

LEASE AGREEMENT

Made as of the date of execution, below, with effect as of January 1, 2021.

BETWEEN:

THE CORPORATION OF THE CITY OF KAWARTHA LAKES

(hereinafter called the "City")

- and -

INNOVATION CLUSTER – PETERBOROUGH AND THE KAWARTHA
INCORPORATED UNDER THE CORPORATIONS ACT, ONTARIO CORPORATION
NUMBER 1596890

(hereinafter called the "Tenant")

WHEREAS:

- a) The City is the registered owner of the Premises situated on the property municipally known as 180 Kent Street West, Lindsay, City of Kawartha Lakes (the "Premises");
- b) The Tenant desires to continue to use the Premises for purposes of running the "Business" and providing the Contracted Services of small business counselling as set out in Schedule A; and
- c) The Tenant has occupied a portion of the Premises, as more specifically set out below, since February 1, 2020.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1) Grant of Lease

a) Contracted Services and Business Activities

The City hereby grants to the Tenant a lease (the "Lease") to occupy and use a portion of the Premises (more specifically described as the demised Suite located on the first floor and at the extreme east end of 180 Kent Street and being approximately 1,056 square feet on the main floor of the Premises). The parties anticipate that approximately 4/5 of this area will be exclusive use (844.8 square feet) and that approximately 1/5 of this area will be common use. The City hereby grants to the Tenant a non-exclusive license to occupy the Common Areas within the Premises as further defined in Schedules B and C. This Lease is entered into for the purpose of operating the Business. The Tenant shall, in operating the Business, carry out the duties prescribed in Schedule A, attached hereto.

b) Obligations of the City

The City shall carry out the duties prescribed in Schedule A.

c) Assignment and Use of Building Space

This Agreement assigns the use of space for the exclusive use of the Tenant on the first floor at the extreme east end of the Premises, together with limited non-exclusive use of the common area of the Premises. Delineation of the assigned space, together with the particulars that shall

govern all occupancy and use of the Premises is provided for in Schedule B, attached to this Agreement.

2) Lease Term

This Lease will commence on the 1st day of December, 2020, and terminate on the 30th day of November, 2023 (the "Term").

3) Valuation of Gift of Rental Fee

- a) In consideration for its use and occupation of the Premises, the City's maintenance of the leased portion of the premises and the City's payment of real property taxes applicable to the Premises, and the provision of utilities to the leased portion (excluding Internet and telephone, and Contents Insurance, which shall be directly payable by the Tenant) the Tenant would be liable to pay to the City annual rent in the form of providing small business counselling
- b) The consideration for the lease is the small business counseling in accordance with section 108 of the *Municipal Act, 2001*. The Innovation Cluster is required to pay for its own internet and telephone, but will not be required to pay for its water, sewer, heat and electricity, or any costs for maintenance or cleaning.
- c) During the pandemic the City has had to make the challenging decision to restrict access to all City buildings. The City has not allowed the Innovation Cluster access to the Premises since March, 2020.
- d) In the event of a Federal, Provincial, or Municipal State of Emergency where the Licensee does not have access to the Premises, the City will prorate the annual License Fee accordingly.

The Rental Fee is in addition to and separate from any other fees or payments made to the City by the Tenant in relation to the Tenant's use or license of any other premises or buildings which the City owns and which do not consist of the Premises.

4) Tenant's Covenants

The Tenant shall not do or permit to be done on the Premises anything that may:

- a) constitute a nuisance;
- b) cause damage to the Premises;
- c) cause injury or annoyance to occupants or owners of neighbouring properties;
- d) make void or voidable any insurance upon the Premises;
- e) constitute a breach of any by-law, statute, order or regulation of any municipal, provincial, federal or other competent authority relating to the Premises;
- f) cause any lien, mortgage, or other encumbrance to be incurred or registered against the Premises.

5) State of the Premises

- a) The Tenant agrees to accept the Premises on an "as is" basis.
- b) The Tenant covenants and agrees that, upon expiration or other termination of this Lease, it will repair the leased space within the Premises to the state and standard of repair to which it existed as of the date of this Lease, in the sole and absolute discretion of the City, reasonable wear and tear excepted.

6) Maintenance of the Premises

The City shall, at its sole cost, maintain the leased space of the Premises in good order and condition to the standards from time to time prevailing for similar buildings subject to reasonable wear and tear not inconsistent with such standard and with the exception only of those repairs or leasehold improvements which the Tenant may carry out expressly with the permission of the City. The City's obligations include, but are not limited to,

- a) cleaning and janitorial work, heating, ventilation and air-conditioning, including temperature control, inspection, testing, maintenance and repair of base building elements and systems as necessary to ensure safe occupancy, ensure compliance with all applicable codes and regulations, and to ensure proper maintenance of the building assets.
- b) re-painting and re-decorating at reasonable intervals, making repairs and replacements to plate glass, moldings, trimmings, locks, doors, hardware, partitions, walls, fixtures, electrical, mechanical and plumbing systems and equipment, light and plumbing fixtures, wiring, piping, ceilings and floors in the Premises. The City shall have the right at all reasonable times and upon prior reasonable written or verbal notice, to examine the condition of the leased space of the Premises and notify the Tenant of deficiencies that fall outside reasonable wear and tear, for which the Tenant is responsible, and the Tenant shall make good any deficiencies for which it is responsible within fifteen (15) days from the date of such notice. Without limiting the generality of the foregoing, the City and Tenant shall conduct move-in and move-out inspections to determine the condition of the leased space of the Premises and identify any deficiencies requiring repair.
- c) The Tenant and City acknowledge that the City is responsible for capital expenditures, repairs and alterations of any nature whatsoever related to the Tenant's use of the Premises, excluding intentional and destructive acts of the Tenant or its agents. In default of this covenant, the City shall have the right to terminate this Lease.
- d) The Tenant shall not obstruct persons authorized by the City to enter the Premises to examine the condition thereof and view the state of repair at all reasonable times and following reasonable notice:
 - i) and if upon such examination repairs are found to be necessary, written notice of the repairs required shall be given to the Tenant by or on behalf of the City and the Tenant shall make the necessary repairs within the time specified in the notice;
 - ii) and if the Tenant refuses or neglects to keep the leased space of the Premises in good repair (in accordance with its limited obligations pertaining to intentional and destructive acts exceeding reasonable wear and tear and accidental destruction) the City may, but shall not be obliged to, make any necessary repairs, and shall be permitted to enter the leased space of the Premises, by itself or its servants or agents, for the purpose of effecting the repairs without being liable to the Tenant for any loss, damage or inconvenience to the Tenant in connection with the City's entry and repairs, and if the City makes repairs the Tenant shall pay the cost of them immediately.
- e) The Tenant will not alter the Premises without the City's prior written approval. The Tenant's request for such consent shall be in writing and accompanied by an adequate description of the contemplated work, and where appropriate, professionally prepared working drawings, plans and specifications. The City will act in a timely manner on any reasonable requests and will carry out work with either its own staff or its preferred contractors. Action on any such request will be subject to the City's cost considerations, and at the City's discretion may be made subject to the Tenant's agreement to funding the work.

- f) Upon expiry of the Term or other determination of this Lease, the Tenant agrees to peaceably surrender the Premises, including any alterations or additions made thereto, to the City in a state of good repair.
- g) The Tenant shall immediately give written notice to the City of any damage that occurs to the Premises from any cause.

7) **Environmental**

- a) The Tenant shall be, at its own expense, responsible for any loss, costs, damages, charges or expenses whatsoever which may be sustained by the City as a result of any environmental contamination, spill or hazard as may be created by the Tenant during its use of the Premises.

8) **Insurance**

- a) During the term of this Lease and any renewal thereof, the Tenant shall provide and maintain:
 - i) Comprehensive General Liability insurance including but not limited to, bodily injury including death, property damage including loss of use thereof, personal injury, blanket contractual liability, tenant's legal liability, contingent employers' liability, products or completed operations liability, non-owned automobile insurance, cross liability/severability of interest clause and include sudden and accidental pollution coverage. The policy shall be in an amount of not less than Two Million Dollars (\$2,000,000.00) per occurrence with a deductible acceptable to the City. The policy shall name The Corporation of the City of Kawartha Lakes as an Additional Insured.
 - ii) "All Risk" Property insurance on all property owned by or for which the Tenant is legally liable including furniture, fixtures and leasehold improvements in an amount representing the full replacement cost. The policy shall not allow subrogation claims by the insurer against the City.
 - iii) If applicable, Comprehensive (3D) Dishonesty, Disappearance and Destruction Bond for an amount of not less than Two Hundred and Fifty Thousand Dollars (\$250,000.00) including a Third Party Extension Rider to cover the City against a fraudulent or dishonest act(s) with respect to incidents arising from services performed or in connection with this Agreement.
- b) The Tenant shall provide the City within ten (10) days of signing the Lease and annually thereafter, a Certificate of Insurance as confirmation of coverage, and if required, true copy(s) of the policy(s) certified by an authorized representative of the insurer, together with copies of any amending endorsements applicable to this Agreement. All policies shall be with insurers licensed to underwrite insurance in the Province of Ontario. The insurance shall be with insurers acceptable to the City and with policies in a form satisfactory to the City. All policies shall be endorsed to provide the City with not less than thirty (30) days written notice in advance of any cancellation, change or amendment restricting coverage. All premiums and applicable deductibles under the above required insurance policies are the sole expense of the Tenant. All policies shall apply as primary and not as excess of any insurance available to the City.
- c) During the term of this Lease and any renewal thereof the City shall maintain a general liability policy containing a liability/severability of interest clause with respect to the Premises, insuring against liability for bodily injury including death, property damage and personal injury, which may arise from the activities and events of the City pursuant to this Lease, up to such limits as are sufficient to cover their respective obligations to indemnify from claims, but such insurance and any payment of the proceeds thereof to the City shall not relieve the Tenant of its obligations to repair, restore and maintain the Premises.

9) Indemnity and Limited Liability

- a) The Tenant waives, releases, discharges and indemnifies the City from and against all rights, claims, demands or actions of whatsoever kind or nature, direct or indirect, of any person whether in respect of damage to person or property arising out of or occasioned by the maintenance, use or occupancy of the Premises by the Tenant. The Tenant agrees to look solely to its insurers in the event of loss whether the insurance coverage is sufficient to fully reimburse the Tenant for the loss or not.
- b) The City shall not be liable to the Tenant or to any other party for any torts, acts or omissions on the part of the Tenant that occurred during the Tenant's performance of the Contracted Services, or otherwise.

10) Independent Contractor

The Tenant and its representatives shall act as an independent contractor providing the Contracted Services pursuant to this Agreement. It is expressly understood by the parties that this Agreement shall not be considered or interpreted as the City naming, appointing or constituting the Tenant as an agent of the City or as naming, appointing or constituting any representative of the Tenant as an employee of the City; at all times, the Tenant shall have the status of an independent contractor. Without limiting the generality of the foregoing:

- a) Subject to the express terms of this Agreement, the City shall not have the right to control the Tenant's activities;
- b) Subject to the express terms of this Agreement, the Tenant shall supply the equipment and tools required to perform the Contracted Services and, in addition, shall cover costs related to their use including repairs, insurance, transport, rental and operation; and
- c) Subject to the express terms of this Agreement, the Tenant shall pay its own general overhead costs.

11) Acts of Default and City's Remedies

- a) An "Act of Default" has occurred when:
 - i) The Tenant has breached its covenants, failed to perform any of its obligations under this Lease or has failed to adequately perform the Contracted Services in the City's reasonable opinion, and
 - (1) the City has given fifteen (15) days' notice, or such longer period as the City may determine in its sole discretion, specifying the nature of the default and the steps required to correct it; and,
 - (2) The Tenant has failed to correct the default as required by the notice;
- b) The Tenant has;
 - i) become bankrupt or insolvent or made an assignment for the benefit of creditors;
 - ii) had its property seized or attached in satisfaction of a judgment;
 - iii) had a receiver appointed;
 - iv) committed any act or neglected to do anything with the result that a construction lien or other encumbrance is registered against the City's property;

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- v) without the consent of the City, made or entered into a license to make a sale of its assets to which the Bulk Sales Act applies; or
- vi) taken action, if the Tenant is a corporation, with a view to winding up, dissolution or liquidation;
- c) any insurance policy is cancelled or not renewed by reason of the use or occupation of the Premises, or by reason of non-payment of premiums;
- d) the Premises;
 - i) become vacant or remain unoccupied by the Tenant for a period of thirty (30) consecutive days or
 - ii) is used by any other person or persons, or for any other purpose than as provided for in this Lease without the written consent of the City.
- e) When an Act of Default on the part of the Tenant has occurred:
 - i) the City shall have the right to terminate this Lease.
 - f) If, because an Act of Default has occurred, the City exercises its right to terminate this Lease prior to the end of the Term, the Tenant shall nevertheless be liable for payment of the Rental Fee.
 - g) If, when an Act of Default has occurred, the City chooses not to terminate the Lease, the City shall have the right to take any and all necessary steps to rectify any or all Acts of Default of the Tenant and to charge the costs of such to the Tenant.
 - h) If, when an Act of Default has occurred, the City chooses to waive its right to exercise the remedies available to it under this Lease or at law, the waiver shall not constitute condonation of the Act of Default, nor shall the waiver be pleaded as an estoppel against the City to prevent its exercising its remedies with respect to a subsequent Act of Default. No covenant, term, or condition of the Lease shall be deemed to have been waived by the City unless the waiver is in writing and signed by the City.

12) Termination Upon Notice and at End of Term

- a) Either party shall have the right to terminate this Lease by giving sixty (60) days prior written notice to the other party, in which case the Lease shall be cancelled without further recourse by either party against the other.
- b) If the Tenant remains in possession of the Premises after termination of the Lease as aforesaid and if the City then accepts payment of the Rental Fee for the Premises from the Tenant, it is agreed that such overholding by the Tenant and acceptance of Rental Fee by the City shall create a monthly tenancy and that the occupation of the Premises by the Tenant shall remain subject to all the terms and conditions of this Lease except those regarding the Term.

13) Confidentiality

- a) As used herein, "**Confidential Information**" shall mean any and all technical and non-technical information provided by either party to the other party or otherwise obtained by the other party that is marked or otherwise identified at the time of disclosure as confidential or proprietary or which, under the circumstances, would be reasonably deemed to be confidential or proprietary, whether in graphic, electronic, written or oral form, and including but not limited to any ideas, techniques, drawings, designs, descriptions, specifications, works of authorship, models,

inventions, know-how, processes, algorithms, software source documents, and formulae related to the current, future, and proposed technologies, products and services, and also any information concerning research, experimental work, development, financial information, purchasing, customers, employees, business and contractual relationships, business forecasts, business plans, building or zoning plans, municipal strategies or information not intended for public disclosure, personally-identifiable information, sales and merchandising, marketing plans or other confidential or proprietary information of or related to the Disclosing Party and information the Disclosing Party provides the Recipient regarding or belonging to third parties.

- b) Each party agrees that at all times and notwithstanding any termination or expiration of this Agreement it shall (a) hold in strict confidence and (b) not disclose to any third party, any Confidential Information of the party disclosing Confidential Information ("Disclosing Party"), except as approved in writing by the Disclosing Party, and will use Confidential Information for no purpose other than carrying out the duties herein prescribed. Notwithstanding any of the foregoing, the party to which Confidential Information was disclosed or which otherwise obtained Confidential Information ("Recipient") shall not be in violation of this Section 14 with regard to a disclosure that was in response to a valid order by a court or other governmental body, provided that the Recipient provides the Disclosing Party with prior written notice of such disclosure in order to permit the Disclosing Party to seek confidential treatment of such information. Each party shall only permit access to Confidential Information of the other party to those of its employees having a need to know and who have signed confidentiality agreements or are otherwise bound by confidentiality obligations at least as restrictive as those contained herein. Each party shall immediately notify the other upon discovery of any loss or unauthorized disclosure of Confidential Information of the other party. The parties acknowledge and agree that a breach by Recipient of any of its duties or obligations contained herein will result in irreparable and continuing damage to the Disclosing Party for which there will be no adequate remedy at law, and that the Disclosing Party shall be entitled to seek injunctive relief, a decree for specific performance, and such other relief as may be proper (including monetary damages if appropriate).

14) Notice

- a) Any notice required or permitted to be given by one party to the other pursuant to the terms of this License shall be given

To the City at:

The Corporation of the City of Kawartha Lakes
26 Francis Street, P.O. Box 9000
Lindsay, Ontario K9V 5R8
Attention: Clerk
Phone: (705) 324-9411 ext.
Fax: (705) 324-8110
Email: clerks@kawarthalakes.ca

Contract Administrator

Jörg Petersen
Manager – Building and Property
Phone: 705-324-9411 ext. 2334
E-mail: jpetersen@kawarthalakes.ca

To the Tenant at:

Innovation Cluster – Peterborough and the Kawarthas
270 George St. N., 3rd Floor
Peterborough, ON K9J 3H1
Attention: John Gillis, President and CEO

Phone: 705-536-1101
Email: jgillis@innovationcluster.ca

- b) The above addresses may be changed at any time by giving ten (10) days written notice to the other party to this Lease.
- c) Any notice given by one party to the other in accordance with the provisions of this Lease shall be deemed conclusively to have been received on the date delivered if the notice is served personally or sent by facsimile or electronic transmission or seventy-two (72) hours after mailing if the notice is mailed.

15) Registration

The Tenant hereby acknowledges and agrees that this Lease does not create or confer on the Tenant any interest in the Premises, that this Lease is personal to the Tenant and that this Lease merely confers on the Tenant the non-exclusive right to enter onto and occupy the Premises for the Term for the purpose of operating the Business and performing the Contracted Services. Accordingly, the Tenant agrees that it shall not at any time register notice of or a copy of this Lease on title to the Premises or the property of which the Premises forms part.

16) Assignment and Transfer

- a) The Tenant shall not assign or transfer all or any part of its interest in this Lease without the prior written consent of the City, which consent may be unreasonably withheld.
- b) The consent of the City to any assignment or transfer of interest in this Lease shall not operate as a waiver of the necessity for consent to any subsequent assignment or transfer.
- c) Any consent granted by the City shall be conditional upon the assignee or transferee executing a written Lease directly with the City agreeing to be bound by all the terms of this Lease as if the assignee or transferee had originally executed this Lease as Tenant.
- d) Any consent given by the City to any assignment or other disposition of the Tenant's interest in this Lease shall not relieve the Tenant from its obligations under the Lease.
- e) If the party originally entering into this Lease as Tenant, or any party who subsequently becomes the Tenant by way of assignment or transfer or otherwise as provided for in this Lease, is a corporation then;
 - i) the Tenant shall not be entitled to deal with its assets in any way that results in a change in the effective voting control of the Tenant unless the City first consents in writing to the proposed change, and;
 - ii) if any change is made in the control of the Tenant corporation without the written consent of the City then the City shall be entitled to treat this Lease as terminated.

17) Amendment

No alteration, amendment, change or addition to this Lease shall be binding on the City and/or the Tenant unless such alteration, amendment, change or addition is reduced to writing and signed by both the City and the Tenant.

18) Entire Lease

It is agreed and understood that this Lease (including the schedules referred to herein, which are hereby incorporated by reference) constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior arrangements, proposals, understandings and negotiations,

both written and oral, between the parties or their predecessors with respect to the subject matter of this Lease.

19) General Matters of Intent and Interpretation

- a) Each obligation under this Lease is a covenant.
- b) The headings in this Lease are for ease of reference only and are not to be taken into account in the construction or interpretation of any provision to which they refer.
- c) The use of the neuter singular pronoun to refer to the City or the Tenant is a proper reference even though the City or the Tenant is an individual, a partnership, a corporation or a group of two or more individuals, partnerships or corporations. The grammatical changes needed to make the provisions of this Lease apply in the plural sense when there is more than one City or Tenant and to corporations, associations, partnerships or individuals, males or females, are implied.
- d) Whenever a statement or provision in this Lease is followed by words denoting including or example (such as "including" or "such as") and there is a list of, or reference to, specific matters or items, such list or reference shall not be read so as to limit to restrict the generality of such statement or provision, even though words such as "without limitation" or "without limiting the generality of the foregoing" do not precede such list of reference.
- e) If a part of this Lease or the applications of it to a person or circumstance, is to any extent held or rendered invalid, unenforceable or illegal, that part:
 - i) is independent of the remainder of the Lease and is severable from it, and its invalidity, unenforceability or illegality does not affect, impair or invalidate the remainder of this Lease; and
 - ii) continues in all circumstances except those as to which it has been held or rendered invalid, unenforceable or illegal.
- f) This Lease will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- g) Time is of the essence of this Lease.
- h) To the extent that liability exists at the time of expiry or earlier surrender or termination of this Lease, the covenant(s) from which such liability is derived shall survive such expiry or earlier surrender or termination.

20) Force Majeure

Except for any obligation to pay money, neither party will be liable for any failure or delay in its performance under this Lease due to any cause beyond its reasonable control, including acts of war, acts of God, earthquake, flood, embargo, riot, sabotage, labour shortage or dispute, governmental act or failure of the Internet, provided that the delayed party: (i) gives the other party prompt notice of such cause, and (ii) uses its reasonable commercial efforts to correct promptly such failure or delay in performance.

21) Compliance With Laws

The Tenant agrees to comply with all lawfully enacted statutes, regulations and by-laws of the Province of Ontario, the Government of Canada, and the City, as such may from time to time apply to the Tenant or its occupation of the Premises.


22) Successors

The rights and obligations under this Lease extend to and bind the parties and their respective successors and permitted assigns.

DATED at Lindsay, this 11 day of March, 2020.

THE CORPORATION OF THE CITY OF KAWARTHA
LAKES


PER: 
Name: Cathie Ritchie
Title: Clerk

PER: 
Name: Andy Letham
Title: Mayor

(We have authority to bind the Corporation per
Council Resolution _____)

DATED at _____, this _____ day of _____, 2020.

INNOVATION CLUSTER – PETERBOROUGH AND
THE KAWARTHAS

PER: 
Name: John Gillis
Title: President and CEO

(I have authority to bind the Innovation Cluster –
Peterborough and the Kawartha's)

**Schedule A-
Business Activities and Contracted Services
Of the Tenant and the Duties of the City**

See attached Business Counselling Services Funding Agreement

This business counselling services agreement made December 15, 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,

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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

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



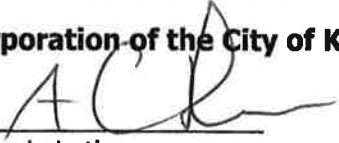
SCHEDULE 1: REPORTING

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"> • Project milestones achieved • Project outcomes and key performance metrics • Impacts on multiple communities in rural Eastern Ontario • 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 • Success stories ICPK may wish to share with the City. 	Due by the 5th day of the calendar month following each quarter of the Project.
FINAL 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"> • Confirmation of total cash investment made by the ICPK in the Project. • A list confirming all Project milestones successfully achieved by ICPK during the duration of the Project. • 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. • A narrative description of how the Project strengthened the City's competitive advantage. • A list of new markets accessed as a result of the Project. • A list of new partnerships created as a result of the Project. • A table reporting the number of FTE jobs created by category and type (full-time and part-time, permanent and temporary). • ICPK's rating of the Funding Initiative (satisfaction survey). • # of new patents generated (if any). • # of new products commercialized (including details). • # of new process innovations implemented (including details). • Any other metric requested by the City. 	Due by the 5th day of the calendar month following the last month of the Project.


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

Deputy Clerk, Sarah O'Connell

"We have authority to bind the City pursuant to Council Resolution

CR2021-653

Innovation Cluster – Peterborough and the Kawarthas



John Gillis, President



Schedule B

Assignment and Use of Premises

Location and Delineation of Assigned Space

- **Assigned Office Space**
 - The space assigned to the Tenant by this agreement shall include the demised Suite located on the first floor and at the extreme east end of the 180 Kent Street. The space comprises approximately 1,056 square feet.
- **Entrance and Access**
 - Primary entrance for the space shall be through the vestibule located at the south end of the demised Suite.
 - The Tenant shall also have access to egress through the adjacent rear vestibule and exterior door opening to the north walkway.
- **Common Area of Premises**

The Tenant shall have access to and use of the following spaces as outlined in the following:

 - The Kitchen Facilities located in the Premises.
 - First Floor Meeting Room (Rm 101) and Second Floor Meeting Room (Rm 203) use shall be by advance reservation only. The Tenant shall make such reservations through the Economic Development Division. Reservation access and use shall be governed by City policy and standards.
 - Public Washrooms located on the first and second floors.
 - First Floor Lobby, Building Entrance and Streetscape. Use of this space (including signage, display and reception) is recognized as important to serving the Public and clients for both City program delivery and the Tenant's business activities. This Agreement recognizes that, as such, the space is shared. Governance of this shared arrangement shall be determined through discussion between the Tenant's President and CEO (John Gillis) and the City's Manager of Building and Property (Jörg Petersen). Governance shall address both the day-to-day activities and operational protocols, management of issues affecting the space, as well as improvements and alterations considered for the space to support corporate image/visual identity. All material decision-making shall be in accordance with City policy and shall be subject to approval by the Manager of Building and Property, in advance.
- **Parking**

The City grants a non-exclusive license to fifteen (15) unreserved parking spaces in the City's Parking Lot located at the Northeast corner of Peel Street and Cambridge Street, Lindsay (approximately one block from the Premises) and shall provide the Tenant with fifteen (15) parking passes for access purposes.

Building Services

- The City shall provide standard base-building services for the space assigned to the Tenant, as are presently and shall continue to be provided to other occupants, respecting the following:
 - Cleaning and janitorial work
 - Heating, ventilation and air-conditioning, including temperature control
 - Inspection, testing, maintenance and repair of base building elements and systems as necessary to ensure safe occupancy, ensure compliance with all applicable codes and regulations, and to ensure proper maintenance of the building assets.
- Services shall be provided to City standards. The Tenant may request a higher level of service and where the City may agree, such services would be provided on a cost recovery basis.
- The City may undertake major maintenance / improvement work at a future time. Such work shall be carried out following the City's processes and protocols, and at the City's cost. When and if such work may indicate an impact on the Tenant's operations, the City shall coordinate with the Tenant.

- All work being carried out by the City will be done with advance notice to the Tenant.
 - For regular maintenance / repair work with a minimum of 24 hour notice
 - For major maintenance / improvement work, notice to be provided when work is in planning stages

For emergencies, it will not be possible to provide advance notice.

Tenant Proposed Building Alterations/Improvements

- The City requires that any and all alterations / improvements, proposed by the Tenant, must observe the following:
 - Advance notice to be provided by the Tenant to the City.
 - Material works are to be based on design and contract documents prepared by an architect and engineer as may be required.
 - Design and contract documents to be reviewed by the City, with no work undertaken unless acceptable to the City.
 - The City shall be invited to attend construction meetings and may comment / request attention to matters of concern related to the building in general, the needs of other occupancies located in the building.
 - Permits and inspections to be arranged by the Tenant with copies to be provided to the City.
 - The Tenant shall use the City's preferred contractors as may be appropriate.

Building Access and Hours of Operation

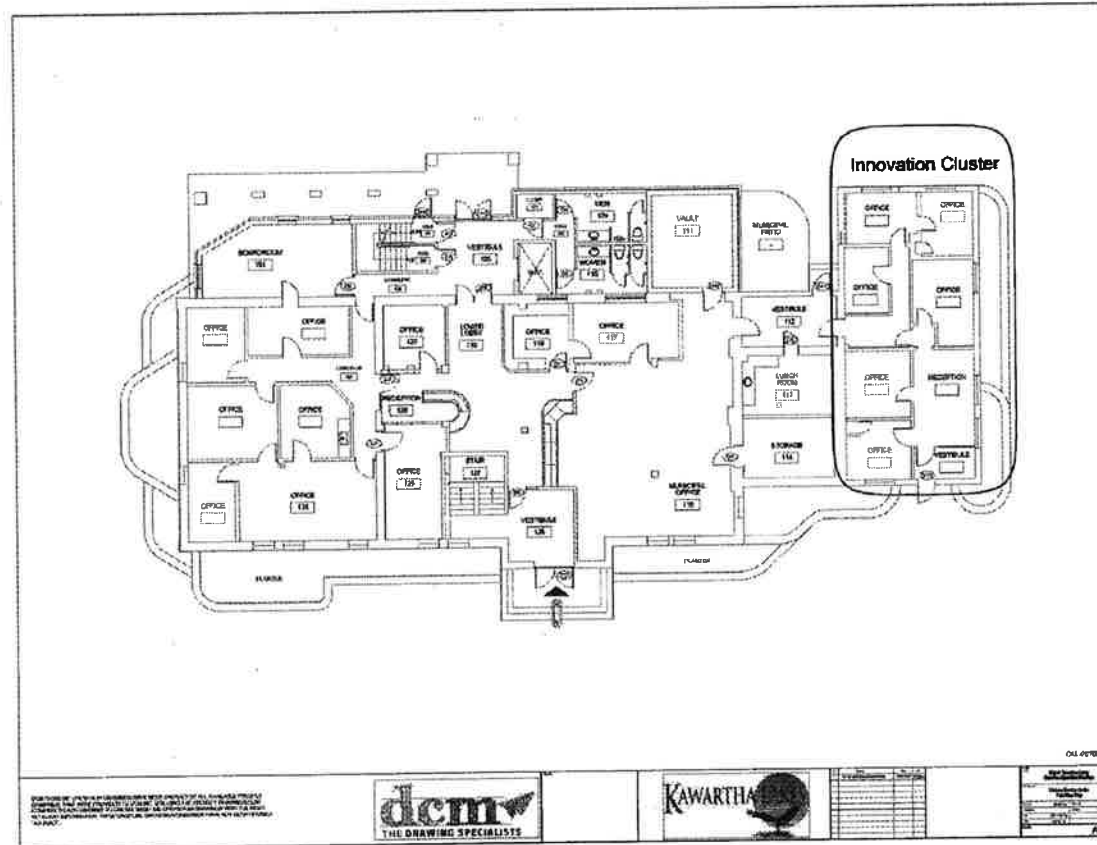
- 180 Kent Street has an electronic access lock control system in place. The City shall issue key fobs to provide limited access for employees of the Tenant only, together with training regarding use of the system. The Tenant shall keep control of the fobs that are issued, and inform the City of any changes regarding staffing and issue of fobs. Lost fobs are to be reported and can be replaced. The City shall recover the cost of replacement of fobs.
- It is recognized that the Tenant may choose to carry out work, including access to meeting rooms, outside of normal office hours. The City shall cooperate with the Tenant on development and implementation of an After Hours Protocol that shall govern any such activity.

Governance

- This agreement recognizes that, the Tenant's occupancy is predicated by a collaborative services agreement with the City for which resources and space is shared. Governance of this shared arrangement shall be through the Manager of Economic Development and the Tenant's general manager, and the City's manager for building and property.
- Governance shall address both the day-to-day activities and operational protocols, management of issues affecting the space, corporate image/visual identity (etc.). All material decision-making affecting the building and space shall be in accordance with City policy and shall be subject to approval by City executive, in advance.

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**Schedule C
Floor Plan**



PK