THIS CONTRIBUTION AGREEMENT made in duplicate and effective the 1 day of March, 2014.

BETWEEN:

CITY OF OTTAWA (the "City")

AND:

INNOVATION CENTRE AT BAYVIEW YARDS

(the "Recipient")

WHEREAS on March 25, 2013 the Province of Ontario (the "**Province**") entered into a Contribution Agreement with the City attached as Schedule "A" to this Agreement, to provide up to \$15 million dollars (the "**Provincial Contribution**") toward the development and construction of the Innovation Centre Facility (the "**Project**"), conditional upon the City administering the Provincial Contribution pursuant to the terms and conditions of the Provincial Contribution Agreement and matching the Provincial Contribution through in-kind support for the Project included in Schedule "E" attached to this Agreement;

AND WHEREAS on December 11, 2013 the Council of the City committed to match the Provincial Contribution with the use of the City's land and the building associated with 7 Bayview Road by the Recipient, as well as in-kind contributions of staff resources, waived municipal fees, and funds to help support operating shortfalls in the start-up phase of the Project as will be further described in a report from the City's Economic Development & Innovation Department to Council in Q1 2014;

AND WHEREAS on December 11, 2013 the Council of the City approved the development and operation of a new multi-use "Innovation Centre" to be located at 7 Bayview Road, Ottawa (the "Innovation Centre Facility") which is owned by the City and which will be leased, developed and operated by a new non-profit corporation known as the "Innovation Centre at Bayview Yards";

AND WHEREAS on December 24, 2013 the "Innovation Centre at Bayview Yards", which is the Recipient, was federally incorporated as a non-profit corporation, to promote entrepreneurship and innovation in Ottawa and to oversee the design, development and construction/ renovation of the Innovation Centre Facility, and to manage and oversee the business incubation and acceleration centre, as further described in its Articles of Incorporation attached as Schedule "C" to this Agreement;

AND WHEREAS the Recipient has received a copy of the Provincial Contribution Agreement and the Council minutes from December 11, 2013 regarding the conditions precedent which must be fulfilled by the Recipient to permit the City to disperse the Provincial Contribution;

AND WHEREAS the Recipient will carry out the development and construction of the Innovation Centre Facility as described in the Innovation Centre Business Plan attached as Schedule "B" to this Agreement, and pursuant to the requirements of the Provincial Contribution Agreement, in order to be reimbursed for eligible costs incurred by the Recipient in carrying out the Project;

AND WHEREAS the Recipient may update the Innovation Centre Business Plan in consultation with the City's Director of Economic Development and Innovation, to be received by the City's Director of Economic Development and Innovation by March 31, 2014 and to be subsequently accepted by the Council of the City and the Province;

AND WHEREAS upon approval of the final Innovation Centre Business Plan by the Council of the City, the Recipient will enter into a separate long-term lease agreement with the City, associated with the Innovation Centre Facility and a 0.803 hectare parcel of land at 7 Bayview Road, as described in the Council minutes from December 11, 2013;

AND WHEREAS the Innovation Centre Business Plan will provide specific details on the renovation of the Municipal Works Building #4 at Bayview Yards as the Phase 1 component of the Project and a conceptual plan for the development of a 12-storey, 180,000 square foot tower on the same site and adjacent to the renovated building as the Phase 2 component of the Project;

AND WHEREAS the Recipient will include a detailed Business Plan specific to the Phase 2 component of the Project in its final report related to the Phase 1 completion which is due within 120 days after completion of Phase 1 of the Project at a future date, as a requirement to release the final reserved portion of the provincial funding related to Phase 1, as determined by the City's Director of Economic Development and Innovation;

AND WHEREAS the Recipient will consult with the City's Director of Economic Development and Innovation and the City's Chief Procurement Officer to finalize its Request for Proposals (RFP) to develop and build the Innovation Centre Facility, which requires land remediation, heritage adaptive re-use, site/building work and tenant fit-up, as well as RFPs for facilities management and Innovation Centre operations, marketing, accounting, legal and other services, as needed;

AND WHEREAS the Recipient will seek proposals from qualified organizations and will review all proposals in consultation with the City's Economic Development and Innovation Director and the City's Chief Procurement Officer, to select proponents that

achieve best value as required by the Provincial Contribution Agreement and this Agreement;

AND WHEREAS the Recipient has provided the City with proposed Project timelines for development and construction of the Innovation Centre Facility including milestones and costs in draft form, which is attached as Schedule "D" to this Agreement, and will be finalized by the Recipient in consultation with the City's Director of Economic Development and Innovation, upon selection of the successful proponents for the development and construction of the Innovation Centre Facility;

AND WHEREAS the Innovation Centre Facility, once completed and occupancy is permitted, will be operated by the Recipient who will seek an appropriate mix of tenants in consultation with the City's Economic Development Director, which include Invest Ottawa, as well as other non-profit and government entrepreneurial support agencies, anchor tenants, and private service firms to accelerate business success and create new knowledge based jobs in Ottawa;

AND WHEREAS Invest Ottawa is intended to be an anchor tenant in the Innovation Centre at Bayview Yards and is a key stakeholder in the delivery of economic development services on behalf of the City and is therefore to be given special consideration and treatment for tenancy by the Innovation Centre at Bayview Yards;

NOW THEREFORE the parties agree that the provincial funds are being dispersed by the City to the Recipient pursuant to certain terms and conditions as hereafter set out;

1.0 Definitions

- (a) "Agreement" means these terms and conditions and all Schedules and attachments to this Agreement, and any instrument amending this Agreement, all of which are deemed to form an integral part of this Agreement;
- (b) "Articles of Incorporation" means the articles of incorporation of the Recipient issued by Corporations Canada and dated December 24, 2013 confirming the Recipient's incorporation as a not-for-profit corporation under the name "Innovation Centre at Bayview Yards", a copy of which is attached as Schedule "C" to this Agreement, and is hereby made an integral part of this Agreement;
- (c) "Biographies of the Members of the Board of Directors" means the biographies of the first members of the Recipients' board, which is attached as Schedule "F" and hereby made an integral part of this Agreement;
- (d) "City's In-kind Contribution" means the City's in-kind support provided to match the Provincial Contribution, which may include the use of the City's land and the building associated with 7 Bayview Road by the Recipient, as well as in-kind contributions of staff resources, waived municipal fees, and funds to help support operating shortfalls in the start-up phase of the Project

as will be further described in a report from the City's Economic Development & Innovation Department to Council in Q1 2014, which is attached hereto as Schedule "E" and hereby made an integral part of this Agreement;

- (e) "Innovation Centre Business Plan" means the CITY's business plan for the development and operation of the Innovation Centre as approved by the Council of the City on December 11, 2013, attached hereto as Schedule "B", which will be updated by the Recipient to confirm final details of the Phase 1 Component, to be received by the City's Director of Economic Development and Innovation by March 31, 2014, and to be subsequently accepted by the Council of the City and the Province, and is hereby made an integral part of this Agreement;
- (f) "Lease Agreement" means the lease between the City and the Recipient associated with 7 Bayview Road permitting the Recipient to occupy and use the City's lands to develop and operate the Innovation Centre Facility, which is attached as Schedule "G" and hereby made an integral part of this Agreement.
- (g) "**Project Timelines**" means the proposed Project timelines for development and construction of the Innovation Centre Facility including milestones and costs which is attached hereto as Schedule "D" and will be finalized in consultation with the City's Director of Economic Development and Innovation, upon selection of the successful proponents for the development and construction of the Innovation Centre Facility, and hereby made an integral part of this Agreement;
- (h) "Provincial Contribution Agreement" means the Contribution Agreement entered into between the Province and the City, which is attached hereto as Schedule "A" and hereby made an integral part of this Agreement;
- (i) **"Reporting Requirements"** includes the quarterly reports to be submitted to the Director of Economic Development and Innovation as described in Schedule "H" and in Schedule "C" of the Provincial Contribution Agreement.

2.0 Conditions Precedent

- 2.1 The Recipient represents and warrants that it shall do, observe and perform all obligations and all matters and things necessary or expedient to be done, observed or performed under any applicable law or regulation of Canada, the Province of Ontario, and the City of Ottawa and under:
 - (a) the Provincial Contribution Agreement and any amendments thereto;
 - (b) this Agreement and any amendments thereto; and
 - (c) the Innovation Centre Business Plan and any amendments thereto approved by the Parties and the Province.

- 2.2. The Recipient represents and warrants that it will use the Innovation Centre Facility for its intended purposes, as described in the Innovation Centre Business Plan and the Articles of Incorporation.
- 2.3 The City shall not disburse any of the Provincial Contribution until the following have been received by the City's Director of Economic Development and accepted by the Province to the Province's satisfaction:
 - (a) evidence that the Recipient:
 - (i) is a validly existing non-profit corporation with full power to carry out the Project (Schedule "C", Articles of Incorporation); and
 - (ii) has the experience and expertise necessary to carry out the Project (Schedule "F", Biographies of Members of the Board of Directors);
 - (b) receipt and acceptance by the Province of this Agreement;
 - (c) evidence that the Recipient holds certain leasing rights to the land on which the Innovation Centre Facility will be located and has the authority to construct the Innovation Centre Facility (Schedule "G", Lease Agreement);
 - (d) evidence that all financing other than the Provincial Contribution, obtained or to be obtained by the Recipient in respect of the development and construction of the Innovation Centre Facility has been confirmed;
 - (e) receipt and acceptance by the Province of the Recipient's Business Plan for the Phase 1 Component in Detail. A Detailed Phase 2 Component Business Plan will be required in the final report related to Phase 1 completion, which is due within 120 days after completion of Phase 1 of the Project, as a requirement to release the final reserved portion of the Provincial Contribution related to Phase 1, as determined by the City's Director of Economic Development and Innovation. The Business Plan for Phase 1 shall include:
 - (i) a Project budget which shall confirm total Project costs and Project financing;
 - (ii) confirmation of the location, as described in the Lease Agreement, and construction timelines for the Innovation Centre Facility;
 - (iii) confirmation that the Innovation Centre Facility will not require future additions of capital or operating dollars from the Province for development and operation of the Innovation Centre Facility, notwithstanding resource requests which may be made for expanded and enhanced programming, including a sound plan for financial sustainability for the "useful life" of the Innovation Centre Facility, and for the intended purposes, such useful life meaning the 25 year period from the construction of the Innovation Centre Facility Facility being materially complete;
 - (iv) a multi-year plan for the operation of a business accelerator/business incubator within the Innovation Centre Facility

that is consistent with global best practices and presents a sound strategy for graduating and accelerating innovation start-up companies;

- (v) a lease out plan that ensures: (1) an appropriate mix of tenants in the Innovation Centre Facility which would include business accelerator tenants, private sector anchor tenants, high growth firms, business service providers (such as intellectual property lawyers, venture capital firms and financial service firms) and (2) an appropriate mix of information and communications technology (ICT) companies, life sciences companies and other firms;
- (vi) confirmation that lease rates for non-profit and local economic development tenants reflect market value which, subject to approval by the Province, can be adjusted depending on the contribution from other key funders; and
- (vii) such other information as may be reasonably requested by the Province.
- (f) receipt by the Province of financial due diligence reports conducted by qualified third party due diligence firms on the Recipient and the Project; such reports to include an acknowledgement from such third party due diligence firms that the Province is entitled to rely upon such reports.

3.0 Payment and Reporting Requirements

- 3.1 The City shall disperse the Provincial Contribution to the Recipient pursuant to the terms and conditions of the Provincial Contribution Agreement, and in accordance with the Project Timelines. A detailed payment schedule will be included in Schedule "D" once the RFP process to undertake the Phase 1 renovation of the building is concluded and negotiated Project budgets are finalized, with the approval of the City's Director of Economic Development and Innovation.
- 3.2 In the event that the Recipient fails to comply with any of the conditions precedent set out in this Agreement, or any applicable legislation, including default in obtaining any necessary permits, approvals or licenses, the City may, in its sole and absolute discretion, withhold payment of or discontinue the Provincial Contribution towards the Project and terminate this Agreement, upon thirty (30) days written notice to the Recipient and the City shall not be liable to pay the Provincial Contribution to the Recipient.
- 3.3 The Recipient agrees to submit to the City's Director of Economic Development and Innovation for review and acceptance, all costs incurred by the Recipient related to the development and construction of the Innovation Centre Facility for reimbursement accompanied by a Project status report as required under the "Reporting Requirements" in Schedule "C" of the Provincial Contribution Agreement (attached as Schedule "A" to this agreement). Upon receipt, the City's Director of Economic Development and Innovation shall review the request

for payment and confirm eligible costs that are payable in writing within two weeks of receipt.

- 3.4 In the event that the Recipient disputes the City's determination that a cost incurred by the Recipient for the Project submitted for reimbursement is not an "eligible cost" as described in the Provincial Contribution Agreement, the Parties shall consult with the Province for final determination. The Recipient is responsible for any costs that are not eligible under the Provincial Contribution Agreement or that exceed the Project budget for Phase 1.
- 3.5 The Recipient shall submit to the City's Director of Economic Development and Innovation an Annual Report no later than March 31 of each funding year, and Annual Audited Financial Statements no later than June 30 of each funding year. The Recipient shall submit to the City's Director of Economic Development and Innovation a final Report and final Audited Financial Statements, within 120 days after completion of the development and construction of the Innovation Centre Facility, as required under Schedule "C" of the Provincial Contribution Agreement.
- 3.6 The Recipient shall submit Quarterly Reports to the City's Director of Economic Development and Innovation, no later than 30 days following the end of each Quarter, detailing activities and outcomes as required under the "Reporting Requirements" in Schedule "H").
- 3.7 For the purposes of clarification or when specific issues arise, the City may request the Recipient to provide reasonable additional documentation within 30 days of such request.
- 3.8 A Detailed Phase 2 Component Business Plan related to the 12-storey, 180,000 square foot tower on the same site and adjacent to the Innovation Centre Facility, will be required in the final report related to Phase 1 completion, which is due within 120 days after completion of Phase 1 of the Project, as a requirement to release the final reserved portion of the Provincial Contribution related to Phase 1, as determined by the City's Director of Economic Development and Innovation. The City's Director of Economic Development and Innovation may require additional terms and conditions for approval of the Phase 2 Business Plan.

4.0 <u>Competitive process</u>

- 4.1 The Recipient shall procure all goods and services from qualified organizations to develop and construct the Innovation Centre Facility in a manner that achieves best value for money and retain any and all consultants reasonably required to undertake the development and construction of the Innovation Centre Facility.
- 4.2 The Recipient shall carry out a transparent, competitive process that ensures the best value for the Provincial Contribution. The Recipient agrees to consult with the City's Director of Economic Development and Innovation and the City's Chief Procurement Officer to finalize its RFP(s) related to the development and construction of the Innovation Centre Facility. An evaluation team, overseen and

facilitated by the Recipient, will review all proposals and score the proposals. The City's Director of Economic Development and Innovation and the City's Chief Procurement Officer will participate in the Recipient's evaluation team and will be permitted to participate in negotiations with the successful proponents and to review and approve the Recipient's proposed agreement with the successful proponents prior to execution. The agreement between the Recipient and the successful proponents shall reflect the terms and conditions contained in this Agreement.

- 4.3 The agreement between the Recipient and the successful proponents (referred to in section 4.2) shall require that the successful proponents, to the fullest extent possible, carry-out the Project and/or provide their services in both English and French. This requirement shall include, all written materials produced by the successful proponents, all directional signage and any contents on any website relating to the Project.
- 4.4 Upon selection of the successful proponents for the construction and operation/management of the Innovation Centre Facility, or any services provided on behalf of the Recipient, the Recipient shall finalize, and be responsible for, the proposed timelines for construction and milestones, and service level agreements and confirm total costs, a copy of which shall be provided to the City's Economic Development and Innovation Director for approval. Once such approval is obtained, no further change, modification or amendment may be made without the written approval of the City's Economic Development and Innovation Director.

5.0 Financial Conditions

5.1 The City's obligations under this Agreement are subject to the Provincial Contribution Agreement. In the event that the Province discontinues its contribution towards the Project, the City may terminate this Agreement, without fault or liability, upon thirty (30) days written notice to the Recipient. Upon termination, the Recipient shall provide the City with a report of Eligible Costs incurred by the Recipient as required under Article 13 of the Provincial Contribution Agreement, and the City shall reimburse the Recipient for such costs.

6.0 Accounting

6.1 The Recipient shall keep and maintain all records, invoices and other documents relating to this Agreement and the Project in a manner consistent with generally accepted accounting principles, and in accordance with generally accepted bookkeeping practices and keep them available for review by the City during the term of this Agreement.

7.0 Indemnity and Insurance

- 7.1 The Recipient hereby agrees to indemnify and hold harmless the City, its employees and agents from and against any and all liability, losses, costs, damages, expenses, (including legal, expert and consultant fees), lawsuits, judgements, claims, demands, expenses, actions, causes of action and other proceedings, including any and all liability for damages to property and injury to persons (including death), which the City may incur, sustain or suffer, otherwise than by reason of their own negligence or wilful misconduct, as a result of or arising out of or in relation to: (a) the Project or this Agreement or any breach of the terms of this Agreement by the Recipient, its officers, servants, employees, agents and consultants, or by a third party for whom the Recipient is responsible, and any of their officers, employees, servants or agents; (b) the ongoing operation, maintenance and repair of the Innovation Centre Facility; or (c) any omission or other wilful or negligent act of the Recipient, a third party for whom the Recipient is responsible, their respective employees, officers, servants or agents; or (d) any claim for lien made pursuant to the Construction Lien Act (Ontario).
- 7.2 The Recipient represents and warrants that it has, and shall maintain for the term of the Agreement, at its own cost and expense, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person carrying out a project similar to the Project would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury and property damage, to an inclusive limit of not less than five million dollars (\$5,000,000) per occurrence, Directors and Officers Liability Insurance, as well as Construction Insurance and Fire Insurance to the value of the finished Innovation Centre Facility. The policy shall include the following:

(a) the City of Ottawa as additional insureds with respect to liability arising in the course of performance of the Recipient's obligations under, or otherwise in connection with, this Agreement;

(b) a cross-liability clause;

- (c) blanket contractual liability coverage;
- (d) premises and operations liability
- (e) products and completed operations liability
- (f) personal injury liability
- (g) severability of interest clause
- (h) owner's and contractor's protective coverage
- (i) contingent employers liability
- (j) liability with respect to non-owned licensed motor vehicles.

8.0 <u>Time of Essence</u>

8.1 Time shall be of the essence in all respects. The Recipient is responsible to meet timeline milestones in accordance with Schedule "D"

9.0 <u>Representatives and Notices</u>

9.1 All communications between the City and the Recipient in respect of this Agreement shall be conducted through the following respective representatives at the following addresses:

RECIPIENT: INNOVATION CENTRE AT BAYVIEW YARDS

address Ottawa, ON Representative:

Chair, Board

Phone Number: (613) Fax Number: (613) Email:

Vice Chair, Board

Phone Number: (613) Fax Number: (613) Email:

[NTD: To be completed]

CITY: City of Ottawa 110 Laurier Avenue West Ottawa, ON K1P 1J1 Representative: Kent Kirkpatrick City Manager

Phone Number:(613) 580-2424 ext. 25657Fax Number:(613) 580-2449

- 9.2 Each party may designate a different representative, address or fax number at any time by written notice to the other.
- 9.3 Any notice, request, demand, consent, approval, correspondence, report or other communication required pursuant to or permitted under this Agreement shall be in writing, and shall be delivered personally, delivered by courier or sent by ordinary prepaid, certified or registered mail, or transmitted by facsimile ("fax") or other similar means of confirmed electronic communication to the particular representative at the address as specified.
- 9.4 Notice by mail shall be deemed to have been received on the fourth business day after the date of mailing. Notice by any other method shall be deemed to have been received at the time of the delivery or transmission or if a transmission is

sent after 5:00 p.m. on a business day or on a holiday, it shall be deemed to have been received on the next business day.

9.5 In the event of an interruption in postal service, notice shall be given by personal delivery or by fax.

10.0 <u>Termination</u>

- 10.1 In the event that Council of the City or the Province does not approve the Recipients' final business plan, or the Recipient fails to comply with the conditions precedent set out in this Agreement, or any applicable legislation, including default in obtaining any necessary permits, approvals or licenses, the City may, in its sole and absolute discretion, terminate this Agreement, without fault or liability, upon thirty (30) days written notice to the Recipient and the City shall not be liable to pay the Provincial Contribution to the Recipient.
- 10.2 In the event that the Province terminates the Provincial Contribution Agreement at any time, the Province may:

(a) demand the repayment of the Provincial Contribution remaining in the possession or under the control of the City; and/or

(b) determine the eligible costs incurred by the Recipient at the time of such termination as evidenced by a report satisfactory to the Province; such report must be received by the Province within 60 days of the date of termination, and:

(i) permit the Recipient to offset the costs determined pursuant to section 10.2 (b) against the amount owing pursuant to section 10.2(a).

11.0 Default

11.1 Each of the following events shall constitute an event of default;

(a) in the opinion of the City and/or the Province acting reasonably, the Recipient breaches any representation, warranty, covenant or other material term of this Agreement, including failing to do any of the following in accordance with the terms and conditions of the Agreement:

(i) procure all goods and services that are eligible costs in a manner that achieves best value for money and retain any and all consultants reasonably required to undertake the Project;

(ii) submit all claims, financial and other reports required under the Agreement;

(iii) carry out the Project in accordance with the Business Plan approved by the City and the Province , in accordance with all applicable laws, including all environmental laws, safety and employment standards; (iv) use the Innovation Centre Facility for its useful life for the intended purpose;

(v) the RFP process does not result in the selection of a successful proponent(s), or the Recipient cancels the RFP process;

(vi) the Agreement between the Recipient and a successful proponent for the Project is terminated or is amended without the prior consent in writing of the City,

(vii) the successful proponent fails to complete the building of the Innovation Centre Facility or the Recipient otherwise ceases to complete the development and construction of the Innovation Centre Facility,
(viii) the Recipient transfers the ownership of all or part of the Innovation Centre Facility prior to the end of its Useful Life without the prior written consent of the City and the Province.

(b) if, in the opinion of the City and/or the Province acting reasonably, any information, summary, report, or report provided at any time by or on behalf of the Recipient, in connection with the Agreement contains any untrue statement of material facts or omits to state any material fact necessary to make statements therein not misleading, it being understood that in the case of projections, such projections are based on reasonable estimates on the date of which such projection is provided;

(c) if there is a fact known, or a fact which becomes known, to the Recipient that could reasonably be expected to be material to the City and the Province that has not been, or is not promptly, as the case may be, disclosed to the City and the Province in writing by the Recipient;

(d) if, in the opinion of the Province acting reasonably, the Recipient fails to implement good governance principals consistent with the Province's policies and fails to act in accordance with such principles;

(e) if, in the opinion of the City and/or the Province acting reasonably, the Recipient fails to enforce, waives any of its rights, or agrees to any amendment of this Agreement, without the prior written consent of the City and Province or fails to provide promptly to the City and the Province a copy of any written notice or report provided to it under this Agreement;

(f) if the Recipient makes an assignment, proposal, compromise, or arrangement for the benefit of creditors, or is petitioned into bankruptcy, or files for the appointment of a receiver;

- (g) if the Recipient ceases to operate; and
- (h) an event of force majeure continues for a period of 60 days or more.
- 11.2 If an event of default occurs, the City may, upon the occurrence of the event of default, take one or more of the following actions:

(a) initiate any action the City considers necessary in order to facilitate the successful continuation or completion of the Project;

(b) provide the Recipient with an opportunity to remedy the event of default;

(c) demand the repayment of any of the Provincial Contribution remaining in the possession or under the control of the Recipient as required by the Province;

(d) demand the repayment of an amount equal to the Provincial Contribution the Recipient used, but did not use in accordance with the Agreement;

(e) demand the repayment of an amount equal to the Provincial Contribution as required by the Province; and/or

(f) terminate the Agreement at any time, including immediately, upon giving Notice to the Recipient.

- 11.3 If, the City and the Province provide the Recipient with an opportunity to remedy the event of default, the City shall provide Notice to the Recipient of:
 - (a) the particulars of the event of default; and
 - (b) the notice period.
- 11.4 If the City has provided the Recipient with an opportunity to remedy the event of default pursuant to section 11.3, and:
 - (a) the Recipient does not remedy the Event of Default within the notice period;
 - (b) it becomes apparent to the City and/or the Province that the Recipient cannot completely remedy the event of default within the notice period; or
 - (c) the Recipient is not proceeding to remedy the event of default in a way that is satisfactory to the City and/or the Province;

the City and the Province may extend the notice period, or initiate one or more of the actions provided for in sections 11.2(a), (c), (d), (e) and (f).

11.5 Termination under section 11 shall take effect as set out in the notice.

12.0 Parties Independent

12.1 The City and the Recipient are and shall at all times remain independent of each other and are not and shall not represent themselves to be the agent, joint venturer, partner or employee of the other. The Recipient, its employees, agents and volunteers, shall not be deemed to be employees of the City for any purpose.

13.0 Assignment

13.1 The Recipient shall not assign this Agreement to another entity without the prior written consent of the City.

14.0 <u>Amendments, Alterations and Additions</u>

14.1 No change, modification of or addition to this Agreement shall be valid unless it is in writing and signed by each party.

15.0 Benefit

15.1 This Agreement shall enure to the benefit of and shall be binding upon the heirs, successors and assigns of the Recipient.

16.0 Validity and Interpretation

- 16.1 Descriptive headings are inserted solely for convenience of reference, do not form part of this Agreement, and are not to be used as an aid in the interpretation of this Agreement. If any provision of this Agreement is found to be invalid or unenforceable, it shall be severed and the other provisions of this Agreement shall not be affected.
- 16.2 This Agreement and the rights, obligations and relations of the parties shall be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable to it. The parties agree that the courts of Ontario shall have jurisdiction to entertain any action or other legal proceeding based on any provision of this Agreement. The parties attorn to the jurisdiction of the Province of Ontario.

18.0 Occupational Health and Safety and Insurance Act

18.01 The Recipient shall be responsible, where applicable, for the health and safety of its workplace and be in compliance with the provisions of the Occupational Health and Safety Act, R.S.O. 1990. c.O.1, as amended, and its regulations or any successor legislation ("OHSA") and the requirements under the Workplace Safety and Insurance Act, S.O. 1997, c.16, Sch. A ("WSIA");

At any time during the Term of this Agreement, the Recipient shall, when requested by the City, provide evidence of compliance by itself and/or its subcontractors (whichever is applicable) with respect to the WSIA, and failure to provide satisfactory evidence shall result until the City has received satisfactory evidence.

19.0 <u>Term</u>

- 19.01 This Agreement shall be in effect from March 1, 2014 and concludes upon termination of the Lease Agreement attached as schedule G.
- 19.02 The Parties agree to review this Agreement every five years from the time the construction of the Innovation Centre Facility is materially complete. The Parties may negotiate any amendments required as a result of such review. No change,

modification of or addition to this Agreement shall be valid unless it is in writing and signed by each party.

This Agreement has been signed on behalf of the Recipient and on behalf of the City by the proper signing authorities.

SIGNED and DELIVERED) INNOVATION CENTRE AT) BAYVIEW YARDS
Date)) Chair, Board))
Witness)))
Date))) Vice-Chair, Board)
Witness)) CITY OF OTTAWA
)) Director, Economic Development and) Innovation

SCHEDULE A

"Provincial Contribution Agreement"

<u>SCHEDULE B</u>

"Innovation Centre Business Plan"

SCHEDULE C

"Articles of Incorporation"

SCHEDULE D

"Project Timelines"

- Q2:2014 Recruitment of an owner's representative to guide the development of the Design-Build package
- Q2:2014 Preparation and distribution of Requests for Expression of Interest for operation of the maker space, the café, and the digital media lab, as well as property management and incubation and acceleration programming. This would be concluded by Q3:2014 to enable Request for Proposals (RFP) to be developed
- Q2:2014 Recruit Marketing Strategy/Brand Development-Management Expertise
- Q3:2014 Recruit Corporate Sponsorship Expertise
- Q3:2014 Completion of the RFP for a Design-Build contract
- Q3:2014 Completion of the RFPs for operations proposals
- Q3:2014 Develop and begin implementation of lease plan
- Q3:2014 Designated substance removal and renovation preparation
- Q1:2015 Develop Phase 2 detailed business plan
- Q2:2015 Renovation work initiated
- Q3:2015 Conclude lease agreements with tenants and service agreements with operations contractors
- Q4:2015 Renovation work completed
- Q4:2015 Design Master Plan for Bayview Yards
- Q1:2016 Fit-up space as per agreements with tenants and operations contractors
- Q2:2016 RFI for development of the Phase 2 tower
- Q2:2016 Begin occupancy of Phase 1
- Q3:2016 Fully operational Phase 1
- Q4:2016 RFP for development of Phase 2
- Q4:2016 Site Plan for Phase 2
- Q2:2017 Begin pre-construction component of Phase 2
- Q3:2017 Develop lease plan for Phase 2

City of Ottawa Innovation Centre Financial Model (subject to revision) V1.0 Date: 2014-04-24 Capacity Financial Consulting Inc.

Timing	Nominal Year	2014	2014	2014	2014	2015	2015	2015	2015	2016	2016	2016	2016
	Quarter	2014	2014	2014	2014	2015	2015	2013	2015	2016	2016	2018	2010
			_	•				•	-	-1		•	
Construction costs													
DSR & Demolition	731	-	-	-	-	82	349	251	39	7	4	-	-
Site Work	807	-	-	-	-	90	385	277	43	8	4	-	-
Concrete	279	-	-	-	-	31	133	96	15	3	1	-	-
Masonry	397	-	-	-	-	44	190	136	21	4	2	-	-
Metals	1,125	-	-	-	-	125	537	386	60	11	6	-	-
Thermal & Moisture Protection	684	-	-	-	-	76	327	235	36	6	4	-	-
Doors and Windows	1,145	-	-	-	-	128	547	393	61	11	6	-	-
Finishes	944	-	-	-	-	105	451	324	50	9	5		-
Specialties	225	-	-	-	-	25	108	77	12	2	1		-
Elevating Devices	178	-	-	-	-	20	85	61	9	2	1	-	-
Mechanical	2,108	-	-	-	-	235	1,007	723	112	20	11		-
Electrical	1,185	-	-	-	-	132	566	407	63	11	6		-
Site Services	397	-	-	-	-	44	189	136	21	4	2		-
Sub-total	10,206	-	-	-	-	1,138	4,874	3,501	543	95	55	-	-
GR, overhead and profit	919	-	-	-	-	102	439	315	49	9	5		-
Design and pricing contingency	1,669	-	-	-	-	186	797	572	89	16	9		-
Final design	266	-	88	89	89	-	-	-	-	-			-
Owner's representative	245	-	25	25	25	25	25	25	25	25	25	17	-
Tenant fit-up costs	1,361	-	-	-	-	-	-	-	-	-	-	1,361	-
Soil remediation	422	-	-	-	-	-	-	-	-	-		422	-
HST (Net)	266	-	2	2	2	26	108	78	12	3	2	32	-
Total	15,352	-	115	116	116	1,478	6,243	4,491	718	148	96	1,831	-
Total for period	(15,352)	-	(115)	(116)	(116)	(1,478)	(6,243)	(4,491)	(718)	(148)	(96)	(1,831)	-
HST	-	-	-	-	-	-	-	-	-	-	-	-	-
Lien holdback	1,535	-	12	12	12	148	624	449	72	15	10	183	-
Release holdback	(1,535)	-	-	-	-	-	-	-	-	-	-	(1,535)	-
Ontario receivable	13,460	-	104	104	105	1,290	5,448	3,920	627	129	84	1,648	-
Ontario holdback	1,496	-	-	-	-	-	-	-	-	-	-	1,496	-
HST Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	(397)	-	-	-	-	(40)	(171)	(122)	(19)	(3)	(2)	(40)	-
Total Ottawa	397	-	-	-	-	40	171	122	19	3	2	40	-
Total Ontario	14,955	-	104	104	105	1,290	5,448	3,920	627	129	84	3,144	-

<u>SCHEDULE E</u>

See City of Ottawa, Economic Development and Innovation Department Report to Finance and Economic Development Committee (May 6, 2014) and City Council (May 14, 2014) for full details:

"City of Ottawa's In-kind Contribution"

Land - Approximately \$8 million 99-year lease of property at 7 Bayview Road

Cash - Approximately \$729 thousand (site services and start-up operating costs)

Soft Costs:

- 1) Clelland Jardine Engineering Feasibility Study = \$22,000
- 2) BLG Incorporation Services = \$23,690
- 3) Axcel Innovation (Business Model) = \$25,000
- 4) Capacity Financial (Financial Analysis) = \$15,000
- 5) PrototypeD (Architectural Design) = \$49,754
- 6) Board Recruitment (Advertising) = \$3,000
- 7) D&O and CGL Insurance = \$5,778 (2014)
- 8) Hanscomb Quantity Survey Data = \$10,583

Secretariat Support:

1) Approximately \$100,000 (2013-2014)

Ongoing Operations Support:

- 1) Invest Ottawa rent off-set Approximately\$700,000 per year
- Community Improvement Plan municipal property tax equivalent grants Approximately \$300,000 per year

Total \$6.8 million from 2014 to 2023

SCHEDULE F

"Biographies of Members of the Board of Directors"

Denise Amyot

Denise Amyot is President of the Association of Canadian Community Colleges (ACCC), involved in applied research and linkages with industry (including more than 5000 companies in 2013). Denise is known as a visionary person, a leader and a team player.

Denise has considerable experience working in education as well as in the federal government as an educator at both elementary and high schools and now at college level; in a Department of education as well as in developing resource materials for teachers in science for a school board and as a writer of a pedagogical method to teach language using authentic materials. Denise held the role of CEO of three Canadian national museums of science and technology; the Canada Agriculture and Food Museum, the Canada Aviation & Space Museum, and the Science & Technology Museum of Canada. Denise has experience working in, and with, federal or provincial/territorial government departments including science departments, such as Industry Canada, Natural Resources, Environment Canada and Agriculture.

Denise been active on many boards, including President of the Institute of Public Administration of Canada, past Chair of the Governance Committee, past Chair of Service to Members Committee, Chair of Governance Committee and Board of Governors of Algonquin College, and Board of Governors of the University of Ottawa.

Denise is currently Chair of the World Federation of Colleges and Polytechnics, Chair of the Advisory Committee of the Institute of Science, Society and Policy affiliated with University of Ottawa, Member of the Advisory Board of Partners in Research of Canada, Member of the Human Resources Policy Committee, Chamber of Commerce, and Member of the Advisory Council of the Schulich Centre for Excellence in Public Management.

lan Fraser

Ian Fraser is an entrepreneur, founder and co-owner of Hintonburg's Cyclelogik, Canada's premiere multi-sport boutique, an events management consultant, a coach, athlete, and is active in and passionate about his community. He has also served on two Boards of Directors, including current Vice-Chair of the Wellington West Business Improvement Area (WWBIA) and past treasurer of the Ottawa Carleton Immigrant Services Organization (OCISO), a non-profit housing corporation, both Hintonburgbased organizations. Additionally he was a member of the Canadian National Triathlon Team from 1993-1997. He is a level 2 running coach, and currently coaches athletes of all abilities, from recreational to elite level.

Brendan P. McGuinty

Brendan McGuinty is an active community leader with nearly two decades of experience as an entrepreneur, public policy leader and manager. His career has spanned both the public and private sectors and he is currently a Principal with *Strategies 360*, a public affairs consulting firm he founded with a unique focus on the real estate, land development and infrastructure sectors. He develops strategies designed to bridge the gap between government, businesses and the community and executes on the timely delivery of projects that embrace smart and sustainable growth practices while insuring maximum results and profitability. He is called upon to provide senior level counsel and strategic advice to C-Level executives on complex and highly sensitive issues relating to: government and media relations; crisis and corporate communications; stakeholder management and strategy development.

Previously Brendan served as Chief of Staff at the newly amalgamated City of Ottawa for three years where he was a member of the city's management committee and acted as the mayor's most senior advisor on all public policy matters. Similarly, from 1997 to 2000 he was Chief of Staff at the Regional Municipality of Ottawa Carleton where he helped drive institutional change and led communications strategies that enabled the successful reform and amalgamation of local government.

Brendan has chaired or managed over a dozen political campaigns, and has served as Co-Chair of the government of Ontario's and the Mayor of Ottawa's transition committees. He is an active community volunteer with past involvement as a member of the University of Ottawa's Advisory Board, Christie Lake Camps, the Canada Green Building Council Market Development Committee, the Invest Ottawa Transition Team, and currently as a board member of the Ottawa Airport Authority where he serves as Chair of the Governance Committee. He is married with three children and makes his home in the nation's capital.

J. Douglas McLarty

Doug is the Managing Director of McLarty & Co., an innovative public accounting company (founded in 2003 with 40 employees) in Westboro. A true entrepreneur in his own right, Doug serves a wide range of clients from virtually every industry sector. McLarty & Co. assists in the development of business plans for start-ups or for the exploration of major decisions such as expanding a business. They also prepare financing proposals. Typically, this involves analyzing the feasibility of financing, and providing assistance in obtaining financing. Doug has served the Ottawa community and his professional association for over thirty years.

Doug has acquired the following designations:

• FCA Fellow of the Ontario Institute of Chartered Accountants;

- TEP Trust and Estate Planner;
- CFP Chartered Financial Planner; and,
- CFWA Certified Family Wealth Advisor.

Doug brings a wealth of experience and expertise to the project with his knowledge of business planning, financing, and entrepreneurial support services.

Nancy Meloshe

Nancy Meloshe received her Master's Degree in Environmental Studies from York University in 1979. She has been a practicing registered professional planner for over 32 years in the Province of Ontario and has worked in both the public and private sectors.

Nancy has considerable experience in land development. She has expertise in the coordination and management of the complete planning and development approvals process and has participated in major planning studies including the Downtown Ottawa Urban Design Strategy, **Canada's** Capital Core Area Sector Plan, 530 Tremblay Road Lands, Booth Street NRC Lands, and the Ottawa Hospital/National Defence Medical Centre Lands.

Nancy's relevant Ottawa urban planning studies include:

- CFB Rockcliffe Community Design Plan City of Ottawa and Canada Lands Company
- Downtown Ottawa Urban Design Strategy City of Ottawa/National Capital Commission
- Hospital Lands Planning Study City of Ottawa
- 530 Tremblay Road: Development Options Study BMO Capital World Markets/PWGSC
- Redevelopment Plan Study: Booth Street PWGSC/NRCan
- Commercial Real Estate Development Plan Ottawa International Airport
- LRT Station Integration Study City of Ottawa

Philip M. Rimer

Phil is a Partner and practicing lawyer in Dentons Canada LLP's Real Estate and Financial Services Practices Group. Phil specializes in real estate project development and finance. Phil was recognized as the Ottawa Banking and Finance "lawyer of the year" (2014). He has extensive experience in Aboriginal Law, Banking and Finance, Capital Markets, Corporate, Project Development, Financial Services, Real Estate, Restructuring, Insolvency, and Bankruptcy. Phil is a member of the Building Owners and Managers Association International – Government Affairs Committee (BOMA) and Director on the Board of Directors of Fuel Industries, Inc. He is a part-time professor at University of Ottawa, Faculty of Law, lecturing on "Advanced Debt Financing and Restructuring". He is also an instructor at the Law Society of Upper Canada Bar Admission courses on Business Law.

Jim Roche

Jim is President and CEO of Stratford Managers, a service provider to small and midsized technology companies. Jim was a founding member of Newbridge Networks Corporation in 1986, helping to grow the company to over \$1 billion in annual revenues by1995. Jim founded Tundra Semiconductor Corporation in 1995 growing it to \$1.5 billion in value in just three years. Jim retired from his position of President and CEO of Tundra in 2006. Jim came out of retirement in 2008 to start Stratford Managers.

Jim is a Director of Wi-LAN Inc., a Member of the Board of Advisors of NRC-IRAP, a Director of ThinkRF, a Director of Children's Hospital of Eastern Ontario, a Director of the Youth Services Bureau, and a Director of Ocean Networks Canada.

Jim received a Queen Elizabeth II Diamond Jubilee Medal in 2012 and a Governor General's Academic Medal in 1986.

Michael Runia

Michael is the Managing Partner for Deloitte in Ontario and has over 25 years of experience providing accounting, tax and business advisory services to Canadian and U.S. private and public clients, having worked in Ottawa, Toronto and Silicon Valley.

As Managing Partner for Ontario, Michael sits on Deloitte Canada's Executive Committee, which oversees Deloitte's operations and marketplace strategy in Canada. Michael has direct responsibility for approximately 1,000 employees operating in 8 distinct Ontario markets outside of Toronto, consisting of Ottawa, Kanata, Hawkesbury, Kitchener-Waterloo, St. Catherine's, Burlington, Windsor, and London; as well as Gatineau, Quebec.

Mike is a Fellow of the Canadian Institute of Chartered Accountants and a U.S. Certified Public Accountant. As a Deloitte partner based in Ottawa, Mike's primary area of focus is technology and telecommunication clients of all sizes, and he serves as the Lead Client Service Partner or Advisory Partner on leading innovative companies in Ottawa, Waterloo and Toronto.

Throughout his career, Mike has worked with high growth companies, public and private entities, Canadian and US corporations as well as many clients domiciled in foreign jurisdictions. During his career he has led or participated in numerous initial public offerings in Canada and the US; advises clients on financings, acquisitions, and divestitures; and works with clients in tax planning and compliance matters.

Michael's experience in serving clients involves many aspects ranging from working with multiple stakeholders including legal counsel, board of directors and related committees, regulators, government departments and agencies, the banking community and others; significant involvement with the legal community; detailed project

management; interaction with multiple levels of governments; and, working with key business influencers across Canada and North America.

Michael has served in formal roles such as a Director on the Board of the Ottawa Hospital Foundation, and a member of the Foundation's Finance & Audit Committee; in fundraising roles with the Ottawa Senators Foundation in creating the Rink of Dreams Program for the City of Ottawa; and many other community roles. In each case the organizations have turned to him for his experience and strong financial background to provide financial insight, governance and business acumen.

Mayor Jim Watson

Jim Watson was elected Mayor of the City of Ottawa on October 25, 2010.

Mayor Watson has dedicated most of his career to public service in Canada's Capital.

First elected as a Councillor in 1991, he was re-elected in 1994. Three years later he was elected as the youngest Mayor in Ottawa's history with 82% of the popular vote.

Following the amalgamation of Ottawa and surrounding communities, Mayor Watson was appointed the President and Chief Executive Officer of the Canadian Tourism Commission, a federal crown corporation.

In 2003, he was elected as the Member of Provincial Parliament for Ottawa West-Nepean and immediately appointed to cabinet as Minister of Consumer and Business services.

In 2005, he was appointed as Ontario's first Minister of Health Promotion and he successfully implemented the Smoke Free Ontario Act.

Re-elected as MPP in 2007, he was promoted to Minister of Municipal Affairs and Housing.

In that portfolio, Watson signed the largest Federal-Provincial Housing agreement in Ontario's History. In addition he co-authored an historic agreement between the province and Ontario's 444 municipalities that saw over \$1.5 Billion in social service costs removed from local property taxes.

An active member of his community, Watson has also served on the boards or as honourary chair of several community organizations, including the Riverside Hospital, the National Arts Centre, the Christmas Exchange of Ottawa and the Forum for Young Canadians. He served as chair of United Way's 2002 campaign, which raised a record \$21 million.

An avid volunteer with several groups, he has helped serve meals at the Shepherds of Good Hope, a local soup kitchen. His commitment to those less fortunate was evident

when, in August of 2000, he contributed his entire municipal severance payment of \$31,000 to Ottawa's Union Mission for Men.

His years of active involvement and community service have made him the recipient of several awards and accolades, including Maclean's magazine's "100 Young Canadians To Watch," Carleton University Honours Award, the City of Ottawa's highest civic honour, the Key to the City; the Queen's Golden Jubilee Medal; the Visionary Award by the Ontario Pharmacists' Association, and the National Leadership Award by the Canadian Council for Tobacco Control for his role in implementing the Smoke Free Ontario Act.

Mayor Watson was also recognized for his support of the tourism industry by being named Ottawa Tourism Leader of the year in 2012

Steve West

Steve West has been Chief Executive Officer of Nordion Inc. (formerly MDS Inc.) since December 2009. Nordion Inc. is a global health science company that provides market leading products used for the prevention, diagnosis and treatment of disease. With over 500 customers, it is a leading provider of sterilization technologies and medical isotopes that benefit the lives of millions of people in more than 40 countries around the world. Previously, Mr. West served as the Chief Operating Officer of MDS Inc. and President of MDS Nordion, a position he held for 10 years.

Prior to joining MDS Inc. and Nordion Inc., Mr. West was a senior partner with MDS Capital Corp., providing support to over 70 portfolio companies. He was also President of DiverseyLever Canada and served on the Board Directors of Unilever Canada.

Mr. West's background includes senior management assignments in Africa and CEO positions in Asia Pacific with Diversey Corp., as well as leading global portfolio management, technology-transfer programs and international business development responsibilities in the field of speciality chemicals with Unilever. Expanding on his diverse background, he also has several years of experience as a Brew Master in the United Kingdom.

Mr. West is an active member in the regional and national community and currently serves as Chair of ISTP Canada, as well as Chair of the Ottawa Hospital Foundation. He is a member of the Joint Committee for the Canada-India Science & Technology Agreement and serves on the Ottawa 2017 Task Force.

Mr. West has a degree in Zoology, specializing in Genetics, from the University of London (U.K.), and completed post-graduate research in Biotechnology at the University of Westminster (U.K.).

Jeff Westeinde

Jeff is an active investor and entrepreneur in both the environmental/cleantech and real

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estate sectors with investments in solar energy and technologies that promote the beneficial re-use of waste products.

Jeff is a founding partner of the Windmill Development Group, Canada's leading sustainable real estate developer. Jeff contributes his expertise with the selection, remediation and development of brownfield sites in urban areas, a major part of Windmill's development model.

Jeff is the founder and served as the CEO of Quantum Murray LP, Canada's largest environmental decommissioning contractor until late 2011. Jeff co-founded the Quantum Environmental Group, a national full service environmental remediation and hazardous waste materials management company, in 1992 and championed a merger in 2007 with Murray Demolition, Canada's largest demolition contractor, to form Quantum Murray LP.

Jeff has been distinguished as Entrepreneur of the Year by Ernst and Young, named one of Canada's Top 40 under 40 by the Globe and Mail, recognized with the Young Alumni Award from the University of Western Ontario and has been awarded the Queen's Diamond Jubilee medal for his distinguished service to Canada.

Jeff has served as the private-sector co-chair of Invest Ottawa since its formation in 2012, as well as its predecessor, OCRI – Ottawa Centre for Regional Innovation. Jeff brings development expertise and experience to the project as well as a deep understanding of Ottawa's business support agencies and entrepreneurs' needs.

<u>SCHEDULE G</u>

"Lease Agreement"

SCHEDULE H

"Quarterly Reports"

"Reporting Requirements"

On a Quarterly Basis, the Innovation Centre at Bayview Yards Corporation will need to provide the following information to the City of Ottawa's Director of Economic Development and Innovation:

- 1) Operating Expense: Budgeted and Actuals
 - a. HVAC
 - b. IT Services
 - c. Maintenance
 - d. Security
 - e. Subsidies Paid
 - f. Other
- 2) Revenues by Client type: Budgeted and Actuals
 - a. Invest Ottawa
 - b. Other Incubation Agencies
 - c. Government Agency Tenants
 - d. Professional Service Firms
 - e. Rental Offices (Anchor Businesses)
 - f. Individual Entrepreneurs (Day-Users)
 - g. Food Service Provider
 - h. Maker Space Service Provider
 - i. Digital Media Lab Service Provider
 - j. Facility Rentals by Community Groups
 - i. Meeting Rooms
 - ii. Training Rooms
 - iii. Boardrooms
 - iv. Event Space
 - k. Corporate Revenues
 - i. Name Rights
 - ii. Donations
 - iii. Government Grants
 - I. Other Revenues
- 3) Capacity utilization rates (space occupied and hours occupied) by client type:

- a. Invest Ottawa
- b. Other Incubation Agencies
- c. Government Agency Tenants
- d. Professional Service Firms
- e. Rental Offices (Anchor Businesses)
- f. Individual Entrepreneurs
- g. Facility Rentals by Community Groups
 - i. Meeting Rooms
 - ii. Training Rooms
 - iii. Boardrooms
 - iv. Event Space
- 4) Events hosted (attendance and host agency for each reported)
- 5) Tours given (attendance and host agency for each reported)
- 6) Collaboration activities with other Ottawa stakeholders and agencies
- 7) Collaboration activities with other external agents and centres