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EXHIBITION PLACE

July 1, 2008

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Multi-Year Rental Agreement with
Merchandise Mart Properties (Canada) Inc.**

Summary:

Large trade and consumer show clients prefer to have their dates confirmed well in advance in order to ensure a consistent date and space pattern, to secure exhibitors, sponsorships, and block out competitive tradeshow. Sales staff entered into discussions with Merchandise Mart Properties (Canada) Inc. ("MMPI"), to ensure the One of a Kind Spring Show & Sale would be able to secure their dates and space patterns for 2009, 2010 and 2011, and to ensure the One of a Kind Christmas Craft Show would be able to secure their dates and space patterns for 2009 and 2010 in the Direct Energy Centre. Sales staff proposed the 3-year agreement, and MMPI has accepted the offer, subject to Board approval.

This report recommends a three-year agreement with Merchandise Mart Properties (Canada) Inc. for production of the One of a Kind Spring Show and Sale for 2009, 2010 and 2011 inclusive, within Halls B & C and accompanying Salons and Meeting Rooms; and the One of a Kind Christmas Craft Show for 2009 and 2010 inclusive, within Halls B, C & D and accompanying Salons and Meeting Rooms in the Direct Energy Centre at Exhibition Place.

Recommendation:

It is recommended that the Board:

- (1) Approve the execution of three rental agreements with MMPI for the One of a Kind Spring Show and Sale for 2009, 2010 and 2011, and the One of a Kind Christmas Craft Show for 2009 and 2010, on the terms and conditions outlined in the Confidential Attachment 1, and such other terms as required by the CEO and City Solicitor; and**
- (2) Direct that the confidential information contained in Attachment 1 to this report not be released publicly in order to protect the competitive position and future economic interests of Exhibition Place.**

Financial Impact:

A three-year agreement with MMPI secures the One of a Kind Spring Show and Sale for 2009,

2010 and 2011, and the One of a Kind Christmas Craft Show for 2009 and 2010 within the Direct Energy Centre at Exhibition Place providing a financial return to the Board of approximately \$1.5 Million in rent.

Decision History:

At its meeting of Friday, May 27, 2005, the Board approved of a three-year agreement with MMPI for the One of a Kind Spring Show and Sale 2006 to 2008 and One of a Kind Christmas Craft Show 2006 to 2008 which expires in November 2008.

Issue Background

Large trade and consumer show clients prefer to have their dates confirmed well in advance in order to ensure a consistent date and space pattern, to secure exhibitors, sponsorships, and block out competitive tradeshows. It has been the practice of the Board to enter into three-year agreements with our major trade and consumer show clients. This direction not only allows the shows the security of dates but provides to the Board the security of income for those years. Sales staff entered into discussions with MMPI a prestigious client of Exhibition Place, to ensure the One of a Kind Spring Show and Sale 2009, 2010 and 2011 and One of a Kind Christmas Craft Show 2009 and 2010 would be able to secure their dates and space patterns for 2009, 2010 and 2011 in the Direct Energy Centre.

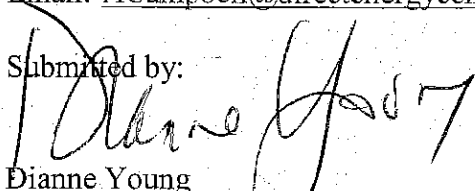
Comments

The Board listed rates are \$0.150 for 2009, \$0.1545 for 2010, and are not determined for 2011. Multiple year agreements will be issued for 2009, 2010 and 2011 for Halls B, C, D and accompanying Salons and Meeting Rooms, and the rates reflected in each agreement are equivalent to the previous year's rate (that is, the 2009 agreement will be based on the 2008 rental rate, and the 2010 agreement will be based on the 2009 rental rate, and the 2011 agreement will be based on the 2010 rental rate). A 3% deposit for the 2009, 2010 and 2011 Agreements is required to execute the 2009, 2010 and 2011 Agreements, delivered by the specified deadline date, in order to execute.

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Submitted by:


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