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May 15, 2000

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: Memorandum of Understanding with 2008 Toronto Olympic Bid Corporation ("TO-Bid")

Recommendation:

It is recommended that the Board enter into the Memorandum of Understanding ("MOU") with TO Bid on the terms and conditions attached to this report as Appendix "A" and such other terms as requested by the City Solicitor.

Background:

At its meeting of February 29, 2000, City Council approved on the application to be submitted by the TO-Bid to have the City selected by the International Olympic Committee (IOC) as the host city for the 2008 Olympic and Paralympic Games.

Discussion:

As the Board is aware, the 2008 Olympics Bid proposes that Exhibition Place will be one of the three major venues (Olympic Rings) with plans to construct a velodrome, training pool, tennis venue and Olympic Plaza. In addition there will be an expansion of the NTC to host numerous events including badminton, boccia, fencing, gymnastics, rugby, table tennis, Tae Kwon Do and volleyball.

As part of the TO-Bid Candidature Proposal to the IOC in June 2000, the TO-Bid is required to produce evidence that it has met with all the owners and managers of venues that are proposed to be included within the 2008 Olympics and the owners/managers are willing to enter into future negotiations with TO-Bid for use of the venue lands. Accordingly, Mr. Temple W. Harris, Director - Venues and Training Facilities, TO-Bid has requested that the Board enter into the attached Memorandum of Understanding ("MOU"). The intent of the MOU is simply to agree to negotiate a further detailed MOU dealing with all major issues such as legal, physical, technical, logistical, environmental,

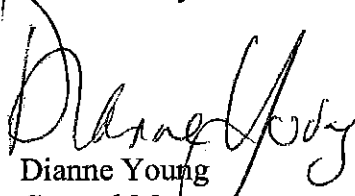
access, financial, security, design (both interior and exterior) of the expanded facilities, staging of construction, business loss and any other related issues. In addition, this MOU recognizing the continued right of the Board to enter into agreements with third parties with respect to the grounds and requires TO-Bid to accommodate and resolve such third party rights.

The proposed dates for the Olympics is July 26 to August 10th, a 10-day change period followed by the Paralympic Games from August 21st to September 1st. As noted above, the next MOU will have to deal with all the major issues including the displacement of events at Exhibition Place. Specifically, this MOU recognizing the right of the CNE to hold an annual exhibition on the grounds during the same time period. However, there is no ability at this time to even start to resolve many of the major issues that will have to be addressed in the next MOU. Mr. Harris has indicated to me that the intent is to begin negotiations on the second MOU in the Fall, 2000.

Conclusion:

This report recommends approval of the MOU between the Board and TO-Bid as outlined in Attachment "A".

Submitted by:



Dianne Young
General Manager

Appendix "A"

May ____, 2000

Toronto 2008 Olympic Bid
207 Queen's Quay West
Suite 401, P.O. Box 104
Toronto, Ontario
Canada M5J 1A7
Tel (416) 603 2008
Fax (416) 603 2095
1 800 249 2575

Société Pour la Candidature
Olympique de la Ville de Toronto
207 Queen's Quay Ouest
Bureau 401, P.O. Box 104
Toronto, Ontario
Canada M5J 1A7
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DRAFT

Memorandum of Understanding

between

Olympics 2008 – Toronto ("TO-Bid")

-and-



TO-2008.COM

The Board of Governors of Exhibition Place
Exhibition Place, Toronto (the "Board")
Concerning the following facilities:

- The National Trade Centre**
- The Coliseum**
- The Grounds and Property**
- Better Living Centre**
- Proposed Velodrome**
- Proposed Aquatics Training Pool**
- Stables in Horse Palace**
- Temporary Stadium for Modern Pentathlon**
(Collectively referred to as the "Venues")

WHEREAS the purpose of this Memorandum of Understanding is to confirm that TO-Bid has identified the Venues located within Exhibition Place, Toronto as facilities which are proposed to be used with respect to the 2008 Olympic Games and Paralympic Games (the "Games"); and

WHEREAS the dates for the Games have been tentatively set by the International Olympic Committee (the "IOC") as July 26th to August 10th, with a ten (10) day change over period followed by the Paralympic Games from August 21st to September 1st, and

WHEREAS the Board acknowledges that while this and future Memorandums of Understanding are being signed between the Board and TO-Bid, should the Games be awarded to Toronto, another entity (known as the "Organizing Committee for the Olympic Games" or "OCOG") will become involved in this matter and will, to the extent it considers appropriate, take an assignment of TO-Bid's interest in this MOU and shall

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take part in any future negotiations with the Board; and

WHEREAS the Olympic and Paralympic sports (the "Sports") scheduled for The National Trade Centre (Halls A, B, C and D; Industry Building; East and West Annex Buildings; Heritage Court and the Automotive Building) are:

Badminton
Boccia
Fencing
Gymnastics – Rhythmic/Trampoline
Rugby
Table Tennis
Tae Kwon Do; and

WHEREAS as previously discussed, the parties also wish to discuss the possibility of the expansion of the West End of the National Trade Centre adding a facility to house the following sports:

Gymnastics - Artistic
Volleyball – Indoor; and

WHEREAS it is the intention of TO-Bid to undertake the construction phase of the West End expansion project in 2006 with completion in 2007, and shall therefore require the exclusive use of that portion of the National Trade Centre from the beginning of construction in 2006 through to October 1st, 2008 or such earlier time period as agreed to by the parties; and,

WHEREAS the sports scheduled for the proposed upgraded Coliseum are:

Handball
Wheelchair Basketball; and,

WHEREAS the proposed Velodrome is planned as a permanent facility on the site and a construction and usage schedule will be negotiated as part of a Second Memorandum of Understanding between the parties; and,

WHEREAS the proposed training pool for Aquatics is planned for the site, a construction and usage schedule will be negotiated as part of a Second Memorandum of Understanding between the parties; and,

WHEREAS a temporary stadium for Modern Pentathlon is planned for the site. In addition, the Horse Palace stables will be utilized. A construction and usage schedule will be negotiated as part of a Second Memorandum of Understanding between the

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parties; and,

WHEREAS the Better Living Centre will be used as a Training Centre. A construction schedule for necessary upgrades and usage schedule will be negotiated as part of a Second Memorandum of Understanding between the parties; and,

WHEREAS given the large number of sports and activities planned for Exhibition Place, the use of Grounds and Property by the public, media, athletes, OCOC and the IOC will be extensive. The parties will negotiate the impact of the Games and its schedule with regards to events such as the Molson Indy and annual CNE. This will be done as part of a Second Memorandum of Understanding.

NOW THEREFORE TO-Bid and the Board therefore confirm and agree that they shall negotiate the terms of the exclusive use during the Games of the Venues for the period of: **June 10th to September 8th**. Negotiations shall include arrangements for the set up phase, the actual running and operation of the Sports competitions in the Venues during the Games and the take down phase.

TO-Bid recognizes that the Canadian National Exhibition Association ("CNEA") has a right pursuant to an agreement with the Board to hold an annual exhibition at Exhibition Place including within the Venues and recognizes that such annual exhibition has traditionally been held during the three weeks commencing August 18th of each year.

TO-Bid recognizes that there are many legal, physical, technical, logistical, environmental, access, financial, security, design (both interior and exterior) of the expanded National Trade Centre and staging of the construction of the Venues to accommodate trade and consumer shows and other related issues which will need to be addressed through negotiation in the coming months with both the Board and the CNEA. TO-Bid confirms that it will be undertaking that process with the Board following the submission of Toronto's Candidature Proposal to the IOC in June 2000. TO-Bid shall provide the Board with a second comprehensive Memorandum of Understanding addressing such issues in greater detail.

The Board recognizes its role as operator, on behalf of the City of Toronto, of the potential Venues with respect to the Games and confirms its willingness to proceed in accordance with the above. TO-Bid, on behalf of itself and any assignee of TO-Bid's interest under this MOU, hereby acknowledges and agrees that the Board may, by agreement, lease or licence or otherwise, have granted to third parties certain rights to occupy and use certain portions of the Venues, or part thereof. All negotiations between the Board and TO-Bid shall therefore include any affected third parties as required by the Board to specifically accommodate and resolve such third party rights, including accommodation of trade/consumer show and event licences within the Venues during

the construction period of the expansion of the Venues. Parties currently granted long term rights to occupy portions of Exhibition Place, including the Venues, through 2008 are:

* Medieval Times Dinner & Tournament (Toronto) Inc. (Arts and Crafts Building); and,

* Coliseum Entertainment Corporation (Coliseum and West Annex areas of the National Trade Centre Complex); and,

* Omni Outdoor and Company (Billboard sign adjacent to the Gardiner Expressway, approximately 300 metres east of Dufferin Street); and,

*Gallop and Gallop Advertising Inc. (Billboard sign adjacent to the Gardiner Expressway at Strachan Avenue and Manitoba Drive.); and,

* Canada's Sports Hall of Fame

The Board hereby agrees that any grant to any third party, by agreement, lease or licence or otherwise, of rights to occupy and use certain portions of the Venues, or parts thereof, during the years 2006 to 2008 which is given after the date of execution of this MOU shall contain the proviso that such rights are subject to the construction and use of the Venues for the Games.

To-Bid and the Board therefore commit as of the date set above to working together to host the Sports at the Venues.

Olympics 2008 – Toronto

**The Board of Governors of
Exhibition Place**

Per: _____

Per: _____

Temple W. Harris
Director – Venues and Training Facilities

Dianne Young
General Manager
Exhibition Place

Per: _____

Per: _____

Doug Hamilton
Vice President, Sports and Venues

Fatima Scagnol
Corporate Secretary

We have the authority to bind the Organization.