



EXHIBITION PLACE

September 12, 2007

To: The Board of Governors of Exhibition Place

From: Dianne Young, CEO

Subject: **Extension of Agreement with Mendelssohn, A Livingston Company**

Purpose:

This report recommends the Board extend the current three year agreement with Mendelssohn, A Livingston. ("Mendelssohn") as the "Official supplier of freight forwarding services to Exhibition Place including Direct Energy Centre" for a six (6) month period terminating on June 30, 2008.

Financial Implications and Impact Statement:

Approval of the extension of the agreement between the Board and Mendelssohn will result in the DEC maintaining its existing revenue stream under the same terms and conditions of the previous agreement. The fee payable will be 6/12th of the 2007 year three fee of \$9,000, that is, \$4,500 plus applicable taxes and is included within the 2008 Operating Budget.

Recommendations:

It is recommended that the Board extend the current agreement with Mendelssohn for a six month period to June 2008 as the official supplier of freight forwarding services to Exhibition Place including the Direct Energy Centre on the same terms and conditions as set out in this report and the current approved agreement.

Background:

At the December 10, 2004 meeting of the Board, approval was given to enter into a three-year agreement for the provision of freight forwarding and custom brokerage services which agreement expires on December 31, 2007.

Comments:

Staff is awaiting the confirmation of the Conference Centre construction in the Automotive Building before going out to the marketplace to explore potential options. The new Conference Centre will secure additional events to the grounds upon completion and could therefore provide additional revenue stream and at the same time provide additional opportunities for third party providers to offer more fees to the Board. In order to finalize negotiations respecting the terms of

a new arrangement Exhibition Place staff are recommending the extension with Mendelssohn on the same terms and conditions as in the present agreement which are as follows:

- (a) Term: six (6) month term, commencing January 1, 2008 and expiring on June 30, 2008. Excludes rights during the Grand Prix, Royal Agricultural Winter Fair, CNE and within the Ricoh Coliseum.
- (b) Rights: To be an Official Supplier providing top quality Freight Forwarding services, including the transportation planning, shipping, special packaging needs, customs clearance and insurance to ensure that exhibitor goods move efficiently around the world.
- (c) Fees: Annual Pro-rata Fee, 6/12 of \$9,000, that is, \$4,500
- (d) Reporting/Auditing Requirements: As required to allow the Board to determine and confirm amounts payable under the agreement.
- (e) Taxes: Mendelssohn shall be responsible for payment of all taxes, rates and assessments levied with respect to its activities and presence on the grounds.
- (f) Office Space: Mendelssohn shall be given the right to occupy office space within the DEC for the sole purpose of providing the services permitted under the agreement, subject to such terms and conditions as may be required.
- (g) Equipment/Expenses: Mendelssohn shall provide and maintain all equipment and furnishings required for its purposes and are solely responsible for the payment of all expenses and costs associated with its operations, including utility costs.
- (h) Rates: All rates to be charged to exhibitors or other persons shall be as set out in the agreement.
- (i) Joint Marketing Initiatives to be mutually agreed by the parties
- (j) Indemnity/Insurance: Mendelssohn shall indemnify the Board, City of Toronto and Arcturus-SMG Canada with respect to any and all expenses, costs or claims as a result of Mendelssohn's exercise of its rights under the agreement or use of the grounds. Mendelssohn shall provide sufficient insurance in such form and amount as required by the CEO, in consultation with the City's Insurance & Risk Management Group.
- (k) Union Obligations: Mendelssohn shall comply with all trade union/association agreements affecting work done on the grounds.
- (l) Other Commercial Terms: The agreement shall include other standard commercial terms respecting termination and other matters in a form satisfactory to the CEO and the City Solicitor.

Conclusion:

This report recommends that the Board extend the three year contract for an additional period of six (6) months until June 30, 2008 for Official Supplier status with Mendelssohn under the terms and conditions outlined in this report.

Contact:

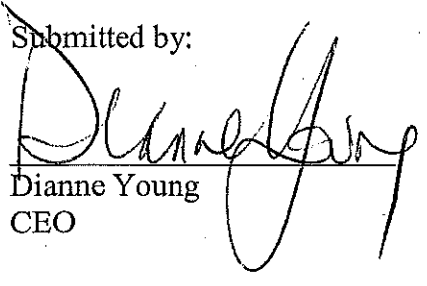
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Submitted by:

A handwritten signature in black ink, appearing to read "Dianne Young". The signature is written in a cursive style with a large initial "D" and a long, sweeping tail.

Dianne Young
CEO

