

This MOU is dated effective the 22nd day of April, 2014

MEMORANDUM OF UNDERSTANDING – ALBERTA SMART CITY ALLIANCE

Between:

The City of St. Albert

Of the First Part

- and -

IBM Canada Limited

Of the Second Part

- and -

CISCO Systems' Canada Co.

Of the Third Part

- and -

The Governors of the University of Alberta

Of the Fourth Part

- and -

Northern Alberta Institute of Technology

Of the Fifth Part

Whereas:

- i. the world is evolving towards a digital, connected, and increasingly urbanized society. Recognizing this trend, some communities are embracing the "SMART City" movement as a means to apply technology and data analytics to identify and solve basic urban issues;
- ii. SMART Cities are connected urban environments that support the use of wireless devices and a network of sensors, cameras, and data centers. This technology allows for the collection of real-time data, the measurement of performance, identification of robust economic opportunities, more efficient governance, and proactive responses to issues. Ultimately, SMART Cities strive to maintain sustainable, innovative, and thriving communities;
- iii. leading public, private, and academic organizations have committed to incubate the launch of a SMART City Alliance to support the development of SMART Cities through research, awareness, and general positioning of the Alberta Capital Region (and ultimately the province of Alberta) as a destination for SMART investments; and
- iv. the Parties now wish to formalize their intended respective roles as members of the Alliance and the intended structure of such an Alliance,

Now therefore, the Parties acknowledge and agree as follows:

Interpretation

1.1 In this MOU

- i. "Alliance" means the SMART City Alliance, comprised of all Executive Members and other Members;
- ii. "Alliance Agreement" means the definitive agreement yet to be entered into between the parties that puts into effect the alliance as contemplated by this MOU.

- iii. "Effective Date" means for this MOU, the date upon which it is evident, on the face of this MOU, that all Parties have executed the same ;
 - iv. "Executive Member" and "Party" mean a party to this MOU as of the Effective Date and any additional party(s) appointed as such provided the terms of this MOU are acknowledged and adopted by such additional party(s) thereafter;
 - v. "Member" means a member of the Alliance who has met the regular membership criteria established by the Alliance pursuant to Section 3.5 of this MOU, and includes an Executive Member;
 - vi. "MOU" means this Memorandum of Understanding – SMART City Alliance, and any written, approved amendments hereto;
 - vii. "Schedule" means a schedule attached to and forming part of this MOU; and
 - viii. "Section" and "Subsection" mean respectively, any section and subsection of this MOU or written amendment to this MOU.
- 1.2 All words contained in this MOU shall be read as the singular or the plural and as the masculine, feminine or neuter gender as may be appropriate.
- 1.3 Headings contained in this MOU are inserted for convenience of reference only and shall not be considered when interpreting the same.

Nature of Alliance / Strategic Objectives / Primary Functions

- 2.1 The Alliance is a collaboration of Members, bringing together community leaders and city builders, forward-thinking governments, corporations, entrepreneurs, and academic innovators. At the outset, the Alliance shall focus its activities in the province of Alberta, and primarily in the Alberta Capital Region.
- 2.2 The key strategic objectives of the Alliance are to:
- i. incubate the development of a SMART City knowledge network and multi-sector collaboration in the province of Alberta (primarily the Edmonton Capital Region);
 - ii. accelerate the identification, development and application of SMART municipal solutions;
 - iii. foster local and regional (and potentially provincial and national) awareness of SMART City principles, applications, and available technologies;
 - iv. assist Members in aligning priorities, research, internal capacity, and data towards the application of SMART City solutions, demonstrations or commercialization opportunities.
- 2.3 To fulfil its strategic objectives, the primary functions of the Alliance shall be to:
- i. seek individuals and organizations to participate as Members and support the Alliance's strategic objectives;
 - ii. provide a forum for the gathering, production, and sharing of data, case studies, research, best practices, success stories, visions, etc.;
 - iii. inform Members and stakeholders through a dynamic website and the use of social media, blogs, media and member relations, government advocacy, etc.; and

- iv. engage Members and stakeholders through the hosting of seminars, conferences, workshops, symposiums and networking events.
- 2.4 The term of this MOU shall automatically expire upon the execution of the Alliance Agreement, or, if such agreement has not been executed after a period of one (1) year from this MOU's Effective Date, the MOU may be extended at the discretion of the then-current Executive Members in accordance with the voting procedures established pursuant to Section 4.2.

Membership, Roles and Responsibilities

- 3.1 During the formative stage of the Alliance, Executive Members shall set the direction for the evolution of the Alliance. Executive Members shall name and appoint one official representative to the Alliance, although other representatives from each Executive Member are encouraged to support activities as required.
- 3.2 Executive Members shall be reviewed bi-annually, but may continue for an indefinite term. Any Executive Member may withdraw from the Alliance with one (1) month notice to the Chair, if appointed, or, in the alternative, to each of the other Executive Members.
- 3.3 Following the Effective Date, any third party may be appointed as an additional Executive Member by unanimous vote of the then-current Executive Members. Any then-current Executive Member may object to the appointment of such third party if in such Executive Member's opinion, acting reasonably, such third party is adverse in interest to such Executive Member, and in which event, such third party shall not be so appointed as an additional Executive Member.
- 3.4 Executive Members shall use commercially reasonable efforts to:
- i. support the objectives of the Alliance, and contribute in an open, transparent, and non-competitive manner (subject to section 3.6);
 - ii. actively contribute to the fulfillment of each of the Alliance's primary functions (including member recruitment, generation of content for the Alliance website and other materials, event planning and delivery, etc.);
 - iii. fully participate in discussions and decisions, share insights and experiences, and provide constructive input;
 - iv. meet on a quarterly basis and as otherwise deemed necessary by Executive Members;
 - v. solicit new Members as may be appropriate from time to time; and
 - vi. develop expectations for Members.
- 3.5 The Alliance may establish regular membership criteria at its discretion. This may include the acceptance of membership requests from interested individuals and organizations that support the Alliance and its objectives.
- 3.6 Nothing in this MOU prohibits, or shall be deemed to prohibit, any Member from freely performing its own businesses or from pursuing any other similar commercial or collaborative opportunities with any other third parties, including but not limited to conducting negotiations or discussions with any third parties concerning subject matter similar to this MOU. In addition, membership in the Alliance shall not preclude contractual or other relationships that may exist or arise between or amongst Members, or between a Member and a third party..

- 3.7 Each Executive Member agrees to comply with all applicable laws, rules, regulations or other governmental orders in effect during the term of this MOU, including without limitation procurement laws relating to corrupt practices which prohibit the offering, giving or promising to offer or give, directly or indirectly, money or anything of value to any official of a government, political party or instrumentality thereof in order to assist an Executive Member in obtaining or retaining business.
- 3.8 Each Executive Member hereby confirms that its own internal procurement, ethics or lobbying rules and policies that may apply to the activities contemplated under this MOU (collectively, "Internal Procurement Rules") will not: (i) violate or otherwise place another Executive Member in an adverse position with respect to those Internal Procurement Rules; nor (ii) render another Executive Member ineligible to compete for or receive an award of commercial business in conjunction with present or future procurements.

Meeting Format, Schedule and Coordination

- 4.1 The Alliance shall schedule meetings of its Executive Members on a regular basis to conduct its business and achieve its objectives. Other Members may observe any scheduled meeting.
- 4.2 Specific meeting schedules and procedures are at Executive Members' discretion; however, it is anticipated that:
- i. meetings are intended to be informal to encourage maximum flexibility and open discussion;
 - ii. decision-making shall require confirmation of a majority of Executive Members present, and votes shall be taken by show of hands (as necessary); and
 - iii. quorum for the purpose of each meeting shall be a majority of representatives from then-current Executive Members.
- 4.3 The Alliance may form and empower committees as required.
- 4.4 At its discretion, the Alliance may appoint an Executive Member to the position of Chair. Duties of the Chair may include:
- a) determining meeting agendas, and distributing agendas, collected materials and previous meeting notes prior to Alliance meetings;
 - b) arranging for meeting logistics, including a 'host' for each meeting (which may require a physical meeting location, a means for Executive Members or other Members to participate electronically if necessary, meeting refreshments, a note-taker for discussions, etc.); and
 - c) leading / presiding over Alliance discussions as needed or necessary.

Visual Identity and Marketing

- 5.1 The Alliance shall develop and maintain a visual identity, which shall be trademarked and protected as necessary. The details concerning use and licensing of the Alliance trademark, shall be set out in further detail in the Alliance Agreement
- 5.2 The Alliance may engage in various marketing activities in pursuit of its objectives, and individual Members may share the Alliance's messages and promote its events at their own discretion.
- 5.3 Members hereby agree to allow the use of their respective corporate logos by the Alliance for the purpose of identifying the Member as part of the Alliance, provided that each Member reserves

the right to grant or reject any such proposed use in such Member's sole discretion. Use and display of logos shall comply with any respective Member's trademark usage policies as in effect and as furnished to other Members from time to time. Notwithstanding the foregoing, a Member shall retain all rights, title and interest in its respective logos. All use of Member logos for Alliance purposes, under this MOU, shall also terminate upon expiry or termination of this MOU if there is no Alliance Agreement, or at the termination of the Alliance Agreement, or at any time for any reason at the discretion of the Member, and in which event, the Alliance shall immediately cease all use of such Member's logos in connection with this MOU.

Financial and Other Resources / General Review

- 6.1 While the Alliance is an organization without facilities or dedicated administrative support, financial or administrative resources may be required and procedures developed from time to time to ensure the achievement of the Alliance's objectives.
- 6.2 To meet its financial requirements, among developing other procedures and processes it deems necessary, the Alliance may in the Alliance Agreement:
- i. establish a revenue and expenditure budget on an annual basis;
 - ii. follow a fiscal year based on a calendar year unless otherwise adjusted;
 - iii. appoint signing authorities and establish banking protocols;
 - iv. apply event fees at its discretion, with the intent to achieve a balance between cost recovery and maximum attendance;
 - v. establish membership fees and membership categories at its discretion, with the intent to achieve a balance between cost recovery and maximum reach; and
 - vi. seek financial or other support from governments, members, or private partners.
- 6.3 To meet its administrative requirements, among developing other procedures and processes it deems necessary, the Alliance may:
- i. establish a web presence and an electronic mailing address, and assign Executive Member(s) to monitor and respond through the account;
 - ii. establish physical mailing address(es) at which Alliance correspondence and records may be managed, and/or at which Alliance meetings may be held;
 - iii. establish location(s), processes, and accountabilities for the Alliance's budget and financial management activities;
 - iv. establish processes and accountabilities relative to the planning and administration of events, website content and management; and
 - v. establish processes and responsibilities to administer membership lists, develop marketing materials, and provide other services to the Alliance as required.
- 6.4 Notwithstanding the foregoing, from time to time the Alliance may conduct a general review of its membership criteria, governance structure and/or operations to ensure the successful achievement of its objectives and its continued future viability.

Confidentiality

- 7.1 Each Party (a "receiving Party") agrees that, in connection with this MOU, no confidential information shall be exchanged.
- 7.2 Should the exchange of confidential information be required in a particular circumstance for the furtherance of Alliance objectives, then the disclosing party shall identify in writing the nature of the confidential information and the purpose for which it is being disclosed, and each recipient party shall acknowledge its consent to receive such confidential and proprietary information ("Confidential Information") of the disclosing Party, in which instance this Section 7.2 shall apply to the Confidential Information. The receiving Party shall at all times keep in trust and confidence all such Confidential Information, and shall not use such Confidential Information other than for the Alliance purposes to which it has been disclosed or as otherwise expressly authorized by the disclosing Party, nor shall the receiving Party disclose any such confidential information to third parties without the disclosing Party's written consent. Notwithstanding the above, each receiving Party shall be authorized to disclose the disclosing Party's Confidential Information to its, and only to, its directors, officers, employees, agents, consultants, representatives and/or professional advisors on a "need to know" basis, provided such recipients shall be advised by the receiving Party of the obligation of protecting the confidential information and provided such recipients are required by the receiving Party to use the same degree and care as is used in respect of the receiving Party's own information of a confidential or proprietary nature. The receiving Party shall immediately return to the disclosing Party all Confidential Information (including copies thereof) in the receiving Party's possession, custody, or control upon termination or expiration at any time and for any reason of this MOU. The obligations of confidentiality shall not apply to information which (a) has entered the public domain, except where such entry is the result of the receiving Party's breach of this Agreement, (b) prior to disclosure hereunder was already rightfully in the receiving Party's possession, (c) is independently developed by the receiving Party without reference to the Confidential Information, or (d) subsequent to disclosure hereunder is obtained by the receiving Party on a non-confidential basis from a third party who has the right to disclose such information to the receiving Party. The receiving Party will be authorized to disclose Confidential Information pursuant to a valid order issued by a court or government agency, provided that the receiving Party provides (a) prior written notice to the disclosing Party of such obligation, and (b) the opportunity to oppose such disclosure; provided that such actions are not in breach of the order.

Notice

- 8.1 Any notice required hereunder, or as may be prudent between the Parties shall be in writing and may be delivered personally to the address for service of the receiving Party or by registered mail with a return receipt (in which case it shall be deemed to be served three (3) business days after depositing the same in any post office in Alberta).
- 8.2 Unless a Party advises otherwise from time to time, the Parties' respective addresses for service are as follows:
- i. **City of St. Albert**
St. Albert Place
5 St. Anne Street
St. Albert, Alberta T8N 3Z9
Attn: City Manager
 - ii. **IBM Canada Limited**
4611 Canada Way
Burnaby, BC V5G 4X3
Attn: Smart Cities Canada Leader
 - iii. **CISCO Systems Canada Co.**
181 Bay Street, Suite 3500

Bay Wellington Tower
Toronto, Ontario M5J 2T3
Attn: Legal Department, General Counsel

iv. The Governors of the University of Alberta

3-04 South Academic Building
University of Alberta
Edmonton, Alberta T6G 2G7
Attn: Vice President, Research

v. Northern Alberta Institute of Technology

11762 – 106 Street
Edmonton, Alberta T5G 2R1
Attn: Provost and Vice President Academic

General

- 9.1 This Agreement constitutes the sole and entire agreement between the Parties as to its subject matter and shall be amended only in writing duly executed by the Parties. Any waiver hereunder shall be in writing by the Party so waiving.
- 9.2 No Party may assign or delegate its rights or obligations under this Agreement without the prior written consent of the other Parties hereto, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, any Party may assign or delegate its rights or obligations under this Agreement to; its parent, or majority-owned subsidiary company, or a company under common control, without the consent of the other Parties hereto.
- 9.3 This MOU shall be governed by the laws of the Province of Alberta and the federal laws of Canada as applicable, without regard to the conflict of laws or principles thereof.
- 9.4 This MOU may be executed by the parties in one or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement.

MOU Execution (Next Page)

The Parties hereby execute this MOU by the hands of their duly authorized signatories on the dates referenced below.

City of St. Albert

Per: [Signature]

Date: Apr. 22 / 14

IBM Canada Limited

Per: [Signature]

Date: Apr. 22 / 14

CISCO Systems Canada Co.

Per: [Signature]

Date: May 7 / 14

The Governors of the University of Alberta

Per: [Signature]

Date: Apr. 22 / 14

Northern Alberta Institute of Technology

Per: [Signature]

Date: Apr. 22 / 14