach of these terms and conditions and the Proposal Approval may be immediately withdrawn by FRIAA.
25. In the event of any breach of the terms of this Proposal, no further payment shall be made hereunder by FRIAA.
26. Non-payment by the Applicant of FRIAA Dues, or any other fee or charge imposed by FRIAA, shall disentitle the Applicant to receive approval of this Proposal, and shall be considered a breach of these terms and conditions.
27. In the event of a breach of these terms and conditions, FRIAA may enforce its security, if any, and seek whatever other remedies may be available to it in law or equity, including the return of any funds advanced by FRIAA to the Applicant.
28. Failure by the Applicant to provide any deliverable anticipated or required as part of the Project shall be considered a breach of these terms and conditions.

OBJECTIONS

29. Any objection by the Applicant to any decision made by FRIAA hereunder or any disagreement with the carrying out of the terms of these terms and conditions or any dispute hereunder, shall be made in writing by the Applicant and shall be submitted to FRIAA in a timely manner.
30. All objections shall be governed by the policies, bylaws and procedures adopted by FRIAA for this purpose.

Terms and Conditions for the FRIP Program

ARBITRATION

31. The Applicant and FRIAA agree to submit to FRIAA's Appeal Policy. The arbitration shall be conducted in accordance with the provisions of the Arbitration Act and also in accordance with the provisions of FRIAA's Appeal Policy. Where there is an inconsistency between the provisions of the Arbitration Act and the provisions of the Appeal Policy, the provisions of the Appeal Policy shall prevail. The Applicant and FRIAA agree there shall be no review of decisions of FRIAA that are outside the scope and jurisdiction of the Appeal Policy.

INSURANCE

32. FRIAA will not provide any liability or property insurance coverage for the Applicant with regard with anything in respect of these terms and conditions or the Project.
33. The Applicant will maintain all insurance related to its obligations and indemnities hereunder for reasonable limits, or limits as specified by FRIAA from time to time, and in any event, is responsible for all insurance related to its operations and the Proposal and is required to carry liability coverage in an amount not less than the industry norm, having regard to the business of the Applicant, property coverage where applicable and other coverage that the Applicant may consider necessary.
34. The Applicant shall provide to FRIAA a certificate of coverage upon the request of FRIAA.

ASSIGNMENT

35. This Proposal or Project, or any part thereof, shall not be assigned by the Applicant without obtaining the prior written consent and approval of FRIAA.

WORKERS' COMPENSATION

36. The Applicant shall comply with the Workers' Compensation Act and shall, upon demand by FRIAA, deliver to FRIAA a certification from the Workers' Compensation Board certifying that:
- a. the Applicant is registered and in good standing with the Board; or
 - b. the Applicant is not required by the Workers' Compensation Act and the regulations under that Act to have coverage thereunder for the work; and
 - c. that FRIAA will not have current or future liability to the Workers' Compensation Board as a consequence of these terms and conditions.

OCCUPATIONAL HEALTH

37. The Applicant acknowledges that it is an "Employer" as defined in the Occupational Health and Safety Act, and that it will, as a condition of these terms and conditions, comply with the Occupational Health and Safety Act and regulations enacted thereunder.

Terms and Conditions for the FRIP Program

WAIVER OF TERMS

38. FRIAA may, from time to time, waive the performance by the Applicant of any provisions of these terms and conditions, either before or after the performance takes place, but a waiver:
- a. is not effective or binding upon FRIAA unless it is in writing signed by FRIAA, and;
 - b. does not limit or affect FRIAA's rights with respect to any other breach or non-performance, whether previous to, subsequent, or in the future.

TERMINATION

39. FRIAA may terminate the Project without cause by giving 30 days' notice to the Applicant, and upon termination, the Applicant is entitled to be compensated in accordance with the terms of this contract, so that any amounts due under this contract at the time of termination remain payable to the Applicant.
40. In addition, the Project may be terminated by mutual consent of the parties evidenced in writing.
41. In the event that the Applicant has no outstanding obligations under these terms and conditions, the Applicant may terminate this Proposal or the Project without cause by giving notice in writing to FRIAA.
42. Upon termination of the Project, the Applicant shall submit a detailed accounting of the Project incurred up to the termination date.
43. In the event that the Applicant suffers any damages of any kind whatsoever resulting from the termination of the Project, the only claim of any kind that the Applicant may make against FRIAA is for liquidated damages in the sum of one dollar (\$1.00).
44. In the event that the Project is terminated for any reason whatsoever, the unexpended funds allocated to the Project remain the exclusive property of FRIAA and may be used for any FRIAA purpose.

OWNERSHIP OF MATERIAL

45. The Company hereby grants to FRIAA, a non-exclusive, fully paid up, royalty-free license to use, publish and distribute the Deliverables of the Project, the data from the Project or any other item funded by FRIAA under the Project ("Licensed Materials") anywhere in the world, including, but not limited to publication on the Internet, for a period of Thirty (30) years from the date of this Agreement.
46. FRIAA shall not assign the license granted pursuant to (45) except to an Affiliate or successor of FRIAA, or to the Government of Alberta, its agents or representatives.
47. FRIAA shall be entitled to grant sublicenses under the license granted pursuant to (45) above. FRIAA shall advise the Company, within a reasonable time period, of any sublicenses granted by FRIAA.
48. The Company represents and warrants the following:
- a. that the Licensed Materials will be free from infringement of any proprietary rights;
 - b. the work relating to the Licensed Materials is original or the Company has acquired the right to use, publish, license and distribute the Licensed Materials on a world wide basis, and
 - c. that the use, publication or distribution of the Licensed Materials will not result in environmental, safety or health hazards.

Terms and Conditions for the FRIP Program

MISCELLANEOUS

49. The Applicant shall comply with the provisions of:
 - a. any Act of the Legislature of the Province of Alberta, and of the Parliament of Canada, now in force or enacted hereafter; and
 - b. any regulation in force from time to time under any of the Acts referred to in these terms and conditions; and
 - c. any valid by-law, order, resolution, policy or procedure of FRIAA that expressly or by implication applies to the Applicant in respect of these terms and conditions.
50. The Applicant shall execute whatever documents are required to implement and register these terms and conditions or the security interests granted hereunder.
51. No addition to, deletion from, or variation or amendment of, any provision of these terms and conditions shall be binding on the parties hereto unless it is in writing signed by the parties.
52. The Applicant agrees to be bound by all bylaws, policies and procedures of FRIAA and agrees to take whatever steps are necessary to give effect to all bylaws, policies and procedures of FRIAA.
53. The Applicant represents and warrants that all information provided to FRIAA in the Proposal, and in all documents that are provided by the Applicant to FRIAA, are true and accurate.
54. The Applicant agrees that the Project will be carried out in an environmentally responsible manner.