

## MARKETING AGREEMENT

This MARKETING AGREEMENT (“**Agreement**”) is entered into and made effective as of \_\_\_\_\_ (“**Effective Date**”), by and between the Municipality of Lakeshore, Ontario (“**Municipality**”), and Service Line Warranties of Canada, Inc. (“**SLWC**,” and together with Municipality, the “**Parties**,” and each, a “**Party**”).

**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;

**WHEREAS**, individual, residential property owners within Municipality’s geographical boundaries (“**Customer(s)**”) are responsible for sewer and water line laterals between the mainlines and the connection to their property;

**WHEREAS**, Municipality desires to offer Customers the opportunity to purchase plans to repair such lines as set forth in Schedule A or as otherwise mutually agreed by the Parties in writing (including by email) (“**Plan(s)**”); and

**WHEREAS**, SLWC has agreed to provide the Plans to Customers 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:

1. **Purpose.** Municipality grants to SLWC the right to offer and market service Plans to Customers within Municipality’s geographical boundaries subject to the terms and conditions of this Agreement. Municipality agrees to provide SLWC with the applicable postal codes encompassing its municipal boundaries. During the Term, SLWC shall conduct marketing campaigns at the times and prices indicated on Schedule A attached hereto or as otherwise mutually agreed by the Parties in writing (including by email).

2. **Municipality Obligations.** Municipality grants to SLWC a non-exclusive license (“**License**”) to use Municipality’s designated names, symbols, trademarks, service marks, logotypes, trade names and insignias owned by Municipality or its affiliates, which may include the use of Municipality’s logo and name in advertising (including in digital marketing, which may be done jointly by Municipality and SLWC, e.g., on SLWC’s websites or social media sites, and on Municipality’s websites or social media sites), in signature lines, and in marketing materials to be sent to Customers, all at SLWC’s sole cost and subject to Municipality’s prior review and approval, which will not be unreasonably conditioned, delayed, denied, or withheld. In consideration of the compensation set forth in Schedule A (“**Compensation**”), any other fees, and SLWC’s marketing activities, Municipality shall not advertise, promote, administer, offer, or sell, directly or indirectly, any plans that are the same as, or substantially similar to, the Plans during the Term. In the event that Municipality extends a similar license to a competitor of SLWC during the Term, Municipality shall provide thirty (30) days’ written notice prior to such grant of license and SLWC may immediately terminate this Agreement.

3. **Term; Termination.** The term of this Agreement shall be for the number of years in Schedule A commencing with the Effective Date (“**Initial Term**”). The Agreement will automatically renew for the additional one (1) year terms, unless one of the Parties gives the other written notice at least ninety (90) days prior to the end of the then current term (each a “**Renewal Term**” and collectively with the Initial Term, the “**Term**”) that the Party does not intend to renew this Agreement. In the event that SLWC is in material breach of this Agreement, Municipality may terminate this Agreement thirty (30) days after giving written notice to SLWC of such breach, (i) if said breach is not cured during said thirty (30) day period, or, (ii) if such breach is incapable of being cured in such period, SLWC has failed to take during such period substantive steps to cure such breach. SLWC will be permitted to complete any marketing initiative initiated prior to termination of this Agreement after which time, neither Party will have any further obligations to the other and this Agreement will terminate.

#### 4. **Consideration.**

A. As consideration for the License, during the Term, SLWC will pay to Municipality the Compensation. The first payment of Compensation shall be due by January 30th of the year immediately following the Effective Date. Subsequent payments shall be made on an annual basis throughout the Term, due and payable on January 30th of each succeeding year.

B. During the Term and for one (1) year after termination of this Agreement, Municipality will have the right, at its sole expense, to reasonably request in writing copies of SLWC's books and records pertaining to any Compensation.

5. **Applicable Laws.** Each Party shall comply at all times with all applicable laws, statutes, treaties, rules, codes, ordinances, regulations, permits, official guidelines, orders, interpretations, and licenses of any governmental authority, and judgments, decrees, injunctions, writs, orders or like action of any court, arbitrator or other judicial or quasi-judicial tribunal of competent jurisdiction ("**Applicable Laws**") with respect to its obligations under this Agreement.

6. **Confidentiality.** "**Confidential Information**" of a Party means any non-public, proprietary, or information that is marked "confidential", whether or not it constitutes a trade secret under Applicable Laws, and any other information that a reasonable person would expect to be confidential. Each Party will treat Confidential Information received from the other Party as confidential, and such Party shall not disclose or use such information in a manner contrary to the purposes of this Agreement. Notwithstanding the foregoing, a Party shall not be liable to the other Party for any disclosure of Confidential Information that is required under any Applicable Laws, applicable public records act or under court order. To the extent legally permissible, a Party shall provide written notice to the other Party prior to any such disclosure. For greater certainty, the Parties hereto agree and acknowledge that Municipality is bound by the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.M.56 as amended.

7. **Ruling and/or Code Change.** In the event that: (i) a change or proposed change in Applicable Laws, or municipal or similar codes; or (ii) an interpretation, policy, ruling, or order by any court, tribunal, arbitrator, regulatory agency, commission, including a public service commission or similar body of a municipality, or other instrumentality of the Province of Ontario, or any other political subdivision, negatively or potentially negatively impacts the terms of this Agreement or the obligations of the Parties set forth in this Agreement, the Parties shall negotiate in good faith to modify the terms of this Agreement accordingly. Should the Parties be unable to reach a mutual agreement to revise this Agreement, then either Party may terminate this Agreement on thirty (30) days' written notice to the other Party.

8. **Indemnification.** SLWC (the "**Indemnifying Party**") hereby agrees to indemnify, defend and hold Municipality and its Representatives (meaning a Party's directors, managers, members, elected officials, officers, employees, contractors, subcontractors, and agents) (collectively or individually, "**Indemnitee**") harmless from and against any and all third party claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, reasonable legal fees and court costs ("**Claim(s)**"), which an Indemnitee may suffer or which may be sought against or are recovered or obtainable from an Indemnitee, as a result of or arising out of any breach of this Agreement or any Plan sold in connection herewith to a Customer by the Indemnifying Party, or any negligent or fraudulent act or omission of the Indemnifying Party or its Representatives in the performance of this Agreement or any Plan sold in connection herewith to a Customer; provided that the applicable Indemnitee notifies the Indemnifying Party of any such Claim within a time that does not prejudice the ability of the Indemnifying Party to defend against such Claim. Any Indemnitee under this Agreement may participate in its own defense, but will be responsible for all costs incurred, including reasonable legal fees, in connection with such participation.

9. **Independent Contractor Status.** SLWC shall be an independent contractor and shall have responsibility for and control over the details and means for providing the Plans under this Agreement. Neither Party nor any of its Representatives shall be considered an employee, representative, agent or subcontractor of the other Party or its Representatives.

10. **Notice.** Any notice required to be given under this Agreement shall be deemed to have been received when delivered (i) by personal service, (ii) by electronic mail with confirmation of delivery and receipt (provided a hard copy is sent promptly by regular mail), or (iii) by registered mail with proof of receipt with the Canada Post Corporation, addressed as follows:

**To:** Municipality:  
Municipality of Lakeshore  
ATTN: Clerk  
419 Notre Dame Street  
Belle River, ON N0R 1A0  
Phone: (519) 728-2700  
Email: clerk@lakeshore.ca

**To:** SLWC:  
Service Line Warranties of Canada, Inc.  
150 King St. W, Suite 200  
Toronto, ON M5H 1J9  
Attention: Michael Van Horne, Business Development  
email: mvanhorne@slwofc.ca  
Phone: (647) 325-7614

With a copy to:  
Hilary Glassman, General Counsel  
email: hilary.glassman@homeserveusa.com

11. **Entire Agreement; No Third-Party Beneficiaries; Severability.** The Parties acknowledge that no representations, agreements, or promises were made by the other Party or by any of its Representatives other than those specifically contained in this Agreement. This Agreement, including the recitals as well as any attachments or schedules, constitutes the entire agreement of the Parties with respect to the matters contemplated in this Agreement, and supersedes any prior agreement or understanding with respect to them. The Parties agree that this Agreement was entered into solely for the respective benefit of each of them and their respective successors and assigns, and nothing in this Agreement is intended to create any third-party beneficiaries. This Agreement may be amended or modified only by a written instrument executed by an authorized representative of each of the Parties. No term or provision hereof shall be deemed waived and no breach excused unless such waiver or consent is in writing and signed by the Party claimed to have waived or consented. Subject to Applicable Laws, the invalidity or unenforceability of a specific provision in the Agreement shall not render any other provision(s) invalid, inoperative, or unenforceable.

12. **Assignment.** Neither Party may assign or transfer any of its rights under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably delayed, withheld, conditioned, or denied, except to an affiliate of the assigning Party or an acquirer of all or substantially all of the assets of the assigning Party. Any purported assignment or delegation in violation of this Section 13 shall be null and void. No assignment or transfer of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the Parties as well as their respective successors or permitted assigns.

13. **Counterparts; Electronic Delivery.** This Agreement may be executed in counterparts delivered by email, DocuSign, or other electronic transmission; such counterparts will be deemed originals and binding upon the Parties upon receipt, regardless of whether originals are delivered thereafter. All such counterparts will constitute one and the same contract, and the signature of any Party to any counterpart will be deemed a signature to any other counterpart.

14. **Governing Law; Arbitration; Waiver of Jury Trial.** The Parties shall comply with all Applicable Laws with respect to their respective obligations under this Agreement. This Agreement is governed by and shall be construed in accordance with the laws of the Province of Ontario, without regard to the choice of law principles thereof. Except for Small Claims Court Cases that meet the jurisdictional requirements of the applicable courts, to the extent permitted by Applicable Law, any dispute, controversy or claim arising out of or relating to this Agreement, or the breach thereof, and this provision agreeing to arbitrate, including any question regarding each of their existence, interpretation, enforcement, validity, applicability, breach or termination, or the relationship created by this Agreement, shall be submitted to final and binding arbitration, without a right of appeal, administered by the International Centre for Dispute Resolution Canada in accordance

with its Canadian Arbitration Rules, or by such other arbitral institution as may be mutually agreed by the Parties. The place of arbitration shall be Toronto, Ontario. The language of the arbitration shall be English. Except as may be required by law, neither a Party nor its representatives may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of the Parties.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement as of the Effective Date.

**MUNICIPALITY OF LAKESHORE**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SERVICE LINE WARRANTIES  
OF CANADA, INC.**

DocuSigned by:  
By:  \_\_\_\_\_  
CB0BA390E86A4E0...  
Name: Michael Van Horne  
Title: General Manager

## **Schedule A**

### Marketing Agreement

#### Municipality of Lakeshore, Ontario Term Sheet

- I. **Initial Term.** Three Years, with the option for Renewal Term(s).
- II. **Compensation.** Five percent (5%) of the fees actually received from Customers during the Term under any Plans sold under the Agreement, **net** of any discount, rebates, refunds, chargebacks, credits, and sales or similar taxes. The Parties may agree as to the types and frequency of reporting related to such Compensation to be provided by SLWC.
- III. **Plans; Plan Fees; Scope of Coverage.** The summary of coverage is accurate as of the Effective Date but is subject to change at SLWC's sole discretion due to changes required by Applicable Law or the service agreements for the Plans.
- A. Exterior water service line plan (“**WSL**”) (initially, CAD \$ 7.00 per month)
- i. Covers Customer's responsibility: from the main to the home.
  - ii. Covers thawing of frozen external water lines.
  - iii. Covers well service lines if applicable: From the external wall of Customer's well casing to the external foundation wall of the home.
  - iv. Coverage Cap: Unlimited calls, CAD \$5,000 per call
- B. Exterior sewer/septic line plan (“**SSL**”) (initially, CAD \$ 8.00 per month)
- i. Covers Customer's responsibility: from the home to the property line.
  - ii. Covers septic lines if applicable: From the external foundation wall of the home to the point of connection to the septic tank of the home.
  - iii. Coverage Cap: Unlimited calls, CAD \$8,000 per call
- C. Interior plumbing and drainage plan (“**IPD**”) (initially, CAD \$ 9.00 per month)
- i. Covers repair or replacement of the following inside the home, for which the Customers have sole responsibility, that is damaged due to normal wear and tear:
    - 1. The blocked or leaking interior water supply and drainage system pipes that carry fresh or drinkable water and wastewater.
  - ii. Coverage Cap: Unlimited calls, CAD \$3,000 per call
- Pricing does not include taxes. SLWC may adjust the foregoing Plan fees once every twelve (12) months during the Term or any Renewal Term based on increases in the consumer price index (“**CPI**”) for services in Ontario as defined by Statistics Canada. Any such adjustment shall not exceed the CPI percentage change over the prior year plus two (2) percentage points unless the Parties agree in writing.
- Plans will include a thirty (30) day “waiting period” upon enrollment before a Customer can request a service call from Company. Customers with lines and/or systems with pre-existing conditions will not be eligible to enroll in the Plan(s).
- IV. **Marketing Campaigns.** SLWC shall have the right to conduct up to three (3) campaigns per year (each campaign consists of two (2) direct mailings) for the Plans and market the Plans in such other channels as may be mutually agreed by the Parties.