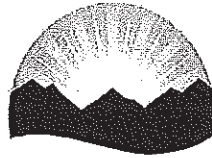


Backbone Technology Inc.
Government Communications and Public Engagement (Public Affairs Bureau)
as at August 3rd, 2011

Contract #	Services	Method of Award	Contract Maximum	Paid to Date	Contract Start Date	Contract End Date
C11PAB23896	Provide Expression Monthly Hosting of http://yougottabehere.com	Direct Award - Under 25K	11,400	11,400	2010-05-01	2012-03-31
C11PAB23852	Moveable Type Server Production & Monthly Hosting - BC Newsroom	Direct Award Sole Source Supplier NOI Not Required	43,085	23,285	2011-03-01	2012-02-29
C12GCPE24608	Production Services for Gaming Grants Review Website	Direct Award - Under 25K	22,875	0	2011-05-01	2012-03-31
C12GCPE24621	Provide Hosting Services for Gaming Grants Review Website	Direct Award - Under 25K	3,500	0	2011-07-01	2012-03-31

GENERAL SERVICE AGREEMENT



BRITISH
COLUMBIA

The Best Place on Earth

For Administrative Purposes Only

Ministry Contract No.: C11PAB23896

Requisition No.: 23896

Solicitation No.(if applicable): n/a

Commodity Code: AS.AS16

Contractor Information

Supplier Name: Backbone Technology Inc.

Supplier No.: 194769

Telephone No.: 604-713-8560

E-mail Address: marcus@backbonetechnology.com

Website: _____

Financial Information

Client: 112

Responsibility Centre: 32348

Service Line: 34420

STOB: 6309

Project: 32N0213

Template version: October 21, 2010

TABLE OF CONTENTS

No.	Heading	Page
1.	Definitions.....	1
	1.1 General.....	1
	1.2 Meaning of "record"	1
2.	Services.....	1
	2.1 Provision of services.....	2
	2.2 Term	2
	2.3 Supply of various items	2
	2.4 Standard of care.....	2
	2.5 Standards in relation to persons performing Services.....	2
	2.6 Instructions by Province	2
	2.7 Confirmation of non-written instructions.....	2
	2.8 Effectiveness of non-written instructions.....	2
	2.9 Applicable laws.....	2
3.	Payment.....	2
	3.1 Fees and expenses.....	2
	3.2 Statements of accounts.....	3
	3.3 Withholding of amounts.....	3
	3.4 Appropriation	3
	3.5 Currency	3
	3.6 Non-resident income tax	3
	3.7 Prohibition against committing money	3
	3.8 Refunds of taxes.....	3
4.	Representations and Warranties.....	4
5.	Privacy, Security and Confidentiality.....	4
	5.1 Privacy	4
	5.2 Security	4
	5.3 Confidentiality	4
	5.4 Public announcements.....	5
	5.5 Restrictions on promotion.....	5
6.	Material and Intellectual Property.....	5
	6.1 Access to Material.....	5
	6.2 Ownership and delivery of Material.....	5
	6.3 Matters respecting intellectual property	5
	6.4 Rights relating to Incorporated Material.....	5
7.	Records and Reports	5
	7.1 Work reporting	5
	7.2 Time and expense records.....	6
8.	Audit.....	6

SCHEDULE A – SERVICES

- Part 1 - Term
- Part 2 - Services
- Part 3 - Related Documentation
- Part 4 - Key Personnel

SCHEDULE B – FEES AND EXPENSES

- Part 1 - Maximum Amount Payable
 - Part 2 - Fees
 - Part 3 - Expenses
 - Part 4 - Statements of Account
 - Part 5 - Payments Due
-

SCHEDULE C – APPROVED SUBCONTRACTOR(S)

SCHEDULE D – INSURANCE

SCHEDULE E – PRIVACY PROTECTION SCHEDULE

SCHEDULE F – ADDITIONAL TERMS

SCHEDULE G – SECURITY SCHEDULE

THIS AGREEMENT is dated for reference the 1st day of May, 2010.

BETWEEN:

Backbone Technology Inc. (the "Contractor") with the following specified address and fax number:
55 7th Avenue East, Vancouver, British Columbia, Canada V5T 1M4
604-605-0964

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by Ministry of Citizens' Services, Public Affairs Bureau (the "Province") with the following specified address and fax number:
4th Floor, 617 Government Street, Victoria British Columbia, Canada, V8W 9V1
250-387-6687

The Province wishes to retain the Contractor to provide the services specified in Schedule A and, in consideration for the remuneration set out in Schedule B, the Contractor has agreed to provide those services, on the terms and conditions set out in this Agreement.

As a result, the Province and the Contractor agree as follows:

1 DEFINITIONS

General

1.1 In this Agreement, unless the context otherwise requires:

- (a) "Business Day" means a day, other than a Saturday or Sunday, on which Provincial government offices are open for normal business in British Columbia;
- (b) "Incorporated Material" means 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 the Contractor or a Subcontractor;
- (c) "Material" means the Produced Material and the Received Material;
- (d) "Produced Material" means records, software and other material, whether complete or not, that, as a result of this Agreement, are produced by the Contractor or a Subcontractor and includes the Incorporated Material;
- (e) "Received Material" means records, software and other material, whether complete or not, that, as a result of this Agreement, are received by the Contractor or a Subcontractor from the Province or any other person;
- (f) "Services" means the services described in Part 2 of Schedule A;
- (g) "Subcontractor" means a person described in paragraph (a) or (b) of section 13.4; and
- (h) "Term" means the term of the Agreement described in Part 1 of Schedule A subject to that term ending earlier in accordance with this Agreement.

Meaning of "record"

1.2 The definition of "record" in the *Interpretation Act* is incorporated into this Agreement and "records" will bear a corresponding meaning.

2 SERVICES

Provision of services

2.1 The Contractor must provide the Services in accordance with this Agreement.

Term

- 2.2 Regardless of the date of execution or delivery of this Agreement, the Contractor must provide the Services during the Term.

Supply of various items

- 2.3 Unless the parties otherwise agree in writing, the Contractor must supply and pay for all labour, materials, equipment, tools, facilities, approvals and licenses necessary or advisable to perform the Contractor's obligations under this Agreement, including the license under section 6.4.

Standard of care

- 2.4 Unless otherwise specified in this Agreement, the Contractor 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.

Standards in relation to persons performing Services

- 2.5 The Contractor must ensure that all persons employed or retained to perform the Services are qualified and competent to perform them and are properly trained, instructed and supervised.

Instructions by Province

- 2.6 The Province may from time to time give the Contractor reasonable instructions (in writing or otherwise) as to the performance of the Services. The Contractor must comply with those instructions but, unless otherwise specified in this Agreement, the Contractor may determine the manner in which the instructions are carried out.

Confirmation of non-written instructions

- 2.7 If the Province provides an instruction under section 2.6 other than in writing, the Contractor may request that the instruction be confirmed by the Province in writing, which request the Province must comply with as soon as it is reasonably practicable to do so.

Effectiveness of non-written instructions

- 2.8 Requesting written confirmation of an instruction under section 2.7 does not relieve the Contractor from complying with the instruction at the time the instruction was given.

Applicable laws

- 2.9 In the performance of the Contractor's obligations under this Agreement, the Contractor must comply with all applicable laws.

3 PAYMENT

Fees and expenses

- 3.1 If the Contractor complies with this Agreement, then the Province must pay to the Contractor at the times and on the conditions set out in Schedule B:
- (a) the fees described in that Schedule;
 - (b) the expenses, if any, described in that Schedule if they are supported, where applicable, by proper receipts and, in the Province's opinion, are necessarily incurred by the Contractor in providing the Services; and

- (c) any applicable taxes payable by the Province under law or agreement with the relevant taxation authorities on the fees and expenses described in paragraphs (a) and (b).

The Province is not obliged to pay to the Contractor more than the "Maximum Amount" specified in Schedule B on account of fees and expenses.

Statements of accounts

- 3.2 In order to obtain payment of any fees and expenses under this Agreement, the Contractor must submit to the Province a written statement of account in a form satisfactory to the Province upon completion of the Services or at other times described in Schedule B.

Withholding of amounts

- 3.3 Without limiting section 9.1, the Province may withhold from any payment due to the Contractor an amount sufficient to indemnify, in whole or in part, the Province and its employees and agents against any liens or other third-party claims that have arisen or could arise in connection with the provision of the Services. An amount withheld under this section must be promptly paid by the Province to the Contractor upon the basis for withholding the amount having been fully resolved to the satisfaction of the Province.

Appropriation

- 3.4 The Province's obligation to pay money to the Contractor 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.

Currency

- 3.5 Unless otherwise specified in this Agreement, all references to money are to Canadian dollars.

Non-resident income tax

- 3.6 If the Contractor is not a resident in Canada, the Contractor acknowledges that the Province may be required by law to withhold income tax from the fees described in Schedule B and then to remit that tax to the Receiver General of Canada on the Contractor's behalf.

Prohibition against committing money

- 3.7 Without limiting section 13.10(a), the Contractor must not in relation to performing the Contractor's obligations under this Agreement commit or purport to commit the Province to pay any money except as may be expressly provided for in this Agreement.

Refunds of taxes

- 3.8 The Contractor must:

- (a) apply for, and use reasonable efforts to obtain, any available refund, credit, rebate or remission of federal, provincial or other tax or duty imposed on the Contractor as a result of this Agreement that the Province has paid or reimbursed to the Contractor or agreed to pay or reimburse to the Contractor under this Agreement; and
- (b) immediately on receiving, or being credited with, any amount applied for under paragraph (a), remit that amount to the Province.

4 REPRESENTATIONS AND WARRANTIES

4.1 As at the date this Agreement is executed and delivered by, or on behalf of, the parties, the Contractor represents and warrants to the Province as follows:

- (a) except to the extent the Contractor has previously disclosed otherwise in writing to the Province,
 - (i) all information, statements, documents and reports furnished or submitted by the Contractor to the Province in connection with this Agreement (including as part of any competitive process resulting in this Agreement being entered into) are in all material respects true and correct,
 - (ii) the Contractor has sufficient trained staff, facilities, materials, appropriate equipment and approved subcontractual agreements in place and available to enable the Contractor to fully perform the Services, and
 - (iii) the Contractor holds all permits, licenses, approvals and statutory authorities issued by any government or government agency that are necessary for the performance of the Contractor's obligations under this Agreement; and
- (b) if the Contractor is not an individual,
 - (i) the Contractor has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement and all necessary corporate or other proceedings have been taken and done to authorize the execution and delivery of this Agreement by, or on behalf of, the Contractor, and
 - (ii) this Agreement has been legally and properly executed by, or on behalf of, the Contractor and is legally binding upon and enforceable against the Contractor in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

5 PRIVACY, SECURITY AND CONFIDENTIALITY

Privacy

5.1 The Contractor must comply with the Privacy Protection Schedule attached as Schedule E.

Security

5.2 The Contractor must:

- (a) make reasonable security arrangements to protect the Material from unauthorized access, collection, use, disclosure, alteration or disposal; and
- (b) comply with the Security Schedule attached as Schedule G.

Confidentiality

5.3 The Contractor must treat as confidential all information in the Material and all other information accessed or obtained by the Contractor or a Subcontractor (whether verbally, electronically or otherwise) as a result of this Agreement, and not permit its disclosure or use without the Province's prior written consent except:

- (a) as required to perform the Contractor's obligations under this Agreement or to comply with applicable laws;
- (b) if it is information that is generally known to the public other than as result of a breach of this Agreement; or
- (c) if it is information in any Incorporated Material.

Public announcements

- 5.4 Any public announcement relating to this Agreement will be arranged by the Province and, if such consultation is reasonably practicable, after consultation with the Contractor.

Restrictions on promotion

- 5.5 The Contractor must not, without the prior written approval of the Province, refer for promotional purposes to the Province being a customer of the Contractor or the Province having entered into this Agreement.

6 MATERIAL AND INTELLECTUAL PROPERTY

Access to Material

- 6.1 If the Contractor 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 the Contractor to provide that access, the Contractor must promptly advise the person to make the request to the Province.

Ownership and delivery of Material

- 6.2 The Province exclusively owns all property rights in the Material which are not intellectual property rights. The Contractor must deliver any Material to the Province immediately upon the Province's request.

Matters respecting intellectual property

- 6.3 The Province exclusively owns all intellectual property rights, including copyright, in:

- (a) Received Material that the Contractor receives from the Province; and
- (b) Produced Material, other than any Incorporated Material.

Upon the Province's request, the Contractor must deliver to the Province documents satisfactory to the Province that irrevocably waive in the Province's favour any moral rights which the Contractor (or employees of the Contractor) or a Subcontractor (or employees of a Subcontractor) may have in the Produced Material and that confirm the vesting in the Province of the copyright in the Produced Material, other than any Incorporated Material.

Rights in relation to Incorporated Material

- 6.4 Upon any Incorporated Material being embedded or incorporated in the Produced Material and to the extent that it remains so embedded or incorporated, the Contractor grants to the Province:
- (a) a non-exclusive, perpetual, irrevocable, royalty-free, worldwide license to use, reproduce, modify and distribute that Incorporated Material; and
 - (b) the right to sublicense to third-parties the right to use, reproduce, modify and distribute that Incorporated Material.

7 RECORDS AND REPORTS

Work reporting

- 7.1 Upon the Province's request, the Contractor must fully inform the Province of all work done by the Contractor or a Subcontractor in connection with providing the Services.

Time and expense records

- 7.2 If Schedule B provides for the Contractor to be paid fees at a daily or hourly rate or for the Contractor to be paid or reimbursed for expenses, the Contractor must maintain time records and books of account, invoices, receipts and vouchers of expenses in support of those payments, in form and content satisfactory to the Province. Unless otherwise specified in this Agreement, the Contractor must retain such documents for a period of not less than seven years after this Agreement ends.

8 AUDIT

- 8.1 In addition to any other rights of inspection the Province may have under statute or otherwise, the Province may at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect and, at the Province's discretion, copy any of the Material and the Contractor must permit, and provide reasonable assistance to, the exercise by the Province of the Province's rights under this section.

9 INDEMNITY AND INSURANCE

Indemnity

- 9.1 The Contractor must indemnify and save harmless the Province and the Province's employees and agents from any losses, claims, damages, actions, causes of action, costs and expenses that the Province 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, including any claim of infringement of third-party intellectual property rights, where the same or any of them are based upon, arise out of or occur, directly or indirectly, by reason of any act or omission by the Contractor or by any of the Contractor's agents, employees, officers, directors or Subcontractors in connection with this Agreement, excepting always liability arising out of the independent acts or omissions of the Province and the Province's employees and agents.

Insurance

- 9.2 The Contractor must comply with the Insurance Schedule attached as Schedule D.

Workers compensation

- 9.3 Without limiting the generality of section 2.9, the Contractor must comply with, and must ensure that any Subcontractors comply with, all applicable occupational health and safety laws in relation to the performance of the Contractor's obligations under this Agreement, including the *Workers Compensation Act* in British Columbia or similar laws in other jurisdictions.

Personal optional protection

- 9.4 The Contractor must apply for and maintain personal optional protection insurance (consisting of income replacement and medical care coverage) during the Term at the Contractor's expense if:
- (a) the Contractor is an individual or a partnership of individuals and does not have the benefit of mandatory workers compensation coverage under the *Workers Compensation Act* or similar laws in other jurisdictions; and
 - (b) such personal optional protection insurance is available for the Contractor from WorkSafeBC or other sources.

Evidence of coverage

- 9.5 Within 10 Business Days of being requested to do so by the Province, the Contractor must provide the Province with evidence of the Contractor's compliance with sections 9.3 and 9.4.

10 FORCE MAJEURE

Definitions relating to force majeure

10.1 In this section and sections 10.2 and 10.3:

- (a) "Event of Force Majeure" means one of the following events:
 - (i) a natural disaster, fire, flood, storm, epidemic or power failure,
 - (ii) a war (declared and undeclared), insurrection or act of terrorism or piracy,
 - (iii) a strike (including illegal work stoppage or slowdown) or lockout, or
 - (iv) a freight embargoif the event prevents a party from performing the party's obligations in accordance with this Agreement and is beyond the reasonable control of that party; and
- (b) "Affected Party" means a party prevented from performing the party's obligations in accordance with this Agreement by an Event of Force Majeure.

Consequence of Event of Force Majeure

10.2 An Affected Party is not liable to the other party for any failure or delay in the performance of the Affected Party's obligations under this Agreement resulting from an Event of Force Majeure and any time periods for the performance of such obligations are automatically extended for the duration of the Event of Force Majeure provided that the Affected Party complies with the requirements of section 10.3.

Duties of Affected Party

10.3 An Affected Party must promptly notify the other party in writing upon the occurrence of the Event of Force Majeure and make all reasonable efforts to prevent, control or limit the effect of the Event of Force Majeure so as to resume compliance with the Affected Party's obligations under this Agreement as soon as possible.

11 DEFAULT AND TERMINATION

Definitions relating to default and termination

11.1 In this section and sections 11.2 to 11.4:

- (a) "Event of Default" means any of the following:
 - (i) an Insolvency Event,
 - (ii) the Contractor fails to perform any of the Contractor's obligations under this Agreement, or
 - (iii) any representation or warranty made by the Contractor in this Agreement is untrue or incorrect; and
- (b) "Insolvency Event" means any of the following:
 - (i) an order is made, a resolution is passed or a petition is filed, for the Contractor's liquidation or winding up,
 - (ii) the Contractor commits an act of bankruptcy, makes an assignment for the benefit of the Contractor's creditors or otherwise acknowledges the Contractor's insolvency,
 - (iii) a bankruptcy petition is filed or presented against the Contractor or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by the Contractor,
 - (iv) a compromise or arrangement is proposed in respect of the Contractor under the *Companies' Creditors Arrangement Act* (Canada),
 - (v) a receiver or receiver-manager is appointed for any of the Contractor's property, or

- (vi) the Contractor ceases, in the Province's reasonable opinion, to carry on business as a going concern.

Province's options on default

- 11.2 On the happening of an Event of Default, or at any time thereafter, the Province may, at its option, elect to do any one or more of the following:
- (a) by written notice to the Contractor, require that the Event of Default be remedied within a time period specified in the notice;
 - (b) pursue any remedy or take any other action available to it at law or in equity; or
 - (c) by written notice to the Contractor, terminate this Agreement with immediate effect or on a future date specified in the notice, subject to the expiration of any time period specified under section 11.2(a).

Delay not a waiver

- 11.3 No failure or delay on the part of the Province to exercise its rights in relation to an Event of Default will constitute a waiver by the Province of such rights.

Province's right to terminate other than for default

- 11.4 In addition to the Province's right to terminate this Agreement under section 11.2(c) on the happening of an Event of Default, the Province may terminate this Agreement for any reason by giving at least 10 days' written notice of termination to the Contractor.

Payment consequences of termination

- 11.5 Unless Schedule B otherwise provides, if the Province terminates this Agreement under section 11.4:
- (a) the Province must, within 30 days of such termination, pay to the Contractor any unpaid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that was completed to the Province's satisfaction before termination of this Agreement; and
 - (b) the Contractor must, within 30 days of such termination, repay to the Province any paid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that the Province has notified the Contractor in writing was not completed to the Province's satisfaction before termination of this Agreement.

Discharge of liability

- 11.6 The payment by the Province of the amount described in section 11.5(a) discharges the Province from all liability to make payments to the Contractor under this Agreement.

Notice in relation to Events of Default

- 11.7 If the Contractor becomes aware that an Event of Default has occurred or anticipates that an Event of Default is likely to occur, the Contractor must promptly notify the Province of the particulars of the Event of Default or anticipated Event of Default. A notice under this section as to the occurrence of an Event of Default must also specify the steps the Contractor proposes to take to address, or prevent recurrence of, the Event of Default. A notice under this section as to an anticipated Event of Default must specify the steps the Contractor proposes to take to prevent the occurrence of the anticipated Event of Default.

12 DISPUTE RESOLUTION

Dispute resolution process

- 12.1 In the event of any dispute between the parties arising out of or in connection with this Agreement, the following dispute resolution process will apply unless the parties otherwise agree in writing:
- (a) the parties must initially attempt to resolve the dispute through collaborative negotiation;
 - (b) if the dispute is not resolved through collaborative negotiation within 15 Business Days of the dispute arising, the parties must then attempt to resolve the dispute through mediation under the rules of the British Columbia Mediator Roster Society; and
 - (c) if the dispute is not resolved through mediation within 30 Business Days of the commencement of mediation, the dispute must be referred to and finally resolved by arbitration under the *Commercial Arbitration Act*.

Location of arbitration or mediation

- 12.2 Unless the parties otherwise agree in writing, an arbitration or mediation under section 12.1 will be held in Victoria, British Columbia.

Costs of mediation or arbitration

- 12.3 Unless the parties otherwise agree in writing or, in the case of an arbitration, the arbitrator otherwise orders, the parties must share equally the costs of a mediation or arbitration under section 12.1 other than those costs relating to the production of expert evidence or representation by counsel.

13 MISCELLANEOUS

Delivery of notices

- 13.1 Any notice contemplated by this Agreement, to be effective, must be in writing and delivered as follows:
- (a) by fax to the addressee's fax number specified on the first page of this Agreement, in which case it will be deemed to be received on the day of transmittal unless transmitted after the normal business hours of the addressee or on a day that is not a Business Day, in which cases it will be deemed to be received on the next following Business Day;
 - (b) by hand to the addressee's address specified on the first page of this Agreement, in which case it will be deemed to be received on the day of its delivery; or
 - (c) by prepaid post to the addressee's address specified on the first page of this Agreement, in which case if mailed during any period when normal postal services prevail, it will be deemed to be received on the fifth Business Day after its mailing.

Change of address or fax number

- 13.2 Either party may from time to time give notice to the other party of a substitute address or fax number, which from the date such notice is given will supersede for purposes of section 13.1 any previous address or fax number specified for the party giving the notice.

Assignment

- 13.3 The Contractor must not assign any of the Contractor's rights under this Agreement without the Province's prior written consent.

Subcontracting

- 13.4 The Contractor must not subcontract any of the Contractor's obligations under this Agreement to any person without the Province's prior written consent, excepting persons listed in the attached Schedule C. No subcontract, whether consented to or not, relieves the Contractor from any obligations under this Agreement. The Contractor must ensure that:
- (a) any person retained by the Contractor to perform obligations under this Agreement; and
 - (b) any person retained by a person described in paragraph (a) to perform those obligations fully complies with this Agreement in performing the subcontracted obligations.

Waiver

- 13.5 A waiver of any term or breach of this Agreement is effective only if it is in writing and signed by, or on behalf of, the waiving party and is not a waiver of any other term or breach.

Modifications

- 13.6 No modification of this Agreement is effective unless it is in writing and signed by, or on behalf of, the parties.

Entire agreement

- 13.7 This Agreement (including any modification of it) constitutes the entire agreement between the parties as to performance of the Services.

Survival of certain provisions

- 13.8 Sections 2.9, 3.1 to 3.4, 3.7, 3.8, 5.1 to 5.5, 6.1 to 6.4, 7.1, 7.2, 8.1, 9.1, 9.2, 9.5, 10.1 to 10.3, 11.2, 11.3, 11.5, 11.6, 12.1 to 12.3, 13.1, 13.2, 13.8, and 13.10, any accrued but unpaid payment obligations, and any other sections of this Agreement (including schedules) which, by their terms or nature, are intended to survive the completion of the Services or termination of this Agreement, will continue in force indefinitely, even after this Agreement ends.

Schedules

- 13.9 The schedules to this Agreement (including any appendices or other documents attached to, or incorporated by reference into, those schedules) are part of this Agreement.

Independent contractor

- 13.10 In relation to the performance of the Contractor's obligations under this Agreement, the Contractor is an independent contractor and not:

- (a) an employee or partner of the Province; or
- (b) an agent of the Province except as may be expressly provided for in this Agreement.

The Contractor must not act or purport to act contrary to this section.

Personnel not to be employees of Province

- 13.11 The Contractor must not do anything that would result in personnel hired or used by the Contractor or a Subcontractor in relation to providing the Services being considered employees of the Province.

Key Personnel

- 13.12 If one or more individuals are specified as "Key Personnel" of the Contractor in Part 4 of Schedule A, the Contractor must cause those individuals to perform the Services on the Contractor's behalf, unless the Province otherwise approves in writing, which approval must not be unreasonably withheld.

Pertinent information

- 13.13 The Province must make available to the Contractor all information in the Province's possession which the Province considers pertinent to the performance of the Services.

Conflict of interest

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

Time

- 13.15 Time is of the essence in this Agreement and, without limitation, will remain of the essence after any modification or extension of this Agreement, whether or not expressly restated in the document effecting the modification or extension.

Conflicts among provisions

- 13.16 Conflicts among provisions of this Agreement will be resolved as follows:
- (a) a provision in the body of this Agreement will prevail over any conflicting provision in, attached to or incorporated by reference into a schedule, unless that conflicting provision expressly states otherwise; and
 - (b) a provision in a schedule will prevail over any conflicting provision in a document attached to or incorporated by reference into a schedule, unless the schedule expressly states otherwise.

Agreement not permit nor fetter

- 13.17 This Agreement does not operate as a permit, license, approval or other statutory authority which the Contractor 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, or fettering in any manner, the exercise by the Province or its agencies of any statutory, prerogative, executive or legislative power or duty.

Remainder not affected by invalidity

- 13.18 If any provision of this Agreement or the application of it 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 will not be affected or impaired and will be valid and enforceable to the extent permitted by law.

Further assurances

- 13.19 Each party must perform the acts, execute and deliver the writings, and give the assurances as may be reasonably necessary to give full effect to this Agreement.

Additional terms

- 13.20 Any additional terms set out in the attached Schedule F apply to this Agreement.

Governing law

- 13.21 This Agreement is governed by, and is to be interpreted and construed in accordance with, the laws applicable in British Columbia.

14 INTERPRETATION

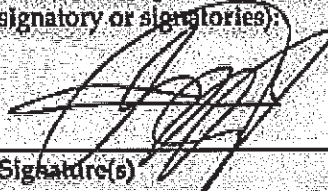

14.1 In this Agreement:

- (a) "includes" and "including" are not intended to be limiting;
- (b) unless the context otherwise requires, references to sections by number are to sections of this Agreement;
- (c) the Contractor and the Province are referred to as "the parties" and each of them as a "party";
- (d) "attached" means attached to this Agreement when used in relation to a schedule;
- (e) unless otherwise specified, a reference to a statute by name means the statute of British Columbia by that name, as amended or replaced from time to time;
- (f) the headings have been inserted for convenience of reference only and are not intended to describe, enlarge or restrict the scope or meaning of this Agreement or any provision of it;
- (g) "person" includes an individual, partnership, corporation or legal entity of any nature; and
- (h) unless the context otherwise requires, words expressed in the singular include the plural and *vice versa*.

15 EXECUTION AND DELIVERY OF AGREEMENT

- 15.1 This Agreement may be entered into by a separate copy of this Agreement being executed by, or on behalf of, each party and that executed copy being delivered to the other party by a method provided for in section 13.1 or any other method agreed to by the parties.

The parties have executed this Agreement as follows:

<p>SIGNED on the <u>30th</u> day of <u>MARCH</u>, 2011 by the Contractor (or, if not an individual, on its behalf by its authorized signatory or signatories):</p> <p></p> <p>Signature(s)</p> <p><u>MARCUS CHIRALAMBOS</u></p> <p>Print Name(s)</p> <p><u>PRESIDENT</u></p> <p>Print Title(s)</p>	<p>SIGNED on the <u>3rd</u> day of <u>March</u>, 2011 on behalf of the Province by its duly authorized representative:</p> <p></p> <p>Signature</p> <p><u>Denise Champion</u></p> <p>Print Name</p> <p><u>Executive Director, Operations & HR</u></p> <p>Print Title</p>
--	---

Schedule A – Services

PART 1. TERM:

1. The term of this Agreement commences on May 1st, 2010 and ends on March 31st, 2012.

PART 2. SERVICES:

As directed by the Contract Manager or their designated alternate, the Contractor will provide Expression Monthly Hosting of <http://yougottabehere.com>. Services include: Administration Tools, Default Domain, Daily System Backup during the term May 2010–March 2011, Weekly System Backup during the term April 2011–March 2012, and Patches.

PART 3. RELATED DOCUMENTATION: Not Applicable

PART 4. KEY PERSONNEL: Not Applicable

Schedule B – Fees and Expenses

1. MAXIMUM AMOUNT PAYABLE:

Despite sections 2 and 3 of this Schedule, \$11,400 is the maximum amount which the Province is obliged to pay to the Contractor for fees and expenses under this Agreement (exclusive of any applicable taxes described in section 3.1(c) of this Agreement).

2. FEES:

\$11,400 for performing the Services during the Term of this Agreement.

3. EXPENSES: None

4. STATEMENTS OF ACCOUNT:

In order to obtain payment of any fees and expenses under this Agreement, the Contractor must deliver to the Province on or before March 31st, 2011, a written statement of account in a form satisfactory to the Province containing:

- (a) the Contractor's legal name and address;
- (b) the date of the statement;
- (c) the Contractor's calculation of all fees claimed under this Agreement, including a declaration that the Services for which the Contractor claims fees have been completed;
- (d) a chronological listing, in reasonable detail, of any expenses claimed by the Contractor with receipts attached, if applicable, and, if the Contractor is claiming reimbursement of any HST or other applicable taxes paid or payable by the Contractor in relation to those expenses, a description of any credits, rebates, refunds or remissions the Contractor is entitled to from the relevant taxation authorities in relation to those taxes;
- (e) the Contractor's calculation of all applicable taxes payable by the Province in relation to the Services;
- (f) a description of this Agreement to which the statement relates;
- (g) a statement number for identification; and
- (h) any other billing information reasonably requested by the Province.

5. PAYMENTS DUE:

Within 30 days of the Province's receipt of the Contractor's written statement of account delivered in accordance with this Schedule, the Province must pay the Contractor the fees and expenses (plus all applicable taxes) claimed in the statement if they are in accordance with this Schedule. Statements of account or contract invoices offering an early payment discount may be paid by the Province as required to obtain the discount.

Schedule C – Approved Subcontractor(s): Not Applicable

Schedule D – Insurance

1. The Contractor must, without limiting the Contractor's obligation or liabilities and at the Contractor's own expense, purchase and maintain throughout the Term the following insurances with insurers licensed in Canada in forms and amounts acceptable to the Province:
 - (a) Commercial General Liability in an amount not less than \$2,000,000 inclusive per occurrence against bodily injury, personal injury and property damage and including liability assumed under this Agreement and this insurance must:
 - (i) include the Province as an additional insured,
 - (ii) be endorsed to provide the Province with 30 days advance written notice of cancellation or material change, and
 - (iii) include a cross liability clause; and
 - (b) Professional Errors and Omissions Liability insuring the Contractor's liability resulting from errors or omissions in the performance of the Services in an amount per occurrence, and in the aggregate, calculated as follows:
 - (i) not less than \$1,000,000, if the "Maximum Amount" set out in Schedule B is less than \$500,000; and
 - (ii) not less than \$2,000,000, if the "Maximum Amount" set out in Schedule B is \$500,000 or greater.
2. All insurance described in section 1 of this Schedule must:
 - (a) be primary; and
 - (b) not require the sharing of any loss by any insurer of the Province.
3. The Contractor must provide the Province with evidence of all required insurance as follows:
 - (a) within 10 Business Days of commencement of the Services, the Contractor must provide to the Province evidence of all required insurance in the form of a completed Province of British Columbia Certificate of Insurance;
 - (b) if any required insurance policy expires before the end of the Term, the Contractor must provide, within 10 Business Days of the policy's expiration, evidence of a new or renewal policy meeting the requirements of the expired insurance in the form of a completed Province of British Columbia Certificate of Insurance; and

- (c) despite paragraph (a) or (b) above, if requested by the Province at any time, the Contractor must provide to the Province certified copies of the required insurance policies.
- 4. Despite section 1(b) of this Schedule, if in the Province's sole discretion, the Province has approved in writing either a fronted self-insurance program or a duly licensed captive insurer as an alternative to the Professional Liability Insurance requirement set out in section 1(b), then the Contractor must maintain throughout the Term that alternative in accordance with the terms of the approval.

Schedule E – Privacy Protection Schedule

Definitions

- 1. In this Schedule,
 - (a) "access" means disclosure by the provision of access;
 - (b) "Act" means the *Freedom of Information and Protection of Privacy Act* (British Columbia);
 - (c) "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;
 - (d) "personal information" means recorded information about an identifiable individual, other than contact information, collected or created by the Contractor as a result of the Agreement or any previous agreement between the Province and the Contractor dealing with the same subject matter as the Agreement but excluding any such information that, if this Schedule did not apply to it, would not be under the "control of a public body" within the meaning of the Act.

Purpose

- 2. The purpose of this Schedule is to:
 - (a) enable the Province to comply with the Province's statutory obligations under the Act with respect to personal information; and
 - (b) ensure that, as a service provider, the Contractor is aware of and complies with the Contractor's 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, the Contractor may only collect or create personal information that is necessary for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.
- 4. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor 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, the Contractor must tell an individual from whom the Contractor 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 the Contractor's collection of personal information.

Accuracy of personal information

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

Requests for access to personal information

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

Correction of personal information

8. Within 5 Business Days of receiving a written direction from the Province to correct or annotate any personal information, the Contractor must correct or annotate the information in accordance with the direction.
9. When issuing a written direction under section 8, the Province must advise the Contractor of the date the correction request to which the direction relates was received by the Province in order that the Contractor may comply with section 10.
10. Within 5 business days of correcting or annotating any personal information under section 8, the Contractor 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, the Contractor disclosed the information being corrected or annotated.
11. If the Contractor receives a request for correction of personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

Protection of personal information

12. The Contractor 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, the Contractor 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, the Contractor 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, the Contractor may only use personal information if that use is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.

Disclosure of personal information

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

Notice of foreign demands for disclosure

18. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.2 of the Act, if in relation to personal information in the custody or under the control of the Contractor, the Contractor:
 - (a) receives a foreign demand for disclosure;
 - (b) receives a request to disclose, produce or provide access that the Contractor knows or has reason to suspect is for the purpose of responding to a foreign demand for disclosure; or
 - (c) has reason to suspect that an unauthorized disclosure of personal information has occurred in response to a foreign demand for disclosure

the Contractor must immediately notify the Province and, in so doing, provide the information described in section 30.2(3) of the Act. In this section, the phrases "foreign demand for disclosure" and "unauthorized disclosure of personal information" will bear the same meanings as in section 30.2 of the Act.

Notice of unauthorized disclosure

19. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.5 of the Act, if the Contractor knows that there has been an unauthorized disclosure of personal information in the custody or under the control of the Contractor, the Contractor must immediately notify the Province. In this section, the phrase "unauthorized disclosure of personal information" will bear the same meaning as in section 30.5 of the Act.

Inspection of personal information

20. 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 the Contractor, enter on the Contractor's premises to inspect any personal information in the possession of the Contractor or any of the Contractor's information management policies or practices relevant to the Contractor's management of personal information or the Contractor's compliance with this Schedule, and the Contractor must permit and provide reasonable assistance to any such inspection.

Compliance with the Act and directions

21. The Contractor must in relation to personal information comply with:
 - (a) the requirements of the Act applicable to the Contractor 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.
22. The Contractor 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

23. If for any reason the Contractor does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, the Contractor 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

24. 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 the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

Interpretation

25. In this Schedule, references to sections by number are to sections of this Schedule unless otherwise specified in this Schedule.
26. Any reference to the "Contractor" in this Schedule includes any subcontractor or agent retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors and agents comply with this Schedule.
27. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.
28. 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.
29. The Contractor must comply with the provisions of this Schedule despite any conflicting provision of this Agreement or, subject to section 30, the law of any jurisdiction outside Canada.
30. Nothing in this Schedule requires the Contractor to contravene the law of any jurisdiction outside Canada unless such contravention is required to comply with the Act.

Schedule F – Additional Terms: Not Applicable

Schedule G – Security Schedule: Not Applicable

CERTIFICATE OF INSURANCE

Freedom of Information and Protection of Privacy Act
The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Financial Administration Act*. Questions about the collection and use of this information can be directed to the Director, Client Services, Core Government and Crowns at 250 356-8915, PO Box 9405 STN PROV GOVT, Victoria BC V8W 9V1.
Please refer all other questions to the contact named in Part 1.

Part 1 To be completed by the Province

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO (Name of office) Public Affairs' Bureau		AGREEMENT IDENTIFICATION NO. C11PAB23896
PROVINCE'S CONTACT PERSON NAME & TITLE Dawn Stewart, Financial Services Officer		PHONE NO. 250 356-8595 FAX NO. 250 387-3534
MAILING ADDRESS PO Box 9409 STN PROV GOVT Victoria BC		POSTAL CODE V8W 9V1
CONTRACTOR NAME Backbone Technology Inc.		
CONTRACTOR ADDRESS 55 7 th Avenue East Vancouver, British Columbia		POSTAL CODE V5T 1M4

Part 2 To be completed by the Insurance Agent or Broker

INSURED	NAME Backbone Technology Inc.		
	ADDRESS #55 East 7 th Avenue, Vancouver BC		POSTAL CODE V5T 1M4
OPERATIONS INSURED	PROVIDE DETAILS Software Developer		
TYPE OF INSURANCE <i>List each separately</i>	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT
Commercial Property	Lloyd's Underwriters Under Agreement No. s.21 Policy No. s.21 Property & Liability	2012/03/03	\$ 502,000.
Commercial Liability	Lloyd's Underwriters Under Agreement No. s.21 Policy No. s.21 Property & Liability	2012/03/03	\$ 2,000,000.


This certificate certifies that policies of insurance described herein are in full force and effective as of the date of this certificate and comply with the insurance requirements of the Agreement identified above, except as follows:

AGENT OR BROKER COMMENTS:

Restricted Liability Endorsement

1/ Limitation of Coverage to Designated Premises 2/ Products & Completed Operations Exclusion

3/ Personal Injury Exclusion 4/ Professional Liability Exclusion

AGENT OR BROKERAGE FIRM Pemberton Insurance Corp.	ADDRESS #620 - 475 West Georgia Street, Vancouver, BC	PHONE NO. 604-682-3111
NAME OF AUTHORIZED AGENT OR BROKER (PRINT) Valerie Chow	SIGNATURE OF AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S) 	DATE SIGNED March 8, 2011

DIRECT AWARD JUSTIFICATION



FORM USAGE AND ROUTING:

This form must be completed by the contract manager to clearly document the justification for direct awarding a service contract and ensures compliance with government contract policy. The original completed and signed form must be retained in the program contract file.

P A R T 1	CONTRACT INFORMATION			
	Ministry: Citizen's Services		Program: Public Affairs Bureau	
	Contract Manager Name and Phone #: Carolynn Hunter 250-387-5033			
	Legal Contractor Name: Backbone Technology Inc.			
	Contract Value: \$11,400	Term: May 1, 2010 to March 31, 2012	STOB: 6309	Contract Type: <input checked="" type="checkbox"/> New <input type="checkbox"/> Multi-year <input type="checkbox"/> Renewal
Commonly Used Contract STOBs: 6001/02 - Operational - Fees/expenses for contracts that provide for a direct provision of goods or services in the delivery of government programs (e.g., project mgmt.). 6003/04 - Regulatory - Fees/expenses for contracts that provide for a direct provision of goods or services required by statute or regulation. 8020/21 - Education and Training - Fees/expenses for contracts that deliver training to government employees. 6101/02 - Advisory - Fees/expenses for contracts with the provision of advisory services to the ministry (e.g., management consulting). 6302 - Data Operations Non-WTS - Fees/expenses for contracts that provide for a direct provision of IT related goods/services in the delivery of government programs (e.g., data processing, operating lease rentals). 6309/10 - Data Consulting Non-WTS - Fees/expenses for consulting contracts related to information systems.				

P A R T 2	RATIONALE FOR ALL DIRECT AWARD CONTRACTS	
	1. Describe the services required and provide an explanation of why you need to acquire these services. Provide Expression Monthly Hosting of http://yougottabehere.com. Services Include: Administration Tools, Default Domain, Daily or Weekly System Backup, and Patches.	
	2. Under which Core Policy and Procedures Manual exception is this direct award request being made (see section 6.3.3)? <input type="checkbox"/> Public Sector Organization <input type="checkbox"/> Emergency <input type="checkbox"/> Sole Source <input type="checkbox"/> Confidentiality <input type="checkbox"/> Sole Source - Notice of Intent <input type="checkbox"/> No Exceptions Apply - \$25,000 or Greater <input type="checkbox"/> Security, Order, etc. <input checked="" type="checkbox"/> No Exceptions Apply - Less than \$25,000	
	3. Explain the reasons why this contract meets the criteria of the above selection (i.e., how would a competitive process compromise government confidentiality, cause economic disaster or be contrary to the public interest)? The contract was direct awarded in accordance with Core Policy Manual 6.3.2.c.6 – direct award under \$25k. The contract is less than \$25k and undertaking a competitive process is not considered reasonable or cost effective. Services required immediately. Contractor has proven experience in providing these services.	
	4. Has your program used these services in the past? If yes, who was the vendor and was the opportunity competitively bid or direct awarded? Provide the most recent date and contract value. Not applicable	
	5. Will this purchase obligate government to this vendor for future purchases (e.g., maintenance, licensing or continuing need)? If yes, provide details. Not applicable	
6. Were alternative vendors evaluated? If yes, who were they and why were they unacceptable? If no, why were alternatives not evaluated? Not applicable		

P A R T 3	ADDITIONAL RATIONALE FOR SOLE SOURCE CONTRACTS ONLY	
	1. Why is the requested vendor the only one that can meet your requirements? Provide specific, quantifiable factors and/or qualifications and explain why they are necessary. Not applicable	
	2. What other suppliers did you consider before arriving at the conclusion that the sole source direct award criteria was met and the requested vendor was the only one that met your needs? Not applicable	

P A R T 4	APPROVALS	
	CONTRACT MANAGER – Carolynn Hunter  Signature & Date	EXPENSE AUTHORITY Denise Champion 2011/03/17  Signature & Date

GENERAL SERVICE AGREEMENT



The Best Place on Earth

For Administrative Purposes Only

Ministry Contract No.: C11PAB23852

Requisition No.: 23852

Solicitation No.(if applicable): _____

Commodity Code: AS.AS16

Contractor Information

Supplier Name: Backbone IT Services Inc.

Supplier No.: 194769

Telephone No.: 604 713-8560

E-mail Address: marcus@backbonetechnology.com

Website

Financial Information

Client: 112

Responsibility Centre: 32348

Service Line: 34420

STOB: 6309

Project: 32N0213

Template version: September 29, 2010

TABLE OF CONTENTS

No.	Heading	Page
1.	Definitions.....	1
	1.1 General.....	1
	1.2 Meaning of "record".....	1
2.	Services.....	1
	2.1 Provision of services	2
	2.2 Term	2
	2.3 Supply of various items.....	2
	2.4 Standard of care.....	2
	2.5 Standards in relation to persons performing Services	2
	2.6 Instructions by Province.....	2
	2.7 Confirmation of non-written instructions.....	2
	2.8 Effectiveness of non-written instructions	2
	2.9 Applicable laws	2
3.	Payment.....	2
	3.1 Fees and expenses	2
	3.2 Statements of accounts	3
	3.3 Withholding of amounts	3
	3.4 Appropriation.....	3
	3.5 Currency.....	3
	3.6 Non-resident income tax	3
	3.7 Prohibition against committing money.....	3
	3.8 Refunds of taxes.....	3
4.	Representations and Warranties.....	4
5.	Privacy, Security and Confidentiality	4
	5.1 Privacy	4
	5.2 Security	4
	5.3 Confidentiality.....	4
	5.4 Public announcements.....	5
	5.5 Restrictions on promotion.....	5
6.	Material and Intellectual Property.....	5
	6.1 Access to Material	5
	6.2 Ownership and delivery of Material	5
	6.3 Matters respecting intellectual property	5
	6.4 Rights relating to Incorporated Material.....	5

7.	Records and Reports	5
7.1	Work reporting	5
7.2	Time and expense records.....	6
8.	Audit.....	6
9.	Indemnity and Insurance.....	6
9.1	Indemnity	6
9.2	Insurance	6
9.3	Workers compensation.....	6
9.4	Personal optional protection.....	6
9.5	Evidence of coverage	6
10.	Force Majeure.....	7
10.1	Definitions relating to force majeure	7
10.2	Consequence of Event of Force Majeure.....	7
10.3	Duties of Affected Party	7
11.	Default and Termination	7
11.1	Definitions relating to default and termination	7
11.2	Province's options on default	8
11.3	Delay not a waiver	8
11.4	Province's right to terminate other than for default.....	8
11.5	Payment consequences of termination.....	8
11.6	Discharge of liability	8
11.7	Notice in relation to Events of Default	8
12.	Dispute Resolution	9
12.1	Dispute resolution process.....	9
12.2	Location of arbitration or mediation.....	9
12.3	Costs of mediation or arbitration	9
13.	Miscellaneous	9
13.1	Delivery of notices.....	9
13.2	Change of address or fax number	9
13.3	Assignment	9
13.4	Subcontracting	10
13.5	Waiver.....	10
13.6	Modifications	10
13.7	Entire agreement	10
13.8	Survival of certain provisions.....	10
13.9	Schedules.....	10
13.10	Independent contractor	10
13.11	Personnel not to be employees of Province	10

13.12	Key Personnel	11
13.13	Pertinent Information	11
13.14	Conflict of interest	11
13.15	Time.....	11
13.16	Conflicts among provisions	11
13.17	Agreement not permit nor fetter	11
13.18	Remainder not affected by invalidity	11
13.19	Further assurances	11
13.20	Additional terms	11
13.21	Governing law	12
14.	Interpretation	12
15.	Execution and Delivery of Agreement	12

SCHEDULE A – SERVICES

- Part 1 - Term
- Part 2 - Services
- Part 3 - Related Documentation
- Part 4 - Key Personnel

SCHEDULE B – FEES AND EXPENSES

- Part 1 - Maximum Amount Payable
- Part 2 - Fees
- Part 3 - Expenses
- Part 4 - Statements of Account
- Part 5 - Payments Due

SCHEDULE C – APPROVED SUBCONTRACTOR(S)

SCHEDULE D – INSURANCE

SCHEDULE E – PRIVACY PROTECTION SCHEDULE

SCHEDULE F – ADDITIONAL TERMS

SCHEDULE G – SECURITY SCHEDULE

THIS AGREEMENT is dated for reference the 1st day of March, 2011.

BETWEEN:

Backbone Technology Inc. (the "Contractor") with the following specified address and fax number:
55 East 7th Avenue, Vancouver, BC, V5T 1M4
604 713-8560

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Citizens' Services, Public Affairs Bureau (the "Province") with the following specified address and fax number:
4th Floor, 617 Government Street, Victoria British Columbia, Canada, V8W 9V1
250 387-3534

The Province wishes to retain the Contractor to provide the services specified in Schedule A and, in consideration for the remuneration set out in Schedule B, the Contractor has agreed to provide those services, on the terms and conditions set out in this Agreement.

As a result, the Province and the Contractor agree as follows:

1 DEFINITIONS

General

1.1 In this Agreement, unless the context otherwise requires:

- (a) "Business Day" means a day, other than a Saturday or Sunday, on which Provincial government offices are open for normal business in British Columbia;
- (b) "Incorporated Material" means 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 the Contractor or a Subcontractor;
- (c) "Material" means the Produced Material and the Received Material;
- (d) "Produced Material" means records, software and other material, whether complete or not, that, as a result of this Agreement, are produced by the Contractor or a Subcontractor and includes the Incorporated Material;
- (e) "Received Material" means records, software and other material, whether complete or not, that, as a result of this Agreement, are received by the Contractor or a Subcontractor from the Province or any other person;
- (f) "Services" means the services described in Part 2 of Schedule A;
- (g) "Subcontractor" means a person described in paragraph (a) or (b) of section 13.4; and
- (h) "Term" means the term of the Agreement described in Part 1 of Schedule A subject to that term ending earlier in accordance with this Agreement.

Meaning of "record"

1.2 The definition of "record" in the *Interpretation Act* is incorporated into this Agreement and "records" will bear a corresponding meaning.

2 SERVICES

Provision of services

2.1 The Contractor must provide the Services in accordance with this Agreement.

Term

- 2.2 Regardless of the date of execution or delivery of this Agreement, the Contractor must provide the Services during the Term.

Supply of various items

- 2.3 Unless the parties otherwise agree in writing, the Contractor must supply and pay for all labour, materials, equipment, tools, facilities, approvals and licenses necessary or advisable to perform the Contractor's obligations under this Agreement, including the license under section 6.4.

Standard of care

- 2.4 Unless otherwise specified in this Agreement, the Contractor 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.

Standards in relation to persons performing Services

- 2.5 The Contractor must ensure that all persons employed or retained to perform the Services are qualified and competent to perform them and are properly trained, instructed and supervised.

Instructions by Province

- 2.6 The Province may from time to time give the Contractor reasonable instructions (in writing or otherwise) as to the performance of the Services. The Contractor must comply with those instructions but, unless otherwise specified in this Agreement, the Contractor may determine the manner in which the instructions are carried out.

Confirmation of non-written instructions

- 2.7 If the Province provides an instruction under section 2.6 other than in writing, the Contractor may request that the instruction be confirmed by the Province in writing, which request the Province must comply with as soon as it is reasonably practicable to do so.

Effectiveness of non-written instructions

- 2.8 Requesting written confirmation of an instruction under section 2.7 does not relieve the Contractor from complying with the instruction at the time the instruction was given.

Applicable laws

- 2.9 In the performance of the Contractor's obligations under this Agreement, the Contractor must comply with all applicable laws.

3 PAYMENT

Fees and expenses

- 3.1 If the Contractor complies with this Agreement, then the Province must pay to the Contractor at the times and on the conditions set out in Schedule B:
- (a) the fees described in that Schedule;
 - (b) the expenses, if any, described in that Schedule if they are supported, where applicable, by proper receipts and, in the Province's opinion, are necessarily incurred by the Contractor in providing the Services; and

- (c) any applicable taxes payable by the Province under law or agreement with the relevant taxation authorities on the fees and expenses described in paragraphs (a) and (b).

The Province is not obliged to pay to the Contractor more than the "Maximum Amount" specified in Schedule B on account of fees and expenses.

Statements of accounts

- 3.2 In order to obtain payment of any fees and expenses under this Agreement, the Contractor must submit to the Province a written statement of account in a form satisfactory to the Province upon completion of the Services or at other times described in Schedule B.

Withholding of amounts

- 3.3 Without limiting section 9.1, the Province may withhold from any payment due to the Contractor an amount sufficient to indemnify, in whole or in part, the Province and its employees and agents against any liens or other third-party claims that have arisen or could arise in connection with the provision of the Services. An amount withheld under this section must be promptly paid by the Province to the Contractor upon the basis for withholding the amount having been fully resolved to the satisfaction of the Province.

Appropriation

- 3.4 The Province's obligation to pay money to the Contractor 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.

Currency

- 3.5 Unless otherwise specified in this Agreement, all references to money are to Canadian dollars.

Non-resident income tax

- 3.6 If the Contractor is not a resident in Canada, the Contractor acknowledges that the Province may be required by law to withhold income tax from the fees described in Schedule B and then to remit that tax to the Receiver General of Canada on the Contractor's behalf.

Prohibition against committing money

- 3.7 Without limiting section 13.10(a), the Contractor must not in relation to performing the Contractor's obligations under this Agreement commit or purport to commit the Province to pay any money except as may be expressly provided for in this Agreement.

Refunds of taxes

- 3.8 The Contractor must:
- (a) apply for, and use reasonable efforts to obtain, any available refund, credit, rebate or remission of federal, provincial or other tax or duty imposed on the Contractor as a result of this Agreement that the Province has paid or reimbursed to the Contractor or agreed to pay or reimburse to the Contractor under this Agreement; and
 - (b) immediately on receiving, or being credited with, any amount applied for under paragraph (a), remit that amount to the Province.

4 REPRESENTATIONS AND WARRANTIES

4.1 As at the date this Agreement is executed and delivered by, or on behalf of, the parties, the Contractor represents and warrants to the Province as follows:

- (a) except to the extent the Contractor has previously disclosed otherwise in writing to the Province,
 - (i) all information, statements, documents and reports furnished or submitted by the Contractor to the Province in connection with this Agreement (including as part of any competitive process resulting in this Agreement being entered into) are in all material respects true and correct,
 - (ii) the Contractor has sufficient trained staff, facilities, materials, appropriate equipment and approved subcontractual agreements in place and available to enable the Contractor to fully perform the Services, and
 - (iii) the Contractor holds all permits, licenses, approvals and statutory authorities issued by any government or government agency that are necessary for the performance of the Contractor's obligations under this Agreement; and
- (b) if the Contractor is not an individual,
 - (i) the Contractor has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement and all necessary corporate or other proceedings have been taken and done to authorize the execution and delivery of this Agreement by, or on behalf of, the Contractor, and
 - (ii) this Agreement has been legally and properly executed by, or on behalf of, the Contractor and is legally binding upon and enforceable against the Contractor in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

5 PRIVACY, SECURITY AND CONFIDENTIALITY

Privacy

5.1 The Contractor must comply with the Privacy Protection Schedule attached as Schedule E.

Security

5.2 The Contractor must:

- (a) make reasonable security arrangements to protect the Material from unauthorized access, collection, use, disclosure, alteration or disposal; and
- (b) comply with the Security Schedule attached as Schedule G.

Confidentiality

5.3 The Contractor must treat as confidential all information in the Material and all other information accessed or obtained by the Contractor or a Subcontractor (whether verbally, electronically or otherwise) as a result of this Agreement, and not permit its disclosure or use without the Province's prior written consent except:

- (a) as required to perform the Contractor's obligations under this Agreement or to comply with applicable laws;
- (b) if it is information that is generally known to the public other than as result of a breach of this Agreement; or
- (c) if it is information in any Incorporated Material.

Public announcements

- 5.4 Any public announcement relating to this Agreement will be arranged by the Province and, if such consultation is reasonably practicable, after consultation with the Contractor.

Restrictions on promotion

- 5.5 The Contractor must not, without the prior written approval of the Province, refer for promotional purposes to the Province being a customer of the Contractor or the Province having entered into this Agreement.

6 MATERIAL AND INTELLECTUAL PROPERTY

Access to Material

- 6.1 If the Contractor 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 the Contractor to provide that access, the Contractor must promptly advise the person to make the request to the Province.

Ownership and delivery of Material

- 6.2 The Province exclusively owns all property rights in the Material which are not intellectual property rights. The Contractor must deliver any Material to the Province immediately upon the Province's request.

Matters respecting intellectual property

- 6.3 The Province exclusively owns all intellectual property rights, including copyright, in:

- (a) Received Material that the Contractor receives from the Province; and
- (b) Produced Material, other than any Incorporated Material.

Upon the Province's request, the Contractor must deliver to the Province documents satisfactory to the Province that irrevocably waive in the Province's favour any moral rights which the Contractor (or employees of the Contractor) or a Subcontractor (or employees of a Subcontractor) may have in the Produced Material and that confirm the vesting in the Province of the copyright in the Produced Material, other than any Incorporated Material.

Rights in relation to Incorporated Material

- 6.4 Upon any Incorporated Material being embedded or incorporated in the Produced Material and to the extent that it remains so embedded or incorporated, the Contractor grants to the Province:
- (a) a non-exclusive, perpetual, irrevocable, royalty-free, worldwide license to use, reproduce, modify and distribute that Incorporated Material; and
 - (b) the right to sublicense to third-parties the right to use, reproduce, modify and distribute that Incorporated Material.

7 RECORDS AND REPORTS

Work reporting

- 7.1 Upon the Province's request, the Contractor must fully inform the Province of all work done by the Contractor or a Subcontractor in connection with providing the Services.

Time and expense records

- 7.2 If Schedule B provides for the Contractor to be paid fees at a daily or hourly rate or for the Contractor to be paid or reimbursed for expenses, the Contractor must maintain time records and books of account, invoices, receipts and vouchers of expenses in support of those payments, in form and content satisfactory to the Province. Unless otherwise specified in this Agreement, the Contractor must retain such documents for a period of not less than seven years after this Agreement ends.

8 AUDIT

- 8.1 In addition to any other rights of inspection the Province may have under statute or otherwise, the Province may at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect and, at the Province's discretion, copy any of the Material and the Contractor must permit, and provide reasonable assistance to, the exercise by the Province of the Province's rights under this section.

9 INDEMNITY AND INSURANCE

Indemnity

- 9.1 The Contractor must indemnify and save harmless the Province and the Province's employees and agents from any losses, claims, damages, actions, causes of action, costs and expenses that the Province 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, including any claim of infringement of third-party intellectual property rights, where the same or any of them are based upon, arise out of or occur, directly or indirectly, by reason of any act or omission by the Contractor or by any of the Contractor's agents, employees, officers, directors or Subcontractors in connection with this Agreement, excepting always liability arising out of the independent acts or omissions of the Province and the Province's employees and agents.

Insurance

- 9.2 The Contractor must comply with the Insurance Schedule attached as Schedule D.

Workers compensation

- 9.3 Without limiting the generality of section 2.9, the Contractor must comply with, and must ensure that any Subcontractors comply with, all applicable occupational health and safety laws in relation to the performance of the Contractor's obligations under this Agreement, including the *Workers Compensation Act* in British Columbia or similar laws in other jurisdictions.

Personal optional protection

- 9.4 The Contractor must apply for and maintain personal optional protection insurance (consisting of income replacement and medical care coverage) during the Term at the Contractor's expense if:
- (a) the Contractor is an individual or a partnership of individuals and does not have the benefit of mandatory workers compensation coverage under the *Workers Compensation Act* or similar laws in other jurisdictions; and
 - (b) such personal optional protection insurance is available for the Contractor from WorkSafeBC or other sources.

Evidence of coverage

- 9.5 Within 10 Business Days of being requested to do so by the Province, the Contractor must provide the Province with evidence of the Contractor's compliance with sections 9.3 and 9.4.

10 FORCE MAJEURE

Definitions relating to force majeure

10.1 In this section and sections 10.2 and 10.3:

- (a) "Event of Force Majeure" means one of the following events:
 - (i) a natural disaster, fire, flood, storm, epidemic or power failure,
 - (ii) a war (declared and undeclared), insurrection or act of terrorism or piracy,
 - (iii) a strike (including illegal work stoppage or slowdown) or lockout, or
 - (iv) a freight embargoif the event prevents a party from performing the party's obligations in accordance with this Agreement and is beyond the reasonable control of that party; and
- (b) "Affected Party" means a party prevented from performing the party's obligations in accordance with this Agreement by an Event of Force Majeure.

Consequence of Event of Force Majeure

10.2 An Affected Party is not liable to the other party for any failure or delay in the performance of the Affected Party's obligations under this Agreement resulting from an Event of Force Majeure and any time periods for the performance of such obligations are automatically extended for the duration of the Event of Force Majeure provided that the Affected Party complies with the requirements of section 10.3.

Duties of Affected Party

10.3 An Affected Party must promptly notify the other party in writing upon the occurrence of the Event of Force Majeure and make all reasonable efforts to prevent, control or limit the effect of the Event of Force Majeure so as to resume compliance with the Affected Party's obligations under this Agreement as soon as possible.

11 DEFAULT AND TERMINATION

Definitions relating to default and termination

11.1 In this section and sections 11.2 to 11.4:

- (a) "Event of Default" means any of the following:
 - (i) an Insolvency Event,
 - (ii) the Contractor fails to perform any of the Contractor's obligations under this Agreement, or
 - (iii) any representation or warranty made by the Contractor in this Agreement is untrue or incorrect; and
- (b) "Insolvency Event" means any of the following:
 - (i) an order is made, a resolution is passed or a petition is filed, for the Contractor's liquidation or winding up,
 - (ii) the Contractor commits an act of bankruptcy, makes an assignment for the benefit of the Contractor's creditors or otherwise acknowledges the Contractor's insolvency,
 - (iii) a bankruptcy petition is filed or presented against the Contractor or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by the Contractor,
 - (iv) a compromise or arrangement is proposed in respect of the Contractor under the *Companies' Creditors Arrangement Act* (Canada),
 - (v) a receiver or receiver-manager is appointed for any of the Contractor's property, or

- (vi) the Contractor ceases, in the Province's reasonable opinion, to carry on business as a going concern.

Province's options on default

- 11.2 On the happening of an Event of Default, or at any time thereafter, the Province may, at its option, elect to do any one or more of the following:
- (a) by written notice to the Contractor, require that the Event of Default be remedied within a time period specified in the notice;
 - (b) pursue any remedy or take any other action available to it at law or in equity; or
 - (c) by written notice to the Contractor, terminate this Agreement with immediate effect or on a future date specified in the notice, subject to the expiration of any time period specified under section 11.2(a).

Delay not a waiver

- 11.3 No failure or delay on the part of the Province to exercise its rights in relation to an Event of Default will constitute a waiver by the Province of such rights.

Province's right to terminate other than for default

- 11.4 In addition to the Province's right to terminate this Agreement under section 11.2(c) on the happening of an Event of Default, the Province may terminate this Agreement for any reason by giving at least 10 days' written notice of termination to the Contractor.

Payment consequences of termination

- 11.5 Unless Schedule B otherwise provides, if the Province terminates this Agreement under section 11.4:
- (a) the Province must, within 30 days of such termination, pay to the Contractor any unpaid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that was completed to the Province's satisfaction before termination of this Agreement; and
 - (b) the Contractor must, within 30 days of such termination, repay to the Province any paid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that the Province has notified the Contractor in writing was not completed to the Province's satisfaction before termination of this Agreement.

Discharge of liability

- 11.6 The payment by the Province of the amount described in section 11.5(a) discharges the Province from all liability to make payments to the Contractor under this Agreement.

Notice in relation to Events of Default

- 11.7 If the Contractor becomes aware that an Event of Default has occurred or anticipates that an Event of Default is likely to occur, the Contractor must promptly notify the Province of the particulars of the Event of Default or anticipated Event of Default. A notice under this section as to the occurrence of an Event of Default must also specify the steps the Contractor proposes to take to address, or prevent recurrence of, the Event of Default. A notice under this section as to an anticipated Event of Default must specify the steps the Contractor proposes to take to prevent the occurrence of the anticipated Event of Default.

12 DISPUTE RESOLUTION

Dispute resolution process

- 12.1 In the event of any dispute between the parties arising out of or in connection with this Agreement, the following dispute resolution process will apply unless the parties otherwise agree in writing:
- (a) the parties must initially attempt to resolve the dispute through collaborative negotiation;
 - (b) if the dispute is not resolved through collaborative negotiation within 15 Business Days of the dispute arising, the parties must then attempt to resolve the dispute through mediation under the rules of the British Columbia Mediator Roster Society; and
 - (c) if the dispute is not resolved through mediation within 30 Business Days of the commencement of mediation, the dispute must be referred to and finally resolved by arbitration under the *Commercial Arbitration Act*.

Location of arbitration or mediation

- 12.2 Unless the parties otherwise agree in writing, an arbitration or mediation under section 12.1 will be held in Victoria, British Columbia.

Costs of mediation or arbitration

- 12.3 Unless the parties otherwise agree in writing or, in the case of an arbitration, the arbitrator otherwise orders, the parties must share equally the costs of a mediation or arbitration under section 12.1 other than those costs relating to the production of expert evidence or representation by counsel.

13 MISCELLANEOUS

Delivery of notices

- 13.1 Any notice contemplated by this Agreement, to be effective, must be in writing and delivered as follows:
- (a) by fax to the addressee's fax number specified on the first page of this Agreement, in which case it will be deemed to be received on the day of transmittal unless transmitted after the normal business hours of the addressee or on a day that is not a Business Day, in which cases it will be deemed to be received on the next following Business Day;
 - (b) by hand to the addressee's address specified on the first page of this Agreement, in which case it will be deemed to be received on the day of its delivery; or
 - (c) by prepaid post to the addressee's address specified on the first page of this Agreement, in which case if mailed during any period when normal postal services prevail, it will be deemed to be received on the fifth Business Day after its mailing.

Change of address or fax number

- 13.2 Either party may from time to time give notice to the other party of a substitute address or fax number, which from the date such notice is given will supersede for purposes of section 13.1 any previous address or fax number specified for the party giving the notice.

Assignment

- 13.3 The Contractor must not assign any of the Contractor's rights under this Agreement without the Province's prior written consent.

Subcontracting

- 13.4 The Contractor must not subcontract any of the Contractor's obligations under this Agreement to any person without the Province's prior written consent, excepting persons listed in the attached Schedule C. No subcontract, whether consented to or not, relieves the Contractor from any obligations under this Agreement. The Contractor must ensure that:
- (a) any person retained by the Contractor to perform obligations under this Agreement; and
 - (b) any person retained by a person described in paragraph (a) to perform those obligations fully complies with this Agreement in performing the subcontracted obligations.

Waiver

- 13.5 A waiver of any term or breach of this Agreement is effective only if it is in writing and signed by, or on behalf of, the waiving party and is not a waiver of any other term or breach.

Modifications

- 13.6 No modification of this Agreement is effective unless it is in writing and signed by, or on behalf of, the parties.

Entire agreement

- 13.7 This Agreement (including any modification of it) constitutes the entire agreement between the parties as to performance of the Services.

Survival of certain provisions

- 13.8 Sections 2.9, 3.1 to 3.4, 3.7, 3.8, 5.1 to 5.5, 6.1 to 6.4, 7.1, 7.2, 8.1, 9.1, 9.2, 9.5, 10.1 to 10.3, 11.2, 11.3, 11.5, 11.6, 12.1 to 12.3, 13.1, 13.2, 13.8, and 13.10, any accrued but unpaid payment obligations, and any other sections of this Agreement (including schedules) which, by their terms or nature, are intended to survive the completion of the Services or termination of this Agreement, will continue in force indefinitely, even after this Agreement ends.

Schedules

- 13.9 The schedules to this Agreement (including any appendices or other documents attached to, or incorporated by reference into, those schedules) are part of this Agreement.

Independent contractor

- 13.10 In relation to the performance of the Contractor's obligations under this Agreement, the Contractor is an independent contractor and not:

- (a) an employee or partner of the Province; or
- (b) an agent of the Province except as may be expressly provided for in this Agreement.

The Contractor must not act or purport to act contrary to this section.

Personnel not to be employees of Province

- 13.11 The Contractor must not do anything that would result in personnel hired or used by the Contractor or a Subcontractor in relation to providing the Services being considered employees of the Province.

Key Personnel

- 13.12 If one or more individuals are specified as "Key Personnel" of the Contractor in Part 4 of Schedule A, the Contractor must cause those individuals to perform the Services on the Contractor's behalf, unless the Province otherwise approves in writing, which approval must not be unreasonably withheld.

Pertinent information

- 13.13 The Province must make available to the Contractor all information in the Province's possession which the Province considers pertinent to the performance of the Services.

Conflict of interest

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

Time

- 13.15 Time is of the essence in this Agreement and, without limitation, will remain of the essence after any modification or extension of this Agreement, whether or not expressly restated in the document effecting the modification or extension.

Conflicts among provisions

- 13.16 Conflicts among provisions of this Agreement will be resolved as follows:
- (a) a provision in the body of this Agreement will prevail over any conflicting provision in, attached to or incorporated by reference into a schedule, unless that conflicting provision expressly states otherwise; and
 - (b) a provision in a schedule will prevail over any conflicting provision in a document attached to or incorporated by reference into a schedule, unless the schedule expressly states otherwise.

Agreement not permit nor fetter

- 13.17 This Agreement does not operate as a permit, license, approval or other statutory authority which the Contractor 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, or fettering in any manner, the exercise by the Province or its agencies of any statutory, prerogative, executive or legislative power or duty.

Remainder not affected by invalidity

- 13.18 If any provision of this Agreement or the application of it 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 will not be affected or impaired and will be valid and enforceable to the extent permitted by law.

Further assurances

- 13.19 Each party must perform the acts, execute and deliver the writings, and give the assurances as may be reasonably necessary to give full effect to this Agreement.

Additional terms

- 13.20 Any additional terms set out in the attached Schedule F apply to this Agreement.

Governing law

13.21 This Agreement is governed by, and is to be interpreted and construed in accordance with, the laws applicable in British Columbia.

14 INTERPRETATION

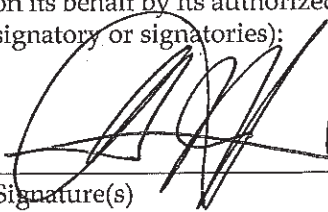

14.1 In this Agreement:

- (a) "includes" and "including" are not intended to be limiting;
- (b) unless the context otherwise requires, references to sections by number are to sections of this Agreement;
- (c) the Contractor and the Province are referred to as "the parties" and each of them as a "party";
- (d) "attached" means attached to this Agreement when used in relation to a schedule;
- (e) unless otherwise specified, a reference to a statute by name means the statute of British Columbia by that name, as amended or replaced from time to time;
- (f) the headings have been inserted for convenience of reference only and are not intended to describe, enlarge or restrict the scope or meaning of this Agreement or any provision of it;
- (g) "person" includes an individual, partnership, corporation or legal entity of any nature; and
- (h) unless the context otherwise requires, words expressed in the singular include the plural and *vice versa*.

15 EXECUTION AND DELIVERY OF AGREEMENT

15.1 This Agreement may be entered into by a separate copy of this Agreement being executed by, or on behalf of, each party and that executed copy being delivered to the other party by a method provided for in section 13.1 or any other method agreed to by the parties.

The parties have executed this Agreement as follows:

<p>SIGNED on the <u>25</u> day of <u>FEBRUARY</u>, 20<u>11</u> by the Contractor (or, if not an individual, on its behalf by its authorized signatory or signatories):</p> <p></p> <p>Signature(s)</p> <p><u>MARC CHARAUNBOUO</u></p> <p>Print Name(s)</p> <p><u>PRESIDENT</u></p> <p>Print Title(s)</p>	<p>SIGNED on the <u>14</u> day of <u>MARCH</u>, 20<u>11</u> on behalf of the Province by its duly authorized representative:</p> <p></p> <p>Signature</p> <p><u>Denise Champion</u></p> <p>Print Name</p> <p><u>Executive Director</u></p> <p>Print Title</p>
---	---

Schedule A – Services

PART 1. TERM:

1. The term of this Agreement commences on March 1, 2011 and ends February 29th, 2012.

PART 2. SERVICES:

The Contractor will provide the Services as outlined in the attached "Appendix 3 Proposal excerpt – "Newsroom Moveable Type Server Set-up & Hosting."

PART 3. RELATED DOCUMENTATION:

1. The Contractor must perform the Services in accordance with the obligations set out in this Schedule A including any engagement letter, Solicitation document excerpt, proposal excerpt or other documentation attached as an Appendix to, or specified as being incorporated by reference in, this Schedule.
2. The following are Appendices to this Schedule A: Appendix 3 – Proposal excerpt – "Newsroom Moveable Type Server Set-up & Hosting."

PART 4 KEY PERSONNEL: Not applicable.

Schedule B – Fees and Expenses

1. MAXIMUM AMOUNT PAYABLE:

Maximum Amount: Despite sections 2 and 3 of this Schedule, \$43,085 is the maximum amount which the Province is obliged to pay to the Contractor for fees and expenses under this Agreement (exclusive of any applicable taxes described in section 3.1(c) of this Agreement), for the first year of this agreement.

2. FEES:

One-time fee of \$21 and \$21 per month for Hosting Services, for performing the Services during the term of this agreement.

3. EXPENSES:

Expenses:

Not applicable.

4. STATEMENTS OF ACCOUNT:

Statements of Account: In order to obtain payment of any fees and expenses under this Agreement, you must deliver to us on the last day of each month, the Billing Periods (each a "Billing Date"), a written statement of account in a form satisfactory to the Province containing:

- a. the Contractor's legal name and address;
- b. the date of the statement, and the Billing Period to which the statement pertains;
- c. the Contractor's calculation of all fees claimed for that Billing Period, including a declaration by the Contractor of all hours worked during the Billing Period, for which the Contractor claims fees and a description of the applicable fee rates;

- d. a chronological listing, in reasonable detail, of any expenses claimed by the Contractor for the Billing Period with receipts attached, if applicable, and, if the Contractor is claiming reimbursement of any HST or other applicable taxes paid or payable by the Contractor in relation to those expenses, a description of any credits, rebates, refunds or remissions the Contractor is entitled to from the relevant taxation authorities in relation to those taxes;
- e. the Contractor's calculation of any applicable taxes payable by the Province in relation to the Services for the Billing Period;
- f. a description of this Agreement;
- g. a statement number for identification; and
- h. any other billing information reasonably requested by the Province.

5. PAYMENTS DUE:

Payments Due: Within 30 days of the Province's receipt of the Contractor's written statement of account delivered in accordance with this Schedule, the Province must pay the Contractor the fees and expenses (plus all applicable taxes), claimed in the statement if they are in accordance with this Schedule. Statements of account or contract invoices offering an early payment discount may be paid by the Province as required to obtain the discount.

Schedule C – Approved Subcontractor(s)

The province reserves the right to approve all sub-contractors, if sub-contracting applies.

Schedule D – Insurance

1. The Contractor must, without limiting the Contractor's obligation or liabilities and at the Contractor's own expense, purchase and maintain throughout the Term the following insurances with insurers licensed in Canada in forms and amounts acceptable to the Province:
 - (a) Commercial General Liability in an amount not less than \$2,000,000 inclusive per occurrence against bodily injury, personal injury and property damage and including liability assumed under this Agreement and this insurance must:
 - (i) include the Province as an additional insured,
 - (ii) be endorsed to provide the Province with 30 days advance written notice of cancellation or material change, and
 - (iii) include a cross liability clause; and
 - (b) Professional Errors and Omissions Liability insuring the Contractor's liability resulting from errors or omissions in the performance of the Services in an amount per occurrence, and in the aggregate, calculated as follows:
 - (i) not less than \$1,000,000, if the "Maximum Amount" set out in Schedule B is less than \$500,000; and
 - (ii) not less than \$2,000,000, if the "Maximum Amount" set out in Schedule B is \$500,000 or greater.
2. All insurance described in section 1 of this Schedule must:
 - (a) be primary; and

- (b) not require the sharing of any loss by any insurer of the Province.
3. The Contractor must provide the Province with evidence of all required insurance as follows:
- (a) within 10 Business Days of commencement of the Services, the Contractor must provide to the Province evidence of all required insurance in the form of a completed Province of British Columbia Certificate of Insurance;
 - (b) if any required insurance policy expires before the end of the Term, the Contractor must provide, within 10 Business Days of the policy's expiration, evidence of a new or renewal policy meeting the requirements of the expired insurance in the form of a completed Province of British Columbia Certificate of Insurance; and
 - (c) despite paragraph (a) or (b) above, if requested by the Province at any time, the Contractor must provide to the Province certified copies of the required insurance policies.
4. Despite section 1(b) of this Schedule, if in the Province's sole discretion, the Province has approved in writing either a fronted self-insurance program or a duly licensed captive insurer as an alternative to the Professional Liability Insurance requirement set out in section 1(b), then the Contractor must maintain throughout the Term that alternative in accordance with the terms of the approval.

Schedule E – Privacy Protection Schedule

Definitions

1. In this Schedule,
- (a) "access" means disclosure by the provision of access;
 - (b) "Act" means the *Freedom of Information and Protection of Privacy Act*;
 - (c) "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;
 - (d) "personal information" means recorded information about an identifiable individual, other than contact information, collected or created by the Contractor as a result of the Agreement or any previous agreement between the Province and the Contractor dealing with the same subject matter as the Agreement but excluding any such information that, if this Schedule did not apply to it, would not be under the "control of a public body" within the meaning of the Act.

Purpose

2. The purpose of this Schedule is to:
- (a) enable the Province to comply with the Province's statutory obligations under the Act with respect to personal information; and
 - (b) ensure that, as a service provider, the Contractor is aware of and complies with the Contractor's 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, the Contractor may only collect or create personal information that is necessary for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.
4. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor 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, the Contractor must tell an individual from whom the Contractor 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 the Contractor's collection of personal information.

Accuracy of personal information

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

Requests for access to personal information

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

Correction of personal information

8. Within 5 business days of receiving a written direction from the Province to correct or annotate any personal information, the Contractor must annotate or correct the information in accordance with the direction.
9. When issuing a written direction under section 8, the Province must advise the Contractor of the date the correction request to which the direction relates was received by the Province in order that the Contractor may comply with section 10.
10. Within 5 business days of correcting or annotating any personal information under section 8, the Contractor 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, the Contractor disclosed the information being corrected or annotated.
11. If the Contractor receives a request for correction of personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

Protection of personal information

12. The Contractor 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, the Contractor 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, the Contractor 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, the Contractor may only use personal information if that use is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.

Disclosure of personal information

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

Notice of foreign demands for disclosure

18. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.2 of the Act, if in relation to personal information in the custody or under the control of the Contractor, the Contractor:
 - (a) receives a foreign demand for disclosure;
 - (b) receives a request to disclose, produce or provide access that the Contractor knows or has reason to suspect is for the purpose of responding to a foreign demand for disclosure; or
 - (c) has reason to suspect that an unauthorized disclosure of personal information has occurred in response to a foreign demand for disclosure

the Contractor must immediately notify the Province and, in so doing, provide the information described in section 30.2(3) of the Act. In this section, the phrases "foreign demand for disclosure" and "unauthorized disclosure of personal information" will bear the same meanings as in section 30.2 of the Act.

Notice of unauthorized disclosure

19. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.5 of the Act, if the Contractor knows that there has been an unauthorized disclosure of personal information in the custody or under the control of the Contractor, the Contractor must immediately notify the

Province. In this section, the phrase "unauthorized disclosure of personal information" will bear the same meaning as in section 30.5 of the Act.

Inspection of personal information

20. 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 the Contractor, enter on the Contractor's premises to inspect any personal information in the possession of the Contractor or any of the Contractor's information management policies or practices relevant to the Contractor's management of personal information or the Contractor's compliance with this Schedule and the Contractor must permit, and provide reasonable assistance to, any such inspection.

Compliance with the Act and directions

21. The Contractor must in relation to personal information comply with:
 - (a) the requirements of the Act applicable to the Contractor 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.
22. The Contractor 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

23. If for any reason the Contractor does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, the Contractor 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

24. 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 the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

Interpretation

25. In this Schedule, references to sections by number are to sections of this Schedule unless otherwise specified in this Schedule.
26. Any reference to the "Contractor" in this Schedule includes any subcontractor or agent retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors and agents comply with this Schedule.
27. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.
28. 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.
29. The Contractor must comply with the provisions of this Schedule despite any conflicting provision of this Agreement or, subject to section 30, the law of any jurisdiction outside Canada.

30. Nothing in this Schedule requires the Contractor to contravene the law of any jurisdiction outside Canada unless such contravention is required to comply with the Act.

Schedule F – Additional Terms - Not applicable.

Schedule G – Security Schedule - Not applicable.

PUBLIC AFFAIRS BUREAU

Newsroom Moveable Type Server Setup & Hosting



Date: February 22, 2011

Prepared by: Marc Charalambous

Client: PAB - Province of British Columbia

Direct: (604) 713-8560 extension 100

E-mail: marcus@backbonetechology.com

Prepared for: Carolynn Hunter

Solution Overview	Var	Rate	Total
The items below list elements needed to setup a secure and robust server network for the hosting of load balanced web servers, database servers, NFS as well as a firewall. This proposal also includes setup time required, as well as monthly fees for managed services.			
Hardware Acquisition Costs			
Web server specifications: BASE PowerEdge R210 Chassis w/up to 2 Cabled HDs and Quad-Pack LED Diagnostics PROCESSOR Intel® Xeon® X3430, 2.4 GHz, 8M Cache, Turbo OPERATING SYSTEM Centos 5.5 MEMORY 2GB Memory (1x2GB), 1333MHz Single Ranked UDIMM HARD DRIVES 250GB 7.2K RPM SATA 3.5" Cabled Hard Drive HARD DRIVE CONFIGURATION Onboard SATA, 1-2 Hard Drives connected to onboard SATA Controller -No RAID PRIMARY CONTROLLER No Controller INTERNAL OPTICAL DRIVE DVD-ROM Drive, SATA	2	s.21	s.21
NFS server specifications: BASE PowerEdge R210 Chassis w/up to 2 Cabled HDs and Quad-Pack LED Diagnostics PROCESSOR Intel® Xeon® X3430, 2.4 GHz, 8M Cache, Turbo OPERATING SYSTEM Centos 5.5 MEMORY 2GB Memory (1x2GB), 1333MHz Single Ranked UDIMM HARD DRIVES 300GB 15K RPM Serial-Attach SCSI 6Gbps 3.5in Cabled Hard Drive HARD DRIVE CONFIGURATION RAID 1 - Add-in SAS6IR or H200 (SAS/ SATA Controller); 2 Hard Drives PRIMARY CONTROLLER SAS 6IR SAS internal RAID adapter, PCI-Express INTERNAL OPTICAL DRIVE DVD-ROM Drive, SATA	1	s.21	s.21

MT/MySQL server specifications: BASE PowerEdge R210 Chassis w/up to 2 Cabled HDs and Quad-Pack LED Diagnostics PROCESSOR Intel® Xeon® X3430, 2.4 GHz, 8M Cache, Turbo OPERATING SYSTEM Centos MEMORY 2GB Memory (1x2GB), 1333MHz Single Ranked UDIMM HARD DRIVES 146GB 15K RPM Serial-Attach SCSI 3Gbps 3.5-in Cabled Hard Drive HARD DRIVE CONFIGURATION RAID 1 - Add-in SAS6iR or H200 (SAS/ SATA Controller), 2 Hard Drives PRIMARY CONTROLLER SAS 6iR SAS internal RAID adapter, PCI-Express INTERNAL OPTICAL DRIVE DVD-ROM Drive, SATA	2	s.21	s.21
Firewall	1	s.21	s.21
Gigabit Switch	1	s.21	s.21
Total Hardware Costs			s.21
Labour and Setup Costs			
Custom firewall setup (NAT)	4	s.21	s.21
(MT, MySQL, Apache/PHP, NFS): 4hrs/server (5 servers)	20	s.21	s.21
Physical install/setup in Colocation Facility	4	s.21	s.21
Total Labour and Setup Costs			s.21
Total Labour and Hardware Costs			s.21

Managed Services Monthly Costs		Rate/Cost	Total
Server managed hosting / month	5	s.21	s.21
Firewall	1	s.21	s.21
Total monthly managed hosting charges			s.21

Notes and assumptions:

- Prices listed herein do not include applicable taxes
- Load balancing: we are proposing Round Robin DNS for now as a hardware solution would be additional. We could also do a software solution on the Firewall if required, but additional time will be required and we would quote in addition to this proposal
- BITS is able to provide simple hosting without managed services at s.21 server/month
- All software licenses are included with the exception of Moveable Type - which would be licensed directly to Client
- BITS will maintain and keep all servers updated with latest security patches, as well as all requisite software, including Moveable type, as updates become available
- BITS will also enable Client access to the requisite server(s) for upkeep and maintenance of the Moveable Type software, or as requested

CERTIFICATE OF INSURANCE

Freedom of Information and Protection of Privacy Act
The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Financial Administration Act*. Questions about the collection and use of this information can be directed to the Director, Client Services, Core Government and Crowns at 250 356-8915, PO Box 9405 STN PROV GOVT, Victoria BC V8W 9V1.
Please refer all other questions to the contact named in Part 1.

Part 1 To be completed by the Province

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO (Name of office) Public Affairs' Bureau		AGREEMENT IDENTIFICATION NO. C11PAB23852
PROVINCE'S CONTACT PERSON NAME & TITLE Dawn Stewart, Financial Services Officer		PHONE NO. 250 356-8595
		FAX NO. 250 387-3534
MAILING ADDRESS PO Box 9409 STN PROV GOVT Victoria BC		POSTAL CODE V8W 9V1
CONTRACTOR NAME Backbone Technology Inc.		
CONTRACTOR ADDRESS 55 East 7th Avenue, Vancouver, BC		POSTAL CODE V5T 1M4

Part 2 To be completed by the Insurance Agent or Broker

INSURED	NAME Backbone Technology Inc.		POSTAL CODE V5T 1M4
	ADDRESS #55 East 7th Avenue, Vancouver BC		
OPERATIONS INSURED	PROVIDE DETAILS Software Developer		
TYPE OF INSURANCE <i>List each separately</i>	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT
Commercial Property	Lloyd's Underwriters Under Agreement No. s.21 Policy No. s.21 Property & Liability	2012/03/03	\$ 502,000.
Commercial Liability	Lloyd's Underwriters Under Agreement No. s.21 Policy No. s.21 Property & Liability	2012/03/03	\$ 2,000,000.


This certificate certifies that policies of insurance described herein are in full force and effective as of the date of this certificate and comply with the insurance requirements of the Agreement identified above, except as follows:

AGENT OR BROKER COMMENTS:

Restricted Liability Endorsement

1/ Limitation of Coverage to Designated Premises 2/ Products & Completed Operations Exclusion

3/ Personal Injury Exclusion 4/ Professional Liability Exclusion

AGENT OR BROKERAGE FIRM Pemberton Insurance Corp.	ADDRESS #620 - 475 West Georgia Street, Vancouver, BC	PHONE NO. 604-682-3111
NAME OF AUTHORIZED AGENT OR BROKER (PRINT) Valerie Chow	SIGNATURE OF AGENT OR BROKER (NAME OF THE ABOVE INSURER(S)) 	DATE SIGNED March 8, 2011

DIRECT AWARD JUSTIFICATION

FORM USAGE AND ROUTING:

This form must be completed by the contract manager to clearly document the justification for direct awarding a service contract and ensures compliance with government contract policy. The original completed and signed form must be retained in the program contract file.

P A R T 1	CONTRACT INFORMATION			
	Ministry: Citizens' Services		Program: Public Affairs Bureau	
	Contract Manager Name and Phone #: Carolynn Hunter 387-5033			
	Legal Contractor Name Backbone Technology Inc.			
	Contract Value: \$43,085	Term: March 1/11 to Feb 29/12	STOB: 6309	Contract Type: <input checked="" type="checkbox"/> New <input type="checkbox"/> Multi-year <input type="checkbox"/> Renewal
Commonly Used Contract STOBs: 6001/02 - Operational - Fees/expenses for contracts that provide for a direct provision of goods or services in the delivery of government programs (e.g., project mgmt.). 6003/04 - Regulatory - Fees/expenses for contracts that provide for a direct provision of goods or services required by statute or regulation. 6020/21 - Education and Training - Fees/expenses for contracts that deliver training to government employees.		6101/02 - Advisory - Fees/expenses for contracts with the provision of advisory services to the ministry (e.g., management consulting). 6302 - Data Operations Non-WTS - Fees/expenses for contracts that provide for a direct provision of IT related goods/services in the delivery of government programs (e.g., data processing, operating lease rentals). 6309/10 - Data Consulting Non-WTS - Fees/expenses for consulting contracts related to information systems.		

P A R T 3	1. Describe the services required and provide an explanation of why you need to acquire these services. Provide server and hosting services for BC Newsroom, more cost effective than using in-house resources.	
	2. Under which Core Policy and Procedures Manual exception is this direct award request being made (see section 6.3.3)? <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> Public Sector Organization <input checked="" type="checkbox"/> Sole Source <input type="checkbox"/> Sole Source - Notice of Intent <input type="checkbox"/> Security, Order, etc. </div> <div style="width: 48%;"> <input type="checkbox"/> Emergency <input type="checkbox"/> Confidentiality <input type="checkbox"/> No Exceptions Apply - \$25,000 or Greater <input type="checkbox"/> No Exceptions Apply - Less than \$25,000 </div> </div>	
	3. Explain the reasons why this contract meets the criteria of the above selection (i.e., how would a competitive process compromise government confidentiality, cause economic disaster or be contrary to the public interest)? Sole source less than \$50K NOI not required.	
	4. Will this purchase obligate government to this vendor for future purchases (e.g., maintenance, licensing or continuing need)? If yes, provide details. Monthly hosting.	
	5. Were alternative vendors evaluated? If yes, who were they and why were they unacceptable? If no, why were alternatives not evaluated? This contractor has provided these services to the province in the past, provides excellent customer service and was available to provide the services within the project timeframe.	

P A R T 3	ADDITIONAL RATIONALE FOR SOLE SOURCE CONTRACTS ONLY	
	1. Why is the requested vendor the only one that can meet your requirements? Provide specific, quantifiable factors and/or qualifications and explain why they are necessary. This contractor has provided these services to the province in the past, provides excellent customer service and was available to provide the services within the project budget/timeframe.	
	2. What other suppliers did you consider before arriving at the conclusion that the sole source direct award criteria was met and the requested vendor was the only one that met your needs? This contractor has provided these services to the province in the past, provides excellent customer service and was available to provide the services within the project budget/timeframe.	

P A R T 4	APPROVALS	
	CONTRACT MANAGER <div style="border-bottom: 1px solid black; margin-top: 10px;"> <i>Carolynn Hunter</i> 11-03-14 </div> Signature & Date	EXPENSE AUTHORITY <div style="border-bottom: 1px solid black; margin-top: 10px;"> <i>Denise Champion</i> 11-03-14 </div> Signature & Date
	<div style="border-bottom: 1px solid black; margin-top: 10px;"> Carolynn Hunter </div> Print Name	<div style="border-bottom: 1px solid black; margin-top: 10px;"> Denise Champion </div> Print Name

INFORMATION TECHNOLOGY & MANAGEMENT CONSULTING PROFESSIONAL SERVICES AGREEMENT



**BRITISH
COLUMBIA**

The Best Place on Earth

For Administrative Purposes Only

Ministry Contract No.: C12GCPE24608

Requisition No.: 24608

Solicitation No.(if applicable): N/A

Commodity Code: AS.AS20

Contractor Information

Supplier Name: Backbone Technology Inc.

Supplier No.: 2145990

Telephone No.: 604 713-8560

E-mail Address: marcus@backbonetechnology.com

Website: <http://www.backbonetechnology.com/>

Financial Information

Client: 112

Responsibility Centre: 32348

Service Line: 34420

STOB: 6309, 6310

Project: 32N0213

Template version: September 29, 2010

TABLE OF CONTENTS

No.	Heading	Page
1.	Definitions	1
1.1	General.....	1
1.2	Meaning of "record"	1
2.	Services	2
2.1	Provision of services	2
2.2	Term.....	2
2.3	Supply of various items.....	2
2.4	Standard of care.....	2
2.5	Standards in relation to persons performing Services	2
2.6	Instructions by Province.....	2
2.7	Confirmation of non-written instructions	2
2.8	Effectiveness of non-written instructions	2
2.9	Applicable Laws.....	2
3.	Payment.....	3
3.1	Fees and expenses	3
3.2	Statements of accounts	3
3.3	Withholding of amounts	3
3.4	Appropriation.....	3
3.5	Currency.....	3
3.6	Non-resident income tax.....	3
3.7	Prohibition against committing money.....	3
3.8	Refunds of taxes	4
4.	Representations and Warranties	4
5.	Privacy, Security and Confidentiality.....	4
5.1	Privacy	4
5.2	Security	4
5.3	Confidentiality.....	5
5.4	Public announcements.....	5
5.5	Restrictions on promotion.....	5
6.	Material and Intellectual Property	5
6.1	Access to Material	5
6.2	Ownership and delivery of Material	5
6.3	Matters respecting intellectual property	5
6.4	Rights in relation to Incorporated Material	6
6.5	Right of Province to negotiate license of Produced Material	6
7.	Records and Report	6
7.1	Work reporting	6
7.2	Time and expense records.....	6
8.	Audit.....	6

9.	Indemnity and Insurance.....	6
9.1	Indemnity.....	6
9.2	Monetary limitations of indemnity.....	6
9.3	Exceptions to monetary limitations.....	7
9.4	Province to notify Contractor of Loss.....	7
9.5	Third-party intellectual property infringement claims.....	7
9.6	Insurance.....	7
9.7	Workers compensation.....	7
9.8	Personal optional protection.....	7
9.9	Evidence of coverage.....	7
10.	Force Majeure.....	8
10.1	Definitions relating to force majeure.....	8
10.2	Consequence of Event of Force Majeure.....	8
10.3	Duties of Affected Party.....	8
11.	Default and Termination.....	8
11.1	Definitions relating to default and termination.....	8
11.2	Province's options on default.....	9
11.3	Delay not a waiver.....	9
11.4	Province's right to terminate other than for default.....	9
11.5	Payment consequences of termination.....	9
11.6	Discharge of liability.....	9
11.7	Notice in relation to Events of Default.....	9
12.	Dispute Resolution.....	10
12.1	Dispute resolution process.....	10
12.2	Location of arbitration or mediation.....	10
12.3	Costs of arbitration or mediation.....	10
13.	Miscellaneous.....	10
13.1	Delivery of notices.....	10
13.2	Change of address or fax number.....	10
13.3	Assignment.....	10
13.4	Subcontracting.....	11
13.5	Waiver.....	11
13.6	Modifications.....	11
13.7	Entire agreement.....	11
13.8	Survival of certain provisions.....	11
13.9	Schedules.....	11
13.10	Independent contractor.....	11
13.11	Personnel not to be employees of Province.....	11
13.12	Key Personnel.....	12
13.13	Pertinent Information.....	12
13.14	Conflict of interest.....	12
13.15	Time.....	12
13.16	Conflicts among provisions.....	12
13.17	Agreement not permit nor fetter.....	12
13.18	Remainder not affected by invalidity.....	12
13.19	Further assurances.....	12
13.20	Additional terms.....	12
13.21	Governing law.....	13

14.	Interpretation	13
15.	Execution and Delivery of Agreement	13

SCHEDULE A – SERVICES

- Part 1 - Term
- Part 2 - Services
- Part 3 - Related Documentation
- Part 4 - Key Personnel

SCHEDULE B – FEES AND EXPENSES

- Part 1 - Maximum Amount Payable
- Part 2 - Fees
- Part 3 - Expenses
- Part 4 - Statements of Account
- Part 5 - Payments Due

SCHEDULE C – APPROVED SUBCONTRACTOR(S)

SCHEDULE D – INSURANCE

SCHEDULE E – PRIVACY PROTECTION SCHEDULE

SCHEDULE F – ADDITIONAL TERMS

SCHEDULE G – SECURITY SCHEDULE

THIS AGREEMENT is dated for reference the 1st day of May, 2011.

BETWEEN:

Backbone Technology Inc. at 55 – East 7th Avenue, Vancouver British Columbia V5T 1M4 (the "Contractor").

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Labour, Citizens' Services and Open Government, Government Communications and Public Engagement (the "Province") with the following specified address and fax number: 4th Floor 617 Government Street, Victoria, British Columbia, V8W 9V1
Fax Number: 250 387-6687

The Province wishes to retain the Contractor to provide the services specified in Schedule A and, in consideration for the remuneration set out in Schedule B, the Contractor has agreed to provide those services, on the terms and conditions set out in this Agreement.

As a result, the Province and the Contractor agree as follows:

1 DEFINITIONS

General

1.1 In this Agreement, unless the context otherwise requires:

- (a) "Business Day" means a day, other than a Saturday or Sunday, on which Provincial government offices are open for normal business in British Columbia;
- (b) "Incorporated Material" means 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 the Contractor or a Subcontractor;
- (c) "Material" means the Produced Material and the Received Material;
- (d) "Produced Material" means records, software and other material, whether complete or not, that, as a result of this Agreement, are produced by the Contractor or a Subcontractor and includes the Incorporated Material;
- (e) "Received Material" means records, software and other material, whether complete or not, that, as a result of this Agreement, are received by the Contractor or a Subcontractor from the Province or any other person;
- (f) "Services" means the services described in Part 2 of Schedule A;
- (g) "Subcontractor" means a person described in paragraph (a) or (b) of section 13.4; and
- (h) "Term" means the term of the Agreement described in Part 1 of Schedule A subject to that term ending earlier in accordance with this Agreement.

Meaning of "record"

1.2 The definition of "record" in the *Interpretation Act* is incorporated into this Agreement and "records" will bear a corresponding meaning.

2 SERVICES

Provision of services

- 2.1 The Contractor must provide the Services in accordance with this Agreement.

Term

- 2.2 Regardless of the date of execution or delivery of this Agreement, the Contractor must provide the Services during the Term.

Supply of various items

- 2.3 Unless the parties otherwise agree in writing, the Contractor must supply and pay for all labour, materials, equipment, tools, facilities, approvals and licenses necessary or advisable to perform the Contractor's obligations under this Agreement, including the license under section 6.4.

Standard of care

- 2.4 Unless otherwise specified in this Agreement, the Contractor 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.

Standards in relation to persons performing Services

- 2.5 The Contractor must ensure that all persons employed or retained to perform the Services are qualified and competent to perform them and are properly trained, instructed and supervised.

Instructions by Province

- 2.6 The Province may from time to time give the Contractor reasonable instructions (in writing or otherwise) as to the performance of the Services. The Contractor must comply with those instructions but, unless otherwise specified in this Agreement, the Contractor may determine the manner in which the instructions are carried out.

Confirmation of non-written instructions

- 2.7 If the Province provides an instruction under section 2.6 other than in writing, the Contractor may request that the instruction be confirmed by the Province in writing, which request the Province must comply with as soon as it is reasonably practicable to do so.

Effectiveness of non-written instructions

- 2.8 Requesting written confirmation of an instruction under section 2.7 does not relieve the Contractor from complying with the instruction at the time the instruction was given.

Applicable laws

- 2.9 In the performance of the Contractor's obligations under this Agreement, the Contractor must comply with all applicable laws.

3 PAYMENT

Fees and expenses

3.1 If the Contractor complies with this Agreement, then the Province must pay to the Contractor at the times and on the conditions set out in Schedule B:

- (a) the fees described in that Schedule;
- (b) the expenses, if any, described in that Schedule if they are supported, where applicable, by proper receipts and, in the Province's opinion, are necessarily incurred by the Contractor in providing the Services; and
- (c) any applicable taxes payable by the Province under law or agreement with the relevant taxation authorities on the fees and expenses described in paragraphs (a) and (b) .

The Province is not obliged to pay to the Contractor more than the "Maximum Amount" specified in Schedule B on account of fees and expenses.

Statements of accounts

3.2 In order to obtain payment of any fees and expenses under this Agreement, the Contractor must submit to the Province a written statement of account in a form satisfactory to the Province upon completion of the Services or at other times described in Schedule B.

Withholding of amounts

3.3 Without limiting section 9.1, the Province may withhold from any payment due to the Contractor an amount sufficient to indemnify in whole or in part the Province and its employees and agents against any liens or other third-party claims that have arisen or could arise in connection with the provision of the Services. An amount withheld under this section must be promptly paid by the Province to the Contractor upon the basis for withholding the amount having been fully resolved to the satisfaction of the Province.

Appropriation

3.4 The Province's obligation to pay money to the Contractor 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.

Currency

3.5 Unless otherwise specified in this Agreement, all references to money are to Canadian dollars.

Non-resident income tax

3.6 If the Contractor is not a resident in Canada, the Contractor acknowledges that the Province may be required by law to withhold income tax from the fees described in Schedule B and then to remit that tax to the Receiver General of Canada on the Contractor's behalf.

Prohibition against committing money

3.7 Without limiting section 13.10(a), the Contractor must not in relation to performing the Contractor's obligations under this Agreement commit or purport to commit the Province to pay any money except as may be expressly provided for in this Agreement.

Refunds of taxes

3.8 The Contractor must:

- (a) apply for, and use reasonable efforts to obtain, any available refund, credit, rebate or remission of federal, provincial or other tax or duty imposed on the Contractor as a result of this Agreement that the Province has paid or reimbursed to the Contractor or agreed to pay or reimburse to the Contractor under this Agreement; and
- (b) immediately on receiving, or being credited with, any amount applied for under paragraph (a), remit that amount to the Province.

4 REPRESENTATIONS AND WARRANTIES

4.1 As at the date this Agreement is executed and delivered by, or behalf of, the parties, the Contractor represents and warrants to the Province as follows:

- (a) except to the extent the Contractor has previously disclosed otherwise in writing to the Province,
 - (i) all information, statements, documents and reports furnished or submitted by the Contractor to the Province in connection with this Agreement (including as part of any competitive process resulting in this Agreement being entered into) are in all material respects true and correct,
 - (ii) the Contractor has sufficient trained staff, facilities, materials, appropriate equipment and approved subcontractual agreements in place and available to enable the Contractor to fully perform the Services, and
 - (iii) the Contractor holds all permits, licenses, approvals and statutory authorities issued by any government or government agency that are necessary for the performance of the Contractor's obligations under this Agreement; and
- (b) if the Contractor is not an individual,
 - (i) the Contractor has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement and all necessary corporate or other proceedings have been taken and done to authorize the execution and delivery of this Agreement by, or on behalf of, the Contractor, and
 - (ii) this Agreement has been legally and properly executed by, or on behalf of, the Contractor and is legally binding upon and enforceable against the Contractor in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

5 PRIVACY, SECURITY AND CONFIDENTIALITY

Privacy

5.1 The Contractor must comply with the Privacy Protection Schedule attached as Schedule E.

Security

5.2 The Contractor must:

- (a) make reasonable security arrangements to protect the Material from unauthorized access, collection, use, disclosure, alteration or disposal; and
- (b) comply with the Security Schedule attached as Schedule G.

Confidentiality

- 5.3 The Contractor must treat as confidential all information in the Material and all other information accessed or obtained by the Contractor or a Subcontractor (whether verbally, electronically or otherwise) as a result of this Agreement, and not permit its disclosure or use without the Province's prior written consent except:
- (a) as required to perform the Contractor's obligations under this Agreement or to comply with applicable laws;
 - (b) if it is information that is generally known to the public other than as result of a breach of this Agreement; or
 - (c) if it is information in any Incorporated Material.

Public announcements

- 5.4 Any public announcement relating to this Agreement will be arranged by the Province and, if such consultation is reasonably practicable, after consultation with the Contractor.

Restrictions on promotion

- 5.5 The Contractor, must not, without the prior written approval of the Province, refer for promotional purposes to the Province being a customer of the Contractor or the Province having entered into this Agreement.

6 MATERIAL AND INTELLECTUAL PROPERTY

Access to Material

- 6.1 If the Contractor 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 the Contractor to provide that access, the Contractor must promptly advise the person to make the request to the Province.

Ownership and delivery of Material

- 6.2 The Province exclusively owns all property rights in the Material which are not intellectual property rights. The Contractor must deliver any Material to the Province immediately upon the Province's request.

Matters respecting intellectual property

- 6.3 The Province exclusively owns all intellectual property rights, including copyright, in:
- (a) Received Material that the Contractor receives from the Province; and
 - (b) Produced Material, other than any Incorporated Material.

Upon the Province's request, the Contractor must deliver to the Province documents satisfactory to the Province that irrevocably waive in the Province's favour any moral rights which the Contractor (or employees of the Contractor) or a Subcontractor (or employees of a Subcontractor) may have in the Produced Material and that confirm the vesting in the Province of the copyright in the Produced Material, other than any Incorporated Material.

Rights in relation to Incorporated Material

- 6.4 Upon any Incorporated Material being embedded or incorporated in the Produced Material and to the extent that it remains so embedded or incorporated, the Contractor grants to the Province:
- (a) a non-exclusive, perpetual, irrevocable, royalty-free, worldwide license to use, reproduce, modify and distribute that Incorporated Material; and
 - (b) the right to sublicense to third-parties the right to use, reproduce, modify and distribute that Incorporated Material.

Right of Province to negotiate license of Produced Material

- 6.5 After the end of the Term, the Province in its sole discretion, may negotiate with the Contractor to provide the Contractor a license (which may be exclusive or non-exclusive) for the Contractor to use, reproduce, modify or distribute some or all of the Produced Material.

7 RECORDS AND REPORTS

Work reporting

- 7.1 Upon the Province's request, the Contractor must fully inform the Province of all work done by the Contractor or a Subcontractor in connection with providing the Services.

Time and expense records

- 7.2 If Schedule B provides for the Contractor to be paid fees at a daily or hourly rate or for the Contractor to be paid or reimbursed for expenses, the Contractor must maintain time records and books of account, invoices, receipts and vouchers of expenses in support of those payments, in form and content satisfactory to the Province. Unless otherwise specified in this Agreement, the Contractor must retain such documents for a period of not less than seven years after this Agreement ends.

8 AUDIT

- 8.1 In addition to any other rights of inspection the Province may have under statute or otherwise, the Province may at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect and, at the Province's discretion, copy any of the Material and the Contractor must permit, and provide reasonable assistance to, the exercise by the Province of the Province's rights under this section.

9 INDEMNITY AND INSURANCE

Indemnity

- 9.1 The Contractor must indemnify and save harmless the Province and the Province's employees and agents from any losses, claims, damages, actions, causes of action, costs and expenses that the Province 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, including any claim of infringement of third-party intellectual property rights, where the same or any of them are based upon, arise out of or occur, directly or indirectly, by reason of any act or omission by the Contractor or by any of the Contractor's agents, employees, officers, directors or Subcontractors in connection with this Agreement (each a "Loss"), excepting always liability arising out of the independent acts or omissions of the Province and the Province's employees and agents.

Monetary limitations of indemnity

- 9.2 The indemnification by the Contractor pursuant to section 9.1 is limited to:
- (a) \$2,000,000 per Loss; and

- (b) \$4,000,000 in the aggregate for all Losses.

Exceptions to monetary limitations

- 9.3 The limitations set out in section 9.2 do not apply to a Loss resulting from any of the following:
- (a) bodily injury or damage to real property or tangible personal property;
 - (b) a claim of infringement of third-party intellectual property rights; or
 - (c) a breach of section 5.1, 5.2, 5.3 or 6.1 of this Agreement.

Province to notify Contractor of Loss

- 9.4 To claim indemnification for a Loss pursuant to section 9.1, the Province must notify the Contractor in writing of the Loss as soon as reasonably practicable after the Province becomes aware of the Loss provided that a failure by the Province to provide such notification will not invalidate the claim unless the Contractor is materially prejudiced by that failure.

Third-party intellectual property infringement claims

- 9.5 If the Loss is on the basis of a third-party claim that any element of the Material infringes the intellectual property rights of any person,
- (a) then the Contractor must defend the Province against that claim at the Contractor's expense and the Contractor must pay all associated costs, damages and legal fees that a court or arbitrator finally awards or are included in a settlement agreed to by the Contractor; and
 - (b) the Province must cooperate with the Contractor in the defence of the claim and, where appropriate in the discretion of the Province, will allow the Contractor to appoint and instruct counsel and otherwise control the defence and any related settlement negotiations.

Insurance

- 9.6 The Contractor must comply with the Insurance Schedule attached as Schedule D.

Workers compensation

- 9.7 Without limiting the generality of section 2.9, the Contractor must comply with, and must ensure that any Subcontractors comply with, all applicable occupational health and safety laws in relation to the performance of the Contractor's obligations under this Agreement, including the *Workers Compensation Act* in British Columbia or similar laws in other jurisdictions.

Personal optional protection

- 9.8 The Contractor must apply for and maintain personal optional protection insurance (consisting of income replacement and medical care coverage) during the Term at the Contractor's expense if:
- (a) the Contractor is an individual or a partnership of individuals and does not have the benefit of mandatory workers compensation coverage under the *Workers Compensation Act* or similar laws in other jurisdictions; and
 - (b) such personal optional protection insurance is available for the Contractor from WorkSafeBC or other sources.

Evidence of coverage

- 9.9 Within 10 Business Days of being requested to do so by the Province, the Contractor must provide the Province with evidence of the Contractor's compliance with sections 9.7 and 9.8.

10 FORCE MAJEURE

Definitions relating to force majeure

10.1 In this section and sections 10.2 and 10.3:

- (a) "Event of Force Majeure" means one of the following events:
 - (i) a natural disaster, fire, flood, storm, epidemic or power failure,
 - (ii) a war (declared and undeclared), insurrection or act of terrorism or piracy,
 - (iii) a strike (including illegal work stoppage or slowdown) or lockout, or
 - (iv) a freight embargoif the event prevents a party from performing the party's obligations in accordance with this Agreement and is beyond the reasonable control of that party; and
- (b) "Affected Party" means a party prevented from performing the party's obligations in accordance with this Agreement by an Event of Force Majeure.

Consequence of Event of Force Majeure

- 10.2 An Affected Party is not liable to the other party for any failure or delay in the performance of the Affected Party's obligations under this Agreement resulting from an Event of Force Majeure and any time periods for the performance of such obligations are automatically extended for the duration of the Event of Force Majeure provided that the Affected Party complies with the requirements of section 10.3.

Duties of Affected Party

- 10.3 An Affected Party must promptly notify the other party in writing upon the occurrence of the Event of Force Majeure and make all reasonable efforts to prevent, control or limit the effect of the Event of Force Majeure so as to resume compliance with the Affected Party's obligations under this Agreement as soon as possible.

11 DEFAULT AND TERMINATION

Definitions relating to default and termination

11.1 In this section and sections 11.2 to 11.4:

- (a) "Event of Default" means any of the following:
 - (i) an Insolvency Event,
 - (ii) the Contractor fails to perform any of the Contractor's obligations under this Agreement, or
 - (iii) any representation or warranty made by the Contractor in this Agreement is untrue or incorrect; and
- (b) "Insolvency Event" means any of the following:
 - (i) an order is made, a resolution is passed or a petition is filed, for the Contractor's liquidation or winding up,
 - (ii) the Contractor commits an act of bankruptcy, makes an assignment for the benefit of the Contractor's creditors or otherwise acknowledges the Contractor's insolvency,
 - (iii) a bankruptcy petition is filed or presented against the Contractor or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by the Contractor,
 - (iv) a compromise or arrangement is proposed in respect of the Contractor under the *Companies' Creditors Arrangement Act* (Canada),

- (v) a receiver or receiver-manager is appointed for any of the Contractor's property, or
- (vi) the Contractor ceases, in the Province's reasonable opinion, to carry on business as a going concern.

Province's options on default

- 11.2 On the happening of an Event of Default, or at any time thereafter, the Province may, at its option, elect to do any one or more of the following:
- (a) by written notice to the Contractor, require that the Event of Default be remedied within a time period specified in the notice;
 - (b) pursue any remedy or take any other action available to it at law or in equity; or
 - (c) by written notice to the Contractor, terminate this Agreement with immediate effect or on a future date specified in the notice, subject to the expiration of any time period specified under section 11.2(a).

Delay not a waiver

- 11.3 No failure or delay on the part of the Province to exercise its rights in relation to an Event of Default will constitute a waiver by the Province of such rights.

Province's right to terminate other than for default

- 11.4 In addition to the Province's right to terminate this Agreement under section 11.2(c) on the happening of an Event of Default, the Province may terminate this Agreement for any reason by giving at least 10 days' written notice of termination to the Contractor.

Payment consequences of termination

- 11.5 Unless Schedule B otherwise provides, if the Province terminates this Agreement under section 11.4:
- (a) the Province must, within 30 days of such termination, pay to the Contractor any unpaid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that was completed to the Province's satisfaction before termination of this Agreement; and
 - (b) the Contractor must, within 30 days of such termination, repay to the Province any paid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that the Province has notified the Contractor in writing was not completed to the Province's satisfaction before termination of this Agreement.

Discharge of liability

- 11.6 The payment by the Province of the amount described in section 11.5(a) discharges the Province from all liability to make payments to the Contractor under this Agreement.

Notice in relation to Events of Default

- 11.7 If the Contractor becomes aware that an Event of Default has occurred or anticipates that an Event of Default is likely to occur, the Contractor must promptly notify the Province of the particulars of the Event of Default or anticipated Event of Default. A notice under this section as to the occurrence of an Event of Default must also specify the steps the Contractor proposes to take to address, or prevent recurrence of, the Event of Default. A notice under this section as to an anticipated Event of Default must specify the steps the Contractor proposes to take to prevent the occurrence of the anticipated Event of Default.

12 DISPUTE RESOLUTION

Dispute resolution process

- 12.1 In the event of any dispute between the parties arising out of or in connection with this Agreement, the following dispute resolution process will apply unless the parties otherwise agree in writing:
- (a) the parties must initially attempt to resolve the dispute through collaborative negotiation;
 - (b) if the dispute is not resolved through collaborative negotiation within 15 Business Days of the dispute arising, the parties must then attempt to resolve the dispute through mediation under the rules of the British Columbia Mediator Roster Society; and
 - (c) if the dispute is not resolved through mediation within 30 Business Days of the commencement of mediation, the dispute must be referred to and finally resolved by arbitration under the *Commercial Arbitration Act*.

Location of arbitration or mediation

- 12.2 Unless the parties otherwise agree in writing, an arbitration or mediation under section 12.1 will be held in Victoria, British Columbia.

Costs of arbitration or mediation

- 12.3 Unless the parties otherwise agree in writing or, in the case of an arbitration, the arbitrator otherwise orders, the parties must share equally the costs of a arbitration or mediation under section 12.1 other than those costs relating to the production of expert evidence or representation by counsel.

13 MISCELLANEOUS

Delivery of notices

- 13.1 Any notice contemplated by this Agreement, to be effective, must be in writing and delivered as follows:
- (a) by fax to the addressee's fax number specified on the first page of this Agreement, in which case it will be deemed to be received on the day of transmittal unless transmitted after the normal business hours of the addressee or on a day that is not a Business Day, in which cases it will be deemed to be received on the next following Business Day;
 - (b) by hand to the addressee's address specified on the first page of this Agreement, in which case it will be deemed to be received on the day of its delivery; or
 - (c) by prepaid post to the addressee's address specified on the first page of this Agreement, in which case if mailed during any period when normal postal services prevail, it will be deemed to be received on the fifth Business Day after its mailing.

Change of address or fax number

- 13.2 Either party may from time to time give notice to the other party of a substitute address or fax number, which from the date such notice is given will supersede for purposes of section 13.1 any previous address or fax number specified for the party giving the notice.

Assignment

- 13.3 The Contractor must not assign any of the Contractor's rights under this Agreement without the Province's prior written consent.

Subcontracting

- 13.4. The Contractor must not subcontract any of the Contractor's obligations under this Agreement to any person without the Province's prior written consent, excepting persons listed in the attached Schedule C. No subcontract, whether consented to or not, relieves the Contractor from any obligations under this Agreement. The Contractor must ensure that:
- (a) any person retained by the Contractor to perform obligations under this Agreement; and
 - (b) any person retained by a person described in paragraph (a) to perform those obligations
- fully complies with this Agreement in performing the subcontracted obligations.

Waiver

- 13.5 A waiver of any term or breach of this Agreement is effective only if it is in writing and signed by, or on behalf of, the waiving party and is not a waiver of any other term or breach.

Modifications

- 13.6 No modification of this Agreement is effective unless it is in writing and signed by, or on behalf of, the parties.

Entire agreement

- 13.7 This Agreement (including any modification of it) constitutes the entire agreement between the parties as to performance of the Services.

Survival of certain provisions

- 13.8 Sections 2.9, 3.1 to 3.4, 3.7, 3.8, 5.1 to 5.5, 6.1 to 6.5, 7.1, 7.2, 8.1, 9.1 to 9.6, 9.9, 10.1 to 10.3, 11.2, 11.3, 11.5, 11.6, 12.1 to 12.3, 13.1, 13.2, 13.8, and 13.10, any accrued but unpaid payment obligations, and any other sections of this Agreement (including schedules) which, by their terms or nature, are intended to survive the completion of the Services or termination of this Agreement, will continue in force indefinitely, even after this Agreement ends.

Schedules

- 13.9 The schedules to this Agreement (including any appendices or other documents attached to, or incorporated by reference into, those schedules) are part of this Agreement.

Independent contractor

- 13.10 In relation to the performance of the Contractor's obligations under this Agreement, the Contractor is an independent contractor and not:
- (a) an employee or partner of the Province; or
 - (b) an agent of the Province except as may be expressly provided for in this Agreement.

The Contractor must not act or purport to act contrary to this section.

Personnel not to be employees of Province

- 13.11 The Contractor must not do anything that would result in personnel hired or used by the Contractor or a Subcontractor in relation to providing the Services being considered employees of the Province.

Key Personnel

- 13.12 If one or more individuals are specified as "Key Personnel" of the Contractor in Part 4 of Schedule A, the Contractor must cause those individuals to perform the Services on the Contractor's behalf, unless the Province otherwise approves in writing, which approval must not be unreasonably withheld.

Pertinent information

- 13.13 The Province must make available to the Contractor all information in the Province's possession which the Province considers pertinent to the performance of the Services.

Conflict of interest

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

Time

- 13.15 Time is of the essence in this Agreement and, without limitation, will remain of the essence after any modification or extension of this Agreement, whether or not expressly restated in the document effecting the modification or extension.

Conflicts among provisions

- 13.16 Conflicts among provisions of this Agreement will be resolved as follows:
- (a) a provision in the body of this Agreement will prevail over any conflicting provision in, attached to or incorporated by reference into a schedule, unless that conflicting provision expressly states otherwise; and
 - (b) a provision in a schedule will prevail over any conflicting provision in a document attached to, or incorporated by reference into a schedule, unless the schedule expressly states otherwise.

Agreement not permit nor fetter

- 13.17 This Agreement does not operate as a permit, license, approval or other statutory authority which the Contractor 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, or fettering in any manner, the exercise by the Province or its agencies of any statutory, prerogative, executive or legislative power or duty.

Remainder not affected by invalidity

- 13.18 If any provision of this Agreement or the application of it 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 will not be affected or impaired and will be valid and enforceable to the extent permitted by law.

Further assurances

- 13.19 Each party must perform the acts, execute and deliver the writings, and give the assurances as may be reasonably necessary to give full effect to this Agreement.

Additional terms

- 13.20 Any additional terms set out in the attached Schedule F apply to this Agreement.

Governing law

- 13.21 This Agreement is governed by, and is to be interpreted and construed in accordance with, the laws applicable in British Columbia.

14 INTERPRETATION

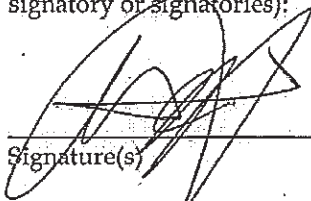

14.1 In this Agreement:

- (a) "includes" and "including" are not intended to be limiting;
- (b) unless the context otherwise requires, references to sections by number are to sections of this Agreement;
- (c) the Contractor and the Province are referred to as "the parties" and each of them as a "party";
- (d) "attached" means attached to this Agreement when used in relation to a schedule;
- (e) unless otherwise specified, a reference to a statute by name means the statute of British Columbia by that name, as amended or replaced from time to time;
- (f) the headings have been inserted for convenience of reference only and are not intended to describe, enlarge or restrict the scope or meaning of this Agreement or any provision of it;
- (g) "person" includes an individual, partnership, corporation or legal entity of any nature; and
- (h) unless the context otherwise requires, words expressed in the singular include the plural and *vice versa*.

15 EXECUTION AND DELIVERY OF AGREEMENT

- 15.1 This Agreement may be entered into by a separate copy of this Agreement being executed by, or on behalf of, each party and that executed copy being delivered to the other party by a method provided for in section 13.1 or any other method agreed to by the parties.

The parties have executed this Agreement as follows:

<p>SIGNED on the <u>25th</u> day of <u>JULY</u>, 2011 by the Contractor (or, if not an individual, on its behalf by its authorized signatory or signatories):</p> <p></p> <p>Signature(s)</p> <p><u>MARCUS CHARALAMBOUS</u></p> <p>Print Name(s)</p> <p><u>PRESIDENT</u></p> <p>Print Title(s)</p>	<p>SIGNED on the <u>3rd</u> day of <u>August</u>, 2011 on behalf of the Province by its duly authorized representative:</p> <p></p> <p>Signature</p> <p><u>Denise Champion</u></p> <p>Print Name</p> <p><u>Executive Director</u></p> <p>Print Title</p>
--	---

Schedule A – Services

PART 1. TERM:

The term of this Agreement commences on May 1, 2011 and ends on March 31, 2012.

PART 2. SERVICES:

As directed by the Contract Manager or their designated alternate, the Contractor will provide the following services the Gaming Grants Review Website:

One-Time Expression Software License,
Website Requirements Discovery and Initial Wireframing,
Website Production Services,
Custom Programming, and
General Project Management and Expression Training.

As outlined in the attached Appendix 1. Monthly Hosting is not provided under this Agreement.

PART 3. RELATED DOCUMENTATION:

1. The Contractor must perform the Services in accordance with the obligations set out in this Schedule A including any engagement letter, Solicitation document excerpt, proposal excerpt or other documentation attached as an Appendix to, or specified as being incorporated by reference in, this Schedule.
2. The following are Appendices to this Schedule A: Appendix 1 - Proposal Excerpt dated May 2011.

PART 4 KEY PERSONNEL:

Not applicable.

Schedule B – Fees and Expenses

1. MAXIMUM AMOUNT PAYABLE:

Despite sections 2 and 3 of this Schedule, \$22,875 is the maximum amount which the Province is obliged to pay to the Contractor for fees and expenses under this Agreement (exclusive of any applicable taxes described in section 3.1(c) of this Agreement).

2. FEES:

Not to exceed s.21 at a rate of s.21 per hour for those hours during the Term when the Contractor provides the Services.

3. EXPENSES:

Not to exceed s.21 for Expression Software License.

4. STATEMENTS OF ACCOUNT:

In order to obtain payment of any fees under this Agreement for a period from and including the 1st day of a month to an including the last day of that month (each a "Billing Period"), the Contractor must deliver to the Province on a date after the Billing Period (each a "Billing Date"), a written statement of account in a form satisfactory to the Province containing:

- (a) the Contractor's legal name and address;

- (b) the date of the statement, and the Billing Period to which the statement pertains;
- (c) the Contractor's calculation of all fees claimed for that Billing Period, including a declaration by the Contractor of all hours worked during the Billing Period for which the Contractor claims fees and a description of the applicable fee rates;
- (d) a chronological listing, in reasonable detail, of any expenses claimed by the Contractor for the Billing Period with receipts attached, if applicable, and, if the Contractor is claiming reimbursement of any HST or other applicable taxes paid or payable by the Contractor in relation to those expenses, a description of any credits, rebates, refunds or remissions the Contractor is entitled to from the relevant taxation authorities in relation to those taxes;
- (e) the Contractor's calculation of any applicable taxes payable by the Province in relation to the Services for the Billing Period;
- (f) a description of this Agreement;
- (g) a statement number for identification; and
- (h) any other billing information reasonably requested by the Province.

5. PAYMENTS DUE:

Payments Due: Within 30 days of the Province's receipt of the Contractor's written statement of account delivered in accordance with this Schedule, the Province must pay the Contractor the fees and expenses (plus all applicable taxes), claimed in the statement if they are in accordance with this Schedule. Statements of account or contract invoices offering an early payment discount may be paid by the Province as required to obtain the discount.

Schedule C – Approved Subcontractor(s)

Not applicable.

Schedule D – Insurance

1. The Contractor must, without limiting the Contractor's obligation or liabilities and at the Contractor's own expense, purchase and maintain throughout the Term the following insurances with insurers licensed in Canada in forms and amounts acceptable to the Province:
 - (a) Commercial General Liability in an amount not less than \$2,000,000 inclusive per occurrence against bodily injury, personal injury and property damage and including liability assumed under this Agreement and this insurance must:
 - (i) include the Province as an additional insured,
 - (ii) be endorsed to provide the Province with 30 days advance written notice of cancellation or material change, and
 - (iii) include a cross liability clause; and
 - (b) Professional Errors and Omissions Liability insuring the Contractor's liability resulting from errors or omissions in the performance of the Services in an amount per occurrence, and in the aggregate, calculated as follows:
 - (i) not less than \$1,000,000, if the "Maximum Amount" set out in Schedule B is less than \$500,000; and
 - (ii) not less than \$2,000,000, if the "Maximum Amount" set out in Schedule B is \$500,000 or greater.

2. All insurance described in section 1 of this Schedule must:
 - (a) be primary; and
 - (b) not require the sharing of any loss by any insurer of the Province.
3. The Contractor must provide the Province with evidence of all required insurance as follows:
 - (a) within 10 Business Days of commencement of the Services, the Contractor must provide to the Province evidence of all required insurance in the form of a completed Province of British Columbia Certificate of Insurance;
 - (b) if any required insurance policy expires before the end of the Term, the Contractor must provide, within 10 Business Days of the policy's expiration, evidence of a new or renewal policy meeting the requirements of the expired insurance in the form of a completed Province of British Columbia Certificate of Insurance; and
 - (c) despite paragraph (a) or (b) above, if requested by the Province at any time, the Contractor must provide to the Province certified copies of the required insurance policies.
4. Despite section 1(b) of this Schedule, if in the Province's sole discretion, the Province has approved in writing either a fronted self-insurance program or a duly licensed captive insurer as an alternative to the Professional Liability Insurance requirement set out in section 1(b), then the Contractor must maintain throughout the Term that alternative in accordance with the terms of the approval.

Schedule E – Privacy Protection Schedule

Definitions

1. In this Schedule,
 - (a) "access" means disclosure by the provision of access;
 - (b) "Act" means the *Freedom of Information and Protection of Privacy Act*;
 - (c) "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;
 - (d) "personal information" means recorded information about an identifiable individual, other than contact information, collected or created by the Contractor as a result of the Agreement or any previous agreement between the Province and the Contractor dealing with the same subject matter as the Agreement but excluding any such information that, if this Schedule did not apply to it, would not be under the "control of a public body" within the meaning of the Act.

Purpose

2. The purpose of this Schedule is to:
 - (a) enable the Province to comply with the Province's statutory obligations under the Act with respect to personal information; and
 - (b) ensure that, as a service provider, the Contractor is aware of and complies with the Contractor's 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, the Contractor may only collect or create personal information that is necessary for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.
4. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor 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, the Contractor must tell an individual from whom the Contractor 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 the Contractor's collection of personal information.

Accuracy of personal information

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

Requests for access to personal information

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

Correction of personal information

8. Within 5 business days of receiving a written direction from the Province to correct or annotate any personal information, the Contractor must annotate or correct the information in accordance with the direction.
9. When issuing a written direction under section 8, the Province must advise the Contractor of the date the correction request to which the direction relates was received by the Province in order that the Contractor may comply with section 10.
10. Within 5 business days of correcting or annotating any personal information under section 8, the Contractor 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, the Contractor disclosed the information being corrected or annotated.
11. If the Contractor receives a request for correction of personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

Protection of personal information

12. The Contractor 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, the Contractor 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, the Contractor 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, the Contractor may only use personal information if that use is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.

Disclosure of personal information

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

Notice of foreign demands for disclosure

18. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.2 of the Act, if in relation to personal information in the custody or under the control of the Contractor, the Contractor:

- (a) receives a foreign demand for disclosure;
- (b) receives a request to disclose, produce or provide access that the Contractor knows or has reason to suspect is for the purpose of responding to a foreign demand for disclosure; or
- (c) has reason to suspect that an unauthorized disclosure of personal information has occurred in response to a foreign demand for disclosure.

the Contractor must immediately notify the Province and, in so doing, provide the information described in section 30.2(3) of the Act. In this section, the phrases "foreign demand for disclosure" and "unauthorized disclosure of personal information" will bear the same meanings as in section 30.2 of the Act.

Notice of unauthorized disclosure

19. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.5 of the Act, if the Contractor knows that there has been an unauthorized disclosure of personal information in the custody or under the control of the Contractor, the Contractor must immediately notify the Province. In this section, the phrase "unauthorized disclosure of personal information" will bear the same meaning as in section 30.5 of the Act.

Inspection of personal information

20. 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 the Contractor, enter on the Contractor's premises to inspect any personal information in the possession of the Contractor or any of the Contractor's information management policies or practices relevant to the Contractor's management of personal information or the Contractor's compliance with this Schedule and the Contractor must permit, and provide reasonable assistance to, any such inspection.

Compliance with the Act and directions

21. The Contractor must in relation to personal information comply with:
 - (a) the requirements of the Act applicable to the Contractor 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.

22. The Contractor 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

23. If for any reason the Contractor does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, the Contractor 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

24. 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 the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

Interpretation

25. In this Schedule, references to sections by number are to sections of this Schedule unless otherwise specified in this Schedule.
26. Any reference to the "Contractor" in this Schedule includes any subcontractor or agent retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors and agents comply with this Schedule.
27. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.
28. 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.
29. The Contractor must comply with the provisions of this Schedule despite any conflicting provision of this Agreement or, subject to section 30, the law of any jurisdiction outside Canada.
30. Nothing in this Schedule requires the Contractor to contravene the law of any jurisdiction outside Canada unless such contravention is required to comply with the Act.

Schedule F – Additional Terms

Not Applicable

Schedule G – Security Schedule

Not applicable

CERTIFICATE OF INSURANCE

Freedom of Information and Protection of Privacy Act
The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Financial Administration Act*. Questions about the collection and use of this information can be directed to the Director, Client Services, Core Government and Crowns at 250 356-8915, PO Box 9405 STN PROV GOVT, Victoria BC V8W 9V1.
Please refer all other questions to the contact named in Part 1.

Part 1 To be completed by the Province

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO (Name of office) Government Communications and Public Engagement		AGREEMENT IDENTIFICATION NO. C12GCPE24608
PROVINCE'S CONTACT PERSON NAME & TITLE Dawn Stewart, Financial Services Officer		PHONE NO. 250 356-8595
		FAX NO. 250 387-3534
MAILING ADDRESS PO Box 9409 STN PROV GOVT Victoria BC		POSTAL CODE V8W 9V1
CONTRACTOR NAME Backbone Technology Inc.		
CONTRACTOR ADDRESS 55 East 7th Avenue, Vancouver, BC		POSTAL CODE V5T 1M4

Part 2 To be completed by the Insurance Agent or Broker

INSURED	NAME Backbone Technology Inc.		POSTAL CODE V5T 1M4	
	ADDRESS #55 East 7th Avenue, Vancouver BC			
OPERATIONS INSURED	PROVIDE DETAILS Software Developer			
TYPE OF INSURANCE <i>List each separately</i>	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION		EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT
Commercial Property	Lloyd's Underwriters Under Agreement No. s.21 Policy No. s.21 Property & Liability		2012/03/03	\$ 502,000.
Commercial Liability	Lloyd's Underwriters Under Agreement No. s.21 Policy No. s.21 Property & Liability		2012/03/03	\$ 2,000,000.

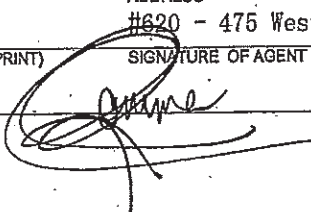
This certificate certifies that policies of insurance described herein are in full force and effective as of the date of this certificate and comply with the insurance requirements of the Agreement identified above, except as follows:

AGENT OR BROKER COMMENTS:

Restricted Liability Endorsement

1/ Limitation of Coverage to Designated Premises 2/ Products & Completed Operations Exclusion

3/ Personal Injury Exclusion 4/ Professional Liability Exclusion

AGENT OR BROKERAGE FIRM Pemberton Insurance Corp.	ADDRESS #620 - 475 West Georgia Street, Vancouver, BC	PHONE NO. 604-682-3111
NAME OF AUTHORIZED AGENT OR BROKER (PRINT) Raelyn Roman	SIGNATURE OF AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S) 	DATE SIGNED July 27, 2011

Proposal for Website Development

Government Communications and
Public Engagement (GCPE)

May 2011



STATEMENT OF CONFIDENTIALITY

The confidentiality of your business plans and data is critical to the success of your business. Backbone Technology Inc. respects this and will treat all such information with the utmost confidentiality.

We view our own approaches and insights as proprietary and therefore look to our clients to protect Backbone's interests in our presentations, methodologies and analytical techniques. The information within this document has been produced exclusively for Government Communications and Public Engagement (GCPE) to illustrate Backbone's vision and competency for the implementation of provided design files into functioning HTML Templates.

Under no circumstances should this material be shared with any other organization without the express written consent of Backbone Technology Inc. By accepting this document, you are hereby agreeing to and accepting these terms and conditions.

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	4
PROJECT DETAILS	5
Content Management System.....	5
Look & Feel.....	7
Site Structure & Navigation.....	8
Social Media Integration.....	9
News RSS subscriptions.....	9
Custom Survey Module.....	10
Google Analytics Tracking.....	11
Technical Considerations.....	11
Training & Warranty of Work.....	11
Hosting & Support.....	12
RECOMMENDED ADD-ONS.....	13
INITIAL PROJECT COST ESTIMATE.....	15
RECURRING COSTS.....	17
RATES FOR ADDITIONAL WORK.....	17
PROJECT APPROVAL.....	18

EXECUTIVE SUMMARY

OVERVIEW

Our goal for this project is to provide Government Communications and Public Engagement (GCPE) with a modern and fully scalable web solution that builds upon Government Communications and Public Engagement (GCPE) branding and creates a comfortable user experience for all visitors. As a full-service web firm, Backbone intends to produce, host, and maintain the solution.

PROJECT BREAKDOWN

▶ One-Time Expression Software License Purchase	s.21
▶ Website Requirements Discovery and Initial Wireframing	4 - 5 hours @ s.21 / hr
▶ Website Production Services	56 - 64 hours @ s.21 / hr
▶ Custom Programming	35 - 40 hours @ \$ s.21 / hr
▶ General Project Management and Expression Training	12 - 14 hours @ s.21 / hr
▶ Monthly Expression Enterprise Hosting and Managed Services	s.21 / month
	s.21
	s.21 / MONTH

ADDITIONAL DETAILS

- **Platform:** The solution will be built on Backbone's proprietary Expression website management framework. This will allow for rapid development and for non-technical staff to maintain the site.
- * **Discovery Phase:** A dedicated discovery phase will formally identify the scope of the project and determine cost within the range stated above.
- **Hosting:** Backbone will host and support the site on its Expression servers at a rate of s.21 / month.
- **Training:** Expression training and documentation will be provided prior to site launch

PROJECT DETAILS

CONTENT MANAGEMENT SYSTEM

At the core of our solution is **Expression**. Expression is Backbone Technology's fully-scalable, enterprise-capable content management system that was built from the ground up to support the needs of growing projects like Government Communications and Public Engagement (GCPE). Using Expression, non-technical users are empowered to take control of web content and SEO parameters in a completely multi-user environment. As more advanced features are required, functionality can be added with drag and drop simplicity as elements, modules, and components. The power of Expression is its flexibility, security, and long-term scalability.

- ▶ **WYSIWYG Article Editing**

Web content is composed using a What-You-See-Is-What-You-Get editor similar to most word processors. Text formatting, image placement, and linking are simple, straightforward tasks for users of any level.

- ▶ **Modules & Elements**

Advanced functionality can be easily added by selecting modules and elements. A module could be a multimedia gallery, styled list, webform, or a poll. An element could be a custom-built interactive tool that uses jQuery or Flash.

- ▶ **Advanced Templating System**

Expression uses a flexible template system that ensures a consistent look and feel for all areas of the website. There is no limitation to how many templates can be used; whether you have a few basic templates or a dozen distinct page layouts, Expression has you covered.

- ▶ **Rich Media Capabilities**

Streaming video and custom image galleries are easy for users to incorporate into the site. Expression's video module and photo gallery module can be skinned to match the look of the site and then placed anywhere on the site using Expression's article editor.

- ▶ **Media Explorer**

All site media is organized and archived in Expression's Media Explorer. Each file can be given a name and description distinct from its filename. A powerful search feature makes finding the right file a quick and painless procedure.

- ▶ **Fine-Grained User Access Rights**

Expression's comprehensive permissions allow administrators to control access to any portion of the Expression Network at a granular level. Privileges for an entire section can be set for a

particular user group or individual file access can be set for a single user. This allows a variety of types of users to work within the Expression CMS while maintaining the security of confidential documentation.

► **Flexible Categorization System**

All content can be categorized -- not only as a system of organization, but also as a way of tagging content for use on the site. For example, categorizing an article as a Home Feature will cause that article to be displayed on the home feature banner. Multiple categories can be applied, making the flexibility endless.

► **Search Engine Optimization (SEO) Features**

Expression is built to be search-engine friendly and provides all the tools you need to be crawled by major search engines:

Search Engine Friendly (SEF) URLs give web page addresses descriptive content and improve ranking. For example, a descriptive URL like <<http://www.CommunityGamingGrantReview.gov.bc.ca/survey>> will rank more highly and resonates in a visitor's mind more than <<http://www.CommunityGamingGrantReview.gov.bc.ca/html/index.html?id=902>>

Automatically-Generated XML Sitemaps can be combined with free webmaster tools from Google and Bing to ensure that the site is crawled accurately.

Meta Keywords and Descriptions are built into Expression's article editor and can be added and edited at any time. Clean markup ensures that article content is found, crawled, and ranked by major search engines.

LOOK & FEEL

Our design team will take Government Communications and Public Engagement (GCPE) provided branding/ design and creative direction and build upon it to create an elegant online identity that is both aesthetically pleasing and intuitive to navigate.

Our philosophy and overall web aesthetic typically comprises of the following core values:

- ▶ **Clean, Open Design**

We will consult and build upon the provided design direction and layout so to emphasize intuitive navigation and a comfortable user experience.

- ▶ **Brand Integration**

Government Communications and Public Engagement (GCPE) branding and design will be fused into the design and developed throughout every aspect of the site for total brand cohesion.

- ▶ **Imagery**

Carefully selected photographs will set the aesthetic tone of the site. A mix of stock photography and Government Communications and Public Engagement (GCPE) own photography will provide immediate visual context for first-time visitors. Our designers can help assist in the selection and purchase of stock images as part of the design phase.

- ▶ **Calls To Action**

Buttons and other graphics will pique interest and compel visitors to take the next step.

Current creative direction for branded CTAs include:

- Message box
- Social media

- ▶ **Dynamic Elements using jQuery**

By leveraging jQuery and Javascript programming, we can also achieve Flash-style effects without the burden of plug-in dependency. Subtle visual cues such as button rollovers, smooth menu animations, and compelling page transitions will create a lush and comfortable experience for the user. Our approach will strive for full cross-browser and mobile device (ex., iPhone / iPad) compatibility.

- ▶ **Visual Consistency**

The smart use of page templates, image guidelines, and user-applicable character styles will help to maintain visual consistency as the site grows. A style guide will also be developed for the web brand.

SITE STRUCTURE & NAVIGATION

The content and layout of the site will be strategically organized so that a simple and intuitive interface is able to manage and deliver Between Government Communications and Public Engagement (GCPE) web content in a straightforward manner. Of utmost importance is that the user can access the information they need as quickly as possible. The key to this is effective information architecture, smart menu structuring, and the use of accessible navigational aids.

- ▶ **Simple Menu Structure**

Primary navigation will be via a horizontal menu with intuitively-named, single-level menu items. These sections will be based on the initial site map provided by Government Communications and Public Engagement (GCPE).

- ▶ **Breadcrumb Navigation**

Each sub-page will have breadcrumb navigation (ex. You Are Here: Home > About gaming in B.C ?) so that visitors know exactly where they are within the site and can easily jump back to previous sections.

- ▶ **Related Content**

A sidebar menu with related links will create logical pathways for users exploring the site. Related content is easily added using Expression's article editor and can link to pages within the site, external links, and factsheets.

SOCIAL MEDIA INTEGRATION

With social media sites now an integral part of any online identity, we typically incorporate branded links to social media sites into every design we produce.

- ▶ **Basic Links**

We will include links to social media sites as represented by their respective icons. These links are setup as articles so that new icons can be added when new social media sites emerge.

- ▶ **Share, Like, and Tweet Tools**

More advanced social media options are available such as a Share toolbar that will allow users to share site content on their own Facebook wall, Twitter feed, Digg accounts, etc. We can also optionally include a feed of recent Twitter posts on the site or Like/Tweet buttons on each article. Further details are provided later in the Recommended Add-Ons section.

NEWS RSS SUBSCRIPTIONS

News RSS Feeds are great ways to keep visitors informed of updates and community events.

- ▶ **RSS-Enabled Newsfeed**

A feed of recent news and events could appear on the home page with a link to the full News & Events section. This feed would be RSS-enabled so that visitors can subscribe to receive updates when news items are added. RSS subscriptions can be incorporated into any section of our sites.

- ▶ **Custom Survey Module**

A cohesive survey module incorporated into the Government Communications and Public Engagement (GCPE) design framework to provide a smooth and clear functioning process for the user and allowing for easy data retrieval and survey question input from the administrative position.

GOOGLE ANALYTICS TRACKING

A Google Analytics tracking code can be used to track all website traffic including site visitors, referring sites, goal conversions, and more. Website statistics will be accessible by logging into Government Communications and Public Engagement (GCPE) Google Analytics account. In accordance with Government Communications and Public Engagement (GCPE) overall goals and objectives, custom reports can be set up in Google Analytics to track key statistics for the website.

TECHNICAL CONSIDERATIONS

The site will be developed for a lowest common denominator of Internet Explorer 7 running without plug-ins at a screen resolution of 1280 x 800 pixels. It is our policy to test the site on multiple platforms (Windows, OS X, Linux) to ensure that the site functions properly on all major browsers (Mozilla Firefox, Internet Explorer, Opera, Apple's Safari, and Google Chrome).

TRAINING & WARRANTY OF WORK

Backbone will provide hands-on training for the Expression content management system. A printed reference manual will also be provided along with specific documentation and workflows relating to how your site is built.

We are committed to building strong, long-lasting relationships with our clients and will full support and development services within scope for 30 days after site launch. After that time, a service level agreement may be negotiated for ongoing technical support and site updates. Pricing for these services will be based on our standard support rates.

HOSTING & SUPPORT

To provide an optimal balance between value, performance, and reliability, we prefer to host our Expression-based websites from our secure co-location facility. Backbone's hosting services offer much more than standard hosting packages. Rather than simply provide a place to store your website, Backbone is able to provide a comprehensive, full-service support and service package for not only the website but also for the Expression application. There are two components to this package:

► Full-Featured Hosting

Website hosting is only a small portion of what we offer our clients. Still, our standard offerings go above and beyond what most companies consider to be "standard".

- Servers monitored 24/7/365
- 99.99% server uptime
- Unlimited storage space
- Capacity to handle high volumes of traffic
- Facility protected from theft, power loss, fire, and flooding
- Daily site backups to remote server over a secure connection
- Managed services handled by our team of network administrators

► Expression Application Support Package

The highest level of value comes in our Expression support package. Our business is built on strong, long-lasting relationships. As a full-service web services provider, any request can be handled with a single phone call rather than involving a chain of third-parties.

- Expression application hosted and maintained on dedicated Expression servers
- Regular Expression updates - new features available to all of our clients
- Development environment becomes production site - no migration needed
- Basic service level agreement with technical support is included
- Single point of contact for any site request - design, development, or delivery
- Daily system snapshots for reliable business continuance

Ultimately, hosting with Backbone means requests can be filled and issues can be resolved quickly and easily. Our entire team is here to support your site, giving it the personalized attention it deserves. We take pride in maintaining our sites. With Backbone, you're never just a domain on a server. You're part of the family.

In exceptional cases, Expression can be hosted with a third-party provider. However, additional licensing fees may apply due to intellectual property issues. If third-party hosting is a requirement of the project, details can be further negotiated.

PROJECT-SPECIFIC DETAILS

SURVEY

As touched upon earlier in this proposal, Backbone Technology will custom program a robust survey/questionnaire application based on Government Communications and Public Engagement (GCPE) provided design and functionality requirements that will seamlessly integrate into the Expression framework allowing for the user to seamlessly and intuitively participate in Government Communications and Public Engagement (GCPE) online survey/questionnaire.

Included with the custom survey application will be a user intuitive administration area inside of the Expression suite of tools allowing Government Communications and Public Engagement (GCPE) administrative team to create, edit and deploy surveys/questionnaires effortlessly.

USER DATA COLLECTING

Visitors who provide their email address will be added to a specific group in the user database. Implementation of the survey module into the the Expression backend allows for the easy construction and publishing of multiple custom survey questionnaires seamlessly and intuitively by the Government Communications and Public Engagement (GCPE) administrative team.

Future implementation of a branded and dynamic Newsletter can then be generated directly from existing content by specifying an article and a newsletter template while performing the newsblast.

Expression's mailer is robust, stable, and spam-filter friendly. Several of our clients are mailing out to thousands of addresses at a time.

INITIAL PROJECT COST ESTIMATE

Expression Software License	Hours	Rate	Subtotal
	N/A	Flat	s.21

Includes:

- Installation of Expression
- Setup and integration of core components as per specifications provided
- Setup of system design elements and templates as per specifications provided
- Regular Expression updates

A. Total for Expression License	s.21
--	-------------

General Project Management & Training	Hours	Rate	Subtotal
General Project Management & Training	12 - 14	s.21 / hr	s.21

Includes:

- Content a and design sssessment and planning, site map recommendations, wireframe development
- Expression setup and initial training (2 sessions)
- Usability and user acceptance testing (stakeholder review for approval purposes)
- Regular status updates and information sharing meetings

B. Total for General Project Management & Training	s.21
---	-------------

(Continued on next page)

Design & Layout	Hours	Rate	Subtotal
	TBD	s.21 /hr	s.21

Provided by Government Communications and Public Engagement (GCPE):

- Website design and layout using Government Communications and Public Engagement (GCPE) provided design and brand
- Web brand development
- Home page development
- Survey component based on Government Communications and Public Engagement (GCPE) provided creative direction and functionality requirements.
- Basic sub-page design (derived from approved Home page design)
- Contact, Search, Search Results page design
- Other page designs as determined through discovery
- Call to Action Branded Elements
- Custom Survey Component
- Initial photography selection consultation
- Functionality breakdown for programming & approval
- Additional graphic production as needed (up to allotted hours)

Does Not Include:

- Product photography or stock image purchases

*Backbone Technology will provide and consult on design on an "as needed" basis unless otherwise noted. (Standard hourly design rates apply)

C. Total for Design & Layout	s.21
---	-------------

(Continued on next page)

Front-End Programming and Mark-Up	Hours	Rate	Subtotal
	56 - 64	s.21 / hr	s.21

Includes:

- Expression installation and DNS setup (www2, control)
- Site Architecture & Administrator User Group Setup
- Homepage template setup
(layout, main navigation, news feed, calls-to-action, footer, etc.)
- Additional site templates
(layout, default and user font styles, subpage navigation, related links menus, etc.)
- Photo and video gallery skins *if required
- Email form and list manager skins as necessary *if required
- Mailer component and user database setup *TBD
- Newsletter template production and testing *TBD
- Site QA and User Acceptance Testing

D. Total for Front-End Programming and Mark-Up	s.21
---	------

Custom Development (Project Specific)	Hours	Rate	Subtotal
	35 - 40	s.21 / hr	s.21

- Database architecture
- Custom programming utilizing multiple coding languages to architect all Government Communications and Public Engagement (GCPE) provided requirements for survey process, data collecting/retrieval and storage.
- Custom development of administrative area for configuration of survey(s) and data retrieval

E. Total for Custom Survey Component Programming and Mark-Up	s.21
---	------

Total for Website Programming and Mark-Up (Does not include applicable taxes)	s.21
--	------

PRORATED HOSTING COST

Recurring Fees	Rate	Subtotal
Expression Administration Area Hosting based on a 6-8 week agreement.	FLAT	s.21
Total Site Hosting Fees		s.21

RATES FOR ADDITIONAL WORK

Description of Work	Rate	
Additional Graphic Design Work	s.21	/ hour
Additional Marketing / Social Media Consultation	s.21	hour
Additional Web Production / Programming	s.21	hour

PROJECT APPROVAL

By signing, each party acknowledges that the terms and conditions presented in this document have been reviewed and approved.

As per:

As per:

Backbone Technology Inc.

55 - East 7th Avenue

Vancouver, BC V5T 1M4

Tel: 604 713 8560

Fax: 604 605 0964

Government Communications and Public
Engagement (GCPE).

DIRECT AWARD JUSTIFICATION

FORM USAGE AND ROUTING:

This form must be completed by the contract manager to clearly document the justification for direct awarding a service contract and ensures compliance with government contract policy. The original completed and signed form must be retained in the program contract file.

CONTRACT INFORMATION

Ministry: Ministry of Labour, Citizens' Services

Program: Social Media Online Communications

Contract Manager Name and Phone Carolyn Hunter

387-5033

Legal Contractor Name: Backbone Technology Inc.

Contract Value: \$22,875

Term: May 1, 2011 - Mar 31, 2012

STOB: 6309 6310

Contract Type ☒ New ☐ Multi-year ☐ Renewal

Commonly Used Contract STOBs:

6001/02 - Operational - Fees/expenses for contracts that provide for a direct provision of goods or services in the delivery of government programs (e.g., project mgmt).

6003/04 - Regulatory - Fees/expenses for contracts that provide for a direct provision of goods or services required by statute or regulation.

6020/21 - Education and Training - Fees/expenses for contracts that deliver training to government employees.

6101/02 - Advisory - Fees/expenses for contracts with the provision of advisory services to the ministry (e.g., management consulting).

6302 - Data Operations Non-WTS - Fees/expenses for contracts that provide for a direct provision of IT related goods/services in the delivery of government programs (e.g., data processing, operating lease rentals).

6309/10 - Data Consulting Non-WTS - Fees/expenses for consulting contracts related to Information systems.

RATIONALE FOR ALL DIRECT AWARD CONTRACTS

1. Describe the services required and provide an explanation of why you need to acquire these services.
Production services Gaming Grants Review Website

2. Under which Core Policy and Procedures Manual exception is this direct award request being made (see section 6.3.3)?

☐ Public Sector Organization

☐ Sole Source

☐ Sole Source - Notice of Intent

☐ Security, Order, etc.

☐ Emergency

☐ Confidentiality

☐ No Exceptions Apply - \$25,000 to \$75,000 posted on BC Bid or three quotes obtained

☒ No Exceptions Apply - Less than \$25,000 neither cost effective nor reasonable

3. Explain the reason why this contract meets the criteria of the above selection (i.e. how would a competitive process compromise government confidentiality, cause economic disaster or be contrary to the public interest)?

Low dollar value, the services were required immediately, this contractor was available and could complete the website within the 2 week time frame. GCPE has used this contractor in the past, they have provided excellent service, on time and on budget.

4. Will this purchase obligate government to this vendor for future purchases (e.g., maintenance, licensing or continuing need)? If yes, provide details.
Monthly hosting charges.

5. Were alternative vendors evaluated? If yes, who were they and why were they unacceptable? If no, why were alternatives not evaluated?
Not applicable.

ADDITIONAL RATIONALE FOR SOLE SOURCE CONTRACTS ONLY

1. Why is the requested vendor the only one that can meet your requirements? Provide specific, quantifiable factors and/or qualifications and explain why they are necessary.

2. What other suppliers did you consider before arriving at the conclusion that the sole source direct award criteria was met and the requested vendor was the only one that met your needs.

APPROVALS

CONTRACT MANAGER

Carolynn Hunter

Name (Please Print)

Signature & Date

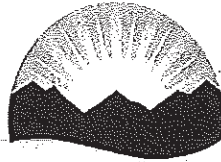
EXPENSE AUTHORITY

Denise Champion

Name (Please Print)

Signature & Date

INFORMATION TECHNOLOGY & MANAGEMENT CONSULTING PROFESSIONAL SERVICES AGREEMENT



**BRITISH
COLUMBIA**

The Best Place on Earth

For Administrative Purposes Only

Ministry Contract No.: C12GCPE24621

Requisition No.: 24621

Solicitation No.(if applicable): N/A

Commodity Code: AS.AS20

Contractor Information

Supplier Name: Backbone Technology Inc.

Supplier No.: 2145990

Telephone No.: 604 713-8560

E-mail Address: marcus@backbonetechnology.com

Website: <http://www.backbonetechnology.com/>

Financial Information

Client: 112

Responsibility Centre: 32348

Service Line: 34420

STOB: 6309

Project: 32N0213

Template version: September 29, 2010

TABLE OF CONTENTS

No.	Heading	Page
1.	Definitions	1
1.1	General.....	1
1.2	Meaning of "record"	1
2.	Services	2
2.1	Provision of services	2
2.2	Term	2
2.3	Supply of various items.....	2
2.4	Standard of care.....	2
2.5	Standards in relation to persons performing Services	2
2.6	Instructions by Province.....	2
2.7	Confirmation of non-written instructions	2
2.8	Effectiveness of non-written instructions	2
2.9	Applicable Laws	2
3.	Payment.....	3
3.1	Fees and expenses	3
3.2	Statements of accounts	3
3.3	Withholding of amounts	3
3.4	Appropriation.....	3
3.5	Currency	3
3.6	Non-resident income tax	3
3.7	Prohibition against committing money.....	3
3.8	Refunds of taxes	4
4.	Representations and Warranties	4
5.	Privacy, Security and Confidentiality	4
5.1	Privacy	4
5.2	Security	4
5.3	Confidentiality.....	5
5.4	Public announcements.....	5
5.5	Restrictions on promotion.....	5
6.	Material and Intellectual Property	5
6.1	Access to Material	5
6.2	Ownership and delivery of Material	5
6.3	Matters respecting intellectual property	5
6.4	Rights in relation to Incorporated Material	6
6.5	Right of Province to negotiate license of Produced Material	6
7.	Records and Report	6
7.1	Work reporting.....	6
7.2	Time and expense records.....	6
8.	Audit.....	6

9.	Indemnity and Insurance	6
9.1	Indemnity.....	6
9.2	Monetary limitations of indemnity.....	6
9.3	Exceptions to monetary limitations.....	7
9.4	Province to notify Contractor of Loss.....	7
9.5	Third-party intellectual property infringement claims.....	7
9.6	Insurance.....	7
9.7	Workers compensation.....	7
9.8	Personal optional protection.....	7
9.9	Evidence of coverage.....	7
10.	Force Majeure	8
10.1	Definitions relating to force majeure.....	8
10.2	Consequence of Event of Force Majeure.....	8
10.3	Duties of Affected Party.....	8
11.	Default and Termination	8
11.1	Definitions relating to default and termination.....	8
11.2	Province's options on default.....	9
11.3	Delay not a waiver.....	9
11.4	Province's right to terminate other than for default.....	9
11.5	Payment consequences of termination.....	9
11.6	Discharge of liability.....	9
11.7	Notice in relation to Events of Default.....	9
12.	Dispute Resolution	10
12.1	Dispute resolution process.....	10
12.2	Location of arbitration or mediation.....	10
12.3	Costs of arbitration or mediation.....	10
13.	Miscellaneous	10
13.1	Delivery of notices.....	10
13.2	Change of address or fax number.....	10
13.3	Assignment.....	10
13.4	Subcontracting.....	11
13.5	Waiver.....	11
13.6	Modifications.....	11
13.7	Entire agreement.....	11
13.8	Survival of certain provisions.....	11
13.9	Schedules.....	11
13.10	Independent contractor.....	11
13.11	Personnel not to be employees of Province.....	11
13.12	Key Personnel.....	12
13.13	Pertinent Information.....	12
13.14	Conflict of interest.....	12
13.15	Time.....	12
13.16	Conflicts among provisions.....	12
13.17	Agreement not permit nor fetter.....	12
13.18	Remainder not affected by invalidity.....	12
13.19	Further assurances.....	12
13.20	Additional terms.....	12
13.21	Governing law.....	13

14.	Interpretation.....	13
15.	Execution and Delivery of Agreement.....	13

SCHEDULE A – SERVICES

- Part 1 - Term
- Part 2 - Services
- Part 3 - Related Documentation
- Part 4 - Key Personnel

SCHEDULE B – FEES AND EXPENSES

- Part 1 - Maximum Amount Payable
- Part 2 - Fees
- Part 3 - Expenses
- Part 4 - Statements of Account
- Part 5 - Payments Due

SCHEDULE C – APPROVED SUBCONTRACTOR(S)

SCHEDULE D – INSURANCE

SCHEDULE E – PRIVACY PROTECTION SCHEDULE

SCHEDULE F – ADDITIONAL TERMS

SCHEDULE G – SECURITY SCHEDULE

THIS AGREEMENT is dated for reference the 1st day of July, 2011.

BETWEEN:

Backbone Technology Inc. at 55 – East 7th Avenue, Vancouver British Columbia V5T 1M4 (the "Contractor"). Fax Number: 604 605-0964

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Labour, Citizens' Services and Open Government, Government Communications and Public Engagement (the "Province") with the following specified address and fax number: 4th Floor 617 Government Street, Victoria, British Columbia, V8W 9V1
Fax Number: 250 387-6687

The Province wishes to retain the Contractor to provide the services specified in Schedule A and, in consideration for the remuneration set out in Schedule B, the Contractor has agreed to provide those services, on the terms and conditions set out in this Agreement.

As a result, the Province and the Contractor agree as follows:

1 DEFINITIONS

General

1.1. In this Agreement, unless the context otherwise requires:

- (a) "Business Day" means a day, other than a Saturday or Sunday, on which Provincial government offices are open for normal business in British Columbia;
- (b) "Incorporated Material" means 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 the Contractor or a Subcontractor;
- (c) "Material" means the Produced Material and the Received Material;
- (d) "Produced Material" means records, software and other material, whether complete or not, that, as a result of this Agreement, are produced by the Contractor or a Subcontractor and includes the Incorporated Material;
- (e) "Received Material" means records, software and other material, whether complete or not, that, as a result of this Agreement, are received by the Contractor or a Subcontractor from the Province or any other person;
- (f) "Services" means the services described in Part 2 of Schedule A;
- (g) "Subcontractor" means a person described in paragraph (a) or (b) of section 13.4; and
- (h) "Term" means the term of the Agreement described in Part 1 of Schedule A subject to that term ending earlier in accordance with this Agreement.

Meaning of "record"

1.2 The definition of "record" in the *Interpretation Act* is incorporated into this Agreement and "records" will bear a corresponding meaning.

2 SERVICES

Provision of services

- 2.1 The Contractor must provide the Services in accordance with this Agreement.

Term

- 2.2 Regardless of the date of execution or delivery of this Agreement, the Contractor must provide the Services during the Term.

Supply of various items

- 2.3 Unless the parties otherwise agree in writing, the Contractor must supply and pay for all labour, materials, equipment, tools, facilities, approvals and licenses necessary or advisable to perform the Contractor's obligations under this Agreement, including the license under section 6.4.

Standard of care

- 2.4 Unless otherwise specified in this Agreement, the Contractor 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.

Standards in relation to persons performing Services

- 2.5 The Contractor must ensure that all persons employed or retained to perform the Services are qualified and competent to perform them and are properly trained, instructed and supervised.

Instructions by Province

- 2.6 The Province may from time to time give the Contractor reasonable instructions (in writing or otherwise) as to the performance of the Services. The Contractor must comply with those instructions but, unless otherwise specified in this Agreement, the Contractor may determine the manner in which the instructions are carried out.

Confirmation of non-written instructions

- 2.7 If the Province provides an instruction under section 2.6 other than in writing, the Contractor may request that the instruction be confirmed by the Province in writing, which request the Province must comply with as soon as it is reasonably practicable to do so.

Effectiveness of non-written instructions

- 2.8 Requesting written confirmation of an instruction under section 2.7 does not relieve the Contractor from complying with the instruction at the time the instruction was given.

Applicable laws

- 2.9 In the performance of the Contractor's obligations under this Agreement, the Contractor must comply with all applicable laws.

3 PAYMENT

Fees and expenses

- 3.1 If the Contractor complies with this Agreement, then the Province must pay to the Contractor at the times and on the conditions set out in Schedule B:
- (a) the fees described in that Schedule;
 - (b) the expenses, if any, described in that Schedule if they are supported, where applicable, by proper receipts and, in the Province's opinion, are necessarily incurred by the Contractor in providing the Services; and
 - (c) any applicable taxes payable by the Province under law or agreement with the relevant taxation authorities on the fees and expenses described in paragraphs (a) and (b).

The Province is not obliged to pay to the Contractor more than the "Maximum Amount" specified in Schedule B on account of fees and expenses.

Statements of accounts

- 3.2 In order to obtain payment of any fees and expenses under this Agreement, the Contractor must submit to the Province a written statement of account in a form satisfactory to the Province upon completion of the Services or at other times described in Schedule B.

Withholding of amounts

- 3.3 Without limiting section 9.1, the Province may withhold from any payment due to the Contractor an amount sufficient to indemnify in whole or in part the Province and its employees and agents against any liens or other third-party claims that have arisen or could arise in connection with the provision of the Services. An amount withheld under this section must be promptly paid by the Province to the Contractor upon the basis for withholding the amount having been fully resolved to the satisfaction of the Province.

Appropriation

- 3.4 The Province's obligation to pay money to the Contractor 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.

Currency

- 3.5 Unless otherwise specified in this Agreement, all references to money are to Canadian dollars.

Non-resident income tax

- 3.6 If the Contractor is not a resident in Canada, the Contractor acknowledges that the Province may be required by law to withhold income tax from the fees described in Schedule B and then to remit that tax to the Receiver General of Canada on the Contractor's behalf.

Prohibition against committing money

- 3.7 Without limiting section 13.10(a), the Contractor must not in relation to performing the Contractor's obligations under this Agreement commit or purport to commit the Province to pay any money except as may be expressly provided for in this Agreement.

Refunds of taxes

- 3.8 The Contractor must:

- (a) apply for, and use reasonable efforts to obtain, any available refund, credit, rebate or remission of federal, provincial or other tax or duty imposed on the Contractor as a result of this Agreement that the Province has paid or reimbursed to the Contractor or agreed to pay or reimburse to the Contractor under this Agreement; and
- (b) immediately on receiving, or being credited with, any amount applied for under paragraph (a), remit that amount to the Province.

4 REPRESENTATIONS AND WARRANTIES

4.1 As at the date this Agreement is executed and delivered by, or behalf of, the parties, the Contractor represents and warrants to the Province as follows:

- (a) except to the extent the Contractor has previously disclosed otherwise in writing to the Province,
 - (i) all information, statements, documents and reports furnished or submitted by the Contractor to the Province in connection with this Agreement (including as part of any competitive process resulting in this Agreement being entered into) are in all material respects true and correct,
 - (ii) the Contractor has sufficient trained staff, facilities, materials, appropriate equipment and approved subcontractual agreements in place and available to enable the Contractor to fully perform the Services, and
 - (iii) the Contractor holds all permits, licenses, approvals and statutory authorities issued by any government or government agency that are necessary for the performance of the Contractor's obligations under this Agreement; and
- (b) if the Contractor is not an individual,
 - (i) the Contractor has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement and all necessary corporate or other proceedings have been taken and done to authorize the execution and delivery of this Agreement by, or on behalf of, the Contractor, and
 - (ii) this Agreement has been legally and properly executed by, or on behalf of, the Contractor and is legally binding upon and enforceable against the Contractor in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

5 PRIVACY, SECURITY AND CONFIDENTIALITY

Privacy

5.1 The Contractor must comply with the Privacy Protection Schedule attached as Schedule E.

Security

5.2 The Contractor must:

- (a) make reasonable security arrangements to protect the Material from unauthorized access, collection, use, disclosure, alteration or disposal; and
- (b) comply with the Security Schedule attached as Schedule G.

Confidentiality

- 5.3 The Contractor must treat as confidential all information in the Material and all other information accessed or obtained by the Contractor or a Subcontractor (whether verbally, electronically or otherwise) as a result of this Agreement, and not permit its disclosure or use without the Province's prior written consent except:
- (a) as required to perform the Contractor's obligations under this Agreement or to comply with applicable laws;
 - (b) if it is information that is generally known to the public other than as result of a breach of this Agreement; or
 - (c) if it is information in any Incorporated Material.

Public announcements

- 5.4 Any public announcement relating to this Agreement will be arranged by the Province and, if such consultation is reasonably practicable, after consultation with the Contractor.

Restrictions on promotion

- 5.5 The Contractor, must not, without the prior written approval of the Province, refer for promotional purposes to the Province being a customer of the Contractor or the Province having entered into this Agreement.

6 MATERIAL AND INTELLECTUAL PROPERTY

Access to Material

- 6.1 If the Contractor 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 the Contractor to provide that access, the Contractor must promptly advise the person to make the request to the Province.

Ownership and delivery of Material

- 6.2 The Province exclusively owns all property rights in the Material which are not intellectual property rights. The Contractor must deliver any Material to the Province immediately upon the Province's request.

Matters respecting intellectual property

- 6.3 The Province exclusively owns all intellectual property rights, including copyright, in:
- (a) Received Material that the Contractor receives from the Province; and
 - (b) Produced Material, other than any Incorporated Material.

Upon the Province's request, the Contractor must deliver to the Province documents satisfactory to the Province that irrevocably waive in the Province's favour any moral rights which the Contractor (or employees of the Contractor) or a Subcontractor (or employees of a Subcontractor) may have in the Produced Material and that confirm the vesting in the Province of the copyright in the Produced Material, other than any Incorporated Material.

Rights in relation to Incorporated Material

- 6.4 Upon any Incorporated Material being embedded or incorporated in the Produced Material and to the extent that it remains so embedded or incorporated, the Contractor grants to the Province:
- (a) a non-exclusive, perpetual, irrevocable, royalty-free, worldwide license to use, reproduce, modify and distribute that Incorporated Material; and
 - (b) the right to sublicense to third-parties the right to use, reproduce, modify and distribute that Incorporated Material.

Right of Province to negotiate license of Produced Material

- 6.5 After the end of the Term, the Province in its sole discretion, may negotiate with the Contractor to provide the Contractor a license (which may be exclusive or non-exclusive) for the Contractor to use, reproduce, modify or distribute some or all of the Produced Material.

7 RECORDS AND REPORTS

Work reporting

- 7.1 Upon the Province's request, the Contractor must fully inform the Province of all work done by the Contractor or a Subcontractor in connection with providing the Services.

Time and expense records

- 7.2 If Schedule B provides for the Contractor to be paid fees at a daily or hourly rate or for the Contractor to be paid or reimbursed for expenses, the Contractor must maintain time records and books of account, invoices, receipts and vouchers of expenses in support of those payments, in form and content satisfactory to the Province. Unless otherwise specified in this Agreement, the Contractor must retain such documents for a period of not less than seven years after this Agreement ends.

8 AUDIT

- 8.1 In addition to any other rights of inspection the Province may have under statute or otherwise, the Province may at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect and, at the Province's discretion, copy any of the Material and the Contractor must permit, and provide reasonable assistance to, the exercise by the Province of the Province's rights under this section.

9 INDEMNITY AND INSURANCE

Indemnity

- 9.1 The Contractor must indemnify and save harmless the Province and the Province's employees and agents from any losses, claims, damages, actions, causes of action, costs and expenses that the Province 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, including any claim of infringement of third-party intellectual property rights, where the same or any of them are based upon, arise out of or occur, directly or indirectly, by reason of any act or omission by the Contractor or by any of the Contractor's agents, employees, officers, directors or Subcontractors in connection with this Agreement (each a "Loss"), excepting always liability arising out of the independent acts or omissions of the Province and the Province's employees and agents.

Monetary limitations of indemnity

- 9.2 The indemnification by the Contractor pursuant to section 9.1 is limited to:
- (a) \$2,000,000 per Loss; and

- (b) \$4,000,000 in the aggregate for all Losses.

Exceptions to monetary limitations

- 9.3 The limitations set out in section 9.2 do not apply to a Loss resulting from any of the following:
- (a) bodily injury or damage to real property or tangible personal property;
 - (b) a claim of infringement of third-party intellectual property rights; or
 - (c) a breach of section 5.1, 5.2, 5.3 or 6.1 of this Agreement.

Province to notify Contractor of Loss

- 9.4 To claim indemnification for a Loss pursuant to section 9.1, the Province must notify the Contractor in writing of the Loss as soon as reasonably practicable after the Province becomes aware of the Loss provided that a failure by the Province to provide such notification will not invalidate the claim unless the Contractor is materially prejudiced by that failure.

Third-party intellectual property infringement claims

- 9.5 If the Loss is on the basis of a third-party claim that any element of the Material infringes the intellectual property rights of any person,
- (a) then the Contractor must defend the Province against that claim at the Contractor's expense and the Contractor must pay all associated costs, damages and legal fees that a court or arbitrator finally awards or are included in a settlement agreed to by the Contractor; and
 - (b) the Province must cooperate with the Contractor in the defence of the claim and, where appropriate in the discretion of the Province, will allow the Contractor to appoint and instruct counsel and otherwise control the defence and any related settlement negotiations.

Insurance

- 9.6 The Contractor must comply with the Insurance Schedule attached as Schedule D.

Workers compensation

- 9.7 Without limiting the generality of section 2.9, the Contractor must comply with, and must ensure that any Subcontractors comply with, all applicable occupational health and safety laws in relation to the performance of the Contractor's obligations under this Agreement, including the *Workers Compensation Act* in British Columbia or similar laws in other jurisdictions.

Personal optional protection

- 9.8 The Contractor must apply for and maintain personal optional protection insurance (consisting of income replacement and medical care coverage) during the Term at the Contractor's expense if:
- (a) the Contractor is an individual or a partnership of individuals and does not have the benefit of mandatory workers compensation coverage under the *Workers Compensation Act* or similar laws in other jurisdictions; and
 - (b) such personal optional protection insurance is available for the Contractor from WorkSafeBC or other sources.

Evidence of coverage

- 9.9 Within 10 Business Days of being requested to do so by the Province, the Contractor must provide the Province with evidence of the Contractor's compliance with sections 9.7 and 9.8.

10 FORCE MAJEURE

Definitions relating to force majeure

10.1 In this section and sections 10.2 and 10.3:

- (a) "Event of Force Majeure" means one of the following events:
 - (i) a natural disaster, fire, flood, storm, epidemic or power failure,
 - (ii) a war (declared and undeclared), insurrection or act of terrorism or piracy,
 - (iii) a strike (including illegal work stoppage or slowdown) or lockout, or
 - (iv) a freight embargoif the event prevents a party from performing the party's obligations in accordance with this Agreement and is beyond the reasonable control of that party; and
- (b) "Affected Party" means a party prevented from performing the party's obligations in accordance with this Agreement by an Event of Force Majeure.

Consequence of Event of Force Majeure

10.2 An Affected Party is not liable to the other party for any failure or delay in the performance of the Affected Party's obligations under this Agreement resulting from an Event of Force Majeure and any time periods for the performance of such obligations are automatically extended for the duration of the Event of Force Majeure provided that the Affected Party complies with the requirements of section 10.3.

Duties of Affected Party

10.3 An Affected Party must promptly notify the other party in writing upon the occurrence of the Event of Force Majeure and make all reasonable efforts to prevent, control or limit the effect of the Event of Force Majeure so as to resume compliance with the Affected Party's obligations under this Agreement as soon as possible.

11 DEFAULT AND TERMINATION

Definitions relating to default and termination

11.1 In this section and sections 11.2 to 11.4:

- (a) "Event of Default" means any of the following:
 - (i) an Insolvency Event,
 - (ii) the Contractor fails to perform any of the Contractor's obligations under this Agreement, or
 - (iii) any representation or warranty made by the Contractor in this Agreement is untrue or incorrect; and
- (b) "Insolvency Event" means any of the following:
 - (i) an order is made, a resolution is passed or a petition is filed, for the Contractor's liquidation or winding up,
 - (ii) the Contractor commits an act of bankruptcy, makes an assignment for the benefit of the Contractor's creditors or otherwise acknowledges the Contractor's insolvency,
 - (iii) a bankruptcy petition is filed or presented against the Contractor or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by the Contractor,
 - (iv) a compromise or arrangement is proposed in respect of the Contractor under the *Companies' Creditors Arrangement Act* (Canada),

- (v) a receiver or receiver-manager is appointed for any of the Contractor's property, or
- (vi) the Contractor ceases, in the Province's reasonable opinion, to carry on business as a going concern.

Province's options on default

- 11.2 On the happening of an Event of Default, or at any time thereafter, the Province may, at its option, elect to do any one or more of the following:
- (a) by written notice to the Contractor, require that the Event of Default be remedied within a time period specified in the notice;
 - (b) pursue any remedy or take any other action available to it at law or in equity; or
 - (c) by written notice to the Contractor, terminate this Agreement with immediate effect or on a future date specified in the notice, subject to the expiration of any time period specified under section 11.2(a).

Delay not a waiver

- 11.3 No failure or delay on the part of the Province to exercise its rights in relation to an Event of Default will constitute a waiver by the Province of such rights.

Province's right to terminate other than for default

- 11.4 In addition to the Province's right to terminate this Agreement under section 11.2(c) on the happening of an Event of Default, the Province may terminate this Agreement for any reason by giving at least 10 days' written notice of termination to the Contractor.

Payment consequences of termination

- 11.5 Unless Schedule B otherwise provides, if the Province terminates this Agreement under section 11.4:
- (a) the Province must, within 30 days of such termination, pay to the Contractor any unpaid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that was completed to the Province's satisfaction before termination of this Agreement; and
 - (b) the Contractor must, within 30 days of such termination, repay to the Province any paid portion of the fees and expenses described in Schedule B which corresponds with the portion of the Services that the Province has notified the Contractor in writing was not completed to the Province's satisfaction before termination of this Agreement.

Discharge of liability

- 11.6 The payment by the Province of the amount described in section 11.5(a) discharges the Province from all liability to make payments to the Contractor under this Agreement.

Notice in relation to Events of Default

- 11.7 If the Contractor becomes aware that an Event of Default has occurred or anticipates that an Event of Default is likely to occur, the Contractor must promptly notify the Province of the particulars of the Event of Default or anticipated Event of Default. A notice under this section as to the occurrence of an Event of Default must also specify the steps the Contractor proposes to take to address, or prevent recurrence of, the Event of Default. A notice under this section as to an anticipated Event of Default must specify the steps the Contractor proposes to take to prevent the occurrence of the anticipated Event of Default.

12 DISPUTE RESOLUTION

Dispute resolution process

- 12.1 In the event of any dispute between the parties arising out of or in connection with this Agreement, the following dispute resolution process will apply unless the parties otherwise agree in writing:
- (a) the parties must initially attempt to resolve the dispute through collaborative negotiation;
 - (b) if the dispute is not resolved through collaborative negotiation within 15 Business Days of the dispute arising, the parties must then attempt to resolve the dispute through mediation under the rules of the British Columbia Mediator Roster Society; and
 - (c) if the dispute is not resolved through mediation within 30 Business Days of the commencement of mediation, the dispute must be referred to and finally resolved by arbitration under the *Commercial Arbitration Act*.

Location of arbitration or mediation

- 12.2 Unless the parties otherwise agree in writing, an arbitration or mediation under section 12.1 will be held in Victoria, British Columbia.

Costs of arbitration or mediation

- 12.3 Unless the parties otherwise agree in writing or, in the case of an arbitration, the arbitrator otherwise orders, the parties must share equally the costs of a arbitration or mediation under section 12.1 other than those costs relating to the production of expert evidence or representation by counsel.

13 MISCELLANEOUS

Delivery of notices

- 13.1 Any notice contemplated by this Agreement, to be effective, must be in writing and delivered as follows:
- (a) by fax to the addressee's fax number specified on the first page of this Agreement, in which case it will be deemed to be received on the day of transmittal unless transmitted after the normal business hours of the addressee or on a day that is not a Business Day, in which cases it will be deemed to be received on the next following Business Day;
 - (b) by hand to the addressee's address specified on the first page of this Agreement, in which case it will be deemed to be received on the day of its delivery; or
 - (c) by prepaid post to the addressee's address specified on the first page of this Agreement, in which case if mailed during any period when normal postal services prevail, it will be deemed to be received on the fifth Business Day after its mailing.

Change of address or fax number

- 13.2 Either party may from time to time give notice to the other party of a substitute address or fax number, which from the date such notice is given will supersede for purposes of section 13.1 any previous address or fax number specified for the party giving the notice.

Assignment

- 13.3 The Contractor must not assign any of the Contractor's rights under this Agreement without the Province's prior written consent.

Subcontracting

- 13.4. The Contractor must not subcontract any of the Contractor's obligations under this Agreement to any person without the Province's prior written consent, excepting persons listed in the attached Schedule C. No subcontract, whether consented to or not, relieves the Contractor from any obligations under this Agreement. The Contractor must ensure that:
- (a) any person retained by the Contractor to perform obligations under this Agreement; and
 - (b) any person retained by a person described in paragraph (a) to perform those obligations fully complies with this Agreement in performing the subcontracted obligations.

Waiver

- 13.5 A waiver of any term or breach of this Agreement is effective only if it is in writing and signed by, or on behalf of, the waiving party and is not a waiver of any other term or breach.

Modifications

- 13.6 No modification of this Agreement is effective unless it is in writing and signed by, or on behalf of, the parties.

Entire agreement

- 13.7 This Agreement (including any modification of it) constitutes the entire agreement between the parties as to performance of the Services.

Survival of certain provisions

- 13.8 Sections 2.9, 3.1 to 3.4, 3.7, 3.8, 5.1 to 5.5, 6.1 to 6.5, 7.1, 7.2, 8.1, 9.1 to 9.6, 9.9, 10.1 to 10.3, 11.2, 11.3, 11.5, 11.6, 12.1 to 12.3, 13.1, 13.2, 13.8, and 13.10, any accrued but unpaid payment obligations, and any other sections of this Agreement (including schedules) which, by their terms or nature, are intended to survive the completion of the Services or termination of this Agreement, will continue in force indefinitely, even after this Agreement ends.

Schedules

- 13.9 The schedules to this Agreement (including any appendices or other documents attached to, or incorporated by reference into, those schedules) are part of this Agreement.

Independent contractor

- 13.10 In relation to the performance of the Contractor's obligations under this Agreement, the Contractor is an independent contractor and not:
- (a) an employee or partner of the Province; or
 - (b) an agent of the Province except as may be expressly provided for in this Agreement.

The Contractor must not act or purport to act contrary to this section.

Personnel not to be employees of Province

- 13.11 The Contractor must not do anything that would result in personnel hired or used by the Contractor or a Subcontractor in relation to providing the Services being considered employees of the Province.

Key Personnel

- 13.12 If one or more individuals are specified as "Key Personnel" of the Contractor in Part 4 of Schedule A, the Contractor must cause those individuals to perform the Services on the Contractor's behalf, unless the Province otherwise approves in writing, which approval must not be unreasonably withheld.

Pertinent information

- 13.13 The Province must make available to the Contractor all information in the Province's possession which the Province considers pertinent to the performance of the Services.

Conflict of interest

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

Time

- 13.15 Time is of the essence in this Agreement and, without limitation, will remain of the essence after any modification or extension of this Agreement, whether or not expressly restated in the document effecting the modification or extension.

Conflicts among provisions

- 13.16 Conflicts among provisions of this Agreement will be resolved as follows:
- (a) a provision in the body of this Agreement will prevail over any conflicting provision in, attached to or incorporated by reference into a schedule, unless that conflicting provision expressly states otherwise; and
 - (b) a provision in a schedule will prevail over any conflicting provision in a document attached to, or incorporated by reference into a schedule, unless the schedule expressly states otherwise.

Agreement not permit nor fetter

- 13.17 This Agreement does not operate as a permit, license, approval or other statutory authority which the Contractor 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, or fettering in any manner, the exercise by the Province or its agencies of any statutory, prerogative, executive or legislative power or duty.

Remainder not affected by invalidity

- 13.18 If any provision of this Agreement or the application of it 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 will not be affected or impaired and will be valid and enforceable to the extent permitted by law.

Further assurances

- 13.19 Each party must perform the acts, execute and deliver the writings, and give the assurances as may be reasonably necessary to give full effect to this Agreement.

Additional terms

- 13.20 Any additional terms set out in the attached Schedule F apply to this Agreement.

Governing law

- 13.21 This Agreement is governed by, and is to be interpreted and construed in accordance with, the laws applicable in British Columbia.

14 INTERPRETATION

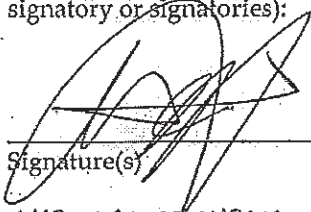

14.1 In this Agreement:

- (a) "includes" and "including" are not intended to be limiting;
- (b) unless the context otherwise requires, references to sections by number are to sections of this Agreement;
- (c) the Contractor and the Province are referred to as "the parties" and each of them as a "party";
- (d) "attached" means attached to this Agreement when used in relation to a schedule;
- (e) unless otherwise specified, a reference to a statute by name means the statute of British Columbia by that name, as amended or replaced from time to time;
- (f) the headings have been inserted for convenience of reference only and are not intended to describe, enlarge or restrict the scope or meaning of this Agreement or any provision of it;
- (g) "person" includes an individual, partnership, corporation or legal entity of any nature; and
- (h) unless the context otherwise requires, words expressed in the singular include the plural and *vice versa*.

15 EXECUTION AND DELIVERY OF AGREEMENT

- 15.1 This Agreement may be entered into by a separate copy of this Agreement being executed by, or on behalf of, each party and that executed copy being delivered to the other party by a method provided for in section 13.1 or any other method agreed to by the parties.

The parties have executed this Agreement as follows:

<p>SIGNED on the <u>25th</u> day of <u>JULY</u>, 2011 by the Contractor (or, if not an individual, on its behalf by its authorized signatory or signatories):</p> <p> Signature(s)</p> <p>MARCUS CHARILAMBOUS Print Name(s)</p> <p>PRESIDENT Print Title(s)</p>	<p>SIGNED on the <u>3rd</u> day of <u>AUGUST</u>, 2011 on behalf of the Province by its duly authorized representative:</p> <p> Signature</p> <p>Denise Champion Print Name</p> <p>Executive Director Print Title</p>
---	--

Schedule A – Services

PART 1. TERM:

The term of this Agreement commences on July 1, 2011 and ends on March 31, 2012.

PART 2. SERVICES:

As directed by the Contract Manager or their designated alternate, the Contractor will provide Monthly Expression Enterprise Hosting and Managed Services for the Gaming Grants Review Website, as outlined in the attached Appendix 1.

PART 3. RELATED DOCUMENTATION:

1. The Contractor must perform the Services in accordance with the obligations set out in this Schedule A including any engagement letter, Solicitation document excerpt, proposal excerpt or other documentation attached as an Appendix to, or specified as being incorporated by reference in, this Schedule.
2. The following are Appendices to this Schedule A: Appendix 1 - Proposal Excerpt dated May 2011.

PART 4. KEY PERSONNEL:

Not applicable.

Schedule B – Fees and Expenses

1. MAXIMUM AMOUNT PAYABLE:

Despite sections 2 and 3 of this Schedule \$3500 is the maximum amount which the Province is obliged to pay to the Contractor for fees and expenses under this Agreement (exclusive of any applicable taxes described in section 3.1(c) of this Agreement).

2. FEES:

Not to exceed \$21 at a rate of \$21 per 8 week period, for the Term when the Contractor provides the Services.

3. EXPENSES:

Not applicable.

4. STATEMENTS OF ACCOUNT:

In order to obtain payment of any fees under this Agreement for a period from and including the 1st day of a month to an including the last day of that month (each a "Billing Period"), the Contractor must deliver to the Province on a date after the Billing Period (each a "Billing Date"); a written statement of account in a form satisfactory to the Province containing:

- (a) the Contractor's legal name and address;
- (b) the date of the statement, and the Billing Period to which the statement pertains;
- (c) the Contractor's calculation of all fees claimed for that Billing Period, including a declaration by the Contractor of all hours worked during the Billing Period for which the Contractor claims fees and a description of the applicable fee rates;
- (d) a chronological listing, in reasonable detail, of any expenses claimed by the Contractor for the Billing Period with receipts attached, if applicable, and, if the Contractor is claiming reimbursement of any

HST or other applicable taxes paid or payable by the Contractor in relation to those expenses, a description of any credits, rebates, refunds or remissions the Contractor is entitled to from the relevant taxation authorities in relation to those taxes;

- (e) the Contractor's calculation of any applicable taxes payable by the Province in relation to the Services for the Billing Period;
- (f) a description of this Agreement;
- (g) a statement number for identification; and
- (h) any other billing information reasonably requested by the Province.

5. PAYMENTS DUE:

Payments Due: Within 30 days of the Province's receipt of the Contractor's written statement of account delivered in accordance with this Schedule, the Province must pay the Contractor the fees and expenses (plus all applicable taxes), claimed in the statement if they are in accordance with this Schedule. Statements of account or contract invoices offering an early payment discount may be paid by the Province as required to obtain the discount.

Schedule C – Approved Subcontractor(s)

Not applicable.

Schedule D – Insurance

1. The Contractor must, without limiting the Contractor's obligation or liabilities and at the Contractor's own expense, purchase and maintain throughout the Term the following insurances with insurers licensed in Canada in forms and amounts acceptable to the Province:
 - (a) Commercial General Liability in an amount not less than \$2,000,000 inclusive per occurrence against bodily injury, personal injury and property damage and including liability assumed under this Agreement and this insurance must:
 - (i) include the Province as an additional insured,
 - (ii) be endorsed to provide the Province with 30 days advance written notice of cancellation or material change, and
 - (iii) include a cross liability clause; and
 - (b) Professional Errors and Omissions Liability insuring the Contractor's liability resulting from errors or omissions in the performance of the Services in an amount per occurrence, and in the aggregate, calculated as follows:
 - (i) not less than \$1,000,000, if the "Maximum Amount" set out in Schedule B is less than \$500,000; and
 - (ii) not less than \$2,000,000, if the "Maximum Amount" set out in Schedule B is \$500,000 or greater.
2. All insurance described in section 1 of this Schedule must:
 - (a) be primary; and
 - (b) not require the sharing of any loss by any insurer of the Province.

3. The Contractor must provide the Province with evidence of all required insurance as follows:

- (a) within 10 Business Days of commencement of the Services, the Contractor must provide to the Province evidence of all required insurance in the form of a completed Province of British Columbia Certificate of Insurance;
- (b) if any required insurance policy expires before the end of the Term, the Contractor must provide, within 10 Business Days of the policy's expiration, evidence of a new or renewal policy meeting the requirements of the expired insurance in the form of a completed Province of British Columbia Certificate of Insurance; and
- (c) despite paragraph (a) or (b) above, if requested by the Province at any time, the Contractor must provide to the Province certified copies of the required insurance policies.

4. Despite section 1(b) of this Schedule, if in the Province's sole discretion, the Province has approved in writing either a fronted self-insurance program or a duly licensed captive insurer as an alternative to the Professional Liability Insurance requirement set out in section 1(b), then the Contractor must maintain throughout the Term that alternative in accordance with the terms of the approval.

Schedule E – Privacy Protection Schedule

Definitions

1. In this Schedule,
 - (a) "access" means disclosure by the provision of access;
 - (b) "Act" means the *Freedom of Information and Protection of Privacy Act*;
 - (c) "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;
 - (d) "personal information" means recorded information about an identifiable individual, other than contact information, collected or created by the Contractor as a result of the Agreement or any previous agreement between the Province and the Contractor dealing with the same subject matter as the Agreement but excluding any such information that, if this Schedule did not apply to it, would not be under the "control of a public body" within the meaning of the Act.

Purpose

2. The purpose of this Schedule is to:
 - (a) enable the Province to comply with the Province's statutory obligations under the Act with respect to personal information; and
 - (b) ensure that, as a service provider, the Contractor is aware of and complies with the Contractor's 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, the Contractor may only collect or create personal information that is necessary for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.
4. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor 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, the Contractor must tell an individual from whom the Contractor 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 the Contractor's collection of personal information.

Accuracy of personal information

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

Requests for access to personal information

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

Correction of personal information

8. Within 5 business days of receiving a written direction from the Province to correct or annotate any personal information, the Contractor must annotate or correct the information in accordance with the direction.
9. When issuing a written direction under section 8, the Province must advise the Contractor of the date the correction request to which the direction relates was received by the Province in order that the Contractor may comply with section 10.
10. Within 5 business days of correcting or annotating any personal information under section 8, the Contractor 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, the Contractor disclosed the information being corrected or annotated.
11. If the Contractor receives a request for correction of personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official's name or title and contact information to the person making the request.

Protection of personal information

12. The Contractor 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, the Contractor 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, the Contractor 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, the Contractor may only use personal information if that use is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.

Disclosure of personal information

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

Notice of foreign demands for disclosure

18. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.2 of the Act, if in relation to personal information in the custody or under the control of the Contractor, the Contractor:
 - (a) receives a foreign demand for disclosure;
 - (b) receives a request to disclose, produce or provide access that the Contractor knows or has reason to suspect is for the purpose of responding to a foreign demand for disclosure; or
 - (c) has reason to suspect that an unauthorized disclosure of personal information has occurred in response to a foreign demand for disclosure

the Contractor must immediately notify the Province and, in so doing, provide the information described in section 30.2(3) of the Act. In this section, the phrases "foreign demand for disclosure" and "unauthorized disclosure of personal information" will bear the same meanings as in section 30.2 of the Act.

Notice of unauthorized disclosure

19. In addition to any obligation the Contractor may have to provide the notification contemplated by section 30.5 of the Act, if the Contractor knows that there has been an unauthorized disclosure of personal information in the custody or under the control of the Contractor, the Contractor must immediately notify the Province. In this section, the phrase "unauthorized disclosure of personal information" will bear the same meaning as in section 30.5 of the Act.

Inspection of personal information

20. 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 the Contractor, enter on the Contractor's premises to inspect any personal information in the possession of the Contractor or any of the Contractor's information management policies or practices relevant to the Contractor's management of personal information or the Contractor's compliance with this Schedule and the Contractor must permit, and provide reasonable assistance to, any such inspection.

Compliance with the Act and directions

21. The Contractor must in relation to personal information comply with:
 - (a) the requirements of the Act applicable to the Contractor 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.

22. The Contractor 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

23. If for any reason the Contractor does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, the Contractor 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

24. 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 the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

Interpretation

25. In this Schedule, references to sections by number are to sections of this Schedule unless otherwise specified in this Schedule.
26. Any reference to the "Contractor" in this Schedule includes any subcontractor or agent retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors and agents comply with this Schedule.
27. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.
28. 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.
29. The Contractor must comply with the provisions of this Schedule despite any conflicting provision of this Agreement or, subject to section 30, the law of any jurisdiction outside Canada.
30. Nothing in this Schedule requires the Contractor to contravene the law of any jurisdiction outside Canada unless such contravention is required to comply with the Act.

Schedule F – Additional Terms

Not Applicable

Schedule G – Security Schedule

Not applicable

CERTIFICATE OF INSURANCE

Freedom of Information and Protection of Privacy Act
The personal information requested on this form is collected under the authority of and used for the purpose of administering the Financial Administration Act. Questions about the collection and use of this information can be directed to the Director, Client Services, Core Government and Crowns at 250 356-8915, PO Box 9405 STN PROV GOVT, Victoria BC V8W 9V1.
Please refer all other questions to the contact named in Part 1.

Part 1 To be completed by the Province

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO (Name of office) Government Communications and Public Engagement		AGREEMENT IDENTIFICATION NO. C12GCPE2462-1	
PROVINCE'S CONTACT PERSON NAME & TITLE Dawn Stewart, Financial Services Officer		PHONE NO. 250 356-8595	
		FAX NO. 250 387-3534	
MAILING ADDRESS PO Box 9409 STN PROV GOVT Victoria BC		POSTAL CODE V8W 9V1	
CONTRACTOR NAME Backbone Technology Inc.			
CONTRACTOR ADDRESS 55 East 7th Avenue, Vancouver, BC		POSTAL CODE V5T 1M4	

Part 2 To be completed by the Insurance Agent or Broker

INSURED	NAME Backbone Technology Inc.		
	ADDRESS #55 East 7th Avenue, Vancouver BC		POSTAL CODE V5T 1M4
OPERATIONS INSURED	PROVIDE DETAILS Software Developer		
TYPE OF INSURANCE <i>List each separately</i>	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT
Commercial Property	Lloyd's Underwriters Under Agreement No. s.21 Policy No. s.21 Property & Liability	2012/03/03	\$ 502,000.
Commercial Liability	Lloyd's Underwriters Under Agreement No. s.21 Policy No. s.21 Property & Liability	2012/03/03	\$ 2,000,000.

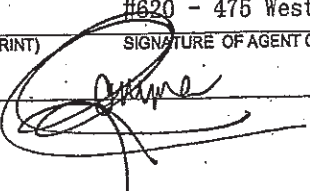
This certificate certifies that policies of insurance described herein are in full force and effective as of the date of this certificate and comply with the Insurance requirements of the Agreement identified above, except as follows:

AGENT OR BROKER COMMENTS:

Restricted Liability Endorsement

1/ Limitation of Coverage to Designated Premises 2/ Products & Completed Operations Exclusion

3/ Personal Injury Exclusion 4/ Professional Liability Exclusion

AGENT OR BROKERAGE FIRM Pemberton Insurance Corp.	ADDRESS #620 - 475 West Georgia Street, Vancouver, BC	PHONE NO. 604-682-3111
NAME OF AUTHORIZED AGENT OR BROKER (PRINT) Raelyn Roman	SIGNATURE OF AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S) 	DATE SIGNED July 27, 2011

Proposal for Website Development

Government Communications and
Public Engagement (GCPE)

May 2011

STATEMENT OF CONFIDENTIALITY

The confidentiality of your business plans and data is critical to the success of your business. Backbone Technology Inc. respects this and will treat all such information with the utmost confidentiality.

We view our own approaches and insights as proprietary and therefore look to our clients to protect Backbone's interests in our presentations, methodologies and analytical techniques. The information within this document has been produced exclusively for Government Communications and Public Engagement (GCPE) to illustrate Backbone's vision and competency for the implementation of provided design files into functioning HTML Templates.

Under no circumstances should this material be shared with any other organization without the express written consent of Backbone Technology Inc. By accepting this document, you are hereby agreeing to and accepting these terms and conditions.

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	4
PROJECT DETAILS	5
Content Management System.....	5
Look & Feel.....	7
Site Structure & Navigation.....	8
Social Media Integration.....	9
News RSS subscriptions.....	9
Custom Survey Module.....	10
Google Analytics Tracking.....	11
Technical Considerations.....	11
Training & Warranty of Work.....	11
Hosting & Support.....	12
RECOMMENDED ADD-ONS.....	13
INITIAL PROJECT COST ESTIMATE.....	15
RECURRING COSTS.....	17
RATES FOR ADDITIONAL WORK.....	17
PROJECT APPROVAL.....	18

EXECUTIVE SUMMARY

OVERVIEW

Our goal for this project is to provide Government Communications and Public Engagement (GCPE) with a modern and fully scalable web solution that builds upon Government Communications and Public Engagement (GCPE) branding and creates a comfortable user experience for all visitors. As a full-service web firm, Backbone intends to produce, host, and maintain the solution.

PROJECT BREAKDOWN

▶ One-Time Expression Software License Purchase	s.21
▶ Website Requirements Discovery and Initial Wireframing	4 - 5 hours @ s.21 hr
▶ Website Production Services	56 - 64 hours @ s.21 hr
▶ Custom Programming	35 - 40 hours @ s.21 hr
▶ General Project Management and Expression Training	12 - 14 hours @ s.21 hr
▶ Monthly Expression Enterprise Hosting and Managed Services	s.21 /month
	s.21
	s.21 MONTH

ADDITIONAL DETAILS

- **Platform:** The solution will be built on Backbone's proprietary Expression website management framework. This will allow for rapid development and for non-technical staff to maintain the site.
- * **Discovery Phase:** A dedicated discovery phase will formally identify the scope of the project and determine cost within the range stated above.
- **Hosting:** Backbone will host and support the site on its Expression servers at a rate of s.21 month.
- **Training:** Expression training and documentation will be provided prior to site launch

PROJECT DETAILS

CONTENT MANAGEMENT SYSTEM

At the core of our solution is **Expression**. Expression is Backbone Technology's fully-scalable, enterprise-capable content management system that was built from the ground up to support the needs of growing projects like Government Communications and Public Engagement (GCPE). Using Expression, non-technical users are empowered to take control of web content and SEO parameters in a completely multi-user environment. As more advanced features are required, functionality can be added with drag and drop simplicity as elements, modules, and components. The power of Expression is its flexibility, security, and long-term scalability.

- ▶ **WYSIWYG Article Editing**

Web content is composed using a What-You-See-Is-What-You-Get editor similar to most word processors. Text formatting, image placement, and linking are simple, straightforward tasks for users of any level.

- ▶ **Modules & Elements**

Advanced functionality can be easily added by selecting modules and elements. A module could be a multimedia gallery, styled list, webform, or a poll. An element could be a custom-built interactive tool that uses JQuery or Flash.

- ▶ **Advanced Templating System**

Expression uses a flexible template system that ensures a consistent look and feel for all areas of the website. There is no limitation to how many templates can be used: whether you have a few basic templates or a dozen distinct page layouts, Expression has you covered.

- ▶ **Rich Media Capabilities**

Streaming video and custom image galleries are easy for users to incorporate into the site. Expression's video module and photo gallery module can be skinned to match the look of the site and then placed anywhere on the site using Expression's article editor.

- ▶ **Media Explorer**

All site media is organized and archived in Expression's Media Explorer. Each file can be given a name and description distinct from its filename. A powerful search feature makes finding the right file a quick and painless procedure.

- ▶ **Fine-Grained User Access Rights**

Expression's comprehensive permissions allow administrators to control access to any portion of the Expression Network at a granular level. Privileges for an entire section can be set for a

particular user group or individual file access can be set for a single user. This allows a variety of types of users to work within the Expression CMS while maintaining the security of confidential documentation.

► Flexible Categorization System

All content can be categorized -- not only as a system of organization, but also as a way of tagging content for use on the site. For example, categorizing an article as a Home Feature will cause that article to be displayed on the home feature banner. Multiple categories can be applied, making the flexibility endless.

► Search Engine Optimization (SEO) Features

Expression is built to be search-engine friendly and provides all the tools you need to be crawled by major search engines:

Search Engine Friendly (SEF) URLs give web page addresses descriptive content and improve ranking. For example, a descriptive URL like <<http://www.CommunityGamingGrantReview.gov.bc.ca/survey>> will rank more highly and resonates in a visitor's mind more than <<http://www.CommunityGamingGrantReview.gov.bc.ca/html/index.html?id=902>>

Automatically-Generated XML Sitemaps can be combined with free webmaster tools from Google and Bing to ensure that the site is crawled accurately.

Meta Keywords and Descriptions are built into Expression's article editor and can be added and edited at any time. Clean markup ensures that article content is found, crawled, and ranked by major search engines.

LOOK & FEEL

Our design team will take Government Communications and Public Engagement (GCPE) provided branding/ design and creative direction and build upon it to create an elegant online identity that is both aesthetically pleasing and intuitive to navigate.

Our philosophy and overall web aesthetic typically comprises of the following core values:

- ▶ **Clean, Open Design**

We will consult and build upon the provided design direction and layout so to emphasize intuitive navigation and a comfortable user experience.

- ▶ **Brand Integration**

Government Communications and Public Engagement (GCPE) branding and design will be fused into the design and developed throughout every aspect of the site for total brand cohesion.

- ▶ **Imagery**

Carefully selected photographs will set the aesthetic tone of the site. A mix of stock photography and Government Communications and Public Engagement (GCPE) own photography will provide immediate visual context for first-time visitors. Our designers can help assist in the selection and purchase of stock images as part of the design phase.

- ▶ **Calls To Action**

Buttons and other graphics will pique interest and compel visitors to take the next step.

Current creative direction for branded CTAs include:

- Message box
- Social media

- ▶ **Dynamic Elements using jQuery**

By leveraging jQuery and Javascript programming, we can also achieve Flash-style effects without the burden of plug-in dependency. Subtle visual cues such as button rollovers, smooth menu animations, and compelling page transitions will create a lush and comfortable experience for the user. Our approach will strive for full cross-browser and mobile device (ex., iPhone / iPad) compatibility.

- ▶ **Visual Consistency**

The smart use of page templates, image guidelines, and user-applicable character styles will help to maintain visual consistency as the site grows. A style guide will also be developed for the web brand.

SITE STRUCTURE & NAVIGATION

The content and layout of the site will be strategically organized so that a simple and intuitive interface is able to manage and deliver Between Government Communications and Public Engagement (GCPE) web content in a straightforward manner. Of utmost importance is that the user can access the information they need as quickly as possible. The key to this is effective information architecture, smart menu structuring, and the use of accessible navigational aids.

- ▶ **Simple Menu Structure**

Primary navigation will be via a horizontal menu with intuitively-named, single-level menu items. These sections will be based on the initial site map provided by Government Communications and Public Engagement (GCPE).

- ▶ **Breadcrumb Navigation**

Each sub-page will have breadcrumb navigation (ex. You Are Here: Home > About gaming in B.C ?) so that visitors know exactly where they are within the site and can easily jump back to previous sections.

- ▶ **Related Content**

A sidebar menu with related links will create logical pathways for users exploring the site. Related content is easily added using Expression's article editor and can link to pages within the site, external links, and factsheets.

SOCIAL MEDIA INTEGRATION

With social media sites now an integral part of any online identity, we typically incorporate branded links to social media sites into every design we produce.

- ▶ **Basic Links**

We will include links to social media sites as represented by their respective icons. These links are setup as articles so that new icons can be added when new social media sites emerge.

- ▶ **Share, Like, and Tweet Tools**

More advanced social media options are available such as a Share toolbar that will allow users to share site content on their own Facebook wall, Twitter feed, Digg accounts, etc. We can also optionally include a feed of recent Twitter posts on the site or Like/Tweet buttons on each article. Further details are provided later in the Recommended Add-Ons section.

NEWS RSS SUBSCRIPTIONS

News RSS Feeds are great ways to keep visitors informed of updates and community events.

- ▶ **RSS-Enabled Newsfeed**

A feed of recent news and events could appear on the home page with a link to the full News & Events section. This feed would be RSS-enabled so that visitors can subscribe to receive updates when news items are added. RSS subscriptions can be incorporated into any section of our sites.

- ▶ **Custom Survey Module**

A cohesive survey module incorporated into the Government Communications and Public Engagement (GCPE) design framework to provide a smooth and clear functioning process for the user and allowing for easy data retrieval and survey question input from the administrative position.

GOOGLE ANALYTICS TRACKING

A Google Analytics tracking code can be used to track all website traffic including site visitors, referring sites, goal conversions, and more. Website statistics will be accessible by logging into Government Communications and Public Engagement (GCPE) Google Analytics account. In accordance with Government Communications and Public Engagement (GCPE) overall goals and objectives, custom reports can be set up in Google Analytics to track key statistics for the website.

TECHNICAL CONSIDERATIONS

The site will be developed for a lowest common denominator of Internet Explorer 7 running without plug-ins at a screen resolution of 1280 x 800 pixels. It is our policy to test the site on multiple platforms (Windows, OS X, Linux) to ensure that the site functions properly on all major browsers (Mozilla Firefox, Internet Explorer, Opera, Apple's Safari, and Google Chrome).

TRAINING & WARRANTY OF WORK

Backbone will provide hands-on training for the Expression content management system. A printed reference manual will also be provided along with specific documentation and workflows relating to how your site is built.

We are committed to building strong, long-lasting relationships with our clients and will full support and development services within scope for 30 days after site launch. After that time, a service level agreement may be negotiated for ongoing technical support and site updates. Pricing for these services will be based on our standard support rates.

HOSTING & SUPPORT

To provide an optimal balance between value, performance, and reliability, we prefer to host our Expression-based websites from our secure co-location facility. Backbone's hosting services offer much more than standard hosting packages. Rather than simply provide a place to store your website, Backbone is able to provide a comprehensive, full-service support and service package for not only the website but also for the Expression application. There are two components to this package:

► Full-Featured Hosting

Website hosting is only a small portion of what we offer our clients. Still, our standard offerings go above and beyond what most companies consider to be "standard".

- Servers monitored 24/7/365
- 99.99% server uptime
- Unlimited storage space
- Capacity to handle high volumes of traffic
- Facility protected from theft, power loss, fire, and flooding
- Daily site backups to remote server over a secure connection
- Managed services handled by our team of network administrators

► Expression Application Support Package

The highest level of value comes in our Expression support package. Our business is built on strong, long-lasting relationships. As a full-service web services provider, any request can be handled with a single phone call rather than involving a chain of third-parties.

- Expression application hosted and maintained on dedicated Expression servers
- Regular Expression updates - new features available to all of our clients
- Development environment becomes production site - no migration needed
- Basic service level agreement with technical support is included
- Single point of contact for any site request - design, development, or delivery
- Daily system snapshots for reliable business continuance

Ultimately, hosting with Backbone means requests can be filled and issues can be resolved quickly and easily. Our entire team is here to support your site, giving it the personalized attention it deserves. We take pride in maintaining our sites. With Backbone, you're never just a domain on a server. You're part of the family.

In exceptional cases, Expression can be hosted with a third-party provider. However, additional licensing fees may apply due to intellectual property issues. If third-party hosting is a requirement of the project, details can be further negotiated.

PROJECT-SPECIFIC DETAILS

SURVEY

As touched upon earlier in this proposal, Backbone Technology will custom program a robust survey/questionnaire application based on Government Communications and Public Engagement (GCPE) provided design and functionality requirements that will seamlessly integrate into the Expression framework allowing for the user to seamlessly and intuitively participate in Government Communications and Public Engagement (GCPE) online survey/questionnaire.

Included with the custom survey application will be a user intuitive administration area inside of the Expression suite of tools allowing Government Communications and Public Engagement (GCPE) administrative team to create, edit and deploy surveys/ questionnaires effortlessly.

USER DATA COLLECTING

Visitors who provide their email address will be added to a specific group in the user database. Implementation of the survey module into the the Expression backend allows for the easy construction and publishing of multiple custom survey questionnaires seamlessly and intuitively by the Government Communications and Public Engagement (GCPE) administrative team.

Future implementation of a branded and dynamic Newsletter can then be generated directly from existing content by specifying an article and a newsletter template while performing the newsblast.

Expression's mailer is robust, stable, and spam-filter friendly. Several of our clients are mailing out to thousands of addresses at a time.

INITIAL PROJECT COST ESTIMATE

Expression Software License	Hours	Rate	Subtotal
	N/A	Flat	s.21

Includes:

- Installation of Expression
- Setup and integration of core components as per specifications provided
- Setup of system design elements and templates as per specifications provided
- Regular Expression updates

A. Total for Expression License	s.21
--	------

General Project Management & Training	Hours	Rate	Subtotal
General Project Management & Training	12 - 14	s.21 hr	s.21

Includes:

- Content a and design sssessment and planning, site map recommendations, wireframe development
- Expression setup and initial training (2 sessions)
- Usability and user acceptance testing (stakeholder review for approval purposes)
- Regular status updates and information sharing meetings

B. Total for General Project Management & Training	s.21
---	------

(Continued on next page)

Design & Layout	Hours	Rate	Subtotal
	TBD	s.21 /hr	s.21

Provided by Government Communications and Public Engagement (GCPE):

- Website design and layout using Government Communications and Public Engagement (GCPE) provided design and brand
- Web brand development
- Home page development
- Survey component based on Government Communications and Public Engagement (GCPE) provided creative direction and functionality requirements.
- Basic sub-page design (derived from approved Home page design)
- Contact, Search, Search Results page design
- Other page designs as determined through discovery
- Call to Action Branded Elements
- Custom Survey Component
- Initial photography selection consultation
- Functionality breakdown for programming & approval
- Additional graphic production as needed (up to allotted hours)

Does Not Include:

- Product photography or stock image purchases

*Backbone Technology will provide and consult on design on an "as needed" basis unless otherwise noted. (Standard hourly design rates apply)

C. Total for Design & Layout	s.21
---	-------------

(Continued on next page)

Front-End Programming and Mark-Up	Hours	Rate	Subtotal
	56 - 64	s.21 / hr	s.21

Includes:

- Expression installation and DNS setup (www2, control)
- Site Architecture & Administrator User Group Setup
- Homepage template setup
(layout, main navigation, news feed, calls-to-action, footer, etc.)
- Additional site templates
(layout, default and user font styles, subpage navigation, related links menus, etc.)
- Photo and video gallery skins *if required
- Email form and list manager skins as necessary *if required
- Mailer component and user database setup *TBD
- Newsletter template production and testing *TBD
- Site QA and User Acceptance Testing

D. Total for Front-End Programming and Mark-Up

s.21

Custom Development (Project Specific)	Hours	Rate	Subtotal
	35 - 40	s.21 / hr	s.21

- Database architecture
- Custom programming utilizing multiple coding languages to architect all Government Communications and Public Engagement (GCPE) provided requirements for survey process, data collecting/retrieval and storage.
- Custom development of administrative area for configuration of survey(s) and data retrieval

E. Total for Custom Survey Component Programming and Mark-Up

s.21

**Total for Website Programming and Mark-Up
(Does not include applicable taxes)**

s.21

PRORATED HOSTING COST

Recurring Fees	Rate	Subtotal
Expression Administration Area Hosting based on a 6-8 week agreement.	FLAT	s.21
Total Site Hosting Fees		s.21

RATES FOR ADDITIONAL WORK

Description of Work	Rate
Additional Graphic Design Work	s.21 / hour
Additional Marketing / Social Media Consultation	s.21 / hour
Additional Web Production / Programming	s.21 / hour

PROJECT APPROVAL

By signing, each party acknowledges that the terms and conditions presented in this document have been reviewed and approved.

As per:

As per:

Backbone Technology Inc.

55 - East 7th Avenue

Vancouver, BC V5T 1M4

Tel: 604 713 8560

Fax: 604 605 0964

Government Communications and Public
Engagement (GCPE).

DIRECT AWARD JUSTIFICATION

FORM USAGE AND ROUTING:

This form must be completed by the contract manager to clearly document the justification for direct awarding a service contract and ensures compliance with government contract policy. The original completed and signed form must be retained in the program contract file.

CONTRACT INFORMATION

Ministry: Ministry of Labour, Citizens' Services

Program: Social Media Online Communications

Contract Manager Name and Phone Carolyn Hunter

387-5033

Legal Contractor Name: Backbone Technology Inc.

Contract Value: \$3,500

Term: Jul 1, 2011 - Mar 31, 2012

STOB: 6309

Contract Type ☒ New ☐ Multi-year ☐ Renewal

Commonly Used Contract STOBs:

6001/02 - Operational - Fees/expenses for contracts that provide for a direct provision of goods or services in the delivery of government programs (e.g., project mgmt).

6003/04 - Regulatory - Fees/expenses for contracts that provide for a direct provision of goods or services required by statute or regulation.

6020/21 - Education and Training - Fees/expenses for contracts that deliver training to government employees.

6101/02 - Advisory - Fees/expenses for contracts with the provision of advisory services to the ministry (e.g., management consulting).

6302 - Data Operations Non-WTS - Fees/expenses for contracts that provide for a direct provision of IT related goods/services in the delivery of government programs (e.g., data processing, operating lease rentals).

6309/10 - Data Consulting Non-WTS - Fees/expenses for consulting contracts related to information systems.

RATIONALE FOR ALL DIRECT AWARD CONTRACTS

1. Describe the services required and provide an explanation of why you need to acquire these services.

Provide hosting services Gaming Grants Review Website

2. Under which Core Policy and Procedures Manual exception is this direct award request being made (see section 6.3.3)?

☐ Public Sector Organization

☐ Sole Source

☐ Sole Source - Notice of Intent

☐ Security, Order, etc.

☐ Emergency

☐ Confidentiality

☐ No Exceptions Apply - \$25,000 to \$75,000 posted on BC Bid or three quotes obtained

☒ No Exceptions Apply - Less than \$25,000 neither cost effective nor reasonable

3. Explain the reason why this contract meets the criteria of the above selection (i.e. how would a competitive process compromise government confidentiality, cause economic disaster or be contrary to the public interest)?

Low dollar value, this Contractor is a full-service web firm who developed the Gaming Grants Review Website. The solution was built on Backbone's proprietary Expression website management framework. This will allow for rapid development and for non-technical staff to maintain the site.

4. Will this purchase obligate government to this vendor for future purchases (e.g., maintenance, licensing or continuing need)? If yes, provide details.

5. Were alternative vendors evaluated? If yes, who were they and why were they unacceptable? If no, why were alternatives not evaluated?

Not applicable.

ADDITIONAL RATIONALE FOR SOLE SOURCE CONTRACTS ONLY

1. Why is the requested vendor the only one that can meet your requirements? Provide specific, quantifiable factors and/or qualifications and explain why they are necessary.

2. What other suppliers did you consider before arriving at the conclusion that the sole source direct award criteria was met and the requested vendor was the only one that met your needs.

APPROVALS

CONTRACT MANAGER

Carolynn Hunter

Name (Please Print)

Signature & Date

EXPENSE AUTHORITY

Denise Champion

Name (Please Print)

Signature & Date