

MARKETING AGREEMENT BETWEEN MUNICIPALITY OF SOUTH HURON,  
ONTARIO & SERVICE LINE WARRANTIES OF CANADA, INC.

This MARKETING LICENSE AGREEMENT ("Agreement") entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ ("Effective Date"), by and between Municipality of South Huron, Ontario, a municipal corporation in the Province of Ontario ("Municipality"), and Service Line Warranties of Canada, Inc. ("SLWC"), a corporation organized under the laws of British Columbia, herein collectively referred to singularly as "Party and collectively as the "Parties".

RECITALS

WHEREAS, SLWC has entered into a Master Contract with Local Authority Services, a not-for-profit corporation under the laws of Canada and an affiliate of the Association of Municipalities of Ontario, to provide services to participating Ontario municipalities; and

WHEREAS, pursuant to Municipal policy, sewer and water line laterals between the mainlines and the connection on residential private property are to be maintained by the individual residential property owner ("Residential Property Owner"); and

WHEREAS, Municipality desires to offer Residential Property Owners the opportunity, but not the obligation, to purchase service lateral warranties and other warranty products or services ("Warranty Products"); and

WHEREAS, SLWC has agreed to provide the Warranty Products to Residential Property Owners subject to the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, the Parties agree as follows:

AGREEMENT

1. Municipality hereby grants to SLWC the right to offer the Warranty Products to Residential Property Owners within the Municipality's boundaries subject to the terms and conditions herein. Municipality agrees to provide SLWC with the applicable postal codes encompassing its municipal boundaries. SLWC agrees to purchase a mailing list from a qualified third-party provider covering those postal codes.

2. Municipality hereby grants to SLWC a non-exclusive license ("License") to use Municipality's name and logo on letterhead, advertising and marketing materials to be sent to Residential Property Owners from time to time, all at SLWC's sole cost and expense and subject to Municipality's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld.

3. a) The term of this Agreement ("Term") shall be three (3) years from the Effective Date. The Agreement will automatically renew for additional one (1) year terms ("Renewal Term") unless one of the Parties gives the other written notice at least ninety (90) days prior to end of the Term or a Renewal Term that the Party does not intend to renew this Agreement.

b) The Municipality may terminate this Agreement thirty (30) days after giving written notice to SLWC that SLWC is in material breach of this Agreement if said breach is not cured during said thirty (30) period. During the Term, SLWC shall conduct marketing campaigns at the times and prices indicated on Exhibit "A" attached hereto.

4. As consideration for such License, SLWC will pay to Municipality five percent (5%) of revenue for Warranty Products collected from Residential Property Owners ("License Fee") during the year. The first payment shall be due by January 30th of the year after the first year Term. Succeeding License Fee payments shall be made on an annual basis throughout the Term and any Renewal Term, due and payable on January 30th of the succeeding year. SLWC shall include with the License Fee payment to Municipality a statement signed by an SLWC corporate officer certifying the amount of revenue from Warranty Products. Municipality will have the right, at its sole expense, to conduct an annual audit, upon reasonable notice and during normal business hours, of SLWC's books and records pertaining to revenue generated by this Agreement while this Agreement is in effect and for one (1) year after any termination of this Agreement.

5. SLWC hereby agrees to protect, indemnify, and hold the Municipality, its elected officials, officers, employees and agents (collectively or individually, "Indemnatee"), harmless from and against any and all claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, attorneys' fees and court costs (individually or collectively, "Claim"), which an Indemnatee may suffer or which may be sought against or are recovered or obtainable from an Indemnatee, as a result of, or by reason of, or arising out of or in consequence of any act or omission, negligent or otherwise, of the SLWC or its officers, employees, contractors, subcontractors, agents or anyone who is directly or indirectly employed by, or is acting in concert with, SLWC or its officers, its employees, contractors, subcontractors, or agents in the performance of this Agreement; provided that the applicable Indemnatee notifies SLWC of any such Claim within a time that does not prejudice the ability of SLWC to defend against such Claim. Any Indemnatee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred in connection with such participation in such defense.

6. Any notice required to be given hereunder shall be deemed to have been given when notice is (i) received by the Party to whom it is directed by mail or delivery service (ii) telephonically faxed to the telephone number below provided that confirmation of transmission is received thereof, or (iii) by e-mail to the applicable address noted below. The notice shall be sent as follows:

To: Municipality:  
ATTN: Dan Best  
Municipality of South Huron  
322 Main St. South, P. O. Box 759  
Exeter, ON N0M 1S6  
Phone: (519) 235-0310  
Email: cao@southhuron.ca

To: SLWC:  
ATTN: Elise Dostal  
Service Line Warranties of Canada, Inc.  
4000 Town Center Boulevard, Suite 400  
Canonsburg, PA 15317  
Phone: (416) 400-2022  
E-mail: edostal@slwofc.ca

7. No Third Party Beneficiary. Nothing expressed or implied in this Agreement is intended, or should be construed, to confer upon or give any person or entity not a party to this Agreement any third party beneficiary rights, interests, or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation, or agreement contained in this Agreement.

8. Modifications or Amendments/Entire Agreement. All of the representations and obligations of the Parties are contained herein, and no modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon a party unless in writing signed by that Party or a duly authorized agent of that Party empowered by a written authority signed by that party. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of that provision by the same party, or of any other provision or condition of the Agreement. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable for whatever reason, the remaining provisions not so declared shall, nevertheless, continue in full force and effect, without being impaired in any manner whatsoever.

9. Authority. Each Party, or responsible representative thereof, has read this Agreement and understands the contents thereof. The person(s) executing this Agreement on behalf of each Party is empowered to do so and thereby bind the respective Party.

10. This Agreement and the License granted herein may not be assigned by SLWC without the previous written consent of the Municipality, such consent not to be unreasonably withheld.

11. This Agreement may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any Party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the Parties hereto, regardless of whether originals are delivered thereafter.

12. Any litigation related to this Agreement shall be brought and prosecuted exclusively in courts of the Province of Ontario. The governing law shall be the laws of Ontario and the laws of Canada applicable therein.

13. The above Recitals are incorporated by this reference and expressly made part of this Agreement.

IN WITNESS WHEREOF, The Parties hereto have executed this Agreement on the day and year first written above.

Municipality of South Huron

By: \_\_\_\_\_

Mayor: George Finch

By: \_\_\_\_\_

Clerk: Rebekah Msuya-Collison

Service Line Warranties of Canada, Inc.

By: \_\_\_\_\_

Michael Backus

Chief Sales Officer

Exhibit A  
Service Line Warranty Program  
Municipality of South Huron, ON  
Term Sheet  
July 17, 2020

I. Initial Term. Three Years

II. License Fee – 5% of revenue for Warranty Products collected from Residential Property Owners, paid annually, for:

- a. Municipality logo on letterhead, advertising and marketing materials
- b. Signature by Municipality official

III. Products

- a. External water service line warranty (\$5.00 per month)
- b. External sewer/septic line warranty (\$7.25 per month)
- c. In-home plumbing warranty (\$6.50 per month)

IV. Scope of Coverage

- a. External water service line warranty:
  - i. Homeowner responsibility: From the property line to the external wall of the home.
  - ii. Covers thawing of frozen external water lines.
  - iii. Covers well service lines if applicable.
- b. External sewer/septic line warranty:
  - i. Homeowner responsibility: From the exit point of the home to the property line.
  - ii. Covers septic lines if applicable.
- c. In-home plumbing warranty:
  - i. Water supply pipes and drainage pipes within the interior of the home.

V. Marketing Campaigns. SLWC shall have the right to conduct up to three campaigns per year, comprised of up to six mailings and such other channels as may be mutually agreed.