

GIFTING AGREEMENT

THIS AGREEMENT made as of this 8th day of December, 2015

BETWEEN:

SKYSTONE MEDIA INC. (the "Donor")

- and -

THE CORPORATION OF THE COUNTY OF
BRANT (the "Donee").

WHEREAS:

- A. The Donor wishes to make a gift to the Donee in connection with Property.
- B. The gift is conditional on measures that will promote the prudent use of the gift, ensure that the Property will be designated a heritage property and be repaired for future uses.
- C. The Donee is prepared to accept the gift on the terms and conditions set out below.
- D. The Donee is a registered municipality in the Province of Ontario and is a qualified donee under the *Income Tax Act* (Canada) and as such able to issue a tax receipt to the Donor in respect of the gift.

NOW THEREFORE in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions

- (a) "Bawcutt" means the individual known as Jack Bawcutt who is the father of a principal of the Donor and a past mayor of the Town of Paris, Ontario.

- (b) "Committee" means The Paris Old Town Hall Advisory Committee – an advisory committee to the Donee.
- (c) "Gift" means shares of a publicly listed company freely traded on the Toronto Stock Exchange which can be sold by the Donee upon receipt thereof and which at the time of the transfer thereof by Donor to Donee will have a net market value of \$1,000,000.
- (d) "Heritage Status" means designation by the Donee of the Property as a heritage property pursuant to the *Ontario Heritage Act* and its regulations and passage of the required by-laws to so designate the Property.
- (e) "Pledge" has the meaning set out in Section 2 hereof.
- (f) "Property" means the Paris Old Town Hall known municipally as 13 Burwell Street, Paris, Ontario, N3L 2C4 and with the real property description set out on Schedule A hereto.

2. **The Pledge**

Subject to the conditions set out in Section 3 hereof, the Donor agrees to contribute, or cause to be contributed, to the Donee an aggregate sum of one million dollars (\$1,000,000) (the "Pledge") in the form of the Gift.

3. **Conditions**

The following conditions are conditions precedent to the Gift being made and shall be completed by the Donee prior to the Donor making the Gift:

- (a) the Donee will provide to the Donor a mission statement detailing intended use of the property, a funding plan for the building restoration and development, and a projected business plan (capital and income) for the on-going running and maintenance of the property. All the above to be endorsed by the Committee and acceptable to the Donee, providing Class C or better cost estimates for redevelopment of the Property and also providing the names of all proposed funding sources to carry out the said redevelopment work, both confirmed and projected;
- (b) the Donee will enter into a legally binding agreement of purchase and sale with the current owner of the Property to purchase the Property no later than December 31, 2015;
- (c) the Donee will prepare a heritage conservation easement providing a conservation plan for heritage attributes in form acceptable to the Donor and which will be registered on the title of the Property immediately upon the acquisition of the Property by the Donee to be administered by the Ontario Heritage Trust;

- (d) the Donee will pass the required municipal by-law to give the Property Heritage Status;
- (e) the Donee will also formally request provincial heritage designation pursuant to the Ontario Heritage Act and its regulations; and
- (f) the building shall be acquired by the County of Brant.

4. **Tax Receipts**

On the making of the Gift on account of the Pledge, the Donee will promptly issue an official income tax receipt to the Donor in the amount of the Gift made.

5. **Use of Gift**

The Donee agrees that \$750,000 of the funds contributed to the Donee under the Pledge shall be applied exclusively toward meeting the costs of the Donee in connection with the acquisition of the Property and \$250,000 of the funds contributed to the Donee under the Pledge shall be applied toward meeting the costs of the Donee in connection with the redevelopment of the Property in accordance with the following:

- (a) The Donee must include the name the Bawcutt Centre on the Property for a term of at least 100 years in a place on the Property and wording agreeable to the Donor and in a form mutually acceptable to the Donor and the Donee. The building on the Property will be called the Bawcutt Centre which will be prominently displayed on the exterior of the building. The size and design of such display is to have the prior mutual consent of both parties. The Bawcutt Centre will be included in all written materials from the Society for the Preservation of Paris (Ontario) and the County of Brant, including promotional and informational materials.
- (b) The Donee will seek and accept municipal and provincial heritage designations of the Property under the *Ontario Heritage Act* and its regulations.
- (c) The Donee is to ensure that the Property is redeveloped in accordance with a conservation and development concept commissioned by the Committee, which lays out the planned uses and substantial alterations and additions proposed, complies with the *Standards and Guidelines for the Rehabilitation of Historic Properties in Canada* and the provisions of the heritage conservation easement, and has been endorsed by Heritage Canada The National Trust.
- (d) The Donee is to ensure that the Donor has the right to appoint at least one (1) person to represent the donor's family on the board of any future organization which is charged with the administration of the property.

6. **Acceleration of Pledge**

The Donor may at any time accelerate the payment of the Pledge in whole or in part.

7. **No Reversion of Benefit to Donor or Payors**

Once an amount has been paid to the Donee pursuant to the Pledge, the Donor shall not have any right to have the amount of such payment or any part thereof or income therefrom returned or paid to or for the Donor's benefit in any circumstance whatsoever.

8. **Gift To Be Applied Toward the Pledge**

Any payment received by the Donee from any person, corporation, estate, trust, foundation or otherwise and designated at or before the time of payment by the Donor as being made pursuant to this Agreement on the Donor's behalf shall be credited by the Donee against the Pledge and such Donor shall be entitled to the tax receipt thereof referenced in paragraph 4 herein.

9. **Committee**

The Donee undertakes to make the Committee an advisory committee to the Donee which Committee will have at least the terms of reference described in Schedule B annexed hereto.

10. **Annual Reporting**

The Donee shall provide to the Donor in each year, a detailed written report indicating, from the date of the last such report, the progress of the acquisition, restoration and redevelopment of the Property until the same is completed and all financial information relevant to the matters contemplated by this Agreement and a description of the programs, initiatives and activities relating to the Property, including, but not limited to, a breakdown of facility usage of the Property. The Chair of the Committee shall meet annually with the Donor (or the Donor's designate) at a mutually convenient time following the delivery of the written report to discuss the programs, activities and initiatives relating to the Property in greater detail. This reporting obligation shall continue until December 31, 2034, unless such obligation is released by the Donor (or the Donor's designate) in writing.

11. **Use of the Property**

The Donee agrees that the Property will be used for purposes that are consistent with the Heritage Conservation Plan referred to in Section 3(c) above. The Donee may lease part of the Property to tenants to generate revenues from commercial purposes. The Donee will also ensure there is adequate space available in and on the Property for use by the public (for example for farmer's markets, horticulture meetings, live theatre, etc.). The Donor wishes to ensure that the Donee will ensure that the use of the building is welcoming to all regardless of race, colour, gender, sexual orientation, disabilities, religion or creed and that all uses of the Property are consistent with basic human rights. To that end, for the first five years after the Donor makes the gift, the Donee will consult with the Donor in respect of the prospective and ongoing uses of the Property, for the purpose of ensuring compliance with this Section 12.

12. **Possible Sale of Property**

After the Donee acquires the Property, should it become necessary to sell the Property, the Donee will consult with the Donor on what the Donee might consider doing with the proceeds of sale of the Property. The Donor will provide non-binding recommendations to the Donee in connection therewith.

13. **Public Event, Announcement and Publicity**

To honour the Donor once the Gift is made, and to express appreciation of the Donee, any publicity (whether in the form of news announcements (both external and internal) or otherwise, will be made only with the permission and approval of the Donor.

14. **Termination**

If the conditions set forth in section 3 have not been fulfilled to the Donor's satisfaction, or otherwise waived in writing by the Donor, by December 31, 2015, the pledge in section 2 of this Agreement will lapse and the Donor will not make the Gift.

The parties may, however, agree to extend the date noted in this section 14 upon mutually agreeable terms in writing. If they do not so extend, the commitments in this Agreement terminate as of December 31, 2015.

15. **Binding Agreement**

This Agreement shall be binding upon the parties and their successors and assigns.

16. **Further Assurances**

Each of the Donor and the Donee will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

17. **Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and permitted assigns of the parties.

18. **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

19. **Notices**

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

To the Donor:

Skystone Media Inc.
220 Bartley Drive
Toronto, ON
M4A 1G1

Fax No.: 416-752-7837

Attention: CEO

Email: lschuyler@epitomepictures.com

To the Donee:

Corporation of the County of Brant
26 Park Avenue, P.O. Box 160
Burford, Ontario
N0E 1A0

Fax No.: 519-449-2454

Attention: General Manager of Corporate Services

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, [if given by registered mail, on the fifth Business Day following the deposit thereof in the mail and,] if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by electronic communication.

20. **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

21. **Entire Agreement**

This Agreement, including the Schedules hereto, constitutes the entire agreement between the parties.

22. **Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which together shall constitute one and the same Agreement.

23. **Monetary References**

All monetary references in this Agreement are in Canadian dollars.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties.

SKYSTONE MEDIA INC.

By: _____

Name: ~~LINDA SCHUYLER~~

Title: CEO

**THE CORPORATION OF THE COUNTY
OF BRANT**

By: _____

Name: R.E.F. Eddy

Title: Mayor

By: _____

Name: Heather Boyd

Title: Clerk

I/We have the authority to bind the Corporation.

SCHEDULE "A"

Legal Description of the Property

The following is the legal description for 13 Burwell Street, Paris, Ontario:

LOTS 6 & 7, WEST SIDE OF BURWELL STREET, TOWN OF PARIS;

PART LOTS 6 & 7, EAST SIDE OF DUMFRIES STREET, TOWN OF PARIS, DESIGNATED
AS PARTS 1 & 2, PLAN 2R-2832;

SUBJECT TO A409518 ; PARIS

SCHEDULE "B"

Committee

Scope and Purpose

1. The Donee has agreed that the Property, once acquired by the Donee, will be used in a manner which provides maximum access to the public, provided that such access must not restrict unduly the ability to rent space in the Property for commercial purposes consistent with the Heritage Conservation Plan.
2. To ensure that the objective in item 1 above is met, the Donee has also agreed to maintain the Committee which shall act as the governing body of the Property and shall have the following duties:
 - (a) the Committee shall, in consultation with the Donee, establish policies with respect to the day-to-day operations of the Property;
 - (b) the Committee shall closely monitor operating costs and implement policies to encourage the cost-effectiveness of operations at the Property; and
 - (c) the Committee shall consider opportunities to generate revenue at the Property with a view to generating sufficient revenue to offset operating expenses.

In fulfilling its duties, the Donee will have day to day operating control.

Composition

3. The Committee will include meaningful diversity of skills to reflect the perspectives of communities served. For greater certainty, a majority of the members of the Board shall be members of such communities.
4. The Committee will comprise the following members:
 - (a) one (1) member appointed by the Donor or her designate;
 - (b) the Mayor and one (1) additional member of the Council of the County of Brant;
 - (c) one (1) member appointed by the Society for the Preservation of Paris Architectural Heritage (SPPAH) or any successor organization; and
 - (d) three (3) citizen members appointed by the the Donee upon the advice of the Committee members listed in (a) to (c).

Chair

5. The Chair of the Committee will be selected by the members of the Committee on an annual basis at the first meeting of the Committee each year.

Term of Members

6. The Committee members listed in Section 4 (a and c) shall serve until their appointment is revoked by the individuals / organizations charged with their appointment. The Committee members listed in Section 4 (b and d) shall serve a term that coincides with the term of the Council of the County of Brant, and may be appointed to a maximum of two (2) terms.

Meetings and Quorum

7. The Committee will meet a minimum of 2 times per year, and meetings may be convened at any time at the request of any two of its members. Meetings may be held by means of a teleconference or other electronic means.
8. A quorum for a Committee meeting will consist of four (4) members.
9. Decisions will be made by simple majority.
10. The procedures and powers conferred on the Committee shall be determined by the Donee after consultation with the Donor or her designate. This obligation will continue until December 31, 2035.
11. None of the Committee members will receive compensation for their services as Committee Members.