

City of Hamilton  
71 Main Street, 1<sup>st</sup> Floor  
Hamilton Ont.  
L8P 4Y5

**ATTENTION: BRIAN MACDONALD**  
**MANAGER OF REVENUE GENERATION**

Dear Mr. MacDonald,

Once more, thank you for the time you have taken for discussions with our Roy Dzeko and George Jakgi.

Further to those discussions, and to our own direct discussions, we would like to express an interest in leasing property owned by the City of Hamilton for the purpose of installing third party advertising signs; and same subject of course to final Outfront Media corporate and City of Hamilton municipal approvals as to the following business terms, and to the conclusion of a legal agreement incorporating those terms.

The proposed locations are set out in the attached spreadsheet.

As you will see, the types of signage we propose range from our standard 10 x 20' poster product to 14 x 48' digital signs, with the range of rental commensurate with the proposed use and location.

The agreement we would seek would be for a fifteen year term.

Assuming all locations were to be approved and come to fruition, the rental over term would amount to \$6,289,527.50, with payment of \$500,500.00 in the first year.

Should all locations be approved, with associated approvals and permits in place, the first year's rental as above would be paid. Adjustment would be made for any locations which might not receive a final permit approval. Outfront Media would then establish a construction time frame for the installation of the signs, with rental already paid to be applicable effective each respective installation date. Bearing in mind that there would be different installation dates for the various signs, we would draft a mechanism by which a full fifteen year term of lease was recognized for each location.

Additionally, at the option of the City, and in the case of the proposed digital signs, we would be pleased and happy if the City would use them for general public service or for specific community messaging. These signs provide, essentially, unlimited flexibility as to the numbers of different messages which can be displayed on any given day. We propose that the City of Hamilton have five percent of all time available on the signs. The City would deal directly with our office in Toronto to make related arrangements, and once it was set up, we believe you would find it a very easy process with highly useful results. The signs can display on-going municipal messaging relating to any number of on-going municipal initiatives, elections, or the like.

We should speak to the types of digital signs we propose to install.

Firstly, we should say that since their general introduction some years ago, these signs have caused a certain amount of controversy at the municipal level. This is partly due to the fact that they are, simply and after all, signs. For political and societal reasons, signs and cities have long lived an uneasy relationship.

Those opposed to signage have pointed to safety concerns. After a decade and a half of argument and independent study – including that conducted by cities and other governmental organizations – it is now generally accepted that these signs cause no more distraction than do traditional signs and are not unsafe, per se. The proof of regulatory acceptance is "in the pudding". Many, many municipal by-laws now provide for these signs and a great many cities and governmental organizations have their own, or lease properties for, such signs. Inter alia, the cities of Montreal, Toronto, and Ottawa have these signs on their lands. Similarly, digital signs are located on properties owned by Canadian National, Canadian Pacific, Metrolinx and many airports across the country. We ourselves have such signs on a number of lands belonging to the foregoing cities and entities.

Outfront Media has no interest whatsoever in being regarded as anything other than an exemplary partner. Our signs in this country, and elsewhere, operate in compliance with the regulations under which they were permitted. (Typically, we operate our signs at lower lighting levels than those provided for in a local by-law – these signs can operate quite comfortably at low levels and compatible with ambient conditions.)

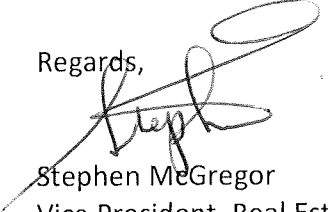
If the City of Hamilton wished to move forward on this with us, we suggest the signs be governed by the following provisions:

- operation at the lowest lighting levels currently legislated in this country, those contained in the City of Ottawa Sign By-law, which are 6000 cd/m<sup>2</sup> Daytime and 220 cd/m<sup>2</sup> Nighttime. (Many digital signs you see are being operated at a multiple of these levels. That is utterly unnecessary)

- operation at a minimum dwell time of six seconds. (Dwell time is the time which an image remains fixed.)

We do hope our proposal will be of interest to the City of Hamilton and we would welcome any questions or requests for information which you may have.

Regards,



Stephen McGregor  
Vice President, Real Estate

September 12 2016

We have also provided information pertaining to two properties we own in the City of Hamilton, the approvals for which are a component of this proposal.