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Ministry Contract No.: 12PS061509A

**DRINKING DRIVING IGNITION INTERLOCK
PROGRAM AGREEMENT**

BETWEEN

**HER MAJESTY THE QUEEN IN THE RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**

AND

ALCOHOL COUNTERMEASURE SYSTEMS CORP.

DATED AS OF 4TH DAY OF NOVEMBER 2005

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DRINKING DRIVER IGNITION INTERLOCK PROGRAM AGREEMENT

THIS AGREEMENT made as of the 4th day of November 2005

BETWEEN:

HER MAJESTY THE QUEEN IN THE RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA, represented by the
Superintendent of Motor Vehicles, Ministry of Public Safety and
Solicitor General

(the "Province")

OF THE FIRST PART

AND:

ALCOHOL COUNTERMEASURE SYSTEMS CORP., a body
corporate incorporated under the laws of Ontario, and having its
registered office at 14-975 Midway Blvd, Mississauga, ON L5T
2C6

("Guardian")

OF THE SECOND PART

WHEREAS:

- A. The Superintendent of Motor Vehicles has the authority to establish a drinking driver ignition interlock program pursuant to the *Motor Vehicle Act*, R.S.B.C. 1996, c. 318.
- B. The Province issued a requirements definition dated April 27, 2005 to Guardian Interlock Systems Corp. for the delivery of a drinking driver ignition interlock program;
- C. Alcohol Countermeasure Systems Corp., being an amalgamation of Guardian Interlock Systems Corp. and Alcohol Countermeasure Systems Corp., submitted a response to the Province on or about May 31, 2005; and
- D. The parties now wish to enter into this Agreement.

NOW THEREFORE the parties agree as follows:

ARTICLE 1

DEFINITIONS

1.01 In this Agreement, the Schedules, and the Recitals, unless the context otherwise requires:

- (a) "Agreement" or "this Agreement" means this instrument and all of the Schedules attached to it and any reference to any article, section, subsection or paragraph by number is a reference to the appropriate article, section, subsection or paragraph in this Agreement.
 - (b) "Approved Service Fees" means the payment schedules referred to in Article 5 and attached as Schedule "C" – Approved Service Fees;
 - (c) "Client" means a person who has been referred by the Superintendent to Guardian for participation in the Drinking Driver Ignition Interlock Program, and has paid the Program Fee, and has entered into a Lease and Maintenance Agreement with Guardian;
 - (d) "Data" means such data, as specified in Part 5 of Schedule "A", recorded by each Ignition Interlock Device installed by Guardian in accordance with this Agreement or obtained by Guardian during inspection of the Ignition Interlock Device;
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- (e) "Drinking Driver Ignition Interlock Program" means the drinking driver ignition interlock program described in Schedule "A" - Services;
 - (f) "Event of Default" means any event described in section 17.02;
 - (g) "Fiscal Year" means a period of 12 consecutive months commencing on April 1 in the year 2006 or in any year thereafter and ending on March 31 in the year next following the year of commencement;
 - (h) "Guardian Interlock Service (BC)" means Guardian Interlock Service (Canada) Ltd. a body corporate incorporated under the laws of Ontario, extra-provincially registered to carry on business in British Columbia (Registration number in British Columbia, A0065282), and having an office at Unit 23-24, 6782 Veyaness Rd., Saanichton, B.C., V8M 2C2;
 - (i) "Incorporated Material" has the meaning set out in section 6.05;

- (j) "Ignition Interlock Device" means an ignition interlock device that complies with the standards, and requirements of Schedule "B" - Standards and Specifications of Ignition Interlock Devices;
 - (k) "Installation Centre" means a Service Facility offering a full range of Program services, including installation, monitoring and removal of ignition interlock devices;
 - (l) "Lease and Maintenance Agreement" means the form of agreement set out in Schedule "D" - Form of Lease and Maintenance Agreement;
 - (m) "Material" means, collectively, the Produced Material and the Received Material;
 - (n) "Monitoring Centre" means a Service Facility offering a limited range of Program services, including monitoring, but excluding installation and removal of ignition interlock devices;
 - (o) "OSMV" means the Office of the Superintendent of Motor Vehicles, Ministry of Public Safety and Solicitor General;
 - (p) "Personal Identifiers" means any identifying information which would link any of the Data to an individual person, and includes but is not limited to, the name, address and driver's licence number of a client or registered owners of vehicles, the vehicle identification number of motor vehicles into which Ignition Interlock Devices have been installed;
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- (p) "Produced Material" has the meaning set out in section 6.05;
 - (r) "Program" means the Drinking Driver Ignition Interlock Program described in Schedule "A" - Services;
 - (s) "Program Fee" means the fee prescribed from time to time for an ignition interlock program under section 25.1 of the *Motor Vehicle Act*, and which was initially established as \$150 by the amendment to the *Motor Vehicle Act Regulations*, made by B.C. Regulation 174/2005;
 - (t) "Program Fee Remittance Statement" means the Program Fee Remittance Statement referred to in section 9.02;
 - (u) "Program Violation" means:
 - (a) Tampering;
 - (b) failure to present the Ignition Interlock Device, or the requisite component of the Ignition Interlock Device, to Guardian for

inspection and the downloading of Data at least once during every period of seventy (70) consecutive days;

- (c) any other type of conduct or failure on the part of Clients which the Superintendent may, from time to time, determine to be a Program Violation, provided at least thirty (30) days notice of such determination is provided to Guardian;
- (v) "Proof of Installation" means a document provided to a Client as referred to in section 3.08 of Schedule "A" - Services;
- (w) "Received Material" has the meaning set out in section 6.05;
- (x) "Service Facility" means a resource, either fixed or mobile, capable of delivering Program services at a certain location (in the case of a fixed site facility) or locations (in the case of a mobile facility). A Service Facility may operate on either a full-time or part-time basis;
- (y) "Services" means the services referred to in section 3.02;
- (z) "Superintendent" means the Superintendent of Motor Vehicles, Office of the Superintendent of Motor Vehicles, Ministry of Public Safety and Solicitor General, and includes the Deputy Superintendent of Motor Vehicles and anyone authorized by either of them to act for or on their behalf;
- (aa) ~~"Tampering" means any alteration to, interference with, or circumvention of, the Ignition Interlock Device or the installation or functioning of such device where such alteration, interference or circumvention has not been authorized by the Superintendent or by Guardian. For purposes of this Agreement Tampering must include the loss or destruction of an Ignition Interlock Device, in whole or in part;~~
- (bb) "Term" has the meaning set out in section 3.03;

1.02 The schedules which are incorporated into and form part of this Agreement are the following:

- (a) Schedule "A" - Services
- (b) Schedule "B" - Standards and Specifications of Ignition Interlock Devices
- (c) Schedule "C" - Approved Service Fees
- (d) Schedule "D" - Form of Lease and Maintenance Agreement

- (e) Schedule "E" -- Privacy Protection
- (f) Schedule "F" -- Program Fee Remittance Statement

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

2.01 Guardian represents and warrants to the Province that on the execution of this Agreement and at all times during the Term:

- (a) it is a corporation duly organized and validly existing under the laws of Ontario;
- (b) it is in good standing with respect to filing of annual reports according to the records of the Office of the Registrar of Companies in British Columbia;
- (c) it has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement;
- (d) all necessary proceedings have been taken and done by it to authorize it to execute and deliver this Agreement;
- - (e) this Agreement has been legally and properly executed by Guardian and is legally binding upon and enforceable against Guardian in accordance with its terms;
- (f) this Agreement has been duly authorized by all necessary corporate action of Guardian and this Agreement constitutes a valid, subsisting and legally binding obligation upon Guardian which is enforceable against Guardian in accordance with its terms;
- (g) all information, statements, documents and reports furnished or submitted by Guardian to the Province in connection with this Agreement, including the Proposal, are materially true and correct to the best of Guardian's knowledge;
- (h) it has no knowledge of any fact that materially adversely affects or, so far as it can foresee, might materially adversely affect its properties, assets, condition (financial or otherwise), business or operations or its ability to fulfill its obligations under this Agreement;

- (i) the observance and performance of the terms and conditions of this Agreement will not constitute a breach by it of or a default by it under:
 - (i) any statute, bylaw or regulation of British Columbia applicable to or binding upon it;
 - (ii) its constating documents, or
 - (iii) any contract or agreement to which it is a party;
 - (j) it is not a party to and has no knowledge of any legal claims against it that would materially affect its undertaking or financial condition;
 - (k) it has no liabilities, contingent or otherwise, that are not disclosed or reflected in this Agreement that would materially affect its undertaking or financial condition;
 - (l) it has filed all tax, corporate information and other returns required to be filed by the laws of British Columbia and has complied to the best of its knowledge with all workers compensation legislation and other similar legislation to which it may be subject and has paid all taxes, fees and assessments calculated to be due by it under those laws as of the date of this Agreement;
 - (m) to the best of its knowledge it is not in breach of any statute, regulation or bylaw applicable to it or its operations;
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- (n) it holds all permits, licenses, consents and authorities issued by any federal, provincial, regional or municipal government, or an agency of any of them, that are material and necessary in connection with its operations;
 - (o) the making of this Agreement and the completion of the transactions contemplated by this Agreement and the performance of and compliance with the terms of this Agreement does not conflict with or result in a breach of, or the acceleration of any indebtedness under, any terms, provisions or conditions of, or constitute a default under, the memorandum or articles of Guardian or any indenture, mortgage, deed of trust, agreement, security agreement, license, franchise, certificate, consent, permit, license, authority or other instrument to which it is a party or is bound or any judgment, decree, order, rule or regulation of any court or administrative body by which it is bound or, to the knowledge of Guardian, any statute or regulation applicable to it;
 - (p) it has no knowledge of any untrue or incorrect representation or assurance, whether verbal or written, given by it or its directors or officers to the Province in connection with this Agreement;

- (q) based on its professional knowledge and expertise, the Services are viable, realizable and deliverable in accordance with the provisions of this Agreement; and
 - (r) it has sufficient trained staff, facilities, materials, appropriate equipment and has or will have sub-contractual agreements in place and available with approved subcontractors to enable it to fully perform its obligations under this Agreement.
- 2.02 Guardian represents and warrants to the Province that Guardian Interlock Service (Canada) Ltd. and Guardian are related persons within the meaning of s. 251 (2) of the *Income Tax Act* (Canada).
- 2.03 All representations, warranties, covenants and agreements made in this Agreement and all certificates and other documents delivered by or on behalf of Guardian to the Province under this Agreement that might effect the delivery of the Services are material and will conclusively be deemed to have been relied upon by the Province, notwithstanding any prior or subsequent investigation by the Province unless waived by the Province in writing.

ARTICLE 3

APPOINTMENT AND TERM

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- 3.01 ~~Guardian is appointed to develop, coordinate and deliver the Drinking Driver Ignition Interlock Program in accordance with this Agreement, and during the Term the Superintendent will, pursuant to section 25.1 of the *Motor Vehicle Act*, as amended from time to time, refer individuals to Guardian to enable the individuals to participate in the Program.~~
- 3.02 The Province appoints Guardian to provide the Services described in Schedules "A" - Services attached hereto and forming a part hereof.
- 3.03 Guardian must provide the Services, subject to and in accordance with the provisions of this Agreement, during the period commencing as of the date of execution of this Agreement and ending on September 30, 2012 (the "Term").
- 3.04 Upon the agreement of the Province and Guardian, the Term of this Agreement can be extended for an additional three (3) years.
- 3.05 Guardian acknowledges that nothing in this Agreement, the requirements definition dated April 27, 2005 issued to Guardian Interlock Systems Corp. for the delivery of the Program, or any other material provided to Guardian by the

Province, amounts to a representation, warranty, or covenant by the Province regarding:

- (a) the number of individuals that will be referred to Guardian as contemplated by section 3.01; or
- (b) the number of individuals that will register in the Program.

3.06 Guardian will have the right to advertise and promote the Services performed by Guardian provided that Guardian must:

- (a) advertise and promote the Services only in a manner that will enhance the goodwill and reputation of, and develop public confidence in, the Program. Guardian must not conduct any advertising or promotion which may be deceptive, injurious or otherwise misleading;
- (b) comply with any directions of the Superintendent; and
- (c) submit to the Superintendent for approval, which approval may be withheld at the unqualified subjective discretion of the Superintendent, all advertising and promotional materials to be utilized by Guardian. Until such time as the Superintendent has given prior approval, Guardian must not utilize such advertising or promotional materials.

ARTICLE 4

PRECEDENCE

4.01 If there is any conflict between any provision in the body of this Agreement and any provision of any Schedule attached hereto, then the provisions in the body of this Agreement will prevail.

ARTICLE 5

PAYMENT

- 5.01 The Province will not be obligated to make any payment to Guardian during, or after, the Term for the provision by Guardian of the Services.
- 5.02 Guardian shall charge Clients for performance of the Services in accordance with Schedule "C" - Approved Service Fees, and Guardian acknowledges that:
- (a) the Province shall not be responsible for payment of any fees or other money owing to Guardian from a Client to whom Guardian has supplied

an Ignition Interlock Device, or the registered owner of the motor vehicle into which the Ignition Interlock Device has been installed; and

- (b) the Province shall not be responsible for the payment or collection of any fees payable to Guardian by a Client, or the registered owner of the motor vehicle into which the Ignition Interlock Device is installed.

5.03 Guardian acknowledges and agrees as follows:

- (a) the business venture contemplated in this Agreement involves business risks, and any success of the business venture will be largely dependent on Guardian's management ability and business acumen. By entering into this Agreement, Guardian voluntarily accepts all risks associated with the commitments made, and costs incurred, by Guardian in connection with this Agreement;
- (b) Guardian has not received from the Province, directly or indirectly, any inducements, representations, warranties, promises, assurances, undertakings, agreements or commitments, whether direct, indirect or collateral, express or implied, oral or otherwise, except as expressly set out in this Agreement. Guardian specifically acknowledges that no representation, promise, guarantee or warranty concerning the result or profits to be derived from the performance of the Services has been made to induce Guardian to execute this Agreement; and
- (c) Guardian has conducted an independent investigation of, and has been advised by advisors of Guardian's own choosing concerning, all pertinent aspects of the business venture and relationship with the Province contemplated in this Agreement.

5.04 The Province will not be liable to Guardian, and Guardian will not make any claim of any nature against the Province, in respect of any information, statistics, advice, documents or materials given or disclosed by the Province to Guardian with respect to any matter or thing relating, directly or indirectly, to the Services or this Agreement, or any errors, omissions, incompleteness or inaccuracy of such information, statistics, advice, documents or materials.

5.05 In entering into this Agreement with Guardian, the Province has relied on the provisions of sections 5.01 to 5.05, inclusive, including the acknowledgment and agreement of Guardian contained in section 5.03.

ARTICLE 6

COVENANTS

- 6.01 Unless otherwise specified in this Agreement, Guardian must perform the Services to a standard of care, skill, and diligence maintained by persons providing, on a commercial basis, services similar to the Services.
- 6.02 Guardian must ensure that all persons it employs or retains to perform the Services are competent to perform Services and are properly trained, instructed, and supervised.
- 6.03 Guardian must, upon the request by the Province, fully inform the Province of all work done by Guardian or a subcontractor in connection with providing the Services.
- 6.04 Guardian must maintain records and books of account, invoices, receipts, and vouchers of all expenses incurred in relation to this Agreement, in form and content and for a period satisfactory to the Province.
- 6.05 Guardian must permit the Province at all reasonable times to inspect and copy all accounting records, findings, data, reports, documents and other material including the material referred to in article 6.04 but excluding proprietary software, specifications, and drawings, whether complete or not, that, as a result of this Agreement, are:
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- (a) produced by Guardian or a subcontractor (the "Produced Material", which includes any material in existence prior to the start of the Term or developed independently of this agreement, and that is incorporated or embedded in the Produced Material by Guardian or a subcontractor (the "Incorporated Material")), or
- (b) received by Guardian or a subcontractor from the Superintendent or any other person (the "Received Material").
- 6.06 Guardian must make application for, obtain and remit to the Province any applicable refund or remission of federal and provincial taxes, duties or impost available with respect to any articles, materials or equipment used in connection with this Agreement.
- 6.07 Guardian agrees that the Province may from time to time give Guardian reasonable instructions (in writing or otherwise) as to the performance of the Services and Guardian must comply with those instructions but, unless otherwise specified in this agreement, Guardian may determine the manner in which the instructions are carried out.

- 6.08 Guardian must not charge Clients, or the registered owner of the motor vehicle into which the Ignition Interlock Device is to be, or is, installed any fees not listed in Schedule "C" - Approved Service Fees.
- 6.09 Guardian must not change the Approved Services Fees, set out in Schedule "C" without the prior written approval of the Superintendent.
- 6.10 In performance of the Services, Guardian must utilize only Ignition Interlock Devices that meet the requirements specified in Schedule "B" - Standards and Specifications of Ignition Interlock Devices, and the initial Ignition Interlock Device that Guardian will use for the purposes of this Agreement are the *Ignition Interlock Model WR3* (known as *Alcolock WR3™*) and the *Ignition Interlock Model WR2*.

ARTICLE 7

CLIENT LEASE AND MAINTENANCE AGREEMENT

- 7.01 Prior to installing an Ignition Interlock Device in a motor vehicle pursuant to this Agreement, Guardian must ensure that:
 - (a) the Client has entered into the applicable Lease and Maintenance Agreement; and
 - (b) the registered owner of the motor vehicle into which the Ignition Interlock Device is to be installed has also executed the Lease and Maintenance Agreement or has otherwise acknowledged, in writing, his or her consent to the installation of the Ignition Interlock Device.
- 7.02 Each Lease and Maintenance Agreement must clearly state:
 - (a) that the Client is required:
 - (i) to bring the motor vehicle in which the Ignition Interlock Device is installed to Guardian for inspection and maintenance at least once every sixty-seven (67) days; or
 - (ii) if the Ignition Interlock Device is designed to be inspected and maintained by exchanging a component from such device, to ensure that:
 - (A) such component is disconnected and delivered to Guardian for inspection and maintenance; and
 - (B) the replacement component provided by Guardian is reconnected to the Ignition Interlock Device

all in accordance with the instructions of Guardian.

- (b) that the Client accepts responsibility for the Data obtained from the Ignition Interlock Device;
- (c) that Data obtained from the Ignition Device will be provided to the Superintendent (or to a party authorized by Province) and may be used for licensing decisions, program evaluation and research under authority of the Superintendent;
- (d) the Service Fees;
- (e) the consequences of Program Violations as communicated in writing to Guardian by the Superintendent;
- (f) the conditions on which the Lease and Maintenance Agreement may be terminated and the Ignition Interlock Device removed from a Motor Vehicle by Guardian; and

7.03 From time to time, upon the consent of Superintendent (which consent may not unreasonably be withheld), Guardian may amend the form of Lease and Maintenance Agreement, provided such amendment does not conflict with any obligations of Guardian contained in this Agreement, any directions of the Province or any laws and regulations.

~~7.04 Guardian may terminate a Lease and Maintenance Agreement, and remove the Ignition Interlock Device from the motor vehicle, only upon the occurrence of one or more of the following:~~

- (a) The Client or the registered owner named in the Lease and Maintenance Agreement has requested that such agreement be terminated, or that the Ignition Interlock Device be removed;
- (b) The term of the Lease and Maintenance Agreement has expired, and the Client and the registered owner named in such agreement have not requested or, in the case of the registered owner, consented to the renewal or extension of the term;
- (c) The Ignition Interlock Device has been subject to Tampering;
- (d) The Client has failed to produce the Ignition Interlock Device or the requisite component of the Ignition Interlock Device for inspection and downloading of Data by Guardian for an interval exceeding the shorter of seven (7) days beyond a scheduled service date or seventy (70) days;

- (e) The Client has materially defaulted under the provisions of the Lease and Maintenance Agreement, or has failed to pay the Monitoring Fee or other charges when due and payable;
 - (f) Guardian has been directed by the Superintendent to terminate the Lease and Maintenance Agreement or to remove the Ignition Interlock Device;
 - (g) Any sale, lease, assignment or transfer of title, or other transfer of legal or equitable ownership or possession of the Vehicle by the Client or the registered owner without the Client having first made arrangements satisfactory to Guardian to protect Guardian's interest in and to the Ignition Interlock Device;
 - (h) Any actual or threatened seizure, impoundment, or repossession of the Vehicle, or permanent dispossession of Client in relation to the Vehicle; or
 - (i) Any threatening or abusive behavior by Client or a permitted user of the Vehicle, directed toward Guardian or the Service Facility (including their respective officers, employees and agents), provided that with respect to any termination as contemplated by this section 7.04 (i) Guardian will act reasonably and in consultation with the Superintendent.
- 7.05 Upon the expiry or termination of a Lease and Maintenance Agreement, Guardian must immediately remove the applicable Ignition Interlock Device from the motor vehicle in which the Ignition Interlock Device has been installed, provided that ~~the obligation of Guardian under this section shall be conditional upon Guardian obtaining access to the motor vehicle at an Installation Centre.~~
- 7.06 Guardian undertakes to exercise reasonable due diligence in enforcing the terms, covenants and conditions of each Lease and Maintenance Agreement.

ARTICLE 8

PRIVACY PROTECTION

- 8.01 Guardian must comply with the Privacy Protection Schedule attached as Schedule "E" – Privacy Protection.
- 8.02 Despite section 4.01 of this Agreement, the provisions of Schedule "E" – Privacy Protection will prevail over the provisions of this Agreement, in accordance with section 27 of Schedule "E" – Privacy Protection.
- 8.03 For the purposes of section 15 and 16 of Schedule "E" – Privacy Protection, the Province irrevocably directs that Guardian may use and disclose personal

ARTICLE 11

PROGRAM MANAGEMENT

- 11.01 Guardian must, as soon as practicable, engage Guardian Interlock Service (BC) to be the primary contact with the Province with respect to the performance of the Services by Guardian.

ARTICLE 12

INDEPENDENT CONTRACTOR

- 12.01 Guardian is an independent contractor and not the servant, employee, partner or agent of the Province.
- 12.02 Guardian must not, in any manner whatsoever, commit or purport to commit the Government of the Province of British Columbia or the Province to the payment of any money to any person.
- 12.03 No partnership, joint venture or agency will be created or will be deemed to be created by this Agreement or any action of the parties under this Agreement.

ARTICLE 13

CONFIDENTIALITY

- 13.01 Guardian must treat as confidential all information in the Material and not permit its disclosure without the prior written consent of the Superintendent except:
- (a) as required to perform Guardian's obligations under this agreement or to comply with applicable law,
 - (b) information that is generally known to the public other than as a result of a breach of this agreement, or
 - (c) information in any Incorporated Material.
- 13.02 Guardian must make reasonable security arrangements to protect the Material from unauthorized use, disclosure or disposal.
- 13.03 If Guardian receives a request for access to any of the Material from a person other than the Province, and this Agreement does not require or authorize Guardian to provide such access, Guardian must advise the person to make the request to the Superintendent.

ARTICLE 14

INTELLECTUAL PROPERTY

- 14.01 The Province exclusively owns all property rights in the Material which are not intellectual property rights. Guardian must deliver any Material to the Province immediately upon request by the Superintendent.
- 14.02 The Province exclusively owns all intellectual property rights, including copyright, in:
- (a) all Received Material that Guardian receives from the Province, and
 - (b) all Produced Material, other than any Incorporated Material.
- 14.03 Upon request from the Superintendent, Guardian must deliver to the Province documents satisfactory to the Province waiving in favour of the Province any rights including but not limited to moral rights which Guardian (or its employees) or a subcontractor (or its employees) may have in the Produced Material, and confirming the vesting of the copyright in the Produced Material, other than any Incorporated Material, in the Province.
- 14.04 Upon any Incorporated Material being embedded or incorporated in the Produced Material, Guardian shall grant to the Province a non-exclusive, perpetual, ~~irrevocable, royalty-free, worldwide license to use, reproduce, modify and~~ distribute that Incorporated Material to the extent it remains embedded or incorporated in the Produced Material.

ARTICLE 15

INDEMNITY

- 15.01 Guardian must indemnify and save harmless the Province and the Superintendent, and the Province's employees and agents from any losses, claims, damages, actions, causes of action, costs and expenses that the Province or the Superintendent or any of the Province's employees or agents may sustain, incur, suffer or be put to at any time, either before or after this Agreement ends, which are based upon, arise out of or occur, directly or indirectly, by reason of, any act or omission by Guardian or by any of Guardian's agents, employees, officers, directors, or subcontractors in providing the Services.

ARTICLE 16**INSURANCE**

16.01 Guardian must, without limiting its obligations or liabilities herein and at its own expense, provide and maintain the following insurance with insurers in forms and amounts acceptable to the Province:

- (a) Comprehensive General Liability (including but not limited to Products and Completed Operations Liability) in an amount not less than \$2,000,000, inclusive per occurrence against bodily injury and property damage. The Province is to be an additional insured under this policy.

16.02 The foregoing insurance must be primary and not require the sharing of any loss by any insurer of the Province.

16.03 Guardian must provide the Province with evidence of all required insurance prior to the commencement of the work or services, on renewal of any required insurance policy, and from time to time as requested by the Province. Such evidence must be in the form of a completed Certificate of Insurance, duly signed by the Insurance Broker. When reasonably requested by the Province, Guardian must provide certified copies of required policies.

16.04 Guardian must provide the Province with advance written notice of cancellation or material change of the required insurance.

~~16.05 Guardian hereby waives all rights of recourse against the Province with regard to damage to Guardian's property.~~

16.06 Guardian must comply with the *Workers Compensation Act* legislation for the Province of British Columbia.

16.07 In addition to the insurance required under this Article, Guardian must ensure that any subcontractor on or before the commencement of operation, and thereafter at all times during operation, shall have in effect and maintain Garage Automotive/Garage Keepers Liability Insurance, with a liability limit of not less than Two Million Dollars (\$2,000,000.00) inclusive for third party liability covering bodily injury and property damage arising out of the operation of an owned vehicle or a customer's vehicle while in the care, custody and control of the insured. Coverage must also include liability for damage to a customer's vehicle while in the care, custody and control of the insured.

ARTICLE 17**TERMINATION, DEFAULT AND REMEDIES**

- 17.01 Notwithstanding any other provision of the Agreement, the Province may terminate the Agreement at any time in the event that a change in legislation, regulation, or policy results in cancellation of the Program or elimination of service delivery by a third party contractor, by the Superintendent giving not less than 30 days written notice to Guardian at the address shown in Article 23 or such shorter notice and in such other manner as may be mutually agreed.
- 17.02 Notwithstanding any other provision of this Agreement, any of the following events will constitute an event of default whether that event be voluntary, involuntary or result from the operation of law or any judgment or order of any court or administrative or government body:
- (a) Guardian fails to observe, perform or comply with any material provision of this Agreement on the part of Guardian to be observed, performed or complied with;
 - (b) any material representation or warranty made by Guardian in this Agreement is materially untrue or incorrect;
 - (c) any information, statement, document, certificate or report furnished or submitted by or on behalf of Guardian to the Province under or as a result of this Agreement is materially untrue or incorrect;
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- (d) Guardian fails to furnish and give to the Province notice that there has occurred or is continuing a material default under this Agreement specifying particulars of the same if Guardian is aware, or ought to have been aware, of the same;
 - (e) an order is made, a resolution is passed or a petition is filed and not defended, for the liquidation or winding up of Guardian;
 - (f) a change occurs with respect to any one or more, including all, of the properties, assets, condition (financial or otherwise), business or operations of Guardian which, in the reasonable opinion of the Province, materially adversely affects the ability of Guardian to fulfill any of its obligations under this Agreement;
 - (g) Guardian becomes insolvent, commits an act of bankruptcy, makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency;

- (h) a bankruptcy petition is filed or presented against, or a proposal under the *Bankruptcy Act* (Canada) is made by, Guardian;
- (i) a receiver or receiver manager of any property of Guardian is appointed;
- (j) Guardian permits any sum which is not disputed to be due by it to remain unpaid after legal proceedings have been commenced to enforce payment thereof, unless Guardian is entitled to a set-off or counterclaim;
- (k) Guardian ceases, in the reasonable opinion of the Province, to carry on business as a going concern;
- (l) Guardian Interlock Service (Canada) Ltd. and Guardian cease to be related persons within the meaning of s. 251 (2) of the *Income Tax Act* (Canada); or
- (m) any action taken to enforce any security interest, charge or encumbrance granted, created or issued by Guardian which materially affects the ability of Guardian to carry on business as a going concern.

17.03 If an Event of Default has occurred or is continuing the Province may, where the Event of Default is capable of being remedied, give Guardian notice to remedy the default and Guardian will have 30 days in which to remedy the default or make progress towards substantially remedying the default which is satisfactory to the Province within the said 30 days.

17.04 On the happening of an Event of Default which cannot be remedied or which has not been satisfactorily remedied pursuant to paragraph 17.03, or at any time thereafter, the Province may deliver written notice to Guardian specifying the Event of Default and the Province may, at its option, elect to do any one or more of the following:

- (a) suspend any payment due or that becomes due while the Event of the Default continues;
- (b) pursue any remedy available to it at law or in equity;
- (c) require that the Event of Default be remedied within a time period specified by the Province;
- (d) waive the Event of Default; and
- (e) terminate this Agreement, subject to the expiration of any time period specified by a notice delivered pursuant to subsection (c) of this section in which case the Province will be entitled to keep any or all of the material produced by Guardian in the performance of this Agreement.

and in the event the Province does not take any of the aforesaid actions then, and upon the written request from Guardian, the Province will give to Guardian, within a reasonable period, a written indication of the Province's then intended action with respect to the un-remedied Event of Default.

- 17.05 The rights, powers and remedies conferred on the Province under this Agreement are not intended to be exclusive and each will be cumulative and in addition to and not in substitution for every other right, power and remedy existing or available to the Province under this Agreement, any other agreement, at law or in equity and the exercise by the Province of any right, power or remedy will not preclude the simultaneous or later exercise by the Province of any other right, power or remedy.
- 17.06 No failure or delay on the part of either party to complain of an act or failure of the other party or to declare the other party in default, irrespective of how long such act or failure to act continues, will constitute a waiver by such party of its rights under this Agreement.
- 17.07 If this Agreement is terminated pursuant to section 17.01 the Province shall be under no obligation to Guardian.

ARTICLE 18

WIND DOWN

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- 18.01 ~~On the expiration or earlier termination of this Agreement the following provisions will apply:~~
- (a) Guardian must collect the Program Fee up to the last day of the Term, or to the date this Agreement is terminated;
 - (b) Guardian's obligations to remit the Program Fees will continue after the expiration or termination of this Agreement as if this Agreement had not expired or been terminated until all Program Fees have been remitted to the Province;
 - (c) at no additional cost to the Province or the Clients, Guardian must continue to provide the Services in respect of registered Clients for a period of not more than twelve (12) months after the expiration or termination, and all provisions of this Agreement will continue to apply to the provision of the Services in respect of the Clients until the end of the twelve (12) month period.
- 18.02 In the event a Lease and Maintenance Agreement has a term that extends beyond the twelve (12) months after the expiration or termination of this Agreement,

Guardian may, for the purposes of this Agreement, treat such Lease and Maintenance Agreement as if it expires twelve (12) months after the expiration or termination of this Agreement.

ARTICLE 19

ASSIGNMENT AND SUBCONTRACTING

- 19.01 Guardian must not without the prior written consent of the Superintendent assign, either directly or indirectly, this Agreement or any right of Guardian under this Agreement.
- 19.02 (a) Guardian must not without the prior written consent of the Superintendent sub-contract any obligation of Guardian under this Agreement.
- (b) In any event, Guardian shall not subcontract any of its obligations under this Agreement except to a subcontractor that agrees as an express written term of the subcontract with Guardian that it shall perform any obligations therein itself, without entering into any additional subcontracts.
- 19.03 The initial approved subcontractors are:
- (a) Belron Canada, Inc; and
- (b) Guardian Interlock Service (BC).
-
- 19.04 Guardian must not do anything that would result in personnel hired by Guardian or a subcontractor being considered employees of the Province.
- 19.05 No subcontract entered into by Guardian will relieve Guardian from any of its obligations under this Agreement or impose any obligation or liability upon the Province to any such subcontractor.
- 19.06 This Agreement shall be binding upon the Province and its assigns and Guardian, its successors and permitted assigns.

ARTICLE 20

CONFLICT OF INTEREST

- 20.01 Guardian must not provide any services to any person in circumstances which, in the reasonable opinion of the Province, could give rise to a conflict of interest between Guardian's duties to that person and Guardian's duties to the Province under this Agreement.

ARTICLE 21

NON WAIVER

- 21.01 No provision of this Agreement and no breach by Guardian of any such provision shall be deemed to have been waived unless such waiver is in writing signed by the Superintendent.
- 21.02 The written waiver by the Province of any breach of any provision of this Agreement by Guardian will not be deemed a waiver of any subsequent breach of the same or any other provision of this Agreement.

ARTICLE 22

APPROPRIATION

- 22.01 Any obligation of the Province to pay money to Guardian under this Agreement is subject to the *Financial Administration Act*, which makes that obligation subject to an appropriation being available in the Fiscal Year of the Province during which payment becomes due.

ARTICLE 23

NOTICES

- 23.01 Any notice, document, statement, report or demand contemplated by this Agreement, to be effective, must be in writing and: (i) sent by fax to the addressee's fax number specified in this Agreement; (ii) delivered by hand to the addressee's address specified in this Agreement; or (iii) mailed by prepaid registered mail to the addressee's address specified in this Agreement. The initial specified addresses are:

for the Province or the Superintendent:

Location address:

Office of the Superintendent of Motor Vehicles
4th Floor, 940 Blanshard Street
Victoria, British Columbia

Fax number: (250) 356-5577

Attention: Superintendent of Motor Vehicles

Mailing address:

Office of the Superintendent of Motor Vehicles
PO Box 9254 Stn Prov Govt
Victoria B.C.
V8W 9J2

Attention: Superintendent of Motor Vehicles

and for Guardian:

Alcohol Countermeasure Systems Corp.
c/o Guardian Interlock Service (BC)
Unit 23-24, 6782 Veyaness Rd.
Saanichton, B.C.,
V8M 2C2

Fax number: (905) 670-8211

Attention: Program Manager

and any notice mailed in accordance with this section is deemed to be received 96 hours after mailing except in the event of disruption of postal services in Canada ~~in which case any such notice, document, statement, report, or demand will be~~ deemed given to and received by the addressee when actually delivered to the particular address set out above.

- 23.02 Either party may, from time to time, advise the other by notice in writing of any change of address of the party giving such notice and from and after the giving of such notice, the address specified in the notice will, for purposes of this Agreement, be deemed to be the address of the party giving such notice.

ARTICLE 24

FURTHER ACTS AND ASSURANCES

- 24.01 Each of the parties will, upon the reasonable request of the other, make, do, execute or cause to be made, done or executed all further and other lawful acts, deeds, things, devices, documents, instruments and assurances whatever as may be reasonably necessary to effect the purpose of this Agreement and to carry out its provisions.

ARTICLE 25

DISPUTE RESOLUTION

- 25.01 All disputes arising out of or in connection with this Agreement or in respect of any defined legal relationship associated with it or derived from it must, unless the parties otherwise agree, be referred to and finally resolved by arbitration under the *Commercial Arbitration Act*.

ARTICLE 26

MISCELLANEOUS

- 26.01 Any public announcement relating to this Agreement made by either party will be arranged in consultation with the other before the announcement is made.
- 26.02 No employee or representative of Guardian will consent to, or provide, any media interview respecting or touching on this Agreement or the Services unless they have received the Superintendent's prior consent. Notwithstanding anything to the contrary, such consent may be in the form of guidelines which, as long as they are complied with, would not require further separate consents to each and every media interview.
- 26.03 Guardian acknowledges that this Agreement, or any part of this Agreement, is, or may become, subject to a request for disclosure pursuant to the *Freedom of Information and Protection of Privacy Act*, S.B.C. 1992, c.61.
- 26.04 This acknowledgment will not be construed as a consent by Guardian to any disclosure of the contents of this Agreement, or a waiver of any rights of privacy or confidentiality to which Guardian or any other person may be entitled at law or equity with respect to this Agreement or the subject matter of this Agreement.

ARTICLE 27

INTERPRETATION

- 27.01 This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia.
- 27.02 The Schedules and all attachments to the Schedules to this Agreement are an integral part of this Agreement as if set out at length in the body of this Agreement.

- 27.03 This agreement does not operate as a permit, license, approval or other statutory authority which Guardian may be required to obtain from the Province or any of its agencies in order to provide the Services. Nothing in this agreement is to be construed as interfering with the exercise by the Province or its agencies of any statutory power or duty.
- 27.04 In this Agreement wherever the singular or neuter is used it will be construed as if the plural, feminine or masculine, as the case may be, had been used where the context or the parties hereto so require.
- 27.05 This Agreement contains the entire agreement between the parties and there are no covenants, representations, warranties or agreements other than those contained herein or specifically preserved under the terms of this Agreement.
- 27.06 This Agreement may be amended in writing but no such amendment will have any force or effect unless and until it is signed by both parties.
- 27.07 Every reference to an act, whether or not defined, in this Agreement, includes all regulations made pursuant to that act and any act passed in substitution for, replacement of or amendment of that act.
- 27.08 The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope of any provision of this Agreement.
- 27.09 The whole of Articles 5, 8, 13, 14, 15, 18, 22 and 25 and sections 6.03, 6.04, 6.05, 6.06, and 17.05 of this Agreement will, notwithstanding the expiration or earlier termination of this Agreement, remain and continue in full force and effect.
- 27.10 If any provision of this Agreement or the application thereof to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to any other person or circumstance shall not be affected or impaired thereby and shall be valid and enforceable to the extent permitted by law.
- 27.11 This Agreement shall enure to the benefit of and be binding upon the Province and its assigns and upon Guardian and its successors and permitted assigns.
- 27.12 All dollar amounts expressed in this Agreement refer to lawful currency of Canada.
- 27.13 Time will be of the essence of this Agreement.

ARTICLE 28

COUNTERPARTS

28.01 This Agreement may be executed in any number of counterparts with the same effect as if both parties had signed the same document. All counterparts must be construed together, and will constitute one and the same agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

SIGNED on behalf of Her Majesty)
the Queen in Right of the Province)
of British Columbia by Mark)
Medgyesi , Superintendent of Motor)
Vehicles, representing the Minister)
of Public Safety and Solicitor)
General in the presence of:)

Mark Medgyesi
Superintendent of Motor Vehicles

(Witness)
Linda Blackman

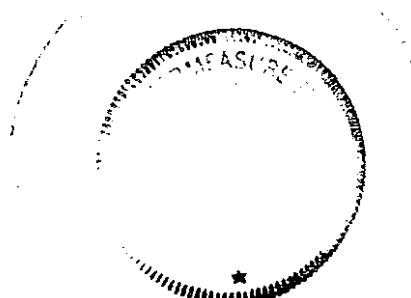
Date: November 4, 2005

SIGNED AND DELIVERED on)
behalf of Alcohol Countermeasure)
Systems Corp. by its authorized)
signatory in the presence of:)

Witness

H. Wilson
Authorized Signatory

Date: Nov. 4, 2005



SCHEDULE "A"

SERVICES

The Drinking Driver Ignition Interlock Program for the entire Province of British Columbia is set out in this Schedule.

DESCRIPTION

PART 1

- 1.01 A Program referral begins when a person has a driving record that in the opinion of the superintendent is unsatisfactory or Superintendent considers that, with respect to the person's driving skills, fitness or ability to drive and operate a motor vehicle, it is in the public interest for the person to participate in the Program.
 - 1.02 Clients who are referred to the Program do not have to participate; however, they cannot keep or obtain a drivers licence without having an Ignition Interlock Device installed.
 - 1.03 Once the Ignition Interlock Device is installed, a driver must have Ignition Interlock Device data downloaded by Guardian at intervals not to exceed 67 days.
 - 1.04 When the interlock term expires, the Client must attend Guardian for a final data download, and to have the Ignition Interlock Device removed.
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PROGRAM DEVELOPMENT AND IMPLEMENTATION

PART 2

- 2.01 Guardian is responsible for the development of all program material and implementation of services to clients. Guardian must work with OSMV in the development of all program material. OSMV will initially review and approve all program material and conduct annual reviews in conjunction with Guardian to identify potential improvements.
- 2.02 Guardian must finance all costs associated with the Program design, development, and implementation from the fees received through client registrations. Guardian's responsibilities include, but are not limited to:
 - (a) arranging subcontractors as required for delivery of Ignition Interlock Device installation services

- (b) arranging physical space and equipment as required for delivery of the Program
- (c) collecting and distributing the Program Fee from clients;
- (d) reimbursement of sub-contractors and or partners fees and costs;
- (e) client communications (e.g. toll free line, web site for clients containing general Program information, locations, ways to register, etc.);
- (f) all costs associated with Program delivery (e.g., facility, technology, staff); and
- (g) overhead.

PROGRAM OPERATIONS

PART 3

Installation, servicing etc. of Ignition Interlock Devices

- 3.01 Guardian must provide local and 1-800 numbers for clients to call to make an appointment to have the Ignition Interlock Device installed in their motor vehicle. Guardian must answer questions from clients concerning the installation process.
- 3.02 Guardian must collect the Program Fee from clients and send payments on a monthly basis to the Superintendent in accordance with s. 9.03 of the Agreement.
- 3.03 The Services must be offered by Guardian on a province wide basis. At the outset Installation Centres will be established in Vancouver, Kelowna, Saanichton, and Fort St John or Dawson Creek. Guardian shall establish an Ignition Interlock Device installation capability in the Prince George by May 1, 2006. Guardian must be capable of installing, servicing, inspecting, and calibrating an Ignition Interlock Device at the Installation Centre closest to the driver's home within no longer than 14 days of any request, or removing an Ignition Interlock Device within 5 days of any request made to Guardian. Guardian must also respond to any request for emergency Services within no longer than twenty-four (24) hours and take corrective action within no longer than forty-eight (48) hours of such request.
- 3.04 Except as expressly provided in this Agreement, each Ignition Interlock Device must be installed and maintained by Guardian in a manner which is consistent with the manufacturer's instructions and which will not interfere with the normal operation of the motor vehicle after the motor vehicle has been started.
- 3.05 Guardian must take all reasonable steps necessary to prevent Tampering with the Ignition Interlock Device. Such steps must include, without limitation:

- (a) special locks, seals, installation procedures that prevent, or record evidence of, Tampering and/or Tampering attempts;
 - (b) installation, servicing, inspection, calibration and removal of Ignition Interlock Devices only within secure areas which cannot be entered or observed by persons other than the personnel performing the services.
 - 3.06 Guardian must inspect the Handset of each Ignition Interlock Device for correct calibration and evidence of Program Violations at intervals not longer than sixty-seven (67) days. Each Ignition Interlock Device must be calibrated for accuracy according to the manufacturer's procedures.
 - 3.07 Each Ignition Interlock Device must be provided with an adequate supply of multiple use disposable mouth pieces designed to minimize the introduction of saliva into the Ignition Interlock Device.
 - 3.08 Guardian must provide each Client with Proof of Installation, and must also provide a copy of the Proof of Installation to the Superintendent within one day after the installation of the Ignition Interlock Device in the vehicle. This Proof of Installation must include, but is not limited to:
 - (a) the name, address, date of birth and driver's licence number of the Client receiving the Ignition Interlock Device, as such information appears on the referral letter provided by the client
 - (b) the make, model, and licence plate number of the motor vehicle into which the Ignition Interlock Device is installed, and;
-
- (c) the date(s) and Service Facility location(s) for the installation, service and de-installation of the Ignition Interlock Device;

CLIENT TRAINING

PART 4

- 4.01 Guardian must train each Client, and must provide to each Client a written operations manual and related documentation in reasonably understandable format, on the following subjects:
 - (a) Rules and conditions for the use of the Ignition Interlock Device and the consequences of failing to abide by such rules and conditions as advised by the Superintendent;
 - (b) The obligations contained in the Lease and Maintenance Agreement and the consequences of failing to abide by such obligations, provided that this obligation may be satisfied by giving the Client a copy of the Lease and Maintenance Agreement;

- (c) The proper operation and maintenance of the Ignition Interlock Device;
- (d) Solutions to common problems encountered in the use of the Ignition Interlock Device;
- (e) Services available from Guardian; and
- (f) Additional fees that may be incurred, voluntarily or involuntarily, as a result of their participation in the Program, provided that this obligation may be satisfied by giving the Client a copy of the Fee Schedule.

DATA AND REPORTS

PART 5

- 5.01 Guardian must keep a record of each Ignition Interlock Device installed by Guardian, and the corresponding Client and motor vehicle in which the Ignition Interlock Device has been installed. Unless otherwise specified by the Superintendent, the record must consist of the following:
- (a) the name, address, date of birth and driver's licence number of the Client receiving the Ignition Interlock Device, as such information appears on the Program referral letter from the Superintendent or the driver's licence of that individual;
 - (b) the make, model, and licence plate number of the motor vehicle into which the Ignition Interlock Device is installed;
 - (c) the date and Service Facility location(s) for installation and any other Services performed, as well as the date of the next scheduled service and expected date for de-installation of the Ignition Interlock Device; and
 - (d) the Data downloaded from the Ignition Interlock Device.
- 5.02 The Data downloaded from each Ignition Interlock Device must include the following:
- (a) The times and dates at which the motor vehicle is started;
 - (b) The time, date and results (pass or fail indicator and blood alcohol concentration) of each breath alcohol test;
 - (c) The duration of each time during which the motor vehicle is operated;
 - (d) the times and dates of events indicating Tampering or Tampering attempts;
- and

- (e) The times and dates of any emergency overrides.
- 5.03 Upon each download of Data, and each inspection of an Ignition Interlock Device or Handset, any evidence of a Program Violation must be documented and, in the case of physical evidence, photographed by Guardian.
- 5.04 The Superintendent, upon notice to Guardian, may require Guardian to download, or obtain on inspection, additional Data. Guardian must, as soon as reasonably possible and subject to the Client making the Device and/or vehicle available for inspection and/or downloading, comply with such request provided the Ignition Interlock Device is capable of recording such additional Data, or such additional Data is reasonably accessible on inspection. Should the Ignition Interlock Device not be capable of recording such additional Data, or such additional Data is not reasonably accessible on inspection, Guardian must immediately notify the Superintendent.
- 5.05 The Data must be downloaded from each Ignition Interlock Device, and each Ignition Interlock Device must be inspected, at intervals not to exceed sixty-seven (67) days, or more often as may be required by the Superintendent. In addition, the Data must be downloaded on the date the Client attends for de-installation of the Ignition Interlock Device. It must be the responsibility of Clients to arrange with Guardian for the downloading of Data and the inspection of the Ignition Interlock Devices and/or Handsets in accordance with the time schedules specified in this Subsection 5.05.
- 5.06 At the time of each download of Data and inspection of the Ignition Interlock Device, Guardian must provide or, in the case of components exchanged as contemplated in Article 7.02 (a)(ii) of the Agreement, send to the Client a summary of the Data, with content and format reasonably acceptable to the Superintendent. Such summary must be in a paper form and, if mailed to the Client, sealed in an envelope.
- 5.07 At the time of each download of Data and inspection of an Ignition Interlock Device at a Service Facility, the Data must be transmitted to a secure data base which must be maintained by Guardian, and no Data is retained or accessible at the Service Facility. Data stored in the secure data base must retain Personal Identifiers only for such length of time, and to such extent, as the Personal Identifiers are reasonably required by Guardian to detect and document Program Violations or non-compliance by Clients with obligations contained in the Lease and Maintenance Agreement.
- 5.08 In addition to the requirements of Section 5.07, should the download of Data or the inspection of an Ignition Interlock Device indicate that a Program Violation has occurred, or should Guardian otherwise become aware that a Program Violation has occurred, Guardian must give the client the opportunity to fill out an Occurrence Report to explain the violation. Any Occurrence Report completed

and returned by a Client must be forwarded to Guardian's head office or BC Program office where the information must be keyed into the database. A Program Violation Report together with any associated Occurrence Reports must be forwarded to the Superintendent within 5 days of the download or inspection or of Guardian otherwise becoming aware of the Program Violation.

5.09 Unless otherwise specified by the Superintendent, the Program Violation Report must:

(a) consist of a fax, or secure e-mail attachment;

(b) include the following information:

- (i) identification of Guardian;
- (ii) identification of the relevant Service Facility;
- (iii) identification of the type of occurrence (utilizing an event code);
- (iv) date of the Program Violation;
- (v) time of the Program Violation; and
- (vi) driver's licence number of the relevant Client.

5.10 Within 5 days of the Program Violation Report, a follow-up report consisting of any supporting information in Guardian's possession that is not available on-line including, without limitation, photographs of Tampering created or obtained by Guardian in accordance with Subsection 5.03 above, must be provided to the Superintendent in such format and medium as may be specified by the Superintendent.

5.11 When a Client does not attend a Service Facility for a Data download or in the case of components exchanged as contemplated in par. 7.02 (a)(ii), return a removed Handset, within the time frames required by Guardian, a Program Violation Report must be sent to the Superintendent within 5 days.

5.12 Guardian must provide to the Superintendent, in a format to be approved by Superintendent, a monthly report which must include, but must not be limited to, the following information:

(a) the number of Clients by geographic area;

(b) service levels and levels of program participation; and

(c) aggregate Data, without Personal Identifiers.

5.13 Within 10 Business Days of any request from the Superintendent, Guardian must provide to the Superintendent additional reports as reasonably required which may include, but are not limited to, the following: Proof of installation and removal, vehicle information, compliance reporting, statement of charges and payments, service calls, error of operation, Ignition Interlock Device failure,

faulty automotive equipment and demographic information. Such reports must be supplied in a format reasonably acceptable to the Superintendent, and at no cost to the Superintendent.

- 5.14 Any downloading, transmission and storage of Data, and the submission of any reports, must be performed in a secure manner acceptable to the Superintendent.

SERVICE FACILITIES

PART 6

- 6.01 Each Service Facility must contain all necessary equipment, tools, materials and instruction manuals for the proper installation, servicing, inspection, calibration and removal of Ignition Interlock Devices (or such of the Services that are performed at that Service Facility) in accordance with this Agreement. All such tools, equipment and manuals must be accessible to Employees to the extent required for their performance of the Services.
- 6.02 All materials required for the performance of any of the Services, including but not limited to security tape, seals and manuals, must be kept in a secure location inaccessible to any personnel not engaged in performance of the Services or to customers or members of the public.
- 6.03 Services must be performed in a secure area. Access to such secure area must be restricted to authorized Employees.
-
- 6.04 Service Facilities must be open, or available, for performance of the Services in accordance with schedules approved by the Superintendent. Unless otherwise agreed by the Superintendent, such schedules must provide for the performance of Services at all Service Centres during a minimum of five (5) days per week, from 9:00 a.m. to 5:00 p.m. (excluding statutory, civic or public holidays) or such equivalent times as may be approved by the Superintendent.

CONFLICTS ARISING FROM PROGRAM DELIVERY OR ADMINISTRATION

PART 7

- 7.01 Clients who have a complaint arising from any aspect of their participation in the program must follow the three step process outlined below:

STEP 1 - clients will be asked to resolve the complaint informally at the Service Facility.

- 8 -

STEP 2 - if step 1 is unsuccessful, clients may put their complaint in writing to the Program Manager in Guardian's BC office.

STEP 3 - if step 2 does not result in a successful resolution within ten (10) days of the written complaint, the matter will be referred to the Program Services Manager at Guardian's Head Office.

STEP 4 - if step 3 does not result in a successful resolution within a further ten (10) days, the Superintendent must be notified.

- 7.02 Guardian, acting reasonably and in consultation with the Superintendent, reserves the right, in exceptional cases, to deny service to clients who persist in engaging in abusive behaviour or whose conduct threatens the safety of service personnel.

LOCATIONS

PART 8

- 8.01 In addition to establishing Installation Centres in the locations specified in section 3.03 of this Schedule, Guardian must, in consultation with the Superintendent, make reasonable efforts throughout the Term to expand the availability of Services throughout the Province.

- 8.02 The consultations with the Superintendent will take into account that specific service delivery locations may change during the Term, that locations should be selected to reduce distances Clients must travel, that the number of Clients will change during the Term, and that Guardian must maintain the ability to provide the Services within the time parameters set out in section 3.03 of this Schedule.

- 8.03 Without limiting the generality of sections 8.01 and 8.02, Guardian agrees that when, for a period of 3 consecutive months, the number of active Clients exceeds 100 within an area which is within 2 hours driving time of one of the following municipalities and such number excludes Clients who reside within an area which involves a shorter driving time to an existing Installation Centre, Guardian will establish an Installation Centre to service that area:

- (a) Cranbrook,
- (b) Kamloops.

- 8.04 Without limiting the generality of sections 8.01 and 8.02, and in addition to section 8.03, Guardian agrees that when, for a period of 3 consecutive months, the aggregate number of active Clients within all of the areas which are within 2 hours driving time of each of the following municipalities:

- (a) Prince Rupert,
- (b) Terrace,

- (c) Kitimat, and
- (d) Smithers,

exceeds 100, such number excluding Clients who reside within an area which involves a shorter driving time to an existing Installation Centre, Guardian will establish an Installation Centre in either Terrace or Smithers to service that area.

- 8.05 Notwithstanding anything to the contrary in this Agreement, if, for a period of 3 consecutive months following the establishment of an Installation Centre pursuant to section 8.03 or 8.04, the number of active Clients with an Ignition Interlock Device installed at such Installation Centre falls below 100, Guardian may elect to discontinue the installation and removal of ignition interlock devices at such location.

QUALITY ASSURANCE

PART 9

- 9.01 Guardian is responsible for quality assurance, ensuring delivery performance standards, and availability; however, OSMV has a vested interest in ensuring high quality standards and must make certain that quality control procedures are in place, maintained, and monitored on an on-going basis. Quality assurance and control must be embedded within operational components to ensure consistent high standards. Program quality will be monitored and audited periodically by the Ministry.
-
- 9.02 Guardian is responsible for the training and monitoring of subcontractor staff to ensure that levels of consistency are adhered to at all times. This encompasses; but not limited to, the following:
- (a) consistency in training clients to use the Ignition Interlock Device
 - (b) comprehensive and timely data collection and reporting;
 - (c) fair and consistent practices in dealing with complaints; and
 - (d) consistent application of the Program policies and procedures.
- 9.03 It is expected that quality assurance and client outcome results will guide and direct Program modification recommendations by Guardian. All Program modification recommendations must be approved by OSMV.

End of Schedule

SCHEDULE "B"

**STANDARDS AND SPECIFICATIONS OF IGNITION
INTERLOCK DEVICES**

Basic Standards

- 1.01 The Ignition Interlock Device must utilize alcohol specific sensing technology which will not allow a false reading based on the introduction of other substances, and must meet or exceed one of the following standards:
- (a) "Model Specifications for Breath Alcohol Ignition Interlock Devices (BAIIDs)", published by the National Highway Traffic Safety Administration (NHTSA), Department of Transportation, Washington, D.C., Docket No. 91-07, Notice 2, April 7, 1992; or
 - (b) "Qualification Test Specification for Breath Alcohol Interlock Devices for use in the Province of Alberta", published by the Solicitor General of Alberta.

General Operating Requirements

2.01 In addition to the standards set out in Section 1 above, the each Ignition Interlock Device must comply with the following operating requirements:

- 2.02 The Ignition Interlock Device must:
- (a) prevent the motor vehicle from being started until a breath sample is provided;
 - (b) provide the necessary instructions to assist the driver in providing a breath sample;
 - (c) determine whether a breath sample is acceptable;
 - (d) if the breath sample is acceptable for testing, measure the driver's blood alcohol level;
 - (e) if the breath sample is unacceptable for testing, display messages instructing the driver to provide a new sample; and
 - (f) if the blood alcohol level is below a predetermined set point, permit the driver to start the motor vehicle and will display a message to that effect.

- 2.02 Once the motor vehicle is started, the Ignition Interlock Device must require a retest automatically after an initial period of random length and then once during each subsequent period.
- 2.03 When a re-test is required, the Ignition Interlock Device must permit the driver a period of time in which to provide a new breath sample for a retest. If the driver fails to provide a new breath sample or pass the retest, the Ignition Interlock Device must display messages instructing the driver to immobilize the motor vehicle. Should the driver not immobilize the motor vehicle, the Ignition Interlock Device must:
- (a) cause the motor vehicle to emit an alarm signal that other drivers can hear;
 - (b) display a message instructing the driver immediately to return the motor vehicle to a Service Facility for inspection and maintenance of the Ignition Interlock Device.
- 2.04 After the engine is switched off, the Ignition Interlock Device must permit the restarting of the motor vehicle without a new test for a period of time. However, such no-test restart period must not alter the time already set for a re-test which must take precedence over the no-test re-start period.
- 2.05 The Ignition Interlock Device must have a mechanism for setting a waiting period before a second ignition attempt can be made following an initial failure.
- 2.06 The Ignition Interlock Device must have an emergency override mechanism, such as a special code or key, to facilitate use of the motor vehicle in case of an emergency. Such mechanism must deactivate any of the features that make it difficult to start the motor vehicle but must not physically permit any individual to do so without first contacting Guardian.
- 2.07 At least 7 days before the next scheduled inspection, the Ignition Interlock Device must display a message notifying the driver at each ignition attempt that the motor vehicle must be taken for inspection to a Service Facility. If the inspection is not carried out before the end of such period, the Ignition Interlock Device must display a message instructing the driver to return the motor vehicle to a Service Facility for immediate servicing of the Ignition Interlock Device.
- 2.08 Following any attempt to tamper with, or circumvent, the Ignition Interlock Device, the Ignition Interlock Device must display a message instructing the driver immediately to return to a Service Facility for inspection and servicing, and such message must be repeated at each subsequent ignition. Should the motor vehicle not be returned to a Service Facility within a specified period, the Ignition Interlock Device must reject any subsequent attempts to start the motor vehicle.

- 2.09 Unless otherwise indicated, all time periods specified in Subsections 2.02, 2.03, 2.04, 2.05 and 2.08 above must be programmable by Guardian in accordance with instructions received from the Superintendent.
- 2.10 Unless notice is otherwise provided by the Superintendent to the Guardian, the set point of each Ignition Interlock Device for blood alcohol concentration must be 0.02.
- 2.11 The Ignition Interlock Device must retain its capacity to detect Tampering when the handset is disconnected from the control or relay module, and must record the disconnection.

End of Schedule

SCHEDULE "C"

APPROVED SERVICE FEES

- 1.01 The fees set out in this Schedule are the maximum services fees¹ which Guardian may charge Clients.

Part I - Mandatory Basic Fees

- 1.02 The following are the Mandatory Basic Fees that shall be charged to all Clients:

<u>Service Fees</u>	<u>Fee Amount in \$ Canadian</u>
Program Administration Fee	\$ 150.00
Install ²	125.00
Monitoring Fee (per month) ³	95.00
De-install at End of Program	25.00

Part II - Additional Participant Fees

- 1.03 Guardian must provide a complete Client Fee Schedule to Clients.

- 1.04 The following additional participant fees may be charged by Guardian:

BC CLIENT FEE SCHEDULE⁴

	CLIENT FEE
<u>INSTALLATION</u>	
Surcharge for Heavy Trucks / Special Vehicles ⁵	75.00
<u>MONITORING</u>	
Monitoring Fee (per month) ⁶	95.00
Remote Monitoring Fee ⁷	25.00

¹ Applicable taxes will be added to all fees and other charges

² Includes training and set-up

³ All monthly charges are calculated on a per diem basis

⁴ Applicable taxes will be added to all fees and other charges

⁵ Includes, but is not limited to, luxury and high-performance automobiles, as well as vehicles requiring a tach sensor.

⁶ All monthly charges are calculated on a per diem basis

⁷ Refers to monitoring at a location other than an installation/monitoring centre. Includes monitoring via handset exchange

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Reduced Interval Fee ⁸	25.00
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OTHER

Additional Sample Head (per month)	25.00
SmartCode/SmartKey Service ⁹	25.00
Unscheduled Service ¹⁰	25.00
Tamper Inspection Fee ¹¹	25.00
Violation Reset	35.00
Canceled / Missed Appointment ¹²	
Installation	100.00
Monitoring / Service	50.00
Loss Protection Plan Option (per month)	5.00
Security Deposit ¹³	100.00
Stand-By Option (per month) ¹⁴	5.00
Early Termination	190.00
Reinstatement Fee ¹⁵	50.00
Temporary Disconnect/Reconnect	50.00
Service Call ¹⁶	
Hourly Rate ¹⁷	75.00
Charge per km.	0.38

DAMAGE / REPLACEMENT CHARGES

Damage Repair ¹⁸	At cost
Replacement	
WR2/WR3 Handset	895.00
WR2/WR3 Interface Module	1295.00
Tach Sensor	100.00
SmartKey	100.00
Coil Cable	95.00
Wiring Harness	75.00
Alarm Horn	25.00

⁸ Refers to monitoring not required by administering authorities and/or service provider

⁹ Not applicable to Emergency Override/TPM codes. Shipping chargers, if any, will be added to the amount shown

¹⁰ Refers to user-initiated service other than a violation reset

¹¹ Payable in addition to the applicable monitoring or service fee in the event that Tampering is detected

¹² Charges apply to clients who fail to reschedule appointments at least 24 hours in advance

¹³ Payable in event that Loss Protection Plan is declined

¹⁴ Restricted to commercial vehicles

¹⁵ Administration fee charged to clients who are reinstated without a de-install and re-install

¹⁶ A remote de-install is charged as a service call

¹⁷ Minimum charge is \$45.00

¹⁸ Minimum charge is \$75.00

End of Schedule

SCHEDULE "D"

FORM OF LEASE AND MAINTENANCE AGREEMENT

Client :
Address :

Program No. :
Date :

Home Tel. :
Bus. Tel. :
Cell Tel.

Vehicle Information

Year :
Make :
Model :
Plate :
V.I.N. :
Colour :

Date of Birth :
Licence No. :

EQUIPMENT: Guardian Ignition Interlock unit consisting of one Model WR2/*Alcolock WR3™* Handset and Interface Module, together with alarm horn, tach sensor (if applicable), wiring harness, and including any components that may from time to time be substituted or installed as replacement components, all as identified in the records of Service Provider pertaining to the Client.

VEHICLE: Reference to Vehicle in this agreement shall mean the vehicle noted above (see Vehicle Information) or any vehicle that may from time to time be substituted therefor and so identified in the records of Service Provider pertaining to the Client. If Client is not the registered owner of the Vehicle, written permission to install the Equipment in the Vehicle, in a form satisfactory to Service Provider, must be supplied prior to installation.

TERM: This Agreement shall remain in effect until _____ (the "EOP Date") unless terminated earlier as provided herein or extended, provided in any event that Client's obligations hereunder is in full force and effect until the Equipment has been returned to Service Provider in good condition subject only to reasonable wear and tear.

FEES AND OTHER CHARGES: Client agrees to pay all fees and other charges arising under this Agreement in accordance with the Terms and Conditions attached hereto.

AUTHORIZED AGENT: _____ is the authorized agent of Service Provider for the purpose of executing this Agreement and receiving monies payable by Client hereunder.

RELEASE OF INFORMATION: Client hereby authorizes Service Provider to release and provide to the authority responsible for administering the Program (as defined

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herein), upon request, any reports on the use of the Equipment, or any other information or reports pertaining to Client's participation in, or compliance or non-compliance with the requirements of, the Program notwithstanding that such reports or information may contain data of a personal nature which would otherwise be protected by law from disclosure.

LOSS PROTECTION PLAN: Client hereby (INITIAL ONE) _____ accepts / _____ declines the Loss Protection Plan as set out in the Terms and Conditions attached hereto. If declined, Client acknowledges responsibility for any loss or damage to the Equipment, with complete loss valued at \$2,190.00.

ACKNOWLEDGMENT AND DIRECTION: Client hereby acknowledges that prior to signing below he/she has read and accepts the attached Terms and Conditions (INITIAL) _____, which are deemed to form part of this Agreement. Client authorizes and directs Service Provider to proceed with installation of the Equipment in the Vehicle and delivery of other services as set out in the Terms and Conditions.

X

Client

For Service Provider

This Agreement entered into on _____

CONTINUATION OF SCHEDULE "D"

FORM OF LEASE AND MAINTENANCE AGREEMENT

TERMS AND CONDITIONS

1. DEFINITIONS:

In addition to the terms defined elsewhere in this Agreement, the following terms shall have the meanings ascribed to them herein:

"Ignition Interlock Device" means an ignition interlock device for use in the Program and, for purposes of this Agreement, shall refer to the Equipment described on Page 1 hereof.

"Personal Information" means 'personal information' as defined in Schedule 1 of the *Freedom of Information and Protection of Privacy Act*.

"Program Violation" means: (a) Tampering; (b) failure to present the Ignition Interlock Device, or the requisite component of the Ignition Interlock Device, to the Service Provider for inspection and the downloading of Data for an interval greater than seventy (70) days; (c) any other type of conduct or failure on the part of Program Participants which the Superintendent of Motor Vehicles ("**Superintendent**") may, from time to time, determine to be a Program Violation.

"Tampering" means any alteration to, interference with, or circumvention of, the Ignition Interlock Device or the installation or functioning of such device where such alteration, interference or circumvention has not been authorized by the Superintendent or by the Service Provider. For purposes of this Agreement Tampering shall also include the loss or destruction of an Ignition Interlock Device, in whole or in part.

2. PROGRAM:

It is acknowledged that Client is a participant in B.C.'s Ignition Interlock Program (the "**Program**"). This Program involves the installation of an Ignition interlock system consisting of the Equipment together with related wiring (the "**System**") in Client's vehicle. The Program also involves monitoring the use and function of the System by means of an on-board events logger, having monitoring checks performed and events log data ("**Data**") retrieved at regular intervals, and providing the Superintendent as the public authority responsible for administering the Program with periodic reports as to Client's compliance or non-compliance with the requirements of the Program. All Data recorded by the System's events logger is attributed to Client. Client acknowledges the foregoing and hereby accepts responsibility for all Data recorded by and/or obtained from the System. Client further acknowledges that Data recorded by and/or obtained from the System will be provided to the Superintendent and may be used for licensing decisions, program evaluation and research under the authority of the *Motor Vehicle Act*.

The function of the System is to prevent Client from operating the Vehicle after consuming alcohol. The System requires a breath test prior to starting the Vehicle, followed by a series of retests at random intervals. If the driver fails the initial test, the System will enter a Lockout state that prevents the Vehicle from being started for a period of time. If the driver fails a retest or does not take a retest when required, an alarm will be activated and will remain on until the retest is taken and passed or, alternatively, the vehicle is stopped and the engine shut off. Attempts to tamper with or circumvent the System are recorded in the events log. Clients are required to have scheduled service (monitoring) carried out every 30 to 60 days provided that, in the event of non-compliance with Program conditions, additional unscheduled service may also be required. Failure to comply with monitoring and/or service requirements will result in the System entering a Permanent Lockout condition which will effectively disable the Vehicle.

Any non-compliance with Program conditions amounting to a Program Violation will be reported by Service Provider to the Superintendent.

Client acknowledges that a Program Violation may result in a deferral of the removal of the condition pursuant to which the Client is restricted from driving any motor vehicle that is not equipped with an Ignition Interlock Device.

3. IGNITION INTERLOCK SYSTEM:

The System is owned by, and shall remain the sole and exclusive property of the Service Provider. Client shall not, directly or indirectly, encumber or otherwise impair Service Provider's title to the System.

Forthwith upon termination of this Agreement, Client shall take the Vehicle to an authorized facility designated by Service Provider (the "**Service Facility**") for removal of the System. In the event that Client does not comply with this provision within five (5) days, Service Provider shall have the right to recover possession of the System from the Vehicle wherever it is located and in connection therewith to enter upon any lands and/or premises without such entry being deemed a trespass. Client appoints Service Provider as his/her lawful agent for such purpose, with full authority to gain access and entry to the Vehicle and remove the System from the Vehicle, by whatever means required. It is expressly acknowledged

and agreed that the Service Provider shall not be liable for any loss or damage occasioned thereby, and Client hereby undertakes to indemnify and save harmless Service Provider from and against any liability arising therefrom.

4. EXTENSION OF TERM:

In the event that this Agreement has not otherwise been terminated and the Client's participation in the Program has been extended beyond the initial completion Date, the Term of this Agreement shall be extended accordingly.

5. SERVICE FEES:

Client agrees to pay to Service Provider all fees and charges arising under this Agreement as set out in the Fee Schedule. Such fees and charges shall include, without limitation:

Install/Re-install: This charge covers the installation of the System in the Vehicle and training to familiarize the Client with its use and function. Any subsequent installation of the System in either the Vehicle identified hereof or substituted therefore (if applicable) shall incur a separate Install/Re-install charge as the case may be.

De-install: This charge covers removal of the System from the Vehicle, provided however that the De-install Fee shall not be charged in cases involving the transfer of the System from one vehicle to another. Notwithstanding anything to the contrary, the De-install charge shall not include any costs, charges or expenses to recover possession of the System in the event that the System is not returned to Service Provider in accordance with the terms of this Agreement.

Monitoring Fee: This charge, calculated on a per diem basis, is for use of the System, scheduled service (monitoring) including retrieval of events log data, and reporting to the Superintendent. The Monitoring Fee is payable monthly in advance for the first month of the Term, then bi-monthly in advance for the remainder of the Term.

Remote Monitoring Fee: This charge is payable, in addition to the Monitoring Fee, whenever scheduled service (monitoring) is carried out at a location other than a Service Centre. This includes, but is not limited to monitoring by means of an exchange of handsets.

Reduced Interval Fee: This charge is payable, in addition to the Monitoring Fee, whenever and to the extent that Service Provider is required to carry out scheduled service (monitoring) more frequently than would otherwise be necessary to comply with jurisdictional and/or service delivery standards.

Unscheduled Service: This charge covers servicing of the System over and above regularly scheduled service (monitoring) under circumstances which do not amount to a violation of Program conditions. Notwithstanding anything to the contrary, Client will not be charged for Unscheduled Service where the need for such service is due to defective Equipment.

Violation Reset: This charge covers unscheduled servicing of the System made necessary as a result of an Early/Immediate Recall for violation of Program conditions.

Loss Protection Plan: This optional fee limits Client's responsibility, subject to the provisions of Section 11, for damage to or loss of the System to a maximum of \$100.00 per occurrence.

Early Termination: If this Agreement is terminated pursuant to Section 9, a charge equal to the Monitoring Fee for 60 days, will be assessed as liquidated damages and not as a penalty, representing a genuine and reasonable pre-estimate of damages likely to be suffered by Service Provider.

Taxes: Client is responsible for applicable taxes levied on fees and other charges payable by Client hereunder.

A copy of the current Fee Schedule is attached to and forms part of this Agreement. Subject to approval by the Superintendent as may be required, Service Provider reserves the right to amend the Fee Schedule at any time and from time to time on thirty (30) days notice to Client.

Client further agrees to pay all charges, costs and expenses incurred by or on behalf of Service Provider in collecting or attempting to collect fees or charges due under this Agreement or in otherwise taking steps to enforce this Agreement including, without limitation, recovery of the System.

All payments are to be made by Client in the form of cash, authorized credit card, debit card (where available), certified cheque, or bank or postal money order. Personal cheques are not accepted. The Monitoring Fee for each period through to the next scheduled service (monitoring) date, together with applicable Taxes, is due and payable in full at the time of each scheduled service (monitoring). Payment for any other charges, including applicable Taxes thereon, is due in full in advance at the time such charges are incurred. Client acknowledges and agrees that Service Provider is under no obligation to perform any services hereunder until payment for such services, together with any outstanding payment if applicable, is made. Client further acknowledges that if the System is not serviced as required, it may enter a Permanent Lockout state which will effectively disable the Vehicle.

Client's obligation to pay Monitoring Fees, together with any other fees and charges payable during the Term hereof, shall continue in full force and effect, notwithstanding termination of this Agreement, until the System has been returned to Service Provider in good condition subject only to reasonable wear and tear.

6. SERVICE APPOINTMENTS:

Client shall return the Vehicle to the Service Centre for regularly scheduled service (monitoring) every 30 to 60 days as confirmed with the Client each time the System is serviced. Alternatively, Client may be permitted, in accordance with the instructions of the Service Provider, to disconnect a component of the System (providing a replacement component has been obtained from the Service Provider and is connected forthwith) and deliver the disconnected component to the Service Provider for inspection and maintenance at least once every thirty (30) to sixty (60) days. In the event that unscheduled service is required, Client will be obligated to return the Vehicle to the Service Facility within the number of days specified by the Superintendent.

Upon receipt of payment therefore from Client (and, if applicable, subject also to payment of any other amount owing by Client to Service Provider), Service Provider will perform the following services in accordance with Program requirements:

- inspect and service the System;
- retrieve stored Data from the System's events log;
- prepare a report for the Superintendent as to the Client's compliance or non-compliance with the Program;
- review the report with the Client; and
- establish the next scheduled service (monitoring) date.

It is acknowledged and agreed that service is by appointment only, and subject to availability. If unscheduled service is required, Client shall notify the Service Facility at least 24 hours in advance. In the event that a scheduled appointment is missed, or cancelled on less than 24 hours notice, rescheduling of such appointment will involve an additional charge as set out in the Fee Schedule.

7. SERVICE PROVIDER'S RESPONSIBILITY:

Service Provider agrees to install and service the System in a good and workmanlike manner. Neither Service Provider nor the Service Centre (including their respective officers, employees and agents) shall be responsible for any loss or damage to the Vehicle or its contents. Service Provider's liability shall be limited to repair or replacement of defective System components, to be carried out at the Service Facility during normal business hours. In no event shall Service Provider or the Service Facility (including their respective officers, employees and agents) be liable for any consequential loss or damage to the person or property of Client or any other person.

THE FOREGOING IS IN LIEU OF ANY WARRANTY BY SERVICE PROVIDER, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THIS AGREEMENT REPRESENTS THE ENTIRE AGREEMENT BETWEEN THE PARTIES HERETO, AND THERE ARE NO COLLATERAL REPRESENTATIONS OR WARRANTIES EXCEPT AS EXPRESSLY SET OUT HEREIN.

Without limiting the generality of the foregoing, Client understands that neither Service Provider nor the Service Facility (including their respective officers, employees and agents) warrant the ability of Client or other permitted users of the Vehicle to operate the Vehicle safely with the System. Operation of the Vehicle is the sole responsibility of Client. Client also understands that neither Service Provider nor the Service Centre (including their respective officers, employees and agents) warrant the ability of the System to prevent Client or any other user of the Vehicle from starting and/or operating the Vehicle in violation of the Program or Federal, State or Provincial/Territorial laws while in an alcohol impaired condition. **CLIENT SHALL NOT ATTEMPT TO START OR OPERATE THE VEHICLE AFTER CONSUMING ANY ALCOHOLIC BEVERAGE.**

8. INDEMNIFICATION:

Client agrees to indemnify and hold harmless Service Provider and the Service Facility (including their respective officers, employees and agents) from and against any and all claims, demands, actions, costs and expenses whatsoever that may arise, directly or indirectly, out of any act or omission of Client, other users of the Vehicle, or persons under their care, custody or control, relating to Client's participation in the Program. Such indemnification shall continue after termination of this Agreement. Neither Service Provider nor the Service Facility (including their respective officers, employees and agents) shall be liable for any bodily or personal injury or property damage of any nature whatsoever that may be suffered by Client, other users of the Vehicle, or any other person, resulting directly or indirectly from Client's participation in the Program.

9. TERMINATION:

This Agreement may be terminated by Client at any time prior to the end of the Term upon notice to Service Provider requesting termination thereof. Alternatively, this Agreement may be terminated prior to the end of the Term upon removal of the System from the Vehicle at the request of either Client or the registered owner of the Vehicle. This Agreement shall terminate forthwith if Service Provider is directed by the Superintendent to terminate the Lease and Maintenance Agreement or to remove the Ignition Interlock Device.

In addition to the above, this Agreement may be terminated by Service Provider at any time prior to the end of the Term, upon notice to the Client, in the following circumstances:

- a) failure by Client to pay any fees or other charges arising under this Agreement when due;
- b) failure by Client to produce the Ignition Interlock Device comprising the System or the requisite component thereof for inspection and downloading of Data by the Service Provider for an interval exceeding seventy (70) days;
- c) in the event that the Ignition Interlock Device comprising the System has been substantially damaged or destroyed;
- d) in the event that the Ignition Interlock Device comprising the System has been subject to Tampering;

- e) any sale, lease, assignment or transfer of title, or other transfer of legal or equitable ownership or possession of the Vehicle by Client or registered owner without Client having first made arrangements satisfactory to Service Provider to protect Service Provider's interest in and to the System;
- f) any actual or threatened seizure, impoundment, or repossession of the Vehicle, or permanent dispossession of Client in relation to the Vehicle;
- g) any threatening or abusive behaviour by Client or a permitted user of the Vehicle, directed toward Service Provider or the Service Facility (including their respective officers, employees and agents); and
- h) any other material breach of this Agreement by the Client.

In the event of early termination of this Agreement, Client shall not be entitled to any refund of prepaid fees or other charges, and the Early Termination Fee shall become immediately due and payable. Any early termination, whether initiated by Client, Service Provider, will be reported to the Superintendent.

10. GENERAL PROVISIONS:

It is acknowledged and agreed that the Service Facility (including its officers, employees and agents) has no authority to vary the terms of this Agreement. Client shall not rely upon, and Service Provider will not be bound by, any variation or representation, whether oral or written, made by Service Facility staff pertaining to this Agreement. No term of this Agreement may be waived or changed except by written agreement between Client and Service Provider.

In the event of default by Client, Service Provider may but is not obligated to avail itself of any legal or equitable remedy that may be available to it in order to enforce this Agreement, and shall not be required to exhaust any remedy before pursuing any other remedy. No action by Service Provider shall result in an estoppel or waiver of rights and shall not preclude Service Provider from requiring full and strict compliance with this Agreement at any time.

If any provision of this Agreement is prohibited by law, or found to be invalid, it shall be deemed to be severed and shall not affect the validity of the remaining provisions.

Section headings are included in this Agreement for convenience only, and have no independent meaning or effect.

Any notice given pursuant to this Agreement shall be sufficient if in writing and delivered personally or sent by ordinary prepaid mail to the last known address of Service Provider or Client, as the case may be. In the event that notice is given by mail as aforesaid, it shall be deemed to have been received on the third business day after mailing.

11. LOSS PROTECTION PLAN:

Client acknowledges financial responsibility for any damage to or loss of the System, however caused, provided that upon payment of the optional Loss Protection Plan fee, Client's financial responsibility for damage to or loss of the System shall be limited to \$100.00 per occurrence. Notwithstanding the foregoing, payment of the optional Loss Protection Plan fee shall not limit Client's financial responsibility for damage to or loss of the System caused by a willful act or omission on the part of Client or other permitted users of the Vehicle. Client must present a copy of a police report, along with any other evidence of loss, and pay the \$100.00 liability limit within 72 hours of loss. If Client declines the Loss Protection Plan, Client is responsible for the full amount any loss of or damage to the System up to a maximum of \$2,190.00 per occurrence, and agrees to pay Service Provider a security deposit in the amount of \$100.00 prior to installation of the Equipment in the Vehicle. The security deposit shall be retained by Service Provider until all obligations of Client to Service Provider have been fully satisfied and discharged and, prior thereto, Client shall not be entitled to any interest thereon. In the event of loss or damage to the System, or any default by Client in respect of its obligations to Service Provider hereunder, Service Provider shall be entitled, without notice, to apply all or such portion of the security deposit as may be required toward payment of any monies owing by Client to Service Provider in connection therewith, and thereupon to receive from Client such amount as is required to restore Client's security deposit to \$100.00.

Notwithstanding anything to the contrary, Service Provider reserves the right at any time and from time to time not to offer, or to discontinue, the Loss Protection Plan option with respect to Client.

12. WARNING TO CLIENT:

Warning—The Ignition Interlock Device has been installed under authority of the Superintendent. Attempts to tamper with this device may result in the cancellation of your driver's licence, a prohibition from driving any motor vehicle, or the extension of the condition of your driver's licence by which you are restricted from driving any motor vehicle that is not equipped with an Ignition Interlock Device

13. FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY

Participants in B.C.'s Ignition Interlock Program are advised that, certain Personal Information is being collected by the Interlock Service Provider for purposes of identification and attribution of data recorded by the Ignition Interlock Device. Participants' personal information may also be used for the purpose of evaluating the effectiveness of the Ignition Interlock Program.

The Client acknowledges that the Service Provider is authorized to use personal information collected from the Client in order to enforce this Agreement.

SCHEDULE "E"

PRIVACY PROTECTION

Definitions

1. In this Schedule:
 - (a) "Act" means the *Freedom of Information and Protection of Privacy Act* (British Columbia), as amended from time to time;
 - (b) "contact information" means information to enable an individual at a place of business to be contacted and includes the name, position name or title, business telephone number, business address, business email or business fax number of the individual;
 - (c) "personal information" means recorded information about an identifiable individual, other than contact information, collected or created by Guardian as a result of the Agreement or any previous agreement between the Province and Guardian dealing with the same subject matter as the Agreement.

Purpose

2. The purpose of this Schedule is to:

 - (a) enable the Province to comply with its statutory obligations under the Act with respect to personal information; and
 - (b) ensure that, as a service provider, Guardian is aware of and complies with its statutory obligations under the Act with respect to personal information.

Collection of personal information

3. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, Guardian may only collect or create personal information that is necessary for the performance of Guardian's obligations, or the exercise of Guardian's rights, under the Agreement.
4. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, Guardian must collect personal information directly from the individual the information is about.

5. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, Guardian must tell an individual from whom Guardian collects personal information:
 - (a) the purpose for collecting it;
 - (b) the legal authority for collecting it; and
 - (c) the title, business address and business telephone number of the person designated by the Province to answer questions about Guardian's collection of personal information.

Accuracy of personal information

6. Guardian must make every reasonable effort to ensure the accuracy and completeness of any personal information to be used by Guardian or the Province to make a decision that directly affects the individual the information is about.

Requests for access to personal information

7. If Guardian receives a request for access to personal information from a person other than the Province, Guardian must promptly advise the person to make the request to the Province unless the Agreement expressly requires Guardian to provide such access and, if the Province has advised Guardian of the name or title and contact information of an official of the Province to whom such requests are to be made, Guardian must also promptly provide that official's name or title and contact information to the person making the request.
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Correction of personal information

8. Within 5 business days of receiving a written direction from the Province to correct or annotate any personal information, Guardian must annotate or correct the information in accordance with the direction.
9. When issuing a written direction under section 8, the Province must advise Guardian of the date the correction request to which the direction relates was received by the Province in order that Guardian may comply with section 10.
10. Within 5 business days of correcting or annotating any personal information under section 8, Guardian must provide the corrected or annotated information to any party to whom, within one year prior to the date the correction request was made to the Province, Guardian disclosed the information being corrected or annotated.
11. If Guardian receives a request for correction of personal information from a person other than the Province, Guardian must promptly advise the person to

make the request to the Province and, if the Province has advised Guardian of the name or title and contact information of an official of the Province to whom such requests are to be made, Guardian must also promptly provide that official's name or title and contact information to the person making the request.

Protection of personal information

12. Guardian must protect personal information by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or disposal, including any expressly set out in the Agreement.

Storage and access to personal information

13. Unless the Province otherwise directs in writing, Guardian must not store personal information outside Canada or permit access to personal information from outside Canada.

Retention of personal information

14. Unless the Agreement otherwise specifies, Guardian must retain personal information until directed by the Province in writing to dispose of it or deliver it as specified in the direction.

Use of personal information

15. Unless the Province otherwise directs in writing, Guardian may only use personal information if that use is:

 - (a) for the performance of Guardian's obligations, or the exercise of Guardian's rights, under the Agreement; and
 - (b) in accordance with section 13.

Disclosure of personal information

16. Unless the Province otherwise directs in writing, Guardian may only disclose personal information inside Canada to any person other than the Province if the disclosure is for the performance of Guardian's obligations, or the exercise of Guardian's rights, under the Agreement.
17. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, Guardian must not disclose personal information outside Canada.

Inspection of personal information

18. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to Guardian, enter on Guardian's premises to inspect any personal information in the possession of Guardian or any of Guardian's information management policies or practices relevant to its management of personal information or its compliance with this Schedule and Guardian must permit, and provide reasonable assistance to, any such inspection.

Compliance with the Act and directions

19. Guardian must in relation to personal information comply with:
- (a) the requirements of the Act applicable to Guardian as a service provider, including any applicable order of the commissioner under the Act; and
 - (b) any direction given by the Province under this Schedule.
20. Guardian acknowledges that it is familiar with the requirements of the Act governing personal information that are applicable to it as a service provider.

Notice of non-compliance

21. If for any reason Guardian does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, Guardian must promptly notify the Province of the particulars of the non-compliance or anticipated non-compliance and what steps it proposes to take to address, or prevent recurrence of, ~~the non-compliance or anticipated non-compliance.~~

Termination of Agreement

22. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by Guardian, terminate the Agreement by giving written notice of such termination to Guardian, upon any failure of Guardian to comply with this Schedule in a material respect.

Interpretation

23. In this Schedule, references to sections by number are to sections of this Schedule unless otherwise specified in this Schedule.
24. Any reference to "Guardian" in this Schedule includes any subcontractor or agent retained by Guardian to perform obligations under the Agreement and Guardian must ensure that any such subcontractors and agents comply with this Schedule.

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25. The obligations of Guardian in this Schedule will survive the termination of the Agreement.
26. If a provision of the Agreement (including any direction given by the Province under this Schedule) conflicts with a requirement of the Act or an applicable order of the commissioner under the Act, the conflicting provision of the Agreement (or direction) will be inoperative to the extent of the conflict.
27. Guardian must comply with the provisions of this Schedule despite any conflicting provision of this Agreement or the law of any jurisdiction outside Canada.

End of Schedule

SCHEDULE "F"**PROGRAM FEE REMITTANCE STATEMENT**

1. The Program Fee Remittance Statement will be in the following form:

STATEMENT OF IGNITION INTERLOCK PROGRAM ADMINISTRATION FEES COLLECTED				
Contract #		Date:		
Program:		Ignition Interlock Program		
Contractor:		Alcohol Countermeasure Systems Corp. {address}		
Installation Period:				
Installation				
Date	Name	DL #	Lic Plate #	Program Fee
dd/mm/yy	XXXXXXXXX	NNNNNN	XXX	\$ XXX.XX
dd/mm/yy	XXXXXXXXX	NNNNNN	XXX	\$ XXX.XX
dd/mm/yy	XXXXXXXXX	NNNNNN	XXX	\$ XXX.XX
TOTAL				\$ XX,XXX.XX
GST INCLUDED IN ABOVE TOTAL				\$ XX,XXX.XX
Signature of Authorized Representative of Alcohol Countermeasure Systems Corp.			Date	

THIS AGREEMENT made as of the ____ day of October 2012

MODIFICATION AND EXTENSION AGREEMENT

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA, as represented by the Minister of Justice

(the "Province")

AND

ALCOHOL COUNTERMEASURE SYSTEMS CORP., a body corporate incorporated
under the laws of Ontario, and having its registered office at 14-975 Midway Blvd,
Mississauga, ON L5T 2C6

("Guardian")

(collectively "the Parties")

Whereas:

- A. The Parties entered into an agreement dated the 4th day of November 2005 (Ministry Contract No. 12PS061509A), and entered into:
 - (i) a Modification Agreement, effective January 1, 2008, to modify Schedule C Approved Service Fees; and
 - (ii) a Modification Agreement, dated September 28, 2012, to amend the Term, copies of which agreements are attached as Exhibits 1a, 1b and 1c, respectively (collectively "the Agreement");
- B. The Parties have agreed to extend the Agreement, in accordance with section 3.04 of the Agreement; and
- C. The Parties have agreed to further modify the Agreement, in accordance with section 27.06 of the Agreement.

The Parties agree as follows:

1.0 Extension

- 1.1 The Term of the Agreement is extended for an additional three (3) years, ending on September 30, 2015.

2.0 Definitions

2.1 In (o) and (z) of section 1.01, "Ministry of Public Safety and Solicitor General" is deleted and replaced with "Ministry of Justice".

2.2 The following definition is added to section 1.01 between the definitions of "Personal Identifiers" and "Produced Material":

"(p.1) "Pilot" means a process framework and preliminary project that OSMV and Guardian can use to explore and assess a new business or service process, technology or type of motor vehicle for possible incorporation into the Program;"

3.0 Program Development and Implementation

3.1 Schedule "A" Services is amended by adding the following after section 2.02:

"2.03 In the interests of ensuring Program improvements are implemented during the Term, OSMV may request from time to time that Guardian use a Pilot. The parameters of the Pilot will include defining the process, technology or motor vehicle to be piloted, the duration of the Pilot, criteria by which to determine whether to incorporate the process, technology or motor vehicle into the Program and any associated development costs. OSMV expects that:

- (a) Guardian, as part of its responsibility for development and implementation costs, will finance any costs associated with a Pilot; and
- (b) any fees charged to Clients for Services that are implemented following a Pilot will be representative of market comparison and/or in line with Schedule "C" Approved Service Fees.

4.0 Data and Reports

4.1 Schedule "A" Services is amended as follows:

- (a) in section 5.01 by deleting "and" at the end of subsection (c), replacing the period at the end of subsection (d) with "; and" and adding the following:
 - "(e) a notation of each interaction or communication with a Client, including any issues identified by the Client and responses by Guardian to those issues."

- (b) in section 5.13 by deleting "and demographic information." and replacing it with
 ", demographic information and notations of interactions or communications with
 Clients."
- (c) by adding the following after section 5.14:

"5.15 At the request of and in the form specified by the Superintendent, Guardian
 must provide Client and violation specific reports to the Superintendent"

5.0 Quality Assurance

- 5.1 Section 9.01 of Schedule "A" Services is deleted and replaced with the following:

"9.01 Guardian is responsible for developing and implementing quality control procedures
 that ensure service availability and performance meets the requirements of the
 Agreement. As service quality is very important to OSMV, it may periodically monitor
 service availability and performance and/or audit quality control procedures to
 ensure Program service expectations are being achieved."

6.0 Agreement Confirmation

- 6.1 The provisions of the Agreement, as amended by this Modification and Extension
 Agreement, are hereby ratified and confirmed.

7.0 General

- 7.1 In this Modification and Extension Agreement wherever the singular or neuter is used it will
 be construed as if the plural, feminine or masculine, as the case may be, had been used
 where the context or the Parties hereto so require.
- 7.2 The headings in this Modification and Extension Agreement are for convenience only and
 in no way define, limit, alter or enlarge the scope or meaning of any provision of this
 Modification and Extension Agreement.
- 7.2 Guardian must not without prior written consent of the Superintendent assign, either
 directly or indirectly, this Modification and Extension Agreement or any right under this
 Modification and Extension Agreement.
- 7.3 This Modification and Extension Agreement shall enure to the benefit of and be binding on
 the Province and its assigns and upon Guardian and its successors and permitted assigns.


8.4 This Modification and Extension Agreement shall enure to the benefit of and be binding on the Province and its assigns and upon Guardian and its successors and permitted assigns.


9.0 Counterparts

9.1 This Modification and Extension Agreement may be executed in any number of counterparts with the same effect as if both Parties had signed the same document. All counterparts must be construed together, and will constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

SIGNED on behalf of Her Majesty)
the Queen in Right of the Province)
of British Columbia by Steve)
Martin, Superintendent of Motor)
Vehicles, representing the Minister)
Justice, in the presence of:)


Steve Martin
Superintendent of Motor Vehicles


STEPHANIE MELVIN
DEPUTY SUPERINTENDENT

Anita Wilkinson
(Witness) Anita Wilkinson

Date: 2012/10/29

SIGNED AND DELIVERED on)
behalf of Alcohol Countermeasure)
Systems Corp. by its authorized)
signatory in the presence of:)


Felix J. E. Comeau
Chairman & CEO

(Witness) Denise L Connerty

Date: 2012.10.29

THIS AGREEMENT made as of the 28th day of September 2012

MODIFICATION AGREEMENT

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA, as represented by the Minister of Justice

(the "Province")

AND

ALCOHOL COUNTERMEASURE SYSTEMS CORP., a body corporate incorporated
under the laws of Ontario, and having its registered office at 60 International Blvd,
Toronto, ON M9W 6J2

("Guardian")

(collectively "the Parties")

Whereas:

- A. The Parties entered into an agreement dated the 4th day of November 2005, and entered into a Modification Agreement, effective January 1, 2008, to modify Schedule C Approved Service Fees (Ministry Contract No. 12PS061509A) (collectively "the Agreement"); and
- B. The Parties wish to amend the Term of the Agreement, to allow time for negotiation regarding an extension and amendments to the Agreement.


The Parties agree as follows:

- 1. Section 3.03 of the Agreement is amended by changing "September 30, 2012" to "October 31, 2012".
- 2. The provisions of the Agreement, as amended by this Modification Agreement, are hereby ratified and confirmed.
- 3. This Modification Agreement may be executed in any number of counterparts with the same effect as if both Parties had signed the same document. A signed counterpart may

be delivered to another Party by facsimile transmission and a facsimile so delivered will constitute an original document. All counterparts must be construed together, and will constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

SIGNED on behalf of Her Majesty)
the Queen in Right of the Province)
of British Columbia by Steve)
Martin, Superintendent of Motor)
Vehicles, representing the Minister)
Of Justice, in the presence of:)



Steve Martin
Superintendent of Motor Vehicles

Witness

Date: Sept 25 / 2012

SIGNED AND DELIVERED on)
behalf of Alcohol Countermeasure)
Systems Corp. by its authorized)
signatory in the presence of:)

Witness: Denise L. Connerty


Felix J.E. Comeau
Chairman & CEO

Date: 10/2.09.28



MODIFICATION AGREEMENT

CONTRACT NUMBER:	12PS061509A
ACCOUNT:	62910
RESPONSIBILITY:	1509A
STOB:	9002
PROJECT:	1508006

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the Minister of Public Safety and Solicitor General

Office of the Superintendent of Motor Vehicles
PO Box 9254, Stn Prov Govt
Victoria, BC V8W 9J2

the "Province"

AND

Alcohol Countermeasure Systems Corp.
60 International Blvd.
Toronto, ON M9W 6J2

the "Contractor"

BACKGROUND

- A. The parties entered into an agreement dated the **4th day of November, 2005**, a copy of which is attached as Exhibit 1 (the "Agreement").
- B. The parties have agreed to modify the Agreement.

AGREEMENT

The parties agree as follows:

- 1. To amend **Schedule C – Approved Service Fees** to include the fee changes indicated on the attached **Client Fee Schedule**, effective **January 1, 2008**.
- 2. In all other respects, the Agreement is confirmed.

SIGNED AND DELIVERED on the 28th day
of January, 2008 on behalf of the
Province by its duly authorized representative:

Signature:

Print name: Stephen C. Martin
Superintendent of Motor Vehicles

SIGNED AND DELIVERED on the 15th
day of January, 2008 by or on
behalf of the Contractor (or by its authorized
signatory or signatories if the Contractor is a
corporation):

Signature:

Print name: Alcohol Countermeasure
Systems Corp.

GUARDIAN INTERLOCK SYSTEMS
BRITISH COLUMBIA CLIENT FEE SCHEDULE¹
EFFECTIVE JANUARY 1, 2008

	CLIENT FEE
<u>INSTALLATION</u>	
Install / Re-install ²	150.00
Surcharge for Heavy Trucks / Special Vehicles ³	100.00
De-install	50.00
<u>MONITORING</u>	
Monitoring Fee (per month) ⁴	105.00
Remote Monitoring Fee ⁵	35.00
Reduced Interval Fee ⁶	35.00
<u>OTHER</u>	
Additional Handset (per month)	35.00
SmartCode / SmartKey Service ⁷	50.00
Unscheduled Service ⁸	35.00
Tamper Inspection Fee ⁹	65.00
Violation Reset	65.00
Canceled / Missed Appointment ¹⁰	
Installation	150.00
Monitoring / Service	75.00
Loss Protection Plan Option (per month)	10.00
Security Deposit ¹¹	250.00
Stand-By Option (per month) ¹²	10.00
Early Termination	210.00
Reinstatement Fee ¹³	75.00
Temporary Disconnect/Reconnect	75.00
Service Call ¹⁴	
Hourly Rate ¹⁵	95.00
Charge per km.	0.50
<u>DAMAGE / REPLACEMENT CHARGES</u>	
Damage Repair ¹⁶	At cost
Replacement	
WR2 / WR3 Handset	1295.00
WR2 / WR3 Interface Module	895.00
Tach Sensor	150.00
SmartKey (WR2)	150.00
WR2 / WR3 Coil Cable	150.00
WR2 / WR3 Wiring Harness	150.00
Alarm Horn	25.00

¹ Applicable taxes will be added to all fees and other charges

² Includes training and set-up

³ Includes, but is not limited to, luxury and high-performance automobiles, as well as vehicles requiring a tach sensor

⁴ All monthly charges are calculated on a per diem basis

⁵ Refers to monitoring at a location other than an installation/monitoring centre. Includes monitoring via handset exchange

⁶ Refers to monitoring not required by administering authorities and/or service provider

⁷ Not applicable to Emergency Override/TPM codes. Shipping charges, if any, will be added to the amount shown

⁸ Refers to user-initiated service other than a violation reset

⁹ Payable in addition to the applicable monitoring or service fee in the event that tampering is detected

¹⁰ Charges apply to clients who fail to reschedule appointments at least 24 hours in advance

¹¹ Payable in event that Loss Protection Plan is declined

¹² Restricted to commercial vehicles

¹³ Administration fee charged to clients who are reinstated without a de-install and re-install

¹⁴ A remote de-install is charged as a service call

¹⁵ Minimum charge is \$50.00

¹⁶ Minimum charge is \$75.00

Notice of Intent to Contract

Issue Date: March 9, 2005

Ministry of Public Safety and Solicitor General

Office of the Superintendent of Motor Vehicles

Notice is hereby given by the Province of British Columbia of its intent to contract with **Guardian Interlock Systems Corp. ("Guardian")** to provide professional installation, removal, and maintenance of ignition interlock devices within the province of British Columbia. The use of ignition interlock devices is a component of the new provincial drinking driving initiatives passed in October, 2004 as part of *Bill 66 – Motor Vehicle Amendment Act, 2004*.

In exchange for being granted the right to provide ignition interlock services, Guardian will charge users a fee for device installation, removal and monthly maintenance. The value of the contract will be based on the number of people who participate in the program. The Province does not guarantee any specific number of clients will enter the program. However, for planning purposes, the Province estimates that there will be up to 1,000 users per year, plus an additional one time influx of up to 500 users in the first year.

The schedule of fees for service will be subject to negotiation with Guardian, however, typical fees in other provinces are \$125 to install the device, a monthly fee of \$95 per month for maintenance, and \$25 for removal.

It is the intent of the Province that the contract will cover services provided from June 15, 2005 to March 31, 2010. The contract may be renewed for an additional three years to ensure service continuity.

The Ministry has chosen not to call for vendor proposals as the program requires a unique set of skills, training, and experience, along with highly specialized equipment. Guardian Interlock Systems Corp. holds multiple patents on ignition interlock technology in Canada. The patents are listed below.

- 1334997 - Sobriety Interlock with Bypass Detection
- 1316580 - Apparatus and Method for avoiding circumvention of an identity confirming breath tester
- 1286754 - Sobriety Interlock with unsupervised confirmation of operator identity
- 1274609 - Sobriety Interlock with Time-locked interlock mode
- 1338451 - Sobriety Interlock with Service Reminder
- 1338112 - Apparatus and Method to Deter Circumvention of a breath sobriety test
- 1337463 - Apparatus for Delivering a Breath Sample to a Solid State Sensor

Vendors wishing to object to this decision should contact Dan Kazmiruk, Project Director, at Dan.Kazmiruk@gems3.gov.bc.ca on or before March 18th, 2005 at 2:00 pm Pacific Time, detailing specific reasons for their objections and proof of their capacity to

provide a comparable service. If justified, the Office of the Superintendent of Motor Vehicles will convene a meeting with the vendors to receive representation concerning this contract.

A Vendor's proof of capacity to offer the same or better service in the same time frame given the information on patents described above, vendor's qualifications, and a proven record of providing the service, will be the key criteria with regard to consideration of the vendor objections.

II contract

Notice of Intent e-Advertisement

Ministry of Public Safety and Solicitor General

Ignition Interlock Service & Guardian Interlock Systems Corp.

Alcohol & Drug Treatment Counselling and Preventative Services

• All Locations Specified

• Supplier Attachments Exist

For more information contact:

Final

Hollis, Rob
Manager, Commercial Services

Solicitation Number: SATP-123
Original Publish Date: 2005/03/09
Close Date & Time: 2005/03/18 14:00
Time Zone: Pacific Time

Strategic Acquisitions & Technology
Procurement
102 - 548 Michigan Street
Victoria, British Columbia
V8V 1S3

Phone:

Approx. Time Left:

Fax: 1 250 356-0846

Email: pcadmin@gems2.gov.bc.ca

All dates are yyyy/mm/dd

Summary Details:

Notice is hereby given by the Province of British Columbia of its intent to contract with Guardian Interlock Systems Corp. ("Guardian") to provide professional installation, removal, and maintenance of ignition interlock devices within the province of British Columbia. The use of ignition interlock devices is a component of the new provincial drinking driving initiatives passed in October, 2004 as part of Bill 56 - Motor Vehicle Amendment Act, 2004.

In exchange for being granted the right to provide ignition interlock services, Guardian will charge users a fee for device installation, removal and monthly maintenance. The value of the contract will be based on the number of people who participate in the program. The Province does not guarantee any specific number of clients will enter the program. However, for planning purposes, the Province estimates that there will be up to 1,000 users per year, plus an additional one time influx of up to 500 users in the first year.

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