

**MEMBERS' AGREEMENT**  
(Fourth ~~Third~~ Restatement)

**E-COMM EMERGENCY COMMUNICATIONS**  
FOR SOUTHWEST ~~BRITISH COLUMBIA~~ INCORPORATED

**MEMBERS' AGREEMENT**  
**(~~Fourth~~<sup>Third</sup> Restatement)**

**TABLE OF CONTENTS**

(note to draft: the Table of Contents will be amended to reflect the proposed revisions shown at a later stage)

<b>1.</b>	<b>INTERPRETATION .....</b>	<b><u>66</u></b>
1.1	Definitions .....	<u>66</u>
1.2	Quantity and Gender .....	<u>109</u>
1.3	Headings and Captions .....	<u>1010</u>
1.4	Severability .....	<u>1010</u>
1.5	Accounting Terms .....	<u>1110</u>
1.6	Recitals and Schedules .....	<u>1110</u>
<b>2.</b>	<b>THE COMPANY .....</b>	<b><u>1110</u></b>
2.1	Purpose of the Company .....	<u>1110</u>
2.2	Articles of the Company .....	<u>1211</u>
2.3	Share Structure .....	<u>1211</u>
2.4	Special Rights and Restrictions with Respect to Shares .....	<u>1211</u>
2.5	Votes by Members on Extraordinary Items .....	<u>1211</u>
2.6	Acquisition of and Holding of Spectra .....	<u>1312</u>
2.7	Use of Radio Spectra .....	<u>1312</u>
2.8	Ownership of Equipment .....	<u>1312</u>
2.9	Agreement Not to Use Property .....	<u>1412</u>
<b>3.</b>	<b>MEMBERS AND ISSUE OF SHARES .....</b>	<b><u>1413</u></b>
3.1	Issue of Shares .....	<u>1413</u>
3.2	Effect of Holding Class A Share .....	<u>1514</u>
3.3	Failure of Company to Deliver Designated Company Services .....	<u>1514</u>
3.4	Conversion of Class B Shares .....	<u>1514</u>
3.5	Notice of Consolidated Dispatch System .....	<u>1614</u>
3.6	Issue of Shares to Additional Members .....	<u>1615</u>
3.7	Special User Agreements .....	<u>1715</u>
<b>4.</b>	<b>BOARD OF DIRECTORS .....</b>	<b><u>1716</u></b>
4.1	Board of Directors .....	<u>1716</u>
4.2	Designation and Election of Directors .....	<u>1816</u>
4.3	Vacancies on Board .....	<u>2018</u>
4.4	No Restrictions on Affiliation to Members .....	<u>2018</u>
4.5	Remuneration for Directors .....	<u>2019</u>
4.6	Quorum at Director's Meetings .....	<u>2019</u>
4.7	Executive Member of the Board .....	<u>2019</u>
4.8	Removal of Director .....	<u>2019</u>
4.9	Meetings of the Board .....	<u>2019</u>
4.10	Board Duties .....	<u>2119</u>
4.11	Approvals by Board .....	<u>2220</u>

4.12	Referral to Class A Members .....	<u>2221</u>
4.13	Reporting by Directors .....	<u>2321</u>
<b>5.</b>	<b>MANAGEMENT OF THE COMPANY .....</b>	<b><u>2321</u></b>
5.1	Officers .....	<u>2321</u>
5.2	Specific Duties of Officers .....	<u>2322</u>
5.3	Vacancy of Office .....	<u>2423</u>
5.4	Signing Authority .....	<u>2423</u>
5.5	Auditors .....	<u>2423</u>
5.6	Financial Year End .....	<u>2523</u>
<b>6.</b>	<b>COMMITTEES .....</b>	<b><u>2523</u></b>
6.1	Service Committees .....	<u>2523</u>
6.2	User Committee .....	<u>2624</u>
<b>7.</b>	<b>FINANCIAL MATTERS AND RECORDS .....</b>	<b><u>2625</u></b>
7.1	Books and Records .....	<u>2625</u>
7.2	Financial Statements .....	<u>2625</u>
7.3	Authorized Operating Budget .....	<u>2725</u>
7.4	Authorized Capital Budget .....	<u>2726</u>
<b>8.</b>	<b>FUNDING BY MEMBERS .....</b>	<b><u>2826</u></b>
8.1	General Requirements of Funding .....	<u>2826</u>
8.2	Rates for Company Services .....	<u>2826</u>
8.3	Obligation to Pay .....	<u>2927</u>
<del>8.4</del>	<del>Appropriation for Provincial Government .....</del>	<del><u>2927</u></del>
<b>9.</b>	<b>RESTRICTIONS ON MEMBERS TRANSFERS .....</b>	<b><u>2927</u></b>
9.1	Restrictions on Transfer of Shares .....	<u>2927</u>
<b>10.</b>	<b>WINDING UP OR DISSOLUTION .....</b>	<b><u>2927</u></b>
10.1	Winding Up or Dissolution .....	<u>2927</u>
10.2	Disposition of Property .....	<u>3028</u>
10.3	Distribution of Monies .....	<u>3028</u>
<b>11.</b>	<b>WITHDRAWAL BY ANY MEMBER .....</b>	<b><u>3129</u></b>
11.1	Withdrawal By Any One Member .....	<u>3129</u>
11.2	Spectra on Withdrawal .....	<u>3129</u>
<b>12.</b>	<b>TERMINATION .....</b>	<b><u>3129</u></b>
12.1	Termination .....	<u>3129</u>
<b>13.</b>	<b>CONFIDENTIALITY .....</b>	<b><u>3129</u></b>
13.1	Non-Disclosure of Confidential Information .....	<u>3129</u>
<b>14.</b>	<b>GENERAL .....</b>	<b><u>3230</u></b>
14.1	Applicability .....	<u>3230</u>
14.2	Precedence .....	<u>3230</u>

14.3	Amendments .....	<del>3230</del>
14.4	Assignment.....	<del>3230</del>
14.5	Counterparts; Facsimile .....	<del>3230</del>
14.6	Entire Agreement .....	<del>3230</del>
14.7	Enurement.....	<del>3330</del>
14.8	Further Assurances.....	<del>3330</del>
14.9	No Partnership .....	<del>3331</del>
14.10	Notice .....	<del>3331</del>
14.11	Time of the Essence .....	<del>3331</del>
14.12	Waiver .....	<del>3331</del>
14.13	Restatement of Original Agreement .....	<del>3431</del>

SCHEDULE A	ARTICLES OF THE COMPANY
SCHEDULE B	AGREEMENT TO BE BOUND
SCHEDULE C	COST-SHARING FORMULA FOR <u>POLICE, FIRE,</u>
<u>AMBULANCE AND MUNICIPAL COMPANY</u>	<u>SERVICES</u>
<u>SCHEDULE D</u>	<u>CURRENT MEMBERS</u>
<u>SCHEDULE E</u>	<u>SPECIFIED POTENTIAL MEMBERS</u>

**MEMBERS' AGREEMENT**  
**(~~Fourth~~<sup>Third</sup> Restatement)**

This amended and restated MEMBERS' AGREEMENT is made effective July 1, 20~~11~~<sup>10</sup>.

AMONG:

Each of the persons who are or become members of **E-Comm Emergency Communications for ~~Southwest~~ British Columbia Incorporated**, as herein set forth or pursuant to Schedule B

(the "Members")

AND:

**E-Comm Emergency Communications for ~~Southwest~~ British Columbia Incorporated**, a company duly incorporated under the laws of the Province of British Columbia

(the "Company")

WHEREAS:

A. The Company was incorporated under the *Company Act*, R.S.B.C. 1996, c. 59, for the Purpose (as hereinafter defined) and has been recognized under the Business Corporations Act;

B. Certain Municipalities, the City of Vancouver, Government Agencies, Regional Districts, Police Boards, or the Provincial government (all as hereinafter defined) have become or wish to become Members of the Company;

C. The Members entered into a Members' Agreement made effective October 1, 1997 (the "Original Agreement"), as amended in accordance with the ECC Act effective on each of September 17, 2001, May 21, 2004, July 23, 2007, ~~and~~ August 12, 2008 ~~and July 1, 2010~~ (the Original Agreement, as so amended, is called the "Current Agreement") to govern their relationship as Members of the Company and the respective rights and obligations of each of the parties in their capacity as Members with respect to the operating activities and business dealings of the Company;

D. Concurrently with their approval of the amendments made effective May 21, 2004, the Members adopted the Members' Agreement – First Amendment and Restatement that restated the Original Agreement to incorporate the amendments made effective on September 17, 2001 and May 21, 2004;

E. Concurrently with their approval of the amendments made effective August 12, 2008 the Members adopted the Members' Agreement – Second Restatement that further restated

the Original Agreement to incorporate the amendments made effective on July 23, 2007 and August 12, 2008;

F. Concurrently with their approval of the amendments made effective July 1, 2010 the Members adopted the Members' Agreement – Third Restatement that further restated the Original Agreement to incorporate the amendments made effective on September 17, 2001, May 21, 2004, July 23, 2007, August 12, 2008 and July 1, 2010;

F.G. The parties wish to make certain amendments to the Current Agreement to make certain agreed amendments; and

G.H. The parties wish to restate the terms of the Current Agreement as the Members Agreement – Fourth~~Third~~ Restatement.

NOW THEREFORE in consideration of the mutual covenants herein contained, the sum of Two Dollars (\$2.00), now paid by each of the parties hereto to all of the other parties, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the parties to this Agreement covenant and agree, each with the other, as follows:

## 1. INTERPRETATION

### 1.1 DEFINITIONS

Where used in this Agreement, the following words and terms shall have the meanings indicated below:

- 1.1.1 "Additional Members" means any Potential Member who becomes a Member of the Company other than the Current Members;
- 1.1.2 "Additional Purpose" has the meaning set out forth in Section 2.1.1.2 hereof;
- 1.1.3 "Agreement" means this agreement and all attached Schedules attached hereto;
- 1.1.4 "Articles" means the articles of the Company as deposited in the Company's records office under the *Business Corporations Act*, as amended from time to time;
- 1.1.5 "Authorized Capital Budget" has the meaning set outforth in Section 7.4 hereof;
- 1.1.6 "Authorized Operating Budget" has the meaning set outforth in Section 7.3 hereof;
- 1.1.7 "BCEHAS" means the British Columbia Emergency Health Services Commission responsible for operating the British Columbia Ambulance Service under the British Columbia Emergency Health Services Act Health-Emergency Act;
- 1.1.8 "Board" shall mean the board of directors of the Company as it is constituted from time to time;

- 1.1.9 "Class A Member" means a Member holding a Class A Share;
- 1.1.10 "*Business Corporations Act*" means the *Business Corporations Act* (British Columbia) as amended from time to time ~~enacted and all amendments thereto~~ and includes the regulations to that act~~made pursuant thereto~~;
- 1.1.11 "Class B Member" means a Member holding a Class B Share;
- 1.1.12 "Class A Shares" means the Class A Shares without par value of the Company;
- 1.1.13 "Class B Shares" means the Class B Shares without par value of the Company;
- 1.1.14 "Company Services" mean the holding, management and allocation of radio spectra; the provision of radio communications; the management and maintenance of radio systems and related infrastructure and equipment; the provision of mobile data services; the provision of 911 and non-emergency call answering and call taking, switching and recording; the provision of dispatch services; the provision of emergency disaster communications; the provision of emergency response communications; the provision of emergency management information systems; and the maintenance of management information systems and other technology related to the delivery of emergency services;
- 1.1.15 "Confidential Information" means information having a strategic, economic, or operational value that is not generally known regarding the business, affairs, and operations of the Company, any of the Members or any Special User, whether determined by the *ECC Act* or otherwise to be property of a Member or a Special User, and any information whether oral, written or otherwise which is considered of a strategic or confidential nature;
- ~~1.1.15~~ 1.1.16 "Cost Sharing Formula" means the cost sharing formula for Police Services, Fire Services, Ambulance Services and Municipal Services set out in Schedule C, as may be amended from time to time in accordance with this Agreement;
- ~~"Current Members" means those persons that are Members of the Company on the date of this agreement, as set forth in Schedule D attached hereto;~~
- ~~1.1.16~~ 1.1.17 "Designated Company Service" means each of Police Services, Fire Services, Ambulance Services, and Municipal Services and such other general categories of Company Services as may be designated by the Board as contemplated in Section 4.10.810 ~~hereof~~;
- ~~1.1.17~~ 1.1.18 "Designated Group of Members" has the meaning set out ascribed thereto in Section 4.2.1.5;



~~"E-Comm Building" means, collectively:~~

- ~~(i) the consolidated 911 call taking and dispatch centre located at 3301 East Pender Street in the City of Vancouver; and~~
- ~~(ii)(i) any other premises related to the Company Services that is occupied by E-Comm;~~

~~1.1.19 "emergency service agency" has the meaning given in the *Emergency Communications Corporations Act*;~~

~~1.1.18~~1.1.20 "E-Comm System" means the wide area radio system operated by the Company, including all rights, properties, infrastructure and equipment related thereto;

~~1.1.19~~1.1.21 "*ECC Act*" means the *Emergency Communications Corporations Act* (British Columbia) as amended from time to time ~~enacted and all amendments thereto~~ and includes the regulations to that act~~made pursuant thereto~~;

~~1.1.20~~1.1.22 "Established Standards of Service" means the standards of service established by the User Committee for Police, Fire, Ambulance or Municipal Services;

~~1.1.21~~1.1.23 "Federal government" means Her Majesty the Queen in Right of Canada;

~~1.1.22~~1.1.24 "Government Agency" means an agent of, or a corporation that is wholly owned by, the Provincial government, the Federal government, a Municipality or a Regional District;

~~"GVRD" means the Greater Vancouver Regional District;~~

~~1.1.23~~1.1.25 "Independent Directors" has the meaning set out ~~forth~~ in Section 4.2.65 ~~hereof~~;

~~1.1.24~~1.1.26 "*Local Government Act*" means the *Local Government Act* (British Columbia) as amended from time to time and includes the regulations made pursuant to that act~~thereto~~;

1.1.27 "Members" shall mean, collectively, the Class A Members and the Class B Members~~Current Members and any person who becomes a shareholder and agrees to be bound by the terms of this Agreement as provided in Sections 3.1.1, 3.1.2, 3.1.3 and 3.6, hereof, for as long as any such person holds Shares in the Company;~~

~~1.1.25~~1.1.28 "Metro Vancouver" means the Metro Vancouver Regional District;

~~1.1.26~~1.1.29 "Municipality" means a municipality established pursuant to the *Local Government Act* within the Territory and Vancouver;

~~1.1.27~~1.1.30 "New Services" means any Police, Fire, Ambulance or Municipal Sservices~~, including any service within the definition of Company~~



~~Services~~, which are to be provided by the Company to its Members ~~or~~ and to the Special Users, and which are not contemplated in the ~~eCost Ssharing Fformula for Company Services as attached as Schedule C hereto~~ or which are provided, from time to time, by the Company in any area not covered in that ~~Ceost S-sharing Fformula~~, as a result of the phased development of the E-Comm System;

~~1.1.28~~1.1.31 "Notice of Articles" means the notice of articles of the Company as filed with the Registrar of Companies under the *Business Corporations Act*, as amended from time to time;

~~1.1.29~~1.1.32 "Notifying Member" shall have the meaning as set ~~out~~forth in Section 3.5~~hereof~~;

~~1.1.30~~1.1.33 "Paying Members" shall have the meaning set ~~out~~forth in Section 8.1;

~~1.1.31~~1.1.34 "person" includes a corporation, partnership, party, Municipality, Regional District, Police Board, Government Agency, Provincial government or Federal government;

~~1.1.32~~1.1.35 "*Police Act*" means the *Police Act* (British Columbia) as amended from time to time and includes the regulations ~~to that act~~made pursuant thereto;

~~1.1.33~~1.1.36 "Police Board" means an organization operating a police force or police department providing police services to the public, including a municipal police board under the *Police Act*, but not including the RCMP;

~~1.1.34~~1.1.37 "Policing Agreement" means the agreement between the Federal government and the Provincial government pursuant to which the services of the RCMP are provided to Municipalities, as amended, extended or replaced from time to time;

~~1.1.35~~1.1.38 "Potential Members" means any Municipality, Regional District or Police Board ~~within the Territory~~, the Provincial government, the Federal government, ~~and any Government Agency or emergency services agency and the South Coast British Columbia Transportation Authority and anyone or more of its operating subsidiaries~~;

~~1.1.36~~1.1.39 "President" means the President or, in place of the President, an acting-President, appointed for the Company from time to time;

~~1.1.37~~1.1.40 "Primary Purpose" has the meaning set ~~out~~forth in Section 2.1.1.1 hereof;

~~1.1.38~~1.1.41 "Provincial government" means Her Majesty the Queen in Right of the Province of British Columbia;

~~1.1.39~~1.1.42 "Purpose" means the Additional Purpose and the Primary Purpose;

~~1.1.40~~1.1.43 "Rates" means the rates assessed by the Company against the Members and the Special Users and payable by them, under this Agreement hereunder or under a Special User Agreement, for Police Services, Fire Services, Ambulance Services and Municipal Services, ~~with respect to operating expenses and capital expenditures as determined pursuant to the Cost Sharing Formula then in effect;~~

~~1.1.41~~1.1.44 "RCMP" means Royal Canadian Mounted Police;

~~1.1.42~~1.1.45 "Regional District" means a regional district under the *Local Government Act*;

~~1.1.43~~1.1.46 "Service Committee" means any service committee established as contemplated in Section 6.1 ~~hereof~~;

~~1.1.44~~1.1.47 "Shares" means the Class A Shares and the Class B Shares;

~~1.1.45~~1.1.48 "Special User" means a Government Agency that is prohibited by law from holding a Share;

~~1.1.46~~1.1.49 "Special User Agreement" means the agreement between a Special User and the Company with respect to the delivery of some or all of the Company Services to that Special User, as amended from time to time, and includes the existing agreement between the Company and the RCMP;

~~"Specified Potential Member" means a person as set forth in Schedule E attached hereto;~~

~~1.1.47~~1.1.50 "Territory" means the geographic area within which a service is or is capable of being provided by the E-Comm System to a Member or to any person contracting with the Company at a particular point in time;

~~1.1.48~~1.1.51 "User Committee" means the User Committee established as contemplated in Section 6.2 ~~hereof~~; and

~~1.1.49~~1.1.52 "Vancouver" means the City of Vancouver, a municipality established pursuant to the *Vancouver Charter*, an act of the Province of British Columbia, as from time to time amended.

## 1.2 QUANTITY AND GENDER

In this Agreement, the singular number shall include the plural number and vice versa, and any gender ~~herein~~ used shall be deemed to include the feminine, masculine, or neuter gender.

## 1.3 HEADINGS AND CAPTIONS

The headings and captions of articles, sections, and paragraphs in this Agreement have been inserted for convenience of reference only and such headings and captions are not a part ~~hereof~~, and shall not be deemed in any manner to modify, explain, enlarge, or restrict any of the provisions of this Agreement~~hereof~~.

## 1.4 SEVERABILITY

If any provision of this Agreement shall be held invalid, illegal, or unenforceable in any jurisdiction, such provision shall be severed from this Agreement in such jurisdiction and the validity, legality, and enforceability of the remaining provisions ~~hereof~~ shall not be affected or impaired ~~thereby~~.

## 1.5 ACCOUNTING TERMS

All accounting terms not specifically defined ~~in this Agreement herein~~ shall be construed in accordance with Canadian generally accepted accounting principles.

## 1.6 RECITALS AND SCHEDULES

The recitals set ~~out forth~~ in this Agreement ~~are true and correct and~~ are deemed to be a part of this Agreement and the Schedules identified below (and any other supplementary schedules, appendices, or exhibits referred to in such Schedules) are ~~hereby~~ incorporated by reference and made a part of this Agreement as fully as if they were set ~~out forth~~ in full. The Schedules are identified as follows:

Schedule A - Articles of the Company

Schedule B - Agreement to be Bound

Schedule C - Cost Sharing Formula for ~~Police, Fire, – Ambulance Company and~~ Municipal Services

~~Schedule D – Current Members~~

~~Schedule E – Specified Potential Members~~

## 2. THE COMPANY

### 2.1 PURPOSE OF THE COMPANY

2.1.1 The Company has been incorporated ~~for~~, and will be operated ~~for~~ the following:

2.1.1.1 the provision of emergency communications and related services to its Members (the "Primary Purpose"); and

2.1.1.2 the provision of communication and related services, for public safety and public service, to Municipalities, Regional Districts, the Provincial government, the Federal government, Governmental Agencies, emergency service agencies, Police Boards, BCEHSAS and Special Users, whether or not they are Members;

and any other purpose prescribed by regulation under the *ECC Act* for the Company from time to time (collectively, the "Additional Purpose").

~~all in the interests of civic improvement and for the benefit of the public residing within the Territory.~~

2.1.2 Pursuant to the Purpose, the Company ~~may shall~~ provide Company Services to its Members and to Special Users; provide related administrative and technical services; own, hold or lease and manage any ~~real property of the E-Comm Building~~, and any property and

equipment forming part of the E-Comm System; and provide technical and other related services and expertise of the Company to other persons.

## 2.2 ARTICLES OF THE COMPANY

The Articles of the Company are in the form appended as Schedule A, as may be subsequently amended in accordance with their terms and this Members' Agreement. ~~hereto.~~

## 2.3 SHARE STRUCTURE

The authorized share structure of the Company consists of 500 Shares divided into 350 Class A Shares and 150 Class B Shares.

## 2.4 SPECIAL RIGHTS AND RESTRICTIONS WITH RESPECT TO SHARES

2.4.1 The holders of Class A Shares shall have the right to vote on all matters which may be voted on under the *Business Corporations Act* or the Articles by a Member of the Company and shall have one vote per share.

2.4.2 In addition to those matters which under the *Business Corporations Act* require the vote by holders of Class B Shares, the holder of a Class B Share will only have the right to vote on the following matters:

2.4.2.1 the winding up or dissolution of the Company;

2.4.2.2 any amendment to the Purpose;

2.4.2.3 any matter with respect to which the holder of a Class B Share is provided a vote in Section 2.5 hereof;

2.4.2.4 any amendment to: (a) Section 3.6 or (b) any provision of the Articles or Section 3.6 pertaining to ~~hereof providing for~~ the admission of Additional Members; and

2.4.2.5 any amendment to Section 4.2 hereof relating to the designation appointment and election of directors.

The holders of Class B Shares shall have one vote per share.

## 2.5 VOTES BY MEMBERS ON EXTRAORDINARY ITEMS

The following matters, in addition to any other matters required by the *Business Corporations Act* or the Articles to be submitted to Members for approval, shall be submitted to those Members, as hereinafter provided, for the following approvals:

2.5.1 for approval by a vote of not less than two-thirds 75% of the votes cast by all Members on a resolution for ~~attached to all Shares held by all of the Members:~~

2.5.1.1 the winding up or dissolution of the Company;

2.5.1.2 any amendment to (a) Section 3.6; or (b) any provision of the Articles pertaining to: (i) or Section 3.6 hereof providing for the admission of

Additional Members; or (ii) the provision of additional Designated Company Services to an Additional Member;

2.5.1.3 any amendment to Section 4.2 ~~hereof~~ relating to the designation and election of directors; and

2.5.1.4 any amendment to the Purpose;

2.5.2 for approval by a vote of not less than two-thirds of the votes ~~cast attached to all Shares held by all of the~~ Members located within the area in which the Company proposes to provide such New Services, any cost sharing formula or rate establishment formula for the provision of New Services other than the Cost Sharing Formula;

2.5.3 for approval by a vote of not less than two-thirds of the votes ~~cast by attached to all Shares held by all of the~~ Members located within the area in which the Company is or proposes to provide Police, Fire, Ambulance or Municipal the Company Services as a result of the phased build-in of the E-Comm System, any change or amendment to the cost sharing formula for such then existing Company Services (including the Cost Sharing Formula) ~~attached as Schedule C~~), ~~provided that such two-thirds votes shall include votes held by Members holding Class A Shares who pay or who would be obligated to pay in accordance with the cost sharing formula, not less than 50% of the costs of such Company Services; and~~

2.5.4 for approval by a vote of not less than two-thirds of the votes ~~cast attached to the Class A Shares held~~ by Members holding Class A Shares, any borrowings of the Company in excess of that set out forth in an Authorized Operating Budget or an Authorized Capital Budget.

## **2.6 ACQUISITION OF AND HOLDING OF SPECTRA**

2.6.1 Subject to the applicable federal legislation, a Member hereby assigns or transfers to the Company or consents to the assignment or transfer to the Company of all licences and authorities for radio spectra held by the Member that are related to the Company Services which the Company provides to the Member, such assignment or transfer to be effective at such time as required by the Company.

2.6.2 The Company hereby declares that it holds or will hold all radio spectra acquired by it, whether as acquired as contemplated in Section 2.6.1 hereof or otherwise, to be used for the benefit of Members, the RCMP and other persons as contemplated herein.

## **2.7 USE OF RADIO SPECTRA**

The Board may establish rules and regulations for the use of the radio spectra held by the Company.

## **2.8 OWNERSHIP OF EQUIPMENT**



The Members acknowledge that all equipment forming part of the E-Comm System shall be owned by the Company including all equipment assigned for the exclusive use by a particular Member, and that the Board may establish rules for the use and holding of such equipment.

## **2.9 AGREEMENT NOT TO USE PROPERTY**

Each of the Members, which is a Municipality or a Regional District, hereby agrees that in the event of an emergency, disaster or other similar occurrence within its jurisdiction, it will not use any powers or authorities which it may have, by statute or otherwise, to acquire and use, in any manner other than as specifically set ~~out forth~~ in this Agreement, any of the property and assets of the Company.

## **3. MEMBERS AND ISSUE OF SHARES**

### **3.1 ISSUE OF SHARES**

3.1.1 A ~~Specified~~ Potential Member may, by written notice to the Company, subscribe for a Class A Share for ~~a each~~ Designated Company Service ~~set forth opposite its name in Schedule E~~ for which it does not otherwise hold a Class A Share or a Class B Share, which it agrees, at the time it subscribes for that Class A Share, to receive from the Company when the Company is able to provide such Designated Company Service to which the Class A Share relates to that ~~Specified~~ Potential Member, ~~up to the number as set forth in Schedule E~~, by subscribing for such shares, entering into this Agreement and agreeing to be bound by the terms of this Agreement, all by the execution of an agreement substantially in the form attached as Schedule B hereto. Upon receipt by the Company of that agreement and the subscription price for the number of Class A Shares so subscribed for, the Company will issue to that ~~Specified~~ Potential Member a Class A Share for that Designated Company Service and that ~~Specified~~ Potential Member shall become an Class A Member, ~~for the purposes hereof~~.

3.1.2 Any one of the ~~Specified~~ Potential Members may by written notice to the Company, subscribe for a Class B Share for ~~a each~~ Designated Company Service ~~set forth opposite its name in Schedule E~~ for which it does not otherwise hold a Class A Share or a Class B Share, which it may in the future wish to receive from the Company when the Company is able to provide such Designated Company Service to that ~~Specified~~ Potential Member by subscribing for such shares, entering into this Agreement and agreeing to be bound by the terms of this Agreement, all by the execution of an agreement substantially in the form attached as Schedule B ~~hereto~~. Upon receipt by the Company of that agreement and the subscription price for the number of Class B Shares so subscribed for, the Company will issue to the ~~at Specified~~ Potential Member a Class B Share for that Designated Company Service and that ~~Specified~~ Potential Member shall become an Class B Member, ~~for the purposes hereof~~. The issue of a Class B Share to a ~~Specified~~ Potential Member for a Designated Company Service shall entitle that Member to convert the Class B Share to a Class A Share in the manner as provided in Section 3.4 when it wishes to receive the Designated

Company Service to which that Class B Share relates. No Class B Shares will be issued other than to ~~Specified~~ Potential Members for Designated Company Services in respect of which the ~~Specified~~ Potential Member may receive a Class A Share.

3.1.3 Notwithstanding the terms of Sections 3.1.1 and 3.1.2 ~~hereof~~, no Class A Shares or Class B Shares will be issued to the Province or to a Government Agency established to hold a Share in place of a Special User, unless after the Class A Shares or Class B Shares are issued to the Province or that Government Agency, as the case may be, such shares (including all such shares issued and outstanding in the name of all such Government Agencies) represent 10% or less of the issued and outstanding Class A Shares or Class B Shares, as the case may be.

3.1.4 Any membership by a Municipality in the Company shall become effective upon the adopting of a by-law as contemplated by Section 4(2)(a) of the *ECC Act*, notwithstanding the date that such Municipality executed this Agreement, or an agreement in the form as set ~~outforth~~ in Schedule B, ~~hereto and agreed to become a member under this Agreement.~~

3.1.5 All Shares shall be issued at a price of \$10.00 per share.

### **3.2 EFFECT OF HOLDING CLASS A SHARE**

Upon a Member acquiring a Class A Share, that Member shall have agreed to use the Company for the Designated Company Service to which the Class A Share relates, when that Designated Company Service can be provided by the Company and shall have agreed to be bound by the terms and conditions of this Agreement.

### **3.3 FAILURE OF COMPANY TO DELIVER DESIGNATED COMPANY SERVICES**

If the Company shall fail to deliver any Designated Company Services to a Class A Member as a result of the failure to complete the E-Comm System or the failure of the Company to accept the E-Comm System, and upon approval of the Board, the Class A Shares or the Class B Shares for any Member in an area in which the E-Comm System is not operating or is proposed not to be operating may be cancelled, without penalty, and that Member shall cease to be a Member hereunder.

### **3.4 CONVERSION OF CLASS B SHARES**

A Class B Member may convert a Class B Share held for a Designated Company Service to a Class A Share for any Designated Company Service upon giving written notice to the President that the Class B Member wishes to commence receiving that Designated Company Service from the Company, such written notice to be given not later than June 30 of any year with respect to a Designated Company Service proposed to be received in the following year, and the President shall use reasonable efforts to facilitate that Class B Member receiving that Designated Company Service within a timely manner. Upon the commencement of delivery of that Designated Company Service to the Class B Member, the Class B Share for that Designated Company Service will be deemed to have been converted into a Class A Share, a Class A Share shall be issued therefor and the Class B Share will be cancelled.



### **3.5 NOTICE OF CONSOLIDATED DISPATCH SYSTEM**

If a Class A Member receiving a Designated Company Service or a holder of a Class B Share with respect to a Designated Company Service (in each case the "Notifying Member") wishes to receive the consolidated dispatch services being or to be provided by the Company and the Company can or will be able to provide that consolidated dispatch service to that Member, the Notifying Member shall give not less than six months written notice to the President, requesting that the Company provide the consolidated dispatch service to the Member. The President shall use reasonable efforts to facilitate the Notifying Member receiving the consolidated dispatch services within a timely manner.

### **3.6 ISSUE OF SHARES TO ADDITIONAL MEMBERS**

3.6.1 Notwithstanding any other provisions hereof, any Municipality within the service area of the E-Comm System, which is receiving municipal police services from the RCMP under an agreement between the Municipality and the Provincial government and with respect to which such police services are using the E-Comm System, may subscribe for and be issued a Class A Share for Police Services, upon:

3.6.1.1 the Municipality entering into and agreeing to be bound by the terms of this Agreement by execution of an agreement substantially in the form as attached as Schedule B;

3.6.1.2 the Municipality passing a by-law as contemplated by Section 4(2)(a) of the *ECC Act*; and

3.6.1.3 the receipt by the Company of the subscription for and subscription price for the Class A Shares,

in which event the Board will by resolution issue a Class A Share to that Municipality for Police Services and that Municipality shall upon that issue be an Additional Member.

3.6.2 Notwithstanding Section 3.6.1, the Board may, by resolution as herein provided, issue one Class A Share for a Designated Company Service to any Potential Member who is not a Current Member or to an Additional Member for any Designated Company Service subscribed for or requested after that person becomes an Additional Member, if the Potential Member or Additional Member, as the case may be, has a role in fulfilling the Purpose and the provision of the Designated Company Service or Services to that Potential Member or Additional Member would be for the benefit of the public, provided that:

3.6.2.1 the E-Comm System and the Company have sufficient capacity to provide the Designated Company Service or Services being requested by the Potential Member or Additional Member without any significant impairment to the Company Services then being provided to Members and Special Users, and anticipated to be provided to the Members then holding Class B Shares; and

- 3.6.2.2 the Potential Member enters into and agrees to be bound by the terms of this Agreement by execution of an agreement substantially in the form of Schedule B hereto and in the case of a Municipality passes the by-law contemplated by Section 4(2)(a) of the *ECC Act*,

and upon the issue of -a Class A Shares ~~hereunder~~, a Potential Member shall be an Additional Member.

### **3.7 SPECIAL USER AGREEMENTS**

- 3.7.1 The Company shall enter into the Special User Agreement with the RCMP for the provision of Company Services to the RCMP which agreement will effectively provide that the RCMP will fulfil the financial obligations with respect to Police Services as if it were a Class A Member. The Special User Agreement may be executed between the RCMP, as a Special User, and the Company at any time notwithstanding when the Government Agency established by the Federal government for the purposes of holding a Class A Share in place of the RCMP becomes a Member.
- 3.7.2 Subject to Section 4.11.3, the Company may enter into a Special User Agreement with any Special User in addition to the RCMP for the provision of some or all of the Company Services to that Special User, provided that:
- 3.7.2.1 the Special User has a role in fulfilling the Purpose and the provision of some or all of the Company Services to that Special User would be for the benefit of the public;
- 3.7.2.2 the E-Comm System and the Company have sufficient capacity to provide the Company Services being requested by the Special User without any significant impairment to the Company Services then being provided to Members and other Special Users, and anticipated to be provided to the Members then holding Class B Shares; and
- 3.7.2.3 the Special User Agreement effectively provides that the Special User will fulfil its financial obligations with respect to the Company Services received by it as if it were a Class A Member.

Subject to Section 4.11.3, a Special User Agreement may be executed between a Special User and the Company at any time notwithstanding when the Government Agency established for the purposes of holding a Class A Share in place of that Special User becomes a Member.

## **4. BOARD OF DIRECTORS**

### **4.1 BOARD OF DIRECTORS**

The Company shall have a Board comprised of not less than three nor more than twenty-five directors, with the actual number of directors as determined by the Class A Members as ~~hereinafter~~ provided below.

## 4.2 DESIGNATION AND ELECTION OF DIRECTORS

4.2.1 The Members shall be entitled to designate directors as hereinafter provided:

4.2.1.1 one individual designated by the BC~~ASEHS~~;

4.2.1.2 one individual designated by Vancouver;

4.2.1.3 one individual designated by the Vancouver Police Board;

4.2.1.4 one individual designated by the following group:

(a) each Police Board which directly holds a Class A Share or Class B Share, other than Vancouver Police Board and Delta Police Board; and

(b) each Police Board which has a Class A Share or Class B Share in respect of Police Services held by its respective municipality, other than Vancouver Police Board and Delta Police Board;

4.2.1.5 such number of individuals as are set forth below, to be designated by the following designated group of Class A Members or Class B Members (each group being called a "Designated Group of Members"), if one or more of the Municipalities within a Designated Group of Members is a Class A Member or a Class B Member, as hereinafter set forth:

No. of Individuals  
which may be  
Designated

Designated Group of Members

1

West Vancouver, North Vancouver City,  
North Vancouver District and Lions Bay

1 or 2

2 individuals if Burnaby, together with any one or more of New Westminister, Coquitlam, Port Moody, Port Coquitlam, Anmore and Belcarra are a Member; provided however that if Burnaby is not a Member, any one or more of New Westminister, Coquitlam, Port Moody, Port Coquitlam, Anmore and Belcarra which is a Member can designate 1 individual to be a director

1

Richmond

2

Surrey, White Rock, Langley City and  
Langley District

1

Delta and the Delta Police Board

1

Maple Ridge, Pitt Meadows and Mission

- 1 Abbotsford, Chilliwack and Fraser Valley  
Regional District
- 1 Squamish, Lillooet and Sechelt;

and

4.2.1.6 One individual designated by all other Members holding Class A Shares and ~~Metro Vancouver~~ ~~the GVRD~~, other than as set forth in Sections 4.2.1.1 to 4.2.1.5, inclusive.

4.2.2 The RCMP, and in replacement therefor upon the Government Agency referred to in Section 3.7.1 becoming a Class A Member, that Government Agency, shall be entitled to designate one individual to act as director;

~~4.2.3~~ If provided in a Special User Agreement entered into pursuant to Section 3.7.2 or if otherwise authorized by the Board under Section 4.11.3, each Special User, and in replacement therefor upon the Government Agency for that Special User referred to in Section 3.7.2 becoming a Class A Member, that Government Agency, shall be entitled to designate one individual to act as director;

~~4.2.34.2.4~~ The group comprised of: the Capital Regional District and those Vancouver Island police agencies, including any RCMP detachment, to which the Company provides police dispatching services -shall be entitled to designate one individual to act as director;

~~4.2.44.2.5~~ The Provincial government, acting through the Ministry of Public Safety and Solicitor General, whether it holds a Class A Share or not, shall be entitled to designate two individuals to act as directors;

~~4.2.54.2.6~~ Subject as hereinafter provided, the directors designated pursuant to Sections 4.2.1, 4.2.2, ~~and 4.2.3 and 4.2.4~~ shall designate four additional persons, independent from the Members, to be directors of the Company (the "Independent Directors"), who have an interest or expertise in the Purpose or the Company Services to be provided by the Company.

~~4.2.64.2.7~~ The Members agree to vote their Class A Shares for the election as directors of the persons designated pursuant to Sections 4.2.1, 4.2.2, 4.2.3, 4.2.4, ~~4.2.5 and 4.2.6, and 4.2.5.~~

~~4.2.8~~ For the purposes of Section 4.2.1.5, upon anyone or more Municipalities within a Designated Group of Members becoming a Class A Member or a Class B Member, such Municipality or Municipalities will be entitled to designate the individual to be a director for the purposes of Section 4.2.1.5. As additional Municipalities within that Designated Group of Members become Class A Members or Class B Members, as the case may be, such additional Municipalities shall be deemed to have agreed to the individual as designated and elected a director for that Designated Group of Members and no changes will be required to be made with respect to any such individual, unless such individual shall

cease to be a director in any other manner such as resignation, until the next following annual general meeting or annual consent resolution. Prior to any annual general meeting or annual consent resolution of the Class A Members, a Designated Group of Members shall agree on the individual to be designated by them for the purpose of Section 4.2.1.5 within a time period sufficient for that individual's name to be placed before the Class A Members, as determined by the Board.

#### **4.3 VACANCIES ON BOARD**

Any vacancies on the Board created by an individual designated under Section 4.2.1, 4.2.2, 4.2.3, ~~4.2.4 or~~ or 4.2.54 shall be filled by an individual designated by the Member or Members who designated the individual who is no longer a director, the Special User who designated the individual who is no longer a director, or the Provincial government, as the case may be, and any vacancies in any Independent Directors shall be filled by the remaining directors in accordance with Section 4.2.65.

#### **4.4 NO RESTRICTIONS ON AFFILIATION TO MEMBERS**

Directors designated pursuant to Section 4.2.1 may be appointed or elected officials from a Member or may be persons from the general public with no affiliation to a Member.

#### **4.5 REMUNERATION FOR DIRECTORS**

Directors shall be entitled to fees for acting as a director of the Company, as determined in an Authorized Operating Budget. All directors may be paid reasonable expenses thereof incurred when acting as directors.

#### **4.6 QUORUM AT DIRECTOR'S MEETINGS**

The quorum for all meetings of the Board shall consist of a majority of the directors. Meetings of the Board shall be held in accordance with the Articles of the Company and this Agreement. ~~as herein provided.~~

#### **4.7 EXECUTIVE MEMBER OF THE BOARD**

The President of the Company shall be an executive member of the Board and as such shall be entitled to be present at all meetings of the Board and to take part in all discussions at meetings of the Board but shall not have any right to vote at any such meeting. The Secretary of the Company shall send notice of all meetings of the Board to such executive member, including all materials provided to the directors, at the same time and in the same manner as notice is provided to such directors.

#### **4.8 REMOVAL OF DIRECTOR**

The Members shall not otherwise vote to remove a director unless the Member, Designated Group of Members, the Special User, ~~or the Province,~~ or the nominating group described at section 4.2.4, whichever designated such director, shall agree to such director's removal.

#### **4.9 MEETINGS OF THE BOARD**

- 4.9.1 At least 4 meetings of the Board shall be held in each calendar year, such meetings to be held on a quarterly basis. Meetings of the Board



may also be called by the Chair of the Board, by the Chair's initiative or if requested by the President or the User Committee. If the President or the User Committee shall request in writing to the Chair of the Board that a meeting of the Board be called, the Chair shall convene a meeting of the Board to be called and held within one month or such other period as is reasonably practicable, of such request; provided however that if such meeting is of a material or emergency nature, the Chair shall convene the meeting of the Board within two weeks of such request.

4.9.2 The Chair of the Board shall have a second or casting vote at any meetings of the Board or of the Members.

4.9.3 The Secretary of the Company shall give each director and the President, at least 7 days notice of each meeting of the Board and a reasonable description of the matters to be discussed at such meeting, except that failure to receive notice or adequate notice shall not invalidate the proceedings of any meeting if each director gives to the Company, before or after the meeting, a signed waiver of such notice. Notwithstanding the foregoing, notice of any meeting may be waived by consent in writing of all directors.

#### 4.10 BOARD DUTIES

The Board will, subject to the terms of this Agreement, supervise the general management of the business and affairs of the Company to ensure compliance with the Purpose and otherwise, with the authority to overview the general management of the Company, and supervise and give direction to the President in accordance with the Articles, the *Business Corporations Act*, the *ECC Act* and this Agreement. Notwithstanding the generality of the foregoing, the Board shall be responsible for the following:

4.10.1 subject to receiving and considering the advice of the User Committee with respect to President selection, the appointment of the President and the approval of the contract of employment for the President, including terms and conditions of employment, provided that any contract shall not exceed five years in length, shall provide for earlier termination by the Board and shall be renewable at the discretion of the Board;

~~approval of all contracts for services to be provided to the Company which are outside the Authorized Operating Budget or require payments thereunder in excess of \$500,000 per year or such other higher amount as is determined by the vote of the Class A Members at a general meeting;~~

4.10.2 subject to receiving and considering the advice of the User Committee, the duties and authority of the President;

4.10.3 the approval of the Authorized Operating Budget, as provided in Section 7.3;

4.10.4 the approval of the Authorized Capital Budget, as provided in Section 7.4;

~~4.10.5 the approval of the establishment of a base number of permanent positions within the Company and any increase to that base number of permanent positions thereafter;~~

~~4.10.6~~4.10.5 subject to receiving and considering the advice of the User Committee, the establishment of Rates, other than as provided in the Cost Sharing Formula Appendix C hereto, which will be, to the extent practicable, fair and equitable to all Members and Special Users, the RCMP considering all factors deemed necessary;

~~4.10.7~~4.10.6 the determination and approval of all long term capital requirements of the Company;

~~4.10.8 the approval of all contracts whereby the Company may provide services to persons who are not Members and the remuneration to be paid to the Company thereunder and in this regard the Board shall consult with the User Committee and consider the obligations of the Company to the Class B Members and the Purpose;~~

~~4.10.9~~4.10.7 the designation of any of the Company Services into categories of Designated Company Services, in addition to Fire Services, Police Services, Ambulance Services and Municipal Services, which are agreed to be Designated Company Services; and

~~4.10.10~~4.10.8 the approval of all borrowings of the Company, within the Authorized Operating Budget or Authorized Capital Budget.

#### **4.11 APPROVALS BY BOARD**

All decisions taken by the Board shall be deemed to have been approved only if passed by a majority of the directors present at the meeting of the Board, except for the following matters which must be approved by not less than two-thirds of the directors present at the meeting:

4.11.1 the approval of any Authorized Operating Budget and/or Authorized Capital Budget which cumulatively will increase the Rates charged to Members and Special Users by more than two times the inflation rate in British Columbia from those charges in the previous year's Authorized Operating Budget and Authorized Capital Budget;

~~4.11.2 the issue of any Class A Shares to an Additional Member, as contemplated in Section 3.6 hereof; and~~

~~4.11.3~~4.11.2 the entering into, amendment to or termination of a Special User Agreement with a Special User, including the determination of whether that Special User will have the right to designate a director for election to the Board pursuant to Section 4.2.3.

#### **4.12 REFERRAL TO CLASS A MEMBERS**

~~4.12.1 Notwithstanding the terms of Section 4.11 hereof, if 30% or more of the directors determine that a matter should be presented to the Class A Members for their approval and determination, such directors may, if~~



~~they give notice in writing (the "Notice") to the President within two business days after the meeting of directors in which that matter was discussed and voted upon, require that the matter to be presented to the Class A Members at a general meeting called for that purpose.~~

~~4.12.2 The President shall upon receipt of the Notice advise the Chair of the Board and all directors of the receipt of the Notice and forthwith, within two business days, call a meeting of the Class A Members, such meeting to be held not more than one month after the giving of notice thereof.~~

~~4.12.3 If any matter referred to Class A Members pursuant to Section 4.12.1 is not approved by the Class A Members at that meeting, that matter may not again be referred to Class A Members pursuant to Section 4.12.1.~~

#### **4.134.12 REPORTING BY DIRECTORS**

~~4.13.14.12.1~~ A director who is designated pursuant to Sections 4.2.1, 4.2.2, 4.2.3, 4.2.4 or 4.2.54 hereof shall not be subject to any restriction imposed by the Company with respect to any reporting on matters conducted at meetings of the Board to the Member, Members, the Special User, or the Provincial government who appointed that director, including those Members within the Designated Group of Members and the agencies within the nominating group described at 4.2.4, which designated the director.

### **5. MANAGEMENT OF THE COMPANY**

#### **5.1 OFFICERS**

The Company may have such officers as determined by the Board and will have at least three officers including a Chair of the Board, the President and a Secretary.

#### **5.2 SPECIFIC DUTIES OF OFFICERS**

5.2.1 The Chair of the Board, if present, shall chair meetings of the Board and of the Members. The Chair of the Board shall be a member of the Board and shall be appointed from the Independent Directors.

5.2.2 The President shall be the President of the Company. Subject to the general supervision and direction of the Board, the President shall be responsible for the general supervision, management and control of the operations of the Company on a day-to-day basis. The President shall, in fulfilling such duties, operate within the Purpose to provide the services as set forth in Section 2.1 hereof. Subject to the provisions herein relating to the User Committee and approvals required from, or consultations to be held with, the User Committee, the President will consult with the User Committee, from time to time as the President may determine, for advice and direction on the operational implication of decisions proposed for the Company which may affect any Company Services, the operations of the Company, and matters relating to the Authorized Operating Budget or the Authorized Capital Budget.

Within the constraints of the Authorized Budget and the Authorized Capital Budget, and subject to any determination of the Board or the Members, the President shall implement the decisions as so determined. Notwithstanding the generality of the foregoing, the President will:

- 5.2.2.1 manage the operations of the Company to meet the requirements of the users within the Purpose;
- 5.2.2.2 either directly or through the President's designate, meet with the User Committee and Service Committees and assist the User Committee in determining the Established Standards of Services, as hereinafter provided;
- 5.2.2.3 be responsible for the hiring and termination of staff for the Company;
- 5.2.2.4 prepare and submit an annual operating budget and a capital budget for the review of the User Committee and the approval by the Board or Members, as the case may be;
- 5.2.2.5 prepare and deliver following approval of the Board, an annual report to the Members, the Special Users and to the Minister under the *ECC Act* within the time as required thereunder;
- 5.2.2.6 request proposals for delivery of services to the Company, analyze such proposals and submit recommendations on such proposals to the Board for approval, if such approval is required;
- 5.2.2.7 ensure proper record keeping of books and records for the Company as required by law or by the Board; and
- 5.2.2.8 monitor compliance with the Articles, the *Business Corporations Act*, the *ECC Act* and the Agreement by the Members, Board, the User Committee, the Service Committees and the officers.

The President shall report to the Board, and will be an executive member of the Board as set forth in Section 4.7 hereof.

- 5.2.3 The Secretary shall prepare the agenda for all meetings of the Members and the Board and shall draw up minutes of such meetings and shall be responsible for the safekeeping of the books and records of the Company.

### **5.3 VACANCY OF OFFICE**

Any vacancy of office caused by the resignation, removal, death or incapacity of an officer shall be filled by appointment of the Board.

### **5.4 SIGNING AUTHORITY**

The authorized signing officers of the Company in respect of legal documents or any bank or other financial institution or the opening of any corporate bank accounts shall be as determined by the Board.

### **5.5 AUDITORS**

The Class A Members shall appoint the auditors of the Company from time to time.

## **5.6 FINANCIAL YEAR END**

Until changed by an ordinary resolution of the Members, the financial year-end of the Company shall be December 31.

## **6. COMMITTEES**

### **6.1 SERVICE COMMITTEES**

6.1.1 There shall be established for each Designated Company Service provided by the Company such as E-fire, Police, Ambulance and Municipal services, a service committee (the "Service Committee"). A Service Committee will be established from time to time.

6.1.2 Those Class A Members who hold a Class A Share for a Designated Company Service shall appoint a representative to the Service Committee for that Designated Company Service, provided that the representative so appointed shall be designated by the respective service department of that Member receiving the Designated Company Service. The RCMP shall be entitled to appoint a representative to the Service Committee for Police Services. If specified in a Special User Agreement for a Special User other than the RCMP, that Special User shall be entitled to appoint a representative to one or more Services Committees, as specified in that Special User Agreement. Each Member holding a Class B Share shall be entitled to have a representative appointed by the service department represented by that Class B Share (the "Class B Representative") to attend meetings of the Service Committee.

6.1.3 Each representative on a Service Committee, other than a Class B Representative, shall have a vote.

~~6.1.4~~ Each Service Committee will appoint, from their representatives, a chair and a vice-chair. ~~The chair or the vice-chair of each Service Committee shall be a representative of a Member who is participating in the integrated dispatch centre which is part of the E-Comm Building or in the case of the Service Committee for Police Services, a representative of the RCMP if the Special User Agreement has not been terminated.~~

~~6.1.5~~ 6.1.4 Each Service Committee will meet, from time to time, as required, to advise the President on the operations of the Company as they affect the Designated Company Service represented by that Service Committee. The President or a designate of the President shall be entitled to be at each meeting of a Service Committee. Meetings of a Service Committee may be called by the Service Committee or by the President.

~~6.1.6~~ 6.1.5 Notwithstanding the foregoing, if there shall be only one Member receiving a Designated Company Service, the Service Committee for that Designated Company Service may establish such rules as it may

desire with respect to the number of representatives and related matters for that Service Committee, provided however, that Service Committee shall only be entitled to have its chair or vice-chair as a representative on the User Committee.

## **6.2 USER COMMITTEE**

6.2.1 There will be established for the Company, a committee comprised of the chairs and vice-chairs of each of the Service Committees (the "User Committee"). The User Committee shall advise and instruct the President on policies related to the operations of the Company, the delivery of Designated Company Services and the requirements of the users of Designated Company Services within the Established Standards of Service and to meet the Purpose.

6.2.2 The User Committee shall, notwithstanding the generality of the foregoing:

6.2.2.1 within the financial budgets from time to time established by the Board, formulate the Established Standards of Service, which shall be formulated with the objective of meeting and maintaining the Primary Purpose;

6.2.2.2 advise the Board on the appointment of the President;

6.2.2.3 review and provide advice to the Board on the proposed annual operating budget and proposed annual capital budget, ~~and may provide advice to the Board with respect thereto;~~

6.2.2.4 review and provide advice to the Board on the establishment of Rates and any proposed change to the Ceost Ssharing Fformula, ~~and provide advice to the Board with respect thereto;~~ and

~~6.2.2.5 approve the appointment of firms to provide services to the Company.~~

6.2.3 The User Committee shall have the right on written notice to the Board specifying the issues to be brought before the Board, with a copy to the President, to require the Chair of the Board to call a meeting of the Board at which the User Committee is represented.

## **7. FINANCIAL MATTERS AND RECORDS**

### **7.1 BOOKS AND RECORDS**

The Company shall keep books of account and records in accordance with generally accepted accounting principles and furnish to each Member and the RCMP copies of such accounting reports and financial statements as herein provided.

### **7.2 FINANCIAL STATEMENTS**

The President shall cause to be made available delivered to each member of the Board, to the Members holding Class A Shares and to each Special User the following financial statements, prepared in accordance with Canadian generally accepted accounting principles:

- 7.2.1 Upon the request of a Class A Member or Special User, as soon as available ~~and in any event, within 70 days~~ after the end of each of the first three quarters of each fiscal year, an unaudited balance sheet of the Company as of the end of such quarter, the related statement of changes in financial position for the quarter then ended and, if applicable, the six-month period or nine-month period of such fiscal year then ended; and
- 7.2.2 as soon as available and in any event, within 120 days after the end of each fiscal year, the audited balance sheet of the Company as of the end of such fiscal year and the related statements of earnings and retained earnings and statement of changes in financial position for the fiscal year then ended, all accompanied by an opinion of the Company's auditors.

### **7.3 AUTHORIZED OPERATING BUDGET**

- 7.3.1 Prior to the beginning of each fiscal year and in sufficient time to permit the implementation thereof, the President shall submit to the User Committee for its review, and to the Board for its review and approval, a proposed annual operating budget for such fiscal year which will show the income and expenses for the day to day operations of the Company and the Rates to be charged to Class A Members and the Special Users for the year. The User Committee may, following its review, provide advice to the Board and the President on the proposed annual operating budget.
- 7.3.2 The proposed annual operating budget for a fiscal year shall be approved by the Board following the steps in Section 7.3.1, prior to the commencement of that fiscal year, in any case with such amendments or variations thereto as the Board shall deem appropriate and approve, provided that the Board shall recognize the Purpose. The Board shall consult with the User Committee and consider the advice of the User Committee on the proposed annual operating budget, including any Rates proposed.
- 7.3.3 No later than 9075 days or as soon as reasonably practicable after the end of each fiscal quarter, the President shall submit to the Board a report on the statement of accounts of the Company.
- 7.3.4 In this Agreement, "Authorized Operating Budget" means, at any time, the annual operating budget for such time that has been approved by the Board. An Authorized Operating Budget may be amended from time to time by the Board subject as herein otherwise specifically provided.

### **7.4 AUTHORIZED CAPITAL BUDGET**

- 7.4.1 Prior to the beginning of each fiscal year and in sufficient time to permit the implementation thereof, the President shall submit to the User Committee for its review and to the Board for its review and approval, a proposed annual capital budget for such fiscal year which will provide for all capital expenditures to be made for the Company for that year



and any long term capital plans or proposed capital expenditures for any subsequent years. The User Committee may, following its review, provide advice to the President and the Board on the proposed annual capital budget.

7.4.2 The proposed annual capital budget for a fiscal year shall be approved by the Board, prior to the commencement of that fiscal year, in any case with such amendments or variations thereto as the Board shall deem appropriate and approve, provided that the Board shall recognize the Purpose. The Board shall consult with the User Committee and consider the advice of the User Committee on a proposed annual capital budget.

7.4.3 No later than 9075 days or as soon as reasonably practicable after the end of each fiscal quarter, the President shall submit to the Board a report on the statement of accounts of the Company.

7.4.4 In this Agreement, "Authorized Capital Budget" means, at any time, the annual capital budget for such time that is approved by the Board. An Authorized Capital Budget may be amended from time to time by the Board, subject as herein otherwise specifically provided.

## **8. FUNDING BY MEMBERS**

### **8.1 GENERAL REQUIREMENTS OF FUNDING**

All funding requirements for the Company shall be as determined by the Board after consultation with the User Committee and any chief financial officer of the Company, and other than funding which is provided by: (a) organizations who are not Members of the Company; or (b) Members, or other organizations, to which the Company renders Company Services other than Police, Fire, Ambulance and Municipal Services. shall be charged to (i) the Members holding Class A Shares, except the Government Agency holding the Class A Share in place of a Special User, provided however that those Class A Members who receive policing services from the RCMP pursuant to the Policing Agreement will be charged for any costs not covered by the Policing Agreement and required to be charged to them directly from the Company, and (ii) the Special Users and (iii) the Class B Members who receive any consolidated dispatch services (the "Paying Members"), in accordance with the Rates established substantially in the manner contemplated in the Cost sSharing Fformulaa set forth as Schedule C hereto, and to the extent possible, shall be structured in a manner to be fair and reasonable to the Class A Members, Paying Members and the Special Users, as if those Special Users were Class A Members. Notwithstanding the foregoing, it is understood that the Provincial government will be billed directly by the RCMP for all police related services provided under the Policing Agreement.

### **8.2 RATES FOR POLICE, FIRE, AMBULANCE AND MUNICIPAL COMPANY SERVICES**

The Paying Members hereby agree that the Rates to be assessed by the Company for Police Services, Fire Services, Ambulance Company Services and Municipal Services against the Paying Members and the Special Users and payable by the Paying Members and the Special Users s-for Company Services shall be established substantially in accordance with the Cost

~~Sharing Formula set forth as Schedule C attached hereto and no amendment will be made thereto except in the manner contemplated herein in this Agreement.~~

### **8.3 OBLIGATION TO PAY**

8.3.1 Each ~~Paying Member and Special User~~ hereby agrees to pay all Rates assessed and charged to it by the Company, determined in accordance with any approved ~~Cost Sharing Formula~~. Rates shall be payable quarterly in advance upon invoicing by the Company.

8.3.2 ~~If a Municipality which is a Member receives its policing services through the RCMP pursuant to the Policing Agreement, such Member hereby acknowledges that the RCMP may be assessed Rates by the Company to cover Company Services as part of the policing services provided to those Municipalities, and that Member agrees to pay to the RCMP all amounts charged by the RCMP to that Municipality for such policing services and agrees to pay to the Company such Rates as allocated for use of the E-Comm Building which otherwise do not form part of policing services.~~

### **~~8.4 APPROPRIATION FOR PROVINCIAL GOVERNMENT~~**

~~Any obligation of the Provincial government to pay money under this Agreement is subject to an appropriation being available in the fiscal year of the Provincial government during which the payment becomes due.~~

## **9. RESTRICTIONS ON MEMBERS TRANSFERS**

### **9.1 RESTRICTIONS ON TRANSFER OF SHARES**

9.1.1 Each of the Members agrees that it will not sell, transfer, assign, mortgage, pledge, charge, hypothecate, encumber, alienate or otherwise dispose of, create a security interest in, grant an option on, or cease to be the holder of any Shares of the Company, or any right or interest therein at any time now or hereinafter held or owned by or for them (anyone of such actions being herein called a "transfer"), except that if a Municipality is amalgamating with another Municipality, the Shares of each of the Municipalities will be cancelled and one new Share will be issued in the name of the new amalgamated Municipality for each Designated Company Service then received or proposed to be received, upon that new Municipality executing an agreement to be bound by the terms of this Agreement, or except as otherwise approved by the directors.

9.1.2 Any actual, attempted or purported transfer by any Member of all or any part of its Share which does not comply with the provisions of this Agreement shall be void and of no effect.

## **10. WINDING UP OR DISSOLUTION**

### **10.1 WINDING UP OR DISSOLUTION**



If alternate sources are available for all of the services equivalent to the Company Services then being provided to the Members, and if adequate provision is made for the payment of all outstanding debts and liabilities of the Company and the consent of any major lenders to such winding up or dissolution is obtained, if such consent is required under the terms of any lending agreement with the Company, the Members holding Class A Shares and Class B Shares may, by special resolution passed by not less than ~~two-thirds~~ 75% of the votes ~~cast upon such resolution, attached to all Shares resolve to~~ wind up or dissolve the Company in accordance with the provisions of the *Business Corporations Act* and ~~to~~ dispose of the property, equipment and assets of the Company as provided in this Agreement.

## 10.2 DISPOSITION OF PROPERTY

In the event of a winding up or dissolution of the Company pursuant to Section 10.1 hereof, the property, equipment and assets owned and leased by the Company shall be disposed of in the following manner and the Members shall vote to dispose of the property, equipment and assets in the following manner:

- 10.2.1 all property, equipment or assets owned or leased by the Company and assigned for the exclusive use of any one Member or any one Special User (the "Purchasing Party") may be purchased from the Company by the Purchasing Party at the fair market value thereof. The President, with the assistance of consultants or otherwise, shall establish a fair market value to such property, equipment or assets and shall advise the Purchasing Party, by written notice, of the fair market value as established. The Purchasing Party may within ten days of receipt of that notice from the President, dispute the fair market value by notice in writing to the President, in which event within five days of that written notice the President and the Purchasing Party shall agree to appoint a valuator, knowledgeable in the valuation of the property, assets or equipment being purchased, to establish the fair market value. The determination of the valuator, which shall be made within twenty days of the appointment of the valuator, will be final and binding on the Company and the Purchasing Party. The costs of any valuation will be borne by the Purchasing Party and the Company, jointly. Any payment made by a Member hereunder shall be applied by the Company to reduce the debt incurred to purchase that equipment;
- 10.2.2 all property, assets and equipment owned or leased by the Company and not purchased under Section 10.2.1 shall be offered by the President, in blocks as determined by the President, to all Members holding Class A Shares and all Special Users, pursuant to an auction. The President shall have full authority to establish the rules for and operate any such auction; and
- 10.2.3 any property, equipment and assets owned or leased by the Company and not disposed for pursuant to Section 10.2.1 and 10.2.2 may be sold or disposed of by the President or such other person as determined by the President.

## 10.3 DISTRIBUTION OF MONIES

All monies realized by the Company on the disposition pursuant to Section 10.2 shall:

10.3.1 firstly, be used to satisfy all debts and liabilities of the Company; and

10.3.2 secondly, be distributed in the manner provided in Article 25.3 of the Articles.

## **11. WITHDRAWAL BY ANY MEMBER**

### **11.1 WITHDRAWAL BY ANY ONE MEMBER**

Any Member may cease to be a Member of the Company by giving prior written notice (the "Notice") of its desire to cease to be a Member, in which event:

11.1.1 the date (the "Withdrawal Date") on which such Member ceases to be a Member (the "Withdrawing Member") shall be the end of the year next following the year in which the Notice is received by the Company;

11.1.2 such Member shall be obligated to pay to the Withdrawal Date as requested by the Company as a Rate, the share of the Member's obligation to any long-term capital obligations, including any lease obligations, or repayments thereof committed to by the Company up to the Withdrawal Date;

11.1.3 the Company will determine to transfer to the Member all user equipment used by that Member which has been paid for by the Member; and

11.1.4 upon receipt by the Company of the payment required in Section 11.1.2, the Member shall surrender the Share held by it for cancellation and that Member shall cease to be a Member.

### **11.2 SPECTRA ON WITHDRAWAL**

Any radio spectra held by the Company at the time of withdrawal shall not be available for use by a Withdrawing Member.

## **12. TERMINATION**

### **12.1 TERMINATION**

This Agreement shall terminate upon:

12.1.1 the completion of the winding-up or dissolution of the Company; or

12.1.2 the agreement of a simple majority of the Members, provided that the Members shall not be permitted to agree to terminate the Agreement unless all debts and liabilities of the Company have been provided for or such termination is otherwise and unless permitted by law under the ECC Act.

## **13. CONFIDENTIALITY**

### **13.1 NON-DISCLOSURE OF CONFIDENTIAL INFORMATION**

The Members acknowledge the provisions of Section 9 of the *ECC Act*. The obligations of the Members and the Company under this Article 13 are subject to the applicable provisions of the *ECC Act* and the *Freedom of Information and Protection of Privacy Act* (British Columbia). The Members shall, and shall ensure that all of their respective officials and employees shall, hold all Confidential Information of any kind or nature acquired in their course of dealing with the Company, with each other or one or more Special Users in the Company or in their capacity as Members in confidence and shall use such Confidential Information solely for purposes related to their capacity as Members. The Members shall not, and shall ensure that their respective employees shall not, disclose any such Confidential Information at any time or otherwise make use of such Confidential Information for any purpose other than as Members.

## **14. GENERAL**

### **14.1 APPLICABILITY**

Except as otherwise expressly provided in this Agreement, this Agreement applies to each Member only so long as the Member holds Shares in the Company.

### **14.2 PRECEDENCE**

The Members shall be governed by the provisions of the *ECC Act*, ~~the Notice of Articles~~, the Articles, the *Business Corporations Act* and this Agreement. In the event of any inconsistency among the provisions of any such documents, to the extent permitted by law and subject to the *ECC Act*, the provisions of this Agreement will take precedence and bind the parties and in particular the Members agree that the specific provisions of this Agreement shall override those general provisions in the Articles.

### **14.3 AMENDMENTS**

Subject to the provisions of the *ECC Act*, this Agreement may be amended by a simple majority resolution agreement in writing of ~~the~~ Members holding ~~50% or more of the~~ Class A Shares except for those provisions as specifically set forth herein.

### **14.4 ASSIGNMENT**

This Agreement may not be assigned by any Member except as provided for specifically herein.

### **14.5 COUNTERPARTS; FACSIMILE**

This Agreement may be executed in any number of counterparts with the same effect as if all parties had all signed the same document. All counterparts will be construed together and will constitute one and the same agreement. This Agreement may be executed by the parties and transmitted by facsimile transmission and if so executed and transmitted this Agreement will be for all purposes as effective as if the parties had delivered an executed original Agreement.

### **14.6 ENTIRE AGREEMENT**

This Agreement, including the Schedules hereto and the agreements referred to herein, constitutes the entire Agreement between the parties hereto related to their membership in the Company, it being understood that additional agreements may be entered into relating to equipment and use thereof, use and access to information which may be restricted and other matters as required. ~~There are not and shall not be any verbal statements, representations,~~

warranties, undertakings or agreements between the parties and this Agreement may not be amended or modified in any respect except by written instruments signed by all of the parties hereto.

#### **14.7 ENUREMENT**

This Agreement shall enure to the benefit of and be binding on the respective successors, executors, administrators and permitted assigns of each of the Members and the Company.

#### **14.8 FURTHER ASSURANCES**

The Members shall execute such further assurances and other documents and instruments and do such further and other things as may be necessary to implement and carry out the intent of this Agreement. Each of the Members agrees that it will vote and act at all times as a shareholder of the Company and in all other respects use its best efforts and take all steps as may be reasonable within its powers so as to cause the Company to act in the manner contemplated by the provisions of this Agreement and so as to implement to their full extent the provisions of this Agreement (including the entering into of agreements by the Company with one or more of the parties hereto or other persons).

#### **14.9 NO PARTNERSHIP**

Nothing in this Agreement shall be deemed in any way or for any purpose to constitute any party a partner of any party hereto in the conduct of any business or otherwise or a member of a joint venture or a joint enterprise with any other party hereto.

#### **14.10 NOTICE**

A notice, statement or report may be given or delivered by the Company to any Member by delivery to it personally or by sending it by mail or by facsimile to the Member at its address as recorded in the Company's central securities register or by any other means permitted by the *Business Corporations Act*. Where a notice, statement or report is sent by mail, service or delivery of the notice, statement or report shall be deemed to be effected by properly addressing, prepaying and mailing the notice, statement or report and to have been given on the day, Saturdays, Sundays and holidays excepted, following the date of mailing or the date of sending same by facsimile. Where the notice, statement or report is sent by any other means permitted by the *Business Corporations Act*, service or delivery of the notice, statement or report shall be deemed to have been given at the time therefor specified in that Act. A certificate signed by the Secretary or other officer of the Company or of any other corporation acting in that behalf for the Company that the letter, envelope or wrapper containing the notice, statement or report was so addressed, prepaid and mailed shall be conclusive evidence thereof.

#### **14.11 TIME OF THE ESSENCE**

Time shall be of the essence of this Agreement and the transactions contemplated hereby.

#### **14.12 WAIVER**

No provision of this Agreement shall be deemed to be waived unless such waiver is in writing. Any waiver of any default by any party hereto in the observance or of the

performance of any part of this Agreement shall not extend to or be taken in any manner to affect any other default.

#### **14.13 RESTATEMENT OF ORIGINAL AGREEMENT**

This Agreement is an amended and restated version of the Current Agreement. This Agreement reflects a restatement of the Current Agreement, as amended, as at July 1, 2021~~10~~.

**SCHEDULE A**  
**ARTICLES OF THE COMPANY**

Incorporation No. 550595

**BUSINESS CORPORATIONS ACT ARTICLES**  
**OF**  
*E-COMM EMERGENCY COMMUNICATIONS*  
*FOR ~~SOUTHERN~~ BRITISH COLUMBIA INCORPORATED*

**INCORPORATED TABLE OF CONTENTS**

PART 1 INTERPRETATION.....	1
PART 2 SHARES AND SHARE CERTIFICATES .....	3
PART 3 ISSUE OF SHARES.....	4
PART 4 SHARE REGISTERS .....	4
PART 5 TRANSFER AND TRANSMISSION OF SHARES.....	<del>45</del>
PART 6 ALTERATION OF AUTHORIZED SHARE STRUCTURE.....	5
PART 7 PURCHASE OF SHARES.....	6
PART 8 BORROWING POWERS .....	6
PART 9 MEETINGS OF SHAREHOLDERS .....	7
PART 10 PROCEEDINGS AT MEETINGS OF SHAREHOLDERS .....	8
PART 11 VOTES OF MEMBERS .....	10
PART 12 DIRECTORS .....	12
PART 13 ELECTION AND REMOVAL OF DIRECTORS.....	12
PART 14 POWERS AND DUTIES OF DIRECTORS .....	<del>13</del> <del>14</del>
PART 15 DISCLOSURE OF INTEREST OF DIRECTORS.....	14
PART 16 PROCEEDINGS OF DIRECTORS.....	15
PART 17 COMMITTEES .....	16
PART 18 OFFICERS .....	17
PART 19 DIVIDENDS AND DISTRIBUTIONS.....	<del>17</del> <del>18</del>

PART 20 DOCUMENTS, RECORDS AND REPORTS.....	18
PART 21 NOTICES .....	18
PART 22 SEAL.....	19
PART 23 SPECIAL RIGHTS AND RESTRICTIONS ATTACHING TO CLASS A SHARES AND CLASS B SHARES .....	<del>19</del> 20
PART 24 PROHIBITIONS .....	20
PART 25 RESTRICTIONS .....	20



**BUSINESS CORPORATIONS ACT ARTICLES**  
**OF**  
**E-COMM Emergency Communications**  
**for Southwest British Columbia Incorporated**  
**(the “Company”)**

**PART 1**  
**INTERPRETATION**

1.1 In these Articles, unless there is something in the subject or context inconsistent therewith:

- (a) “Board” and “the Directors” or “the directors” mean the Directors of the Company for the time being;
- (b) “Business Corporations Act” means the *Business Corporations Act* of the Province of British Columbia as from time to time enacted and all amendments thereto and includes the regulations made pursuant thereto;
- (c) “Class A Shares” mean the Class A Shares of the Company having special rights and restrictions as set forth in Article 23 hereof;
- (d) “Class B Shares” mean the Class B Shares without par value of the Company having special rights and restrictions as set forth in Article 23 hereof;
- (e) “Company Services” mean the holding, management and allocation of radio spectra; the provision of radio communications; the management and maintenance of radio systems and related infrastructure and equipment; the provision of mobile data services; the provision of 911 and non-emergency call answering and call taking, switching and recording; the provision of alarm monitoring; the provision of dispatch services; the provision of emergency disaster communications; the provision of emergency response communications; the provision of emergency management information systems; the maintenance of management information systems and other technology related to the delivery of emergency services; and any other services permitted under the ECC Act from time to time;
- (f) “Designated Company Service” means each of Police Services, Fire Services, Ambulance Services, and Municipal Services and such other general categories of Company Services as may be designated by the Board;

- (g) "E-Comm System" means the wide area radio system operated by the Company, including all rights, properties, infrastructure and equipment related thereto;
- (h) "ECC Act" means the Emergency Communications Corporations Act of the Province of British Columbia as from time to time enacted and all amendments thereto and includes the regulations made pursuant thereto;
- (i) "entity" means a municipality, a regional district, the provincial government or the federal government or a government agency or an emergency service agency, as defined in the ECC Act;
- (j) "month" means calendar month;
- (k) "Members" means any person who becomes a shareholder for as long as any such person holds Shares in the Company;
- (l) "Members' Agreement" means an agreement entered into among all of the Members relating to the operation of the Company and the relationship of the Members as approved by the Minister under the ECC Act, as amended from time to time;
- (m) "Notice of Articles" means the notice of articles of the Company filed with the Registrar under the Business Corporations Act, as amended from time to time;
- (n) "registered owner" or "registered holder" when used with respect to a share in the authorized share structure of the Company means the person registered in the central securities register in respect of such share;
- (o) "Registrar" means the Registrar of Companies for the Province of British Columbia or other authorized person performing his duties as Registrar under the Business Corporations Act;
- (p) "seal" means the common seal of the Company; and
- (q) "Shares" means the Class A Shares and the Class B Shares; and

~~"Territory" means the geographic area within which a service is or is capable of being provided by the E-Comm System to a Member or to any person contracting with the Company at a particular point in time.~~

1.2 Expressions referring to writing shall be construed as including references to printing, lithography, typewriting, photography and other modes of representing or reproducing words in a visible form.

1.3 Words importing the singular include the plural and vice versa; and words importing male persons include female persons and words importing persons shall include corporations.

1.4 The meaning of any words or phrases defined in the Business Corporations Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

1.5 The Rules of Construction contained in the Interpretation Act (British Columbia) shall apply, mutatis mutandis, to the interpretation of these Articles.

1.6 The Members shall be governed by the provisions of the ECC Act, the Notice of Articles, these Articles, the Business Corporations Act and the Members' Agreement. In the event of any inconsistency among the provisions of any such documents, to the extent permitted by law and subject to the ECC Act, the provisions of the Members' Agreement will take precedence and bind the parties and in particular the Members agree that the specific provisions of the Members' Agreement shall override those general provisions in these Articles.

## **PART 2**

### **SHARES AND SHARE CERTIFICATES**

2.1 Every Member is entitled, without charge, to one certificate representing the share held by it; and delivery of a certificate for a share to it or its duly authorized agent shall be sufficient delivery to it. Any share certificate may be sent through the mail by registered prepaid mail to the Member entitled thereto, and the Company shall not be liable for any loss occasioned to the Member owing to any such share certificate so sent being lost in the mail or stolen.

2.2 If a share certificate:

- (a) is worn out or defaced, the Directors shall, upon production to them of the said certificate and upon such other terms, if any, as they may think fit, order the said certificate to be cancelled and shall issue a new certificate in lieu thereof; or
- (b) is lost, stolen or destroyed, then, upon proof thereof to the satisfaction of the Directors and upon such indemnity, if any, as the Directors deem adequate being given, a new share certificate in lieu thereof shall be issued to the person entitled to such lost, stolen or destroyed certificate.

Such sum, not exceeding the amount specified in the Business Corporations Act, as the Directors may from time to time fix, shall be paid to the Company for each certificate to be issued under this Article.

2.3 Every share certificate shall be signed manually by at least one officer or Director of the Company, and any additional signatures may be printed or otherwise mechanically reproduced and, in such event, a certificate so signed is as valid as if signed manually, notwithstanding that any person whose signature is so printed or mechanically reproduced shall have ceased to hold the office that the officer or Director is stated on such certificate to hold at the date of the issue of the share certificate.

2.4 Except as required by law, statute or these Articles, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or in any fractional part of a share or (except only as by law, statute or these Articles provided or as ordered by a court of

competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof by its registered holder.

### **PART 3**

#### **ISSUE OF SHARES**

3.1 Subject to Articles 3.2 and 3.3, the Notice of Articles and any direction to the contrary contained in a resolution passed at a meeting of shareholders authorizing any increase or alteration of the authorized share structure, the shares shall be under the control of the Directors who may, subject to the rights of the holders of the shares of the Company for the time being outstanding, issue, allot, sell, otherwise dispose of, or otherwise deal in, shares authorized but not outstanding, at such times, to such persons, in such manner, upon such terms and conditions, and at such price or for such consideration, as they may determine, subject as hereinafter provided.

3.2 Except as otherwise permitted by the Business Corporations Act, no share may be issued until it is fully paid and the Company shall have received the full consideration therefor in cash.

3.3 Class A Shares and Class B Shares may be issued to such entities as permitted in the ECC Act and permitted in the Members' Agreement, in the manner provided in the Members' Agreement.

3.4 Members receiving Class A Shares may subscribe for and receive one Class A Share for each Designated Company Service it has agreed to receive from the Company.

3.5 Members receiving Class B Shares may subscribe for and receive one Class B Share for each Designated Company Service proposed to be received by it from the Company.

3.6 Concurrent with the issuance of a Class A Share or a Class B Share to a Member, the Member shall enter into the Members' Agreement with the Company and the other Members.

### **PART 4**

#### **SHARE REGISTERS**

4.1 The Company shall keep or cause to be kept within British Columbia a separate central securities register for each class of shares, as required by the Business Corporations Act.

4.2 Unless prohibited by the Business Corporations Act, the Company may keep or cause to be kept one or more branch securities registers at such place or places as the Directors may from time to time determine.

4.3 The Company shall not at any time close its central securities register.

### **PART 5**

#### **TRANSFER AND TRANSMISSION OF SHARES**

5.1 None of the Shares of the Company are transferable and no Member may transfer any of its Shares in any manner whatsoever.

5.2 The trustee or trustee in bankruptcy of a Member, although not a Member, shall have the same rights, privileges and obligations that attach to the shares held by the Member if the documents required by the Business Corporations Act shall have been deposited with the Company.

5.3 Any person becoming entitled to a share as a trustee or trustee in bankruptcy of a Member, upon such documents and evidence being deposited with the Company as the Business Corporations Act requires, or who becomes entitled to a share as a result of an order of a Court of competent jurisdiction or a statute, has the right to be registered as a Member in such person's representative capacity in respect of such share.

## **PART 6**

### **ALTERATION OF AUTHORIZED SHARE STRUCTURE**

6.1 The Company may, by passing an ordinary resolution and filing a notice of alteration with the Registrar, amend its Notice of Articles to increase the authorized share structure of the Company by:

- (a) creating shares with par value or shares without par value, or both;
- (b) increasing the number of shares with par value or shares without par value, or both; or
- (c) increasing the par value of a class of shares with par value, if no shares of that class are issued.

6.2 The Company may, by passing a special resolution and filing a notice of alteration with the Registrar, alter its Notice of Articles to subdivide, consolidate, change from shares with par value to shares without par value, or from shares without par value to shares with par value, or change the designation of all or any of its shares but only to such extent, in such manner and with such consents of Members holding a class or series of shares which is the subject of or affected by such alteration, as the *Business Corporations Act* provides.

6.3 The Company may alter its Notice of Articles or these Articles:

- (a) by special resolution, to create, define and attach special rights or restrictions to any shares; and
- (b) by special resolution and by otherwise complying with any applicable provision of these Articles, to vary or abrogate any special rights and restrictions attached to any shares, and in each case by depositing the special resolution at its records office, and filing a notice of alteration with the Registrar, but no right or special right attached to any issued shares shall be prejudiced or interfered with unless, if the right or special right prejudiced or interfered with is attached to a class of shares, Members holding shares of that class consent by a separate resolution of the Members of that class, passed by a majority of not less than 75% of the votes cast, or by such greater majority as may be specified by the special rights and restrictions attached to the class.

Notwithstanding the foregoing provisions of this Part, no such alteration shall be valid as to any part of the issued shares of any class unless the holders of the issued shares of such



class not being changed either all consent thereto in writing or, at a separate class meeting, consent thereto by a resolution passed by the votes of Members holding in the aggregate not less than 75% of the shares not being changed of that class.

6.4 Subject to the provisions of the Business Corporations Act, unless specified otherwise in these Articles or in the special rights and restrictions attached to any class of shares, the provisions of these Articles relating to meetings of shareholders shall apply, with the necessary changes and so far as they are applicable, to a class meeting of Members holding a particular class or series of shares.

## **PART 7**

### **PURCHASE OF SHARES**

7.1 Subject to the special rights and restrictions attached to any class of Shares, the Company may, by a resolution of the Directors and in compliance with the Business Corporations Act, purchase any of its shares at a price not exceeding the amount paid up on the issue of such shares.

7.2 No such purchase shall be made if the Company is insolvent at the time of the proposed purchase or if the proposed purchase would render the Company insolvent.

7.3 Subject to the provisions of the Business Corporations Act, any shares purchased by the Company shall be cancelled and may be reissued.

## **PART 8**

### **BORROWING POWERS**

8.1 The Directors may from time to time on behalf of the Company:

- (a) borrow money in such manner and amount, on such security, from such sources and upon such terms and conditions as they think fit;
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person; and
- (c) mortgage, charge, whether by way of a security interest, a specific or floating charge, or give other security on the undertaking, or on the whole or any part of the property and assets of the Company (both present and future).

8.2 Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for other securities, attending and voting at meetings of shareholders of the Company, appointment of Directors or otherwise and may by their terms be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the Directors may determine.

8.3 Every bond, debenture or other debt obligation of the Company shall be signed manually by at least one Director or officer of the Company or by or on behalf of a trustee, registrar, branch registrar, transfer agent or branch transfer agent for the bond, debenture or other debt obligation appointed by the Company or under any instrument under which the



bond, debenture or other debt obligation is issued and any additional signatures may be printed or otherwise mechanically reproduced thereon and, in such event, a bond, debenture or other debt obligation so signed is as valid as if signed manually notwithstanding that any person whose signature is so printed or mechanically reproduced shall have ceased to hold the office that he is stated on such bond, debenture or other debt obligation to hold at the date of the issue thereof.

## **PART 9**

### **MEETINGS OF SHAREHOLDERS**

9.1 Subject to any extensions of time permitted pursuant to the Business Corporations Act, the first annual general meeting of the Company shall be held within fifteen months from the date of incorporation and thereafter an annual general meeting shall be held once in every calendar year at such time (being not more than fifteen months after the date on which the last preceding annual general meeting was held or the date on which it was deemed to have been held in accordance with Article 9.2, whichever is later) and place as may be determined by the Directors.

9.2 If all the Members entitled to attend and vote at an annual general meeting consent in writing to all the business which is required or desired to be transacted at the meeting, the meeting shall be deemed to have been held on the date specified in the consent and it is not necessary that the meeting be held. The Members must, in any unanimous resolution passed under this Article, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

9.3 All general meetings other than annual general meetings are herein referred to as and may be called extraordinary general meetings.

9.4 The Directors may, whenever they think fit, convene an extraordinary general meeting. An extraordinary general meeting, if requisitioned in accordance with the Business Corporations Act or if called in accordance with the Members' Agreement, shall be convened by the Directors or, if not convened by the Directors, may be convened by the requisitionists as provided in the Business Corporations Act.

9.5 The Company must send notice of the date, time and location of any meeting of shareholders, and, in the case of special business, the general nature of that business, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each Member entitled to attend the meeting, to each director and to the Auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any Member shall not invalidate the proceedings at that meeting.

9.6 All the Members of the Company entitled to attend and vote at a meeting of shareholders may, by unanimous consent in writing given before, during or after the meeting,

or if they are present at the meeting by a unanimous vote, waive or reduce the period of notice of such meeting and an entry in the minute book of such waiver or reduction shall be sufficient evidence of the due convening of the meeting.

9.7 Except as otherwise provided by the Business Corporations Act, where any special business at a meeting of shareholders includes considering, approving, ratifying, adopting or authorizing any document or the execution thereof or the giving of effect thereto, the notice convening the meeting shall, with respect to such document, be sufficient if it states that a copy of the document or proposed document is or will be available for inspection by Members:

- (a) at the registered office or records office of the Company or at some other place in British Columbia designated in the notice during usual business hours up to the date of such meeting of shareholders; or
- (b) on a website maintained by or on behalf of the Company designated in the notice up to the date of such meeting of shareholders.

## **PART 10**

### **PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

10.1 All business shall be deemed special business which is transacted at:

- (a) a meeting of shareholders that is not an annual general meeting other than the conduct of and voting at such meeting; and
- (b) an annual general meeting, with the exception of the conduct of, and voting at, such meeting, the consideration of the financial statement and of the respective reports of the Directors and Auditor, fixing or changing the number of directors, the appointment of the Auditor, the fixing of the remuneration of the Auditor and such other business as by these Articles or the Business Corporations Act may be transacted at a meeting of shareholders without prior notice thereof being given to the Members or any business which is brought under consideration by the report of the Directors.

10.2 No business other than election of the chair or the adjournment of the meeting of shareholders shall be transacted at any meeting of shareholders unless a quorum of Members entitled to attend and vote is present at the commencement of the meeting, but the quorum need not be present throughout the meeting.

10.3 Except as otherwise provided in these Articles, a quorum for a meeting of shareholders shall be two persons present and being, or representing by proxy, Members holding not less than 20% of the outstanding Class A Shares or other Shares entitled to be voted at the meeting. The Directors, any officer of the Company and the solicitor of the Company shall be entitled to attend at any meeting of shareholders but no such person shall be counted in the quorum or be entitled to vote at any meeting unless that person shall be a Member or proxyholder entitled to vote thereat.

10.4 If within half an hour from the time appointed for a meeting of shareholders a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the

same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the person or persons present and being, or representing by proxy, a Member or Members entitled to attend and vote at the meeting shall be a quorum.

10.5 The Chair of the Board shall be entitled to preside as chair at every meeting of shareholders of the Company.

10.6 If at any meeting of shareholders the Chair of the Board is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chair, the Directors present shall choose one of their number to be chair or if all the Directors present decline to take the chair or shall fail to so choose or if no Director be present, the Members present shall choose one of their number to be chair.

10.7 The chair may, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice, shall be given as in the case of an original meeting. Except as set forth in this Article, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

10.8 No motion proposed at a meeting of shareholders need be seconded and the chair may propose or second a motion.

10.9 Subject to the provisions of the Business Corporations Act, at any meeting of shareholders a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is directed by the chair or demanded by at least one Member entitled to vote who is present in person or by proxy. The chair shall declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, and such decision shall be entered in the book of proceedings of the Company. A declaration by the chair that a resolution has been carried, or carried unanimously, or by a particular majority, or lost or not carried by a particular majority and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

10.10 In the case of an equality of votes, whether on a show of hands or on a poll, the chair of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which the chair may be entitled as a Member.

10.11 No poll may be demanded on the election of a chair. A poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken, as soon as, in the opinion of the chair, is reasonably convenient, but in any event within seven days and at such time and place and in such manner as the chair of the meeting directs. The result of the poll shall be deemed to be the resolution of and passed at the meeting at which the poll was demanded. Any business other than that upon which the poll has been demanded may be proceeded with pending the taking of the poll. A demand for

a poll may be withdrawn. In any dispute as to the admission or rejection of a vote the decision of the chair made in good faith shall be final and conclusive.

10.12 Every ballot cast upon a poll and every proxy appointing a proxyholder who casts a ballot upon a poll shall be retained by the Secretary for such period and be subject to such inspection as the Business Corporations Act may provide.

10.13 On a poll a person entitled to cast more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

## **PART 11**

### **VOTES OF MEMBERS**

11.1 The majority of votes required to pass a special resolution at a meeting of shareholders is not less than two-thirds ~~75%~~ of the votes cast on the resolution.

11.2 Subject to any special voting rights or restrictions attached to any class of shares on a show of hands every Member or its proxyholder who is present and entitled to vote at the meeting of shareholders shall have one vote and on a poll every Member shall have one vote for each share of which he is the registered holder and may exercise such vote either in person or by proxyholder.

11.3 Any entity which is a Member of the Company may authorize such person as it thinks fit to act as its representative at any meeting of shareholders. The person so authorized shall be entitled to exercise in respect of and at such meeting the same powers on behalf of the entity which the person represents as that entity could exercise if it were a Member of the Company personally present, including, without limitation, the right, unless restricted, to appoint a proxyholder to represent such municipality, person or organization and shall be counted for the purpose of forming a quorum if present at the meeting of shareholders. Evidence of the appointment of any such representative may be sent to the Company, if required or requested by the Company, in writing and may be delivered by mail, facsimile, electronic mail or any other method of transmitting legibly recorded messages. Notwithstanding the foregoing, an entity being a Member may appoint a proxyholder.

11.4 Member holding a share in respect of which it is entitled to vote shall be entitled to appoint a proxyholder to attend, act and vote for it on the same occasion. A Member may also appoint one or more alternate proxyholders to act in the place and stead of an absent proxyholder.

11.5 A form of proxy shall be in writing under the hand of the appointor or of the Member's attorney duly authorized in writing, or, if the appointor is an entity under the hand of a duly authorized signing authority or attorney. A proxyholder need not be a Member of the Company.

11.6 A form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) or such lesser period as the Directors may from time to time determine before the time for holding the meeting in respect of which the person named in the instrument is appointed. In addition to



any other method of depositing proxies provided for in these Articles, the Directors may from time to time by resolution make regulations relating to the depositing of proxies at any place or places and fixing the time or times for depositing the proxies, which time or times, if the Company is or becomes a reporting company, shall not exceed 48 hours (excluding Saturdays, Sundays and holidays) preceding the meeting or adjourned meeting specified in the notice calling a meeting of Members, and providing for particulars of such proxies to be sent to the Company or any agent of the Company in writing or by letter, facsimile or any method of transmitting legibly recorded messages so as to arrive before the commencement of the meeting or adjourned meeting at the office of the Company or of any agent of the Company appointed for the purpose of receiving such particulars and providing that proxies so deposited may be acted upon as though the proxies themselves were deposited as required by this Part and votes given in accordance with such regulations shall be valid and shall be counted.

11.7 A vote given in accordance with the terms of a proxy is valid notwithstanding the revocation of the proxy or of the authority under which the form of proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no notification in writing of such revocation shall have been received at the registered office of the Company or by the chair of the meeting or adjourned meeting for which the proxy was given before the vote is taken.

11.8 Every proxy may be revoked by an instrument in writing:

- (a) executed by the Member giving the same or by its attorney authorized in writing or, where the Member is an entity, by a duly authorized signing authority or attorney of the entity; and
- (b) delivered either at the registered office of the Company at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used, or to the chair of the meeting on the day of the meeting or any adjournment thereof, before any vote in respect of which the proxy is to be used shall have been taken;

or in any other manner provided by law.

11.9 Notwithstanding any other provision of these Articles:

any amendment to Articles 3.3, 3.4, 3.5, 12.1, 13.6, 19.1, 19.2, or 25.1 or any winding-up or dissolution of the Company ~~or such other matter as specifically provided in the Members' Agreement requiring approval by a vote of not less than 75% of the votes attached to all shares held by all of the Members,~~ shall require the approval by a majority of not less than 2/3 75% of the votes cast by attached to Members holding the Class A Shares and the Class B Shares outstanding on the date of the vote; and

such other issues as specifically provided in the Members' Agreement requiring approval by a vote of not less than two-thirds of the votes attached to all shares held by all of the Members, shall require the approval by a majority of not less than two-thirds of the votes cast by Members holding attached to all Class A Shares and Class B Shares outstanding on the date of the vote, together with such other approvals as set forth in the Members' Agreement.

## **PART 12**

### **DIRECTORS**

12.1 The number of Directors shall not be less than 3 nor more than 25 and the number of Directors may be fixed by ordinary resolution of the Members. The number of Directors and the persons to be elected as Directors shall be as determined in the manner provided in the Members' Agreement.

12.2 The Member or Members entitled to designate Directors for election pursuant to the Members' Agreement shall notify the Company not less than 7 days prior to each annual meeting of the Company or date for any annual consent resolution at which the respective appointment is to be effective, of the identity of the respective appointees by such Members to be Director, if any such appointees are to be changed at the annual meeting.

12.3 The Directors may receive such remuneration as such may from time to time be determined by the Directors. The Directors shall be repaid such reasonable travelling, hotel and other expenses as they incur in and about the business of the Company.

12.4 A Director shall not be required to hold a share of the Company as qualification for the holding of that office but shall be qualified as required by the Business Corporations Act, to become or act as a Director.

## **PART 13**

### **ELECTION AND REMOVAL OF DIRECTORS**

13.1 At each annual general meeting of the Company all the Directors shall retire and the Members entitled to vote thereat shall elect a Board of Directors consisting of the number of Directors to be appointed for the time being as set forth in these Articles and as determined under Article 12.1 and the Members' Agreement. If the business to be transacted at any annual general meeting is consented to in writing by all the Members who are entitled to attend and vote thereat such annual general meeting shall be deemed for the purpose of this Part to have been held on such written consent becoming effective.

13.2 A retiring Director shall be eligible for re-election.

13.3 Where the Company fails to hold an annual general meeting in accordance with the Business Corporations Act, the Directors then in office shall be deemed to have been elected or appointed as Directors on the last day on which the annual general meeting could have been held pursuant to these Articles and they may hold office until other Directors are appointed or elected or until the day on which the next annual general meeting is held.

13.4 If at any meeting of shareholders at which there should be an election of Directors, the places of any of the retiring Directors are not filled by such election, such of the retiring Directors who are not re-elected as may be requested by the newly-elected Directors shall, if willing to do so, continue in office to complete the number of Directors for the time being fixed pursuant to these Articles until further new Directors are elected at a meeting of shareholders convened for the purpose. If any such election or continuance of Directors results in the election or continuance of less than the number of Directors for the time being fixed pursuant to these Articles such number shall be fixed at the number of Directors actually elected or continued in office.



13.5 Any casual vacancy occurring in the Board of Directors may be filled by the remaining Directors or Director in the manner provided in the Members' Agreement.

13.6 Between annual general meetings and for the purposes of complying with the Members' Agreement, the Directors shall have power to appoint as additional Directors up to one-third of the number of Directors elected or appointed at the last annual general meeting at which Directors were elected or appointed. Any Director so appointed shall hold office only until the next following annual general meeting of the Company, but shall be eligible for appointment by the Directors and so long as he or she is an additional Director the number of Directors shall be increased accordingly.

13.7 The office of Director shall be vacated if the Director:

- (a) resigns the office held by the Director by notice in writing delivered to the Company; or
- (b) resigns the office held by the Director by notice in writing delivered to a lawyer for the Company; or
- (c) is convicted of an indictable offence; or
- (d) ceases to be qualified to act as a Director pursuant to the Business Corporations Act.

13.8 The resignation of a Director pursuant to Article 13.7(a) or (b) takes effect on the later of:

- (a) the time the written notice is delivered to the Company or a lawyer for the Company; and
- (b) if the written resignation specifies that the resignation is to take effect at a specified date, on a specified date and time or on the occurrence of a specified event
  - (i) if a date is specified, the beginning of the specified date;
  - (ii) if a date and time is specified, the date and time specified; or
  - (iii) if an event is specified, the occurrence of the event.

13.9 Subject to the Members' Agreement, the Company may by special resolution remove any Director before the expiration of the period of office for which that Director is appointed, and may by an ordinary resolution appoint another person in his stead.

## **PART 14**

### **POWERS AND DUTIES OF DIRECTORS**

14.1 The Directors, unless otherwise set forth in the ECC Act, shall supervise the general management of the business and affairs of the Company and shall have the authority to exercise all such powers of the Company as are not, by the Business Corporations Act or by these Articles, required to be exercised by the Company in a meeting of shareholders, subject, nevertheless, to the provisions of the Members' Agreement, these Articles and all

laws affecting the Company and to any regulations, not inconsistent with these Articles, made from time to time by special resolution, but no such regulation shall invalidate any prior valid act of the Directors.

14.2 The Directors may from time to time by power of attorney or other instrument under the seal, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles and excepting the powers of the Directors relating to the constitution of the Board and of any of its committees and the appointment or removal of officers) and for such period, with such remuneration and subject to such conditions as the Directors may think fit, and any such appointment may be made in favour of any of the Directors, officers or Members of the Company or in favour of any corporation, or of any of the shareholders, directors, officers, nominees or managers of any corporation, firm or joint venture and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Directors think fit. Any such attorney may be authorized by the Directors to subdelegate all or any of the powers, authorities and discretions for the time being vested in such attorney.

#### **PART 15**

#### **DISCLOSURE OF INTEREST OF DIRECTORS**

15.1 (a) A Director who is, in any way, directly or indirectly interested in an existing or proposed contract or transaction with the Company shall disclose the nature and extent of that interest in accordance with the provisions of the Business Corporations Act.

(b) A Director who holds any office or possesses any property whereby, directly or indirectly, a duty or interest might be created in conflict with that Director's duty or interest as a Director, shall declare the fact, and the nature and extent of the conflict or potential conflict in accordance with the provisions of the Business Corporations Act.

15.2 A Director shall not vote in respect of any such contract or transaction with the Company in which that Director is interested and if the Director shall do so, that Director's vote shall not be counted, but that Director shall be counted in the quorum present at the meeting at which such vote is taken. This Article and Article 15.1(a) shall not apply in those circumstances where a Director is, under the provisions of the Business Corporations Act, deemed not to be interested in a proposed contract or transaction. The Company may not, by special resolution or otherwise, suspend the application of this Article and Article 15.1(a).

15.3 A Director may not hold any office or place of profit with the Company. No Director or intended Director shall contract with the Company, in any manner whatsoever, including either with regard to the tenure of any such other office or place of profit or as vendor, purchaser or otherwise, and, subject to compliance with the provisions of the Business Corporations Act, and any contract or transaction entered into by or on behalf of the Company in which a Director is in any way interested shall be liable to be voided by reason thereof.

15.4 Subject to compliance with the provisions of the Business Corporations Act, a Director or any corporation or firm in which a Director has an interest may act in a professional

capacity for the Company (except as Auditor of the Company) and the Director or such corporation or firm shall be entitled to remuneration for professional services as if that person were not a Director.

## **PART 16**

### **PROCEEDINGS OF DIRECTORS**

16.1 In the absence of the Chair of the Board, or if the Chair of the Board is not present within fifteen minutes of the time appointed for holding the meeting or is unwilling to act as chair, or if the Chair of the Board has advised the Secretary that the Chair of the Board will not be present at the meeting, the Directors present shall choose one of their number to be chair of the meeting.

16.2 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes except as specifically set forth in this Part or in the Members' Agreement. In case of an equality of votes the chair shall have a second or casting vote. Meetings of the Board held at regular intervals may be held at such place, or such time and upon such notice (if any) as the Board may by resolution from time to time determine or as set forth in the Members' Agreement.

16.3 A Director or any other person may participate in a meeting of the Board or of any committee of the Company by telephone or other communications medium by means of which all Directors participating in the meeting are able to communicate with each other and provided that such Directors attending the meeting agree to such participation. A Director or other person participating in a meeting in accordance with this Article shall be deemed to be present at the meeting and to have so agreed and shall be counted in the quorum therefor and be entitled to speak and vote thereat.

16.4 A Chair of the Board may, and the Secretary or an Assistant Secretary upon request of the Chair of the Board may call a meeting of the Board at any time. Reasonable notice of such meeting specifying the place, day and hour of such meeting shall be given by mail, postage prepaid, addressed to each of the Directors and alternate Directors at the Director's address as it appears on the books of the Company or by leaving it at the Director's usual business or residential address or by telephone, electronic mail or any method of transmitting legibly recorded messages. It shall not be necessary to give notice of a meeting of Directors to any Director or alternate Director if such meeting is to be held immediately following a meeting of shareholders at which such Director shall have been elected or is the meeting of Directors at which such Director is appointed. Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any Director or alternate Director shall not invalidate the proceedings at that meeting.

16.5 Any Director of the Company may file with the Secretary a document executed by the Director waiving notice of any past, present or future meeting or meetings of the Directors being, or required to have been, sent to the Director and may at any time withdraw such waiver with respect to meetings held thereafter. After filing such waiver with respect to future meetings and until such waiver is withdrawn no notice need be given to such Director and, unless the Director otherwise requires in writing to the Secretary, to the alternate Director of that Director of any meeting of Directors and all meetings of the Directors so held shall be

deemed not to be improperly called or constituted by reason of notice not having been given to such Director or alternate Director.

16.6 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and if not so fixed shall be a majority of the Directors.

16.7 The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or for summoning a meeting of shareholders of the Company, but for no other purpose, and any such increase shall be subject to the provisions of the Members' Agreement.

16.8 Subject to the provisions of the Business Corporations Act, all acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the qualification, election or appointment of any such Directors or of the Members of such committee or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly elected or appointed and was qualified to be a Director.

16.9 A resolution consented to in writing, whether by document, facsimile or any method of transmitting legibly recorded messages, by all of the Directors entitled to vote thereon shall be as valid and effective as if it had been passed at a meeting of the Directors that satisfies all the requirements of the Business Corporations Act and these Articles. Such resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the Directors and shall be effective on the date stated thereon or on the latest date stated on any counterpart.

## **PART 17**

### **COMMITTEES**

17.1 The Directors may by resolution appoint one or more committees consisting of such member or members of their body as they think fit for such duties provided that the Directors may not delegate any of their duties to such committee, and subject to such conditions as may be prescribed in such resolution, and all committees so appointed shall keep regular minutes of their transactions and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board of Directors at such times as the Board of Directors may from time to time require. The Directors shall also have power at any time to revoke or override any authority given to or acts to be done by any such committees except as to acts done before such revocation or overriding and to terminate the appointment or change the membership of a committee and to fill vacancies in it. Committees may make rules for the conduct of their business and may appoint such assistants as they may deem necessary. A majority of the members of a committee shall constitute a quorum thereof.

17.2 There shall be Services Committees of the Company for each of the Designated Company Services and a User Committee, all of which shall be appointed in the manner provided in the Members' Agreement.



17.3 Any committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members of the committee present, and in case of an equality of votes the chair shall not have a second or casting vote. A resolution consented to in writing, whether by document, facsimile or any method of transmitting legibly recorded messages, by all the members of the committee entitled to vote thereon shall be as valid and effective as if it had been passed at a meeting of such committee that satisfies all the requirements of the Business Corporations Act and these Articles. Such resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.

## **PART 18**

### **OFFICERS**

18.1 The Directors shall, from time to time, appoint a Chair of the Board, who shall be a Director appointed as contemplated in Article 13.6 hereof, a President and a Secretary and such other officers, if any, as the Directors shall determine and the Directors may, at any time, terminate any such appointment. No officer shall be appointed unless he is qualified in accordance with the provisions of the Business Corporations Act. The President and the Secretary shall not be Directors.

18.2 One person may hold more than one of such offices except that the offices of President and Secretary must be held by different persons. The remuneration of the officers of the Company as such and the terms and conditions of their tenure of office or employment shall from time to time be determined by the Directors. The President of the Company will manage the day-to-day operations of the Company, consult with the User Committee and the Services Committees, perform the functions of the President set out in the Members' Agreement and carry out other functions or duties as required, requested or delegated by the Board of Directors. The Directors may decide what functions and duties each officer shall perform and may entrust to and confer upon him any of the powers exercisable by them upon such terms and conditions and with such restrictions as they think fit and may from time to time revoke, withdraw, alter or vary all or any of such functions, duties and powers. The Secretary shall perform the functions of the Secretary specified in these Articles and the Members' Agreement and will carry out other functions or duties as required, requested or delegated by the Board of Directors.

18.3 Every officer of the Company who holds any office or possesses any property whereby, whether directly or indirectly, duties or interests might be created in conflict with his duties or interests as an officer of the Company shall, in writing, disclose to the President the fact and the nature and extent of the conflict.

## **PART 19**

### **DIVIDENDS AND DISTRIBUTIONS**

19.1 No dividend shall be declared or paid on, and no distribution shall be made in respect of, any Share of the Company to a Member of the Company as such.

19.2 The Members waive all rights under the Business Corporations Act or otherwise howsoever to receive as Members with respect to any Shares held by them, any of the property of the Company upon its liquidation or dissolution.

## **PART 20**

### **DOCUMENTS, RECORDS AND REPORTS**

20.1 The Company shall keep at its records office or at such other place as the Business Corporations Act may permit, the documents, copies, registers, minutes, and records which the Company is required by the Business Corporations Act to keep at its records office or such other place, as the case may be.

20.2 The Company shall cause to be kept proper books of account and accounting records in respect of all financial and other transactions of the Company in order properly to record the financial affairs and conditions of the Company and to comply with the Business Corporations Act.

20.3 The Directors shall from time to time at the expense of the Company cause to be prepared and laid before the Company in a meeting of shareholders such financial statements and reports as are required by the Business Corporations Act.

20.4 Every Member shall be entitled to be furnished once gratis on demand with a copy of the latest annual financial statement of the Company and, a copy of each such annual financial statement and interim financial statement shall be sent to each Member and to the minister under the ECC Act.

## **PART 21**

### **NOTICES**

21.1 A notice, statement or report may be given or delivered by the Company to any Member by delivery to it personally or by sending it by mail or by facsimile to the Member at its address as recorded in the central securities register or by any other means permitted by the Business Corporations Act. Where a notice, statement or report is sent by mail, service or delivery of the notice, statement or report shall be deemed to be effected by properly addressing, prepaying and mailing the notice, statement or report and to have been given on the day, Saturdays, Sundays and holidays excepted, following the date of mailing or the date of sending same by facsimile. Where the notice, statement or report is sent by any other means permitted by the Business Corporations Act, service or delivery of the notice, statement or report shall be deemed to have been given at the time therefor specified in that Act. A certificate signed by the Secretary or other officer of the Company or of any other corporation acting in that behalf for the Company !bat the letter, envelope or wrapper containing the notice, statement or report was so addressed, prepaid and mailed shall be conclusive evidence thereof.

21.2 A notice, statement or report may be given or delivered by the Company to any person entitled to a Share as a trustee or trustee in bankruptcy of a Member by sending it addressed to such person by name or by the title of the representative of the Member or by any like description, at the address (if any) supplied to the Company for the purpose by the person claiming to be so entitled, or (until such address has been so supplied) by giving the notice in a manner in which the same might have been given to the Member.



21.3 Notice of every meeting of shareholders shall be given in a manner hereinbefore authorized to every Member holding at the time of the issue of the notice or the date fixed for determining the Members entitled to such notice, whichever is the earlier, shares which confer the right to notice of and to attend and vote at any such meeting.

## **PART 22**

### **SEAL**

22.1 The Directors may provide a seal for the Company and, if they do so, shall provide for the safe custody of the seal which shall not be affixed to any instrument except in the presence of the following persons, namely:

- (a) any two Directors; or
- (b) one of the Chair of the Board, the President, a Director together with one of the Secretary or an Assistant Secretary; or
- (c) such person or persons as the Directors may from time to time by resolution appoint and such Directors, officers, person or persons in whose presence the seal is so affixed to an instrument shall sign such instrument. For the purpose of certifying under seal true copies of any document or resolution the seal may be affixed in the presence of any one of the foregoing persons.

22.2 To enable the seal of the Company to be affixed to any bonds, debentures, share certificates, or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the Directors or officers of the Company are, in accordance with the Business Corporations Act and/or these Articles, printed or otherwise mechanically reproduced there may be delivered to the firm or company employed to engrave, lithograph or print such definitive or interim bonds, debentures, share certificates or other securities one or more unmounted dies reproducing the Company's seal and the Chair of the Board, the President and the Secretary, or an Assistant Secretary, or a Director may by a document authorize such firm or company to cause the Company's seal to be affixed to such definitive or interim bonds, debentures, share certificates or other securities by the use of such dies. Bonds, debentures, share certificates or other securities to which the Company's seal has been so affixed shall for all purposes be deemed to be under and to bear the Company's seal lawfully affixed thereto.

22.3 The Company may have for use in any other province, state, territory or country an official seal which shall have on its face the name of the province, state, territory or country where it is to be used and all of the powers conferred by the Business Corporations Act with respect thereto may be exercised by the Directors or by a duly authorized agent of the Company.

## **PART 23**

### **SPECIAL RIGHTS AND RESTRICTIONS ATTACHING TO** **CLASS A SHARES AND CLASS B SHARES**

23.1 Neither the Class A Shares nor the Class B Shares shall entitle the holder thereof to any distributions or dividends of any kind whatsoever with respect to the Shares and in the event of any winding up or dissolution of the Company neither the Class A Shares

nor the Class B Shares shall be entitled to any distribution or payment of any kind including the repayment of the amount paid up on the issue of the Shares.

23.2 The Class A Shares shall have the right to one vote per share on all resolutions to be approved by the Members and the Class B Shares shall have one vote per share only on the following matters:

- (a) the winding up or dissolution of the Company;
- (b) any matter on which the Class B Shares are provided a vote in accordance with Section 2.5 of the Members' Agreement; and
- (c) any amendment to Articles 3.3, 3.4, 3.5, 12.1, 19.1, 19.2 or 25.1.

23.3 A Class B Share is convertible on a one-for-one basis into a Class A Share upon a Member holding a Class B Share agreeing to subscribe for the Designated Company Service to which that Share relates by written notice to the Company in the manner and subject to the terms as provided in the Members' Agreement.

#### **PART 24** **PROHIBITIONS**

24.1 No Shares, securities or debt obligations issued by the Company shall be offered for sale to the public.

#### **PART 25** **RESTRICTIONS**

25.1 The Company is restricted from carrying on any business except for:

- (a) the provision of emergency communications and related services to its Mmembers; and
- (b) the provision of communication and related services, for public safety and public service to municipalities, regional districts, the provincial government, the federal government, government agencies and emergency services agencies, as defined in the *ECC Act*; and
- (b)(c) any other purpose prescribed by regulation under the *ECC Act*.

all in the interests of civic improvement and for the benefit of the public residing within the territory in which the Company operates.

25.2 The Company is restricted from exercising the following powers:

- (a) the power to pay, transfer or dispose of to its Members by way of dividend, distribution, bonus, or otherwise any of the income or property of the Company other than any repayment of the amount paid up on the issue of Shares; and
- (b) the power to allot or issue any of its Shares to any person other than municipalities, regional districts, the provincial government, the federal government, government agencies and emergency services agencies, as defined in the *ECC Act*.

25.3 If upon winding-up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever of the Company such property shall not be paid to or distributed among the Members as such, but shall be given or transferred to the Province of British Columbia to be held or used by it for the provisions of emergency communications or other related emergency services in the interests of the public.

**SCHEDULE B**  
**AGREEMENT TO BE BOUND**

TO: E-Comm Emergency Communications for ~~Southwest~~ British Columbia Incorporated (the "Company")

AND TO: All Members of the Company, as defined pursuant to ~~the a~~ Members' ~~a~~ Agreement dated as of the 1st day of October, 1997, as amended and restated effective July 1, 2021, (the "Members' Agreement")

WHEREAS:

A. The Company has been established for the Purpose as set forth ~~in~~ the Members' Agreement;

B. The undersigned wishes to subscribe for Shares in the Company and become a Member in the Company; and

C. The Members' Agreement requires that prior to the issue of Shares to any person, such person must agree to be bound by the terms of the Members' Agreement.

In consideration of the payment of \$2 by the Company to the undersigned and the issue of Shares to the undersigned (the receipt and sufficiency of which is hereby acknowledged) the undersigned hereby agrees that:

1. The terms as used herein shall have the meaning as set forth in the Members' Agreement.
2. The undersigned hereby subscribes for one Share of the class of Shares of the Company for the Designated Company Services set opposite its name and agrees that for each Class A Share for that Designated Company Service it will take and receive from the Company that Designated Company Service when the Company is able to deliver that Designated Company Service to it, and agrees that for each Class B Share for a Designated Company Service it has reserved the right to take and receive from the Company that Designated Company Service in the future in the manner and subject to the terms contained in the Members' Agreement.
3. The undersigned hereby pays \$10 for each Share subscribed for.
4. So long as the undersigned owns Shares, the undersigned hereby agrees with the Company and all other Members to be bound by the terms and conditions of the Members' Agreement as and from the date hereof, as if it had been an original signatory thereto.
5. This Agreement shall bind the undersigned and all successors thereof.

6. If the undersigned is a Municipality the undersigned confirms that it has adopted or is adopting a by-law as contemplated in Section 4(2)(a) of the *ECC Act* and this subscription will only become effective upon the adoption of such a by-law.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

_____ (Name of Member)	Number and Class of Shares Subscribed for:	Designated Company Services
_____ Address	_____	_____

## SCHEDULE C

### COST-SHARING FORMULA FOR POLICE, FIRE, AMBULANCE AND MUNICIPAL COMPANY SERVICES

#### 1. OVERVIEW OF ALL WIDE AREA RADIO COSTS

- 1.1 There are four major cost components related to the wide area radio system, which will be translated into an annual rate to be charged to each User Agency:
- (i) Radio System Infrastructure and CAD for the Metro Vancouver Regional District ("Metro Vancouver")~~the GVRD~~,
  - (ii) Radio System Infrastructure and CAD for regions outside of Metro Vancouver~~the GVRD~~,
  - (iii) consolidated dispatch centre operations, and
  - (iv) User Equipment.
- 1.2 Only the first of these four costs are distributed using the Metro Vancouver~~GVRD~~ Radio Cost Allocation Model, described in this appendix. The costs of the radio infrastructure outside of Metro Vancouver~~the GVRD~~ and of consolidated dispatch centre operation are each distributed using separate models. Radio User Equipment costs (mobile and portable radio, data terminals, etc.) are chosen at the discretion of each Agency.
- 1.3 User Equipment is not an allocated cost component. E-Comm will be purchasing User Equipment centrally and distributing to each User Agency the capital cost of the equipment plus associated financing costs at rates and terms secured by E-Comm.
- 1.4 All wide area radio cost components and associated allocation sources are set out in Table 7.

#### 2. DEFINITIONS

- 2.1 User Agency: Any single client on the radio system, such as an individual police department, fire department, RCMP detachment or municipal public work department. The RCMP Lower Mainland District and BC Emergency Health Ambulance Services are each treated as a single User Agency for the purposes of cost allocation. Each Special User, other than the RCMP, is treated as a single User Agency for the purposes of cost allocation.
- 2.2 Core Radio Users: The following set of wide area radio user agencies: Vancouver Police Department, Vancouver Fire Department, all municipal, provincial and federal RCMP detachments within Metro Vancouver~~the GVRD~~, all Special Users other than the RCMP and BC Emergency Health Ambulance Services within Metro Vancouver~~the GVRD~~.



- 2.3 Latecomer Agency: Any User Agency that joins the wide area radio system after the system's implementation.
- 2.4 Radio System Infrastructure: All equipment and services associated with the development and implementation of the wide area radio system network, such as radio sites, transmitters, tower and system design.
- 2.5 User Equipment: All peripheral radio equipment such as mobile and portable radio terminals, and data terminals.
- 2.6 E-Comm Dispatch Centre Building: The portion of the E-Comm building that houses the consolidated dispatch centre.
- 2.7 Transition Costs: All capital and capitalised costs incurred that are associated with the implementation and the operation of the test phase (Phase 0) of the radio project, up until the point that the Core Radio Users are participating in the radio system.
- 2.8 Start-up Costs: Those costs incurred prior to the implementation of the radio system, such as consulting, engineering and legal costs.
- 2.9 Total Annual Cost: The annualised cost of the radio and dispatch building capital costs, and related Transition and Start-up Costs, based on financing rates and terms secured by E-Comm. As well, the total annual cost allocated using this model includes the annual cost of Radio System Infrastructure operating and maintenance costs, and a share of the annual cost of E-Comm overhead and administration.
- 2.10 Phase 0: The test implementation phase of the radio system, in which Vancouver Police Department and Vancouver Fire Department are the only participants.
- 2.11 Phase 1: The project phase in which the radio system is implemented throughout [Metro Vancouverthe GVRD](#).
- 2.12 Phase 2: The project phase in which the radio system is implemented in the regions to the north of [Metro Vancouverthe GVRD](#).
- 2.13 Phase 3: The project phase in which the radio system is implemented in the regions to the east of [Metro Vancouverthe GVRD](#).
- 2.14 Interim Financing: Funds required to finance the initial development and construction of the Radio System Infrastructure, including operating costs, Transition Costs and Start-up Costs, to the point at which costs are consolidated and user agencies are paying their respective cost shares. In addition, any interim financing costs associated with capital upgrades once the radio system is operational.
- 2.15 E-Comm: [E-Comm Emergency Communications for British Columbia incorporated](#)~~The corporation that will oversee the wide area radio system, the consolidated dispatch centre operations and the E-Comm building.~~
- 2.16 Emergency Service Agency: An agency that provides, police, fire or ambulance services.

2.17 Computer-Aided Dispatch or CAD: The software and hardware system that comprises the computer aided dispatch system.

2.18 CIIDS: The software and hardware system that comprises the CIIDS system.

### 3. PURPOSE OF THE GVRD RADIO COST ALLOCATION MODEL

3.1 The Metro Vancouver GVRD Radio Cost Allocation Model ("the Mmodel") allocates the capital costs associated with building Phase 0 and Phase 1 of the wide area radio system, the Computer-Aided Dispatch system and the E-Comm Dispatch Centre Building within Metro Vancouverthe GVRD, to Metro VancouverGVRD agencies.

3.2 In addition, the Mmodel allocates Radio System Infrastructure operating and maintenance costs, a share of E-Comm overhead and administration costs, and all financing costs associated with capital and operating expenditures.

3.3 The capital, operating and financing costs allocated using the Mmodel are detailed in Section 8.

### 4. DESIGN OF THE METRO VANCOUVERGVRD COST ALLOCATION MODEL User AgenciesUSER AGENCIES

~~Each participating agency is considered a separate user for the purposes of cost allocation. For example, a single municipality's police department and fire department are two separate and completely independent users in the model.~~

Commented [SM1]: Duplicative of 2.1U

4.1 For the purposes of cost allocation, a single municipality is limited to three types of municipal User Agencies: a police department (or municipal RCMP detachment), a fire department and a public works department. Public works departments include all municipal non-public safety agencies, including but not limited to parks, engineering and transit agencies.

4.2 For User Agencies that will use the radio system both within and outside of Metro Vancouverthe GVRD, such as the federal RCMP detachment and BC Emergency HealthAmbulance Services, the Metro VancouverGVRD cost allocation model provides only the cost shares within Metro Vancouverthe GVRD. For these wide area users, their cost share for Phases 2 and 3 of the radio system will be computed using a separate allocation model.

4.3 Costs are allocated to each RCMP detachment. The federal, provincial and municipal share of each detachment's cost is calculated based upon the detachment's respective share of officers.

4.4 For those RCMP detachments that are shared by more than one municipality, cost-sharing among the municipalities will be calculated outside of the allocation model, according to the formula normally used by the RCMP or such an alternate formula as may be agreed upon between the parties.

~~4.5 Federal RCMP headquarters will bill all RCMP detachments for their allocated annual cost share, net of any appropriate federal cost sharing.~~

## Allocated Costs

4.64.5 A User Agency's Total Annual Cost is comprised of an annualised share of the Radio System Infrastructure cost and E-Comm Dispatch Centre Building costs, and related Transition Costs and Start-up Costs, based on financing rates and terms secured by E-Comm. As well, included in the Total Annual Cost is each User Agency's annual share of Radio System Infrastructure operating and maintenance cost, and their annual share of E-Comm overhead and administration.

4.74.6 The Model is designed so that in each year, the Total Annual Cost is recovered from all User Agencies that are active members of the radio system in that year.

4.84.7 No costs are carried forward for future allocation, nor is a Latecomer Agency charged any costs beyond their current-year cost share, with the exception of:

- (i) Phase 0 Transition Costs, which are capitalised and allocated in the same manner as the Radio System Infrastructure costs (set out in Section 5),
- (ii) discrepancies between actual costs and amounts billed in a year (due to differences between budgeted and actual annual costs, or due to a change in User Agency membership over the year), which are carried forward and either disbursed or recovered in the following year, with the exception of
- (iii) funds retained by E-Comm to be used as working capital, in an the amount to be determined by the E-Comm Board of Directors, and

4.94.8 If a User Agency fails to pay their cost share, the cost will be reallocated and collected from the remaining Userparticipating Agencies. E-Comm Corporation will continue to proceed with collection of funds owing from the defaulting agency and reimburse User Agencies proportionately following such collection.

4.104.9 The Model is designed so that the addition of a Latecomer Agency reduces the share of the Total Annual Cost paid by all other User Agencies.

4.114.10 Any incremental cost incurred once the radio system is operational is pooled and allocated among all current User Agencies according to the allocation formula, rather than any one single User agency paying the entire incremental cost.

## Time of Cost Allocations

4.124.11 A User Agency begins to pay its share of the radio and Dispatch Centre Building capital costs from the time it becomes an operational user of the radio system.

4.134.12 If an agency joins the radio system during the year, its cost share in its first payment year will be prorated accordingly.

## 5. START-UP AND TRANSITION COSTS

5.1 The Start-up Costs associated with the development and implementation of the wide area radio system will be capitalised. These costs plus associated financing charges will be allocated among all participating user agencies on the same basis as other radio infrastructure costs.

- 5.2 The [User Agencies](#) participating in the radio system during Phase 0 will be responsible only for the share of the costs that they would pay if all core users were participating in Phase 0. The difference between this amount and the total Phase 0 cost, plus any associated financing charges, will be allocated among all participating [User Agencies](#) on the same basis as other radio infrastructure costs.

## 6. COST DISTRIBUTION FACTORS

- 6.1 There are five statistics associated with each User Agency that are used to allocate costs, which are listed below. Sources and definitions of the cost distribution factors are contained in Table I.

- (i) coverage area of agency jurisdiction,
- (ii) number of voice radios registered on radio system,
- (iii) peak-hour radio traffic requirements,
- (iv) population served in agency jurisdiction, and
- (v) annual number of dispatches (where applicable).

- 6.2 In the model, the costs associated with the Computer-Aided Dispatch system, the CIIDS system, the dispatch consoles and the E-Comm Dispatch Centre Building (but not including operation of the dispatch centre) are distributed according to each Emergency Service Agency's share of the estimated total annual number of dispatches, for those that use each of these components.

- 6.3 Operating and maintenance costs for the Radio System Infrastructure equipment, CAD, CIIDS and dispatch consoles are distributed based on each [User Agency's](#) share of the total associated capital cost.

- 6.4 E-Comm corporate overhead and administrative costs, and Interim Financing costs, are allocated based upon each [User Agency's](#) share of the total radio and CAD/CIIDS capital costs.

- 6.5 All costs other than those listed in Section 6.2, 6.3 and 6.4 are distributed using a weighted average of the four other cost distribution factors. The weighted average formula is set out in Table 2.

- 6.6 These cost distribution factors for each [User Agency](#) will be updated on an annual basis, as set out in Table I.

## 7. LOW TRAFFIC DENSITY ADJUSTMENT FACTOR

- 7.1 A low traffic density adjustment factor is applied in order to lower the cost allocation to any [User Agencies](#) that have relatively large coverage areas coupled with relatively low radio traffic requirements.

- 7.2 A radio traffic density index is computed for each [User Agency](#), equal to the agency's actual coverage area divided by its peak-hour radio traffic requirements.

- 7.3 Those User Agencies that have an index value higher than that of the RCMP Lower Mainland District detachment are considered low density users.
- 7.4 For low density users, the coverage area statistic is adjusted downward in order to compensate for their high coverage area relative to low radio traffic requirements, using the low traffic density adjustment factor.
- 7.5 The low traffic density adjustment factor is the figure by which an agency's actual coverage area is reduced, so that the agency's resultant radio traffic density index (adjusted coverage area -o- peak- hour radio traffic requirements) is equal to that of the GVRD-RCMP Lower Mainland District detachment. The calculation for this adjustment is set out in Table 3.

## 8. ALLOCATED COSTS

- 8.1 As a first step in the cost allocation formula, each User Agency is assigned a flat capital charge:
- User Agencies serving a population less than 5,000 are charged \$0,
  - User Agencies serving a population between 5,000 and 35,000 are charged \$50,000, and
  - User Agencies serving a population over 35,000 are charged \$200,000.
- 8.2 The total flat capital charge collected from all participating User Agencies is subtracted from the total Radio System Infrastructure costs to be allocated.
- 8.3 The cost components distributed using the Mmodel are:
- (i) capital cost of the central radio switch and controller (distributed to all User Agencies),
  - (ii) capital cost of the core Radio System Infrastructure (distributed to all User Agencies),
  - (iii) capital cost of the radio system police grade enhancements (distributed to all police departments and RCMP detachments which are User Agencies),
  - (iv) capital cost of the Computer-Aided Dispatch system (distributed to all User Agencies police, fire and ambulance agencies that will use this system),
  - (v) capital cost of the dispatch consoles (distributed to all RCMP detachments, police, fire and ambulance agencies),
  - (vi) capital cost of the CIIDS system (distributed to all police, fire and ambulance agencies that will use this system),
  - (vii) capital cost of the RCMP share of the E-Comm Dispatch Centre Building (distributed all Lower Mainland RCMP detachments),

- (viii) capital cost of the non-RCMP share of the E-Comm Dispatch Centre Building (distributed to all [Lower Mainland](#) non-RCMP police, fire and ambulance agencies),
  - (ix) radio infrastructure equipment operating and maintenance costs,
  - (x) the share of the E-Comm corporate overhead and administrative costs attributable to the wide area radio system, and
  - (xi) cost of Interim Financing required to fund the development and construction of the capital expenditures listed above (which includes capitalised Start-up Costs).
- 8.4 Descriptions of and the basis for allocation for the radio system cost components are laid out in Table 4.
- 8.5 The calculation of the Total Annual Cost allocation for each [User Agency](#) is shown in Table 5.
- 8.6 Costs associated with the wide-area radio system that are not allocated using the [Metro Vancouver GVRD](#) Wide Area Radio Cost Allocation Model are listed in Table 6.
- 8.7 Capital cost shares will be annualised according to financing rates and terms secured by E-Comm. As financing terms change over time, [User Agencies](#)' cost shares will change accordingly.
- 8.8 Total costs to be allocated will be updated annually, adjusted as new capital expenditures are undertaken or financing arrangements change.



## TABLES FOR SCHEDULE C

### THE [METRO VANCOUVER GVRD](#) RADIO COST ALLOCATION MODEL

- Table 1. Cost Distribution Factors
- Table 2. Weighted Average Allocation Formula
- Table 3. Low Radio Traffic Density Adjustment Calculation
- Table 4. Wide Area Radio System Cost Components, [Metro Vancouver GVRD](#) only
- Table 5. Formula for Total Annual Radio Cost Allocation to a Single Agency, [Metro Vancouver GVRD](#) only
- Table 6. All Wide Area Radio Project Costs and Allocation Sources

**Table 1. Cost Distribution Factors**

## **1. COVERAGE AREA**

### Definition:

**The coverage area of an agency is defined as the number of hectares that is within the jurisdiction of that agency.**

In this Table, "agency" means a User Agency as defined above.

### Sources:

For all agencies except provincial RCMP detachments, coverage areas are taken from: Metro Vancouver's most recently published population data, GVRD Greater Vancouver Key Facts, July 1996, table entitled "Greater Vancouver Municipalities."

For provincial RCMP detachments and any other agencies whose jurisdictions are not defined by discrete municipal boundaries, coverage areas are estimated by the radio system design engineers.

For RCMP highway patrol detachments, coverage areas are estimated by multiplying the length of the highways patrolled (provided by the RCMP) by a one kilometre corridor.

For those agencies that are shared by two or more municipalities, the coverage areas of those municipalities are added together.

### Preliminary Sources:

The preliminary source for coverage area statistics will be the same as those listed above.

### Updating:

Coverage area statistics will be updated annually using the sources listed above.

The source for coverage area statistics may change over time: easily available, accurate and reliable sources will be used.

## **2. NUMBER OF RADIOS**

### Definition:

**The number of radios used by an agency is defined as the total number of voice radios (both portable and mobile units) that are registered on the wide area radio system by that agency, not including mobile data terminals.**

Sources:

The number of voice radio units that each agency has officially registered on the system as at the update date.

Preliminary Sources:

In the preliminary phase of the project, this figure will be estimated by the consulting engineers.

Updating:

Number of radios will be updated annually using the sources listed above.

**3. PEAK ~~TRAFFIC~~ REQUIREMENTS**

Definition:

**The peak traffic requirements of an agency is defined as the maximum radio traffic capacity required by each User Agency, measured in Erlangs.**

Sources:

Peak traffic requirement estimates are calculated by the consulting engineers.

Preliminary Sources:

Initial estimates are taken from the Traffic Forecast in Section 1 of the Regional Mobile Radio System Technical Memorandums Preliminary Engineering Phase, May 3, 1996, prepared by Teleconsult.

For those agencies that were not included in this technical memorandum, the consulting engineers calculated peak traffic requirements.

Updating:

Peak traffic requirement estimates will be reviewed annual to ensure they adequately reflect each agency's radio traffic peak requirements.

Because the radio system design is based on peak-hour rather than average radio traffic requirements, actual radio traffic associated with each agency will not be used for this distribution statistic.

**4. POPULATION SERVED**

Definition:

**The population served by an agency is defined as the number of people resident within the jurisdiction of each agency. This is the best estimate of the resident population of the jurisdiction.**

Sources:

For all agencies except provincial RCMP detachments, population figures are taken from either:

[The most recent edition of BC Stats](#), table entitled, "British Columbia Municipal and Regional District Population Estimates, ~~1991–1996~~," or

[Metro Vancouver's most recent publication of population data, GVRD–Greater Vancouver Key Facts, July 1996](#), table entitled "Greater Vancouver Municipalities."

For those agencies that are shared by two or more municipalities, the populations of those municipalities are added together.

For provincial RCMP detachments and any other agencies whose jurisdictions are not defined by discrete municipal boundaries, population figures will be provided by the RCMP or estimated using the best available source.

For RCMP highway patrol detachments, RCMP traffic court estimates (provided by the RCMP) are used.

#### Preliminary Sources:

The preliminary source for population served statistics will be the same as those listed above.

#### Updating:

Population served statistics will be updated annually using the sources listed above.

The source for population statistics may change over time: easily available, accurate and reliable sources will be used.

### **5. ANNUAL DISPATCHES**

#### Definition:

**The actual (or estimated if actual is not available) number of service dispatches generated annually by each agency.**

#### Sources:

Actual figures will be used where available.

For those agencies that participate in the E-Comm consolidated dispatch centre, actual number of dispatches will be taken from the centre's records, once annual dispatch statistics are available.

Agencies that maintain independent dispatch operations will provide annual number of dispatches, if accurate data are available.

Where actual figures are not available, annual number of dispatches will be estimated for all agencies, at a prescribed ratio of dispatches per authorised sworn position.

Preliminary Sources:

The preliminary source for the annual number of dispatches will be the same as those listed above.

Updating:

Annual number of dispatches will be updated annually using the sources listed above.

**Table 2. Weighted Average Allocation Formula**

Agency's Share of Cost Component =

$$\begin{aligned} &[(\text{Cost Component} \times 50\%) \times \text{Agency's Share of Total Coverage Area} \\ &+ (\text{Cost Component} \times 20\%) \times \text{Agency's Share of Total Number of Radios} \\ &+ (\text{Cost Component} \times 20\%) \times \text{Agency's Share of Total Traffic Requirements} \\ &+ (\text{Cost Component} \times 10\%) \times \text{Agency's Share of Total Population Served}] \end{aligned}$$

where Total Coverage Area, Total Number of Radios, Total Traffic Requirements and Total Population Served refers to the sum of each of these statistics for all agencies to which the cost component is being distributed.



**Table 3. Low Radio Traffic Density Adjustment Calculation**

- A. RADIO TRAFFIC DENSITY INDEX: For each agency, a radio traffic density index is calculated.

<i>Index AGENCY</i>	<i>Actual Coverage Area AGENCY Traffic Requirements AGENCY</i>
---------------------	--

- B. BASELINE INDEX: A baseline index is defined as the radio traffic density index for the RCMP Lower Mainland District.

<i>Baseline Index</i>	<i>Index RCMP LMD</i>
-----------------------	-----------------------

- C. LOW TRAFFIC DENSITY USER: Each agency that has an index greater than that of the baseline index is defined as a low traffic density user.

- D. LOW TRAFFIC DENSITY ADJUSTMENT FACTOR: For each low traffic density user, the coverage area statistic is adjusted according to the following calculation:

**Table 4. Wide Area Radio System Cost Components, Metro Vancouver GVRD Only**

COST COMPONENT	COST OF ...	ALLOCATED TO ...	BASIS OF ALLOCATION
1. Central Switch and Controller	Central switch and controller, the part of radio system that is shared by all users	All agencies	Weighted average formula
2. Core Radio System Infrastructure, <u>Metro Vancouver GVRD</u>	Supply and services associated with the development of the radio and mobile data systems (sites, towers, transmitters, etc.), less the total flat charge	All agencies	Weighted average formula
3. "Police Grade" Enhancements	Share of system cost associated with the provision police-quality radio service (e.g., enhanced encryption capability and building penetration)	All police department & RCMP detachments	Weighted average formula
4. Computer-Aided Dispatch (CAD)	Hardware and software that comprises the CAD system	All agencies that will use CAD	Share of total annual dispatches
5. <u>CHIDS</u>	Hardware and software required for <u>CHIDS</u> system	All agencies that will use CHIDS	Share of total annual dispatches
6. Dispatch Consoles	Dispatch consoles	All police & fire departments, RCMP detachments, and <u>BCEHSAS</u>	Share of total annual dispatches
7. Non-RCMP Share of E-Comm Dispatch Centre Building	Portion of the E-Comm <u>Dispatch Centre B</u> building used for dispatch operations by non-RCMP agencies	All non-RCMP police & fire departments, <u>BCEHSAS</u>	Share of total annual dispatches
8. RCMP Share of E-Comm Dispatch Centre Building	Portion of the E-Comm <u>Dispatch Centre B</u> building used for RCMP dispatch operations	All RCMP detachments	Share of total annual dispatches
9. Radio Infrastructure Operating & Maintenance	Annual costs associated with the operating and maintenance of the Radio System Infrastructure	All agencies	Share of the total radio, CAD, <u>CHIDS</u> and consoles capital cost
10. E-Comm Corporate Overhead and Administrative Costs	Share of the E-Comm overhead and administrative costs attributable to the wide area radio system	All agencies	Share of the total radio, CAD, <u>CHIDS</u> and consoles capital cost

11. Interim Financing	Cost of financing the development and construction of the Radio System Infrastructure, the E-Comm Dispatch Centre Building, CAD, CICS, dispatch consoles and capitalised startup costs to the point at which capital costs are consolidated and user agencies are paying their cost shares	All agencies	Share of the total radio, CAD, CICS and consoles capital cost
-----------------------	--	--------------	---

**NOTES:**

1. "Weighted Average Formula" refers to the weighted average of the following four distribution statistics:  
coverage area, number of radios, peak radio traffic requirements and population served. A detailed description of this formula is provided in Table 2.
2. The following cost components are shared with User Agencies outside of Metro Vancouver the GVRD: (i) the central switch and controller, and (ii) the share of the E-Comm Dispatch Centre Building that houses consolidated dispatch. The portion of these costs paid by Metro Vancouver GVRD agencies is decreased as User Agencies from outside of Metro Vancouver the GVRD join the radio system.
3. Corporate overhead and administrative costs will be apportioned between wide area radio system users and consolidated dispatch centre participants.

**Table 5. Total Annual Radio Cost Allocation to a Single Agency, GVRD Only**

The following formula shows how the total annual radio cost to an individual GVRD User Agency is calculated.

Total Annual Cost Allocation =

- Flat capital charge
- + Share of Annualised Cost of Central Switch and Controller
- + Share of Annualised Cost of Radio System Infrastructure & Capacity
- + Share of Annualised Cost of Police-Grade Enhancements
- + Share of Annualised Cost of Computer-Aided Dispatch
- + Share of Annualised Cost of CIUDS System
- + Share of Annualised Cost of Dispatch Consoles
- + Share of Annualised Cost of E-Comm Building
- + Share of Radio Infrastructure Operating & Maintenance Costs
- + Share of E-Comm Corporate Overhead and Administrative Costs
- + Share of Interim Financing Costs

**NOTES:**

1. For each agency, only applicable cost components are charged.
2. This is the formula showing the cost allocation for radio infrastructure capital and operating and E-Comm Dispatch Centre Building capital costs only; all other costs are determined outside of the [Metro Vancouver GVRD](#) Radio Cost Allocation Model.
3. Radio system and dispatch costs not included in this formula:
  - User Equipment capital, financing and operating/maintenance costs,
  - Radio System Infrastructure, CAD and CIUDS costs outside of [Metro Vancouver the GVRD](#), capital and operating costs, and
  - E-Comm consolidated dispatch centre operating costs.

**Table 6. All Wide Area Radio Project Costs and Allocation Sources**

Cost Component	<a href="#">Metro VancouverGVRD</a>	Outlying	Dispatch	Notes
1. <a href="#">Metro VancouverGVRD</a> Radio System Infrastructure (including CAD, <a href="#">CII</a> DS & Dispatch Consoles)				
2. Operating Cost & Maintenance for <a href="#">Metro VancouverGVRD</a> Radio System Infrastructure				
3. Radio System Infrastructure in Regions Outside <a href="#">Metro Vancouverthe-GVRD</a> (including CAD, <a href="#">CII</a> DS & Dispatch Consoles)				
4. Operating Cost & Maintenance for Outlying Radio System Infrastructure				
5. E-Comm Dispatch Centre Building				
6. Interim Financing Costs for Radio System, E-Comm Dispatch Centre Building and User Equipment				
7. E-Comm Corporate Operating and Maintenance Costs				
8. E-Comm Consolidated Dispatch Centre Labour & Operating Costs				
9. User Equipment				Note 4
10. User Equipment Operating & Maintenance Costs				Note 4

**NOTES**

1. "[Metro VanGVRD](#)" or "[Metro Vancouver](#)" refers to the [Metro VancouverGVRD](#) Radio Cost Allocation Model.
2. "Outlying" refers to the Outlying Radio Cost Allocation Model.
3. "Dispatch" refers to the E-Comm Consolidated Dispatch Cost Allocation Model.

4. While User Equipment is selected at the discretion of each User Agency, E-Comm will purchase equipment and pass of the associated capital and financing costs to each User Agency. Each agency's share of User Equipment capital, financing, operating and maintenance costs will be a function of their share of the total equipment purchased.