September 30, 2005

Mayor and Members of Council
Hamilton, City Of
71 Main Street East
P.O. Box
Hamilton, ON  L8P 4Y5

RE: Second Installment of Stewardship Ontario Funding for 2005

Dear Mayor and Members of Council:

Stewardship Ontario and Waste Diversion Ontario (WDO) are pleased to enclose the second payment for 2005 from industry to help pay for your Blue Box recycling program.

The payment is provided under the auspices of the Blue Box Program Plan (BBPP) which requires obligated 'stewards' of Blue Box Wastes to fund 50% of the total net cost of the Ontario municipal Blue Box recycling system. This system cost has been approved by the WDO. Obligated stewards are companies which introduce packaging or printed paper into the Ontario marketplace that are handled through the municipal waste management system.

The first payment in the 2005 program year was sent to you in July, 2005 and the next payment will be made at the end of December.

In 2005, industry will make payments totaling $51 million to Ontario municipal recycling programs. More than $29 million was distributed in 2004.

A further $5.7 million is available this year (for a total of $9 million over two years) to support projects under the Effectiveness and Efficiency (E&E) Fund. It provides competitive grants to municipalities to increase the effectiveness and minimize the cost of their recycling programs. So far, $5.1 million in project support has been awarded. A separate notice is enclosed inviting you to participate in an event to learn more about how the E&E Fund may help your program.

The WDO undertakes the calculation of the funding allocation to each municipal recycling program, based on information your municipality provided through the annual waste management datacall. Funding is based on:

- quantity of each type of material marketed by each municipality
- population density of each municipality, and
- size of operation of each program.
The funding allocated to each municipality is published on the WDO website, www.wdo.ca.
Questions concerning the Blue Box Program and the calculation of funding can be directed to Gina Vergilio at gina.vergilio@wdo.ca.

Questions concerning the E&E Fund can be directed to Guy Perry at info@stewardshipontario.ca.
The Stewardship Ontario website is www.stewardshipontario.ca.

Sincerely

[Signatures]

Dennis Darby
Chair
Stewardship Ontario

Gemma Zecchini
Chair
Waste Diversion Ontario

encl. Ontario Recycler Workshop
Five Hundred Twenty-Seven Thousand Nine Hundred Ninety-Nine and 17/100

TO THE ORDER OF

CITY OF HAMILTON
Accounts Receivable
Standard Life Bldg
120 King Street West, Suite 900
HAMILTON, ON L8P 4V2
CANADA

DATE
09/30/2005

AMOUNT:
527,999.17

STEWARDSHIP ONTARIO

PAY
CHEQUE
2340

PER

STEWARDSHIP ONTARIO

CHEQUE
2340

STEWARDSHIP ONTARIO

CITY OF HAMILTON

09/30/2005

09/30/2005

527,999.17

527,999.17

527,999.17

0.00

0.00

527,999.17