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EXHIBITION PLACE

March 21, 2001

TO: The Board of Governors of Exhibition Place

FROM: Dianne Young
General Manager & CEO

SUBJECT: Assignment of Lease for Liberty Grand Entertainment Complex, Ontario Government Building

Recommendations:

It is recommended that the Board approve the assignment of the lease between the Board and 1309320 ONTARIO INC (c.o.b. as The Liberty Entertainment Group) to Liberty Grand Entertainment Complex Inc. on the terms and conditions contained in this report and any other terms as may be required by the City Solicitor.

Background:

At its meeting of July 27, 2000, the Board accepted a proposal from the Liberty Entertainment Group ("Liberty Entertainment") to redevelop the Ontario Government Building and operate a corporate function and banquet facility, and which report was adopted by City Council at its meeting of August 23/24, 2000.

Discussion:

Since August, 2000, the terms of the long-form lease have been negotiated and the lease executed between the Board and 1309320 Ontario Inc., which is the management company for the Liberty Entertainment Group.

Working with their financial partners, who are the same financial partners as were identified in the original proposal, Liberty Entertainment has formed a new company to manage the Liberty Grand Entertainment Complex at Exhibition Place and undertake its redevelopment, which company is Liberty Grand Entertainment Complex Inc. ("Liberty Grand"). The Board has now been requested to approve an assignment of its lease with 1309320 Ontario Inc. to Liberty Grand Entertainment Complex Inc., which corporate and share structure is as follows:

1309320 ONTARIO INC. (Nick Di Donato 55% Pat Di Donato 15% Robert Saroli 15% Don Allan 15%) – owns 51% of Liberty Grand Entertainment Complex Inc.; and

PMC GRAND (Nancy Pencer 50% Sheldon Miller 25% David Cynamon 25%) - owns 49% of Liberty Grand Entertainment Complex Inc.

As is required in the Lease, control of the corporation remains with Nick Di Donato.

Conclusion:

This report recommends that the Board approve of the assignment of the lease for the Ontario Government Building from 1309320 Ontario Inc. to Liberty Grand Entertainment Complex Inc.

Contact:

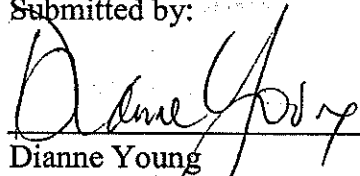
Kathryn Reed-Garrett, Director, Business Development

Telephone: (416) 263-3606

Fax: (416) 263-3690

Email: kreed-garrett@explace.on.ca

Submitted by:



Dianne Young
General Manager & CEO