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EXHIBITION PLACE

November 16, 2002

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: Amendment to the Food Building Rental Agreements

Recommendation:

It is recommended that the Board concur with the recommendation of the CNEA Board of Directors with respect to amending the Food Building Rental Agreements for 2003 to 2005 thereby including in the agreement that the CNEA add the annual membership dues to the yearly rental rates and that the CNEA remit the annual dues to the Food Building Exhibitors Association.

Background:

At its meeting of June 21, 2002, the Board approved an increase to the rental rates for the Food Building and its Exhibitors for a three-year term.

At its meeting of September 20, 2002, the CNEA Board of Directors approved the above-noted recommendation subject to an opinion from the CNEA solicitor that the CNEA is legally entitled to enforce this new requirement in its Food Building Contracts.

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. The attached report will be considered by the Board of Directors of the CNEA at its meeting of November 28, 2002. Should the above recommendation change, the Corporate Secretary will report any changes to the Board via a communication.

Conclusion:

This report recommends that the Board authorize an amendment to the three-year rental agreements between the CNEA and Food Building Exhibitors.

Contact:

Fatima Scagnol

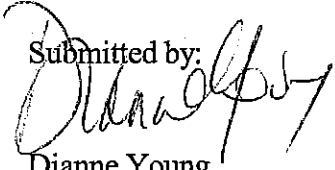
Corporate Secretary

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Submitted by:



Dianne Young

General Manager & CEO



November 12, 2002

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

From: David Bednar
General Manager

Subject: Food Exhibitors Association

Recommendation:

This report is submitted for the information of the Executive Committee and the Board of Directors.

Background:

At the September 2002 meeting of the Board of Directors of the CNEA, approval in principal was given to the report entitled "Food Exhibitor Association". In approving this report the Executive and Board of Directors instructed staff to consult with the CNEA solicitor to ensure that the CNEA is legally entitled to enforce this new requirement in its Food Building Contracts.

Discussion:

The Food Exhibitors Association (FEA)

Historically, all exhibitors in the Food Building have had the opportunity to join for a nominal membership fee. The FEA plans and organizes "Food Day" held annually at the CNE. This involves planning of the day's events and providing a large number of prizes and give aways. In addition, members of the FEA each volunteer time on Food Day to assist in the activities. This popular yearly event attracts many visitors to the Food Building and the CNE.

In addition, the FEA recognizes and presents awards for the best overall booth each year from its members' exhibits. The FEA also works with CNE staff in planning the overall promotions for the Food Building and brings forward suggestions for improvements to the facility.

FEA/CNEA Relationship

At the annual meeting of the FEA held in August 2002, a motion was made that the CNE be requested to add the annual membership fees for the Food Exhibitors Association onto the fees already charged for rent in the Food Building and remit the proceeds to the FEA. (See letter attached as App. "A")

On site research clearly indicates that the Food Building is an important part of almost any visit to the fair. As many as 80% of fairgoers visit the Food Building each year. The CNEA benefits from a strong relationship with the FEA and both associations may benefit from a larger and more active membership in the FEA. The practice of requiring membership in such organizations is common in the food business.

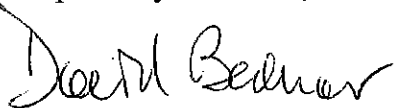
The increase in membership in the FEA will also increase the financial resources of the FEA. A second "Food Day", if it could be organized, would be of obvious benefit to everyone at the fair. Also, the CNEA will effectively act as an agent for the FEA in the collection of dues and will have full information on the revenues of the FEA. It is appropriate that the CNEA also be informed as to the FEA's use of its funds. Therefore staff recommend that the FEA be required to submit an annual financial statement to the CNEA, beginning this year for the 2002 CNE.

This report recommends that the fee for membership in the Food Exhibitor Association be included in the fees paid to the CNE. This will mean that the Food Building rental rates previously approved by the Executive and the Board of Directors at the June 2002 meeting will be increased to include this new membership fee and that the fees collected will be handed over to the FEA. Membership in the FEA will become mandatory for all exhibitors in the building.

Conclusion:

This report confirms that staff will now proceed with the requirement for all exhibitors in the Food Building to participate in the FEA. This requirement will be incorporated into the new contracts being issued for the Food Building in the years 2003 to 2005 inclusive and will be included in the CNEA Rules and Regulations pertaining to Food Building Exhibitors.

Respectfully submitted,



David Bednar
General Manager

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September 4, 2002

Mr. David Bedner
General Manager
Canadian National Exhibition Association
Exhibition Place
Toronto, Ontario
M6K 3C3

Dear Mr. Bedner:

At our annual general meeting of the Food Building Exhibitors Association a motion from the floor was made and seconded and was passed as follows:

That the Canadian National Exhibition Association be requested to add the annual membership dues to the yearly rental and then the Canadian National Exhibition Association to remit the proceeds to the Food Building Exhibitors Association.

As you are aware the "Food Day" draws are a highlight of "Food Day" in the building with major line ups occurring all day long. The day costs the members in excess of twenty thousand dollars with prizes and food.

Cost of membership is as follows:

\$75.00 dollars for one booth and \$25.00 for each additional booth owned by the same operator.

Most rental contracts drawn up by shopping mall food courts contain such membership dues in the leases to ensure all members have equal participation in events.

We look forward to receiving your favorable confirmation of this request in order to build a better Food Day hopefully two Food Day Extravaganzas.

Yours truly
PIZZA NOVA TAKE OUT LTD.

A handwritten signature in black ink, appearing to be 'Sam Primucci', written over a horizontal line.

Sam Primucci

cc: Ms. Deborah Woodman - CNEA, President
Ms. Virginia Ludy - Sr. Concessions Co-ordinator

