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March 31/2000

**Attention:**

Board of Governors of Exhibition Place  
Exhibition Place  
Toronto, Ontario

Dear Board Member:

CHIN RADIO, producer of the CHIN INTERNATIONAL PICNIC, has requested to appear before you at the next Board meeting April 7<sup>th</sup>, 2000. Our reason for this is to express the grave concern we have for the future of the CHIN PICNIC at Exhibition Place.

Over the years, the PICNIC has sustained significant financial losses and in 1999 alone posted a loss of over \$130,000. The PICNIC is unique in that it is a non ticketed event, admission to the public is free and as such, we do not have these traditional revenues to offset expenses.

In our letter dated January 7<sup>th</sup>, 2000 (attached), we state that a real and lasting solution to the financial concerns of the CHIN PICNIC needs to be addressed this year. Failing this, CHIN will have no other recourse but to actively seek an alternate site for PICNIC 2001. Unfortunately, discussions with Exhibition Place have not produced solutions that provide the financial relief we need to survive and remain at Exhibition Place.

CHIN appreciates the opportunity to address the Board of Governors on this important matter.

Sincerely,

Lenny Lombardi  
Vice President  
CHIN RADIO





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January 7, 2000

Kathryn Reed-Garrett  
Director of Business Development and Special Events  
Exhibition Place  
Toronto, Ontario  
M6K 3C3

Dear Kathryn:

Re: **Exhibition Place proposal for CHIN PICNIC 2000**

Thank you for your letter of November 19, 1999 outlining the Exhibition Place proposal for Picnic 2000. The proposal offers a three year contract with immediate rental increases of 10% and diminishing returns each year from parking revenue. Commissions on concessions paid by Exhibition Place to CHIN remains unchanged. As outlined, these terms are unacceptable to CHIN.

As we had discussed briefly in our November meeting, the CHIN PICNIC is unable to meet expenses. This year alone, the PICNIC deficit is \$130,000. Even under the present scenario the CHIN PICNIC will continue to fall deeper and deeper in debt. The new proposed plan will simply escalate these losses.

CHIN too wishes to re-visit our contract with Exhibition Place, but with the expressed purpose of recognizing the important fact that the PICNIC is an admission free event. All the entertainment and exhibits are free to the public. Any future contract should acknowledge the reality that CHIN does not have the benefit of admission proceeds to offset expenses.

Over the past few years, the Board of Governors of Exhibition Place have recognized our financial dilemma and agreed to try and remedy our plight. We appreciate this effort but must concede that the results fell short of a real and lasting solution. Furthermore, in light of the most recent contract proposal, what ever small benefit we gained, will be lost.



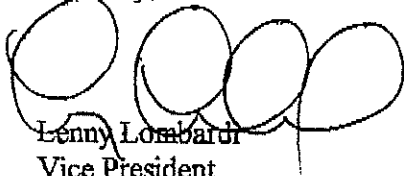
In our opinion, a meaningful and financially sound solution for CHIN would be to retain 100% of all concession revenues generated at the PICNIC. The current contract unfairly denies CHIN payment from Exhibition Place for concession sales, even though CHIN is solely responsible for successfully attracting audience to the event. CHIN is exclusively responsible for all associated expenses relating to staffing, rent, production, advertising, marketing and artist expenses that all go towards creating an audience or customers for concessionaires, which produces the revenue, which CHIN is denied. CHIN assumes all the expense and enjoys none of the benefits. If the PICNIC were a conventional event that charged an admission fee, then those revenues would offset expenses and the economies of scale would be balanced between Exhibition Place and CHIN. However, the PICNIC is a free admission event and therefore the revenue stream tilts disproportionately in the negative for CHIN.

The CHIN PICNIC is now in it's 34<sup>th</sup> year. As a cultural beacon, it symbolizes the growth, development and significant contribution of the multicultural communities to the unique cultural mosaic of Toronto. CHIN is proud and determined to continue to showcase, entertain and celebrate the cultural diversity within our society. Hundreds of thousands of people were attracted to the CHIN PICNIC at Exhibition Place and entertained by international and local performers representing the world. Headline artists from Hong Kong, India, Portugal, Italy, Caribbean, Greece, Afghanistan and Poland all performed at PICNIC '99. Admission to the public was free.

Our hope is to continue this great cultural celebration at Exhibition Place. To do so however will require a solution that financially addresses our concerns if the PICNIC is to survive. If we fail in this endeavor, CHIN will have no other recourse but to actively seek an alternative site for the year 2001. It is our sincere hope that this will not be necessary.

I look forward to meeting with you to discuss this matter further.

Sincerely,



Lenny Lombardi  
Vice President

CHIN RADIO/TV International  
c.c. Dianne Young, Interim General Manager  
Johnny Lombardi, President, CHIN RADIO

