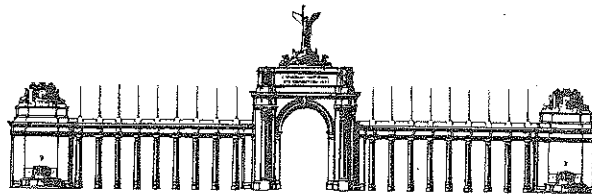


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EXHIBITION PLACE

January 20, 2003

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: Canadian International Air Show Agreement

Recommendation:

It is recommended that the Board of Governors concur with the recommendation of the CNEA Board of Directors with respect to entering into an agreement with the Canadian International Air Show for 2003, 2004 and 2005, based on the terms and conditions outlined in the attached report from the General Manager of the CNEA dated January 13, 2003.

Background:

The attached report will be considered by the CNEA Board of Directors at its meeting of January 30, 2003. Should the above recommendation change, the Corporate Secretary will report any changes to the Board on January 31st.

Discussion:

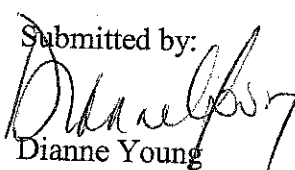
In accordance with By-law no. 2-99, Section 29, all CNEA agreements over a one-year term requires approval of the Board of Governors.

Conclusion:

This report recommends that the Board authorize a three-year agreement between the CNEA and the Canadian International Air Show.

Contact:

Fatima Scagnol, Corporate Secretary
 Tel: 416-263-3620
 Fax: 416-263-3690
 Email: Fscagnol@explace.on.ca

Submitted by:

 Dianne Young
 General Manager & CEO



THE BOARD OF GOVERNORS OF EXHIBITION PLACE

Exhibition Place, Toronto, Ontario M6K 3C3 Tel: (416) 263-3600 www.explace.on.ca

The following report was reviewed by the Executive Committee at its meeting of January 23, 2002 and is recommended to the Board of Directors for APPROVAL, subject to a cap of \$550,000.00 being imposed on the CEAS with respect to retaining sponsorship.



January 13, 2003

To: The Executive and Board of Directors
Canadian National Exhibition Association

From: David Bednar
General Manager

Subject: Canadian International Air Show

Recommendation:

This report is submitted for the approval of the Executive Committee and the Board of Directors, subject to the approval of the Board of Governors. It is recommended that the Board approve contractual arrangements with the Canadian Exhibition Air Shows Inc. (CEAS) for 2003, 2004 and 2005.

Background:

At its meeting of April 27, 2000, the Board approved an agreement with the CEAS for the 2000, 2001 and 2002 CNE's.

Discussions:

The Air Show, or the Canadian International Air Show (CIAS) as it is now called, has been held as part of the CNE since 1949. At one time the CIAS was produced as a department of the CNEA, but this was replaced by the CEAS in the mid 1990's. Through successive agreements with the CNEA, the CEAS has continued to produce the CIAS. The CEAS relies on funding from the CNEA, corporate sponsors, the good will of various armed forces, and considerable volunteer efforts.

The caliber of recent shows has been considered very high by any standard. It is in the best interests of the both associations that a good show continue to be produced by a financially stable CEAS. The desire for this stability was recognized in the most recent three - year agreement (2000 - 2002), with the CNEA cash contribution stable at \$415,000 per year, the CNEA continuing to provide office space and supplies, and the CEAS retaining its corporate sponsorships, subject to the approval of the CNEA, up to a cap of \$535,000. This stability has achieved the goal of allowing the CEAS to plan in advance from year to year, and assuring the CNEA of a great attraction for the final weekend.

The arrangement proposed for 2003 – 2005 extends the same contractual terms as 2000 – 2002 with the following exceptions:

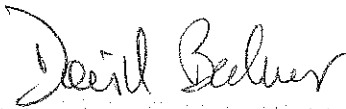
- The CEAS retains all sponsorship – no cap imposed – still subject to CNEA approval
- Office supplies contribution to be consistent with prior years
- Cash contribution of \$415,000, subject to renegotiations only in the event that CEAS insurance premiums rise in excess of 50% year over year
- Provision of 750 parking passes for Marilyn Bell Park
- Work order fulfillment at no mark-up

These changes are relatively minor in nature and they add some contractual detail to the existing relationship.

Conclusion

This report recommends a new three – year agreement between the CNEA and the CEAS.

Respectfully submitted,



David Bednar
General Manager