

THIS SPONSORSHIP AGREEMENT made the 30th day of September, 2003.

BETWEEN:

THE TORONTO-DOMINION BANK
(“TD”)

- and -

TORONTO PUBLIC LIBRARY BOARD
(“TPLB”)

-and-

TORONTO PUBLIC LIBRARY FOUNDATION
(“TPLF”)

WHEREAS TD desires to sponsor TPLB’s Summer Reading Club (“the Program”), to be called the “TD Summer Reading Club”, with the features and benefits as set out in this Agreement; and

WHEREAS the Program runs on a weekly basis from the end of June through August over all branches of the TPLB except the Toronto Reference Library, its goal being to promote reading and literacy and to encourage participation by school children in reading programs; and

WHEREAS the parties have agreed to terms and conditions respecting TD’s sponsorship of the Program, including TD making a financial contribution to TPLF, the provision of funds from the TPLF to TPLB and TPLB’s provision of benefits and recognition to TD;

NOW THEREFORE THIS AGREEMENT WITNESSES that for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Term

1. This agreement shall commence the effective date set out above and shall continue until March 1, 2005 (the “Term”).

Renewal and Right of First Refusal

2. During the Term and for one year subsequent to the end of the Term, TPLB shall give TD the right of first refusal to sponsor the Program, or to sponsor any other children’s reading program, on terms and conditions substantially similar to those that would be offered to any other person should TD decline. Within thirty (30) days of receipt of any such offer of sponsorship, TD shall advise TPLB of its decision. Failure by TD to so notify the TPLB shall be deemed to be a refusal of the offer. TD acknowledges that its right of first refusal does not obligate the TPLB to operate the Program, or any other children’s reading program, subsequent to the Term.

Obligations of TD

3. TD shall pay to TPLF a sponsorship fee of six hundred and ninety-five thousand dollars (\$695,000.00) in three installments. The first payment of two hundred thirty-one thousand and seven hundred dollars (\$231,700.00) shall be made by TD upon the execution of the Agreement. The second payment of two hundred thirty-one thousand and six hundred dollars (\$231,600.00) shall be made by TD no later than April 1, 2004 and the third payment of two hundred thirty-one thousand seven hundred dollars (\$231,700.00) shall be made by TD no later than April 1, 2005.

4. All payments required to be made by TD to TPLF shall be made payable to the "Toronto Public Library Foundation" and shall be mailed to the offices of TPLF at the address set out in section 22 of this Agreement.

Obligations of TPLB

5. TPLB hereby agrees throughout the Term to:

- (i) place the TD logo and Program name on all Program promotional materials, including, but not limited to, posters, tickets, invitations, logbooks and bookmarks;
- (ii) identify TD as its Program sponsor in its newsletter entitled *What's On*, which is circulated to approximately 100,000 households, on at least two separate occasions each year;
- (iii) display the TD logo on its Summer Reading Club Web site, which Web site shall be operational for a period of at least two (2) months between June 15 and September 15 in each year of the Term, and create a link from this Web site to the TD Web site;
- (iv) promote the TD name or logo and sponsorship on posters and displays in all participating TPLB branches and, where possible, on due date slips, during at least a one month periods during each July and August during the Term in all TPLB branches;
- (v) develop an advertising plan to promote the Program that shall annually include, at a minimum, the following:
 - (a) one (1) promotional advertising series, which shall include the equivalent of two full pages, in the Toronto Star; and
 - (b) an expenditure of a minimum of five thousand dollars (\$5,000.00) for promotion of the Program in media such as community newspapers, transit advertising in subways of the Toronto Transit Commission or any other media that the TPLB considers appropriate; and
- (vi) refer to the Program as the "TD Summer Reading Club" in all promotional materials.

Obligations of TPLF

6. TPLF shall pay to TPLB the amounts of any payments it receives from TD pursuant to the Agreement, or any portion thereof, as requested by the Board, less up to twenty (20) *per cent* of such amount, within thirty (30) days of the TPLB advising that it requires any such funds.

License

7. TD and TPLB grant each other, for the Term and any renewal term, a non-transferable, non-exclusive, royalty-free license to use, reproduce and publicly display the logo, trademark and/or tradename of the other, solely for the purpose of promoting, carrying out, or advertising the existence of the Program or TD's sponsorship relationship with TPLB pursuant to this agreement. Neither party shall obtain any right, title or interest in or to the other party's logo, image, trademark and/or tradename, except the right of use specified herein.

8. TD and TPLB shall obtain the other's prior written consent for the use of the other's logos, images, trademarks and /or tradenames, or for the inclusion of any reference to the other party in any Program marketing or promotional materials, before printing or causing to be printed any Program marketing or promotional materials.

Warranties

9. Each party warrants, represents and covenants that:

- (i) it has the right, capacity and authority to enter into this agreement;
- (ii) this Agreement does not conflict with any other agreements or obligations by which it is bound;
- (iii) there is no proceeding in progress or pending or threatened against, relating to or affecting it which might be expected to have a materially adverse effect on the performance of the obligations under this Agreement.

Each party agrees to perform its obligations under this Agreement in a reasonable manner. Except as aforesaid or as otherwise provided in this Agreement, no party makes any additional warranties, express or implied.

Relationship of the Parties

10. TD is a corporate sponsor of the Program. Nothing contained in this Agreement is intended to place the parties in the relationship of partners, joint venturers, principal-agent or employer-employee, and no party shall have any right to obligate or bind the other party in any manner whatsoever.

11. No change in control or ownership of TD shall affect TPLB's obligations under this Agreement and, in particular, TPLB shall not be required to name and identify the Program other than in accordance with this Agreement or to alter the form of sponsorship identified therein. Despite the foregoing, TPLB and TD may, in writing, mutually agree to alter the form of sponsorship identified in this Agreement.

Termination

12. TD may terminate this agreement at any time, upon written notice to the other parties, upon:

- (i) default or breach by TPLB of any of the terms or conditions of this agreement which the defaulting party fails to remedy within seven (7) days;
- (ii) any material change in the nature of TPLB's business or reputation;
- (iii) the occurrence of any event which TD reasonably deems to render TPLB inappropriate for continuation of sponsorship of the Program; or
- (iv) TPLB becoming insolvent or bankrupt or commencing or becoming subject to any process that might reasonably result in bankruptcy, liquidation or dissolution.

13. TD and TPLF acknowledge that it is fundamental to this Agreement that they provide the financial and other assistance in accordance with this Agreement and that:

- (i) should TD, for whatever reason, fail to fulfill its obligations, the TPLB may, in its sole discretion, terminate this Agreement, unless such failure is due to the fact that TPLB is in breach of any provisions of this Agreement; and
- (ii) should TPLF, for whatever reason, fail to fulfill its obligations, unless such failure is due to the fact that TPLB is in breach of any provisions of this Agreement, the TPLB may, in its sole discretion, terminate TPLF's continued participation as a party to this Agreement and TPLB shall stand in the place and stead of TPLF for the purposes of this Agreement and the Agreement shall otherwise continue in full force and effect.

14. If any of the payments required to be made under this Agreement are not made in full and on time by either TD or TPLF, TPLB shall give written notice to TD or TPLF within ten (10) days of default of payment by TD or TPLF, as the case may be, and TD or TPLF, as the case may be, shall be given an opportunity to rectify any such default within fifteen (15) days of receipt of such notice, failing which, at the option of TPLB, in its sole discretion, this Agreement may be terminated in accordance with section 13(i) or (ii), depending on whether TD or TPLF is in default.

15. If TPLB decides to terminate this Agreement due to TD's default, it shall have full right and authority to remove and destroy any advertising, information or other identifying materials related to TD that was required pursuant to this Agreement.

16. The foregoing remedies are in addition to any rights at law that may otherwise be available to TPLB.

17. In the event TPLF ceases to exist or to carry on business, TPLB shall stand in the place and stead of TPLF for the purposes of this Agreement and the Agreement shall otherwise continue in full force and effect.

Rights Upon Termination

18. Subject to section 27, upon termination of this Agreement pursuant to the termination provisions set out above, all obligations of the parties shall cease, except that:

- (i) each and every payment made to TPLF to the date of termination shall be paid to TPLB in accordance with section 6; and
- (ii) each and every payment made to TPLB shall be retained by TPLB,

and no compensation or reimbursement whatsoever shall be made by TPLB to TD or TPLF. Should TD not wish to have its name associated with the Program, TPLB will use reasonable efforts to ensure that, within fourteen (14) days following such termination, all marketing and promotional material related to the Program do not display any TD logos, trademarks and/or tradenames.

Reliance

19. TD and TPLF acknowledge that the TPLB is relying on each payment being made in the full amount and on the dates set out in this Agreement and that each such payment will be incorporated into the budget process to enable certain undertakings to be met by TPLB. TD and TPLF further acknowledge that failure on their parts to make full and timely payments will have an impact on the budget(s) of TPLB and on the ability of TPLB to undertake and complete its responsibilities identified in this Agreement.

Indemnity

20. Each party (the "Indemnifying Party") does hereby indemnify and shall hold harmless the other parties, their respective corporate subsidiaries and affiliates, and any employee or agent thereof (each of the foregoing being hereinafter referred to individually as "Indemnified Party") against all liability, cost, damage or expense (including court costs and reasonable attorney's fees) to third parties (other than liability that solely is the fault of the Indemnified Party) arising from or in connection with any breach or alleged breach of any respective warranties, representations or agreements made by the Indemnifying Party in this agreement, including without limitation the violation of any third parties' rights, including property, contractual, employment, trade secret, proprietary information, and non-disclosure rights, or any trademark, copyright or patent rights. The Indemnifying Party shall co-operate with and otherwise give the Indemnified Party all assistance reasonably requested by such party in connection with the defense of any such third party claim. No party shall make any admission of liability or

compromise such claim without the other parties' prior written consent, such consent not to be unreasonably withheld. The defense of such claim shall be conducted jointly with counsel selected by the Indemnifying Party and approved by the Indemnified Party (such approval not to be unreasonably withheld).

Confidentiality

21. Each party acknowledges that, as a result of entering into this Agreement, such party, its employees and agents may have access to or receive disclosure of certain confidential or proprietary information about the business and management of the other party or any of the other party's subsidiaries or affiliates and customers (the "Information"). The parties, their employees and agents agree that they will ensure the confidentiality of the disclosing party's Information and agree not to use the Information for any other purpose or divulge the Information to any other party without the express written consent of the disclosing party except as contemplated by this agreement or as may be required by law. The parties agree that upon termination or upon either party's request, the receiving party, its employees and agents, except as required for any continuing obligations under this agreement, shall return the Information to the disclosing party.

Notice

22. Any notice to be given pursuant to or concerning this agreement shall be in writing and may be sent by personal mail or may be given by prepaid registered mail to the respective parties at the addresses below, and if so mailed from anywhere in Canada shall be deemed to have been received three business days after such mailing.

The Toronto-Dominion Bank
Corporate & Public Affairs
100 Wellington Street West
Canadian Pacific Tower, 5th Floor
Toronto, Ontario M5K 1A2
Attention: Scott Mullin
Vice-President, Community and Government Relations
Tel: (416) 982-2758
Fax: (416) 982-6335

AND TO:

Toronto Public Library Board
789 Yonge Street
Toronto, Ontario M4W 2G8
Attention: Josephine Bryant
City Librarian
Tel: (416) 393-7032
Fax: (416) 393-7083

AND TO:

Toronto Public Library Foundation
789 Yonge Street
Toronto, Ontario M4W 2G8
Attention: Janet McKelvey
Chair
Tel: (416) 393-7134
Fax: (416) 393-7083

Successors and Assigns

23. The Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

24. None of the parties shall assign their rights or obligation herein, either in whole or in part, without the prior written consent of the other parties.

Governing Law

25. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as a contract of the Province of Ontario.

Severability

26. If any provision of this Agreement is invalid, unenforceable or unlawful, such provision shall be deemed to be deleted from this Agreement and all other provisions of this Agreement shall remain in full force and effect.

Survival

27. Sections 2, 18, 20 and 21 shall survive the termination of this Agreement.

Further Assurances

28. The parties hereby agree to execute and deliver to each other such further written documents and assurances from time to time as may be necessary to give full effect to the provisions of this Agreement.

Headings

29. The headings in this Agreement do not affect its construction or interpretation.

Amendments

30. This Agreement may not be amended except in writing.

Waiver

31. No waiver of any breach is effective or binding unless made in writing or communicated to a party in accordance with this Agreement. Each waiver is limited to the specific breach waived.

IN WITNESS WHEREOF the parties have executed this agreement on the date first written above.

THE TORONTO-DOMINION BANK

By:
Title:

TORONTO PUBLIC LIBRARY BOARD

By:
Title:

**TORONTO PUBLIC LIBRARY
FOUNDATION**

By:
Title: