

13A

## EXHIBITION PLACE

June 28, 2001

To: Board of Governors of Exhibition Place

From: Dianne Young  
General Manager & CEO

Subject: Amendment to Coke Sponsorship Agreement

### Recommendations:

**It is recommended that the agreement between the Board and Coca-Cola Company ("Coke") be amended on terms and conditions set out in this report satisfactory to the General Manager and in a form satisfactory to the City Solicitor.**

### Background:

At its meeting of January 26, 2001, the Board approved of a sponsorship agreement with Coke.

### Discussion:

During the finalization of the specific terms and conditions of the sponsorship agreement with Coke, a few issues were raised by the parties. The representative of Coke requested the Board consider an amendment to a condition in the agreement relating to the commission to be paid to the Board on vending machines located on the grounds outside the NTC (approximately seven machines). Since the Board report, the use of the signs at the top of the Carillon Tower by Coke have also come into issue as the CNEA have indicated a need to use the north and west faces of this sign for their programming purposes. Finally, further discussions on when the Board/NTC would receive any rebates on volume of sales have resulted in an offer by Coke to increase in the annual Sponsorship Fee to recognize the present volume sales in the NTC and secure the fee paid with an additional fee to be paid if the volumes are exceeded. Accordingly, staff would recommend the following amendments to the Coke agreement:

- (a) Annual Sponsorship Fee: Coke will pay an annual Sponsorship Fee to the Board of \$81,000 (an increase of \$11,000) in recognition of its rights in the NTC. Coke will pay an additional Sponsorship Fee or volume rebates to the Board/NTC only after sales volumes over the life of the agreement has reached 122,000 standard physical cases;

- (b) Payment of Percentage Commission from Coke Vending Machines: Reduce the commission rate to the Board for vending machines on the grounds from 25% to 15%. The commission rate for vending machines located in and within the footprint of the NTC will continue at 40%;
- (c) Signage: Coke will have no right to signage on the Carillon Tower;
- (d) All other terms and conditions respecting the agreement between the Board (NTC) and Coke remain unchanged.

Conclusion:

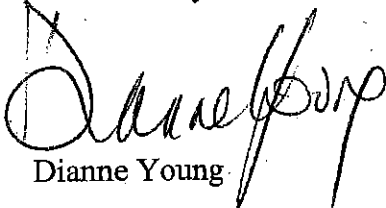
This report recommends an amendment to the sponsorship agreement between the Board and Coke.

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Submitted by:

  
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