

EXHIBITION PLACE

June 16, 2003

To: The Board of Governors of Exhibition Place
From: Business Development Committee
Subject: Amendment to Lease for Queen Elizabeth Theatre

Recommendation(s):

It is recommended that the lease with Peacock Circus Inc. ("Peacock Circus") for the Queen Elizabeth Theatre be amended as set out in this report.

Background:

At its meeting of April, 2003, the Board approved of a three year lease with Peacock Circus.

Discussion:

One of the terms of the agreement with Peacock Circus was the provision of a deposit of \$20,000.00. However, as explained in the letter from Peacock Circus attached as Appendix "A", Peacock Circus is having some initial financial difficulties with providing the deposit and has requested an extension until the end of June for \$10,000.00 and the end of July for the remainder.

As noted by the Tenant, its financial difficulties are the result of SARS and the effect it has had on the first attraction scheduled for the Theater, the Moscow Circus. Certainly, the issues faced by Peacock with respect to booking the Moscow Circus are legitimate and being encountered across the City. Accordingly, I would recommend that the Board approve of an amendment to Paragraph (i) of the Term Letter as follows:

"Deposit: The Tenant shall provide to the Board a deposit in the form of a certified cheque in the amount CDN\$10,000.00 on or before the June 30, 2003 and CDN\$10,000.00 on or before July 31, 2003. Such Deposit shall be held without interest and returned to the Tenant at the end of the Term, or which shall be refundable on the terms and conditions set out in this Term Letter. Should the parties agree to terminate the Agreement under the conditions of Paragraph (d) of the Term Letter, the Deposit shall be returned to the Tenant without interest. Should the Agreement be terminated on the grounds of default, the Board shall be entitled to retain the deposit"

Conclusion:

This report recommends a slight amendment to the lease with Peacock Circus for the Queen Elizabeth Theatre. While the amendment provides for the payment of the deposit in two payments, the first deposit will be received prior to opening of the Moscow Circus event and the second deposit 10 days after the opening day.

Given the urgency of a decision on this matter, I have discussed this with Mario Silva, Chairman of the Board, who requested that I forward this report immediately to all members of the Board to seek their approval.

Contact:

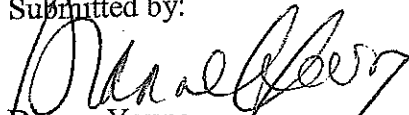
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Submitted by:



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General Manger & CEO

