

**This business counselling services agreement** made December \_\_\_\_\_, 2021.

Between:

**The Corporation of the City of Kawartha Lakes ("City")**

and

**Innovation Cluster – Peterborough and the Kawartha**, incorporated under the Corporations Act, Ontario, Ontario Corporation Number 1596890, with a principal place of business at 270 George St. N, 3rd Floor, Peterborough, ON. K9J 3H1, Canada ("**ICPK**"),

### **1. Recitals:**

Whereas the City of Kawartha Lakes operates the Kawartha Lakes Small Business and Entrepreneurship Centre and hosts a comprehensive Economic Development Program.

And whereas ICPK specializes in support for determined, innovative entrepreneurs in the formation and growth of their technology-driven companies.

The City is seeking complimentary services from the ICPK to further support high growth entrepreneurs and businesses.

In accordance with Section 108(1) of the Ontario **Municipal Act, 2001**, (the "Act") ICPK is a counselling service for small businesses and is proposing to operate a physical presence within the City of Kawartha Lakes.

In accordance with Section 108(1) of the Act, ICPK will promote within the region defined as the City of Kawartha Lakes as a suitable location for establishing new Technology and Intellectual Property businesses as selected by ICPK, in reference to the ICPK client criteria. The parties wish to enter into an agreement which sets out mutual obligations to establish a strategic alliance between the City and ICPK concerning the goal set out in Section 4 Terms of Agreement.

ICPK is actively pursuing digital technology start-ups with a focus in four key sectors, being: clean-tech, ag-tech, health care and the broader digital economy and will assist these start-ups with finding the best path to market. ICPK may also assist existing businesses with access to resources specifically relating to the development and commercialization of digital technology and intellectual property.

ICPK and the City entered into an Agreement wherein ICPK provided services to the City as a pilot project commencing on October 31, 2019 and ending December 31,

2020. Pursuant to the terms of that agreement, the City provided funding and rent-free space at its building at 108 Kent Street South, Lindsay, in consideration.

The parties extended this agreement, for the period January 1, 2021 to December 31, 2021, inclusive, wherein ICPK continued to offer the same services offered pursuant to the original agreement between the parties, but the City no longer offered funding; and continued to offer the same rent-free space.

The parties intend to enter into this further agreement, for the period January 1, 2022 to December 31, 2022, inclusive, wherein ICPK will continue to offer the same services offered pursuant to the original agreement between the parties, but the City in exchange will no longer offer funding; it will continue to offer the same rent-free space.

## 2. Definitions

**City of Kawartha Lakes Service Area** – the geographic area of the municipality of the City of Kawartha Lakes.

**Digital Technology** – means electronic technology that generates, stores, and processes data in terms of two states: positive and non-positive. Positive is expressed or represented by the number 1 and non-positive by the number 0. Each of these state digits is referred to as a bit (and a string of bits that a computer can address individually as a group is a byte).

**Incubation Centre** – means a physical location in Kawartha Lakes in which the ICPK services are provided to current and potential Innovation Cluster Clients. This includes space for the provision of knowledge partner's services and office space for Kawartha Lakes based Innovation Cluster Clients as described. This space is located at 180 Kent Street West, Lindsay.

**Innovation Cluster Client** – is a business or individual with a signed agreement with the Innovation Cluster. Innovation Cluster Clients must apply and complete an application process. When clients have met all required parameters (intellectual property, MVP, and/or trade secrets), they are then required to complete a full orientation of the facility and processes, attend all training on the amplified course curriculum and a signed agreement with the Innovation Cluster. Innovation Cluster Clients can be either physically located in the Kawartha Lakes Incubation Centre or be Floater Clients.

**Innovation Cluster Floater Client** – is a business or individual with a signed agreement with the Innovation Cluster. Floater Clients are required to follow the same application parameters as Innovation Cluster Clients. Innovation Cluster Floater Clients are not physically located in an ICPK Centre, but are still able to receive knowledge partner services and available training sessions.

**Intellectual Property** – means a work or invention to which one has rights and for which one may apply for a patent, copyright, trademark, etc.

**Peterborough Region Angel Network (PRAN)** – The Incorporated Peterborough RAN organization. PRAN supports the Innovation Cluster through renting space at the Innovation Cluster in Peterborough, sponsorship and mentoring of Innovation Cluster Clients. PRAN may also support Innovation Cluster Clients through seed funding.

**Project** – Pilot program described in this agreement, wherein the City offers funding to the ICPK and the ICPK offers small business counselling services in Kawartha Lakes to innovative high growth companies.

**Now therefore** the parties agree as follows:

### **3. Term of Agreement**

This Agreement shall commence as of January 1, 2022 and shall continue until December 31, 2022 (the "Term"), unless this Agreement is terminated earlier under the provisions hereof.

### **4. ICPK's Obligations**

#### **4.1. Kawartha Lakes Innovation Cluster Pilot Programming**

- 4.1.1. ICPK will operate the Incubation Centre at 180 Kent Street West, Lindsay, whose goal is to accelerate the growth and success of Digital Technology and Intellectual Property businesses located in the geographic boundary of the City of Kawartha Lakes – as selected by ICPK and referred to herein as the "Innovation Clients" - through the provision of such services as ICPK determines are appropriate. Such services will not include the provision of funding. This may include, but is not limited to, mentoring, specialized support from knowledge partners, physically locating in the Incubation Centre, and sourcing access to capital.
- 4.1.2. ICPK will provide physical office space for the Innovation Centre at 180 Kent Street with internet connectivity and standard office equipment (e.g. printers, fax, photocopiers) and assign same to the identified small businesses. ICPK will operate the Innovation Center from January 1, 2022 to December 31, 2022.
- 4.1.3. By September 1, 2022, ICPK is targeting supporting minimum of 10 Innovation Clients (up to 8 Innovation Clients will be physically located in the Incubation Centre depending on safety in space requirements due to the COVID-19 pandemic restrictions).
- 4.1.4. ICPK will conduct 6 training sessions specific to innovation, and distinct from programming typically offered through the City of Kawartha Lakes during the term of this agreement, on subjects that ICPK have determined are beneficial to the City of Kawartha Lakes innovation focused businesses.

- 4.1.5. ICPK in partnership with the City will use the client transition protocol to support the smooth movement of businesses and entrepreneurs between the ICPK and the City of Kawartha Lakes Economic Development Division (and vice versa) to support their growth in Kawartha Lakes.
- 4.1.6. ICPK will determine which small businesses are appropriate Innovation Cluster Clients based on program criteria that is:
  - 4.1.6.1. an innovative small Digital Technology and/or Intellectual Property business;

#### **4.2. Marketing, Communications and Awareness**

- 4.2.1. ICPK will recognize the City as a core funding partner by displaying the City's logo on all communication and marketing materials that list ICPK's funding partners and prominently on its website home page at <http://www.innovationcluster.ca/>.
- 4.2.2. ICPK will promote events and training sessions held in Kawartha Lakes jointly with the City of Kawartha Lakes and include the City's logo on marketing materials.
- 4.2.3. ICPK will promote the City of Kawartha Lakes with an emphasis on the benefits of locating small Digital Technology and Intellectual Property businesses within the City of Kawartha Lakes Service Area.

#### **4.3. Client Investment and Access to Capital**

- 4.3.1. Provide clients requiring access to capital with information on the full range of funding sources available in Kawartha Lakes including grants, loans, angel investment or other forms of funding.
- 4.3.2. ICPK will work with the Peterborough Regional Angel Network to have two angel investment events take place in the City of Kawartha Lakes during the Term.
- 4.3.3. ICPK will work to expand the number of Kawartha Lakes based participants in the Angel Network, acknowledging the future potential to create a Kawartha Lakes Angel Network.

#### **4.4. Governance and Reporting**

- 4.4.1. Project follow the Milestones as agreed to by both parties and outlined in Schedule 1.
- 4.4.2. ICPK's President shall report to Kawartha Lakes City Council, in such manner as the Director of Development Services (the "Director") may reasonably request or require, during the fourth quarter of the Term, on its success in attracting and retaining Digital Technology and Intellectual Property businesses.
- 4.4.3. By the end of Q3 of 2022, City Staff and ICPK will provide a joint submission to Council with options for the ending or continuance of the Kawartha Lakes Innovation Cluster Project for Council's consideration.

### **5. City's Obligations**

- 5.1. The City will continue to provide the Innovation Cluster space at no-cost to ICPK during the Term. The details of the space are more specifically set out in a separate tenancy agreement between the parties.

## **6. Accounting and Auditing**

- 6.1. ICPK shall maintain accurate books and records of the costs of the Project, including invoices and cancelled cheques for a minimum period of 6 years after the date of completion of the Project. ICPK acknowledges that the City and/or representatives of the City have the right to audit, or cause to have audited, ICK's books, accounts and records and have a right of access to ICK's premises, records, books and accounts relating to this Project and use of the funding provided pursuant to this agreement during the Funding Period. ICPK agrees to provide full access to the City and/or an authorized representative of the City for such purposes.
- 6.2. ICPK shall release to the City, upon request and in a timely manner, for the purpose of releasing to the Auditor General of Canada, auditors for the City, or Ombudsman of Ontario, all records held by ICPK, or by agents or contractors of ICPK, relating to this Agreement and the use of the funding advanced thereto and such further information and explanations as these third parties, or anyone acting on their behalf, may request relating to this Agreement or the use of the funding.
- 6.3. ICPK shall assist the City in completing any evaluation of the outcomes and impacts that result from the Project including providing the City such data and information, without limitation, as the City may require and request and ICPK shall participate fully in any inquiry undertaken by the Auditor General of Canada, auditors for the City, or Ombudsman of Ontario, with respect to the use of the funding provided pursuant to this agreement.

## **7. Reporting**

- 7.1. Throughout the Term, ICPK shall provide the City with a completed Project Quarterly Activity Report form with dates as detailed in Schedule 1.
- 7.2. ICPK shall provide a final Project report to the City, satisfactory to the City in scope and detail, within 5 days of ICPK's final Project claim as detailed in Schedule 1.

## **8. City Remedy**

- 8.1. The parties acknowledge that the City of Kawartha Lakes may terminate the Agreement immediately by notice in writing, without cost or penalty if it is satisfied that ICPK has breached any of its obligations or requirements contained herein and such breach has not been remedied within such reasonable period as the Director of Development Services may permit or require.
- 8.2. If ICPK breaches its performance obligations as set out at paragraph 2, the City will be entitled to reimbursement of rent, on a percentage basis, based on the percentage of work obtained.

8.3. If ICPK breaches its obligation to provide only non-monetary support as set out at paragraph 2.1, the City will be entitled to monetary compensation equal to the monetary funding provided, up to a maximum of the funding provided by the City.

## **9. Interpretation**

9.1. The Recitals are true and form part of this Agreement.

9.2. The Schedule is a part of this Agreement.

9.3. This Agreement shall be interpreted in accordance with any applicable laws of the Province of Ontario.

## **Notice**

Any notice required to be given under this Agreement shall be sent to the following:

### **For the City:**

City of Kawartha Lakes  
180 Kent Street  
Lindsay, ON K9V 2Y6  
Attention: Rebecca Mustard, Manager of Economic Development  
T: 705-324-9411 ext. 1395  
C: 705-879-8454  
E: [rmustard@kawarthalakes.ca](mailto:rmustard@kawarthalakes.ca)

### **For ICPK:**

Innovation Cluster – Peterborough and the Kawarthas  
270 George Street North  
Peterborough, ON K9J 3J1  
Attention: John Gillis, President  
T: 705-536-1101  
C: 705-761-1676  
E: [jgillis@innovationcluster.ca](mailto:jgillis@innovationcluster.ca)

**In witness whereof**, the parties hereto have executed this Agreement, as of the date first above written.

**Signed, Sealed & Delivered**

**The Corporation of the City of Kawartha Lakes**

\_\_\_\_\_  
Mayor, Andy Letham

\_\_\_\_\_  
Clerk, Cathie Ritchie

“We have authority to bind the City pursuant to Council Resolution \_\_\_\_\_”

**Innovation Cluster – Peterborough and the Kawarthas**

\_\_\_\_\_  
John Gillis, President

## SCHEDULE 1: REPORTING

ITEM	DESCRIPTION	DUE
QUARTERLY PROGRESS REPORT	<p>A general status update in narrative form detailing Project activities undertaken and/or accomplished within the previous quarter, including reference to:</p> <ul style="list-style-type: none"> <li>• Project milestones achieved</li> <li>• Project outcomes and key performance metrics</li> <li>• Impacts on multiple communities in rural Eastern Ontario</li> <li>• Additional questions that the City may wish to ask ICPK from time to time to verify progress is being made in the carrying out the Project</li> <li>• Success stories ICPK may wish to share with the City.</li> </ul>	Due by the 5th day of the calendar month following each quarter of the Project.
<b>FINAL</b> PROGRESS REPORT	<p>ICPK will receive a fillable form for the Final Progress Report, ICPK will be required to report on (without being limited to) the following information:</p> <ul style="list-style-type: none"> <li>• Confirmation of total cash investment made by the ICPK in the Project.</li> <li>• A list confirming all Project milestones successfully achieved by ICPK during the duration of the Project.</li> <li>• A list of any organizations located in rural Eastern Ontario hired as suppliers or contractors for the Project, and the total \$ value of services provided.</li> <li>• A narrative description of how the Project strengthened the City's competitive advantage.</li> <li>• A list of new markets accessed as a result of the Project.</li> <li>• A list of new partnerships created as a result of the Project.</li> <li>• A table reporting the number of FTE jobs created by category and type (full-time and part-time, permanent and temporary).</li> <li>• ICPK's rating of the Funding Initiative (satisfaction survey).</li> <li>• # of new patents generated (if any).</li> <li>• # of new products commercialized (including details).</li> <li>• # of new process innovations implemented (including details).</li> <li>• Any other metric requested by the City.</li> </ul>	Due by the 5th day of the calendar month following the last month of the Project.