

FUNDING AGREEMENT

(the “Agreement”)

This Agreement is effective as of the 1 day of January, 2022 (the “Effective Date”).

BETWEEN:

THE CORPORATION OF THE CITY OF VAUGHAN

(“CITY”)

-and-

VENTURELAB REGIONAL INNOVATION CENTRE

(“VL”)

(each a “Party” and collectively the “Parties”)

RECITALS:

1. WHEREAS VL is a leading technology hub that supports tech entrepreneurs and small businesses, with a vision to make York Region a destination of choice for technology firms to create globally competitive companies, building and scaling in Canada;
2. WHEREAS as a leading innovation partner in York Region with a sustainable governance, funding and staffing model, VL works to grow globally competitive tech titans that build-to-scale in Canada;
3. WHEREAS VL manages programs and services that contribute to business growth and innovation, thereby stimulating the economy and strengthening key sectors in York Region and Vaughan, such as advanced manufacturing, hardware and medtech and other emerging technology sectors;
4. WHEREAS the CITY works to make Vaughan a place where entrepreneurship, business, tourism, art and culture prosper and grow, with one of its strategic goals to develop Vaughan as an entrepreneurial, small business and innovation hub;
5. WHEREAS VL and the CITY share a mutual long-term goal to increase technology related entrepreneurship, research and commercialization services, including the development and operation of an innovation lab in Vaughan;
6. WHEREAS VL has partnered with the CITY, York University and Mackenzie Health to establish and operate an innovation lab on CITY-owned lands at the Healthcare Centre Precinct, adjacent to the new Mackenzie Vaughan Hospital;
7. WHEREAS the CITY and VL have planned tech entrepreneurship services, projects and programs that drive-toward achieving mutual goals (the “Program”);
8. WHEREAS the CITY desires to formalize a partnership with VL and fund a portion of

the Program by making a financial contribution to VL pursuant to the terms and conditions set out herein; and

In consideration of the covenants, rights and obligations set out below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1.0 SCHEDULES AND ENTIRE AGREEMENT

1.1 The following schedules form part of this Agreement:

Schedule	Description
Schedule "A"	CITY Official Mark
Schedule "B"	VL Mark
Schedule "C"	Partnership Objectives

1.2 This Agreement constitutes the entire agreement between the Parties concerning the Program. There are no warranties, representations, covenants or agreements, expressed or implied, between the parties except those expressly set forth in this Agreement. Any amendments or modifications of this Agreement shall be in writing and executed by the Parties.

2.0 PARTNERSHIP OBJECTIVES AND BENEFITS

2.1 The purpose of the partnership between VL and the CITY is set out in Schedule C "Partnership Objectives". The Parties acknowledge and agree that Schedule C sets out the objectives and key performance indicators to guide activities under this agreement. The intent is to enable the talent, entrepreneurship, and robust industry clusters in Vaughan and to coordinate CITY and VL efforts to scale Vaughan companies into global enterprises.

3.0 TERM

3.1 The term of this Agreement shall commence on the Effective Date and remain in effect until December 31, 2026, unless terminated earlier in accordance with Article 13 of this Agreement (the "Term").

4.0 PAYMENT TERMS

4.1 The CITY shall pay to VL the sum of \$505,000 in accordance with the payment schedule set out below, and VL shall provide the Program hereto:

Year	Payment
2022	\$55,000
2023	\$75,000
2024	\$100,000
2025	\$125,000
2026	\$150,000

- 4.2 Payment will be made by cheque, or electronically, payable to VL for the Program.
- 4.3 The Parties acknowledge and agree that the payments made pursuant to this Agreement are in consideration for only the Program described herein and do not replace, reduce, eliminate or otherwise abate any current obligations, financial or otherwise between the Parties.
- 4.4 The first payment under this agreement shall be made yearly. Subsequent payments to be made at the start of each calendar year, but will be conditional upon:
- (a) successful achievement of the objectives in this Agreement in the preceding calendar year, as evidenced by VL reporting on and meeting, to the satisfaction of the CITY, the key performance indicators set out in Schedule C, and
 - (b) future CITY budget approvals as required.

5.0 USE OF OFFICIAL MARK

- 5.1 The CITY grants VL a non-exclusive, royalty-free, world-wide license to use its Official Mark (as set out in Schedule A) during the Term on marketing, advertising, operation, and promotion of the Program subject to the CITY's consent on the initial use
- 5.2 VL will comply with any guidelines set for the use of the Official Mark. VL will obtain the written approval of the CITY at least five (5) days prior to the use of any marketing or advertising material which uses the Official Mark or refers to CITY in the Program.
- 5.3 In the event VL defaults on any of the obligations set out in this Article, the CITY will have the right to terminate use of the Official Mark immediately upon written notice of such default. The City may, at its sole and absolute discretion, provide a period in which VL may cure the default, during which time VL may continue to use the Official Mark pursuant to this Article.
- 5.4 Upon termination of its rights to use the Official Mark, VL will immediately cease any and all use or display of the Official Mark.

6.0 USE OF VL MARK

- 6.1 VL grants to the CITY a non-exclusive, royalty-free, world-wide license to use VL's Mark (as set out in Schedule B) in association with the operation, advertising and promotion of the Program.
- 6.2 The CITY's use of VL's Mark will be subject to VL's consent. The CITY will comply with any guidelines set by VL for the use of VL's Mark. The CITY will make a reasonable effort to obtain written approval from VL at least forty-eight (48) hours prior to the use of any marketing or advertising material which uses VL's Mark. The Parties acknowledge and agree that under urgent circumstances the CITY may seek such approval on a same-day or several-hour basis, and VL shall use best efforts to provide approval under such circumstances.
- 6.3 The CITY is not obligated to use a particular form of VL's Mark and reserves the right to use a colour or black-and-white version of VL's Mark.
- 6.4 In the event the CITY defaults on any of the conditions set out in the Article of this Agreement, VL has the right to terminate the CITY's right to use VL's Mark after receiving written notice of such default, provided that the CITY is given five (5) business days to cure such default, or such other greater period of time set by VL, after written notice of the default is given.
- 6.5 In the event of termination of the CITY's right to use VL's Mark, the CITY will promptly cease to produce materials that contain VL's Mark. The CITY may continue to use or display materials that contain VL's Mark for a period of up to three (3) months after the date of termination.

7.0 THIRD PARTY AFFILIATION

- 7.1 VL shall not permit any trademark, trade name, emblem, logo or other 'official mark denoting or identifying any third party or any third party's products or services to appear in or otherwise form a part of any marketing or advertising materials which display the CITY's Official Mark without the prior written consent of the CITY.
- 7.2 VL shall not participate in a promotion or activity with a person who is not a party of the Program using the Official Marks or otherwise implying an association with the CITY, or its events, programs, services, and/or facilities without the prior written consent of the CITY.

8.0 PUBLIC ANNOUNCEMENTS

- 8.1 The Parties will not publicly announce the existence or nature of the Program formed under this Agreement until both Parties consent to such announcement.
- 8.2 The Parties will provide reasonable advance notice to each other of public announcements, events and ceremonies respecting activities governed by this Agreement. The Parties will make a reasonable effort to provide an opportunity for the other Party to participate in such announcements, events and ceremonies.

9.0 REPRESENTATIONS AND WARRANTIES

- 9.1 Each of the Parties represents and warrants that the signatories to this Agreement have been duly authorized to execute and deliver this Agreement on its behalf, that the execution, delivery and performance of this Agreement have been duly and validly authorized and that when executed and delivered, this Agreement will constitute a legal, valid and binding obligation enforceable in accordance with its terms.

10.0 NOTICES AND AMENDMENTS

- 10.1 All notices, demands, amendments, or other communications ("Notices") required or permitted by this Agreement, to be given to any Party, shall be in writing and shall be

- (a) delivered either to the individual designated below for such Party, or to an individual having apparent authority to accept deliveries on behalf of such Party at its physical address set out below; or
- (b) sent by registered mail; or
- (c) sent by electronic mail

at or to the applicable addresses or electronic mail addresses set out below or to such other contact, address or electronic mail address as may be designated by a Party from time to time:

VL contact information:

Jane Gertner
3600 Steeles Ave. E
Room E171
Markham, ON L3R 9Z7
jgertner@venturelab.ca

CITY contact information:

Raphael Costa
Vaughan CITY Hall, 2nd Floor
2141 Major Mackenzie Drive
Vaughan, ON L6A 1T1
raphael.costa@vaughan.ca

11.0 DISPUTE RESOLUTION

- 11.1 If a dispute arises concerning the application or interpretation of this Agreement, the Parties will attempt to resolve the matter through negotiation, and may, by mutual consent and at the sole and absolute discretion of the Parties, resolve the matter through mediation with a mutually acceptable mediator or arbitration process in accordance with the *Commercial Arbitration Code* set out in the *Commercial Arbitration Act* (Canada).

12.0 DEFAULT AND TERMINATION

- 12.1 In the event of default by either Party of any material term or condition of this Agreement, and subject to Section 5.3, the defaulting Party will have thirty (30) days after receiving notice of the default to cure the default or to take steps satisfactory to

the other Party to remedy the default, failing which the other Party may terminate this Agreement effective immediately at the end of such thirty (30) day period by providing notice of termination.

12.2 Either Party may terminate this Agreement

- (a) immediately, upon written notice to the other, if the other Party becomes bankrupt or insolvent or enters into liquidation (other than a voluntary liquidation for reconstruction, amalgamation, or similar reorganization) or has a receiver appointed;
- (b) on thirty (30) days prior written notice, if the other Party has ceased to carry on business or undergoes a material change in its business activities; and
- (c) on ten (10) days prior written notice, in the event that the other Party, including its affiliates and representatives, commits or becomes involved in any activity after the date of this Agreement that results in a material reputational risk to either Party, including without limitation activities which cause offense, outrage, ridicule or contempt and which otherwise may negatively affect the reputation of either Party among the public.

12.3 If this Agreement is terminated before the expiration of the Term, and except if it is terminated pursuant to Sections 13.1 and 13.2(c),

(a) the CITY will receive a pro rata refund of any amounts paid, or pro rata extinguishing of any amounts due, or both as the case may be for any rights or benefits not received by CITY at the time of termination; and

(b) VL shall make a pro rata payment for any rights or benefits received and not paid for at the time of termination.

13.0 INDEMNITY AND LIMITATION OF LIABILITY

13.1 Each Party will indemnify the other Party, its affiliates, and each of their respective directors, officers, employees, elected officials, agents, successors and assigns from and against any liability, loss, cost, damage, settlement, penalty or expense they may incur, including reasonable legal fees and court costs, as a result of

- (a) the gross negligence or willful misconduct of the indemnifying Party or any agent or contractor acting on its behalf;
- (b) any improper use of the Official Mark (in the case of VL), and VL's Mark (in the case of the CITY); and
- (c) any injuries to persons and/or property sustained at any event or activity held or conducted pursuant to the Program, except to the extent that such injury to property or person was caused by the negligence or misconduct of the other Party or any agent, employee or contractor acting on its behalf.

- 13.2 In no event shall either Party be liable to the other for any consequential, incidental, special reliance or indirect damages (including without limitation lost revenue and lost profits) arising out of or related to the Program, its cancellation or any changes thereto in location, date or otherwise, whether such claim is based in contract or tort.
- 13.3 Each Party shall defend and indemnify the other Party and its Indemnified Associates against any third party claim, suit, or proceeding arising out of, related to, or alleging unauthorized disclosure or exposure of personally identifiable information and personal information .

14.0 INSURANCE

- 14.1 Each Party will be responsible for maintaining a commercially reasonable type and amount of insurance to cover its participation in Program activities. Without limiting the foregoing, each Party will provide and maintain comprehensive general liability insurance coverage in an amount of not less than two million dollars (\$2,000,000.00) per occurrence during the Term.

15.0 ATTENDANCE

- 15.1 The Parties agree to attend meetings of the VL Board of Directors and CITY Council (or a Standing Committee of Council), if required, to report on the performance of this Agreement, and the Program.

16.0 GENERAL PROVISIONS

- 16.1 **Construction.** The Parties agree that the terms of this Agreement result from negotiations between them. This Agreement will not be construed in favour of or against either Party by reason of authorship.
- 16.2 **Agency.** Nothing in this Agreement is to be construed as authorizing one Party to contract for or to incur any obligation on behalf of the other, or to act as agent for the other Party; or creating a joint venture or agency relationship between the Parties.
- 16.3 **Severability.** If any one or more of the provisions of this Agreement shall be found to be illegal or unenforceable, this Agreement shall remain in full force and effect, and such term or provision shall be deemed severed.
- 16.4 **Confidentiality.** The data, phrases and circumstances of this Agreement are completely confidential between the Parties and shall not be disclosed to anybody else. Any disclosure in violation shall be deemed a breach of this Agreement. Neither Party shall use confidential information for any purpose other than to facilitate the transactions contemplated by the Agreement.
- 16.5 **Intellectual Property and Acquired Data.** All right, title, and interest in generated Intellectual Property and Acquired Data will remain the property of the respective Parties who originated it. Both Parties will promptly notify each other if either becomes aware of any potential infringement with generated Intellectual Property and Acquired Data in the performance of the Program.

- 16.6 **Waiver.** No failure by either Party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.
- 16.7 **Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- 16.8 **Assignment.** Neither Party may assign this Agreement to another Party, or any part thereof, nor any amount payable there under, without the prior written consent of the other Party.
- 16.9 **Force Majeure.** No delay, failure, or default, other than a failure to pay fees when due, will constitute a breach of this Agreement to the extent caused by acts of war, terrorism, earthquakes, other acts of God or of nature, strikes or other labour disputes, riots or other acts of civil disorder, embargoes, or other causes beyond the performing Party's reasonable control.
- 16.10 **Counterparts.** This Agreement may be executed in one or more counterparts. Each counterpart will be an original, but all such counterparts will constitute a single instrument.
- 16.11 **Morality Clause.** VL, and all its employees, directors and management, is not involved in any situation or occurrence which subjects VL to public scandal, disrepute, widespread contempt, public ridicule, dishonesty, moral turpitude, or which is widely deemed by members of the general public, to embarrass, offend, insult or denigrate individuals or groups, or that will tend to shock, insult or offend the community or public morals or decency or prejudice the CITY in general, including without limitation involvement in obscene publications or hate groups. Failing any of the foregoing, the CITY may terminate the Agreement effective immediately and provide written notice post facto. VL would be responsible for any fees from the CITY's termination of the Agreement.

IN WITNESS WHEREOF the Parties have signed, by their duly authorized representatives:

**VENTURELAB REGIONAL
INNOVATION CENTRE**

**THE CORPORATION OF THE CITY
OF VAUGHAN**

Per: 

Per: 

Name: Melissa Chee
Title: President and CEO

Name: Todd Coles
Title: City Clerk

Date: May 10, 2022

Date:

CITY OF VAUGHAN	
APPROVED BY COUNCIL	
DATE:	May 1, 2019
BY-LAW:	-----
ITEM:	CW Rpt. 14 (9)
INITIAL:	FL

SCHEDULE A
CITY's OFFICIAL MARK



The City of Vaughan logo depicts the clock tower of the municipality's eco-friendly City Hall. This distinctive architectural feature provides an iconic symbol of the City and its development as a sustainable community. The five white lines represent Vaughan's historic centres, symbolizing a continuity with the past since the City's incorporation in 1991. The choice of bright corporate colours recalls a rural heritage and highlights the preservation of green space as the City evolved into a major urban centre. The logo design has a modern flair with clean typography that reflects the City's growth as a vibrant and successful community. The new logo design was approved by Council on May 4, 2010.

The logo typeface is called Gotham. Modern and accessible in terms of legibility, Gotham is a family of geometric sans serif typefaces designed by American type designers Tobias Frere-Jones and Jesse Ragan in 2000.

The City of Vaughan logo should appear in its two-colour version whenever possible. The logo can only appear in blue pantone 294 and green pantone 376. No other brand colour is allowed.

Printing limitations will determine the need for grayscale and one-colour logo options. The reversed one-colour option should only appear on dark solid-coloured backgrounds.

Source: City of Vaughan Logo: Standards of Use. (2010). The Corporation of the City of Vaughan. Vaughan, ON.

SCHEDULE B

VL MARK



SCHEDULE C

PARTNERSHIP OBJECTIVES

1. Rationale/Preamble:

VentureLAB (“VL”) is York Region’s Regional Innovation Centre (RIC). It works to scale technology companies in a variety of sectors, including Hardware, Advanced Manufacturing, Medtech, and other emerging technology sectors.

The City of Vaughan (“CITY”) is home to York Region’s largest economy. With more than 85% of its businesses employing fewer than 20 people, and roughly two-thirds of its firms employing fewer than 10 people, the CITY is a hub for Small Business and Entrepreneurship. Furthermore, the CITY of Vaughan’s talented workforce supplies a large manufacturing sector and is one of the reasons why Mackenzie Health opened the Cortellucci Vaughan Hospital – Canada’s First Smart Hospital – in 2020.

To enable the talent, entrepreneurship, and robust industry clusters in Vaughan, the CITY’s Economic Development Department and VL will coordinate their efforts to scale Vaughan companies into global enterprises.

2. Partnership Objectives:

Through an annual report to Council, ventureLAB will report on the following objectives:

Objectives	1-year Key Performance Indicators	5-year Objectives
<p><i>Contribute to the Diversification and Competitiveness of Vaughan's Economy by building capacity for clusters in Health and Advanced Manufacturing</i></p>	<ul style="list-style-type: none"> ● # Business engaged in Vaughan (by sector) ● # Jobs created in Vaughan, by sector ● Funding raised by Vaughan clients ● Revenue generated by Vaughan clients ● IP filed or granted by Vaughan clients ● Establishing a Hardware Catalyst Lab in Vaughan 	<ul style="list-style-type: none"> ● Increase the number of Vaughan businesses accessing vL help resulting in funds raised, jobs created, and IP generated ● Accelerate the progress of Vaughan-based tech clients from “growth” to “scale” stage ● Support Vaughan’s medtech, automotive, and advanced manufacturing cluster-building through strategic partnership and access to capital and funding programs ● Increase Vaughan’s MNEs competitiveness through

		<p>technological and innovation adoption by pairing with vL startup ecosystem</p> <ul style="list-style-type: none"> ● Attract foreign tech SMEs and investment through start-up visa and soft launch programs that are aligned with Vaughan EcDev strategy
<p><i>Establish a ventureLAB facility in Vaughan.</i></p>	<ul style="list-style-type: none"> ● Continue to operate and promote Vaughan Beachhead facility ● # companies accessing the Space by key sector ● # of workshops and mentoring hours in the Space 	<ul style="list-style-type: none"> ● Expand from ventureLAB's existing satellite location in Vaughan into a cutting-edge hardware and medtech innovation space and lab to attract founders, industry leaders, and talent to Vaughan
<p><i>Promote and profile Vaughan as a hub for entrepreneurship.</i></p>	<ul style="list-style-type: none"> ● Promote and profile ventureLAB lab in Vaughan <ul style="list-style-type: none"> ○ Dedicated website presence ● Thought leadership demonstrated through publication of: <ul style="list-style-type: none"> ○ # of Op-Ed/ News stories/ Blog posts/ Vaughan Success stories 	<ul style="list-style-type: none"> ● Promote Vaughan as the Canadian epicenter at the intersection of hardware and health through the publication of stories, thought leadership, media opportunities, highlighting company success stories, commercialization and entrepreneurship

3. Hardware Catalyst Initiative and Tech Undivided Collaborator:

City of Vaughan will become an official Hardware Catalyst Initiative and Tech Undivided Collaboration Partner, and as such, will be formally recognized on the ventureLAB website, and will be mentioned, as appropriate, in press announcements and extended marketing activities.