



April 4, 2005

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: **Amendment to Agreement for Molson Indy Race**

Purpose:

This report outlines an amendment to one of the terms of the agreement with Molson Sports & Entertainment Inc. and Molson Breweries of Canada Limited and Molson Canada (collectively "Molson") related to the 2005, 2006 and 2007 Molson INDY races.

Financial Implications and Impact Statement:

There are no financial implications to this report.

Recommendations:

It is recommended that the Board approve of the amendment to the agreement with Molson as set out in this report.

Background:

At its meeting of October 2004, the Board approved of entering into an agreement with Molson on certain terms and conditions.

Comments:

One of the terms approved by the Board related to the redevelopment rights of the Board and the notice given to Molson related to redevelopment and read as follows:

"Redevelopment: Molson shall acknowledge and agree that its right to hold the race is subject to the rights of the Board and the City to approve major redevelopment or construction on Exhibition Place or vicinity as part of the City's Waterfront initiative, the hotel/conference centre construction, the construction of the Lake Shore advertising signs or otherwise, which may require that the race be rescheduled or cancelled or the race track, grandstands, paddock or any other facility to be provided for the INDY to be

removed or adjusted by Molson at its sole cost and expense. The Board will provide Molson with six (6) months notice prior to the commencement of any construction.”

Molson has requested an amendment to this term to require the Board to provide notice to Molson by November 1st in each race year. The reason for this request is that Molson must enter into its renewal agreements related to the race prior to November and it also commences its suite sales before Christmas each year. Because the type of developments under consideration by the Board are very major (ie aquarium, hotel etc), a decision by the Board to start these prior to the following July race may have a significant impact on the race which would need to be considered by Molson prior to Molson entering into its own legal obligations or soliciting suite sales from the public. This change only extends the notice period from 6 to 8 months which is likely not detrimental also in the case of major developments on the grounds.

Conclusions:

This report recommends an amendment to the notice period date for redevelopment of the grounds.

Contact:

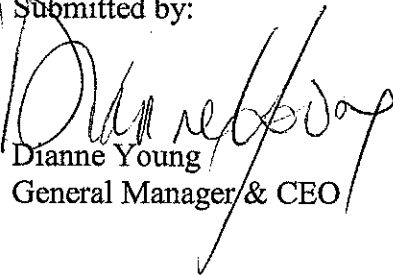
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Submitted by:


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