

EXHIBITION PLACE

March 20, 2001

TO: The Board of Governors of Exhibition Place

FROM: Dianne Young
General Manager & CEO

SUBJECT: Sponsorship Agreement with The Delta Chelsea Hotel

Recommendation:

It is recommended that the Board enter into an agreement with The Delta Chelsea Hotel ("Delta") to be the "Official Hotel Sponsor" to the NTC on the terms and conditions set out in this report and such other terms and conditions satisfactory to the General Manager & CEO and the City Solicitor.

Background:

At its meeting of July 27, 1998, the Board approved of a sponsorship agreement for with Holiday Inn Hotel ("Holiday Inn") which agreement expired in December, 2000.

Discussion:

Prior to the expiry of current sponsorship agreement between the Holiday Inn and the Board respecting the NTC (December, 2000), the Board through Trillium Wilkinson Group ("Trillium") entered into discussions with Delta and other hotel chains (Holiday Inn, Sheraton Four Points Hotel, Westin Harbour Castle, Hilton Hotel, Days Inn and the Courtyard by Marriott) to solidify a hotel sponsorship for the NTC. Proposals were prepared and forwarded in October, 2000 to all prospective hotels to become the "Official Hotel Sponsor". All hotels, with the exception of the Delta, indicated no interest in pursuing a sponsorship relationship with the NTC. As a result, Trillium entered into exclusive negotiations with Delta for sponsorship of the NTC.

The terms and conditions of the proposed agreement(s) between Delta and the NTC, are as follows:

- (a) Term: Three-year term commencing April 1, 2001 and expiring March 31, 2004. Excludes rights during the Molson Indy and 2002 World Youth Days and within the renovated IHL facility in the Coliseum.
- (b) Annual Sponsorship Fee: Delta will pay the NTC a Sponsorship Fee of \$18,000 cash annually to be paid upon execution of the Agreement and on April 1, 2002 and 2003 with

respect to rights in the NTC.

- (c) Hotel Room Pricing: the following corporate room rates will be granted to the NTC for year one of the agreement: \$130.00 night (Jan – Mar); \$170.00 night (Apr – Oct); and \$130.00 night (Nov – Dec).
- (d) Promise of Performance – The Board agrees to provide the following performance promise to the Delta: “A minimum of 1500 room nights will be established as the benchmark for year one of the agreement. Should this business development target not be reached, the Delta will be entitled to receive back ¼ (approx. \$4500.00) of its cash investment.” It was determined that meeting this target is highly achievable considering the NTC generates a total of 195,141 room nights annually (Johnson Consulting 1998, Economic and Fiscal Impact Analysis – NTC).
- (e) Sponsor entitlements: The Board will provide the following sponsor benefits to Delta:
- ◆ Official sponsor status for NTC;
 - ◆ The parties agree to enter into negotiations for a further agreement three (3) months prior to the end of the term;
 - ◆ Use of NTC logos, marks and names subject to approval of the Board and NTC;
 - ◆ First right of consideration to purchase advertising on site. For example, If additional advertising opportunities become available on-site (i.e. sign boxes), in the spirit of partnership, Delta would have the opportunity to purchase this advertising first before going to market or offering to a minor sponsor;
 - ◆ Premier consideration in relation to all signage within the NTC - the number and location to be mutually determined;
 - ◆ Use of an NTC Exhibit Hall for one day for a company meeting, promotion, special event subject to availability; and,
 - ◆ Tickets to selected NTC events (as controlled by NTC).
- (f) Union Agreements: Delta shall comply with all agreements in force between the Board, CNEA and any union or association with respect to Exhibition Place.
- (g) Assignment: The agreements between the Board, CNEA and Delta shall not be assigned by Delta without the consent of the Board.
- (h) Taxes: Delta shall be responsible for the payment of any and all rates, taxes or assessments which are imposed upon the Board or Delta by any taxing authority having jurisdiction.
- (i) Insurance/Indemnity: Delta shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board, CNEA, O&Y-SMG Canada and the City of Toronto as additional insured with a cross liability/severability of interest clause of standard wording. Insurance shall be primary before any insurance held by the additional insured and the Board shall be entitled to thirty days notice of any intention to cancel or not to renew the policy. Delta shall indemnify the Board, the CNEA, O&Y-SMG

Canada and the City of Toronto with respect to any and all liability arising from any damage or injury as a result of the acts or omissions of Delta, or its employees or any other person for whom it is in law responsible, in the exercise of its rights under the agreement.

Conclusion:

This report recommends entering into a three-year agreement with Delta to be the "Official Hotel Sponsor" to the NTC. Mr. Ernest Vincent is in agreement with the terms and conditions outlined in this report.

Contact:

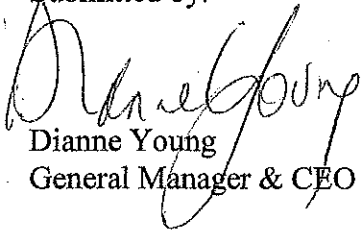
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Submitted by:



Dianne Young
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