

June 10, 2016

Bill Warner,
Manager, Realty Services
City of London,
300 Dufferin Ave.,
London, ON N6A 4L9

Mr. Warner,

The Western Fair Association (the Association) is planning to commence repairs to a C-WF Building, as defined in the Ground Lease between the Association and the City of London. The repairs are to remediate the supporting structure of the Grandstand as shown on Schedule C of the Ground Lease. As per Article 9.01 of the Ground Lease, the Tenant is to "make, or cause to be made, all needed repairs, replacements, alterations, additions, changes, substitutions, and improvements, structural or otherwise, thereto, both inside and outside" the Buildings.

The outside surface of the Grandstand has both covered, and uncovered portions of a seating deck, primarily used to watch horse races put on by the Association, and the WFA Raceway Corporation. The inside of the Grandstand is used to house the business operations of the OLG Slots, the Raceway, WFA's Yuk Yuk's operations, and many of its Food & Beverage operations.

The contemplated repair project, which received approval from the Association's Board on June 8, 2016, requires replacing structural steel that supports the seating deck surface, in an area that houses several utility services for the Building. The steel has deteriorated over time due to water penetration from the seating deck surface of the Grandstand. Upon investigation it has been determined that the primary source of water penetration through to the underside of the seating deck is the joint between the uncovered and covered portions of the seating deck.

The Association is recommending the substitution of the first five (5) rows of the seating deck, which form the entire uncovered portion, with an on-grade viewing platform and new stairwells to access the upper seating deck area. A new, nonloadbearing wall will be built to close in the exposed services area under the seating deck. This portion of the project is seen to be improvement to the existing design that will lengthen the life of the replaced steel by eliminating the primary source of water penetration.

The final portion of the project is replacement of a non-compliant guardrail at the front of the viewing area with a compliant guardrail.

The Association has identified three objectives related to the project:

- i) Ensure the structural integrity of the building to maintain OLG lease revenue, and Racing operations.
- ii) Mitigate future damage by removing water access point to the underside of the Grandstand.
- iii) Improve sight lines of the racetrack, and improve patron safety for racing fans.

The scope of project will not materially change the jointly owned building, nor will it affect public use of the facility (either inside or out) once the project is completed.

Due to the nature of the contemplated project, it may be considered as Change as defined by Article 10.01 of the Ground Lease, and therefore may require approval of the Landlord as stipulated in Article 10.02 (c). The Association is therefore requesting the Landlord's consent to proceed with the contemplated repair.

Respectfully,



Reg Ash
Chief Financial Officer
Western Fair Association.