

14

May 26, 2011

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Molson's Canada – CNEA Sponsorship Agreement**

Summary:

This report seeks approval of a sponsorship agreement between the CNEA and Molson's Canada for the period of the annual Fair in 2011, 2012, 2013 and 2014.

Recommendations:

It is recommended that the Board:

- (1) Approve a four-year agreement between the CNEA and Molson's Canada, as outlined in this report and on such terms and conditions satisfactory to the CNEA General Manager and the CNEA Solicitor; and**
- (2) Direct that the confidential report contained in Attachment 1 to this report not be released publicly in order to protect the competitive position and future economic interests of the CNEA and the Board.**

Decision History:

At its meeting of May 25, 2011, the Board of Directors of the CNEA considered and recommended this report for approval by the Board.

Pursuant to CNEA Bylaws any agreement in excess of 1 year must be approved by the Board of Governors of Exhibition Place.

Issue Background:

The CNEA has been in need of a beer sponsor to replace the previous sponsor, Labatt's Canada, given that agreement expired and they decided not to renew. The Director of Sponsorship has actively been pursuing other beer companies to replace this sponsorship and has been successful in securing Molson's Canada.

Comments:

The proposed terms and conditions of an agreement between the Board and Molson's Canada are very similar to the previous agreement with Labatt's, and are as follows:

The Canadian National Exhibition Association will provide the following entitlements to Molson's Canada:

- Presenting sponsor of Midway Stage outside Direct Energy Centre
 - Two (2) faces, year round on Carillon Clock Tower in Bandshell Park
 - Official Beer of the CNE
 - Sponsor Post-Event Report
 - Signage at licensed outlets on the grounds
 - Logo recognition on Lakeshore Blvd..
 - Logo recognition on Sponsor Boards, located on east and west sides of Food Building
 - Logo recognition on all grounds maps, information booths and main entrances
 - Logo recognition on all trains / people movers
 - Logo recognition on CNE program guide
 - Official Sponsor of the CNE & usage of CNE name and logo
 - First right of negotiation for subsequent 4 years.
 - Guaranteed visibility on CNE web site www.TheEx.com
 - General Admission One Day Passes (50) & One-Day Parking Passes (10)
 - Four tickets per day to CNE's private chalet for the three day Air Show
 - Opportunity to purchase admission passes at group rate
 - Contract for each year to be reviewed by October 31st, whereby each party will have an opt out option for the remaining year(s) of the term.
- (a) Union Agreements: Molson's Canada shall comply with all agreements in force between the Board and any union or association with respect to Exhibition Place.
- (b) Assignment: The agreement between the Board and Molson's Canada shall not be assigned by Molson's Canada without the consent of the Board.
- (c) Taxes: Molson's Canada shall be responsible for the payment of any and all rates, taxes or assessments that are imposed upon the Board by any taxing authority having jurisdiction.
- (d) Insurance/Indemnity: Molson's Canada shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board, CNEA, and the City of Toronto as additional insured with a cross liability/severability of interest clause of standard wording. Insurance shall be primary before any insurance held by the additional insured and the Board shall be entitled to thirty days notice of any intention to cancel or not to renew the policy Molson's Canada shall indemnify the Board, the CNEA and the City of Toronto with respect to any and all liability arising from any damage or injury as a result of the acts or omissions of Molson Canada, or its employees or any other person for whom it is in law responsible, in the exercise of its rights under the agreement.

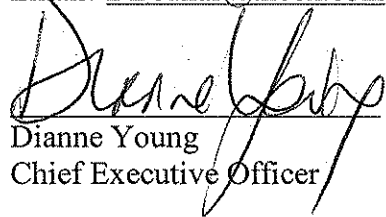
Contact:

David Bednar, General Manager/CNEA

Tel: 416-263-3840

Fax: 416-263-3850

Email: DBednar@theex.com

A handwritten signature in cursive script, appearing to read "Dianne Young". The signature is written in black ink and is positioned above the printed name and title.

Dianne Young

Chief Executive Officer