

**ADDENDUM**

**REGULAR MEETING OF CITY COUNCIL**

**2008 04 28**

**4:30 P.M.**

**PART ONE – CONSENT AGENDA**

**5. COMMUNICATIONS AND ROUTINE REPORTS OF  
CITY DEPARTMENTS; BOARDS AND COMMITTEES**

**(bb) Recreational Lock - Sault Ste. Marie Canal**

A report of the Manager of Recreation and Culture is attached for the consideration of Council.

Mover - Councillor L. Turco

Seconder - Councillor B. Hayes

Resolved that the report of the Manager of Recreation and Culture dated 2008 04 28 concerning Recreational Lock - Sault Ste. Marie Canal be accepted and the recommendation that Council approve contracting the necessary repairs to the Recreational Lock Operating System for the contract price of \$46,820.00 plus G.S.T. to Regulvar Canada Inc. and that the funds come from the Lock Operations Budget and further that this purchase will not affect the overall Lock Operations Budget allocation be approved.

**(cc) Naming Rights Sponsorship - Sault Ste. Marie Sports and Entertainment Centre**

A report of the Commissioner of Community Services is attached for the consideration of Council. The relevant By-law 2008-95 is listed under Item 10 of the Agenda and will be read with all other by-laws listed under that item.

## **PART TWO – REGULAR AGENDA**

### **6. REPORTS OF CITY DEPARTMENTS; BOARDS AND COMMITTEES**

#### **6. (6) PLANNING**

##### **(b) Application No. A-11-08-Z.OP - 713771 Ontario Limited - 480 Pim Street - Request to Rezone to Increase the Permitted Office Space from 3,229 Square Feet to 15,000 Square Feet to be Located Within the Existing Building**

A supplemental report of the Planning Division is attached for the consideration of Council.

Mover - Councillor L. Turco

Seconder - Councillor B. Hayes

Resolved that the report of the Planning Division dated 2008 04 28 concerning Application No. A-11-08-Z.OP - 713771 Ontario Limited - Supplemental be accepted and that City Council approve the application and rezone the subject property by amending Special Exception 78 to permit not more than 1,393.5m sq. of general office space within the existing building, and that the minimum parking requirement be repealed, subject to the approval of Official Plan Amendment No. 148 be endorsed.

### **10. CONSIDERATION AND PASSING OF BY-LAWS**

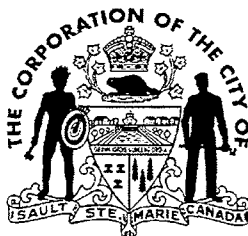
#### **AGREEMENTS**

- (q) 2008-95 A by-law to authorize an agreement between the City and Front Row Marketing Services LLP for the provision of services for the identification of potential sponsors of the Sault Ste. Marie Sports and Entertainment Centre.

A report from the Commissioner of Community Services is on the agenda.

5(66)

JOSEPH J. CAIN  
MANAGER RECREATION & CULTURE DIVISION



COMMUNITY SERVICES DEPARTMENT  
RECREATION & CULTURE DIVISION  
Bellevue & Bondar Marinas  
Cultural  
Historic Sites  
Leisure Services/Leadership  
Recreational Lock  
Roberta Bondar Tent Pavilion  
Seniors' Services  
Sports/Events/Development

2008 04 28

Mayor John Rowswell  
and Members of City Council

## RECREATIONAL LOCK - SAULT STE. MARIE CANAL

Attached is a letter from Parks Canada staff regarding a request for the assistance of the City of Sault Ste. Marie in contracting the work to replace defective computerized equipment used to operate the Recreational Lock at the Sault Canal. The equipment was damaged in September 2007 by a lightning strike.

Specifically, Parks Canada is requesting the City of Sault Ste. Marie to manage the contract for the repairs and upgrades of the damaged and redundant equipment under the lock agreement between the two parties. By exercising the option under the agreement with Parks Canada for the City to contract this work, it is anticipated that the lock will be operational for this boating season with only a minimal delay, if any, from the normal opening of May 15<sup>th</sup>.

Various options for the repair or replacement of the damaged equipment have been explored by Parks Canada. City staff have reviewed the situation and have determined that it should proceed to be sole sourced to the company that did the original design and installation of the system. This is the least costly and most time efficient option. The contract for the repairs has been quoted at \$46,820. plus GST from Regular Canada Inc., the company who designed and installed the original system.

Parks Canada has included a provision in the letter to ensure that the annual budget, which is managed by the City, will not exceed \$140,000. as set out in the agreement between the City and Parks Canada. Staff is recommending that City Council approve exercising the option under the agreement with Parks Canada to allow the necessary repairs to the Recreational Lock Operating System to be accomplished through the City of Sault Ste. Marie.

### Recommendation

It is recommended that City Council approve contracting the necessary repairs to the Recreational Lock Operating System for the contract price of \$46,820. plus GST to Regular Canada Inc. and that the funds come from the Lock Operations Budget and further that this purchase will not affect the overall Lock Operations Budget allocation.

Respectfully submitted for your approval,

Joseph J. Cain  
Manager Recreation & Culture

Recommended for approval,

Nicholas J. Apostle  
Commissioner Community Services

attachment

j/council/recreational lock april 28

RECOMMENDED FOR APPROVAL

Joseph M. Fratesi  
Chief Administrative Officer

5(66)



Parks  
Canada

Parcs  
Canada

April 23, 2008

Mayor and Council  
City of Sault Ste. Marie  
99 Foster Drive  
Sault Ste. Marie, ON P6A 5X6

Your Worship;

Re: Request for Contracting Assistance for the Recreation Lock

The computerized Program Logic Controllers (PLC) used to operate the Recreation Lock at the Sault Ste. Marie Canal National Historic Site was damaged as a result of a thunderstorm in September 2007.

Over the past seven months, Parks Canada has been investigating various replacement and repair options. At this time we are requesting the assistance of our partner, the City of Sault Ste. Marie, in order to proceed with the most cost and time efficient option available. We apologize for the delay this will likely cause in opening the recreational lock for the 2008 season, and hope the City leaders will support us in our request.

Parks Canada is requesting the City of Sault Ste. Marie to manage the contract for the repairs and upgrades of the damaged and redundant PLC, under the lock agreement between the two parties.

The contract would include the acquisition of materials and labour required to replace the Lock's PLC. Parks Canada and the City of Sault Ste. Marie will co-manage the situation and remain within the annual operation and maintenance budget of \$140K as stated within the Recreational Lock Agreement, of which the City pays 25% and Parks Canada pays 75%. Parks Canada will provide their technical assistance, and full co-operation in the implementation of the proposal.

Repairs and upgrades to the lock operating system are expected to take 3 weeks. With the City's assistance in managing and administering the contract for the work, delays in opening the lock could be reduced to as little as a week. If Parks Canada engages the competitive bid process the lock may not be opened for at least sixty days.

The City of Sault Ste. Marie and Parks Canada staff have been investigating the potential to exercise our agreement. We are confident that the agreement permits the approach presented and respectfully submit this request to your attention.

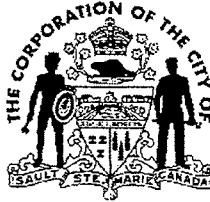
Thank you in advance for your consideration of this matter.

Sincerely,

*Mike Walton*

Field Unit Superintendent  
Northern Ontario  
Parks Canada

NICHOLAS J. APOSTLE  
COMMISSIONER COMMUNITY SERVICES



COMMUNITY SERVICES DEPARTMENT  
Community Centres Division  
Municipal Day Nurseries Division  
Recreation & Culture Division

2008 04 28

Mayor John Rowswell  
and Members of City Council

### **Naming Rights Sponsorship – Sault Ste. Marie Sports & Entertainment Centre**

At the March 17, 2008 meeting City Council passed a multi-faceted resolution part of which stated the following:

1. ***That staff engage the firm of Front Row Marketing to assist in the process of securing an agreement for a Naming Rights Sponsor and/or a Pouring Rights Sponsor.***
2. ***That the previous Naming Rights Committee, consisting of Councillor Butland, Councillor Caicco, and appropriate City staff, oversee the Naming Rights sponsorship process and report back to City Council.***

The Naming Rights Committee received a proposal from Front Row Marketing (F.R.M.) and met on two occasions, one of which was a conference call with Mr. Eric Smallwood of F.R.M. The Committee has reviewed the latest proposal (attached) and recommends that it be approved.

The agreement appears elsewhere on your Agenda and is recommended for approval.

The highlights of the agreement are:

- F.R.M. is a very competent and experienced firm with regards to Facility Naming Rights Sponsorships.
- F.R.M. will seek Naming Rights sponsorships for the facility and the ticketing system.
- F.R.M. will provide a comprehensive Scope of Services including but limited to:
  - Develop a target list
  - Develop Naming Rights proposals for each potential sponsor
  - Consultation and negotiation of final transaction sponsor(s)
  - Assist in the development of a contract for any sponsor
- The commission is lower for a Naming Rights Sponsor that was referred to F.R.M. by the City.

- The fee for F.R.M. would come from the funds received in any sponsorship deal. In the remote chance that a naming rights sponsor is not secured then the fees for F.R.M. can be funded from monies received from the Soft Drink Tender which are in the Parks and Recreation Reserve Account.

### **Recommendation**

The Naming Rights Committee recommends that City Council approve engaging the firm of Front Row Marketing to provide services, as outlined in their agreement, to endeavour to secure naming rights sponsors for the facility and the ticketing system.

Respectfully submitted on behalf of the Naming Rights Committee,

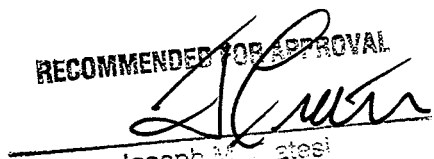


Nicholas J. Apostle  
Commissioner Community Services

li/council/report to council naming rights consultant

attachment

RECOMMENDED FOR APPROVAL



Joseph M. Iatesi  
Chief Administrative Officer



**CITY OF  
SAULT STE MARIE**

**FACILITY NAMING RIGHTS &  
TICKETING SYSTEM NAMING  
RIGHTS**

**CONSULTING PROPOSAL**

2834 RIVERSIDE DR  
PORT HURON, MI 48060

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## FRONT ROW MARKETING SERVICES, L.P.

### Introduction

Founded in 1998, Front Row Marketing Services, L.P. (FRMS) is based in Philadelphia, PA with offices near Detroit, MI, Vancouver, BC, San Jose, CA, Loveland, CO, Ridgefield, CT, Des Moines, IA and London, Ontario. Within the last year, Front Row has also added office locations in Penticton and Dawson Creek, British Columbia. Front Row Marketing is in its tenth year of providing clients with a number of services including evaluation analysis, naming rights, sponsorship, advertising, premium seating, branding rights and municipal marketing sales. FRMS is a division of the public assembly facility management firm, Global Spectrum, which is also based in Philadelphia, PA. Global Spectrum is the fastest growing firm in the public assembly facility management field with more than 70 facilities throughout the United States and Canada. The Philadelphia-based company is part of one of the world's largest sports and entertainment firms, Comcast-Spectacor, which also owns the Wachovia Center and Wachovia Spectrum, the Philadelphia Flyers of the National Hockey League, the Philadelphia 76ers of the National Basketball Association, the Philadelphia Phantoms of the American Hockey League, Flyers Skate Zone, a series of community ice skating rinks, Comcast SportsNet, a regional sports programming network, Ovations Food Services, a food and beverage services provider, and New Era Tickets, a full-service ticketing and marketing product for public assembly facilities.

The Front Row team has consistently developed creative ways to boost revenues for stadiums, arenas, convention centers, public assembly facilities, teams, fairs, festivals, transit authorities, school districts and governments. In 2008, Front Row will generate over \$25 million in naming rights, premium seating and advertising revenue for its clients.

Front Row also works with companies to develop effective marketing, sponsorship and advertising strategies. Collectively, Front Row has positioned itself to capture a niche in this rapidly growing area of corporate spending. We deliver superior experience, knowledge and effort at a fair price.



## PROPOSAL

### Term of Agreement

Six (6) Months beginning April 30, 2008 and ending October 29, 2008, sales process may be extended, if needed

### Scope of Services

Front Row Marketing Services, L.P. proposes to consult on the development and marketing of the Steelback Centre naming rights partnership and ticketing system naming rights that are mutually agreed upon.

Centre Naming Rights & Ticketing Naming Rights Consulting Scope of Services to include:

- Development of activity timeline
- Development of financial and sponsorship evaluation analysis of potential arrangement
- Research and comparative analysis for Steelback Centre, ticketing Naming Rights partner
- Evaluate value and term versus market conditions
- Consult with City/facility management on existing and proposed inventory for the Naming Rights and ticketing Naming Rights.
- Creation of comprehensive proposal of on site/off site benefits for sponsor
- Develop relevant naming rights sales materials, presentations and contracts
- Create local, regional, and national target account list
- Execute meetings with specific targets
- Creation of RFP for sponsor- if desired
- Consultation and negotiation of final transaction with centre naming and ticketing naming including review and analysis of offer(s)
- Assist in the development of contract for any sponsor
- Assist in development of joint sponsor/venue logo and the ticketing naming rights logo/website
- Development of public relations plan
- Consultation on servicing and activation of naming rights sponsor(s)

**Agreement Terms**  
***REVISED April 18, 2008***

**Length of Contract:**

- Initial term of six (6) months or until sold

**Proposed Fees:**

- Initial Term: Professional services fee to be paid in 3 monthly installments of \$6,250.

**Commissions:**

**Commission Structure with City Referral Centre Naming Rights partner:**

Prior to determining which commission structure option the City will choose, the City and FRMS will discuss the candidates that have expressed interest in the re-naming rights to the City.

If any of these candidates becomes the Naming Rights partner, the commission due to FRMS will be as outlined in Option 1 and 2.

**Option 1:**

- **9% on the Naming Rights**, paid annually to FRMS throughout the term. In the event that FRMS secures a Naming Rights partner for the Facility and SSM or its agents declines an acceptable offer, FRMS shall be paid \$25,000
- **15% on the Ticketing system Naming Rights**, paid annually to FRMS throughout the term.
- The \$18,750 in fees and advances will be credited against each of the first five years total commission (\$3,750 per year).

**BLENDED ANNUAL COMMISSION RATE (over 10 years): 9.8%**

**Option 2:** *(FRMS only paid on the first 5 yrs of the terms)*

- **19% on the Naming Rights**, paid on each annual amount, annually to FRMS during the first 5 contract years. In the event that FRMS

secures a Naming Rights partner for the Facility and SSM or its agents declines an acceptable offer, FRMS shall be paid \$25,000

- **20% on the Ticketing system Naming Rights**, paid annually to FRMS throughout the term. Paid on each annual amount, annually to FRMS during the first 5 contract years.
- The \$18,750 in fees and advances will be credited against each of the first 5 years commission (\$3,750 per year).

**BLENDED ANNUAL COMMISSION RATE (over 10 years): 9.6%**

**Commission Structure *without* City Referral Centre Naming Rights Partner:**

Option #3 and #4 outline the commission structure, if one of the companies that approached the City *does not* purchase the Centre's Naming Rights.

Option 3:

- **15% on the Naming Rights**, paid annually to FRMS throughout the term. In the event that FRMS secures a Naming Rights partner for the Facility and SSM or its agents declines an acceptable offer, FRMS shall be paid \$25,000
- **15% on the Ticketing system Naming Rights**, paid annually to FRMS throughout the term.\*
- The \$18,750 in fees and advances will be credited against each of the first five years total commission (\$3,750 per year).

**BLENDED ANNUAL COMMISSION RATE (over 10 years): 15%**

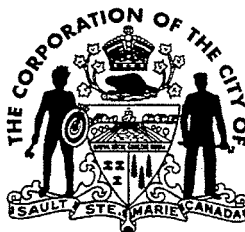
Option 4: (FRMS only paid on the first 5 yrs of the terms)

- **22% on the Naming Rights**, paid on each annual amount, annually to FRMS during the first 5 years. In the event that FRMS secures a Naming Rights partner for the Facility and SSM or its agents declines an acceptable offer, FRMS shall be paid \$25,000
- **22% on the Ticketing system Naming Rights**, paid annually to FRMS throughout the term. Paid on each annual amount, annually to FRMS during the first 5 contract years.
- The \$18,750 in fees and advances will be credited against each of the first 5 contract years commission (\$3,750 per year).

**BLENDED ANNUAL COMMISSION RATE (over 10 years): 11%**

**Expenses:**

- All pre-approved out-of-pocket expenses including travel and entertainment expenditures will be reimbursed to Front Row Marketing Services.



2008 04 28

**REPORT OF THE ENGINEERING & PLANNING DEPARTMENT**

**PLANNING DIVISION**

**TO:**

Mayor John Rowswell  
and Members of City Council

**SUBJECT:**

Application No. A-11-08-Z.OP – filed by  
713771 Ontario Limited - SUPPLEMENTAL

**Comments**

Subsequent to the drafting of the initial report, a site visit revealed that the subject property presently supports approximately 127 parking spaces. The existing Special Exception (78) requires a minimum of 135 spaces. With the passing of Zoning By-law 2005-150, the parking ratio for a commercial strip plaza was reduced to 4.5 spaces/100m<sup>2</sup>. Based upon the gross floor area of the existing building, the required parking is 122 spaces, which conforms to the requirements of the new Zoning By-law. Therefore, it is appropriate to repeal the minimal parking requirement of Special Exception 78.

**Revised Resolution**

That City Council approves the application and rezones the subject property by amending Special Exception 78 to permit not more than 1393.5m<sup>2</sup> of general office space within the existing building, and that the minimum parking requirement be repealed, subject to the approval of Official Plan Amendment No. 148.

PT/pms

**RECOMMENDED FOR APPROVAL**

Joseph M. Fratesi  
Chief Administrative Officer

## THE CORPORATION OF THE CITY OF SAULT STE. MARIE

## BY-LAW 2008-95

**AGREEMENTS:** (L.5.2.4.(3)) A by-law to authorize an agreement between the City and Front Row Marketing Services LLP for the provision of services for the identification of potential sponsors of the Sault Ste. Marie Sports and Entertainment Centre.

**THE COUNCIL** of the Corporation of the City of Sault Ste. Marie, **ENACTS** as follows:

1. **EXECUTION OF DOCUMENTS**

The Mayor and the Deputy City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to an agreement in the form of Schedule "A" hereto dated the 28th day of April, 2008 and made between the City and Front Row Marketing Services LLP for the provision of services for the identification of potential sponsors of the Sault Ste. Marie Sports and Entertainment Centre.

2. **SCHEDULE "A"**

Schedule "A" hereto forms part of this by-law.

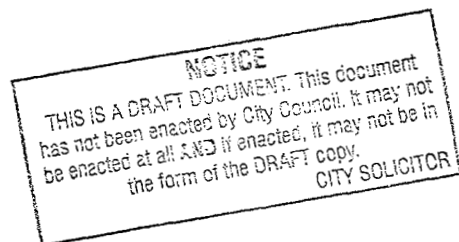
3. **EFFECTIVE DATE**

This by-law takes effect on the day of its final passing.

**READ THREE TIMES** and **PASSED** in open Council this 28th day of April, 2008.

\_\_\_\_\_  
MAYOR – JOHN ROWSWELL

\_\_\_\_\_  
DEPUTY CLERK – MALCOLM WHITE



## SCHEDULE "A"

**SPONSORSHIP IDENTIFICATION AGREEMENT**

Sault Ste Marie Sports &amp; Entertainment Centre

This Sponsorship Identification Agreement ("Agreement"), dated as of the 28<sup>th</sup> day of April, 2008, is entered into by and between Front Row Marketing Services, L.P. ("Front Row") and City of Sault Ste Marie – Ontario, Canada ("SSM").

WHEREAS, the SSM is contracting with Front Row for the purpose of obtaining assistance from Front Row in the identification of potential sponsor relationships on behalf of SSM; and

WHEREAS, SSM owns and operates Sault Ste Marie Sports and Entertainment Centre (the "Facility") in the city of Sault Ste Marie, Ontario Canada, and has the right to engage a third party to provide sponsorship support services at the Facility; and

WHEREAS Front Row is in the business of providing marketing services in connection with sports and entertainment facilities, convention centers and other public facilities; and

WHEREAS, SSM desires to engage Front Row to provide certain services related to identification of potential sponsors of the Facility, and Front Row desires to accept such engagement, under the terms, conditions and provisions contained herein.

NOW, THEREFORE, based upon the terms, conditions, covenants and considerations hereinafter set forth, the parties, intending to be legally bound, hereby agree as follows:

1. Services. Front Row is hereby engaged as the sole and exclusive representative for marketing and selling of the naming rights at and to the Facility and to the facility Ticketing System (the "Naming Rights"). During the Term (as defined below), SSM shall not sell, assign, transfer, grant or license to any other party the rights granted to Front Row hereunder, unless agreed to in writing by both Front Row and SSM. The scope of services to be provided by Front Row hereunder is more particularly described on Exhibit A hereto. In connection with Front Row's performance of such services, Front Row shall make available its corporate personnel as reasonably requested by SSM to assist in performing the services described in this Agreement. Such personnel will visit the Facility as and when deemed necessary by Front Row hereunder, in addition to those visits reasonably requested by SSM.

2. Contract Administration. Front Row will communicate and coordinate its activities hereunder with SSM. Any contracts for the purchase and sale of Naming Rights ("Naming Rights Agreement(s)") shall be entered into by the purchaser of such Naming Rights and SSM. Prior to contacting potential purchasers, Front Row shall furnish the names of potential purchasers to SSM. Front Row acknowledges that the approval of SSM must be obtained prior to finalizing any agreement for the sale of Naming Rights. Front Row will facilitate all contact with potential purchasers, and will interact with SSM staff as necessary to complete the execution of the Naming Rights Agreement(s). SSM hereby acknowledges and agrees that Front Row is not guaranteeing any level of purchase of, or the receipt of payment for, any Naming Rights marketed by Front Row pursuant to this Agreement. SSM will be responsible for all invoicing to the purchaser and collecting for payments due under any Naming Rights Agreements. SSM shall provide Front Row with a copy of each Naming Rights Agreement promptly after it is executed, including any amendments or modifications made thereto.

### 3. Term.

(a) The term of this Agreement ("Term") shall commence as of April 30, 2008 ("Commencement Date") and shall continue through and expire on December 29, 2008, unless sooner terminated in accordance with Section 3(b) of this Agreement.

(b) SSM's obligation to pay Front Row the amounts due Front Row that were earned up to and through the date of termination under Section 4 below shall survive such expiration or termination of this Agreement. The Commission (as defined in Section 4(a)(ii) below) is deemed to be "earned" at the time the Naming Rights Agreement is entered into by SSM and the Naming Rights sponsor(s) or, if earlier, when the material terms of such agreement are agreed to in principal (either verbally or by term sheet, letter agreement or other written acknowledgment). SSM agrees to act in good faith and promptly evaluate and approve or deny any proposed agreement for Naming Rights presented by Front Row.

### 4. Compensation.

(a) In consideration for the performance by Front Row of its duties hereunder, SSM shall pay Front Row as follows:

(i) Beginning with April 30, 2008 and continuing through and including June 30, 2008, SSM shall pay Front Row a monthly retainer ("Retainer") of \$6,250 (Canadian) per month (total payment of CA\$18,750) for the performance of due diligence analysis services outlined in Exhibit A. Such Retainer shall be due and payable to Front Row on or before the 30th day of each such month. Such Retainer is non-refundable. If a Naming Rights Agreement has been entered into (or agreed to in principle) by SSM prior to December 29, 2008, the Retainer shall be considered to be an advance against the Commission to be earned by Front Row, and shall be credited against such Commission in equal installments of \$3,750 over the first 5 years of any Naming Rights Agreement (as described in Section 4(a) below).

(ii) Front Row shall be entitled to a commission ("Commission") on any Contract Revenue to be earned by SSM from any Naming Rights Agreements entered into (or agreed to in principle) during the Term. "Contract Revenue" shall mean the aggregate of all gross revenue the Naming Rights sponsors are contractually obligated to pay during the initial term of the Naming Rights Agreements and any automatic extensions or renewals specifically authorized in such agreements, or renewals or extensions exercisable by the unilateral right of SSM (but not including any renewals or extensions requiring the mutual agreement of the parties, or exercisable by the unilateral right of the sponsor), and shall include the fair market value of any pre-approved in kind contributions (i.e. trade) received in exchange for the rights granted at the Facility. The Commission and the timing of payment of such Commission shall be determined by SSM by selecting one (1) of the following two (2) options, as and when described in Section 4(b) below:

OPTION 1: If the sponsor for Facility Naming Rights was identified and referred to Front Row by the City, then Front Row will receive a Commission of (a) nine percent (9%) of the Contract Revenue from each and every year of the Facility Naming Rights Agreement, and (b) fifteen percent (15%) of the Contract Revenue from each and every year of the Ticketing System Naming Rights Agreement. If, however, the sponsor for Facility Naming Rights was



identified by Front Row (without referral from the City), then Front Row shall receive a 15% Commission on both Facility Naming Rights and Ticketing System Naming Rights for each and every year of the Naming Rights Agreements. All Commissions under this option will be paid out of first monies in from the Naming Rights partner(s), on an annual basis for each and every year of the Naming Rights Agreements.

OPTION 2: If the sponsor for Facility Naming Rights was identified and referred to Front Row by the City, then Front Row will receive a Commission of (a) nineteen percent (19%) of the Contract Revenue from the first five (5) full years of the Facility Naming Rights Agreement, and (b) twenty percent (20%) of the Contract Revenue for the first five (5) full years of the Ticketing System Naming Rights Agreement. If, however, the sponsor for Facility Naming Rights was identified by Front Row (without referral by the City), then Front Row shall receive a twenty two percent (22%) Commission on both Facility Naming Rights and Ticketing System Naming Rights for the first five (5) full years of each Naming Rights Agreement. All Commissions under this option will be paid out of first monies in from the Naming Rights partner(s), on an annual basis, during the first five (5) full years of each Naming Rights Agreement.

Regardless of the option chosen, the Retainer will be credited against each of the first five years Commission payments at the rate of \$3,750 per year.

(iii) In the event Front Row secures a pre-approved Naming Rights or Ticketing System sponsor for the Facility and SSM or its agents declines to accept the sponsorship, SSM shall pay Front Row the amount of \$25,000 to compensate it for its efforts in securing such sponsorship.

(b) SSM shall, within thirty (30) days of execution of this Agreement, notify Front Row in writing which of the two (2) options described in Section 4(a)(ii) above SSM chooses. Once SSM makes such selection, SSM may not change its selection without the prior written consent of Front Row. If SSM fails to make its selection within the aforementioned time period, Front Row may select an option, which option SSM shall then be bound to follow. Regardless of which option is selected, Front Row shall invoice SSM for the Commissions when due, and SSM shall pay such invoice within thirty (30) days of the date of such invoice. The parties agree that the Commissions due, if any, during any extension or renewal of the Naming Rights Agreement, if any, shall be paid no earlier than the time the extension or renewal period begins, and shall be paid at the same rate and with the same timing as the Commissions due during the initial term of the Naming Rights Agreement, based on the option selected by SSM as described above.

(c) In addition to the payment to be made to Front Row above, SSM shall reimburse Front Row for all pre-approved reasonable out-of-pocket expenses incurred by Front Row or its employees or agents in connection with its duties hereunder, including without limitation all costs of travel contemplated in Section 1 above. Front Row shall, from time to time but no more than once per month, submit to SSM an invoice and receipts or other back-up documentation for such expenses and SSM shall reimburse Front Row for such expenses within thirty (30) days of its receipt of such materials. Such expenses shall not exceed an aggregate of \$3,000 during the Term without

the prior written approval of SSM. Expenses shall be subject to existing Front Row travel policy limitations unless agreed to in writing by SSM.

(d) All payments due Front Row hereunder shall be made to Front Row Marketing Services Accounting Office at 3601 S. Broad St., Philadelphia, PA 19148-5250.

(e) During the Term, Front Row will keep SSM apprised of its sales prospects and the status of any potential sales of Naming Rights. Additionally, Front Row shall deliver to SSM monthly reports detailing Front Row's activities related to the sale of Naming Rights at the Facility. Each of the parties shall keep and maintain books and records, in accordance with generally accepted accounting practices, with respect to the rendering of services provided by it hereunder. Either party may inspect the other's books and records during normal business hours, on reasonable advance notice, to confirm the amounts due hereunder.

## 5. Miscellaneous.

(a) Amendments. Neither this Agreement nor any of its terms may be changed, modified, or waived except by an instrument in writing signed by both parties.

(b) Waiver; Remedies. No failure or delay by a party hereto to insist on the strict performance of any term of this Agreement, or to exercise any right or remedy consequent to a breach thereof, shall constitute a waiver of any breach or any subsequent breach of such term. No waiver of any breach hereunder shall affect or alter the remaining terms of this Agreement, but each and every term of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. The remedies provided in this Agreement are cumulative and not exclusive of the remedies provided by law or in equity.

(c) Relationship of Parties. Front Row is engaged by SSM hereunder as an independent contractor to perform the services described herein, and nothing contained in this Agreement shall be deemed to create, whether express or implied, a partnership, joint venture, employment, or agency relationship between Front Row and SSM, except as otherwise expressly set forth in this Agreement.

(d) Assignment. Neither party may assign this Agreement without the prior written consent of the other. Any purported assignment in contravention of this Section shall be void.

(e) Severability. If a court of competent jurisdiction or an arbitrator determines that any term of this Agreement is invalid or unenforceable to any extent under applicable law, the remainder of this Agreement (and the application of this Agreement to other circumstances) shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.

(f) Governing Law. The Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the Province of Ontario, without regard to its conflict of laws principles.

(g) Attorneys' Fees. In the event a party files an action for breach of this Agreement, the prevailing party in such action may recover from the other party the cost of asserting

or defending such litigation, including related court costs and reasonable attorneys' fees.

(h) Prior Agreements. This Agreement supersedes and replaces all prior and contemporaneous negotiations, correspondence, conversations, agreements, and understandings between the parties concerning the subject matter hereof. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior or contemporaneous representations, agreements or understanding, whether oral or written.

IN WITNESS WHEREOF, each party hereto has caused this Sponsorship Identification Agreement to be executed on behalf of such party by an authorized representative as of the date first set forth above.

**FRONT ROW MARKETING SERVICES, L.P.**

By: \_\_\_\_\_  
Name: Eric Smallwood  
Title: Vice President of Marketing

**CITY OF SAULT STE MARIE – ONTARIO, CANADA**

By: \_\_\_\_\_  
Name: MAYOR - JOHN ROWSWELL  
Title:

\_\_\_\_\_  
DEPUTY CITY CLERK - MALCOLM WHITE

EXHIBIT A  
DUTIES OF FRONT ROW

<b>Scope of Services</b>
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**The Services for the Naming Rights for Sault Ste Marie Entertainment and Sports Centre and the Naming Rights to the Ticketing System that Front Row shall perform are as follows:**

**Phase I: Due Diligence**

1. Development of activity timeline
2. Development of financial and sponsorship evaluation analysis of potential arrangement
3. Research and comparative analysis for Facility, ticketing Naming Rights partner
4. Evaluate value and term versus market conditions
5. Consult with City/facility management on existing and proposed inventory for the Naming Rights and ticketing Naming Rights.
6. Creation of comprehensive proposal of on site/off site benefits for sponsor
7. Develop relevant naming rights sales materials, presentations and contracts
8. Create local, regional, and national target account list

**Phase II: Sales Solicitation**

1. Develop client profiles on targeted accounts. This will include contact people with phone and address, prior sports involvement and other pertinent information.
2. Develop sales status report to be submitted monthly.
3. Contact pre-approved targeted accounts to set up meetings for presentation with appropriate personnel in attendance.
4. Consult and negotiate final transaction including review and analysis of offer(s).
5. Assist in development of contract for naming rights partner(s).
6. Assist in development of name and joint sponsor/venue logo for naming partner.
7. Develop public relations plan for announcement of the naming rights partner.
8. Consult on servicing of naming rights sponsor.