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January 12, 2007

To: The Board of Governors of Exhibition Place

From: Dianne Young  
Chief Executive Officer

Subject: **Medieval Times Sublease**

**Purpose:**

This report seeks the Board's approval to permit Medieval Times Dinner & Tournament (Toronto) Inc. ("Medieval Times") the right to enter into a sublease with Liberty Grand Entertainment Group of part of the Medieval Times Leased Property.

**Financial Implications and Impact Statement:**

There are no financial implications.

**Recommendation(s):**

**It is recommended that the Board consent to Medieval Times to sublease part of the Leased Property to Liberty Entertainment Group for the purpose of storage subject to review of the sublease by the City Solicitor and any amendments requested by the City Solicitor.**

**Background:**

At its meeting of January 29, 1993, the Board approved of entering into a lease with Medieval Times for the Arts, Crafts & Hobbies building to be renovated as a dinner theatre (the "Lease") which report was subsequently approved by Metropolitan Toronto Council at its meeting of February 17 & 18, 1993 pursuant to Report No. 10(1) of the Management Committee.

**Comments:**

Pursuant to section 19 of the Lease, Medieval Times is not permitted to sublease all or part of the Leased Property without the consent of the Board. For the information of the Board, Medieval Times constructed the event area and stables located at the west side of the building, it renovated as its entrance the domed area of the original building and the south area of the original building became its offices, kitchen and "back-of-house" service space. The north part of the original building has not been part of the programming at Medieval Times but generally been always used for storage by the tenant.

In early 2006, Medieval Times approached Exhibition Place about the possibility of subleasing the north part of the building to a third party. It first explored this direction with other tenants on the grounds and subsequently has negotiated the terms and conditions of a sublease agreement with Liberty Grand Entertainment Group to use 5,000 square feet of the north part of the Leased Property for storage purposes. While the sublease document is a confidential document between external third parties, it has been reviewed by City Legal which has requested some revisions that are agreeable to Medieval Times.

In addition, the rent to be received from the Liberty Grand Entertainment Group will be included in Gross Revenues for the calculation of Participation Rent under the Medieval Times Lease. Medieval Times shall otherwise remain responsible to the Board for the premises pursuant to the terms of the existing Lease. As provided in the proposed terms, the sublease is subject to approval of the Board.

Conclusions:

This report recommends that the Board consent to a short-term sublease by Medieval Times to Liberty Grand Entertainment Group of part of the Leased Property subject to review and amendment by the City Solicitor of the terms and conditions of such sublease.

Contact:

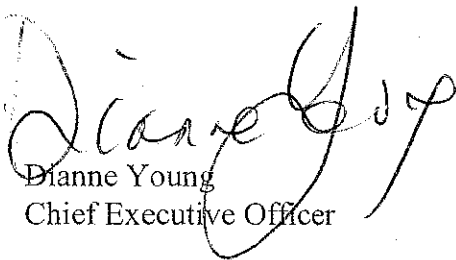
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Submitted by:

  
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