



EXHIBITION PLACE

August 27, 2004

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: CNEA Memorandum of Understanding with Exhibition Place

Recommendations:

It is recommended that the Board approve of the Canadian National Exhibition Association ("CNEA") being operational and financially linked to the Board as a program of the Board of Governors, subject to the Board and the CNEA entering into an agreement detailing the terms and conditions of this governance model.

Background:

At its meeting of August 8, 2002, the Board approved a three-year agreement with the CNEA beginning on January 1, 2002 and ending on December 31, 2004.

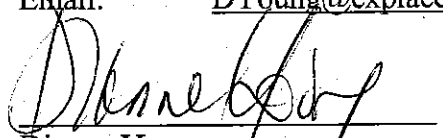
Discussion:

The attached report dated July 27, 2004 from the CNEA Executive Committee was considered and approved by the CNEA Board at its meeting of August 4, 2004.

Conclusion:

This report recommends that the Board approve of the CNEA being operational and financially linked to the Board as a program.

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Dianne Young
General Manager & CEO



THE CANADIAN NATIONAL EXHIBITION

July 27, 2004

To: The Board of Directors
Canadian National Exhibition Association

From: Executive Committee

Subject: **Memorandum of Understanding with Exhibition Place**

Recommendation:

It is recommended that the recommendations outlined in this report be approved.

Background:

At its meeting of July 26, 2004, the Executive Committee considered and recommended for approval a report dated July 16, 2004 from the President entitled "Memorandum of Understanding".

Discussion:

The following is an extract of the Recommendations, Background and Discussion portion of the above-noted report.

"Recommendations:

It is recommended that:

- (1) the Board approve that the CNEA continue to be operationally and financially linked with Exhibition Place/City of Toronto;
- (2) the Board of Governors of Exhibition Place be requested to indicate support for recommendation number one noted above by incorporating it in the new Memorandum of Understanding with the CNEA; and
- (3) the appropriate CNEA and Exhibition Place officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting of August 7, 2002, the Board approved a three-year agreement with Exhibition Place in the form of a continued Memo of Understanding (MOU) with a term ending on December 31, 2004.

Discussion:

As reported at previous meetings, David Bednar, General Manager/CNE has commenced preliminary discussions with Dianne Young, General Manager & CEO/Exhibition Place regarding a revised/new MOU with a view to maintaining the annual Canadian National Exhibition as a Board of Governors' program/premier event. This revised/new MOU will be formally submitted to the Executive Committee and Board in the fall for consideration.

The preamble of the current MOU states:

"Whereas at the end of the term of the 1997 MOU the Board and the CNEA continued to agree that the CNEA should be self-governed and operationally and financially independent of the City of Toronto and entered into a further Memorandum of Understanding (the "1999 MOU"); and

Whereas the parties wish to enter into a further MOU for a term of three years and substantially on the same terms and conditions as the 1999 MOU and during the term the parties will reassess the possibility of operational and financial independence of the CNEA from the City of Toronto and the level and extent of such independence."

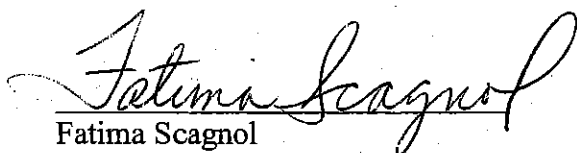
Apart from the report to be submitted by the General Manager/CNE regarding the revised/new MOU, I am proposing that the following recommendation be included as part of the preamble of the revised/new MOU.

That the CNEA continue to be operationally and financially linked with Board of Governors of Exhibition Place/City of Toronto and that the Board of Governors be requested to indicate support for this resolution in the next MOU."

Conclusion:

This report recommends that the Board formally approve that the CNEA continue to be operationally and financially linked with the Board of Governors of Exhibition Place/City of Toronto.

On behalf of the Executive Committee



Fatima Scagnol
Corporate Secretary

