

Schedule A to By-Law #12-2020 – Agreement with Drayton Theatres Inc.

NAMING RIGHTS AGREEMENT

SOUTH HURON STAGE

Between

Drayton Theatres Inc.

- and -

Municipality of South Huron

February 18, 2020

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**HURON COUNTRY PLAYHOUSE
SOUTH HURON STAGE NAMING RIGHTS AGREEMENT**

THIS AGREEMENT dated this 18 day of February, 2020 between Drayton Theatres Inc. (Drayton Entertainment) and the Municipality of South Huron.

RECITALS

- A. Drayton Entertainment is the registered owner of the Real Property (as defined below) located at 70689 B Line, Grand Bend, Ontario;
- B. Municipality of South Huron desires to obtain the exclusive right to name the Huron Country Playhouse II and certain other promotional rights and benefits in and to the Huron Country Playhouse II from Drayton Entertainment as contemplated in this Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement agree as follows:

**ARTICLE 1
NAMING RIGHTS**

1.1 Naming Rights

Drayton Entertainment hereby grants to Municipality of South Huron exclusively the following rights (collectively, the naming rights):

- (a) Municipality of South Huron shall be the exclusive naming sponsor of the Huron Country Playhouse II;
- (b) the full and complete name of the Huron Country Playhouse II shall be “**SOUTH HURON STAGE**” (complex name);
- (c) Municipality of South Huron will have the exclusive rights to have the complex name displayed prominently by Drayton Entertainment on the exterior signage;
- (d) The Municipality of South Huron will have the exclusive right to display the complex name (South Huron Stage) on the internal digital network and broadcast Municipality of South Huron media content and utilize the sponsorship recognition as set out in Section 1.5 on the internal digital network;
- (e) The Municipality of South Huron will have the right to reproduce the likeness and design features of the Huron Country Playhouse II in any advertising undertaken by the Municipality of South Huron to promote naming rights to, affiliation with and sponsorship of, the Huron Country Playhouse II.

1.2 Branding Program & Implementation of Naming Rights

The parties acknowledge that the corporate name “Municipality of South Huron” is not part of the branding program nor included as part of the complex name. “Municipality of South Huron” does not need to be used for any branding purposes provided for or contemplated by this Agreement, including but not limited to provisions respecting advertising, signage, brochures or other printed materials, and website matters.

1.3 Exterior Signage

Drayton Entertainment will be responsible for all costs associated with the design, manufacture and installation of the exterior signage. Exterior signage shall be installed and completed by the first public event on June 10, 2020.

1.4 Website Link

Drayton Entertainment shall maintain a registered website domain for the Huron Country Playhouse (www.huroncountryplayhouse.com). The website shall acknowledge the Municipality of South Huron as the naming sponsor with a link to the Municipality of South Huron website.

1.5 Group Sponsor Acknowledgment

Whenever the sponsors or donors to the Huron Country Playhouse generally are acknowledged as a group in Drayton Entertainment advertising and promotion, the Municipality of South Huron will be recognized in such advertising as the naming sponsor for the Huron Country Playhouse II. No other donor or sponsor shall be given more prominent recognition (having regard to font size and placement) than the Municipality of South Huron, unless the donor or sponsor is donating a sum in excess of the aggregate sponsorship fee.

1.6 Drayton Entertainment Theatre Guides

The Municipality of South Huron will be identified and acknowledged as the naming sponsor of the Huron Country Playhouse II in all Theatre Guides.

1.7 Costs Associated with Naming Rights

Drayton Entertainment shall be solely responsible for the payment of all costs and expenses associated with creation and the production and manufacture of all signage including, without limitation, exterior signage.

1.8 Changes to Naming Rights

The parties agree that no more than once during the term, the Municipality of South Huron will have the right to change the complex name (South Huron Stage) to be consistent with what is now referred to as the Municipality of South Huron. The Municipality of South Huron will be responsible for direct costs associated with the change. The Municipality of South Huron shall provide Drayton Entertainment with a minimum advance notice of six (6) months.

ARTICLE 2
PROMOTIONAL AND SPONSORSHIP RIGHTS

2.1 Branding Program Elements

After the date this Agreement is executed, but no later than the first public event on June 10, 2020, Drayton Entertainment shall ensure that the complex name (South Huron Stage) is displayed on each of the branding program elements and continues to be so displayed throughout the term.

The complex name (South Huron Stage) shall be prominently displayed on all of the foregoing:

- (a) Exterior Signage on exterior façade of building
- (b) Internal Digital Network / TV Monitors
- (c) Wayfinding Signage, where the size of such Wayfinding Signage permits such inclusion
- (d) Audio Impressions (Public Address Front-of-House Announcements)
- (e) Pre-show announcements
- (f) Any future signage or networks (video, static or other technology) that supplement or replace any of the foregoing or are developed in the future that would be appropriate locations for the complex name (South Huron Stage) to be included

2.2 Window Box Display

During the Term, the Municipality of South Huron will be allowed a window box outside of the Huron Country Playhouse II for its corporate recognition as the naming rights sponsor. Dimensions: 45" x 45". The Municipality of South Huron shall be responsible for the cost of designing the artwork/advertisement for such recognition. Drayton Entertainment shall be responsible for printing costs.

ARTICLE 3
FINANCIAL ARRANGEMENTS

3.1 Sponsorship Fee

In consideration for the naming rights and promotional rights granted in this Agreement, the Municipality of South Huron will pay to Drayton Entertainment based on the yearly amounts (each, an Annual Sponsorship Fee) determined in the following chart and payable as contemplated in Section 3.2:

Year of Term	Annual Sponsorship Fee (HST not applicable)
Year 1: 2020	\$25,000
Year 2: 2021	\$25,000
Year 3: 2022	\$25,000

Year of Term	Annual Sponsorship Fee (HST not applicable)
Year 4: 2023	\$25,000
Year 5: 2024	\$25,000
Year 6: 2025	\$25,000
Year 7: 2026	\$25,000
Year 8: 2027	\$25,000
Year 9: 2028	\$25,000
Year 10: 2029	\$25,000

3.2 Payment of Annual Sponsorship Fee

With respect to Year 1, the annual sponsorship fee will be paid within 30 days of the date of execution of this Agreement. Provided that Drayton Entertainment is not in default, the annual sponsorship fee in respect of each year subsequent to Year 1, shall be paid on the 1st day of March of each year. Drayton Entertainment shall issue an invoice for each annual sponsorship fee no earlier than 30 days prior to the due date of such amount.

ARTICLE 4 EXCLUSIVITY

4.1 Naming Rights Exclusivity

Drayton Entertainment acknowledges and agrees that the naming rights granted herein are intended to be exclusive to the Municipality of South Huron. Drayton Entertainment will not grant to any person other than the Municipality of South Huron rights similar in nature to the naming rights in respect of acting as a naming sponsor of the Huron Country Playhouse II.

ARTICLE 5 LAUNCH PLAN AND EVENTS

5.1 Launch Plan and Event

Drayton Entertainment and the Municipality of South Huron shall jointly develop a mutually agreeable naming rights public launch plan and campaign with respect to the announcement of the naming of the Huron Country Playhouse II which may include, some or all of the following:

- (a) Publicity campaign and media kit for all regional media to promote and advise of the naming rights;
- (b) Radio campaign/print campaign to publicize the complex name (South Huron Stage) and the sponsorship by the Municipality of South Huron;

- (c) Launch event for the media and public to coincide with the 2020 Season Opening (*Sleeping Beauty: The Panto* on Thurs, July 2 at 7:30 pm) which may include such stakeholders which the Municipality of South Huron wishes to invite.

5.2 Presence of Municipality of South Huron Representatives

The Municipality of South Huron shall have the right to have designated representatives present at the launch event, to contribute to the official naming ceremonies for the Huron Country Playhouse II and ensure maximum public exposure for the Municipality of South Huron. Municipality of South Huron representatives shall be entitled to speak at the launch event.

ARTICLE 6

COVENANTS OF DRAYTON ENTERTAINMENT

6.1 Changes to Exterior Signage or Location Thereof

During the term, Drayton Entertainment covenants and agrees that it will not:

- (a) Make any additions or changes to the areas and locations intended to be occupied by the exterior signage, unless said exterior signage functions to further brand the Huron Country Playhouse II or season productions, and such further exterior signage contains the complex name (South Huron Stage);
- (b) Take any steps or implement any changes that would have the effect of materially diminishing the Municipality of South Huron's dominance as the naming rights holder.

6.2 Maintenance of Internal Digital Network

During the term, Drayton Entertainment covenants and agrees that it will not reduce or substantially alter the amount or prominent exposure of the internal digital network.

6.3 First-Class Maintenance of Huron Country Playhouse II

Drayton Entertainment covenants for the Huron Country Playhouse II to be maintained and operated in good, clean, and safe repair, order and condition and consistent with those conditions and operations comparable with first-class landmark buildings and performing arts venues of similar type to the Huron Country Playhouse II.

6.4 Compliance

Drayton Entertainment shall manage, operate and maintain the Huron Country Playhouse II at all times in compliance with all applicable laws.

ARTICLE 7

INTELLECTUAL PROPERTY AND BRANDING MATTERS

7.1 Use of Complex Name Only

During the Term, Drayton Entertainment shall use the complex name (South Huron Stage) in all official references to the Huron Country Playhouse II, including but not limited to all

announcements, advertising, press releases and promotional activities. Drayton Entertainment will ensure that in its contracts and agreements for the Huron Country Playhouse II (including all Producers/Artists), such contracts and agreements include a requirement to use the complex name (South Huron Stage) in all official references to the Huron Country Playhouse II.

7.2 Preservation of Goodwill

Drayton Entertainment agrees that all uses of the complex name (South Huron Stage) are intended to inure to the benefit of the Municipality of South Huron and that Drayton Entertainment will cooperate fully and in good faith with the Municipality of South Huron for the purpose of securing and preserving the Municipality of South Huron's exclusive ownership rights in and to the complex name without cost to Drayton Entertainment. Drayton Entertainment shall at all times exercise best efforts to avoid having any person subject to its control engage in any conduct which would demean or damage the reputation, image and goodwill of Municipality of South Huron, and by reciprocating agreement as shall the Municipality of South Huron with respect to the reputation, image and goodwill of Drayton Entertainment.

7.3 Termination

At the end of the term or in the event this Agreement is terminated for any reason whatsoever, Drayton Entertainment will be deemed to have assigned, transferred, and conveyed to the Municipality of South Huron, without any further act or formality on the part of Drayton Entertainment, any rights, equity, goodwill, title or other rights in and to the Huron Country Playhouse II naming rights which may have been obtained or which may have vested, and Drayton Entertainment will execute any instrument reasonably requested by the Municipality of South Huron to accomplish or confirm the foregoing. Any such assignment, transfer or conveyance shall be without consideration other than the mutual covenants and considerations of this Agreement.

ARTICLE 8

TERM

8.1 Term

This Agreement shall be effective as of the date hereof. This Agreement shall continue in full force and effect through Year 10 (2029).

8.2 Renewal Terms

The Municipality of South Huron shall have the right to renew this Agreement for an additional term of 10 years, all on the same terms and conditions as set out in this Agreement, with such notice to be given not less than twelve (12) months prior to the expiration of the original term.

ARTICLE 9

DEFAULT

9.1 Default

In the event that a defaulting party:

- (a) is in default in performing or fails to comply with, any covenant, obligation or requirement in this Agreement and such default is not cured within [thirty (30)] days

of receipt by it of written notice from the other party setting forth the details of such default, or if such default is capable of being cured but not within such period, then within such longer period of time as is reasonably required to cure such default, provided in no event will such longer period exceed [sixty (60)] days; or

- (b) enters or is placed into receivership or is adjudged bankrupt or makes an assignment in bankruptcy or files an application, petition, proposal or other proceedings under any of the insolvency statutes or otherwise seeks protection under any insolvency statute, or if a creditor files a petition or makes an application or otherwise commences proceedings against the defaulting party under one of the insolvency statutes and such petition, application or other proceeding is not stayed or dismissed within a reasonable period of time; or
- (c) an order is issued by any court of competent jurisdiction for the winding-up of or other liquidation or dissolution of the defaulting party; or
- (d) a receiver or trustee of the assets of the defaulting party is appointed; or
- (e) the defaulting party ceases to carry on business,

then Drayton Entertainment in the event that the Municipality of South Huron is the defaulting party or the Municipality of South Huron in the event that Drayton Entertainment is the defaulting party, shall have the right to terminate this Agreement with immediate effect upon giving the other party written notice of termination.

ARTICLE 10

REPRESENTATIONS AND WARRANTIES

10.1 Representations and Warranties of Drayton Entertainment

Drayton Entertainment represents and warrants as follows and acknowledges that the Municipality of South Huron is relying on the foregoing representations and warranties entering into this Agreement:

- (a) Drayton Entertainment is a not-for-profit non-share capital corporation duly incorporated and validly existing and in good standing under the laws of the province of Ontario; that Drayton Entertainment has all necessary corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder; that the execution, delivery and performance by Drayton Entertainment of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate action, and no other act or proceeding by Drayton Entertainment is necessary to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby;
- (b) Drayton Entertainment is not subject to nor obligated under any applicable law or any contract or subject to any order which would be breached or violated by the execution, delivery or performance of this Agreement or the transactions contemplated hereby;

- (c) This Agreement constitutes a legally valid and binding obligation of Drayton Entertainment enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency and other applicable laws of general application affecting the enforcement of creditors' rights and subject to general equitable principles;
- (d) Naming rights granted to the Municipality of South Huron under this Agreement will not infringe any intellectual property or privacy rights of any person;
- (e) Drayton Entertainment is not a party to any litigation, which if determined adversely to Drayton Entertainment, would prevent or seriously impair the value of this Agreement to the Municipality of South Huron; and
- (f) Drayton Entertainment is the sole legal and beneficial owner of the Huron Country Playhouse II and no consent of any other person is required for execution and performance of this Agreement and performance by Drayton Entertainment of its obligations hereunder, that the execution and performance of this Agreement will not constitute (with or without due notice or lapse of time or both) a breach of any contracts to which Drayton Entertainment or any of its affiliates is a party, and that no person other than the Municipality of South Huron has been granted any rights or options pertaining to the subject matter of this Agreement, including rights to name the Huron Country Playhouse II, which are or could be inconsistent or in conflict with the rights granted to the Municipality of South Huron under this Agreement.

10.2 Representations and Warranties by the Municipality of South Huron

The Municipality of South Huron represents and warrants as follows and acknowledges that Drayton Entertainment is relying on the foregoing representations and warranties entering into this Agreement:

- (a) The Municipality of South Huron is a corporation duly incorporated and validly existing and in good standing under the laws of the province of Ontario; that the Municipality of South Huron has all necessary corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder; that the execution, delivery and performance by the Municipality of South Huron of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate action on the part of the Municipality of South Huron, and no other act or proceeding by the Municipality of South Huron is necessary to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby;
- (b) The Municipality of South Huron is not subject to or obligated under any applicable law or any contract or subject to any order which would be breached or violated by the execution, delivery or performance of this Agreement by the Municipality of South Huron or the transactions contemplated hereby;

- (c) This Agreement constitutes a legally valid and binding obligation of the Municipality of South Huron enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency and other applicable laws of general application affecting the enforcement of creditors' rights and subject to general equitable principles;
- (d) The Municipality of South Huron is not a party to any litigation, which if determined adversely to the Municipality of South Huron, would prevent or seriously impair the value of this Agreement to Drayton Entertainment; and
- (e) No consent of any other person is required for execution and performance of this Agreement and performance by the Municipality of South Huron of its obligations hereunder, that the execution and performance of this Agreement will not constitute (with or without due notice or lapse of time or both) a breach of any contracts to which the Municipality of South Huron is a party and that relates to the subject matter of this Agreement.

10.3 Survival of Representations and Warranties and Covenant to Maintain Compliance

Each party covenants and agrees that the representations and warranties contained in this Article are intended to survive the execution and delivery of this Agreement and remain as true and correct throughout the term, and each party covenants and agrees to take all steps necessary to ensure that each of its representations and warranties herein remain true and correct throughout the term.

ARTICLE 11 INSURANCE OBLIGATIONS

11.1 Insurance

At all times during the term, Drayton Entertainment shall obtain and maintain, at its own expense, commercial general liability insurance including blanket contractual liability coverage, for protection against personal injury, bodily injury (including death) and property damages with a minimum limit of \$5 million combined single limit per occurrence.

ARTICLE 12 LIMITATIONS ON LIABILITY

12.1 Acknowledgment Regarding Limitations

Each of the parties agrees that the limitations of liability set out in this Article are fair and reasonable in the commercial circumstances of this Agreement and that the parties would not have entered into this Agreement but for the other party's agreement to limit its liability in the manner, and to the extent, provided for herein.

12.2 Limitations on Liability

The Municipality of South Huron's liability to Drayton Entertainment for any and all claims, under any theory of law or equity, whether for breach of contract, tort or otherwise, arising out of or in any way related to this Agreement or the intended fulfillment of any of its obligations under this

Agreement, shall be strictly limited in the aggregate to the amount of the sponsorship fee, save and except that if the loss is damage is as a result of the wilful negligence or fraud of the Municipality of South Huron, the forgoing limitation on liability will not apply.

ARTICLE 13

TRANSFER/SALE OF COMPLEX LICENSE

13.1 Rights on Transfer

In the event that Drayton Entertainment proposes to transfer the complex or any interest therein to a proposed transferee, Drayton Entertainment shall provide the Municipality of South Huron notice of the name and identity of the proposed transferee, and the proposed closing date reasonably prior to the closing thereof but no less than sixty (60) days' prior to the proposed closing date of the transfer. Drayton Entertainment shall provide, as a condition to the consummation of such transfer, that the proposed transferee shall expressly assume all obligations of Drayton Entertainment under this Agreement; provided, however, that such proposed transferee shall be deemed to have acquired the complex subject to this Agreement and to have assumed the obligations of Drayton Entertainment hereunder. All exclusivity and recognition arrangements and contracts to which such proposed transferee is a party shall be subordinate to this Agreement and Drayton Entertainment shall ensure that the purchase and sale agreement for the transfer of the complex license or any interest therein shall provide for such subordination.

ARTICLE 14

FORCE MAJEURE

14.1 Force Majeure

Performance of the parties including, in the case of the Municipality of South Huron, payment of the sponsorship fee or proportionate portion thereof, shall be suspended in the event and for the time that such performance is prevented, delayed or hindered by an event of force majeure. Any suspension of any obligation shall be of no greater scope and no longer duration than reasonably required. The burden of proof shall at all times be on the party claiming force majeure. During any delay in performance due to an event of Force Majeure, the affected party shall use its commercially reasonable efforts and due diligence to resolve the cause of the delay and to minimize the effects thereof, and shall reasonably allocate its available resources, giving priority to performing its obligations under this Agreement.

14.2 Notice of Force Majeure

If a party's ability to perform its obligations hereunder is affected by an event of force majeure, such party shall promptly, but in any event within five (5) business days, upon learning of such event, give notice to the other parties stating the nature of the event, its potential effect and the anticipated duration thereof, and any action being taken to avoid or minimize its effect. Such party shall keep the other parties fully informed of the continuance of an event of force majeure and of any relevant change of circumstances during the duration of such event of force majeure.

14.3 Extension of Time for Performance

The time for performance of any obligation affected by force majeure as contemplated in this Article shall be extended for such period as is reasonable, having regard to all the circumstances of the case, provided however that if that delay exceeds more than three (3) months, the non-subjected party shall be entitled without granting any additional extension to terminate the Agreement upon thirty (30) days prior written notice and the provisions of Article 14 shall apply to such termination.

ARTICLE 15 ARBITRATION

15.1 Arbitration

Any dispute between the parties concerning any matter arising under this Agreement shall be submitted to arbitration in accordance with the provisions of this Article.

15.2 Arbitration Act

The arbitration shall be governed by the Rules of Procedure set out in Schedule D. It shall be a condition precedent to the bringing of any legal proceedings that are contemplated by the rules that the parties will have concluded the arbitration process as provided by the rules. The provisions of the *Arbitration Act, 1991*, S.O. 1991, chap.17 shall apply to the extent that they are not inconsistent with this Article or with such Rules of Procedure.

ARTICLE 16 MISCELLANEOUS

16.1 Reputational Risk

If during the term, Drayton Entertainment becomes aware of any facts or circumstances in connection with the Huron Country Playhouse II, that if made public would reasonably expose the Municipality of South Huron to unwarranted reputational risk, then the Artistic Director or Executive Director of Drayton Entertainment or his or her designate, shall promptly notify the Chief Administrative Officer of the Municipality of South Huron, or his or her designate, of same and consult with him or her as to the approach Drayton Entertainment intends to take with respect to the matter, it being acknowledged by the parties that minimization of harm to the reputation of the parties is in the best interests of all of the parties.

16.2 Confidentiality of the Terms of this Agreement

Each party covenants and agrees that the terms and conditions of this Agreement are and shall remain confidential. No party shall release or disclose to any other person the terms, conditions or any information about this Agreement, without the written consent of the other; provided, however, that the parties may disclose the terms and conditions of this Agreement (i) to the extent necessary to satisfy its obligation under any applicable laws; (ii) to the extent that a party is or may become otherwise legally compelled by order to disclose such information; or (iii) to their respective officers, directors, accountants, counsel and professional advisors.

16.3 Survival

The following provisions shall survive the termination or expiration of this Agreement: **Section 7.2** (Preservation of Goodwill), **Section 7.3** (Termination), **Article 8** (Term), **Section Error! Reference source not found.** (Rights on Termination or Expiration), **Article 12** (Limitations on Liability), **Article 15** (Arbitration), **Section 16.2** (Confidentiality), **Section Error! Reference source not found.** (Survival).

16.4 Notices

All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission) and shall be given to:

Municipality of South Huron
322 Main St. S, Box 759
Exeter, ON N0M 1S6
Attention: Chief Administrative Office
(519) 235-0310 ext.228

Drayton Entertainment
46 Grand Ave. S.
Cambridge, ON N1S 2L8
Attention: Artistic Director & CEO
(519) 621-5511 ext.222

16.5 Amendments and Waivers

- (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.
- (b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.
- (c) No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.

16.6 Expenses

Except as otherwise expressly set out herein, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, shall be paid by the party incurring such cost or expense.

16.7 Successors and Assigns

The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the prior consent of each other party hereto.

16.8 Governing Law

This Agreement shall be governed by and construed in accordance with the law of the Province of Ontario, without regard to the conflicts of law rules of such state. The parties hereto agree that in the event of any dispute regarding this Agreement or any ancillary agreement, non-exclusive jurisdiction for such dispute shall reside in the Province of Ontario and the parties further agree to waive any right to petition for change of venue.


16.9 Entire Agreement

This Agreement constitutes the entire agreement among the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written. No representation, inducement, promise, understanding, condition or warranty not set forth herein has been made or relied upon by any party hereto.

16.10 Severability

If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provisions were so excluded and shall be enforceable in accordance with its terms.

WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.


DRAYTON THEATRES INC.
 Per: _____
 Name:
 Title:
 I have the authority to bind the corporation

MUNICIPALITY OF SOUTH HURON

Per: _____

Name:

Title:

I have the authority to bind the corporation

Schedule A
Exterior Signage Configuration/Locations

The exterior signs are to be prominent signs and to be located and installed and maintained, at Drayton Entertainment's cost, in the most prominent positions on the exterior façade of the Huron Country Playhouse II so as to maximize exposure and maintain the architectural integrity of the Huron Country Playhouse II.

Schedule B
Internal Digital Network

The Internal Digital Network will be deemed to include any future installations or implementations by or on behalf of Drayton Entertainment of a digital or signage network of video or other dynamic terminals or capabilities in the Huron Country Playhouse II and any replacements therefore.

Schedule C
Rules of Procedure for Arbitration

The following rules and procedures shall apply with respect to any matter to be arbitrated by the parties under the terms of the Agreement.

1. INITIATION OF ARBITRATION PROCEEDINGS

- (a) If any party to this Agreement wishes to have any matter arbitrated in accordance with the provisions of this Agreement, it shall give notice to the other party hereto specifying particulars of the matter or matters in dispute and proposing the name of the person it wishes to be the single arbitrator. Within 10 days after receipt of such notice, the other party to this Agreement shall give notice to the first Party advising whether such party accepts the arbitrator proposed by the first party. If such notice is not given within such 10 day period, the other party shall be deemed to have accepted the arbitrator proposed by the first party. If the parties do not agree upon a single arbitrator within such 10 day period, either party may apply to a judge of the Ontario Superior Court under the *Arbitration Act, 1991*, S.O. 1991, chap. 17, for the appointment of a single arbitrator.
- (b) The individual selected as Arbitrator shall be qualified by education and experience to decide the matter in dispute.

2. SUBMISSION OF WRITTEN STATEMENTS

- (a) Within 20 days of the appointment of the Arbitrator, the party initiating the arbitration (claimant) shall send the other party (the respondent) a Statement of Claim setting out in sufficient detail the facts and any contentions of law on which it relies, and the relief that it claims.

- (b) Within 20 days of the receipt of the Statement of Claim, the respondent shall send the claimant a Statement of Defence stating in sufficient detail which of the facts and contentions of law in the Statement of Claim it admits or denies, on what grounds, and on what other facts and contentions of law such party relies.
- (c) Within 10 days of receipt of the Statement of Defence, the claimant may send the respondent a Statement of Reply.
- (d) All Statements of Claim, Defence and Reply shall be accompanied by copies (or, if they are especially voluminous, lists) of all essential documents on which the party concerned relies and which have not previously been submitted by any party, and (where practicable) by any relevant samples.
- (e) After submission of all the Statements, the Arbitrator will give directions for the further conduct of the arbitration.

3. MEETINGS AND HEARINGS

- (a) Arbitration shall take place in the City of Cambridge, Ontario or in such other place as the claimant and the respondent shall agree upon in writing. The arbitration shall be conducted in English unless otherwise agreed by such parties and the Arbitrator. Subject to any adjournments which the Arbitrator allows, the final hearing will be continued on successive working days until it is concluded. All meetings and hearings will be in private unless the parties otherwise agree. Any party may be represented at any meetings or hearings by legal counsel. Each party may examine, cross-examine and re-examine all witnesses at the arbitration.

4. THE DECISION

- (a) The Arbitrator will make a decision in writing and, unless the parties otherwise agree, will set out reasons for decision in the decision.
- (b) The Arbitrator will send the decision to the parties as soon as practicable after the conclusion of the final hearing, but in any event no later than 30 days thereafter, unless that time period is extended for a fixed period by the Arbitrator on written notice to each party because of illness or other cause beyond the Arbitrator's control.
- (c) The provisions of this Agreement and this schedule requiring the determination of certain disputes of arbitration shall not operate to prevent recourse to the court by any party as permitted by the Arbitration Act with respect to injunctions, receiving orders and orders regarding the detention, preservation and inspection of property, or whenever enforcement of an award by the sole arbitrator reasonably requires access to any remedy which an arbitrator has no power to award or enforce. In all other respects an award by the Arbitrator shall be final and binding upon the parties and there shall be no appeal from the award of the Arbitrator on questions of law or any other questions provided that the Arbitrator has followed the rules provided herein in good faith and has proceeded in accordance with the principles of natural justice.

5. JURISDICTION AND POWERS OF THE ARBITRATOR

- (a) By submitting to arbitration under these rules, the parties shall be taken to have conferred on the Arbitrator the following jurisdiction and powers, to be exercised at the Arbitrator's discretion subject only to these rules and the relevant law with the object of ensuring the just, expeditious, economical and final determination of the dispute referred to arbitration. Without limiting the jurisdiction of the Arbitrator at law, the parties agree that the Arbitrator shall have jurisdiction to:
- (i) determine any question of law arising in the arbitration;
 - (ii) determine any question as to the Arbitrator's jurisdiction;
 - (iii) determine any question of good faith, dishonesty or fraud arising in the dispute;
 - (iv) order any Party to furnish further details of that party's case, in fact or in law;
 - (v) proceed in the arbitration notwithstanding the failure or refusal of any party to comply with these rules or with the Arbitrator's orders or directions, or to attend any meeting or hearing, but only after giving that Party written notice that the Arbitrator intends to do so;
 - (vi) receive and take into account such written or oral evidence tendered by the parties as the Arbitrator determines is relevant, whether or not strictly admissible in law;
 - (vii) make one or more interim awards;
 - (viii) hold meetings and hearings, and make a decision (including a final decision) in Ontario or elsewhere with the concurrence of the parties thereto;
 - (ix) order the parties to produce to the Arbitrator, and to each other for inspection, and to supply copies of, any documents or classes of documents in their possession or power which the Arbitrator determines to be relevant;
 - (x) order the preservation, storage, sale or other disposal of any property or thing under the control of any of the parties; and
 - (xi) make interim orders to secure all or part of any amount in dispute in the arbitration.

6. ARBITRATION ACT

The rules and procedures of the Arbitration Act shall apply to any arbitration conducted hereunder except to the extent that they are modified by the express provisions of these Rules of Arbitration.