

TWENTIETH MODIFICATION AGREEMENT

THIS TWENTIETH MODIFICATION AGREEMENT dated for reference the 20th day of December, 2011.

BETWEEN:

**Her Majesty the Queen in Right of the Province of British Columbia,
as represented by the Attorney General**

(the "Province")

AND:

Themis Program Management and Consulting Limited, a company incorporated under the laws of the Province of British Columbia and having a registered office at 837 Burdett Avenue, Victoria, British Columbia V8W 1B3

("Themis")

WHEREAS:

A. By an agreement dated the 26th day of March, 2002 between the Province and Themis (the "FMEP Services Agreement"), the parties agreed that Themis would provide all aspects of the Family Maintenance Enforcement Program in the Province of British Columbia from April 1, 2002 until March 31, 2005, subject to the Province's right to renew the FMEP Services Agreement until March 31, 2008.

B. In September, 2003 the Province exercised its right to renew the FMEP Services Agreement for a further three years until March 31, 2008.

C. By a series of written agreements the parties have agreed, among other things, to further extensions of the term of the FMEP Services Agreement (collectively the "Prior Modification Agreements"). By the most recent of such agreements, being an agreement between the parties dated for reference September 27, 2011 (the "Nineteenth Modification Agreement"), the Province and Themis agreed, among other things, to extend the term of the FMEP Services Agreement to December 31, 2012.

D. The parties have agreed to further modify and extend the FMEP Services Agreement, as modified and extended by the Prior Modification Agreements, on the terms and conditions set forth in this agreement (the "Agreement").

NOW THEREFORE in consideration of the sum of \$10.00 paid by each party to the other, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party, the Province and Themis agree as follows:



1. DEFINED TERMS

Save as otherwise defined or provided for herein, capitalized terms used in this Agreement have the meanings ascribed to them in the FMEP Services Agreement.

2. EXTENSION OF TERM

The Term of the FMEP Services Agreement which was, pursuant to the Nineteenth Modification Agreement, extended until December 31, 2012, shall be further extended until March 31, 2013 unless terminated earlier in accordance with the terms of the FMEP Services Agreement. For greater certainty, the FMEP Services Agreement will expire on March 31, 2013 unless terminated earlier in accordance with its terms, and without limiting the generality of the foregoing, and notwithstanding the Prior Modification Agreements, such March 31, 2013 expiration date shall be the reference for the definition of "Cessation Date" found in the FMEP Services Agreement.

3. ADJUSTMENTS FOR APRIL, 2011 TO MARCH, 2012

For the period April 1, 2011 to March 31, 2012, inclusive:

- (a) the Operational Funds were or shall be, as the case may be, the sum of \$1,250,583.00 per month, provided that and despite the foregoing:
 - (i) for the month of April, 2011 the total Operational Funds were in the amount of \$1,257,583.00, and
 - (ii) for the month of December, 2011 the total Operational Funds are in the amount of \$1,949,583.00; and
- (b) the Management Fee was or shall be, as the case may be, the sum of \$74,417.00 per month, subject to the terms of the FMEP Services Agreement.

4. ADJUSTMENTS FOR APRIL, 2012 TO MARCH, 2013

For the period April 1, 2012 to March 31, 2013, inclusive:

- (a) the Operational Funds shall be as approved by the Province on or before February 29, 2012; and
- (b) the Management Fee shall be the sum of \$74,417.00 per month, subject to the terms of the FMEP Services Agreement.

5. CONTINUING EFFECT OF FMEP SERVICES AGREEMENT



Except as otherwise provided in this Agreement, the provisions contained in the FMEP Services Agreement, as modified by the Prior Modification Agreements, shall continue to be in full force and effect and binding upon both the Province and Themis and their respective successors and permitted assigns.

6. ENUREMENT

This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

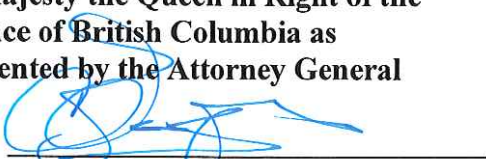
7. EXECUTION IN COUNTERPART

This Agreement may be executed in any number of counterparts, each of which may be executed by fewer than all of the persons named below, and all of which together constitute one instrument. When all of the persons named below have signed one or more counterparts then despite the date of execution, this Agreement becomes effective as of the date set out above. A telecopied or electronic facsimile or email transmission of this Agreement signed by any person named below will be sufficient to establish the signature of that person and to constitute the consent in writing of that person to this Agreement.

IN WITNESS WHEREOF the Province and Themis have executed this Agreement as of the date first above written.

**Her Majesty the Queen in Right of the
Province of British Columbia as
represented by the Attorney General**


By:


Name: Chris Beresford

Title: Director, Maintenance Enforcement and Locate Services

**Themis Program Management and
Consulting Limited**

Per:


Authorized Signatory

Name: Hannah Roots

Title: Managing Director

FMEP SERVICES AGREEMENT

THIS AGREEMENT is made the 26th day of March, 2002

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA**, represented by the Attorney General

(the "Province")

AND:

THEMIS PROGRAM MANAGEMENT AND CONSULTING LIMITED, a
company, incorporated under the laws of the Province of British Columbia
(Certificate of Incorporation No. 339727 and having a registered office at Unit
104-C, 3550 Saanich Road, Victoria, British Columbia V8X 1X2

(the "Contractor")

WHEREAS:

- A. The parties entered into agreements titled the "1997-2000 Services Agreement" dated the 19th day of March, 1997, and the "Themis Services Agreement" dated the 31st day of March, 2000 whereby the parties agreed that the Contractor would provide all aspects of the Family Maintenance Enforcement Program in the Province of British Columbia until March 31, 2002;
- B. The Contractor has been designated by Order in Council under the *Public Sector Employers Act* and is a member of the Community Social Services Employers' Association of British Columbia (CSSEA) and therefore qualifies to enter into a continuing services agreement with the Province;
- C. The Province issued a Request for Qualifications No. 131049 and the Contractor provided the only qualified response; and
- D. The Contractor has agreed to continue to provide all aspects of the Program and the Province wishes to enter into this Agreement on the terms and conditions contained.

NOW THEREFORE in consideration of the premises and the covenants, agreements, representations, warranties and payments set out in this Agreement, the parties agree as follows:

ARTICLE 1

DEFINITIONS

1.01 In this Agreement and the Recitals, unless the context otherwise requires, the following definitions will apply:

- (a) "Assets" means any and all materials, equipment, furniture, components, supplies and personal property of any nature or kind whatsoever that are provided by or on behalf of the Province to the Contractor prior to or during the Term including
 - (i) office space, office equipment, computer and telecommunication equipment, and any other assets purchased with operational funds under the Previous Agreements or Operational Funds under this Agreement, including assets purchased after the effective date of this Agreement, and
 - (ii) data service agreements acquired by the Contractor with operational funds under the Previous Agreements or Operational Funds under this Agreement including such rights or interests acquired after the effective date of this Agreement;
- (b) "Cessation Date" means the day on which this Agreement expires unless
 - (i) a notice of termination is given terminating this Agreement prior to the end of the Term in which case the Cessation Date will be the day on which that notice expires, or
 - (ii) where this Agreement is extended under paragraph 4.01, and a notice of termination is given in which case the Cessation Date will be the day on which that notice expires;
- (c) "Collective Agreements" means
 - (i) the collective agreement between the Contractor and the B.C. Government Employees' Union, and
 - (ii) the collective agreement between the Contractor and the Professional Employees Association;
- (d) "Consulting Period" means a six (6) month period commencing on the day after the Cessation Date or such longer period as agreed to pursuant to paragraph 23.01;
- (e) "Contract" means those contracts
 - (i) listed in Schedule "E",

- (ii) approved under paragraph 16.01(c), or
 - (iii) entered into prior to the execution of this Agreement where the contract is for the acquisition, use or servicing of office equipment, computer equipment, or data services, and is directly related to the provision of the Services;
- (f) "Director" means the director of Maintenance Enforcement for the Province;
- (g) "Employees" means
 - (i) the employees of the Contractor that are employed under the Collective Agreements, and
 - (ii) the excluded employees for the purpose of the Collective Agreements;
- (h) "Event of Force Majeure" means an act of God or any other event beyond reasonable control of the party directly affected, including without limitation, a strike, lockout or labour dispute, provided that any such event is a major disabling event or circumstance in relation to the normal operations of the party concerned and results in a material delay, interruption or failure by such party in carrying out its duties, covenants or obligations under this Agreement;
- (i) "IVR" means the computerized interactive voice response system that answers the telephone, receives and acts upon information received from callers about maintenance enforcement and includes any and all features designed to enable maintenance enforcement program clients and staff to obtain and give information and conduct business transactions over the telephone but does not include Teleflow;
- (j) "Management Fee" means the Contractor's fixed annual fee to manage the Program described in Schedule "B" attached to this Agreement;
- (k) "Manuals" means the documentation associated with the Software and includes user guides, operating manuals and documents describing the major functions, procedures and structures, developed by the Contractor for the operation of the Program or for the Province pursuant to this Agreement or any Previous Agreement;
- (l) "Material" means all findings, data, reports, documents, records, memoranda of any ministry of the Province and all case data, case files, Policies, and Manuals related to the provision of the Services and any other material whether complete or otherwise that have been produced, received, compiled or acquired by, or

provided by or on behalf of the Province to the Contractor, as a result of this Agreement;

- (m) "Minister" means the Attorney General or his or her designate;
- (n) "Nominee" means one or more persons that the Province nominates as a transferee of the Program as described in Article 21;
- (o) "Operational Funds" means those funds to pay operational expenses most directly related to the delivery of the Services and are not described in Schedule "B" attached to this Agreement;
- (p) "Policies" means all policies and procedures developed in accordance with the Services;
- (q) "Previous Agreements" means the agreements between the parties which are described in Recital A of this Agreement;
- (r) "Proceeds" means any cash, money orders, cheques or payments received or controlled by the Contractor, or any servant, employee, director, officer, agent or subcontractor of the Contractor arising from the enforcement remedies in the Services;
- (s) "Program" means the Family Maintenance Enforcement Program;
- (t) "Program Assumptions and Absorption Rates" are as described in Schedule "D" attached to this Agreement;
- (u) "Program Year" means April 1, 2002 to March 31, 2003 and each year during the Term thereafter;
- (v) "Receiver" means a receiver, a receiver manager or receiver-manager appointed by the Province by this instrument;
- (w) "Service Assets" means collectively the Assets and any other assets necessary for the Receiver to perform the Services;
- (x) "Services" means the Services described in Schedule "A" attached to this Agreement which may be amended from time to time in accordance with the provisions of this Agreement;
- (y) "Severance Amount" means the severance amount described in subparagraph 19.01 (c);
- (z) "Severance Cap" means \$1,700,000 or as adjusted pursuant to paragraph 19.02;

- (aa) "Software" means the software known as the "Family Maintenance Enforcement Program Software" and includes, without limitation, the Complaints System, the Reciprocal Case Management System, Client Record System, Payment Processing and Accounting System, Enforcement and Case Management System, Management Information System, IVR, all systems software, instructions in computer language, source codes, compilers, utilities, assemblers, card decks, tapes, listings, other programming documentation, applications, systems programs and all Manuals, guides and documents necessary for the orderly and efficient operation of the software;
- (bb) "Succession Plan" means the succession plan of the Contractor which is attached as Schedule "G" to this Agreement;
- (cc) "Succession Problem" means either or both of the problems described in paragraph 25.02;
- (dd) "Succession Receiver Appointment" means a Receiver appointed under paragraph 25.02;
- (ee) "Succession Resolution Period" means one year following the date of the Succession Receiver Appointment;
- (ff) "Teleflow" means the software that is the telephone application designer and engine that provides the tools to build and operate the IVR application; and
- (gg) "Term" means the period described in paragraph 3.01 unless renewed or terminated in accordance with this Agreement.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

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

- (a) it is a corporation duly organized and validly existing under the laws of Canada;
- (b) it is in good standing;
- (c) it has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement;

- (d) all necessary proceedings have been taken and done by it to authorize it to execute and deliver this Agreement;
- (e) this Agreement has been legally and properly executed by the Contractor and is legally binding upon and enforceable against the Contractor in accordance with its terms;
- (f) this Agreement has been duly authorized by all necessary corporate action of the Contractor and this Agreement constitutes a valid, subsisting and legally binding obligation upon the Contractor which is enforceable against the Contractor in accordance with its terms;
- (g) all information, statements, documents and reports furnished or submitted by the Contractor to the Province in connection with this Agreement, including the Proposal, are true and correct to the best of the Contractor's knowledge;
- (h) it has no knowledge of any fact that materially adversely affects or, so far as it can foresee, might materially adversely affect its properties, assets, condition (financial or otherwise), business or operations or its ability to fulfill its obligations under this Agreement;
- (i) the observance and performance of the terms and conditions of this Agreement will not constitute a breach by it of or a default by it under
 - (i) any statute, bylaw or regulation of British Columbia or Canada applicable to or binding upon it,
 - (ii) its constating documents, or
 - (iii) any contract or agreement to which it is a party;
- (j) it is not a party to and has no knowledge of any legal claims against it that would materially affect its undertaking or financial condition;
- (k) it has filed all tax, corporate information and other returns required to be filed by the laws of British Columbia and Canada and has complied with all workers compensation legislation and other similar legislation to which it may be subject and has paid all taxes, fees and assessments calculated to be due by it under those laws as of the date of this Agreement;
- (l) it holds all permits, licenses, consents and authorities issued by any federal, provincial, regional or municipal government, or an agency of any of them, that are necessary in connection with its operations;

- (m) it has no knowledge of any untrue or incorrect representation or assurance, whether verbal or written, given by it or its directors or officers to the Province in connection with this Agreement; and
 - (n) it has sufficient trained staff, facilities, materials, appropriate equipment and approved subcontractual agreements in place and available to enable it to fully perform its obligations under this Agreement.
- 2.02 All representations, warranties, covenants and agreements made in this Agreement and all certificates and other documents delivered by or on behalf of the Contractor to the Province under this Agreement are material and will conclusively be deemed to have been relied upon by the Province, notwithstanding any prior or subsequent investigation by the Province.
- 2.03 All statements contained in any certificate or other document delivered by or on behalf of the Contractor to the Province under this Agreement or in connection with any of the transactions contemplated by this Agreement will be deemed to be representations and warranties by the Contractor under this Agreement.
- 2.04 The provisions of paragraphs 2.01, 2.02 and 2.03 will continue in full force and effect notwithstanding the fulfillment by the Contractor of any or all of its obligations under this Agreement or the payment by the Province to the Contractor of any or all of the monies that the Province becomes liable to pay to the Contractor under this Agreement.
- 2.05 Where any of the Services are specified in Schedule "A" to be provided by a duly qualified or licensed practitioner or professional, the Contractor will cause and permit only those persons to perform those services who are so qualified and licensed and without limiting the generality of the foregoing, the Contractor will cause Brian Pollick, Hannah Roots, or such other persons as may be acceptable to the Minister to act as senior management for the Contractor in providing the Services. The Province agrees that consent to a person other than Brian Pollick or Hannah Roots to act as senior management will not be unreasonably withheld.
- 2.06 The Contractor will, upon request from the Minister, from time to time, provide evidence satisfactory to the Minister that the Contractor and all personnel or other parties performing any of the Services hold or have been issued all required licenses, certificates and memberships and that they are valid and subsisting and in good standing.

ARTICLE 3

TERM

- 3.01 Notwithstanding the actual date of execution and delivery of this Agreement, this Agreement will, unless earlier terminated pursuant to the provisions of this Agreement, be in effect for the period commencing on April 1, 2002 and ending on March 31, 2005.

ARTICLE 4

RENEWAL

- 4.01 The Province agrees that if:

- (a) it provides the Contractor with notice on or before March 31, 2004 that this Agreement is to be renewed, it will continue for a further 3 years until March 31, 2008 on the same terms and conditions;
- (b) it notifies the Contractor on or before March 31, 2004 that this Agreement will not be renewed, this Agreement will expire on the last day of the Term and the Province will upon and after the expiration of this Agreement be under no further obligation to the Contractor except to pay the Contractor those amounts provided for under subparagraphs 19.01 (a), (b) and (c); or
- (c) the Province does not provide notice as described in subparagraph (a) or (b) on or before March 31, 2004, the Term of this Agreement will automatically be extended for a further year until March 31, 2006 unless terminated in accordance with this Agreement or renewed in accordance with subparagraph 4.02(a) and the amount payable for the provision of the Services will be the rate payable during the third Program Year as provided in Schedule "C", as may be amended from time to time and if this amount is not sufficient to maintain the Services at the same level as the third Program Year, then the Contractor will be allowed to decrease the Services correspondingly.

- 4.02 The Province agrees that if the Term of this Agreement is extended pursuant to subparagraph 4.01(c):

- (a) it will provide the Contractor with notice on or before March 31, 2005 that this Agreement is renewed for a further 3 years until March 31, 2009 on the same terms and conditions; or
- (b) it will provide the Contractor with notice on or before March 31, 2005 that this Agreement will not be renewed and this Agreement will expire on March 31, 2006 and the Province will upon and after the expiration of this Agreement be

under no further obligation to the Contractor except to pay the Contractor those amounts provided for under subparagraph 19.01 (a), (b) and (c).

- 4.03 If the Agreement is extended or renewed pursuant to subparagraphs 4.01(a), 4.01(c) or 4.02(a), the parties agree to negotiate the amount of the Management Fee for those additional Program Years and if the parties cannot agree on an amount, the matter will be referred to binding arbitration under paragraph 27.01.

ARTICLE 5

SERVICES

- 5.01 The Contractor will, carry out and complete the Services in accordance with this Agreement and in compliance with all statutes, rules and regulations of any government or agency thereof during the Term.
- 5.02 For every Program Year during the Term the Services will be adjusted in consultation with the Province to match the Program Costs authorized by the Province under paragraph 6.02, provided further that if the parties do not agree on the adjustment to the Services by the beginning of the Program Year to which the adjustment is to apply then either party may give written notice to the other to have the adjustment to the Services determined by an arbitrator in accordance with the provisions of paragraph 27.01 and pending such determination the Services will continue to be provided at the then current levels.

ARTICLE 6

PAYMENT

- 6.01 For each Program Year during the Term, the Province will pay to the Contractor in full payment and as reimbursement for providing the services and for expenses, the Management Fee, in the manner and at the times set out in Schedule "B" to this Agreement, and the Contractor will accept the same as full payment and full reimbursement.
- 6.02 For each Program Year the Province will pay the Operational Funds to the Contractor, in full payment for and satisfaction of the operational expenses associated with providing the Services, which fees will be calculated in accordance with Schedule "C", in the manner and at the times as set out in Schedule "C" and the Contractor will accept the same as full payment and full reimbursement.

- 6.03 This is to certify that the property and/or services ordered/purchased hereby are for the use of, and are being purchased by the Province with Crown funds, and are therefore not subject to the Goods and Services Tax.
- 6.04 Except as provided for under paragraph 4.04, for each Program Year during the Term the Contractor will provide to the Province a set of proposed program assumptions and absorption rates for the next Program Year, substantially in the same form as Schedule "D", which set of program assumptions and absorption rates will be delivered at the same time as the material referred to in subparagraph 1 (a) of Schedule "C", and upon approval of the proposed program assumptions and absorption rates and the authorization of the Operational Funds for the next Program Year, the proposed program assumptions and absorption rates will be attached to this Agreement as part of Schedule "E" and will be the Program Assumptions and Absorption Rates for the Program Year to which they relate. If the Province does not approve the proposed program assumption and absorption rates, and the Contractor is not able to propose a further set of program assumption and absorption rates that is acceptable to the Province, the matter will be referred to binding arbitration under paragraph 27.01.

ARTICLE 7

PAYMENT OF ENFORCEMENT PROCEEDS

- 7.01 The Contractor will forthwith pay any such Proceeds to the party entitled to receive them in accordance with policy as established by the Director from time to time.

ARTICLE 8

RECORDS

- 8.01 In connection with the provision of the Services the Contractor will:
- (a) establish and maintain books of account of all operational expenses incurred, refunds and remissions obtained;
 - (b) maintain invoices, receipts and vouchers for operational expenses, refunds and remissions referred to in subparagraph (a) of this paragraph; and
 - (c) provide the Minister with free access at all reasonable times to all such records, bank account, invoices, receipts and vouchers relating to operational expenses for the purposes of audit and inspection (provided that such information will be disclosed by the Province only as a consequence of the administration of this Agreement or in accordance with law). For such purposes, the Minister may make copies thereof, take extracts therefrom and the Contractor will provide the

Minister with all facilities and all information as the Minister may from time to time require. The Contractor will not, without the consent of the Minister, dispose of any such accounts, records, invoices, receipts and vouchers, but will preserve and keep the same available for audit and inspection at any time.

ARTICLE 9

AUDITS AND REVIEWS

- 9.01 The Province may, from time to time, conduct an audit of the Contractor, including the right to inspect and take copies of the books and records pertaining to the operation of the Program by the Contractor and the performance of the Contractor's obligations under this Agreement, upon reasonable notice and at reasonable times.
- 9.02 Prior to performing an audit under paragraph 9.01, the Province will consult with the Contractor to establish terms of reference for the audit and to identify relevant issues, provided always that the discretion to set terms of reference remains with the Province.
- 9.03 The Contractor will provide the Province with access to its work, offices and staff and be available to the Province or its designated agent or representative for the purposes of:
 - (a) administration of this Agreement;
 - (b) creditor or debtor complaint reviews and recommendations;
 - (c) monitoring and evaluation of the Services performed; and
 - (d) providing documents, information or explanations relevant to audits and evaluations contemplated.
- 9.04 Prior to completing an audit, a performance review or an evaluation, the Province will provide the Contractor with a draft of the report and, upon receiving the draft report, the Contractor will have ten (10) days to provide the Province with its comments. The Province will provide the Contractor with a copy of the final report when it is complete.
- 9.05 During any Program Year, the Province will negotiate with the Contractor from time to time to establish annual performance targets.
- 9.06 The Province may, from time to time, conduct a performance evaluation of the Contractor with respect to performance measures outlined in Schedule "A".
- 9.07 For the purpose of facilitating performance evaluations, the Contractor will provide to the Province on a monthly basis, information necessary for the calculation of, and on a quarterly basis, an analysis explaining material changes in any of the performance

measures outlined in Schedule "A" and, at the request of the Province, the Contractor will provide the information and analysis in the format prescribed by the Province.

- 9.08 The Contractor will fully cooperate with the Province in all matters referred to under Article 9.

ARTICLE 10

OWNERSHIP

- 10.01 All Material that are, from time to time, in the possession or control of the Contractor will at all times be the exclusive property of the Province and will be forthwith delivered by Contractor to the Province, or to such other person and at such place as the Province may at any time direct.
- 10.02 All Material and all other information which the Contractor is provided access to by the Province for the purpose of providing the Services, will be utilized by the Contractor solely for the purpose of providing the Services.
- 10.03 All right, title and interest in and to the Manuals, the Software, and the IVR including all rights in copyright that may subsist therein and all other intellectual property rights, will belong to the Province as they come into existence.
- 10.04 The Province confirms that all copyright and all other intellectual property rights in the Manuals, Software, and the IVR are vested in the Province. In order to assure the said ownership of the Province in the Manuals, the Software, the IVR, as they are enhanced, revised or updated, and all other portions of the Material produced by the Contractor, the Contractor agrees to execute any documents of acknowledgment of assignment of copyright or waiver of moral rights requested by the Province with respect to any and all of the above.
- 10.05 In order to better assure the ownership by the Province in the copyright to all enhancements, revisions, and updated versions of the Manuals, the Software, and the IVR, the Contractor covenants and agrees that:
- (a) it will not assert any legal rights of copyright over any such enhancements, revisions, and updated versions of the Manuals, the Software, and the IVR that may arise in the future; and
 - (b) it will ensure that all employees, or other individuals, that make any such enhancements, revisions, or updated versions of the Manuals, the Software, or the IVR will provide, or will agree to provide, at the request of the Province to the Contractor, written waivers of moral rights in favour of the Province with respect to the copyright in such enhancements, revisions, and updated versions.

- 10.06 The Contractor will ensure that all the Manuals, the Software, the IVR, and all other portions of the Material produced by the Contractor hereunder will contain the following copyright notice:

COPYRIGHT © HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA REPRESENTED BY THE MINISTRY OF ATTORNEY
GENERAL [DATE]

- 10.07 For greater certainty, it is agreed that this Article does not apply to the Teleflow, save and except to the extent that the Software, the IVR, and any and all enhancements, revisions, and updates to the Software or the IVR, rely on or employ Teleflow in which case the Contractor hereby grants to the Province a non-exclusive, perpetual, royalty free, irrevocable license in Teleflow, and any and all enhancements, revisions, and updates thereto occurring on or before the expiration or termination of this Agreement, to use and modify Teleflow for the purposes of ensuring the proper functionality and performance of the Software, the IVR, and any and all enhancements, revisions, and updates to the Software or the IVR.
- 10.08 The Contractor will provide the Province with access to any and all material concerning Teleflow necessary to ensure the proper functionality and performance of Teleflow.
- 10.09 The Contractor hereby represents that the development of Teleflow occurred at the Contractor's own expense and on its own time and that none of the Province's resources were used for such development.
- 10.10 The parties acknowledge that the Contractor will have no rights to market and license the Software pursuant to this Agreement.

ARTICLE 11

SOFTWARE AND ASSETS

- 11.01 It is the Contractor's responsibility to ensure that the Province has all licenses required to use any software that may be supplied by the Contractor pursuant to this Agreement.
- 11.02 The Contractor will:
- (a) only use the Assets for the business of the legislature or the government, as it relates to the performance of the Services unless otherwise authorized by the Director;
 - (b) use its best efforts to ensure employees and subcontracted staff only use the Telecommunications Network (ProvNet), or on any other telecommunications

service paid for out of Program Costs, the Internet and BC Online, in the performance of the Services.

11.03 The Contractor will:

- (a) use its best efforts to ensure employees and subcontracted staff will not make any unauthorized personal long-distance calls from a government telephone over ProvNet, or on any other telecommunications service paid for out of Program Costs, or personal searches using BC Online access by the Contractor under any circumstances;
- (b) ensure Employees are aware that any unauthorized calls or searches may be traced and the cost recovered from the Contractor; and
- (c) ensure all Employees and subcontracted staff sign an Internet Usage Agreement satisfactory to the Province;

11.04 The Contractor will advise the Province of telecommunications and BC Online access requirements and plans for the duration of the Term upon the signing of the contract and throughout the Term any unanticipated changes required.

ARTICLE 12

CONTRACTS WITH ASSOCIATED PARTIES

12.01 The Contractor is to advise the Director in writing of all contracts to provide paid services to another person the Contractor, Brian Pollick or Hannah Roots intends to enter into and is to further advise the Director in writing of any other entity in which the Contractor or the named parties have a material interest.

ARTICLE 13

INSURANCE AND INDEMNITY

13.01 The Contractor will out of Operational Funds obtain and maintain in force at all times while this Agreement remains in effect:

- (a) a policy of comprehensive general liability insurance (including contractual liability on terms sufficient to cover the indemnity provided by paragraphs 13.03 and 13.04) in form and content and with an insurer or insurers acceptable to the Minister providing coverage of not less than \$2,000,000 inclusive per occurrence for bodily injury, death and property damage which may arise directly or indirectly out of the acts or omissions of the Contractor, the sub-contractors servants or

agents of the Contractor under this Agreement, such policy to include the Province as an additional insured and to contain:

- (i) a cross-liability clause acceptable to the Minister,
 - (ii) protection for the Province, the Contractor, its sub-contractors and their respective servants, agents or employees, and
 - (iii) coverage in respect of all liability arising out of all products where the material is supplied by the Contractor, non-owned vehicles, contingent employers liability, and liability assumed by the Contractor under and applicable to this Agreement;
- (b) a policy of professional liability insurance in an amount not less than \$1,000,000 inclusive per occurrence with an aggregate cap of \$2,000,000 resulting from errors or omissions in the performance of professional services under this Agreement;
 - (c) property insurance which will cover business contents, including electronic data processing equipment and media, against 'all risks' of physical loss or damage, including Earthquake and Flood, to full replacement cost value. Such policy of insurance will contain a waiver of subrogation against the Province; and
 - (d) extra expense insurance which will insure expenses necessarily incurred by the Contractor to continue normal office operations which are interrupted as a result of an insured property loss.

13.02 The Contractor will:

- (a) provide the Province with evidence of all required insurance prior to commencement of work or service in the form of a completed Province of British Columbia Certificate of Insurance;
- (b) when requested by the Province, provide certified copies of required policies; and
- (c) ensure that it is a term and condition of the contract of insurance described in paragraph 13.01 that the coverage provided therein may not be canceled or materially changed in any way whatsoever without the insurer or insurers giving not less than 30 days prior written notice to the Province.

13.03 The Contractor will indemnify and save harmless the Province and the Minister from and against all claims, demands, losses, damages, costs and expenses made against or incurred, suffered or sustained by the Province and the Minister or either of them at any time or times (whether before or after the expiration or termination of this Agreement) where the same or any of them are based upon or arise out of or from anything done or

omitted to be done by the Contractor or by any agent, servant, employee, officer, director, shareholder or sub-contractor of the Contractor pursuant to this Agreement, excepting always liability arising out of the independent negligent acts of the Province.

- 13.04 The Contractor will indemnify and hold the Province free and harmless from any costs, loss or damage assessed against or suffered by the Province in any suit, proceeding or otherwise so far as the same is based on any claim that the use of any material (original or otherwise), Software, systems, programs, equipment, or other material (original or otherwise), developed or provided by the Contractor pursuant to this Agreement with respect to the Services, or the performance of the Services infringes any trade secrets, copyright, patent or license.
- 13.05 In the event that Section 44 of the *Family Maintenance Enforcement Act* is repealed (and not replaced with a provision providing relief from liability) or is ruled unenforceable by a court of competent jurisdiction:
- (a) the Province will indemnify and save harmless the Contractor from and against all claims, demands, losses, damages, costs and expenses made against or incurred, suffered or sustained by the Contractor at any time or times (whether before or after the expiration or termination of this Agreement) where the same or any of them are based upon or arise out of or from anything done or omitted to be done by the Contractor pursuant to this Agreement, excepting always:
 - (i) any liability arising out of or from anything done or omitted to be done where the Contractor's act or omission was not in good faith, or
 - (ii) any liability arising out of or from anything done or omitted to be done by the Contractor where such act or omission is not directly related to the provision of the Services;
 - (b) paragraph 13.03 will not apply to any claims, demands, losses, damages, costs and expenses made against or incurred, suffered or sustained by the Province and the Minister or either of them at any time or times (whether before or after the expiration or termination of this Agreement) where the same or any of them are based upon or arise out of or from anything done or omitted to be done by the Contractor or by any agent, servant, employee, officer, director, shareholder or sub-contractor of the Contractor pursuant to this Agreement that would have been protected from action by Section 44 of the *Family Maintenance Enforcement Act* but for the repeal or the rule of unenforceability by a court of competent jurisdiction.
- 13.06 The Contractor will be responsible for compliance with all conditions and regulations under the *Workers' Compensation Act*. The Contractor and any approved sub-contractors must be registered with the Workers' Compensation Board (WCB) and WCB coverage must be maintained, out of Operational Funds, for the duration of the Agreement.

- 13.07 If the Province is a payee under a policy of insurance provided pursuant to paragraph 13.01, and a payment has been made under that policy with respect to a claim concerning a lost, stolen or damaged Asset, upon the Province being satisfied that the payment will be applied to replacing the lost or stolen Asset, or repairing or replacing the damaged Asset, as the case may be, and upon the Province being further satisfied that the security interest referred to in paragraph 13.01 will attach to the replaced Asset, the Province will pay to the Contractor the cost of the repair or replacement up to the amount of the insurance payment but no more.

ARTICLE 14

BONDS

- 14.01 The Contractor will, out of Operational Funds, obtain and maintain a commercial blanket bond in full force and effect at all times while this Agreement remains in effect with respect to each of its servants, employees, officers and directors. The bond will be for the amount of \$ 100,000.00 per incident and be in a blanket form acceptable to the Minister.
- 14.02 The bond will contain a janitorial endorsement extending coverage to the Province for all property entrusted to the Contractor and any property for which the Contractor may be legally liable.

ARTICLE 15

CONTINUING LEGAL OBLIGATIONS

- 15.01 The parties agree that, except with respect to those continuing legal obligations specified in the Contracts listed in clauses 1.01(e)(i) and (iii) and the indemnity contemplated by paragraph 13.05 and subparagraph 19.01(c), any indemnity provided by the Province under this Agreement does not apply to any legal obligation of the Contractor after the expiry or sooner termination of this Agreement, unless the prior written consent of the Province is obtained.
- 15.02 Where, as a result of an event contemplated by paragraph 1 of Schedule "B", the Contractor's requirements for office space is reduced resulting in a surplus of leased office space, the Contractor may, upon assigning the rights to use that surplus office space to the Province, pay for the proportionate rent attributed to that surplus office space out of Operational Funds.

ARTICLE 16**ASSIGNMENT, SUB-CONTRACTING AND APPROVALS**

16.01 The Contractor will not without the prior written approval of the Minister:

- (a) assign, either directly or indirectly, this Agreement or any right of the Contractor under this Agreement;
- (b) sub-contract any obligation of the Contractor, under this Agreement; or
- (c) enter into contracts related to the Services or the Assets

and the Contractor, at the request of the Director, will forthwith provide to the Province copies of any such assignments, subcontracts or contracts.

16.02 Pursuant to subparagraph 16.01(c), the Province grants approval, on the conditions set out in paragraph 16.03, to the Contractor to enter into contracts related to the Services and Assets which involve:

- (a) capital expenditures of less than \$50,000; or
- (b) retention of legal counsel to replace departing employees.

16.03 The contracts described in paragraph 16.02 must:

- (a) be assignable in accordance with the provisions of this Agreement;
- (b) have terms that do not continue beyond the Term of this Agreement or there is no penalty if they are cancelled beyond the Term of this Agreement; and
- (c) if this Agreement is terminated prior to the end of the Term, include only a reasonable penalty if the contracts are terminated instead of assigned.

16.04 No sub-contract entered into by the Contractor will relieve the Contractor from any of its obligations under this Agreement or impose any obligation or liability upon the Province to any such sub-contractor.

16.05 Where all or any of the Services are provided by subcontractors, the Contractor will perform the functions and duties performed in subparagraphs 8.01(a) and (b) as if those Services were performed by the Contractor and subparagraph 8.01(c) will apply.

ARTICLE 17

APPROPRIATION

17.01 Notwithstanding any other provision of this Agreement, the payment of money by the Province to the Contractor under this Agreement is subject to:

- (a) there being sufficient monies available in the appropriation, as defined in the *Financial Administration Act*, R.S.B.C. 1996, c.138 (the "FAA"), to enable the Province, in any fiscal year or part thereof when any payment of money by the Province to the Contractor falls due under this Agreement, to make that payment; and
- (b) Treasury Board (as defined in the FAA) not having controlled or limited, under the FAA, expenditure under any appropriation referred to in subparagraph (a) of this paragraph.

ARTICLE 18

DEFAULT

18.01 Notwithstanding any other provision of this Agreement if:

- (a) the Contractor fails to comply with any material provision of this Agreement or any other Contract (except a license agreement entered into by the parties) and has not remedied the same to the satisfaction of the Province within 30 days of notice of such failure;
- (b) an order is made or a resolution passed for the liquidation or winding-up of the Contractor or if a petition is filed for the liquidation or winding-up of the Contractor;
- (c) the Contractor becomes insolvent or makes an assignment for the general benefit of its creditors or if a bankruptcy petition is filed or presented against the Contractor or the Contractor consents to the filing of the petition a decree is entered by a court or competent jurisdiction and judging the Contractor bankrupt under any law relating to bankruptcy or insolvency;
- (d) any execution, sequestration, extent or other process of any court becomes enforceable against the Contractor or if a distress or analogous process is levied on the Assets or any other assets or property of the Contractor and the Contractor fails to defend any such aforementioned process in good faith;

- (e) except as may be contemplated by the Succession Plan, pursuant to Schedule "G", the beneficial ownership and effective control of the Contractor ceases to be held by Brian Pollick and Hannah Roots or, without limiting generality of the foregoing, if anyone who has an interest, direct or indirect, in the Contractor sells, pledges, assigns, mortgages or otherwise disposes of their interest in the Contractor or this Agreement without the prior written consent of the Minister, such consent not to be unreasonably withheld; or
- (f) without the prior written consent of the Minister, the Contractor is amalgamated or combined with another company or is reorganized, such consent not to be unreasonably withheld;

then, and in addition to any other remedy or remedies available to the Province, the Province may, at its option, terminate this Agreement by the Minister giving 10 days written notice of termination to the Contractor and if such option is exercised then this Agreement will terminate 10 days after such written notice is received or deemed received, pursuant to paragraph 26.01, by the Contractor and the Province will be under no further obligation to the Contractor except to pay to the Contractor, such amount as the Contractor may be entitled to receive, pursuant to Schedules "B" and "C", for Services provided and expenses incurred in connection therewith to the date of expiration of such notice, subject to the Province's right of set off, in which case the amount payable to the Contractor will be reduced by the amount subject to set off.

- 18.02 The rights, powers and remedies conferred on the Province under this Agreement are not intended to be exclusive and each will be cumulative and in addition to and not in substitution for every other right, power and remedy existing or available to the Province under this Agreement, any other agreement, at law or in equity and the exercise by the Province of any right, power or remedy will not preclude the simultaneous or later exercise by the Province of any other right, power or remedy.

ARTICLE 19

TERMINATION

- 19.01 Notwithstanding any other provision of this Agreement, the Province may, anytime, during the Term terminate this Agreement effective without any failure of the Contractor to comply with any provision of this Agreement, by the Province giving no less than 1 year written notice of termination to the Contractor and the Province will then be under no further obligation to the Contractor except to pay the Contractor:

- (a) such fees and expenses as the Contractor may be entitled to receive pursuant to Schedules "B" and "C", for Services provided and expenses incurred to the Cessation Date;

- (b) an amount representing any payments the Contractor must make with respect to any continuing legal obligations to pay subsequent to the Cessation Date pursuant to a valid Contract and in the event of such a payment, the Contractor will, at the request of the Minister, apply such proceeds directly to the Contracts concerned;
- (c) the Contractor's aggregate liability to pay severance pay to Employees will be calculated in accordance with paragraph 19.05 but will in any event not exceed the total amount of the Severance Cap; and
- (d) \$120,500 payable in full on the Cessation Date unless the option contained in paragraph 23.01 is exercised in which case payment shall be made in six equal payments, one payment due on the last day of each month of the term of the Consulting Period provided for under that option.

19.02 If, during the Term, an amendment to the *Employment Standards Act*, a change in the policy of the Community Social Services Employers' Association of British Columbia (CSSEA), or a change in the Program as provided for under paragraph 8 of Schedule "C", affects the calculation of the Severance Amount, the Severance Cap may be adjusted by mutual written agreement of the parties to reflect that change.

19.03 If the parties are not able to agree to a change contemplated by paragraph 19.02, the matter will be referred to binding arbitration under paragraph 27.01.

19.04 The Contractor will, at the request of the Province from time to time, provide the Province with a statement of the then current amount of the Severance Amount including the means of calculating the amounts set out in the statement.

19.05 The Severance Amount referred to in subparagraph 19.01(c) will be calculated as of the Cessation Date in the following manner:

- (a) the Severance Amount will be limited to the severance payable to the Employees;
- (b) the Severance Amount will be the aggregate amount of severance benefits as recognized owing to Employees as of the Cessation Date. For those Employees subject to the Collective Agreements the severance benefits will be calculated in accordance with the respective Collective Agreements and for those Employees not subject to the Collective Agreements the severance benefits will be reasonable severance pay, provided always that the Severance Amount will in any event be reduced by the following amounts in the following circumstances
 - (i) if following the Cessation Date the Services or any part of the Services are continued and one or more Employees is offered comparable employment with an entity which is providing any part of the Services, then the amount calculated pursuant to subsection (b) will be reduced by an amount equal to the severance pay the Employee or Employees would have been paid,

- (ii) if the provisions of sections 13.4 and 13.10 of Article 13 of the B.C. Government Employees' Union collective agreement are deleted or amended or the provisions of Article 14 of that collective agreement are amended, the net effect of which increases the severance payable under that collective agreement, then the amount calculated pursuant to subparagraph (b) will be reduced by an amount equal to the difference between the severance payable under the collective agreement then in effect and the severance payable under the collective agreement in effect as of the effective date of this Agreement, unless the said deletion or amendment is a consequence of a mandatory legislative or regulatory provision,
 - (iii) if section 15.8 of Article 15 of the Professional Employees' Association collective agreement is deleted or amended, the net effect of which increases the severance payable under that collective agreement, then the amount calculated pursuant to subparagraph (b) will be reduced by an amount equal to the difference between the severance payable under the collective agreement then in effect and the severance payable under the collective agreement in effect as of the effective date of this Agreement, unless the said deletion or amendment is a consequence of a mandatory legislative or regulatory provision, and
 - (iv) if, notice of termination is given under this paragraph, and the Contractor fails to give any notice required by law or otherwise with respect to the termination of any employee such that the employee is, or becomes entitled to more severance pay on or after the Cessation Date than the employee would otherwise be entitled to, the amount calculated pursuant to subsection (b) will be reduced by an amount equal to the additional severance pay owed to the employee or employees due to the failure by the Contractor to give the required notice or notices with respect to such employee or employees;
- (c) the parties agree that
- (i) the Severance Cap is not relevant to the determination of what is reasonable severance pay under subparagraph (b),
 - (ii) the report referred to in paragraph 19.04 is for reporting purposes only and the Province's acceptance, express or implied, of any report provided under that paragraph or any information contained in a report is not relevant to the determination of what severance pay under subparagraph (b), and

(iii) for greater certainty, reasonable severance pay as contemplated by subparagraph (b) may include termination benefits predetermined by agreement between the Contractor and its employees who are excluded from the Collective Agreements and are not managing directors and any additional amounts ordered as severance by a Court of competent jurisdiction, except that these amounts will be reduced by any amount which resulted from:

- A. the failure of the Contractor to take reasonable action to mitigate amounts due to the employee, or
- B. are based on any profitsharing incentive, bonus, gifts, awards or additional severance that Themis may make to its employees.

19.06 If the parties do not agree upon the amounts specified in paragraph 19.01(a), (b) or (c) hereof within 30 business days of expiration of the subject notice the matter will be referred to binding arbitration under paragraph 27.01.

19.07 Forthwith upon the Contractor receiving a notice of termination under paragraph 19.01 or providing notice pursuant to paragraph 19.09, the Contractor will give notice to all of its Employees of the date on which this Agreement will terminate and thereafter give all relevant Employees all termination notices as may be required by law or otherwise, and provide all others entitled, including without limitation all Ministers of the Crown, government officials and offices, and trade unions, notice of all such termination.

19.08 In the event the Province gives a written notice to terminate the Agreement under paragraph 19.01 the Contractor will use its best efforts to have any obligations referred to in paragraph 19.01(b) terminate on the same date this Agreement terminates and the Contractor will use its best efforts to reduce and otherwise mitigate the amounts that would be paid under subparagraph 19.01(b).

19.09 Notwithstanding any other provision of this Agreement, the Contractor may, at its option, terminate this Agreement effective on or before March 31, 2004, without any failure on the Province's part to comply with any provision of this Agreement, by giving not less than 1 year written notice of termination to the Province and upon and after such termination the Contractor will be under no further obligation to the Province and the Province will be under no further obligation to the Contractor except to pay the Contractor that amount provided for under subparagraphs 19.01(a), (b) and (c).

ARTICLE 20

ASSIGNMENT OF EQUIPMENT AND OFFICE SPACE

- 20.01 Upon the expiration or termination of this Agreement, the Contractor will, at no cost to the Province, assign and transfer to the Province, any right, title or interest of the Contractor in and to any of the Assets.
- 20.02 The Contractor hereby acknowledges the Province's purchase money security interests, other security interests, and floating charges, as the case may be, in the Assets and, for the purposes of allowing the Province to secure those interests, agrees to enter into a security agreement substantially in the form attached hereto as Schedule "F".
- 20.03 At the Province's request, the Contractor will assist with the assignment of the Contracts listed in Schedule "E" to take effect on the expiry or termination of this Agreement.

ARTICLE 21

TRANSFER OF PROGRAM

- 21.01 The Province may in addition to all the rights under this Agreement give notice to the Contractor that on the expiration or termination of this Agreement, the Province will require the whole of the business, including all material contracts, including but not limited to, contracts with GAEA Management and Consulting Ltd., necessary to continue the uninterrupted provision of the Services and Assets of the Contractor related to the provision of the Services, except those assets not purchased with Operational Funds, to be transferred as a going concern to the Province or its Nominee.
- 21.02 The notice contemplated under paragraph 21.01 will be deemed to have been given and delivered at the same time as a notice of termination given under paragraph 18.01.
- 21.03 In the event that a notice of termination has been given under paragraph 19.01 the notice contemplated under paragraph 21.01 may be given at the same time as the notice of termination and in any event the notice under paragraph 21.01 will be given not less than 12 months prior to the Cessation Date if this Agreement is terminated pursuant to paragraph 19.01 or expires.
- 21.04 If a notice is given, or deemed to have been given, to the Contractor under paragraph 21.01 the Province may at any time prior to the expiration or termination of this Agreement nominate one or more Nominees as transferees so that different parts of the business and the related assets may be transferred and assigned to one or more Nominees and the various assets of the Contractor will be transferred to the Nominees indicated in the nominations and in accordance with this Agreement.

- 21.05 The Province may direct the Contractor to assign and deliver any of the Assets to one or more Nominee, and such Nominee may be nominated at any time prior to the expiration or termination of this Agreement and such transfers will be effective as at the dates set out in the nomination of the transferee and the Contractor will be under no further obligation to perform the Services or any other obligation with respect to those Assets except as set out in paragraph 21.10 of this Agreement.
- 21.06 The Contractor will at the request of the Minister forthwith deliver to the Province an inventory of the Assets, and the material contracts contemplated by paragraph 21.01.
- 21.07 If a notice has been given or deemed to have been given to the Contractor under paragraph 21.01 then on the Cessation Date:
- (a) the Contractor will deliver to the Province or the relevant Nominees, as the case may be
 - (i) all deeds of conveyance, bills of sale, transfers and assignments, duly executed, in form and content satisfactory to the Province or the Nominee, as the case may be, appropriate to effectively vest good and marketable title to the relevant assets in, and assign all contracts to, the Province or the Nominee as the case may be to the extent contemplated by this Agreement and immediately registerable in all places where registration of such instruments is necessary or desirable,;
 - (ii) possession of the Assets,
 - (iii) a certified copy of a resolution of the directors of the Contractor duly passed, with a certification that it has not been rescinded and continues to be in effect, authorizing the execution, delivery and implementation of the transfer of all the business, assets and material contracts and all other transactions contemplated with respect to the transfer and assignment of the business of the Contractor with respect to the provision of the Services to the Province or the Nominee as the case may be,
 - (iv) a certified copy of a special resolution of the Contractor duly passed, with a certification that it has not been rescinded and continues to be in effect, approving the transfer, as contemplated herein, of the business, assets and material contracts by the Contractor in accordance with section 126(l) of the *Company Act* of British Columbia, and
 - (v) a duly executed prescribed form pursuant to which an election is made to have section 167 of the *Excise Tax Act* of Canada apply to the transfer of the Assets, where any nominee so requires and also provides a duly executed prescribed form pursuant to section 167 of the *Excise Tax Act* of Canada to apply to the transferred Assets and the Province or the Nominee

as the case may be, with respect to those business, Assets and material contracts acquired;

- (b) the Province will deliver to the Contractor
 - (i) a duly executed covenant to assume the material contracts, in which case without limiting the provisions of paragraphs 13.03 and 13.04, the Province will indemnify and save harmless the Contractor from and against all claims, demands, losses, damages, costs and expenses made against or incurred, suffered or sustained by the Contractor at any time or times (whether before or after the expiration or termination of this Agreement) where the same or any of them are based upon or arise out of or from anything done or omitted to be done solely by the Province pursuant to the material contracts which are assigned to the Province, or
 - (ii) a duly executed covenant by the Nominee to assume the material contracts, in which case without limiting the provisions of paragraphs 13.03 and 13.04, the Province will indemnify and save harmless the Contractor from and against all claims, demands, losses, damages, costs and expenses made against or incurred, suffered or sustained by the Contractor at any time or times (whether before or after the expiration or termination of this Agreement) where the same or any of them are based upon or arise out of or from anything done or omitted to be done solely by the Nominee pursuant to the material contracts which are assigned to the Nominee.

21.08 On the expiration or termination of this Agreement following the delivery or deemed delivery of a notice contemplated by paragraph 21.01, this Agreement will without further act or formality, operate as a transfer to the Province or the Nominee as the case may be, of all of the Assets hereunder as the same will be at the close of business on the Cessation Date and this Agreement will operate as an assignment of all relevant material contracts as of the Cessation Date. The Contractor will nevertheless, on the Cessation Date and from time to time after the Cessation Date execute and deliver to the Province, or such nominees as may be relevant, all such conveyances, transfers and assignments and other instruments in writing and further assurances as the Province, or any such nominee, will reasonably require from the Contractor, and the Province and all Nominees will execute and deliver to the Contractor all such agreements of assumption and other instruments in writing and further assurances as the Contractor will reasonably require in order to give effect to the provisions of this Agreement.

21.09 Should any of the Assets or material contracts intended to be transferred and assigned hereunder not be transferred to, the Province, or any nominee, as contemplated by paragraph 21.01 then the Contractor will hold as bare trustee in trust for and at the sole cost of the Province, or relevant Nominee, all such Assets and material contracts from the commencement of business on the Cessation Date or, if this Agreement is not terminated,

the date on which this Agreement expires, until all such Assets and material contracts are effectively transferred and assigned.

- 21.10 The Province or the Nominee as may be applicable, will be liable for and pay all social service tax, sales tax, goods and services tax, registration charges and transfer fees properly payable upon and in connection with the sale and transfer of the Assets and the assignment of the material contracts by the Contractor as contemplated hereby, provided that in no event will the Province or any Nominee be liable for or pay but instead the Contractor will be liable for and pay any social service tax, sales tax, goods and services tax, registration charges and transfer fees which the Contractor failed to pay or was exempted from paying prior to and including the Cessation Date.

ARTICLE 22

TRANSITION

- 22.01 If the Province gives notice to the Contractor, the Contractor will assist with the development of a transition plan to ensure that the Services are continued in an uninterrupted manner at the termination of this Agreement and without limitation the Contractor will assist the Province in developing a plan to satisfactorily deal with the following:
- (a) the provision of Services on an uninterrupted basis to the clients when the operations of the Contractor are transferred to the Province or to such transferee as may be nominated;
 - (b) the transfer of all files, documents, manuals and records as may be required;
 - (c) the due delivery of all Assets owned by the Province and used for the provision of the Services;
 - (d) the assignment of all leases and service agreements and other Assets as contemplated in this Agreement for the provision of the Services including all facilities, computers and office equipment being acquired by the Province or nominated transferee; and
 - (e) a staffing plan to ensure that all notices required to be given under this Agreement can be done so in a timely fashion.
- 22.02 Once the Province has finalized the transition plan contemplated by paragraph 22.01 the Contractor covenants to cooperate fully with the Province and to make its best efforts to ensure that the transition plan is implemented in a manner to ensure that the clients to whom the Services are provided are not affected or inconvenienced by the transition from the Services being provided under this Agreement to the new provision of the Services.

ARTICLE 23

CONSULTING SERVICES

23.01 If, following the expiration or termination of this Agreement, the Province or its appointed designate provides all or any part of the Services, at the Province's option the Contractor will, for a Consulting Period, provide consulting services to the Province or its appointed designate with respect to the provision of the Services by the Province or its appointed designate. Consulting services will be provided by Brian Pollick and Hannah Roots as follows:

- (a) if this Agreement is terminated pursuant to paragraph 18.01 or 19.09, then \$85 per hour per person;
- (b) if this Agreement expires or is terminated pursuant to paragraph 19.01, then as follows:
 - (i) for Hannah Roots \$170 per hour for that portion of the Consulting Period that is prior to September 30, 2005 and thereafter at a rate of \$183 per hour, and
 - (ii) for Brian Pollick \$135 per hour for that portion of the Consulting Period that is prior to September 30, 2005 and thereafter at a rate of \$145 per hour; and
- (c) 37.5 hours per person per week for 26 weeks, or such additional hours or weeks as agreed to in writing by the parties.

23.02 In addition to any other consultation concerning the Services that the Province may request, the consulting services will include the provision of advice and services concerning:

- (a) the design and implementation of the Family Maintenance Enforcement Program or specific aspects thereof;
- (b) human resources and management issues, including active participation in management;
- (c) the operation of Services related software and computer systems; and
- (d) practical aspects of maintenance enforcement.

23.03 If the Province exercises the option contained in paragraph 23.01:

- (a) the Contractor will cause Brian Pollick and Hannah Roots to direct, administer and provide the consulting services and will not cause or permit anyone other than the named parties to provide the consulting services on its behalf without the prior written consent of the Province which consent will not be unreasonably withheld;
- (b) the Contractor will cause Brian Pollick and Hannah Roots to be available for the provision of the consulting services during regular business hours as described in subparagraph 23.01(c);
- (c) Articles 10 and 28 and paragraphs 13.03, 30.01, 31.01, 34.06 and 34.15 will apply to all matters arising or occurring within the Consulting Period and will survive the expiration of that period.

23.04 For greater certainty, the parties agree that, should the option contained in paragraph 23.01 be exercised, all references in this Agreement to the termination or expiration of this Agreement will be interpreted to exclude this paragraph from such termination or expiration so that all obligations created under this paragraph remain in full force and effect during the term of the Consulting Period.

23.05 To exercise the option contained in this paragraph the Province must notify the Contractor in writing:

- (a) at the time notice of termination is given if this Agreement is being terminated pursuant to paragraph 18.01; or
- (b) nine (9) months prior to the Cessation Date in all other circumstances.

ARTICLE 24

SUCCESSION PLAN

24.01 The Contractor will maintain the Succession Plan during the Term.

24.02 The Contractor will not amend the Succession Plan without the written consent of the Province, which consent is not to be unreasonably withheld.

24.03 In the event that the parties cannot agree to an amendment of the Succession Plan under paragraph 24.01, the matter will be referred to binding arbitration under paragraph 27.01.

ARTICLE 25

RECEIVER

25.01 The Province may, without limiting any other rights it may have at law or under this Agreement or any other agreement relating or incidental to this Agreement, appoint the Receiver if the Contractor commits an act of default contemplated by subparagraph 18.01 (b) or (c). In the event of such appointment, the following provisions will apply:

- (a) the Receiver will be the receiver, receiver manager, or receiver-manager, as the case may be, of the Service Assets and for the provision of the Services and the performance of any other obligation under this Agreement or any other agreement relating or incidental to this Agreement, with or without bond as the Province may determine;
- (b) in addition to any other power the Receiver may have, the Receiver may
 - (i) enter upon any premises of the Contractor and take possession of the Service Assets with power to exclude the Contractor, its agents and its servants therefrom, without being liable as a mortgagee in possession, and
 - (ii) preserve, protect and maintain the Service Assets and make such replacements thereof and repairs and additions thereto as the Province may deem advisable;
- (c) the Receiver will be the agent of the Contractor and not of the Province and, to the extent permitted by law or to such lesser extent permitted by its appointment, will have all the powers of the Province hereunder and under any other agreement relating or incidental to this Agreement, and in addition will have power to carry on the business of the Contractor with respect to the provision of the Services;
- (d) the Receiver will not be liable for any debts contracted by it for damages to persons or property or for salaries, or non-fulfillment of contracts during any period when the Province will manage the Service Assets upon entry, nor will the Province be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Province will not be bound to do, observe or perform or to see to the observance or performance by the Contractor of any obligations or covenants imposed upon the Contractor nor will the Province, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor will the Province be obliged to keep any of the Service Assets identifiable;
- (e) the Province will have all the rights, remedies and protections of a Receiver; and

- (f) the Province may, in its absolute discretion, remove a Receiver and appoint another.

25.02 The Province may, without limiting any other rights it may have at law or under this Agreement or any other agreement relating or incidental to this Agreement, appoint (under this instrument) a Receiver to be the Succession Receiver Appointment if circumstances require that the Succession Plan be implemented and if it is the reasonable belief of the Director that:

- (a) the Succession Plan cannot be implemented in such a fashion so as to ensure the continued provision of the Services in an efficient manner; or
- (b) the Succession Plan is inadequate for the purposes of ensuring the continued provision of the Services in an efficient manner.

25.03 In the event of a Succession Receiver Appointment, the provisions of subparagraph 25.01 will apply with the following qualifications that during the Succession Resolution Period:

- (a) the Receiver will be limited in the exercise of its powers to those actions which it believes are necessary, incidental or prudent to continuing the operations of the Contractor for the purposes of carrying on with the provision of the Services during the Succession Resolution Period;
- (b) the Receiver will not act in any manner that is knowingly contrary to the purposes set out in subparagraph (a);
- (c) without limiting the generality of the foregoing in subparagraph (a) and (b), the Receiver will not knowingly at any time during the Succession Resolution Period
 - (i) manage the operations of the Contractor outside of the ordinary course of providing the Services, or
 - (ii) dispose of or otherwise deal with the Service Assets outside of the ordinary course providing the Services;
- (d) the Province will instruct the Receiver and apply its best efforts to cause the Receiver to cooperate in all reasonable respects with the Contractor in order to enable the Contractor to remedy the Succession Problem including, without limitation,
 - (i) providing reasonable access to the Contractor, and
 - (ii) providing the Contractor with relevant information in a timely fashion;

and the Contractor will indemnify the Province with respect to any costs incurred by the Province as a result of the Receiver performing such activities.

25.04 If the Contractor resolves the Succession Problem during the Succession Resolution Period the Province will remove the Receiver as soon as practicable.

25.05 Upon the first to occur of:

- (a) the expiration of the Succession Resolution Period; and
- (b) the receipt or deemed receipt of a notice of termination under paragraph 18.01;

the qualifications referred to in subparagraph 25.03 (a) and (b) will be extinguished to the effect that such qualifications will have no further force or effect.

25.06 No provision contained in Article 25 will be construed so as to vitiate or otherwise impair or affect the Province's right to terminate this Agreement:

- (a) pursuant to paragraph 18.01 with respect to a notice of termination given
 - (i) prior to the appointment of a Receiver,
 - (ii) at any time where that notice of termination relates to a default under paragraph 18.01, provided the Contractor failed to remedy the default after being duly notified pursuant to that paragraph and further provided the Receiver or the appointment of the Receiver are not the cause of the default and did not interfere with the Contractor with respect to its efforts to remedy the default,
 - (iii) at any time where that notice of termination relates to a default under subparagraph 18.01 (b), (c) and (e), provided the Receiver is not the cause of the default, or
 - (iv) at any time where that notice of termination relates to a default under subparagraph 18.01 (d), provided the Receiver is not the cause of the default and further provided the Contractor, upon being notified, elects not to defend the process referred to in subparagraph 18.01 (d), or having elected, fails to defend such process in good faith; or
- (b) pursuant to paragraph 19.01;

and, without limiting the generality of the foregoing, it is acknowledged and agreed by the Contractor that the Province will be entitled to exercise such termination right at any time during the Succession Resolution Period.

25.07 In the event that the Province seeks a Court appointed receiver rather than a Receiver appointed pursuant to a Succession Receiver Appointment, then:

- (a) the Province will ensure that any such application for a Court Order will contain the same constraints upon the receiver during the Succession Resolution Period as are contained in this Agreement; and
- (b) if the Province fails to comply with subparagraph (a) and is requested to do so by the Contractor, the Province will apply to Court to have the Court Order varied or amended to reflect the constraints described in subparagraph (a).

ARTICLE 26

NOTICES

26.01 Any notice, document, statement, report, demand or payment desired or required to be given or made under this Agreement, will be in writing and may be given or made by personal delivery to the party to whom it is to be given or made, or by mailing in Canada with postage prepaid addressed,

if to the Province:

Ministry of Attorney General
#210 – 815 Homby Street
Vancouver BC
V6Z 2E6

Attention: Director of Maintenance Enforcement

and if to the Contractor:

Themis Program Management and Consulting Limited
2nd Floor, 609 Broughton Street
Victoria BC
V8W 1C8

Attention: Brian Pollick, President

and any such notice, document, statement, report, demand or payment so mailed will be deemed given to and received by the addressee on the third business day after the mailing of the same except in the event of disruption of postal services in Canada in which case any such notice, document, statement, report, demand or payment will be deemed given to and received by the addressee when actually delivered to the particular address set out above.

26.02 In addition to paragraph 26.01, any notice, report, document, statement or demand transmitted by facsimile transmission from either party to the other will be conclusively deemed validly given to and received by the intended recipient when so transmitted if transmitted to the following numbers:

if to the Province: (604) 660-1346
if to the Contractor: (250) 387-7990.

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

ARTICLE 27

ARBITRATION

27.01 All disputes arising out of this Agreement will be referred to and finally resolved by binding arbitration under the rules of the British Columbia International Commercial Arbitration Centre provided, however, that no decision of an arbitrator will in any manner be inconsistent with the provisions of the *Family Maintenance Enforcement Act*.

27.02 The place of arbitration will be Vancouver, British Columbia and the appointing authority will be the British Columbia International Commercial Arbitration Centre unless:

- (a) the parties agree to another location; or
- (b) the British Columbia International Commercial Arbitration Centre is not available in which case the parties will agree to an alternate appointing authority and in the event that the parties cannot agree the *Commercial Arbitration Act* will apply with respect to the appointment.

27.03 Without limiting paragraph 34.14 and unless the parties otherwise agree, when a matter is to be arbitrated the parties will participate in the arbitration process in a manner that facilitates a timely resolution to the dispute.

27.04 Except for legal costs and disbursements incurred by each party, the costs of arbitration will be shared equally by the parties.

ARTICLE 28

INDEPENDENT CONTRACTOR

- 28.01 The Contractor is an independent contractor and not the servant, employee, partner or agent of the Province.
- 28.02 The Contractor will not, in any manner whatsoever, commit or purport to commit the Province to the payment of any money to any person, firm or corporation unless such payment has been authorized under this Agreement or in writing by the Director.
- 28.03 The Minister may, from time to time, give such instructions to the Contractor as the Minister considers necessary for the Contractor to provide the Services but the Contractor will not be subject to the control of the Minister in respect of the manner in which such instructions are carried out.
- 28.04 The Contractor will pay promptly, as the same become due and payable as a result or consequence of monies paid or payable by the Province to the Contractor pursuant to this Agreement, all taxes and contributions payable pursuant to any or all, as the case may be, of the *Income Tax Act* (Canada), the *Income Tax Act*, the *Canada Pension Plan* (Canada) and any other statutory assessment, premium or contribution and without limitation:
- (a) excluding Provincial Sales Tax which will be paid for as provided for in Schedule "C", all taxes, premiums and assessments related to operational expenditure items will be paid for out of Operational Funds; and
 - (b) any taxation assessments levied against the Contractor as a result of its business structure or its management fee revenue, including without limitation business license fees and corporate income taxes, will be paid by the Contractor out of corporate funds.
- 28.05 No partnership, joint venture or agency will be created or will be deemed to be created by this Agreement or any action of the parties under this Agreement.
- 28.06 Any public announcement relating to this Agreement made by either party will be arranged by the Province in consultation with the Contractor.

ARTICLE 29

DELEGATION

- 29.01 The obligations of the Contractor to provide those components of the Services set forth in the *Family Maintenance Enforcement Act* are subject to the Contractor being delegated the requisite powers, duties, and functions by the Director pursuant to subsection 2(2) of

that Act and the Director hereby delegates to the Contractor the powers, duties, and functions as set out in Schedule "H", which Schedule may be amended from time to time by the Director.

ARTICLE 30

CONFIDENTIALITY

- 30.01 The Contractor will treat as confidential and will not, without the prior written consent of the Province, publish, release or disclose or permit to be published, released or disclosed, the case data, case files or any other information supplied to, obtained by, or which comes to the knowledge of the Contractor as a result of this Agreement except in so far as such publication, release or disclosure is necessary to enable the Contractor to fulfill its obligations under this Agreement.
- 30.02 The Contractor will ensure all employees and subcontracted staff sign an Agreement Respecting Confidentiality satisfactory to the Province.
- 30.03 The Contractor will ensure its facilities, systems (including the IVR application) and files are secure and that access to data and confidentiality of data and information gained while performing the Services, are strictly controlled in accordance with security standards consistent with those described in the Canadian Institute of Chartered Accountant's (CICA's) publications entitled "Information Technology Control Guidelines" and "Guidance on Control" as provided by the Province to the Contractor.

ARTICLE 31

CONFLICT

- 31.01 The Contractor will not, without the consent of the Minister, during the Term, perform a service for or provide advice to any person, firm or corporation or other legal entity where the performance of the service or the provision of the advice may or does, in the reasonable opinion of the Province, give rise to a conflict of interest between the obligations of the Contractor to the Province under this Agreement and the obligations of the Contractor to such other person, firm or corporation or other legal entity. If the Contractor does not agree with the opinion of the Province, the matter will be referred to binding arbitration under paragraph 27.01.

ARTICLE 32

CHANGES IN LEGISLATION

- 32.01 The parties confirm that the provision of the Services by the Contractor is predicated on the federal and provincial legislation that is relevant to the provision of the Services and in force as of the effective date of this Agreement.
- 32.02 All references in this Agreement and the Schedules to the *Family Maintenance Enforcement Act* will be read to mean the *Family Maintenance Enforcement Act*, R.S.B.C. 1996, c. 127, as amended by the Family Maintenance Enforcement (Supplement) as it is brought into force from time to time.
- 32.03 The Contractor acknowledges that changes to the nature and the scope of the Services may, from time to time, be required in order to accommodate changes in legislation. If such changes are required, the Province will give written notice and particulars thereof to the Contractor. Upon the Province giving such notice, the parties will enter into negotiations with a view to amending the terms and conditions of this Agreement accordingly. If the parties are unable to agree on the new terms and conditions of the Agreement, either party may terminate this Agreement by 1 year written notice of termination given to the other and if such option is exercised by either party under this paragraph, neither the Province nor the Attorney General will be under any further obligation to the Contractor except to pay to the Contractor the amounts contemplated in paragraph 19.01 incurred to the Cessation Date and all other provisions of this Agreement will apply as if the Province has given notice of termination pursuant to paragraph 19.01.

ARTICLE 33

SERVICE INTERRUPTION

- 33.01 The Contractor will advise the Province of the existence of problems which may have a material impact upon the Contractor's ability to perform the Services, and will, forthwith upon recognizing their existence, recommend solutions to such problems.
- 33.02 If an Event of Force Majeure occurs or is likely to occur, then the party directly affected will notify the other party forthwith and, subject to paragraph 33.03, will use its best efforts to remove, curtail or contain the cause of the delay, interruption or failure and to resume with the least possible delay compliance with its duties, covenants and obligations under this Agreement.
- 33.03 If the Contractor cannot carry out its obligations under this Agreement as contemplated by paragraph 33.02, then the Contractor will immediately notify the Province of the obligations that are effected and the reason for the Contractor being unable to carry out the obligations, and for the duration of the period during which the Contractor is unable

to carry out any such obligations the Province may reduce any payments due under this Agreement by the amount equal to the amount of Operational Funds that are not expended by the Contractor during the event identified and provided further, that if the Contractor does not agree on the amount of the reduction, the parties agree that the matter will be referred to binding arbitration pursuant to paragraph 27.01 of this Agreement.

ARTICLE 34

MISCELLANEOUS

34.01 A reference in this Agreement:

- (a) to a statute whether or not that statute has been defined, means a statute of the Province of British Columbia unless otherwise stated and includes every amendment to it, every regulation made under it and any enactment passed in substitution or in replacement; and
- (b) to any other agreement between the parties means that other agreement as it may be amended from time to time by the parties.

34.02 Unless the context otherwise requires, any reference to "this Agreement" means this instrument and any amendments to it, and its Schedules and any reference to any paragraph or subparagraph by number is a reference to the appropriate paragraph or subparagraph in this Agreement.

34.03 The headings or captions in this Agreement are inserted for convenience only and do not form a part of this Agreement and in no way define, limit, alter or enlarge the scope or meaning of any provision of this Agreement.

34.04 In this Agreement, "person" includes a corporation, firm, association and any other legal entity and wherever the singular is used it will be construed as if the plural, as the case may be had been used where the context or the parties so required.

34.05 Defined words in the *Family Maintenance Enforcement Act* will have a corresponding meaning under this Agreement, unless the context otherwise requires.

34.06 Each of the parties covenants with the other that it will act in good faith in respect of all matters arising under this Agreement or any other agreement relating or incidental to this Agreement.


34.07 Each Schedule attached to this Agreement is an integral part of this Agreement as if set out at length in the body of this Agreement.

- 34.08 This Agreement and its Schedules constitute the entire agreement between the parties and no understandings, representations or agreements, oral or otherwise, exist between the parties with respect to the subject matter of this Agreement except as expressly set out or incorporated by reference in this Agreement.
- 34.09 Each of the parties will, upon the reasonable request of the other, make, do, execute or cause to be made, done or executed all further and other lawful acts, deeds, things, devices, documents, instruments and assurances whatever for the better or more perfect and absolute performance of the terms and conditions of this Agreement.
- 34.10 If any provision of this Agreement or the application thereof to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to any other person or circumstance will not be affected or impaired thereby and will be valid and enforceable to the extent permitted by law.
- 34.11 This Agreement will enure to the benefit of and be binding upon the Province and its assigns and upon the Contractor and its successors and permitted assigns.
- 34.12 All dollar amounts expressed in this Agreement refer to lawful currency of Canada.
- 34.13 No waiver by either party of a breach or default by the other party in the observance, performance or compliance of any of its obligations under this Agreement will be effective unless it is in writing and no such waiver will be deemed or construed to be a waiver of any other breach or default and failure or delay on the part of either party to complain of an act or failure of the other party or to declare such other party in default, irrespective of how long such failure or delay continues, will not constitute a waiver by such party of any of its rights against the other party.
- 34.14 Every provision hereof which is relevant to any matter which extends beyond or arises after the expiration or sooner termination of this Agreement shall, to the extent required, survive the expiration or sooner termination of this Agreement. In the event of any disagreement between the parties as to whether any specific provision or provisions survive, the matter will be referred to binding arbitration under paragraph 27.01.
- 34.15 Time will be of the essence of this Agreement.
- 34.16 Any alteration or amendment to the terms and conditions of this Agreement must be in writing and duly executed by both parties.


34.17 This Agreement will be governed by and will be construed and interpreted in accordance with the laws of the Province of British Columbia.

WHEREFORE this Agreement has been duly executed as of the date first above written.

SIGNED on behalf of Her Majesty)
 the Queen in right of the Province)
 of British Columbia by a duly)
 authorized representative of the)
 Attorney General in the presence of:)


 _____)

(Witness)




For the Attorney General

THE COMMON SEAL of Themis Program)
 Management and Consulting Limited)
 was hereunto affixed in the)
 presence of:)


 _____)

(Signature)


 _____)

(Title)

(c/s)



SCHEDULE "A"

SERVICES AND PERFORMANCE

Family Maintenance Enforcement Program (The Program)

The Contractor will provide all labour, materials and facilities required to provide for all aspects of the Program provided for in the *Family Maintenance Enforcement Act* (F.M.E.A.) and the *B.C. Benefits (Income Assistance) Act*, the *B.C. Benefits (Youth Works) Act* and the *Disability Benefits Program Act*. The Contractor will monitor and enforce maintenance orders on behalf of creditors and debtors. The Contractor will monitor maintenance orders filed with the Program where the debtor resides in a reciprocating jurisdiction (such Orders are referred to as "REMO"). For clarification of Program terminology, refer to the Family Maintenance Enforcement Act or the Policy & Procedures Manual.

It is recognized that the Province and the Contractor share a joint responsibility for ensuring that the Services meet government objectives and priorities for the Program.

The Contractor, as part of its working alliance with the Province, will provide advice and practical suggestions for translating government objectives into legislation, policies, procedures, service levels, etc. which will enable the Program to be continuously responsive. Policy is developed through a collaborative process as set out from time to time.

In particular, the Contractor is expected to identify and suggest options when there may be contradictions between objectives, priorities, policies and practices, (including resource constraints) which prevent the Services from being delivered as intended.

Activities for Maintenance Enforcement in British Columbia			
Service Description	Ministry / Other Responsibilities	Contractor Responsibilities	Measurement Criteria / Service Levels
PROGRAM MANAGEMENT			
Overall Program Performance	• Overall management and performance overview	<ul style="list-style-type: none">• Make efforts to reduce demands on public funds for full or partial income assistance by:<ul style="list-style-type: none">• maximizing the amount of money collected for assigned cases;• increasing the rate of compliance with maintenance orders registered with the Program (i.e. payments made when due); and• increasing the number of Orders paid in <u>full</u>	<ul style="list-style-type: none">• Use reasonable efforts to achieve annual average payment rate of 70 cents on each dollar due on regular enforcement Orders (where debtor is in BC) using the ratio of all monies scheduled as due and all monies received in a given month• Achieve an aggregate number of 33% (active cases, where debtor is in BC) of Orders paid in full or overpaid since enrollment
		<ul style="list-style-type: none">• Assess, comment on, and bring forward recommendations on the effectiveness of enforcement legislation and procedures	



Activities for Maintenance Enforcement in British Columbia			
Service Description	Ministry / Other Responsibilities	Contractor Responsibilities	Measurement Criteria / Service Levels
		<ul style="list-style-type: none"> Support the Canadian Ministers of Justice Inter-jurisdictional Maintenance Establishment and Enforcement Protocol and participate in the development and implementation of the Federal/Provincial/Territorial Reciprocal Maintenance Order Recognition and Enforcement Operational Principles and Goals see Appendix 3 Participate in projects approved by the Director and funded by the Department of Justice Canada Participate in Government/Agency family justice initiatives at the request of the Director. Consult with the Province in any relations with Court Services, the Ministry of Human Resources or any other ministry of the Province of British Columbia having responsibility for the administration of any portion of the B.C. Benefits program, the federal government, and other reciprocating jurisdictions 	
		<ul style="list-style-type: none"> Recruit, hire and supervise competent Program staff, related professionals, contract lawyers and sub-contracted services Consult with Province in the development of the following: external forms, policies and procedure, joint or major training initiatives Ensure all staff and subcontracted staff are apprised of the confidentiality section of the F.M.E.A, and are apprised of the consequences of breach of that section. 	<ul style="list-style-type: none"> To the reasonable satisfaction of the Director or in accordance with policy approved by the Director. In the absence of policy to the reasonable satisfaction of the Director.



Activities for Maintenance Enforcement in British Columbia			
Service Description	Ministry / Other Responsibilities	Contractor Responsibilities	Measurement Criteria / Service Levels
		<ul style="list-style-type: none"> Engage in program planning to develop and enhance maintenance enforcement processes and systems Assess comments on and bring forward recommendations on the effectiveness of the enforcement legislation and procedures Inform the Director forthwith of any event or occurrence that may adversely affect the delivery of the program 	
Financial / Asset Management	<ul style="list-style-type: none"> Financial management overview Review / approve annual Contractor operating budget Pay Contractor monthly 	Operate in accordance with generally accepted accounting standards	
		<ul style="list-style-type: none"> Dispose of assets as set out in the General Security Agreement, See Schedule "F" Create and maintain an up to date inventory of assets See Appendix 1 	
		<ul style="list-style-type: none"> Develop annual budget (in accordance with standards defined by the Director) for Ministry approval; manage the approved budget 	<ul style="list-style-type: none"> Submit the proposed annual budget before July 31 of the preceding program year
Risk Management		Ensure there is a risk management process compatible with the process described in Section 9.3.2 General of the Government Management Operating Policy (GMOP)	<ul style="list-style-type: none"> Review the Business Continuation Plan annually and submit a change/no change report by December 31st of each program year Review the loss control and financial protection needs of the Program annually as part of the Insurance renewal. A copy of the loss protection summary will be submitted along with an explanation of any changes.
Program / Management Reporting		<ul style="list-style-type: none"> Provide reporting to the Director, as set out in Appendix 1 (attached) Provide an explanation for any changes to the standards (measurement criteria/service levels) in the Quarterly Key Indicator Reports 	
Policy Development	<ul style="list-style-type: none"> Provide policy direction 	<ul style="list-style-type: none"> Develop and implement policies and procedures and follow any direction given Bring unusual cases or policy or procedural matters to the attention 	<ul style="list-style-type: none"> To the reasonable satisfaction of the Director or in accordance with policy approved by the Director. In the absence of policy to the reasonable



Activities for Maintenance Enforcement in British Columbia			
Service Description	Ministry / Other Responsibilities	Contractor Responsibilities	Measurement Criteria / Service Levels
		<i>of the Director</i>	<i>satisfaction of the Director.</i>
Information Systems Management	<ul style="list-style-type: none"> Information technology management overview 	<ul style="list-style-type: none"> Computing operations: provide complete management and support for all program servers and desktop machines; ongoing architecture review and planning; staffing of user Help Desk; liaison with any contracted system providers 	
		<ul style="list-style-type: none"> Application maintenance support: monitor operating system and custom applications for ongoing optimal performance 	
		<ul style="list-style-type: none"> Application development: as required, develop, implement and monitor user requirements (according to approved procedures / standards); estimate related resource requirements for Director's information and comment From time to time and within 60 days of a request of the Minister, deliver copies of the then current versions of the Software and the IVR together with all source codes, systems software, instructions in computer language, compilers, utilities, assemblers, card decks, tapes, listings, other programming documentation, applications, systems programs and all manuals, guides, documents and equipment necessary for the orderly and efficient operation of the Software. 	
Records Management	<ul style="list-style-type: none"> Director sign-off is required for off-site storage of records 	<ul style="list-style-type: none"> Implement records management and manage all material related to the operation of the Program in accordance with the Provincial Government Records Management Classification System 	



Activities for Maintenance Enforcement in British Columbia			
Service Description	Ministry / Other Responsibilities	Contractor Responsibilities	Measurement Criteria / Service Levels
Client Relations	<ul style="list-style-type: none"> Through "Client Relations Program", Ministry will refer verbal / written complaints about program to Contractor for action Develop and maintain Director's client relations policy 	<ul style="list-style-type: none"> Maintain a complaint and dispute procedure Make reasonable efforts to resolve case management complaints at the earliest stage in the process Gather and analyse quantitative and qualitative information relating to complaints for the purpose of assessing legislation, policy and procedures and addressing client service issues Inform the Director of any critical incident involving a program client 	<ul style="list-style-type: none"> To the reasonable satisfaction of the Director or in accordance with policy approved by the Director. In the absence of policy to the reasonable satisfaction of the Director, Respond to enquiries within 2 business days Responses to be made per Director's instructions In accordance with approved program policy
Enroll maintenance orders	<ul style="list-style-type: none"> Process searches through the "Family Search Program" (FAMS) 	<ul style="list-style-type: none"> Provide enrollment information to interested creditors and debtors 	<ul style="list-style-type: none"> Provide the information within 2 business days of the request
	<ul style="list-style-type: none"> Courts to provide certified copies of Orders in response to Contractor's request 	<ul style="list-style-type: none"> Enroll eligible maintenance orders (including gathering the documentation required to proceed with enforcement / obtaining certified copies from Court Registries) in accordance with the provisions of the Family Maintenance Enforcement Act (FMEA) 	<p>The following enrollment standards apply where completed documents are received by the Program in a reasonable period of time:</p> <ul style="list-style-type: none"> Where both debtor and creditor reside in BC, enroll eligible cases submitted by Court Registries, creditors or debtors within 8 weeks of receipt.
	<ul style="list-style-type: none"> MHR to provide initial documentation (Orders, list of payments and filing forms) for all "assigned" cases 	<ul style="list-style-type: none"> Enroll eligible maintenance orders submitted to the Program by the Ministry of Human Resources (MHR) – generally referred to as "assigned" cases 	<ul style="list-style-type: none"> Enroll "assigned" cases within 2 weeks of receipt
		<ul style="list-style-type: none"> Enroll eligible REMO Orders – where debtor is in BC, creditor is out (including gathering documentation required to proceed with enforcement); commence the enrollment process upon receipt of documents from Reciprocity Program and complete upon receipt of certified copies from Courts 	<ul style="list-style-type: none"> Where debtor resides in BC and creditor does not, enroll eligible cases submitted by Court Registries, creditors or debtors within 9 weeks of receipt



Activities for Maintenance Enforcement in British Columbia			
Service Description	Ministry / Other Responsibilities	Contractor Responsibilities	Measurement Criteria / Service Levels
		<ul style="list-style-type: none"> Enroll eligible REMO Orders – where creditor is in BC, debtor is out (including gathering documentation required to proceed with enforcement) 	<ul style="list-style-type: none"> Where creditor resides in BC and debtor does not, enroll eligible cases submitted by Court Registries, creditors or debtors within 12 weeks of receipt
		<ul style="list-style-type: none"> Enroll eligible maintenance orders submitted by Reciprocating Jurisdictions Calculate arrears based on information supplied by creditor and reviewed by debtor 	
Process / Monitor / Manage Payments	<ul style="list-style-type: none"> Payments Management oversight 	<ul style="list-style-type: none"> Provide a range of incoming and outgoing payment options to debtors and creditors, including post-dated cheque and the electronic transfer of funds directly to the creditor's bank account Proactively develop payment options to reflect the marketplace and meet client needs 	
		<ul style="list-style-type: none"> Receive, record/ track and forward incoming payments and payment information in accordance with the Family Maintenance Enforcement Act. Maintain accurate payment records Maintain the ability to communicate payment information electronically to existing sources providing they continue to allow payments to be transmitted electronically 	<ul style="list-style-type: none"> Re-mail all cheques payable to creditors within 1 business day from receipt at Payment Services (where creditor can be identified and payment is authorized for release) Pay proceeds to the party entitled to receive them in accordance with policy as established by the Director from time to time
		<ul style="list-style-type: none"> Manage post-dated cheques and problem payments (e.g. NSF, mystery payments, returned mail, stale-dated cheques, etc.) 	
		<ul style="list-style-type: none"> Manage Trust Accounts, including making deposits, preparing trust cheques to parties authorized under the FMEA, reconciling accounts, managing account transfers, etc. Calculate/ track/ pay interest as required by the FMEA 	<ul style="list-style-type: none"> Within 3 business days, disburse trust fund cheques to the appropriate parties for monies received (where such funds can be released under policy)



Activities for Maintenance Enforcement in British Columbia			
Service Description	Ministry / Other Responsibilities	Contractor Responsibilities	Measurement Criteria / Service Levels
		<ul style="list-style-type: none"> Collect payments due to the Director pursuant to policy and regulations, and deposit to Province of BC Trust Account / distribute as directed 	To the reasonable satisfaction of the Director or in accordance with policy approved by the Director. In the absence of policy to the reasonable satisfaction of the Director.
Manage Caseload	<ul style="list-style-type: none"> Case Management overview Process searches through FAMS 	<ul style="list-style-type: none"> Conduct ongoing tracing activities in-house (BC Online, public information sources) or through FAMS, as required 	
		<ul style="list-style-type: none"> Intake Orders (for both new / existing cases), including case assignment activities 	
		<ul style="list-style-type: none"> Handle "special" cases, including (but not limited to) those with: <ul style="list-style-type: none"> multiple creditors; restricted access or conflict of interest; a potential for violence; and special expenses to be costed 	
		<ul style="list-style-type: none"> Manage REMO cases, where <ul style="list-style-type: none"> (1) debtor is in BC, creditor is out, and (2) creditor is in BC, debtor is out Involves monitoring and liaison with reciprocating jurisdictions and includes preparation of document packages to the requirements of the reciprocating jurisdiction to assist in the enforcement of Orders already registered or to be registered 	
	<ul style="list-style-type: none"> Approve changes to the definitions of "active" and "inactive" cases and related review cycles 	<ul style="list-style-type: none"> Monitor cases by bringing them forward for possible action 	
		<ul style="list-style-type: none"> Where appropriate, apply Director discretion NOT to enforce specific amounts 	<ul style="list-style-type: none"> in accordance with policy approved by the Director
		<ul style="list-style-type: none"> Manage changes in status / location / name of creditors and debtors 	<ul style="list-style-type: none"> in accordance with policy approved by the Director
		<ul style="list-style-type: none"> Respond to issues of eligibility 	



Activities for Maintenance Enforcement in British Columbia			
Service Description	Ministry / Other Responsibilities	Contractor Responsibilities	Measurement Criteria / Service Levels
		<ul style="list-style-type: none"> Assess the default fee in accordance with legislation, regulations and policies Make adjustments to the default fee for reasons authorized in legislation, regulations and policies Collect the default fee in a way that does not interfere with the payment of maintenance to the creditor 	In accordance with policy approved by the Director
		<ul style="list-style-type: none"> Be responsible for issues around amounts due / owing / paid, including: <ul style="list-style-type: none"> managing interest charges; processing / managing default fees; and confirming accurate arrears balances Make adjustments to interest / fees / maintenance payments to reflect legislation / regulation / policies Ensure the size of the award is recorded and the Order is monitored to ensure no enforcement action occurs on expired orders. 	<ul style="list-style-type: none"> In accordance with policy approved by the Director
		<ul style="list-style-type: none"> Review/ withdraw / close cases in accordance with established criteria (includes ceasing enforcement action where creditor with enrolled Order has withdrawn or deceased) 	
Provide/Conduct Administrative Enforcement	<ul style="list-style-type: none"> Management overview 	<ul style="list-style-type: none"> Apply the remedies available under the FMEA, The Family Orders and Agreements Enforcement Assistance Act (Canada) and the Garnishment Attachment and Pension Diversion Act (Canada) 	<ul style="list-style-type: none"> Maximize administrative enforcement remedies and keep the use of Court hearings to a minimum.
		<ul style="list-style-type: none"> Negotiate and manage voluntary payment arrangements on arrears 	<ul style="list-style-type: none"> Provide timely notification to debtors in default
		<ul style="list-style-type: none"> Initiate and manage Notices of Attachment 	<ul style="list-style-type: none"> Take enforcement action on a timely basis as per the standards negotiated with the Director



Activities for Maintenance Enforcement in British Columbia			
Service Description	Ministry / Other Responsibilities	Contractor Responsibilities	Measurement Criteria / Service Levels
		<ul style="list-style-type: none"> Initiate and manage: Federal Interception of Funds; Enforcement Against Corporations; Registration Against Debtor Property; Driver's Licence withholding / non-issue; Federal Licence denials; Credit Bureau reporting; and Payment Conferences 	
		<ul style="list-style-type: none"> Issue Default Notices (of Intention and/or Fee) 	In accordance with legislation and policy approved by the Director
		<ul style="list-style-type: none"> Request and process Statements of Finances 	
		<ul style="list-style-type: none"> Protect the interest of the creditor and the Director in the event of a debtor bankruptcy 	
		<ul style="list-style-type: none"> enforce payment of interest 	
Conduct Court Enforcement / Provide Legal Opinions	<ul style="list-style-type: none"> Management overview 	<ul style="list-style-type: none"> Barristers and solicitors who are members in good standing with the Law Society of British Columbia will provide legal opinions concerning enforcement actions, attend Court on disputed enforcement actions, default hearings, applications to vary which the Director or lawful designate has undertaken to defend, committal hearings and other types of Court hearings deemed necessary to enforce the order. 	<ul style="list-style-type: none"> Maximize administrative enforcement remedies and keep the use of Court hearings to a minimum
		<ul style="list-style-type: none"> Initiate, prepare, process, conduct, manage Default Hearings 	<ul style="list-style-type: none"> In accordance with legislation and policy approved by the Director
		<ul style="list-style-type: none"> Prepare all Court applications and process Court hearings will normally be held in the Provincial Court where the order is currently filed except where circumstances require or the Contractor considers it desirable to proceed in the Supreme Court 	
		<ul style="list-style-type: none"> Issue Warrants of Execution / Writs of Seizure and Sale 	<ul style="list-style-type: none"> In accordance with legislation and policy approved by the Director



Activities for Maintenance Enforcement in British Columbia			
Service Description	Ministry / Other Responsibilities	Contractor Responsibilities	Measurement Criteria / Service Levels
		<ul style="list-style-type: none"> Be responsible for Committal Hearings (including manage Default Time Order) – including provide counsel to represent the interests of the Director 	
	<ul style="list-style-type: none"> Determine whether the Ministry / Director should be involved in an appeal 	<p>Be responsible for other Court actions including (but not limited to):</p> <ul style="list-style-type: none"> Defence of Debtor's Application to Set Aside Enforcement / to Vary Exemption on Notice of Attachment / to Vary Enforcement Order; Execution Against Land / Conduct of Sale; Posting security for Performance Order; Enforcement Against Attachee; Arrest of Absconding Debtor; Contempt Applications; and Managing impacts of foreclosures 	In accordance with policy approved by the Director
		<ul style="list-style-type: none"> Be responsible for appeal of an Order subject to the Director's instructions 	
		<ul style="list-style-type: none"> As required, provide ongoing legal opinions on Program files 	
Responsibility for "Application to Vary" an Order	<ul style="list-style-type: none"> Management overview 	<ul style="list-style-type: none"> Review / assess debtor's Application to Vary 	
		<ul style="list-style-type: none"> Defend Application to Change / Application to Cancel / Reduce Arrears 	<ul style="list-style-type: none"> In accordance with policy approved by the Director
Provide Ongoing Stakeholder / Client Support Services	<ul style="list-style-type: none"> Ministry to provide clarification or additional policy information to support client queries Maintain Ministry website 	<ul style="list-style-type: none"> Maintain and update an Interactive Voice Response (IVR) system to provide information on: <ul style="list-style-type: none"> amount of arrears; most recent enforcement actions; the most recent payment received; general information about the Program; and provide, at the client's request, a payment summary that lists all payments made to date 	<ul style="list-style-type: none"> Provide local callers with client access to the IVR, 24 hours a day, 7 days a week



Activities for Maintenance Enforcement in British Columbia			
Service Description	Ministry / Other Responsibilities	Contractor Responsibilities	Measurement Criteria / Service Levels
		<ul style="list-style-type: none"> Provide a toll-free client access (to the IVR) and support service to respond to client queries and general requests for information - Contractor is responsible for responding to all enquiries regarding the Program, including relevant legislation and concerning individual cases Provide both creditors and debtors with timely and useful information and will endeavour to maintain good public relations at all times Maintain security measures to ensure that access to the IVR Services is restricted to parties authorized by the Director. Ensure that the parties who are authorized to use InfoLine will only receive information to which they are entitled. Ensure the creditors and debtors (or persons acting on their behalf) only have access to information regarding their own file. Participate with the Director in the development of the FMEP Section of the Ministry website and subsequent enhancements Develop and implement an FMEP operations website. 	<ul style="list-style-type: none"> Calls to be responded to with appropriate answers within 2 business days of the initial query Provide access to creditors/debtors/attachees via the 1-800 service 7 days a week, from 7 AM to 9 PM The Program will be accessible to the public by telephone between 8:30 a.m. - 4:30 p.m. Monday through Friday excluding statutory holidays (hereinafter called "Days of Business"). The Program Offices will be in operation Monday through Friday excluding statutory holidays between 8:00 a.m. - 4:30 p.m. or 8:30 a.m. - 5:00 p.m. Operate out of three client offices: one each being in Burnaby, Victoria and Kamloops. In addition, four centralized services will be provided: Province-wide coordination and planning, enrollment, payment processing, and the management of cases where the debtor or the creditor is out-of-Province. to the satisfaction of the Director in accordance with a mutually agreed upon plan
	<ul style="list-style-type: none"> The Director is the primary media / press contact for the Program and may approve Contractor participation in interviews 	<ul style="list-style-type: none"> communicate with debtors, creditors, MHR, the Courts, reciprocating jurisdictions and other authorized parties regarding the status of maintenance orders (includes ensuring all staff and counsel are courteous and helpful); obtain the consent of the Director to engage in publicity activities 	<ul style="list-style-type: none"> Respond to (creditor or debtor) enquiries within 2 business days of receipt of query. Follow the Director's approved communication policy



Activities for Maintenance Enforcement in British Columbia			
Service Description	Ministry / Other Responsibilities	Contractor Responsibilities	Measurement Criteria / Service Levels
	<ul style="list-style-type: none"> The Director will act as <u>primary</u> liaison with Ministries of Attorney General, MHR and Federal / Provincial governments agencies 	<ul style="list-style-type: none"> Deal directly with Ministry of Attorney General, MHR and Federal/Provincial government agencies as well as MLA and MP offices on case related issues, Program procedures, related and local field matters. Unusual cases or policy or procedural matters will be brought to the attention of the Director. 	
		<ul style="list-style-type: none"> As appropriate, refer clients to the Legal Services Society, MHR, Family Justice Counsellors, Debtor Assistance Program, and other relevant agencies 	
	<ul style="list-style-type: none"> Produce General Brochure Signoff on Program publications including brochures and factsheets 	<ul style="list-style-type: none"> Increase stakeholder awareness of the Program including providing information about the Program to the legal profession/increasing awareness within the population of currently enrolled debtors and creditors as to their rights and responsibilities); includes producing / distributing brochures and factsheets about the Program Participate with the Director in the development and implementation of communications objectives and activities. Consult with the Province in the development and implementation of communication strategies and programs. 	<ul style="list-style-type: none"> To the reasonable satisfaction of the Director or in accordance with policy approved by the Director. In the absence of policy to the reasonable satisfaction of the Director.



SCHEDULE "B"

MANAGEMENT FEE

1. The following expenses are to be paid out of the Management Fee in addition to any compensation for the managing directors and other corporate staff:
 - a) Financial Management
 - preparation of financial information and tax returns
 - financial and tax advice
 - bank service charges on the corporate account
 - cash flow management including interest, lines of credit, contingency reserves etc.
 - GST and corporate taxes.
 - b) Labour Relations
 - settlement of judgments over and above employee salary/benefit costs.
 - c) Employee Incentives
 - profit sharing and incentive bonuses
 - gifts and awards.
 - d) Corporate Legal
 - legal opinions and document preparation/execution for all corporate matters
 - legal representation and advice and payment of any settlements or judgments not related to program files or labour relations as noted above.
 - e) Insurance
 - shareholders' insurance to ensure Themis remains solvent in the event of the death of one or both Managing Directors.



- 2 -

f) Corporate Furniture and Equipment

-this includes all office furniture, office equipment (e.g. photocopiers, fax machines etc.), computer equipment used for corporate affairs; this equipment is not located in FMEP offices.

g) Corporate Operations

-this includes business licences, corporate stationery and business cards, home office telephone lines and non-FMEP toll charges, and other expenses connected solely with maintaining the corporate infrastructure.

-management fee to GAEA to cover its administrative overhead costs related to the Information Services and Financial Services staff (e.g. severance).

h) Corporate Travel

-any travel which is incurred primarily for non-FMEP operations (e.g. Managing Directors' business meetings or contract negotiations).

2. The fee referred to in paragraph 6.01 of this agreement will be renegotiated only as a result of changes in the scale of the Family Maintenance Enforcement Program involving resourced services, including changes to the program model, any of which changes result from decisions of government.
3. If changes occur as referenced in paragraph 2 of this Schedule, either party may give notice to the other party for the purpose of re-negotiating the Management Fee. If no agreement can be reached within 60 days, the matter will be referred to binding arbitration under paragraph 27.01 of this Agreement.
4. Management Fees payable to the Contractor for the First Program Year 2002/03 will be \$818,631.00, for the Second Program Year 2003/04 will be \$835,004.00, and for the Third Program Year 2004/05 will be \$851,704.00 as identified in the attached table.
5. Commencing on April 1, 2002, the Management Fees payable pursuant to paragraph 4 of this Schedule, will be paid in twelve (12) monthly installments, in advance, on the first day of each month of each Program Year.



**THEMIS PROGRAM MANAGEMENT AND CONSULTING LIMITED
SERVICES AGREEMENT**

	First Program Year Fiscal Year 2002/03	Second Program Year Fiscal Year 2003/2004	Third Program Year Fiscal Year 2004/2005
Management Fee	\$ 818,631	\$ 835,004	\$ 851,704



SCHEDULE "C"

OPERATIONAL FUNDS

1. The Operational Funds payable to the Contractor for each Program Year will be for the operational expenses determined in accordance with this Schedule and paragraph 6.02 of this Agreement.
2. The Operational Funds payable to the Contractor for the First Program Year will reflect the estimated budget for operational expenses determined during the last Program Year of the previous agreement.
3. Subject to paragraph 12 of this Schedule, commencing on April 1, 2002, the Operational Funds payable pursuant to paragraph 1 and paragraph 2, will be paid in advance in twelve (12) monthly installments on the first day of each month of each Program Year.
4. The Contractor shall submit to the Province, 30 days after the end of each month in the First Program Year and 30 days after each month in any Program Year thereafter, a written statement of account listing in reasonable detail all operational expenses processed, accrued and forecast for the previous month.
5. The Contractor will, within 30 days of being provided with the authorized Operational Funds in each Program Year, submit to the Province for approval, a detailed budget showing the allocation of Operational Funds for that Program Year. In a year when the Collective Agreements are being negotiated, the Contractor will, within 15 days of ratification of a new Collective Agreement, submit an amended budget, if necessary, to the Province.
6. Except as provided for under paragraph 4.05 of this Agreement, the Operational Funds for any Program Year will be determined as follows:
 - (a) the Contractor will submit to the Province a document detailing the anticipated requirements for delivering the Services in the next Program Year together with a proposed budget of operational expenses for the next Program Year, including a separate item identifying the cost for administering the default fee, such material to be submitted by the Contractor on or before the execution of this Agreement on or before July 31 of the preceding Program Year;
 - (b) subsequent to receiving the material referred to in subparagraph (a) the Province may request, and the Contractor will provide, further material as may be reasonably necessary for the Province to consider the amount of Operational Funds that will be authorized for the next Program Year; and
 - (c) the Province will review the material provided by the Contractor and advise the Contractor as soon as possible of the amount of the Operational Funds authorized for the Program Year.



7. In the event the Operational Funds for any Program Year are not authorized by March 15 of the preceding Program Year, then the monthly payments to the Contractor shall continue at one-twelfth of the current annual amount until such time as the Operational Funds for the relevant Program Year have been authorized.
8. Subject to the authorization of the Director, monthly installments may be increased to meet demonstrated operational needs. Once authorized, the monthly installments commencing in the next month of the Program Year will be the amount determined in accordance with this Agreement for the balance of the Program Year.
9. Notwithstanding anything else to the contrary, in no event will the Operational Funds payable to the Contractor under this Agreement exceed in the aggregate \$50,000,000.00 during the initial Term described in paragraph 3.01 of this Agreement.
10. If the actual operational expenses incurred by the Contractor to perform the Services during any Program Year are less than projected Operational Funds for that Program Year, as set out in this Schedule or as determined in accordance with this Agreement for the Program Years, then the Contractor will refund to the Province such over projected amount of operational expenses on demand. If the parties do not agree on the amount of the refund within 30 business days from the day of the Province's demand, the matter will be referred to binding arbitration under paragraph 27.

Schedule "D"
Assumptions and Absorption Rates

A. Assumptions

The following are the estimated volume levels of cases requiring enrollment and service for fiscal year 2002/2003. This does not include any changes in demand for service due to new legislation. It also assumes that the number of new assigned cases received from MHR will remain constant (450 per month).

Category	Payor in BC				Payor Outside BC				Total			
	Actual 99/00	Actual 00/01	Proj. 01/02	Proj. 02/03	Actual 99/00	Actual 00/01	Proj. 01/02	Proj. 02/03	Actual 99/00	Actual 00/01	Proj. 01/02	Proj. 02/03
1. New Client Applications	6,510	6,010	6,032	6,021	1,281	1,205	902	1,100	7,791	7,215	6,934	7,121
2. Repeat Client Re-enrollments	2,144	2,470	2,524	2,497	246	225	324	265	2,390	2,695	2,848	2,762
3. Cases pending at March 31	1,013	963	1,025	994	334	266	225	275	1,347	1,229	1,250	1,269
4. Enrolled caseload at March 31 (Excludes D-Fee only cases) *	39,077	41,543	43,855	46,855	5,190	5,736	6,024	6,312	44,267	47,279	49,879	53,167
5. Cases enrolled during FY (Excludes D-Fee only cases) *	41,658	44,719	47,165	49,609	5,595	6,333	6,686	6,912	47,253	51,052	53,851	56,521
6. D-Fee only cases at March 31	1,182	2,236	3,146	4,128	0	0	0	0	1,182	2,236	3,146	4,128

*The case numbers in these rows include the Default Fee only cases (see Row 6).

B. Absorption Capacity

The following is the estimate of the number of increased requests for enrollment and overall caseload which the Program can absorb and maintain time standards (except for Enrollment which may have to be lengthened because of the reduction of 2 positions in July 2001) and service levels with no increase in resources over the FY01/02 budget. It assumes Default Fee only cases are receiving no active case management enforcement. It is based on 625 cases per Enforcement Officer for non REMO-OUT caseloads. REMO-OUT caseloads carry 1,000 cases.

Category	Absorption Capacity FY02/03		
	Payor in BC	Payor out BC	Total
1. New applications	6,000	1,000	7,000
2. Re-enrollments	2,550	250	2,800
3. Enrolled caseload at March 31 (Excludes D-Fee only cases)	42,800	6,400	49,200
4. Cases enrolled during FY (Excludes D-Fee only cases)	45,554	7,000	52,554

December 7, 2001



SCHEDULE "E"
FACILITY LEASES

**Themis Program Management
and Consulting Limited
(Family Maintenance Enforcement Program)**

City	Term End Date	Next Early Cancellation Date Under Lease Agreement	Payout Required for Exercising Early Cancellation
Burnaby	March 31, 2009	March 31, 2003	None
Kamloops	March 31, 2006	March 31, 2003	\$13,750.00
Victoria	May 14, 2003	N/A	N/A

□

SCHEDULE "F"
GENERAL SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made the day of March, 2002.

FROM:

THEMIS PROGRAM MANAGEMENT AND CONSULTING LIMITED a body corporate incorporated under the laws of the Province of British Columbia, having a registered office at 409, 3960 Quadra Street, Victoria, British Columbia, V8X 4A3

(the "Obligor")

TO:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Ministry of the Attorney General, Parliament Buildings, Victoria, British Columbia, V8V 1X4

(the "Secured Party")

- A. **WHEREAS** the parties entered into an agreement dated the 2nd day of June, 1988, and subsequent agreements dated the 16th day of June, 1994 and March 31, 2000 respectively, (which agreements, with amendments, are hereinafter referred to as the "Previous Contracts") whereby the Obligor provided all aspects of the Family Maintenance Enforcement Program on behalf of the Secured Party (the "Services");
- B. **AND WHEREAS** the parties entered into a further agreement titled the Themis Services Agreement dated the day of March, 2002, whereby the Obligor is to continue to provide the Services on behalf of the Secured Party (the "Themis Services Agreement");
- C. **AND WHEREAS**, pursuant to the Previous Contracts and the Themis Services Agreement, the Secured Party has made, and will continue to make, payments to the Obligor, which payments have been, and will continue to be, made for, among other things, the acquisition of the Assets and Real Property necessary to provide the Services (the "Operational Funds"),



- D. **AND WHEREAS**, the Assets and Real Property purchased or acquired for the provision of the Services under the Themis Services Agreement and the Previous Contracts are to be transferred to the Secured Party at the expiration or sooner termination of the Themis Services Agreement;
- E. **AND WHEREAS**, in view of the Secured Party financing the acquisition of the Assets and Real Property, and the agreement to transfer said Assets and Real Property to the Secured Party upon the expiration or sooner termination of the Themis Services Agreement the Secured Party wishes to secure its interest in the Assets and Real Property;

1. SECURITY INTEREST

- 1.01 For consideration the Obligor, subject to the exceptions set out in paragraph 2, hereby:
- (a) grants to the Secured Party a continuing general security interest in, all the Obligor's right, title and interest in and to all presently owned or held and after acquired or held personal property, assets and undertakings of the Obligor (other than real property), of whatever nature or kind and wheresoever situate and all proceeds thereof and therefrom (the "Assets") including, without limiting the generality of the foregoing:
 - (i) Equipment

all equipment, including without limiting the generality of the foregoing, fixtures, furniture, furnishings, chattels, motor vehicles, vessels and other tangible personal property that is not inventory, and all parts, components, attachment accessories, accessions, replacements, substitutions, additions and improvements to any of the foregoing;
 - (ii) Intangibles

all contractual rights (including, without limitation, leases), licenses, trade names, copyrights and other intellectual property of the Obligor,
 - (iii) without limiting the generality of the foregoing, all Assets listed in the Schedule of Assets contemplated by paragraph 1.02 herein (the "Schedule of Assets"); and



- (b) mortgages and charges as and by way of a floating charge to and in favour of the Secured Party all of the real property of the Obligor and every interest therein (the "Real Property"), both present and future and wheresoever situate.

1.02 The Obligor shall;

- (a) within 90 days of the execution of this Agreement, provide the Secured Party with a Schedule of Assets listing all significant Assets acquired using Operational Funds from June 2, 1988 to September 30, 1996; and
- (b) within 12 months of providing the Secured Party with a Schedule of Assets hereunder or under subparagraph (a), and at such times that the Secured Party may reasonably request, provide the Secured Party with an updated Schedule of Assets.

2. EXCEPTIONS

- 2.1 The last 10 days of the term created by any lease or agreement therefor are hereby excepted out of any charge, security interest or floating charge created by this Security Agreement but the Obligor shall stand possessed of the reversion thereby remaining upon trust to assign and dispose thereof to any third party as the Secured Party shall direct.
- 2.2 The security interests hereby created exclude interests in any consumer goods of the Obligor.
- 2.3 The security interests hereby created exclude interests of the Obligor in any and all Assets or Real Property where those Assets or Real Property were acquired by the Obligor using funds other than Operational Funds as provided for in the Previous Contracts and the Themis Services Agreement. For greater certainty, where Operational Funds formed or form part of the acquisition cost of an Asset or Real Property, the Obligor's interest in that Asset or Real Property is not excluded from the security interest hereby created.

3. OBLIGATIONS SECURED

This Security Agreement and the security interests hereby created are in addition to and not in substitution for any other security interest now or hereafter held by the Secured Party from the Obligor or from any other person whomsoever and shall be general and continuing security for the performance of all obligations of the Obligor to the Secured Party as contained in this Agreement and as contained in the Themis Services Agreement (the "Obligations").

4. PROHIBITIONS



Without the prior written consent of the Secured Party the Obligor will not create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, or undertakings which ranks or could in any event rank in priority to or pari passu with any security interest created by this Security Agreement except:

- a) existing security interests or other encumbrances, as listed in Schedule "A" hereto (the "Permitted Encumbrances"); and
- b) purchase money security interests in Assets hereafter acquired provided the purchase money security interest is perfected and notification thereof is given to the Secured Party pursuant to the Act,

(collectively the "Authorized Encumbrances"),

5. ATTACHMENT

The Obligor acknowledges that the purchase money security interests and other security interests hereby created attach upon the execution of this Security Agreement (or case of any after acquired property, upon the date of acquisition thereof), that value has been given, and that the Obligor has, or in the case of after acquired property will have, rights in the Assets.

6. REPRESENTATIONS AND WARRANTIES

- 6.1 The Obligor represents and warrants that this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Obligor and all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Security Agreement, and the performance of the Obligor's obligations hereunder, legal, valid and binding.
- 6.2 The Obligor represents and warrants that the Obligor lawfully owns and possesses all presently held Assets and has good title thereto, free from all security interests, charges, encumbrances, liens and claims, save only Permitted Encumbrances, and the Obligor has good right and lawful authority to grant a security interest in the Assets as provided by this Security Agreement.

7. COVENANTS OF THE OBLIGOR

- 7.1 The Obligor covenants that at all times while this Security Agreement remains in effect the Obligor will:



- (a) defend the title to the Assets and Real Property for the benefit of the Secured Party against the claims and demands of all persons;
- (b) fully and effectually maintain and keep maintained the security interests hereby created valid and effective;
- (c) maintain insurance on the Assets and Real Property with an insurer, of kinds, for amounts and payable to such person or persons, all as the Secured Party may require;
- (d) maintain the Assets and Real Property in good order and repair except, with respect to any Asset, where such maintenance or repair is not reasonable:
 - (i) recognizing the age and expected useful life of the Asset;
 - (ii) as a result of obsolescence, or
 - (iii) due to the extent of damage to the Asset, provided the damaged Asset is replaced by an asset of equal or superior functionality to which the security interest created hereby attaches and further provided the Obligor complies with subparagraph (h) and (i) herein with respect to the damage and the replacement Asset;
- (e) forthwith pay:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Assets and Real Property when due, unless the Obligor shall in good faith contest its obligations so to pay and shall furnish such security as the Secured Party may require, and
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could in any event rank in priority to any security interest created by this Security Agreement, other than the Authorized Encumbrances,

and where such payment is contemplated by the Themis Services Agreement to be paid out of Operational Funds, such payment shall be paid out of Operational Funds;
- (f) forthwith pay all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) which may be incurred by the Secured Party in:



- (i) taking, recovering and keeping possession of the Assets and Real Property other than a transfer of the Assets and Real Property to the Secured Party where such transfer is a result of
 - (A) the expiration of the Themis Services Agreement, or
 - (B) the termination of the Themis Services Agreement pursuant to Article 19 of that Agreement.
 - (ii) insuring the Assets, which payment shall be made from Operational Funds; and
 - (iii) all other actions and proceedings taken in connection with the preservation of the Assets and the enforcement of this Security Agreement and of any other security interest held by the Secured Party as security for the Obligations;
- (g) comply with every term, condition, obligation or covenant contained in any agreement pursuant to which this Security Agreement is made or given;
- (h) at the Secured Parties request at any time and from time to time execute and deliver such further and other documents and instruments and do all acts and things as the Secured Party reasonably requires in order to confirm and perfect, and maintain perfection of the security interests and charges hereby created in favour of the Secured Party upon any of the Assets;
- (i) notify the Secured Party promptly of:
- (i) any change in the information contained herein relating to the Obligor, its name, its address, its business or the Assets,
 - (ii) the details of any sale or disposition of the Assets outside the scope contemplated by subparagraph 9(a) hereof,
 - (iii) any damage or loss calculated on a replacement cost basis, to:
 - (A) any individual Asset which exceeds \$1,000; and
 - (B) any number of Assets which exceeds in any 12 month period \$10,000 in aggregate excluding damage or loss attributable to the normal course of operations; for greater certainty, the calculation of the aggregate damage or loss in any applicable period shall include those amounts reportable under subparagraph (A);



- (j) prevent the Assets from being or becoming an accession to other property not covered by this Security Agreement,
- (k) permit the Secured Party and its representatives, at all reasonable times, access to all the Assets for the purpose of inspection and render all assistance necessary for such inspection; and
- (l) deliver to the Secured Party from time to time promptly upon request:
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Assets,
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the expenditure of Operational Funds, as described in paragraph 2.3 herein, for the acquisition of the Assets, for the purpose of inspecting, auditing or copying the same,
 - (iii) all policies and certificates of insurance relating to the Assets and Real Property, and
 - (iv) such information concerning the Assets, the Obligor and the Obligor's business and affairs as the Secured Party may reasonably require.

8. PERFORMANCE OF OBLIGATIONS

If the Obligor fails to perform its Obligations hereunder, the Secured Party may, but shall not be obliged to, perform any or all of such Obligations without prejudice to any other rights and remedies of the Secured Party hereunder and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred in connection therewith shall be payable by the Obligor to the Secured Party forthwith with interest calculated at an annual simple interest rate that is equal to the prime lending rate of the banker of the Secured Party.

9. RESTRICTIONS ON SALE OR DISPOSAL OF ASSETS

Without the prior written consent of the Secured Party the Obligor will not:

- (a) sell, lease or otherwise dispose of the Assets other than in the normal course of its operations;



- (b) release, surrender or abandon possession of the Assets other than in the normal course of its operations; or
- (c) move or transfer any Asset to a location:
 - (i) outside of the Province of British Columbia, or
 - (ii) within the Province of British Columbia except where such transfer is for operational purposes in the normal course.

10. DEFAULT

The Obligor shall be in default under this Security Agreement unless waived by the Secured Party, in any of the following events:

- (a) the Obligor is in breach of any term, condition, obligation or covenant to the Secured Party, or any representation or warranty to the Secured Party is untrue, whether or not contained in this Security Agreement. For greater certainty, where, under the Themis Services Agreement, the Secured Party has been provided a remedial period with respect to a breach contemplated herein, no default shall be deemed to have occurred if the breach is remedied within that period;
- (b) the Obligor makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the Bankruptcy Act, the Companies Creditors' Arrangement Act or similar legislation in any jurisdiction, or makes an unauthorized assignment;
- (c) a receiver, receiver and manager or receiver-manager of all or any part of the Assets is appointed;
- (d) an order of execution against the Assets or any part thereof remains unsatisfied or undefended for a period of 10 days;
- (e) without the prior written consent of the Secured Party, the Obligor creates or permits to exist any charge, encumbrance or lien on or claim against or any security interest in, any of the Assets which ranks or could in any event rank in priority to or pari passu with any security interest or charge created by this Security Agreement except Authorized Encumbrances;
- (f) the holder of any other charge, encumbrance or lien on or claim against, or security interest in, any of the Assets does anything to enforce or realize on such charge, encumbrance, lien, claim or security interest and the Obligor fails to assiduously defend such action;



- (g) an order is made or an effective resolution is passed for winding up the Obligor; or
- (h) the Obligor enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person.

11. ENFORCEMENT

- 11.1 Upon any default under this Security Agreement, the security hereby constituted will immediately become enforceable and without limiting the foregoing, the floating charge referred to in Clause 1 will crystallize and thereupon become a fixed and specific mortgage of all the Obligor's Real Property which is the subject of this Security Agreement. To enforce and realize on the security constituted by this Security Agreement the Secured Party, or a receiver appointed under the Themis Services Agreement may take any action permitted by law or in equity, as it may deem expedient, and in particular without limiting the generality of the foregoing, the Secured Party may exercise all of its rights under the Themis Services Agreement and all the rights and remedies of a secured party under the Act.

12. RIGHTS CUMULATIVE

All rights and remedies of the Secured Party set out in this Security Agreement are cumulative and no right or remedy contained herein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or in any existing or future security agreement or now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Obligor and the Secured Party that may be in effect from time to time.

13. LIABILITY OF SECURED PARTY

The Secured Party shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfillment of contracts during any period when the Secured Party shall manage the Assets and Real Property upon entry, as herein provided, nor shall the Secured Party be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Secured Party shall not be bound to do, observe or perform or to see to the observance or performance by the Obligor of any obligations or covenants imposed upon the Obligor nor shall the Secured Party, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall the Secured Party be obliged to keep any of the Assets identifiable.



14. APPOINTMENT OF ATTORNEY

The Obligor hereby irrevocably appoints the Secured Party or a receiver appointed under the Themis Services Agreement, with full power of substitution, to be the attorney of the Obligor for and in the name of the Obligor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, instruments, assignments, assurances or consents that the Obligor is obliged to sign, endorse or execute and generally to use the name of the Obligor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party pursuant to this Security Agreement.

15. WAIVER

The Secured Party may from time to time and at any time waive in whole or in part any right, benefit or default under any clause of this Security Agreement but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default, as the case may be.

16. NOTICE

Notice may be given to either party by sending it through the post in prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided herein or at such other address as may be given in writing by such party to the other, and any notice if posted shall be deemed to have been given at the expiration of three business days after posting and if delivered, on delivery.

17. EXTENSIONS

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Obligor, and with the Assets and other security interests as the Secured Party may see fit without prejudice to the liability of the Obligor or the Secured Party's right to hold and realize on the security constituted by this Security Agreement.



18. NO MERGER

This Security Agreement shall not operate so as to create any merger or discharge of the Obligations, any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may hereafter be held by the Secured Party from the Obligor or from any other person whomsoever. The taking of a judgment with respect to any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

19. ENFORCEMENT

This Security Agreement shall enure to the benefit of the Secured Party and its successors and assigns, and shall be binding upon the respective heirs, executors, personal representatives, successors and permitted assigns of the Obligor.

20. INTERPRETATION

20.1 In this Security Agreement:

- (a) "Assets" and "Real Property" have the meaning set out in Paragraph 1 hereof (as qualified by paragraph 2 hereof) and any reference to Assets and Real Property shall, unless the context otherwise requires, be deemed a reference to Assets and Real Property as a whole or any part thereof;
- (b) "Obligor" and the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used;
- (c) the "Act" means the Personal Property Security Act of British Columbia and all regulations thereunder as amended from time to time.

20.2 Words and expressions used herein that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined herein or unless the context otherwise requires.

20.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such claim.



20.4 The headings of the clauses of this Security Agreement have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.

20.5 This Security Agreement shall be governed by the laws of British Columbia.

21. COPY OF AGREEMENT AND FINANCING STATEMENT

21.01 The Obligor hereby acknowledges receiving a copy of this Security Agreement.

21.02 For greater certainty, the Secured Party shall, in accordance with the Act, provide the Obligor with a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Security Agreement and shall ensure, to the extent that is practicable, that such documents reflect the exceptions described in paragraph 2 herein.

IN WITNESS WHEREOF the Obligor has executed this Security Agreement this
_____ day of March, 2002

THE common seal of THEMIS PROGRAM
MANAGEMENT AND CONSULTING
LIMITED was hereunto affixed
in the presence of

(Signature)

(Title)

Pages 75 through 80 redacted for the following reasons:

s.21



SCHEDULE "H"

LETTER OF DELEGATION OF THE POWERS, DUTIES OR FUNCTIONS OF THE DIRECTOR OF MAINTENANCE ENFORCEMENT

Pursuant to Section 2(2) of the *Family Maintenance Enforcement Act* (the "Act") all the powers, duties and functions conferred or imposed upon the Director of Maintenance Enforcement under the following sections of the Act are hereby delegated:

Sections 3, 4, 5, 6, 7, 10, 11, 11.1, 12, 12.1, 14, 14.2, 14.4, 15, 16, 17, 18, 19, 22, 23, 24, 26, 26.1, 27, 29, 29.1, 29.2, 30, 31, 35, 39, 41, 43.

THIS DELEGATION is subject to the powers, duties and functions hereby delegated being exercised by the Contractor only through its following designated officers, contract staff, and employees, namely:

- a) its Managing Directors, Regional Managers, Controller, Manager of Information Systems, Enforcement Managers and Senior Legal Counsel in respect to all those sections of the Act referred to above;
- b) its Legal Counsel, Enforcement Officers and its Default Fee Officer in respect to sections 3, 4, 5, 6, 7, 10, 11, 11.1, 12, 12.1, 14, 14.2, 14.4, 15, 16, 17, 18, 19, 22.1, 23, 24, 26 [except 26(1) (b)], 26.1, 27, 29, 29.1, 29.2, 30, 31, 35, 39, 41, 43;
- c) its Legal Counsel in respect to section 26(1) (b);
- d) its Manager of Payment Services, Manager of Financial Services and Payment Processing Clerks in respect to sections 10 and 11.

AND the persons acting in the position designated above are hereby authorized to exercise those powers, duties and functions.

Should the name of the position of any of the designated officers, contract staff or employees change, the persons occupying those positions either before or after any such change shall be, or continue to be, authorized to exercise the powers, duties and functions delegated to that position as if the name of the position had not changed.

THIS DELEGATION is further subject to the Director of Maintenance Enforcement's direction and shall continue until the termination of the Agreement or until revoked in writing by the Director of Maintenance Enforcement, whichever first occurs.

Signature: _____

CHRIS BERESFORD

DIRECTOR OF MAINTENANCE ENFORCEMENT

Date: _____

July 11 2008