

September 12, 2007

To: Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: Exclusivity Provisions in Tenant and Building agreements

Purpose:

This report is to update the Board on the various exclusivity provisions in leases for tenants and building agreements at Exhibition Place.

Financial Implications and Impact Statement:

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

Recommendations:

It is recommended that the Board receive this report for information.

Background:

At the Board of Governors meeting of July 13, 2007 it was requested that a summary be prepared of the allowed and restricted uses of the properties leased by the existing tenants of Exhibition Place.

Comments:

Appendix "A" attached to this report lists the existing leases and charts the various rights and restrictions each tenant has. In order to not compete with the Board's core business areas, the Board has restricted tenants from being involved in "Trade and consumer shows and any activities (including the provision of food and beverages) related to trade and consumer shows". Likewise, in order to allow tenants that have made significant investments in Exhibition Place to earn a return and to allow them to recover their investment, restrictions have also been made to protect the rights related to the tenant's core business.

When negotiating the leasehold terms and conditions, Exhibition Place staff always ensures that the Board's core business is protected however, staff also try to limit any exclusive rights provided to the tenant because granting exclusivity to a tenant can affect future developments



THE BOARD OF GOVERNORS OF EXHIBITION PLACE

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across the entire site. However, in some instances not granting exclusivity would result in the development not proceeding and therefore, the Board must make a decision to proceed or not. An "exclusive use" clause is a substantial term and would be reported both to the Board and City Council as part of a Letter of Intent to Lease.

Conclusion:

This report outlines for the information of the Board the rights and restrictions of various tenants on the grounds specifically with respect to exclusivity of uses.

Contact:

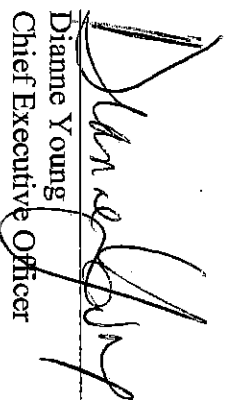
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Submitted by:



Dianne Young
Chief Executive Officer

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Appendix "A"
TENANCY AGREEMENTS

Tenancy Agreements	Start	End	Permitted Use of Leased Property by Tenant	Not Permitted Use of Leased Land by Tenant
1475530 Ontario Inc. Gossip Restaurant	2005	2025	<ul style="list-style-type: none"> ▪ Restaurant/dining establishment which provides food and beverages (including alcoholic beverages) ▪ Ancillary hosting of special events including, but not limited to, televised professional and amateur sporting events, singles dating events, fashion shows, wine-tasting and/or special food theme nights, televised cooking shows, live entertainment ▪ Permanent off-track betting (provided the approval of City Council has first been obtained) <p>Exclusive Uses: None</p>	<ul style="list-style-type: none"> ▪ Themed dinner theatre ▪ Trade and consumer shows and any activities (including the provision of food and beverages) related to trade and consumer shows ▪ Professional sports events (except for televised sports events as otherwise permitted under the Lease) ▪ Casino
Liberty Entertainment Group Liberty Grand	2001	2020	<ul style="list-style-type: none"> ▪ Entertainment complex ▪ Night club ▪ Private event/function space ▪ Restaurants and catering kitchen ▪ Office space occupying not more than 9,000 square feet of the basement <p>Exclusive Uses: None</p>	<ul style="list-style-type: none"> ▪ Themed dinner theatre ▪ Trade and consumer shows and any activities (including the provision of food and beverages) related to trade and consumer shows ▪ Professional sports events ▪ Casino
Maple Leaf Sports & Entertainment Ricoh Coliseum	2004	2049	<ul style="list-style-type: none"> ▪ Modern sport and entertainment complex ▪ Professional hockey ▪ Music concerts ▪ Theatrical productions ▪ Other similar sport and entertainment events ▪ Ancillary uses such as restaurants, food concession and retail outlets <p>Exclusive Uses: Commercial operation of a hockey franchise intended to attract ticket paying customers (which for certainty includes OHL, Metro Junior, Tier 2, E.C.H.L., WHA, UHL, university and collegiate teams (but shall expressly exclude any G.T.H.L. community or similar minor hockey franchises/teams).</p>	<ul style="list-style-type: none"> ▪ Casino event except as part of an annual private fundraising initiative of the Subtenant similar in concept to the annual "Maple Leafs Casino Night" ▪ Permanent "themed" dinner theatre attraction ▪ Trade or consumer show or MIC&E venue unless as part of an event using all or a portion of the balance of the Complex and arranged by or on behalf of the Landlord ▪ Sale of goods not in keeping with a reputable and first class development, second hand goods (other than the sale of memorabilia such as game used equipment, hockey sticks and team jerseys) or armed services surplus articles, insurance salvage stock, fire sale stock or bankruptcy stock ▪ Sale of firecracker or fireworks ▪ Auction, bulk sale (other than a bulk sale made to an assignee or tenant under a permitted Assignment), liquidation sales, "going out of business" or bankruptcy sale, warehouse sale, ▪ A use which, because of the merchandising methods or quality of operation likely to be used, would tend to lower the character of the Premises, the Complex or the balance of the Lands as a whole
Maple Leaf Sports &	2006	2026	<ul style="list-style-type: none"> ▪ Field sporting events such as soccer, rugby, cricket, field hockey and football (not 	<ul style="list-style-type: none"> ▪ Casino event except as part of an annual private fundraising initiative of

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Entertainment Soccer Stadium			limited to) <ul style="list-style-type: none"> ▪ Spectator entertainment events and concerts ▪ Community sports purposes ▪ Ancillary uses such as restaurants, licensed beverage operations, food concessions and retail outlets <p>Exclusive Uses: None</p>	the Manager similar in concept to the annual "Maple Leafs Casino Night" <ul style="list-style-type: none"> ▪ Permanent "themed" dinner theatre attraction ▪ Trade or consumer show or MIC&E venue ▪ Sale of goods not in keeping with a reputable and first class development, second hand goods (other than the sale of memorabilia such as game used equipment, soccer balls and team jerseys) or armed services surplus articles, insurance salvage stock, fire sale stock or bankruptcy stock ▪ Sale of firecracker or fireworks ▪ Auction, bulk sale, liquidation sale, "going out of business" or bankruptcy sale, warehouse sale ▪ A use which, because of the merchandising methods or quality of operation likely to be used, would tend to lower the character of the Stadium or the balance of Exhibition Place as a whole ▪ Permanent indoor live performance venue/nightclub providing live and recorded musical entertainment for standing room crowd capacities of greater than 500 but less than 2,9899 persons
Medieval Times	1993	2023	<ul style="list-style-type: none"> ▪ "The Tenant shall use the Leased Property solely for the purposes of a dinner/theatre operating year round in an arena setting featuring a performance involving horses, knights and contests of skill and strength" ▪ Serving of meals and alcoholic beverages served at seating surrounding the performance area ▪ Ancillary displays, exhibits, beverage service, merchandise sales ▪ Boarding of horses and other animals use in the performance ▪ The Tenant shall have the right to change or add to the attractions on the site, subject to the approval of the Landlord ▪ The Tenant may grant licenses to concessionaires for the purpose of serving food and beverages, including alcoholic beverages, subject to prior written approval of the landlord <p>Exclusive Uses: With the exception of a casino operated at Exhibition Place, the Landlord will not, during the Term, operate or accommodate any permanent "themed" dinner theatre attraction on the grounds of Exhibition Place, except with the prior written approval of the Tenant.</p>	

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<p>Muzik Concert Hall Productions</p>	<p>2004</p>	<p>2024</p>	<ul style="list-style-type: none"> ▪ Typical nightclub and live performance venue ▪ Provision of both recorded and live music for dancing and entertainment ▪ Serving of food and beverages including alcoholic beverages ▪ Hosting special events including, but not limited to, fashion shows, film and advertising shoots, corporate and charity events, televised sporting events, radio and internet broadcasting ▪ Hosting product launches which relate specifically to the products and services typically used in the night club, concert hall and live performance businesses <p>Exclusive Uses: Subject to existing contractual obligations, including rights granted with respect to the renovated Coliseum Arena and the Ontario Government Building (the "Existing Rights"), the Tenant shall have the exclusive right to use the Building as a permanent indoor live performance venue/nightclub which operates as a permanent liquor licensed venue solely for the purpose of providing live and recorded musical entertainment for standing room crowd capacities of greater than 500 persons but less than 2,999 persons, which maximum capacity may be adjusted downward, subject to the final occupancy permit for the Leased Property</p>	<ul style="list-style-type: none"> ▪ Themed dinner theatre ▪ Trade and consumer shows and any activities (including the provision of food and beverages) related to trade and consumer shows ▪ Professional sports events (except for televised sports events as otherwise expressly permitted under the Lease) ▪ Banquets ▪ Casino
<p>Sunnybrook Stables</p>	<p>2006</p>	<p>2008</p>	<ul style="list-style-type: none"> ▪ Equestrian riding school ▪ English riding lessons ▪ Holiday day camps ▪ "Youth Assisting Youth" community outreach ▪ Therapeutic riding lessons for disable persons ▪ Schooling shows ▪ Clinics ▪ Introductory riding lessons for children & adults ▪ One day group orientation classes ▪ Student co-op programs ▪ Equine Canada Certificate accreditation ▪ Boarding and leasing of a limited number of horses <p>Exclusive Uses: None</p>	<ul style="list-style-type: none"> ▪ Themed dinner theatre ▪ Trade and consumer shows and any activities (including the provision of food and beverages) related to trade and consumer shows ▪ Professional sports events ▪ Casino ▪ Permanent indoor live performance venue/nightclub which operates as a permanent liquor licensed venue solely for the purpose of providing live and recorded musical entertainment for standing room crown capacities of greater than 500 persons but less than 2,999 persons

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Toronto Fashion Incubator	2007	2010	<ul style="list-style-type: none"> ▪ Small business centre for the support of new fashion entrepreneurs ▪ Offices and design and production studios and events ▪ Ancillary presentations, sales centre, training centre, web cast, library resource centre, showroom, sample centre and seminars ▪ Filming when related to its primary and ancillary business purposes ▪ Pod 2 for presentations and seminars <p>Exclusive Uses: None</p>	