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September 7, 2006

To: The Board of Governors of Exhibition Place

From: Dianne Young  
General Manager & CEO

Subject: **O&Y-SMG Canada – Name Change to Arcturus-SMG Canada**

Purpose:

This report is to advise the Board that, as a result of certain corporate transactions, the name of O&Y-SMG Canada has been changed to Arcturus-SMG Canada. This ownership change shall have no effect on the operations of the management of the Direct Energy Centre or the indemnities currently provided under the Management Agreement.

Financial Implications & Impact Statement:

There are no financial implications to this report.

**Recommendation(s):**

**It is recommended that this report be received for information.**

Background:

At its meeting of July 3, 1996, the Board approved of entering into an agreement with O&Y-SMG Canada (the "Agreement") for the management of the National Trade Centre, which agreement was subsequently renewed by the Board at its meeting of November, 2000, and then a further renewal extending the agreement to December 31, 2006, was approved by the Board at its meeting of November 2003.

At its meeting of November 3, 2005 the Board approved of the change in effective control of O&Y SMG Canada, resulting from the purchase of O&Y Properties Corporation by 2072790 Ontario Inc. At its meeting of January 2006, the Board consented to the assignment of the partnership interest in O&Y SMG Canada from O&Y Trade and Convention Centre Management Company Ltd. ("OYTC") to O&Y Enterprise Limited Partnership ("OYE LP") and consent to allow OYE LP to assume the obligations of Brookfield Properties (PI) Inc. ("BPI") as an indemnifier under the Management Agreement and to release BPI from any and all obligations under the Management Agreement.

Comments:

By letter dated July 7, 2006, the General Manager & CEO of the Board has been advised that, as a result of a management buy-out of O&Y Enterprise LP (now Arcturus Realty Corporation), the 50% owner of O&Y-SMG Canada, the name of O&Y-SMG Canada has now been changed to Arcturus-SMG Canada.

The City Solicitor has made inquiries of the solicitor for Arcturus-SMG and has been advised of the following:

- a) That the management (now the owners) and balance sheet for Arcturus Realty Corporation (previously O&Y Enterprise) remain the same. The only change is the change in name.
- b) The transactions shall not affect the management structure of the Direct Energy Centre.
- c) The obligations of the indemnifiers, Brookfield Properties and SMG, securing the obligations of Arcturus-SMG under the Management Agreement are not affected and will remain unchanged.

In addition, it should be noted that there are less than four months left in the O&Y-SMG Agreement. Under the circumstances, staff are of the view that no further formal action by the Board is required.

Conclusion:

This report advises the Board of the circumstances surround the recent name change of O&Y-SMG Canada to Arcturus-SMG Canada.

Contact:

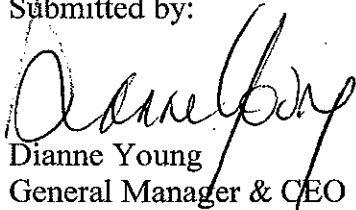
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Submitted by:



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