

Screamers Inc.
16130 Weston Road
RR 2
Kettleby Ontario
LOG 1J0

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March 5, 2001

Mrs. Dianne Young
Chief General Manager
Board of Governors of Exhibition Place
Exhibition Place
Toronto Ontario
M6K 3C3

RE: SCREAMERS CONTRACT

Dear Dianne:

We are writing in regard to the Screamers report for 2000 and the contract for our show for 2001. We are addressing these issues to you and would appreciate a direct reply.

Enclosed please find the profit and loss statement for Screamers 2000. Although revenue was up over the previous year expenses were up considerably. We were pleased that the revenue was up by slightly more than 10%. This can be attributed to an increase in paid attendance as well as a small increase in the admission price. Additionally, it can be attributed to the fact that we had an all new 3D feature. It is important to keep the show fresh and offer something new to maintain excitement and increase attendance. However, expenses were also up substantially. We had the added expense in the year 2000 of building the new feature and set-up costs were much higher than in previous years, due in large part to a 43% increase in costs from Exhibition Place.

We are aware that it is the intention of the Board of Governors to bring all of the shows on the ground to an equal playing field. However, Screamers is not, in fact, like other shows. Unlike trade shows we do not sell space to exhibitors that guarantees an income before the doors are open. We risk a large amount of money for set-up, advertising, insurance, rent, etc. before we even open our doors. Our only opportunity to recover these costs is strictly by paid gate admission by the public, and there is no guarantee what that attendance will be. Due to the nature of our show we can only operate in the evenings after dark with a maximum operating schedule of 4-5 hours per day for a total operating time of approximately 60 hours, unlike other shows that are often open 10 - 12

hours a day. Therefore, we find it hard to absorb a full day rental rate. Screemers set-up is very labour intensive and expensive due to the use of union carpenters and labourers with very high hourly rates.

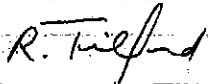
Screemers revenues suffered this year because of the concessions agreement with Servo Canada. During the first seven years of Screemers operation we had an arrangement with The Board of Governors that the revenues from concessions, which were licensed by Exhibition Place, flowed back to Screemers in an effort to help make the show fiscally viable. However, in the year 2000 we were suddenly informed that Servo Canada had the rights to concessions at our show. This information was relayed to us only a short time before our event and came as quite a surprise. We would like to know why our show was not grandfathered in the contract Exhibition Place has with Servo Canada. We understand that most of the existing shows on the grounds, such as Chin International Picnic, Molson Indy, the Royal Agricultural Winter Fair, etc. were indeed grandfathered at the time Exhibition Place entered a new contract with Servo Canada. We feel that we should have been as well and that it was only an oversight that caused us not to be. We have worked very hard over the past 8 years, since the show's inception, to develop a strong relationship with our one and only sponsor, Pizza Pizza. Pizza Pizza has participated as a concessionaire for the past 7 years at Screemers and during this time we have nurtured an invaluable marketing partnership with them as well as successfully soliciting their financial assistance with the purchase of 3D glasses. As a result of Servo Canada taking over the concessions at Screemers this relationship is now in jeopardy. Pizza Pizza historically paid 25% commission to Exhibition Place for their concession operation. However, they now are faced with the possibility of having to pay 40% commission to Servo Canada - a scenario they have told us will render it impossible for them to assist us in the same way that they have this past year. In addition to the pizza concession Pizza Pizza also operated, at our request, a coffee and snack concession for 6 years. However, when Servo Canada took over this past year they were forced to give up this operation and Servo then subcontracted this operation out to a third party. Despite the attendance being up the snack bar concession under the new operator (offering a slightly expanded menu) showed revenues down \$2,250.00 from the previous year. It does not make any difference to the bottom line for Exhibition Place whether concessions are licensed by Exhibition Place or by Servo Canada but it has an adverse effect on our relationship with our one and only sponsor.

As a result of the above, Screemers is showing a deficit from 2000 and carrying forward a deficit from the previous year. We believe that Screemers is a viable show that has grown in recognition in the Toronto area as an alternative entertainment venue. However, we cannot afford to have costs increase. We would ask that Exhibition Place give us the opportunity to eliminate the deficit of the last two years by a contract with Exhibition Place on the same terms and

conditions as in 2000 for 2001 and that Screemers be allowed to operate concessions licensed by Exhibition Place as was previously the case.

Thank you for your consideration in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Tilford". The signature is written in a cursive style with a horizontal line extending from the end.

Roseanna Tilford

SCREEMERS 2000

REVENUE:

GATE: \$ 275,207.54
CONCESSIONS: \$ 6,469.46

TOTAL REVENUE: \$ 281,677.00

EXPENSES:

ACCOUNTING/LEGAL FEES \$ 5,404.84
ADVERTISING \$ 51,619.32
BANK & FINANCE CHARGES \$ 10,000.00
INSURANCE \$ 8,801.20
MANAGEMENT FEE \$ 25,000.00
PAYROLL \$ 77,017.40
PROPS \$ 25,403.68
SPONSORSHIP \$ 500.00
SECURITY \$ 2,497.80
SET-UP/TEAR DOWN \$ 77,807.59
STORAGE \$ 16,400.00
TELEPHONE \$ 2,608.00
RENT \$ 13,800.00
ENTERTAINMENT \$ 500.00
WORKERS COMP \$ 1,273.52
TRAVEL \$ 1,397.52

TOTAL: \$ 320,030.87

NET REVENUE -\$ 38,353.87

LOSS FROM 1999 -\$ 25,378.15