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EXHIBITION PLACE

March 27, 2001

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: Delta Chelsea Hotel Sponsorship Agreement

Recommendation:

It is recommended that the Board of Governors concur with the recommendation of the Board of Directors of the CNEA with respect to entering into a three-year sponsorship agreement (April 1, 2001 to September 2, 2003) with the Delta Chelsea Hotel based on the terms and conditions outlined in the attached report from the General Manager of the CNEA dated March 23, 2001.

Background:

The attached report will be considered by the Board of Directors of the CNEA at its meeting of March 29, 2001. Should the above recommendation change, the Corporate Secretary will report any changes to the Board on March 30th.

Discussion:

In accordance with By-law no. 2-99, Section 29, all CNEA agreements over a one-year term requires approval of the Board of Governors.

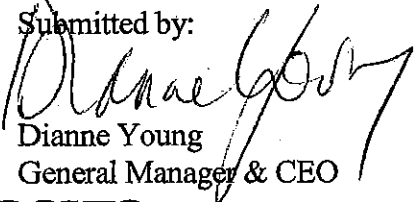
Conclusion:

This report recommends that the Board authorize a three-year sponsorship agreement between the CNEA and the Delta Chelsea Hotel.

Contact:

Fatima Scagnol
Corporate Secretary
Tel: 416-263-3620
Fax: 416-263-3690
Email: Fscagnol@explace.on.ca

Submitted by:


Dianne Young
General Manager & CEO

THE BOARD OF GOVERNORS OF EXHIBITION PLACE



Exhibition Place, Toronto, Ontario M6K 3C3 Tel: (416) 263-3600



March 20, 2001

To: The Executive and Board of Directors
Canadian National Exhibition Association

From: David Bednar
General Manager

Subject: **Delta Chelsea Hotel Sponsorship Agreement**

Recommendation:

This report is submitted for the approval of the Executive Committee and the Board of Directors, subject to the approval of the Board of Governors.

It is recommended that the CNEA enter into an agreement with The Delta Chelsea Hotel ("Delta") for a period of three years (April 1st 2001 – September 2nd, 2003) to be the "Official Hotel Sponsor" to the CNEA on the terms and conditions as set out in this report and such other terms as may be required by the General Manager and the City Solicitor.

Background:

At its meeting of July, 2000, the CNEA Board approved of a one year sponsorship agreement for the CNEA with the Delta, which agreement expired in September, 2000.

Discussions:

Prior to the expiry of current sponsorship agreements between the Holiday Inn and the Board respecting the NTC (December, 2000) and CNEA and Delta (September, 2000), the Board through Trillium Wilkinson Group ("Trillium") entered into discussions with both the Delta and Holiday Inn to consolidate the Hotel sponsorship on the grounds. A proposal was prepared and forwarded in October, 2000 to Holiday Inn and Delta outlining a plan to consolidate the Hotel category throughout the grounds and have one "Official Hotel Sponsor".

In addition to its discussion with both Holiday Inn and Delta, Trillium also contacted and prepared proposals for the Sheraton Four Points Hotel, Westin Harbour Castle, Hilton Hotel, Days Inn and the Courtyard by Marriott. All Hotels with the exception of the Delta indicated no interest in pursuing a comprehensive sponsorship relationship with Exhibition Place. As a result, Trillium entered into exclusive negotiations with Delta for sponsorship of the CNEA.

The terms and conditions of the proposed agreement between the Delta and the CNEA are as follows:

- (a) Term: Three-year term commencing April 1, 2001 and expiring September 2nd, 2003. 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 provide the CNEA with 240 rooms annually (value of \$37,200), free of charge, to be used by the CNEA during the annual fair. (This represents an increase of 40 rooms over last year).

(c) Hotel Room Pricing: overall pricing levels for the year 2001 will slightly increase for the first year of the agreement (\$5.00 per room rate increase (3%) over last year). Corporate room rates for 2001 are as follows:

CNEA - \$155.00 night

(d) Sponsor entitlements: The CNEA will provide the following sponsor benefits to Delta:

- ◆ Official sponsor status for the CNE;
- ◆ First right of renewal and a reasonable negotiation period;
- ◆ Use of CNEA logos, marks and names subject to approval of the CNEA;
- ◆ First right of consideration to purchase advertising on site;
- ◆ Premier consideration in relation to all signage during the CNE (the number and location to be mutually determined);
- ◆ Inclusion in selected CNEA media advertising (as controlled by the CNEA); and
- ◆ Tickets to the annual CNE (the number of which shall be mutually agreed).

(e) Union Agreements: Delta shall comply with all agreements in force between the Board, CNEA and any union or association with respect to Exhibition Place.

(f) Assignment: The agreement between the CNEA and Delta shall not be assigned by Delta without the consent of the CNEA.

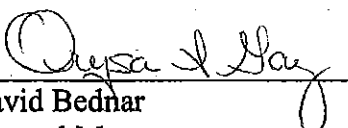
(g) Taxes: Delta shall be responsible for the payment of any and all rates, taxes or assessments which are imposed upon the Board or Delta by any taxing authority having jurisdiction.

(h) 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 CNEA.

Respectfully submitted,


for David Bednar
General Manager

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