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September 8, 2016

Councillor Mark Grimes  
Chairman, Board of Governors of Exhibition Place  
100 Princes' Blvd., Suite 1  
Exhibition Place, Toronto, ON M6K 3C3

Chairman Grimes,

Since the beginning of the year we've been having discussions with Exhibition Place staff regarding the renewal of both our office lease and event license. During this time we have expressed our frustration by the lack of flexibility or creativity to address our concerns regarding the escalating cost of doing business at Exhibition Place.

During that last ten (10) years The Royal Agricultural Winter Fair has absorbed a gap of \$2.2M between the grant received by the city of Toronto and the license fee charged by Exhibition Place. This gap is projected to increase to \$10.9M in the next ten (10) years.

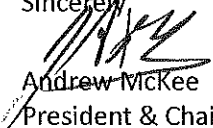
As The Royal cannot contemplate continuing as a marquee heritage event under these circumstances we have consistently outlined three (3) key areas that would facilitate long-term financial stability for both Exhibition Place and The Royal, namely 1) date certainty (including move-in and move out), 2) matching of the grant provided by the city and the license fee, and 3) recognition of the services and expenses being downloaded to The Royal that were previously included within our license.

We remain dismayed that with our event starting in less than two (2) months we do not have clarity on our dates, we have a \$334,000 gap between the city grant and the proposed license fee and we have more than \$230,000 in expenses for services previously covered within our license agreement.

Accordingly, for 2016 we proposed the following: 1) the license fee be reduced from \$1,154,368.88 to \$1M, 2) Exhibition Place provide a \$150,000 credit note to be applied against services as a partial offset for the downloaded services (including but not limited to Ontario Place parking rentals, MLSE conversion costs and outsourced electrical and plumbing), and 3) we work with cooperatively to secure dates for the efficient move in and move out.

Finally, in an effort to alleviate any sense of future doubt or risk and to provide long-term stability for both parties, we would propose the execution of a new license agreement for 2017 and beyond be fully executed no later than March 31, 2017.

Sincerely,

  
Andrew Wickie

President & Chairman of the Board of Directors

  
Charlie Johnstone

Chief Executive Officer

Cc: Board of Governors of Exhibition Place