

8

EXHIBITION PLACE

Date: May 28, 2007
To: Board of Governors of Exhibition Place
From: Dianne Young
Chief Executive Officer

Subject: **Change of Ownership of SMG**

Purpose:

To advise the Board of a change in the ownership of SMG Canada ULC (SMG), and to obtain the Board's approval for the assignment of the marketing alliance agreement with SMG, due to the change in ownership of SMG.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

Recommendations:

It is recommended that the Board approve the assignment of the marketing alliance agreement.

Background:

At its meeting of June 9, 2006, the Board adopted the May 30, 2006 report of the General Manager & CEO of Exhibition Place, thereby authorizing a marketing alliance agreement with SMG.

On May 23, 2007 the CEO of Exhibition Place received a letter dated May 21, 2007 from the President & CEO of SMG, Wes Westley advising that American Capital would be acquiring full ownership of SMG including SMG Canada ULC. A copy of the letter is attached as Appendix A.

Comments:

Clause 14.1 of the agreement between the Board and SMG requires the written consent of the Board to assign this agreement. Assignment is deemed to include any transfer in the majority ownership or controlling interest in SMG, whether through the sale of shares, direct acquisition of assets or otherwise.

SMG was owned by a 50/50 partnership between Hyatt and Aramark. The new owner American Capital is a publicly traded company and together with its affiliated funds has \$11 billion in assets under management. The new ownership group has indicated that SMG will continue to operate as an independent stand-alone company with no changes in SMG's local or corporate management team.

Conclusion:

It is recommended that the Board approve the assignment of the marketing alliance agreement.

Contact:

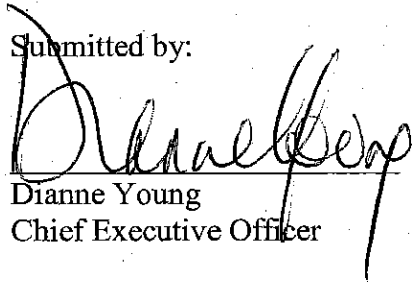
Dianne Young, CEO

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Submitted by:



Dianne Young
Chief Executive Officer



*Worldwide Entertainment and
Conference Venue Management*

*Wes Westley
President & CEO*

May 21, 2007

Exhibition Place
Diane Young
Toronto, ON, CN M6K 3C3

Re: Direct Energy Centre

Dear Ms. Young:

I am pleased to announce some exciting news concerning our future. Agreement has been reached whereby American Capital will acquire full ownership of SMG. American Capital is a publicly traded company (NASDAQ: ACAS), and together with its affiliated funds has \$11 billion in assets under management. American Capital invests in market-leading companies with strong management teams and bright futures such as SMG, and looks to build value through investing in and growing the businesses it acquires. By enabling SMG to maintain and advance its market leadership position, all SMG clients and employees will benefit.

American Capital is affiliated with other well-known companies such as Piper Aircraft, Riddell Sporting Goods, and Bushnell Optical Products. For more detailed background information on American Capital you may review their website at www.americancapital.com.

SMG will continue to operate as an independent stand-alone company with no changes in SMG's local or corporate management team. American Capital will not be involved in day-to-day management of the company. You will continue to receive the same high level of service from our organization that you have come to expect from SMG over the course of our relationship.

Please feel free to contact me with any questions you may have.

Sincerely,

A handwritten signature in black ink that reads "Wes Westley".

Wes Westley

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