
**PROFESSIONAL SERVICES CONTRACT
CITY OF CHANDLER, ARIZONA**

1. **Date and Parties.** This Contract is made and entered into effective as of the ____ day of September, 2009 (the "Effective Date"), by and between the City of Chandler, an Arizona municipal corporation ("City"), and Jeff Morhet LLC, an Arizona limited liability company ("Consultant"). City and Consultant may be referred to in this Contract collectively as the "Parties" and each individually as a "Party."

2. **Recitals.**

A. The City desires to establish a service and technology "incubator" to promote and accelerate the development of start-up and early-stage companies by providing a variety of business support resources and services.

B. The City wishes to enter into an agreement with a qualified consultant who can advise the City with respect to designing the physical facilities of the incubator and planning and management of the incubator.

C. Consultant has represented to the City that Consultant is qualified to perform the Services.

3. **Agreements.** Now therefore, in consideration of the mutual promises and obligations set forth in this Contract the Parties agree as follows:

4. **Scope of Services.** Consultant shall provide the services described in the Scope of Services attached here to as Exhibit A (the "Services"). All work will be reviewed and approved by the Contract Administrator to determine acceptable completion. Review and approval by the Contract Administrator shall not relieve Consultant of any liability for improper, negligent or inadequate services rendered pursuant to this Contract.

5. **Fees.**

A. The amount paid to Consultant under this Contract for the Services is \$8,000.00 per month, commencing on October 1, 2009, and on the same day of each month thereafter for the Term.

B. Consultant shall also be reimbursed for out-of-pocket expenses actually incurred (e.g., travel) and which have been pre-approved in writing by the Contract Administrator.

C. Consultant shall include with each invoice delivered to the City such documentation as the Contract Administrator may require to make its determination of work performed and payment due, and any such determination by the City shall be for the purpose of payment and shall not be deemed an approval of any portion of the Services or a waiver of any of the City's rights hereunder.

6. **Term of Contract.**

A. This Contract shall be in full force and effect when signed by Consultant and approved by the City Council of Chandler, Arizona and signed by its Mayor as attested by the City Clerk.

B. Consultant shall proceed with providing the Services immediately upon receipt of a notice to proceed issued by the Contract Administrator. The term of this Contract ("Term") shall be for one (1) year.

C. In the event the Services cannot be completed within the time specified, the Contract Administrator may approve a change order extending the time for completion of the work when s/he determines it is in the best interest of the City do so, for such period as the Contract Administrator deems reasonable. A change order extending the time for completion of the Services pursuant to this subparagraph shall not entitle Consultant to additional compensation. Any such change order for extending the time shall not be considered Additional Services as described in Section 8 below.

7. Termination of Contract.

A. The City may at any time, and for any or no reason, at its convenience, terminate this Agreement or any part of the services to be rendered pursuant thereto by ten () day written notice to Consultant, specifying the termination date.

B. Consultant may terminate this Contract upon not less than thirty (30) days' written notice to the City.

C. Upon such termination, Consultant shall discontinue advancing the work under this Agreement and shall deliver to the City all drawings, notes, calculations, sketches, documents, work product and other materials (whether entirely or partially completed) generated by Consultant under the Contract (collectively, the "Work Product"), together with all unused material supplied by the City. Consultant shall be responsible only for such portion of the work as has been completed and accepted by the City. Use of incomplete data by the City shall be the City's sole responsibility.

D. If for any reason Consultant fails to fulfill in a timely and proper manner its obligations under this Contract, or if Consultant violates any of the covenants, agreements, or stipulations of this Contract, the City may withhold from payment due to Consultant such amounts as are necessary to protect the City's position for the purpose of set-off until such time as the exact amount of damages due to the City from Consultant is determined by a court of competent jurisdiction.

8. Additional Services. The entire Scope of Services to be performed in accordance with this Contract is set forth in Exhibit A. Services which are not included in Exhibit A will be considered Additional Services. Consultant shall not perform such Additional Services without prior written authorization in the form of an approved change order or contract amendment from the City. In the event Consultant performs such Additional Services without prior written authorization from the City, it shall be presumed that the Additional Services were included in the Scope of Services and Consultant shall not be permitted to request or receive any additional compensation for such Additional Services.

9. Assignment and Subcontracting

A. This Contract may not be assigned in whole or in part without the prior written consent of the City, and any such attempted assignment shall be null and void and a material breach of this Contract, and shall transfer no rights to the purported assignee.

B. Consultant may engage such subconsultants or professional associates as Consultant may deem necessary or desirable for the timely and successful completion of this Contract. However, the use of such subconsultants or professional associates for the performance of any part of the Services specified in Exhibit A shall be subject to the prior written approval of the City. Notwithstanding the foregoing, the City expects and requires that Jeff Morhet LLC shall provide all professional services required under this Contract. Employment of such subconsultants or professional associates in order to complete the work set forth in Exhibit A shall not entitle Consultant to additional compensation beyond that set forth in Article 5. Consultant shall be responsible for and shall warrant all Services including work delegated to such subconsultants or professional associates.

10. Completeness and Accuracy. Consultant shall be responsible for and shall and hereby does warrant the completeness, accuracy and quality of all work done pursuant to the Contract including, but not limited to the Services, the Work Product, and the reports, plans, supporting data and special provisions prepared or compiled pursuant to Consultant's obligations under this Contract and shall correct at Consultant's expense all errors or omissions which may be discovered therein. City's acceptance or approval of Consultant's work or the Services shall in no way relieve Consultant of any of Consultant's responsibilities hereunder.

11. Ownership of Documents. All documents including but not limited to data computation, studies, reports, design notes and any original drawings which are prepared in the performance of this Contract are to be and remain the property of the City and are to be delivered to the Contract Administrator before final payment under this Contract is made to Consultant or upon termination of this Contract for any reason. To the extent any such documents or the Work Product is deemed to be the property of Consultant, Consultant hereby assigns all of Consultant's right, title and interest in such documents and Work Product to the City.

12. Indemnification.

A. To the fullest extent permitted by law, Consultant shall defend, indemnify, save and hold harmless the City and its officials, officers, employees and agents (collectively "Indemnitees") from and against any and all damages, claims, losses, liabilities, actions or expenses (including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings) (collectively, "Claims") relating to, or arising out of the performance of Services pursuant to this Contract including, but not limited to, any such performance by any subconsultant or professional associate. Consultant's duty to defend, hold harmless and indemnify Indemnitees pursuant to this section shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, including death, or to injury to, impairment, or destruction of property including loss of use resulting therefrom, caused in whole or in part by the acts, errors, mistakes, omissions, work or services of Consultant or anyone for whose acts Consultant may be legally liable. It is the specific intention of the Parties that the Indemnitees shall be indemnified by Consultant from and against all Claims other than those arising from the Indemnitees' sole

negligence. Consultant will be responsible for primary loss investigation and defense and judgment costs where this Indemnification applies.

B. In the event that any action or proceeding shall at any time be brought against any of the Indemnitees by reason of any Claim referred to in this Article, Consultant, at Consultant's sole cost and upon at least ten (20) day's written notice from City, shall defend the same with counsel of Consultant's choosing, with City Attorney approval.

C. Consultant's obligations under this Article shall survive the expiration or earlier termination of this Contract.

D. Insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in any way to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

13. Insurance. Consultant shall secure and maintain during the life of this Contract, the insurance coverages set forth on Exhibit B.

14. Additional Warranties and Disclosures by Consultant.

A. Consultant shall reveal fully and in writing any financial or compensatory agreements which Consultant has with any prospective contractor prior to the City's publication of requests for proposals or entering into agreements for professional services with such contractors.

B. Consultant hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this contract, and that Consultant has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working solely for Consultant any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this contract.

C. Consultant shall comply with Executive Order No. 11246 entitled "Equal Opportunity Employment" as amended by Executive Order no. 11375, and supplemented Department of Labor Regulations 41 CFR, Part 16.

15. Contract Administrator. The City's Contract Administrator for this Contract shall be Christine Mackay.

16. Notice.

All notices or demands required to be given, pursuant to the terms of this contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph:

City: Christine Mackay
Economic Development Director
Mail Stop 416
P. O. Box 4008
Chandler, Arizona 85244-4008

With a copy to: City Attorney
Mail Stop 602
P. O. Box 4008
Chandler, Arizona 85244-4008

Consultant: Jeff Morhet LLC
Attn: Jeff Morhet
1852 East Park Avenue
Gilbert, Arizona 84234

A notice shall be deemed received on the date delivered, if delivered by hand, on the day it is sent by facsimile transmission, on the second day after its deposit with any commercial air courier or express services or, if mailed, three (3) working days (exclusive of United States Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period stated in a notice shall be computed from the time the notice is deemed received. Notices sent by facsimile transmission shall also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by facsimile transmission. E-mail is not an acceptable means for meeting the requirements of this section unless otherwise agreed in writing.

17. General Provisions.

A. Records and Audit Rights. Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the City to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by City's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by Consultant or any of his payees pursuant to the execution of the contract. The City's authorized representative shall be afforded access, at reasonable times and places, to all of Consultant's records and personnel pursuant to the provisions of this article throughout the term of this contract and for a period of three years after last or final payment. The City shall be fully responsible for the cost of storage for such records.

B. Incorporation of Recitals and Exhibits. The Recitals, Exhibits and Appendices attached hereto are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.

C. Attorneys' Fees. In the event either Party brings any action for any relief, declaratory or otherwise, arising out of this Contract, or an account of any breach or default hereof, the prevailing Party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses (including expert witness fees), determined by the arbitrator or court sitting without a jury, which fees shall be deemed to have accrued on the commencement of such action and shall be enforced whether

or not such action is prosecuted through judgment.

D. Entire Agreement. This Contract constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein.

E. Governing Law. This Contract shall be governed by and construed in accordance with the substantive laws of the State of Arizona, without reference to conflict of laws and principles. Exclusive jurisdiction and venue for any action brought to enforce or construe any provision of this Contract shall be proper in the Superior Court of Maricopa County, Arizona and both Parties consent to the sole jurisdiction of, and venue in, such court for such purposes.

F. Independent Contractor. The services Consultant provides under the terms of this Contract to the City are that of an Independent Contractor, not an employee, or agent of the City. As an independent contractor, Consultant shall: (a) have discretion in deciding upon the method of performing the services provided; (b) not be entitled to worker's compensation benefits from the City; (c) not be entitled to any City sponsored benefit plan; (d) shall select the hours of his/her work; (e) shall provide her/her own equipment and tools; and (f) to the extent required by law, be responsible for obtaining and remaining licensed to provide the Services.

G. Taxes. Consultant shall be solely responsible for any and all tax obligations which may result out of Consultants performance of this contract. The City shall have no obligation to pay any amounts for taxes, of any type, incurred by Consultant. The City will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099. The City shall not withhold income tax as a deduction from contractual payments. Consultant acknowledges that Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

H. Amendments. Any amendment, modification or variation from the terms of this Contract shall be in writing and signed by all Parties hereto.

I. Compliance with Law. Consultant specifically agrees and hereby warrants to the City that in the performance of the Services, Consultant and anyone acting on Consultant's behalf, including but not limited to Consultant's subconsultants, will comply with all state, federal and local statutes, ordinances and regulations, and will obtain all permits and licenses applicable for performance under this contract.

J. Severability. In the event that any provision of this Contract shall be held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the Parties.

K. Waiver. One or more waivers by either Party of any provisions, terms, conditions, or covenants of this Contract, or any breach thereof, shall not be construed as a waiver of a subsequent breach by the other Party.

L. Counterparts. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. The Parties agree that this Contract may be transmitted between them via facsimile. The Parties intend that the faxed signatures constitute original signatures and that a faxed contract containing the signatures (original or faxed) of all the Parties is binding upon the Parties.

M. Compliance with Immigration Laws and Regulations.

(1) Pursuant to the provisions of A.R.S. §41-4401, Consultant warrants to the City that Consultant and all its subconsultants are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. §23-214(A). Consultant acknowledges that a breach of this warranty by Consultant or any of its subconsultants is a material breach of this Contract subject to penalties up to and including termination of this Contract or any subcontract. The City retains the legal right to inspect the papers of any employee of Consultant or any subconsultant who works on this Contract to ensure compliance with this warranty.

(2) The City may conduct random verification of the employment records of Consultant and any of its subconsultants to ensure compliance with this warranty.

(3) The City will not consider Consultant or any of its subconsultants in material breach of the foregoing warranty if Consultant and its subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona Revised Statutes § 23-214(A).

(4) The provisions of this Article must be included in any contract Consultant enters into with any and all of its subconsultants who provide services under this Contract or any subcontract. As used in this Section M "services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

N. Prohibition of Doing Business with Sudan and Iran. Pursuant to A.R.S. §§35-391.06 and 35-393-06, Consultant hereby certifies to the City that Consultant does not have "scrutinized" business operations, as defined in A.R.S. §§35-391 and 35-393, in either Sudan or Iran. Consultant acknowledges that, in the event either of the certifications to the City by Consultant contained in this paragraph is determined by the City to be false, the City may terminate this Contract and exercise other remedies as provided by law, in accordance with A.R.S. §§35-391.06 and 35-393-06.

O. Cancellation for Conflict Of Interest. Pursuant to the provisions of A.R.S. § 38-511, the City may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect the subject matter of the contract.

P. Workplace Compliance. The Contractor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989.

18. Funds Appropriation. If the City Council does not appropriate funds to continue this Contract and pay for charges hereunder, the City may terminate this Contract at the end of the current fiscal period. The City agrees to give written notice of such termination pursuant to Article 13 of this Agreement at least thirty (30) days prior to the end of the current fiscal period and will pay to Consultant approved charges incurred through the end of such period.

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19. **Execution and Delivery.** In witness whereof, the parties hereto have executed and caused to be signed by their duly authorized representatives, this agreement on the date first written above.

CITY OF CHANDLER:

By: _____
Boyd Dunn, Mayor

ATTEST:
City Clerk

By: _____

REVIEWED AS TO FORM:
City Attorney

By: _____ *mw*

CONSULTANT:
JEFF MORHET LLC,
an Arizona limited liability company

By: _____
Jeff Morhet, Member

EXHIBIT A

SCOPE OF SERVICES

Design & Build Management of Innovations Incubator

- Design appropriate incubator facilities for the needs of the community and keeping with guidelines of City
 - Stimulate the establishment and growth of technology-based start-up companies and to increase the number of successful companies originating and developing in the area: create new job opportunities for Chandler residents
 - Help emerging companies gain access to resources, expertise, mentors, training, shared space, proximity, professional assistance, capital and other services that will move them onto the fast track to success
 - Better leverage Chandler's leadership role in the state and the region while building a clear integrated, distinct and continuing competitive advantage for the City
 - Contribute to the growth and success of emerging technology businesses, Price Corridor and the City while creating higher wage jobs
 - Generate new tax revenues for Chandler
- Lead architectural design in design and specifications for facility and equipment
- Manage the build project to include owner, City and service providers

Launch & Oversight of Day-To-Day Operations

- Develop a business plan to accelerate the successful development of entrepreneurial companies
 - Integrate ThirdBiotech (not-for-profit entity) as management entity for operations and education
 - Develop a selection and support process for companies
 - Build a resource toolkit for the Chandler Economic Development Team
 - Create application for company acceptance into Innovations
 - Work with Economic Development to create an oversight committee to review company applications for acceptance into Innovations
 - Work with Economic Development on establishment of a not-for-profit that will oversee day-to-day operations of Innovations
- Create and operate programs for business support resources and services
 - Operate facility-based services assisting entrepreneurs and reinforcing the P&L performance of the business plan

Integrate Collaborative Organizations and Strategies

- Work with university and public entities for collaborative efforts
- Conduct education and out reach programs to highlight efforts and successes of Innovations with the public
- Identify opportunities to integrate the public into community-based education

Provide Ongoing Expert Consultation with City

- insure goals are mutual, timely and achievable for the design, build and management of operations while also committing to the incubator's focus to build the *infrastructure for innovation* yielding job creation and revenue for the City

EXHIBIT B

INSURANCE

1. Consultant shall secure and maintain during the life of this Contract, the insurance coverage set forth in this Exhibit, which shall include statutory workman's compensation, comprehensive general and automobile liability, Consultant's liability insurance and errors and omissions professional liability. The comprehensive general and automobile liability limits shall be no less than one million dollars (\$1,000,000.00) combined single limit. Consultant's general liability limits shall be no less than one million dollars (\$1,000,000.00) for each occurrence and one million dollars (\$1,000,000.00) policy aggregate naming the City as an additional insured. The minimum amounts of coverage for Consultant's professional liability shall be one million dollars (\$1,000,000.00). In other than errors and omissions professional liability, owner's and Consultant's protective liability, and workman's compensation, the City shall be named as an additional insured. All insurance coverage shall be written through carriers licensed in Arizona, or on an approved non-admitted list of carriers published by the Arizona Department of Insurance, and possessing an A.M. Best rating of at least B+7 or better through Lloyd's of London. Should coverage be written on a claims-made basis, Consultant shall provide, prior to commencement of any work, an initial certificate of insurance evidencing required coverage limits from date of contract execution through date of policy expiration. Subsequently, a certificate of insurance or a renewal quotation accompanied by evidence of premium payment shall be presented a minimum of thirty (30) days prior to date of expiration of current certificate. Such certificate or evidence of continuous coverage shall be provided on a periodic basis for a minimum of two (2) years after completion of contract, and shall contain a certification that the claims period for such insurance is retroactive to the effective date of this Contract. In the event Consultant fails to provide such certificate of coverage retroactive to the beginning date of this Contract, the City may, but shall not be required to, purchase insurance, if available, to protect itself against any losses which would have been covered by the errors and omissions policy Consultant is required to maintain under this Article. If the City elects to purchase the insurance under this provision, Consultant shall be liable to the City for all costs incurred by the City for purchasing such insurance.

2. Prior to commencement of the Services, Consultant shall submit to the City a certificate of insurance evidencing the coverage and limits stated in the foregoing paragraph within ten (10) days of award of this Contract. Insurance evidenced by the certificate shall not expire, be canceled, or materially changed without thirty (30) days prior written notice to the City, and a statement to that effect must appear on the face of the certificate and the certificate shall be signed by a person authorized to bind the insurer. The amount of any errors and omissions deductible shall be stated on the face of the certificate. The Contract Administrator may require Consultant to furnish a financial statement establishing the ability of Consultant to fund the deductible. If in the sole judgment of the Contract Administrator the financial statement does not establish Consultant's ability to fund the deductible, and no other provisions acceptable to the Contract Administrator are made to assure funding of the deductible, the Contract Administrator may, in his/her sole discretion, terminate this Contract and the City will have no further obligation to the City.

As contracted with Innovations, Mr. Morhet will also be committed to Innovations's focus to build the *infrastructure for innovation* yielding job creation and revenue for the City. Morhet will provide expert guidance on design, build-mangement, business planning, launch and operating plan oversight of the incubator, establishment and integration of a not-for-profit entity for operational responsibility of the incubator's activities if requested by the City. Mr. Morhet will also create development plans for implementation and operation of Innovations. He will work with staff to identify members of an oversight committee, which will review applications of companies wishing to occupy space. This broad discipline technology review team will ensure the companies occupying "Innovations" have the ability to succeed and to commercialize, creating new jobs in the community. Additionally, Mr. Morhet will work with staff to identify potential companies for occupancy.

Mr. Morhet brings credibility and expertise to this project that will launch its success from the beginning.

FINANCIAL IMPLICATION: The amount of \$8,000 to be paid monthly upon establishment of measurable objectives for a period of one-year and not to exceed \$96,000 is budgeted in the Strategic Economic Development Fund.

PROPOSED MOTION: Move to approve the Agreement with Jeff Morhet, LLC to act in an advisory, review and implementation capacity to "Innovations" Technology Incubator/Accelerator for a period of 12 months in an amount not to exceed \$96,000 and authorize the Mayor to sign the contract approved by the City Attorney.

Attachments: Morhet Vita
Thirdbiotech Research Group, Inc. Overview
Consulting Agreement

JEFF MORHET

Mr. Morhet's experience in the pharmaceutical/biotechnology industry includes positions at Baxter Healthcare, Merck and AstraZeneca and his experience with pharmaceutical product development, manufacturing, regulatory affairs, product commercialization and working with the FDA for both drug and device applications is extensive. Numerous times he has led and been the corporate sponsor to the FDA for preclinical and clinical programs focusing on oncology therapeutics and prior to InNexus he served as Vice President and General Manager of a NASDAQ-traded pharmaceutical company, charged with refocusing their long running cancer research programs and managing clinical operations. He has also designed, built and operated large-scale pharmaceutical GLP development and GMP manufacturing facilities. Mr. Morhet is an experienced entrepreneur, launching and growing multiple biotechs and is also experienced in the areas of investor relations and corporate finance, participating and leading in raising over \$100 Million in public offerings, venture capital, equities and M&A.

Mr. Morhet founded the life science organization, ThirdBiotech Research Group (www.thirdbiotech.com), a non-profit organization whose mission is to promote the development of science, technology and intellectual property to drive the formation, advancement and growth of biotech companies. The organization includes the ThirdBiotech Incubator, a novel incubator business model combining contributed resources (Virtual Incubator) and dedicated resources and experts of a biotech competency center along with the Molecular Engineering Research Institute (MERI) core facilities, dedicated to advancing research in the areas of molecular and protein development, a key area of focus for the greater pharmaceutical industry.

Mr. Morhet also founded and launched the VentureBeacon (www.venturebeacon.com) a novel team of experts who translate, evaluate and profile risk and value of early stage technology and research and provide a value profile for VC investors and third parties. He is a graduate of Stephen F. Austin State University and attended the Executive MBA program at Arizona State University and other programs from Harvard Business School.

ThirdBiotech Research Group Inc

ThirdBiotech Research Group (ThirdBio) is a US federal non-profit 501(C)(3) organization, EIN number 26-34-16778, whose membership includes leading Arizona businesses, universities, and professionals in the life sciences and technology industry. ThirdBio is a public benefit organization dedicated not to making money, but to improving world healthcare and treatment options for patients. Originally founded to assist struggling scientists and entrepreneurs building their ideas into tomorrow's medications, jobs and new life science organizations; it has grown to support numerous other technology and emerging (clean/renewable) opportunities.

We believe health, available resources and treatment options are goals of individuals throughout the world and a strong innovative and rewarding R&D infrastructure is the fabric of a healthy economy. ThirdBio utilizes best practices from the past thirty years of the life sciences and hi-tech industry along with novel and innovatively designed ideas to assemble resources and apply successful methods to guide technology entrepreneurs. Through a series of milestones, the entrepreneur combines their technology with business practices to value and fund attractive and focused ideas. You can find ThirdBio on the web at www.thirdbiotech.com.

ThirdBio is comprised of three elements: **3B Catalyst**, **AZ Education** and **Community Advocacy**. These elements are essential and are the infrastructure of innovation, propelling inception stage companies to become high growth, job creating entities, building a strong and productive tax base. ThirdBio provides all that a young company might need to develop business plans, validate scientific and technology research, complete proof-of-concept and attract venture capital. To increase the number and quality of growth-oriented early stage ventures in Arizona, the elements below play a novel and connected suite of services to support these young companies.

3B Catalyst

Is your idea commercially viable? How do you attract investors? Is there potential for high growth and what is the likelihood of the venture's success? 3B Catalyst is the program that not only forces the entrepreneur to think about these questions initially, it guides, mentors and benchmarks the activities needed for both the operators and the investors.

- *BioLOGIC™ Curriculum* - At a fundamental level, since so many great discoveries never overcome the obstacles of rigorous research and funding, a pathway has been developed comprised of eight stages and activities companies should endeavor to follow on their growth path. This Curriculum is administered by mentors and coaches and the companies begin by a Six Sigma™ inspired selection process for their potential and present state of achievement.
- *Virtual Incubator™* – An innovative exchange of service providers willing to dedicate their time and expertise to select emerging companies. Established with a view to consolidate a system, while integrating a collection of resources and applications with a best-in-class entrepreneurial mentality, The *Virtual Incubator™* provides lab equipment, processes, knowledge and world class expertise for promising researchers wishing to build an Arizona-based technology company. ThirdBio is able to not only suggest how and which technical experts emerging companies

should focus on, the *Virtual Incubator*[™] connects and coordinates the parties, each receiving a recognizable trail of the contribution to be used for their own benefit.

- *VentureBeacon*[™] – Emerging companies are finding it increasingly difficult to gain the attention of investors at all levels. *VentureBeacon*[™] is a dynamic solution for professional investors looking to better vet and filter the many and varied ideas and investments they are pursuing. Through the partnership with ThirdBio, *VentureBeacon*[™] helps emerging companies understand what motivates investors at all levels and then connects them. See www.venturebeacon.com for more information.
- *Grapevine* – Another great offering from ThirdBio's partner VentureBeacon, the Grapevine is a quarterly and unique investor's forum providing emerging companies and innovators the opportunity to introduce their ideas and companies to qualified investors.
- *BiotechDigital*[™] Magazine – An online and printable magazine dedicated to the Arizona technology and life sciences industry. With an irreverent and hip style, long shelf life and focus on promoting the industry, players and emerging stories within the state, this magazine has something for everyone.
- *ThirdBio Mixers* – No lectures, just fun and that's exactly what occurs at these social networking events. Right around every third week of the month, ThirdBio invites people from the Arizona life science community to trendy spots around town. A variety of industry professionals attend each month, including entrepreneurs, investors, attorneys, scientists and journalists. No lectures – no agenda, some call it networking, others just good fun and the event offers both.

AZ Education

Through educational programs for Arizona students to university clubs and life science events, ThirdBio builds a strong awareness and preparation for tomorrow's life sciences workers. Some of those programs are:

- *LABapprentice*[™] - A competitive summer intern program with a twist - the Interns are challenged each week and reviewed by a panel of scientific and corporate leaders. They are given guidance and an opportunity to be spotlighted via video episodes available at www.labapprentice.com. Viewers are able to tune in each week and watch the progress of the Interns along with insights from the expert panel and board.
- *The ASU Biotech Club* – Established by ThirdBio in 2007, the biotech club's mission is to bridge the gap between industry and academia by building relationships with companies operating in the biotechnology and healthcare sphere. A student organization that hosts events and provides services allowing members to explore the world of business and biotechnology.
- *The UofA Biotech Club* – Established by ThirdBio in 2006, the biotech club's mission is to bridge the gap between industry and academia by building relationships with

companies operating in the biotechnology and healthcare sphere. A student organization that hosts events and provides services allowing members to explore the world of business and biotechnology.

- *Scientific Samurai* – A scientific challenge for high schoolers being adapted for a full k-12 program based on categories of technology, science and renewable energy.
- *Biotech Billionaire™* – An exciting board and now online game developed to teach and represent the biotech industry, the riskiest industry in the world. Biotech Billionaire® is a risk free setting to better understand the needs of an emerging biotech, strapped-for-cash and having to focus its effort in a fashion greater than any other industry known. The aim of the game is to teach players concepts of venture capitalists, IPOs and the biotech industry. Players employ concepts of balancing scientific R&D study, with business efforts such as fund raising, incentivizing and sometimes disciplining scientists, cash flow, venture capital, product development and how to wrap everything up in a package to present to the US FDA (Food & Drug Administration).

Project Community

The world faces an urgent need to develop drugs for the growing population, yet the drug and vaccine pipeline is almost dry. ThirdBio is committed to finding solutions to help close the gap. At a fundamental level, the development of this industry is a community effort, providing direct, indirect and induced benefits to our families, friends and communities. By working with the community to better understand how innovation is not only essential and necessary but integral to our existence, ThirdBio's Project Community endeavors to make the connections, propel education and insure the needs of all constituents are represented and respected.