

**SHIP (NON-BULK OIL) MEMBERSHIP AGREEMENT
AND CONFIRMATION OF ARRANGEMENT**

Contract Number _____

(UNDER SECTION 167.(1) (a) OF CANADA SHIPPING ACT, 2001)

EASTERN CANADA RESPONSE CORPORATION LTD.

1201 - 275 Slater Street, Ottawa, Ontario, K1P 5H9

ATLANTIC ENVIRONMENTAL RESPONSE TEAM ("ALERT") INC.

11 Expansion Avenue, Saint John, New-Brunswick, E2R 1A6

POINT TUPPER MARINE SERVICES LIMITED

P.O. Box 316, Port Hastings, Nova-Scotia, B0E 2V0

("Response Organization Group") Emergency Contact # - See
Appendix 1)

Vessel Name _____
Call Sign: _____ IMO#: _____
Effective Date: _____
Expiration Date: _____

Ship Owner

Company: _____

Address: _____

Phone #: _____ Email: _____

Ship Agent

Company: _____

Address: _____

Phone #: _____ Email: _____

Ship Manager/Operator

Company: _____

Address: _____

Phone #: _____ Email: _____

Person Authorized to Implement Arrangement

Name/Occupation/Title: _____

Phone #: _____ Email: _____

Phone #: _____ Any additional persons authorized are
to be added in "Appendix 2"

Confirmation: This Agreement confirms that, effective upon the execution of this Agreement by both the Response Organization Group and Ship Owner/Authorized Agent, Ship Owner ("Owner") shall, in accordance with the terms of Section 167.(1)(a) of the Canada Shipping Act, 2001 as amended (the "Act"), have an arrangement with the Response Organization Group, the members of which are certified Response Organizations with a 10,000 tonne rated capability for their particular geographic area of response. Unless otherwise terminated for the reasons set forth in the attached terms and conditions, and provided all relevant fees have been paid, this Agreement shall in respect of the Ship commence on the Effective Date and continue in effect for one (1) year. This Agreement shall be automatically renewed for successive one (1) year terms unless (a) one party gives notice to the other at least sixty (60) days prior to the date on which either the initial one year term is due to expire or any subsequent one (1) year term is due to expire that such party does not wish to renew the Agreement, or (b) Owner has failed to pay any fees when due.

Registration Fee (annual) \$ **1050.00**
Taxes (as applicable) \$ _____
Total payable within 5 days of effective date \$ _____

Geographic Area of Response: For the purposes of this Agreement the geographic area of response of the Response Organization Group means the total of the geographic areas of response for each of the Response Organizations within the group and as detailed in Appendix 1 to this Agreement. In general, the geographic area of response of the Response Organization Group covers all of the waters south of the 60° N Latitude of Eastern Canada and the Canadian Great Lakes.

Fees: In the case of the initial one (1) year term of this Agreement all fees shall be due and payable on or before the Effective Date. In the case of any renewal term of this Agreement, all fees shall be due and payable on or before the applicable anniversary date of the Effective Date. All fees shall be payable in Canadian dollars and shall be determined, and from time to time amended, in accordance with the provisions of the Act.

All Responsibility for Paying Fees and Taxes Owed Under This Agreement Shall Rest with Ship Owner/Authorized Agent.

THE TERMS AND CONDITIONS OF THIS ARRANGEMENT ARE SET FORTH BELOW AND CONSTITUTE AN INTEGRAL PART OF THE AGREEMENT BETWEEN THE RESPONSE ORGANIZATION GROUP AND OWNER

ON BEHALF OF THE RESPONSE ORGANIZATION GROUP:

By: _____
(Authorized Signatory)

(Print Name)

(Date)

(Ship Owner/Manager/Operator/Authorized Agent)

By: _____
(Authorized Signatory)

(Print Name)

(Date)

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TERMS AND CONDITIONS

1 Arrangement

1.1 In consideration of the fees payable by Owner, Owner is entitled, for purposes of the oil pollution emergency plan (as referred to in the Act) prepared in relation to the Ship, to identify each response organization of the Response Organization Group as the response organizations with which Owner has an arrangement in Response Organization Group's geographic area of response for the Ship.

1.2 In addition, this arrangement also entitles Owner, upon the occurrence of a spill of Oil on Waters ("Waters" having the meaning given to it for purposes of the Act) within the Response Organization Group's geographic area of response to request the response organization in whose geographic area of response the spill occurs (the "Applicable Response Organization") to respond and provide Marine Spill Response Services. Where two response organizations are requested to provide Marine Spill Response Services concurrently, each shall, subject to 18.6, be an Applicable Response Organization for purposes of this Agreement.

1.3 "Oil" means petroleum in any form including crude oil, fuel oil, sludge, oil refuse and refined products and, for greater certainty, includes oil as defined by MARPOL 73/78 Annex 1.

1.4 Where Owner owns or operates more than one ship which navigates or engages in marine activities in Response Organization Group's geographic area of response and for which Owner wishes to obtain an arrangement from Response Organization Group, Owner shall pay fees in respect of each such ship, and the parties shall complete an Additional Arrangements Form identifying the additional ships in respect of which an arrangement is to be provided under this Agreement, all on the terms set forth in Appendix "2" to this Agreement. All references to the "Ship" shall refer to the ship described on the face page of this Agreement and to each ship described in Appendix 2 hereto, as the case may be.

2. Initial Request and Response

2.1 Upon the occurrence within Applicable Response Organization's geographic area of response of a spill of Oil on Waters, Owner shall (where it has requested Applicable Response Organization to respond to such spill) be responsible for the management and control of all response activities.

2.2 If Owner requests Applicable Response Organization to respond to a spill of Oil on Waters in Applicable Response Organization's geographic area of response (the "Initial Request"), Applicable Response Organization shall use its Best Efforts to provide a response (the "Initial Response"). The Initial Request shall specify the approximate location and size of the spill, that the individual contacting Applicable Response Organization is the person authorized to implement the arrangement, the name of the ship, the type of Oil involved, the contract number assigned to this Agreement and the nature and extent of the Marine Spill Response Services required. If the Initial Request is not provided in writing then it shall be confirmed in writing forthwith.

2.3 Unless otherwise agreed between the parties, the Initial Response shall consist of the provision of Marine Spill Response Services for up to 24 hours.

2.4 "Best Efforts" means all commercially reasonable efforts consistent with marine oil spill response industry practices considering available information and resources under circumstances, conditions (including weather and sea conditions) and factors existing at any relevant time. "Marine Spill Response Services" means marine spill response services, including equipment, personnel and operational management, for the containment, recovery and clean-up (including preventative measures) of Oil spilled on or into water or spilled on water in connection with the loading or unloading of Oil from ships, and for greater certainty does not include acting as on-scene commander, lightering of distressed vessels, involvement in third party damage claims or adjustments, or natural resource damage assessment.

3 Twelve Hour Consultation

3.1 If within 12 hours of the Initial Request Applicable Response Organization and Owner agree that the clean-up can be completed in the course of the Initial Response, then Applicable Response Organization shall continue providing Marine Spill Response Services until the spill is cleaned up.

3.2 If within 12 hours of the Initial Request Applicable Response Organization and Owner agree that

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the clean-up cannot be completed in the course of the Initial Response, then Owner shall notify Applicable Response Organization as to whether or not Applicable Response Organization is to continue providing Marine Spill Response Services beyond the Initial Response.

4 No Further Response By Applicable Response Organization

4.1 If Owner has notified Applicable Response Organization that Owner does not want Applicable Response Organization to continue to provide Marine Spill Response Services beyond the Initial Response, then Applicable Response Organization shall cease providing Marine Spill Response Services at the end of the Initial Response and Applicable Response Organization shall in respect of such spill be under no obligation to provide further Marine Spill Response Services to Owner.

4.2 If Owner has failed to notify Applicable Response Organization within the initial 12 hour period, and Applicable Response Organization has been unable to obtain instructions from Owner, then Applicable Response Organization shall be deemed to have been notified and requested to cease providing Marine Spill Response Services at the end of the Initial Response.

5 Response Beyond 24 Hours

5.1 If Owner has notified Applicable Response Organization within the initial 12 hours that Owner wishes Applicable Response Organization to continue to provide Marine Spill Response Services beyond the 24 hour period of the Initial Response then, by the end of the Initial Response, Applicable Response Organization shall provide Owner with a plan of action (the "Plan of Action") and, if agreed to by the parties, subsequent Plans of Action outlining the Marine Spill Response Services which in Applicable Response Organization's opinion are required to clean up the spill.

5.2 Upon receipt of Plan of Action, Owner shall determine the extent to which it wishes Applicable Response Organization to perform the Marine Spill Response Services set forth in the Plan of Action, and the parties shall consult and agree on the Marine Spill Response Services which Applicable Response Organization is to undertake and complete.

5.3 The parties shall in respect of each Plan of Action evidence their agreement by signing a work order (the "Work Order"). Each Work Order shall include a description of the Marine Spill Response Services to be performed by Applicable Response Organization, an estimate of the Applicable Response Organization Fees payable in connection with the Marine Spill Response Services, a facsimile number to which invoices may be sent to Owner and any other information required under Section 13 of this Agreement.

5.4 Upon being signed by both parties, the Work Order shall become an integral part of this Agreement and, for greater clarity, be subject to the terms and conditions set forth herein.

5.5 Plans of Action and Work Orders may be amended by the parties from time to time as circumstances require. Upon preparation of an amended Plan of Action the parties shall consult and Owner will determine whether Owner wishes Applicable Response Organization to undertake any additional Marine Spill Response Services recommended in an amended Plan of Action. All such additional services shall be documented in an amended Work Order and all amendments to a Work Order shall be in writing and signed by both parties.

6 Right to Subcontract and Territory

6.1 Applicable Response Organization shall have the right without obtaining the consent of Owner to subcontract all or any portion of the Marine Spill Response Services to be provided under this Agreement.

6.2 Applicable Response Organization agrees to provide Marine Spill Response Services to Owner only within Applicable Response Organization's geographic area of response; provided however that in the event Applicable Response Organization for any reason, whether by agreement or otherwise, provides Marine Spill Response Services outside of Applicable Response Organization's geographical area of response, the terms and conditions contained in this Agreement shall continue to apply.

7 Additional Conditions

7.1 Marine Spill Response Services shall only be provided by Applicable Response Organization if Owner has paid all outstanding fees.

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7.2 Notwithstanding any other provision of this Agreement, unless otherwise directed by the appropriate governmental Lead Agency, Applicable Response Organization shall not be obligated to provide requested Marine Spill Response Services or such parts thereof as are already committed or being provided to another party. However requested Marine Spill Response Services or such parts thereof not already committed or being provided to another party shall be provided to Owner.

7.3 In the event of contemporaneous or overlapping requests for Marine Spill Response Services, Owner acknowledges that Applicable Response Organization shall respond to the competing requests as directed by the appropriate governmental Lead Agency.

7.4 "Lead Agency" means the Canadian Coast Guard or other agency designated by statute, inter-agency agreement, cabinet decision and/or custom and precedent to lead the response to a marine spill on behalf of the Canadian and/or any applicable provincial government (s).

7.5 Where Applicable Response Organization proposes use of a dedicated oil spill response vessel as part of its Plan of Action, Applicable Response Organization may require the execution by Owner, of a specific Work Order containing additional terms and conditions relating to the hire of such vessel.

7.6 It is understood and agreed that all services provided by Applicable Response Organization under this Agreement (including for greater certainty, all Marine Spill Response Services) and in respect of which Applicable Response Organization Fees are payable by Owner hereunder, shall constitute services supplied for the operation of the Ship entitling Applicable Response Organization to maintain a claim against the Ship in respect of all amounts due and owing hereunder. Owner confirms and warrants that it is the registered and beneficial owner or the demise charterer with authority to contract on behalf of the Ship.

8 Recovered Oil and Waste

8.1 The parties acknowledge that, notwithstanding any assistance which Applicable Response Organization provides to Owner, Applicable Response Organization shall not be responsible for the disposal of waste products.

9 Termination of Work

9.1 Notwithstanding any other term of this Agreement, each of the parties shall be entitled at any time to terminate the Marine Spill Response Services, or any portion thereof, being provided under this Agreement in any given case by giving notice to the other. Upon such notice being provided, Applicable Response Organization shall cease to provide the Marine Spill Response Services or any portion thereof, and shall carry out any required demobilization activities, and Owner shall pay all outstanding Applicable Response Organization Fees and Taxes.

10 Performance of Services

10.1 **Standard of Applicable Response Organization Performance** - Subject to the other terms and conditions of this Agreement, Applicable Response Organization will use its Best Efforts to provide any Marine Spill Response Services requested by Owner pursuant to this Agreement in a manner which attempts to mitigate, remove or clean-up the applicable spill as effectively as practicable under the existing circumstances. Owner acknowledges that no member of Response Organization Group makes any representation or warranty as to the skill, competence or capabilities of any other member of Response Organization Group.

10.2 Applicable Response Organization shall observe, and shall require, to the extent of its authority, its employees, agents, contractors and subcontractors to observe, applicable safety laws and regulations and Applicable Response Organization safety policies and procedures (a copy of which policies and procedures Applicable Response Organization shall make available to Owner upon request). However, Applicable Response Organization and Owner understand that: (i) actions carried out in a response in an Oil spill environment may be inherently dangerous and difficult; and (ii) rules and requirements that may be appropriate and applicable under normal circumstances may not be appropriate or applicable in a particular response situation. Therefore, the provisions of this Section will not be interpreted in a manner that would hold Applicable Response Organization to a standard that would be unreasonable under the actual conditions of a particular spill, and all Applicable Response Organization actions carried out consistently with the directions of Owner, to the extent possible and appropriate in the actual conditions of the particular

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spill, or with approval of applicable safety officials will be deemed to be in compliance with this Section.

10.3 Applicable Response Organization shall, upon Owner's request, report to Owner as promptly as practicable under the circumstances any accidents associated with the performance of the Marine Spill Response Services resulting in or in Applicable Response Organization's reasonable judgment possibly causing personal injury or death or property damage or loss. Applicable Response Organization shall, at Owner's expense, furnish Owner with copies of any final written reports and other factual information related to such accidents prepared by or for Applicable Response Organization.

10.4 Owner shall observe, and shall require, to the extent of its authority, its employees, agents, contractors and subcontractors to observe, applicable safety laws and regulations and (except in the case of Applicable Response Organization which shall follow its own safety policies and procedures) applicable Owner safety policies and procedures (a copy of which policies and procedures Owner shall make available to Applicable Response Organization upon request).

10.5 Owner shall report to Applicable Response Organization as promptly as practicable under the circumstances any accidents associated with or caused as the result of the performance of the Marine Spill Response Services resulting in or in Owner's reasonable judgment possibly causing any personal injury or death or property damage or loss. Owner shall, at Applicable Response Organization's expense, furnish Applicable Response Organization with copies of any final written reports and other factual information related to such accidents prepared by or for Owner.

10.6 If Owner instructs Applicable Response Organization to take any action under this Agreement in a manner which would, based on the reasonable judgment of Applicable Response Organization (a) be illegal (including an action that is illegal because it is fraudulent or deceptive); (b) endanger the safety of any employee, agent, contractor or subcontractor of Applicable Response Organization, or any third party or jeopardize the safety of any Applicable Response Organization equipment in a manner not reasonable given the nature of the oil spill response industry; or (c) be in violation of or breach this Agreement in any material respect, then Applicable Response Organization may refuse to follow such specific instruction by giving Owner oral (promptly confirmed in writing) or written notice of such refusal (specifying in reasonable detail the specific reason for such refusal). Any refusal under this section of any obligation of Applicable Response Organization to take any instructed action shall not affect any obligation of Applicable Response Organization to take instructed actions under circumstances that would not result in the happening of the events specified in the preceding subsections (a)-(c).

11 Applicable Response Organization Fees

11.1 "Applicable Response Organization Fees" means all reasonable fees charged by Applicable Response Organization for carrying out Marine Spill Response Services including, but not limited to, equipment (owned, non-owned or leased) costs, overhead costs, salaries, wages and benefits paid to personnel, food, lodging and travel costs for personnel, fees paid to contractors, fees paid to mutual aid partners or any other parties and the costs of mobilization and demobilization, which shall include the costs associated with moving equipment to and from the work site, cleaning, repairing or replacing equipment and transporting equipment to the location from which it was originally obtained.

11.2 Schedules of Applicable Response Organization Fees are available upon request.

11.3 "Taxes" means the goods and services tax, or any equivalent or replacement thereof, payable by Owner and collectable by Applicable Response Organization under the *Excise Tax Act* (Canada), or any other federal or any provincial legislation imposing a similar value-added or multi-stage tax, and any sales, use or excise tax, duty, fee or levy, as applicable.

12 Payment of Applicable Response Organization Fees

12.1 Owner shall pay all reasonable Applicable Response Organization Fees which are due and payable. Owner shall also be liable for and shall pay to Applicable Response Organization an amount equal to any Taxes.

12.2 Applicable Response Organization shall submit an invoice to Owner for the Applicable Response Organization Fees and Taxes which become due in connection therewith. Except as otherwise agreed pursuant to Section 13 of this Agreement, any invoice submitted by Applicable Response Organization in

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respect of Applicable Response Organization Fees shall be due and payable by Owner by the end of the fifth (5th) business day following receipt of the invoice by Owner and, subject to the terms of Section 14.1 of this Agreement, any invoice not paid in full by the end of the fifth (5th) business day following receipt of the invoice by Owner will be charged interest on the outstanding amount at the rate of one per cent (1%) per month, or 12.6825% per year, commencing on the sixth (6th) day following Owner's receipt of the invoice.

12.3 Invoices may be submitted by facsimile and a facsimile copy of an invoice shall be deemed to be received by Owner at such time as is indicated on the receipt of confirmation notice received by Applicable Response Organization for such facsimile.

12.4 All amounts payable under this Agreement shall be paid in Canadian currency.

13 Funding for Response Beyond 24 Hours

13.1 In those cases where the provisions of Section 5 (Response Beyond 24 Hours) apply, Applicable Response Organization shall submit an invoice to Owner for the Marine Spill Response Services provided during the first twenty-four (24) hours following the Initial Request. Unless the parties otherwise agree, such invoice shall be paid by Owner by the end of the fifth (5th) business day following Owner's receipt of the invoice.

13.2 In conjunction with the preparation of the Work Order, Owner and Applicable Response Organization shall agree on how Owner will fund the remainder of the period during which it is anticipated that Marine Spill Response Services will be provided by Applicable Response Organization. In reaching such agreement, Owner shall be required to satisfy Applicable Response Organization that any method of funding will, when implemented, permit all invoices rendered by Applicable Response Organization during the relevant period to be paid in full on such terms as are acceptable to Applicable Response Organization under the circumstances. Any decision to accept any particular method of funding shall be solely within the discretion of Applicable Response Organization. If the parties are unable to agree on a method of funding acceptable to Applicable Response Organization, Applicable Response Organization will require cash.

13.3 The parties shall set forth in the Work Order, or any amendment of the Work Order, their agreement as to funding and, in the event of any inconsistency between the provisions of the Work Order or any amendment thereof and this Agreement, the provisions of the Work Order or any amendment thereof shall govern.

13.4 In the event that the parties are unable to agree on an acceptable means by which Marine Spill Response Services are to be funded, Applicable Response Organization shall cease to provide Marine Spill Response Services and shall carry out any required demobilization activities, and Owner shall pay all outstanding Applicable Response Organization Fees and Taxes due in connection therewith, including all Applicable Response Organization Fees and Taxes set forth on any final invoice submitted by Applicable Response Organization.

14 Disputed Invoices

14.1 If Owner objects to any item or statement shown on an invoice, Owner shall promptly notify Applicable Response Organization of the dispute, specifying in reasonable detail the factual basis for the dispute and Owner shall pay to Applicable Response Organization in accordance with the terms of this Agreement, all portions of the invoice which are not in dispute and eighty per cent (80%) of such portions of the invoice as are in dispute. The payment of eighty per cent (80%) of any invoiced amounts shall not prejudice Owner's right to object to or question such invoice, and such invoice shall be subject to adjustment for amounts included in the invoice which are ultimately determined not be amounts for which Owner was obligated to pay Applicable Response Organization under the terms of this Agreement. Owner shall be entitled to object to or question all invoices or matters related to it within thirty (30) days following the date of the invoice, or the date on which the last invoice under a Work Order is rendered, whichever is later. In the event of a dispute regarding an invoiced amount, the parties shall use reasonable efforts to resolve such dispute, but if the parties fail to resolve such dispute within a thirty (30) day period following receipt by Applicable Response Organization of notice of a dispute in respect of any particular invoice, the dispute shall be referred to arbitration at Ottawa, Canada in accordance with the AMAC Maritime Arbitration Rules. The parties agree that any decision of an arbitrator appointed under the AMAC Maritime Arbitration Rules

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shall be final and binding. Where a dispute does not exceed Cdn. \$50,000 the AMAC small claims procedure (Rule 31) shall apply. Notwithstanding anything herein contained, if Applicable Response Organization is Atlantic Emergency Response Team ("Alert") Inc. the arbitration shall occur in Saint John, New Brunswick and if Applicable Response Organization is Point Tupper Marine Services Limited the arbitration shall occur in Halifax, Nova Scotia.

15 Provision of Information

15.1 Applicable Response Organization shall make available to Owner such information and materials (including time sheets for personnel and equipment) as Owner may reasonably require to verify and substantiate the invoices provided by Applicable Response Organization under this Agreement, provided that Applicable Response Organization shall be reimbursed by Owner for any costs incurred by Applicable Response Organization in assisting Owner and Applicable Response Organization Fees shall themselves not be subject to review under the terms of this Agreement. In the event a review indicates an error in the prior calculation of Applicable Response Organization Fees, Applicable Response Organization or the Owner (as the case may be) shall promptly make the appropriate corrections, adjustments and payments.

16 Fees Remain Payable

16.1 Owner's obligation to pay the fees payable under this Agreement is absolute and not subject to set-off, deduction or other reduction or counterclaim by reason of the non-availability of Marine Spill Response Services, force majeure described in Section 22.1 or any other event or circumstance which would otherwise effect a suspension or termination of the obligations of Applicable Response Organization.

17 Representations and Warranties

17.1 Owner represents and warrants to Applicable Response Organization, with the intent that Applicable Response Organization will rely upon such representations and warranties in entering into this Agreement, that, both as of the Effective Date and for the remaining term of this Agreement, (a) Owner is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has all necessary corporate power, authority and capacity to enter into and carry out its obligations under this Agreement, and the execution and delivery of this Agreement and consummation of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of Owner; (b) Owner is not party to, bound or affected by or subject to any indenture mortgage, lease, agreement, obligation, instrument, charter or by-law provision, statute, regulation, order, judgment, decree, license, permit or law which would be violated, contravened, breached by, or under which default would occur as a result of the execution and delivery of this Agreement, or the performance by Owner of any of its obligations provided under this Agreement; (c) this Agreement is a valid and binding obligation of Owner, enforceable against it in accordance with its terms subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought; (d) Owner has the financial capability to pay the Registration Fee as well as any Applicable Response Organization Fees and Taxes which may accrue in the course of carrying out Marine Spill Response Services under the terms of this Agreement; (e) Owner does not and will not carry Oil in bulk as cargo on the Ship and the Ship is not constructed or adapted primarily to carry Oil in bulk in its cargo spaces; (f) Owner is and will continue to be a member of a protection and indemnity association which is a member of the international group of protection and indemnity associations or has and will continue to maintain coverage in relation to P & I risks through underwriters providing first class security; and (g) as of the Effective Date, Appendix 2 hereto contains a complete list of all ships owned or operated by Owner within Response Organization Group's geographic area of response, and in respect of which Owner is required to enter into an arrangement with a response organization pursuant to the Act.

17.2 No response organization hereunder makes any representation or warranties as to the skill, competence or capabilities of any other response organization party to this Agreement.

18 Allocation of Risk

18.1 Applicable Response Organization and Owner recognize and agree that, in connection with providing Marine Spill Response Services under this Agreement:

(a) any Marine Spill Response Services provided under this Agreement are for the sole benefit of Owner;

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(b) the extraordinary and emergency nature of Marine Spill Response Services may require actions by Applicable Response Organization that may give rise to a variety of claims; (c) Applicable Response Organization has based the charges for and availability of Marine Spill Response Services to be provided under this Agreement on the premise that Owner, or anyone asserting rights on its behalf, will not challenge Applicable Response Organization's right to be indemnified as provided in this Section 18. Accordingly, Applicable Response Organization and Owner fully understand, and recognize and agree that the nature of the Marine Spill Response Services to be provided under the terms set forth in this Agreement make it appropriate, equitable and essential to provide for the allocation of the risks and liabilities, limitation of remedies and the indemnification of Applicable Response Organization and Owner as set forth in this Section 18.

18.2 Applicable Response Organization, its directors, officers, agents, contractors and employees shall have no liability to Owner, for (a) any loss or damage, including injury or loss of life, caused to any person, property or the environment, of any nature or kind; or (b) any liability arising as the result of the breach of any statute, regulation, rule, court order or other governmental or administrative decree having the force of law, caused by the act or omission of Owner or any of its directors, officers, contractors, agents or employees.

18.3 Applicable Response Organization its directors, officers, agents, contractors and employees shall have no liability to Owner, for (a) any loss or damage, including injury or loss of life, caused to any person, property or the environment, of any nature or kind; or (b) any liability arising as the result of the breach of any statute, regulation, rule, court order or other governmental or decree having the force of law, caused by the act or omission of Applicable Response Organization or any of its directors, officers, agents, contractors or employees in performing Approved Marine Spill Response Services unless such act or omission is a result of the wilful misconduct or recklessness (it being understood that for the purposes of this Section 18, recklessness shall necessarily involve knowledge that loss or damage would probably result) of Applicable Response Organization or any of its directors, officers, agents, contractors or employees in carrying out the Initial Response or any Work Order. "Approved Marine Spill Response Services" means the Initial Response and all actions and inactions set forth in Work Orders and, for greater certainty, includes all actions, inactions, omissions, options and alternative courses of action not taken by Applicable Response Organization by reason of Applicable Response Organization having undertaken only those actions carried out during the Initial Response or specifically referred to in Work Orders.

18.4 Owner shall indemnify, defend and hold harmless Applicable Response Organization, other response organizations hereunder and their directors, officers, employees, contractors and agents from and against all claims, losses, damages, costs, expenses and other liabilities arising against or incurred by Applicable Response Organization, other response organizations hereunder or their directors, officers, contractors, employees or agents as a result of Applicable Response Organization performing Approved Marine Spill Response Services, except where any such claim, loss, damage, cost, expense or other liability is incurred by Applicable Response Organization, other response organizations hereunder, their directors, officers, employees, contractors or agents as a result of Applicable Response Organization's own wilful misconduct or recklessness or the wilful misconduct or recklessness of Applicable Response Organization's directors, officers, agents, contractors or employees in carrying out the Initial Response or any Work Order. Owner acknowledges that Applicable Response Organization shall not be required to exhaust its recourses against any third party as a condition precedent to claiming indemnification under this Section.

18.5 Applicable Response Organization shall indemnify, defend and hold harmless Owner and its directors, officers, employees and agents from and against all claims, losses, damages, costs, expenses and other liabilities incurred by Owner and its directors, officers, employees and agents as a result of the wilful misconduct or recklessness of Applicable Response Organization its directors, officers, agents, contractors or employees in carrying out the Initial Response or any Work Order.

18.6 Owner acknowledges and agrees that in circumstances where Marine Spill Response Services are being provided by Applicable Response Organization, the other members of Response Organization Group shall have no responsibility or liability therefore whether pursuant to this Agreement or otherwise and Owner shall look only to Applicable Response Organization providing the Marine Spill Response Services in respect of all matters arising in conjunction with the provision of the Marine Spill Response Services.

19 Termination

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19.1 This Agreement may be terminated by Response Organization Group effective immediately upon notice to Owner (a) in the event that the Minister of Transport revokes the certification as a response organization with 10,000 tonne rated capability of any member of the Response Organization Group; (b) if Owner has failed to pay any fee as required under the terms of this Agreement; (c) if Owner becomes insolvent, commits an act of bankruptcy, suspends business operations or has bankruptcy, dissolution, liquidation or winding-up proceedings commenced against it (unless such proceedings are actively and diligently contested in good faith on a timely basis); or (d) if Owner has breached any representation or warranty or other term of this Agreement and failed to cure such breach within (5) days after Owner received written notice from Response Organization Group advising of such breach. This right of termination is in addition to any of Response Organization Group's rights and remedies under this Agreement and at law or in equity and may be exercised by any member of Response Organization Group.

20 Consequences of Termination

20.1 Upon the termination of this Agreement (a) Response Organization Group shall be entitled to advise the Minister of Transport of such termination; (b) all obligations of Response Organization Group to Owner under this Agreement shall cease; (c) Applicable Response Organization shall cease to perform any Marine Spill Response Services for Owner; and (d) Owner shall pay to Applicable Response Organization and/or Response Organization Group any amounts outstanding under this Agreement.

20.2 Owner shall not be entitled to receive a refund of all or any portion of the registration fee paid by Owner except where termination of this Agreement is due to the revocation by the Minister of Transport of the certification as a response organization with 10,000 tonne rated capability of any member of the Response Organization Group in which case the registration fees shall be refunded on a pro-rated basis.

21 Survival

21.1 Notwithstanding the termination of this Agreement pursuant to this Section, the provisions of Sections 12, 13, 14, 15, 16, 18 and 20 shall survive any such termination.

22 Force Majeure

22.1 If during the term of this Agreement there should arise or occur any event or circumstance beyond the reasonable control of Applicable Response Organization or Owner including the action of government, flood, fire, strike, lockout or other labour unrest, riot, civil unrest, terrorism, war (whether declared or undeclared) or an act of God (but for greater certainty not including a shortage or lack of financing) which prevents, restricts or delays Applicable Response Organization or Owner from duly performing any of its obligations under this Agreement, then during the period that such event or circumstance, or the effect thereof continues, performance by such party of such obligation will be suspended and excused to the extent that such party is so prevented, restricted or delayed.

22.2 Neither party will be entitled to the benefits of the provisions of Section 22.1 if and to the extent that its inability to duly perform any obligation thereunder was caused or contributed to by its failure to act in a reasonable and prudent manner under the circumstances; provided that the dispute shall not require either party to effect settlement of any labour disputes.

22.3 The obligations of the party relying on Section 22.1 shall be suspended during any period of force majeure. The performance of this Agreement shall be resumed as soon as practicable after force majeure has ceased.

23 Time

23.1 Time is of the essence of this Agreement.

24 Assignment

24.1 This Agreement shall not be assigned by Owner without the prior written consent of Response Organization Group.

25 Independent Contractor

25.1 Applicable Response Organization is an independent contractor in the performance of its

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obligations under this Agreement and neither Response Organization Group, the response organizations making up the Response Organization Group nor Applicable Response Organization's employees, agents, contractors or subcontractors shall be considered employees of Owner.

26 Governing law

26.1 This Agreement shall be interpreted in accordance with and governed by the laws of the Province of Ontario and the laws of Canada applicable therein, except that in any instance in which Marine Spill Response Services are being provided by Applicable Response Organization all matters pertaining to the provision of such services, and the interpretation of this Agreement in relation thereto, shall be governed by the laws of the Province in which the registered office of the Applicable Response Organization providing the Marine Spill Response Services is located and the laws of Canada applicable therein.

27 English Language

27.1 It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. Il est la volonté expresse des parties que cette convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

28 Notice

28.1 All notice required or permitted to be given under this Agreement shall be in writing and either delivered by hand, mailed or sent by facsimile to the addressees listed on page 1. Any such notice shall be deemed to have been given and received (a) if delivered on the date of delivery; (b) if mailed, on the 5th business day following the day it was posted; or (c) if given by facsimile, on the date and at the time indicated on the receipt of confirmation form received for such facsimile. No party shall mail any notice during any period when postal workers are on strike or if a strike is imminent. Either party may change its address by giving notice of the change to the other party.

SHIP (NON-BULK OIL) MEMBERSHIP AGREEMENT

APPENDIX 1

DESCRIPTION OF GEOGRAPHIC AREAS OF RESPONSE

Eastern Canada Response Corporation Ltd. ("ECRC")

"Emergency Contact Number (613) 930-9690"

ECRC's Geographic Area of Response ("GAR") covers the Waters south of the 60°N Latitude for all the provinces of Canada with the exception of British Columbia and the Ports of Saint John, New Brunswick and Point Tupper, Nova Scotia and their associated primary area of response and for greater certainty includes but is not limited to the following:

- St. Lawrence River. Gulf of St Lawrence and Coastal waters of the Atlantic Provinces (meaning, for greater certainty, the Provinces of Nova Scotia, New Brunswick, Newfoundland and Labrador and Prince Edward Island)
- James Bay
- Hudson Bay
- Ungava Bay
- Canadian Great Lakes system and connecting channels
- Lake Winnipeg;
- Athabasca River from Fort McMurray to Lake Athabasca
- Lake Athabasca.

Atlantic Environmental Response Team ("Alert") Inc. ("ALERT")

"Emergency Contact Number (506) 632-4499"

ALERT's GAR covers the primary area of response associated with the Port of Saint John, New Brunswick, which includes all the Canadian Waters between the western boundary consisting of an arc having a 50 nautical mile radius about the point 45° 08'03"N, 66° 17'12"W, and the eastern boundary consisting of an arc having a 50 nautical mile radius, centered on Cape Spencer Light.

Point Tupper Marine Services Limited ("PTMS")

"Emergency Contact Number (902) 625-1711"

PTMS's GAR covers all Waters within a circle having a fifty (50) nautical mile radius about Bear Head light, 45° 33' N, 61° 17'W, but not extending north of the Canso Causeway into St. George's Bay and the contiguous land mass and, for greater certainty, not to include the waters of the Bras D'or Lakes, St. Patrick's Channel, St. Andrew's Channel, Great Bras D'or and other waters internal to Cape Breton Island.

SHIP (NON-BULK OIL) MEMBERSHIP AGREEMENT

APPENDIX 2

SHIP (NON-BULK OIL) MEMBERSHIP AGREEMENT **ADDITIONAL ARRANGEMENTS FORM**

This document is Appendix 2 to the Ship (Non-Bulk Oil) Membership Agreement and confirmation of Arrangement under Section 167.(1)(a) of Canada Shipping Act, 2001 (the "Agreement") between _____ ("Owner") and Response Organization Group, Contract No. _____.

This Appendix is incorporated into and forms an integral part of the Agreement. The parties agree that an arrangement shall be granted by Response Organization Group in respect of the following ships, and that in all other respects, the terms of the Agreement shall apply to such ships:

Ship Name(s)	Call Sign	Person(s) Authorized to Implement Arrangement
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		

Applicable Fees

Item	Number of Ships	Fee per Ship	Total
Registration Fee			
Applicable Taxes			
Total Amount Payable			

Term of Coverage

Effective Date of Arrangement(s): _____ End Date: _____

Notwithstanding any of the terms of the Agreement and the provisions of this Appendix, the arrangements to be provided by Response Organization Group to Owner shall be subject to:

- (a) receipt by Response Organization Group of the above-mentioned Registration Fee and Taxes within five (5) business days of the effective date of the arrangement; and
- (b) payment of all outstanding fees owed under the Agreement, including Applicable Response Organization Fees and Taxes (as such terms are defined in the Agreement).

ON BEHALF OF THE RESPONSE ORGANIZATION GROUP:

By: _____
(Authorized Signatory)

(Print Name)

(Date)

(Ship Owner/Manager/Operator/Authorized Agent)
By: _____
(Authorized Signatory)

(Print Name)

(Date)