



City of Richmond

Report to Committee

To: General Purposes Committee

Date: October 21, 2009

From: George Duncan
Chief Administrative Officer

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Re: Richmond Olympic Oval Corporation Board Interim Review

Staff Recommendation

1. That the report "Richmond Olympic Oval Corporation Board Interim Review," be received for information and;
2. That Council continue to support the Interim Board and corporate governance model as it is presently constituted in relation to the governance, management and operation of the Richmond Olympic Oval on the understanding that a final evaluation report and recommendations will be conducted in 2010 to coincide with completion of the Oval Conversion Project and establishment of the Community Legacy model Oval.

A handwritten signature in black ink, appearing to read "George Duncan".

George Duncan
Chief Administrative Officer
(604-276-4338)

Att. 5

Staff Report

Origin

The purpose of this report is to present Council with an interim evaluation and status report on the activities of the Richmond Olympic Oval Corporation and the performance of the corporate governance model to date.

Analysis

Early in the Oval Project planning process, at the CAO's request, Council established the Oval Business Advisory Committee. The purpose of the Committee was to provide advice to staff, on an as needed basis, on business matters related to the start up and ongoing operation of the Oval during the pre-Games period. Council also approved the creation of a number of sub-committees including a governance committee which was tasked with responsibility to research and recommend appropriate governance models under which the Oval could be managed after the 2010 Olympic Games and completion of the Oval conversion project.

Based on a combination of the recommendations of the Governance Committee and lessons learned through staff's best practices research, it was recommended that Council create a private (municipal) corporation under the BC Companies Act and establish an independent Board of Directors to oversee the business affairs of the Oval when it is returned to the City's control after the 2010 Olympic Games and completion of the Oval conversion project.

The following governance models were carefully studied as possible options for the Oval:

Governance	Management
A. Community Partnership <ul style="list-style-type: none"> • Council/PRCS Committee plus volunteer Community-Based Board 	Civic Administration plus Community Association employees
B. City <ul style="list-style-type: none"> • City/Council/PRCS Committee 	Civic Administration
C. Corporation <ul style="list-style-type: none"> • Corporate Board 	Corporate Management
D. Society <ul style="list-style-type: none"> • Not For Profit Board 	Management Group employed by NFP Society

Under the Corporate and Not For Profit Board models, the Board's mandate and authority would be clearly guided by an Operating Agreement. Through the Operating Agreement presently in force, the City (Council) have as much or greater control and influence over the business operations, finances, and programming of the Oval than any of the City's community facilities for which we partner with the Community Associations.

Rationale For Having Initially Considered Alternative Governance Models:

Extensive best practices and due diligence studies did not identify any sport and recreation facilities of the size, diversity of programming and scale of operations of the Richmond Olympic Oval that were under direct municipal governance and management. Even slightly smaller and less complex City-owned multi-purpose facilities, such as the Talisman Centre, Cardel Place, and the Westside Lifestyle & Wellness Centre in Calgary, are not governed and operated by the City. This choice was attributed to numerous factors which Staff interpreted to be compelling arguments in support of adopting an alternative governance model for the Richmond Olympic Oval.

These factors include:

- Need for a broad range of specialized expertise during the initial start-up years, understanding that to be successful, the Oval must be able to compete in a private sector/private sports facility versus a recreation market.
- Certainty of costs and control over annual operating subsidy to be paid by the City;
- Access to broadest range opportunities for revenue generation;
- Greater flexibility regarding choice of programs – market versus special interest driven programming provides the ability to drop programs and services that prove to not be financially sustainable;
- Continuity of facility programming and overall management is essential. i.e. you cannot have one group managing the Ice Zone operations and another overseeing the Athletics of Court Zones
- Need to be adaptable/responsive to market conditions;
- Concern over exposure to demands for access/control by individual groups;
- Concern that Council may not be able to commit the amount of dedicated time that would be required of the Board of a start-up business; and
- Long term goal to have access to specific sectors of professional business and sport expertise on the Board, i.e. representation from: professional accounting firm or association; representatives from a law firm or law society; a representative of the Ministry of Sport or a major high performance sport body, the Business Council, etc.

In 2006, the Richmond Olympic Business Advisory Committee, Governance and Management Sub-Committee (the “Sub-Committee”) was formed to provide the City with advice on the preferred model of governance for the Oval. This sub-committee was comprised of:

Michael O’Brien, Chair
Umendra Mital
Wayne Duzita
Vince Battistelli
Peter Dhillon

The Sub-Committee made two basic assumptions in their analysis:

1. the Games Operating Trust principles would be respected; and

2. the City would maintain ownership of the Oval.

The Sub-Committee reviewed a number of governance models and set out their recommendations in an August 20, 2007. They recommended an independent not-for-profit society incorporated under the Society Act of B.C. as the preferred governance model and provided a draft Bylaw, Board of Directors Administrative Guidelines and Terms of Reference for the Chair of the Board, the Board of Directors, Audit Committee and General Manager.

The Sub-Committee also reviewed the options for the makeup and membership of the Board of Directors, ultimately recommending a model which would allow for key agencies to nominate representatives to the Board and for Council to assign representatives to the Board and to allow for outside expertise to provide value added input.

The Sub-Committee's recommended nominating entities for members of the society were as follows:

<u>Nominating Entity</u>	<u>Appointment</u>
• City of Richmond	1 member/director
• Province of B.C.	1 member/director
• Government of Canada	1 member/director
• Canadian Olympic Committee	1 member/director
• Business Council of B.C.	1 member/director
• to be appointed by other members	2 members/directors

(In this society the Members would also be the Directors.)

The Sub-Committee's draft Bylaw provides that employees of any federal, provincial or municipal government and any person who is holding, or has held office within two (2) years, federal, provincial or municipal government, would be excluded from being appointed to the Board. The Sub-Committee further recommended that the Nominating Entities should ensure that their appointments include representation and expertise from the finance community, business community, facility management community and high performance sport.

Analysis

Following receipt of the Sub-Committee's recommendation, the Chief Administrative Officer asked staff to consider the legal, tax and operational implications of three governance options:

- Not-for-profit society;
- Corporation; and
- Commission.

The analysis was based on the following assumptions:

- The City will retain ownership of the Oval and the City will either operate the Oval itself as a City Department or through a Corporation or Commission, and will enter into an operating agreement with the entity created;
- The entity will be expected to maximize revenues to cover the costs of operation of the Oval beyond the approved annual City subsidy. The City may be willing to provide additional financial support. The amount and form of such support has not been determined; however, Council has discussed the range of financial support that is anticipated to be needed;
- In order to ensure continuity with the Oval Vision and accountability at the senior staff level, during the initial start-up years and until the Oval operations and cost patterns have stabilized, the City may wish to appoint a senior employee of the City to the Board of Directors of the entity, noting that as senior staff do not vote at the Council table, no conflict will be created;
- The City does not wish to be involved in the day-to-day operations of the Oval. Rather, the City will review and/or approve key operational milestones such as business plans and any major programming changes. Council will also dictate the community values to which the Oval entity will adhere to and how it operates the Oval. The scope and range of the role and responsibilities delegated to the Board of Directors and Management of the Oval Corporation has been clearly documented in the Oval Operating Agreement. It is City staff's responsibility to monitor the activities of the Corporation to ensure compliance with Council's direction;
- A reporting regimen from the Corporation to Council will be maintained.

As during the initial years of operation, the business and operations of the Oval would primarily be of a technical and financial accounting nature, three senior staff and corporate officers (2 officers and 1 Legal) of the City were also appointed as Corporate Officers of the Oval Corporation. These appointments ensure that the City (Council) and the Oval Corporation have a shared or common line of senior accountability.

A summary of the detailed analysis conducted by staff (and incorporating advice received from legal and tax experts) is included in Attachment 1. The summary sets out the three options, answers to specific questions, an analysis of the advantages and disadvantages of each model and finally the key considerations and operational objectives.

In addition to the work done by the Sub-Committee and staff, on April 3, 2008 the City invited the President of Richmond - Community Associations (West Richmond, Thompson, Sea Island, East Richmond, Steveston, South Arm, Cambie, City Centre and Minoru Seniors Centre), the President of Richmond Arenas Community Association, the President of the Richmond Fitness Association, the Chair of the- Aquatics Advisory Board and the President of the Richmond Sports Council to provide their input on their preferred option for the governance model for the long term. Those present did not speak on behalf of their Boards but rather from their own perspective. Their input was invaluable and extensive. The highlights of the input included:

- that the Oval governance model needs to be something different than our current community centre model.
- that the City clearly establish the mandate for the Oval and ensure that the Board works within the mandate.
- that the organization be arms length from City Council with full responsibility for management, operations and staffing. The facility will be independent and run by itself.
- that a society was preferred, however, with the scope and financial obligation of the Oval it was clearly recognized that a corporation would be better equipped to handle business and financial aspects.
- that the City create a model that is a marriage, blend or hybrid between a society and a corporation and have a constitution that accommodates both business and community mandates (pay for itself and serve the community).
- that the board needs to be accountable to Council, citizens, users and those we want to attract and that City ownership of the building must be assured.
- that diverse expertise in the areas of finance and business, management and program is essential and needs to be present on the Board. The operation needs to be financially sound and have the ability to raise significant revenues.
- that the board needs to enable citizen and user involvement. In a Society, the users/membership would elect the board.
- that the board could have an advisory group and that the advisory group be representative of users or other community organizations.
- that a mechanism for the board to ensure communication and collaboration with other community partners be established. Recognize that the facility should not compete with, but rather complement, our community centres and local sport organizations.
- that the Oval should not be a large tax burden to the taxpayers.
- that the Oval was too big an operation and volunteers should not have the pressure of having all responsibilities placed on them. A facility of this magnitude would be too hard on volunteers to make decisions.
- and, that a Commission was not recommended.

The community leaders preference was for the City to establish a society that acts like a corporation to ensure financial sustainability, accountability and ensure citizen engagement. In analyzing this input Staff concluded that a hybrid society/corporation was not feasible. Staff recognized that there is a role for both models in this situation. The City can create a corporation to manage the facility

independently and can create a society to ensure that funding and fund raising opportunities for program and the facility are available. An agreement could be established between two organizations to bind the society to the corporation. In essence the corporation manages and operates the Oval and the society could seek funds through grants to support programs offered by the corporation.

Under the proposed governance plan, the Corporation and Board would likely not have commenced operations until late 2010 or early 2011. However, recognizing that by 2011 the new Board would have a steep learning curve, and that there would be numerous advantages associated with bringing the Board on stream earlier in the Oval project and business development process, and particularly prior to the commencement of physical operations, staff recommended that the Oval Business Advisory Committee be replaced with an interim Board of Directors, thereby allowing the Corporation to commence business at the earliest practical opportunity, and the City to have the benefit of a two-year period to evaluate the potential of the selected governance model.

Greater detail concerning the rationale and anticipated benefits associated with the early start is provided in the Staff Report on Oval Governance that was presented to Council on Oval Governance in December 2007.

Council approved the early start-up approach and the Interim Board commenced meeting in June 2008.

The Richmond Olympic Oval has been in operation and the Interim Board in place for approximately one year and 17 months respectively. In anticipation of the first Annual General Meeting of the Richmond Olympic Oval Corporation, it is timely for staff to report on the Board's overall progress and evaluate the performance of the selected governance model in relation to the City's overall expectations and specifically, the purposes for which it was established.

Richmond Olympic Oval Corporation Interim Review - Corporation Start-Up to Commencement of Exclusive Use Period

Background

Although the City had done an excellent job in moving the Oval Project through the planning, design and construction phases, staff recognized that due to the somewhat complex business model and the extent to which business operations would be interrupted during the Exclusive Use Period (EUP), the Oval start-up would require business expertise and experience that is not typically found in a City staff complement. Staff noted that the start-up of a \$10 million/year business would be challenging under any circumstances, but that the situation concerning the Oval would test even the most experienced business operators.

This is because the Oval must rely on a significant share of its revenue to be generated through leased space and the sale of programs and services in a facility that, for a period of up to seven months after only the first 18 months of only partial operations, will not be accessible to the business operators, clients, and tenants. This period of interrupted business operations and

associated loss of revenue represents just one of many significant challenges that the operators face.

Accordingly, the establishment of the Oval Corporation and Board came at a critical time in this process. The Board was established to provide a value-added and diverse resource of experienced business people that the City could rely on to help ensure the start-up through to the conversion phase would be as successful as the bid, design, and construction phases.

In addition to updating Council, one of the objectives of the mid-term review is to begin the process of assessing the extent to which this particular governance model, which utilizes an independent Board, and management team is improving or adding value to the level of performance that could have otherwise been achieved if the City had not adopted the corporate model.

It is, therefore, intended that this exercise (interim evaluation) provide the earliest possible opportunity to start the process of determining if the City will follow through with plans to appoint a permanent Board, after the 2010 Games and Conversion project or adopt one of the alternative governance models such as operating the Oval as a municipal recreation facility.

Representing Council's Interests - Operating Agreement Objectives:

In its Operating Agreement with the City (**Attachment 2**), the Corporation has agreed to the following objectives established by Council:

- The Oval will be developed, used and promoted as a training and competition facility for high performance sport;
- The Oval will provide facilities, programs and services for quality sport, fitness, recreational uses and wellness services for the Richmond community, neighbouring communities and the general public;
- The Oval will provide facilities for non-sporting, community and entertainment events; and
- The Oval will provide ancillary commercial, retail, health and wellness services to enhance its use in respect of the activities set out above.

Oval Corporation Pre-Games Goals:

During the pre-Games period, the primary goals of the Corporation are threefold:

1. Introduce the Oval to the community, and provide some insight as to what the post-Games community legacy Oval model will offer;
2. Ensure an efficient, trouble free start-up;
3. Provide speed skaters with the preparation environment they need to produce optimal performance at the Games;
4. Review post-Games conversion plans and business plans and make further recommendations to the City prior to implementation.

Summary of Programs and Activities in Pursuit of Oval Corporation Pre-Games Goals:

Attachment 3 includes samples of the Oval Corporation's program offerings and associated marketing materials.

Key Community Sport, Recreation and Fitness Programs and Operating Highlights:

Rather than providing the public with access to only the Oval's ice track during the pre-Games phase, the City accelerated part of the Oval's conversion plan to give the community a taste of what it could expect in the post-Games Legacy phase. Accelerated improvements included:

- installing four hardwood gym courts in the Oval's infield;
- equipping a portion of the Fitness Mezzanine; and
- outfitting a number of special spaces including fitness studios and meeting rooms.

These amenities have allowed the Corporation to open its doors and begin programming the Oval for both high performance athletes and the public over a year prior to the Games. During this time, the Corporation has also hosted a variety of sport events, and has garnered valuable hosting, logistics, volunteer management and risk prevention experience which will contribute to the Oval's preparation for the Games and post-Games events. An overview of the Oval's sport programming over the past year is summarized below.

Memberships

Despite the fact that the Oval has been in start-up mode and subject to numerous Games related closures during 2009 (and will be further closed for the upcoming four-month Exclusive Use Period (EUP) during which VANOC will assume control over the Oval in preparation for the Games), over 3,242 people purchased various types of memberships to the Oval – currently there are 1,348 active memberships, Richmond residents make-up 81% and Non-Richmond residents 19% of the total membership.

Since the opening of the Oval there have been approximately 250,000 people visit the Oval.

Group Fitness Programs

The Corporation holds 35 group fitness classes per week, averaging approximately 15 participants per class. In addition to its regular schedule of group fitness classes, the Corporation also has a full slate of registered programs for all ages and fitness levels. Since the opening, the Oval has offered over 200 types of programs for registered classes. To date, approximately 2000 participants have taken part in one or more registered programs.

The Oval's current fall program for registered classes includes yoga, Nia dance, post-natal fitness athletic conditioning (Bootcamp! and Plyometric Fitness) and Kinesis (Kinesis Experience, Gyrokinesis, Kinesis Foundations, Kinesis Pilates and Kinesis Boot Camp Circuit).

Usage of the Fitness Mezzanine (cardio and strength equipment and flexibility training areas)

averages between 1,000 to 1,200 half-hour visits per week. The Corporation also offers personal training services and three types of complimentary Fitness Mezzanine orientations to members.

Casual Sport Experience

With the assistance of its court leaders, the Corporation provides an “open gym” concept in the Oval’s infield, whereby Oval members and drop-in visitors can engage in basketball, volleyball, badminton and table tennis on an *ad hoc* basis.

Floorball at the Oval

The expansive hardwood floors in the Oval’s infield have attracted a number of court sports to the venue. The advancement of certain Legacy items into the Oval’s pre-Games phase has also permitted sports such as floorball to gain popularity in the area. Floorball is a fast-paced game similar to what North Americans refer to as floor hockey and is quite popular in Scandinavia and Eastern Europe. The 2009 Canadian National Floorball Championships were recently held at the Oval, with the President of the International Floorball Federation in attendance. Floorball is offered on a drop-in basis at the Oval each Wednesday.

Rowing

The Oval’s Rowing and Paddling Centre opened to the public in July 2009, and has been extremely well received by the community. To date, every registered rowing program has sold out. Additionally, members of the University of British Columbia (“UBC”) Rowing Team have conducted some preliminary testing of the rowing tank and have used the Oval’s Cycling and Rowing Studio for ergometer training in January and February 2009. It is expected that the rowing tank along with the Oval’s Cycling and Rowing Studio will become integral components of UBC Rowing Team’s Fall 2009 training program.

Oval Kids Program

The Oval Kids Program, one of the first programs launched at the Oval, provides local school aged kids the opportunity to skate on the 400-metre Olympic ice track. Many of these sessions are scheduled around the training times of Canada’s Speed Skating National Team, giving kids the chance to meet and be inspired by the Olympic athletes living and training in their community. In the initial three months of the program, over 6,000 students participated. The Corporation anticipates another 10,000 participants by the end of 2009.

Learn to Skate

The Learn to Skate Program was launched in January 2009, and is now in its fourth session. The summer session proved to be the best attended program thus far, with over 400 registered participants ranging in age from 3 to 60 years old.

Private Skating Lessons

An off-shoot of the Learn to Skate Program, this one-on-one personalized instruction program grew significantly in 2009. The Corporation now has over six instructors on staff to provide private lessons to participants of all ages and ability levels.

Oval Kids Sport Nights

As a precursor to the Oval Summer Sport Camps program, the Corporation held Oval Kids Sports Nights each Wednesday from May 13 and it on-going from 6:00 p.m. to 9:00 p.m., where youth between the ages of 6 to 15 years old received complimentary drop-in entry to the Oval and could participate in a wide range of sports activities, centered around instilling the Olympic spirit (friendship, solidarity and fair play) and sport-specific skills.

Summer Sport Camps

Over 550 kids, between the ages of 6 to 15 years old, participated in the Oval Summer Sport Camps, which were held from July 6 to September 4, 2009. Camp registrants chose from six different week-long multisport camps, with the main theme of each camp based on having fun and skill development. Camp activities included activities on the ice, court sports, general fitness, dragon boating and biking and hiking adventures. The Oval Summer Sport Camps employed an all-star cast of young athletes, including a professional basketball player, a Rugby World Cup player, a Team BC beach volleyball player, Canada U-20 soccer player and many varsity athletes. The Corporation also partnered with Act Now BC, the Province of British Columbia's healthy living strategy, which provided nutritional snacks and t-shirts for all camp participants.

Community Sport Organizations

Staff have met on several occasions with local community organizations including, the Richmond Sports Council and the Richmond Arenas Community Association, to discuss how the organizations will utilize the Oval.

Sport Hosting Experience

The Corporation has hosted a variety of events which demonstrated both the versatility and the quality of the Oval's event-hosting capabilities:

Oval Events

Attachment 4 details a summary of events held at the Oval since opening and up to the VANOC Exclusive Use Period. It is important to acknowledge that cultural events such as Winterfest, the opening of the Oval precinct public art, and the visit of the Japanese Emperor visit have also occurred both indoors and outdoors.

The Evolution of the Richmond Olympic Oval Board

The rationale for creating an Interim Board was that, notwithstanding the unusual circumstances under which the Board would have to operate (i.e. the City would continue to be actively involved and the two organizations would share some management resources), the corporation and board model would offer numerous advantages:

- Board Recruitment/Staff Recruitment - opportunity to recruit the mix of talent, expertise and experience that would be most suitable for the challenges we would face during the start-up period;
- Business Model-complexity of the business challenges;
- Combined risk factors;
- Need for specialized business expertise;
- Timelines-somewhat inflexible timelines for reaching key milestones;
- Test Run/Governance Model - opportunity to test the performance of the corporate governance model and its acceptance in both the community and political realm;
- Test Run/Board Personnel – opportunity to evaluate prospective candidates for the permanent Board in 2011 and management personnel;
- Learning Curve - opportunity to have prospective directors gain valuable insight, knowledge and experience during the start-up, the 2010 Games, and the Oval Conversion Project prior to taking over on a permanent basis in 2011;

Lessons Learned

As expected concerning a start up operation of a facility as large and complex as the Richmond Olympic Oval – a new business having a \$10 million budget – the Board has encountered numerous challenges; however, none of the challenges were insurmountable, nor were they unexpected. The ability to overcome the diverse challenges encountered by the new corporation was, to some extent, related to the mix of experience and expertise of the various directors combined with that of the dedicated management team.

The following selection of lessons learned provide insight into the challenging start-up period:

Legacy Funding/Balancing the Demands of VANOC and GOT

Council has received regular updates regarding the Games Operating Trust (GOT), and recently the Richmond Olympic Oval Post Games Operating Agreements. Starting a venue such as the Richmond Olympic Oval has been challenging, particularly since shortly after commencing partial facility programming and offering a glimpse of what the Oval can be prior to the post-games legacy phase, the Oval must cease operations for almost four months due to VANOC's exclusive use period (EUP) and possibly longer to accommodate completion of the conversion project.

A key challenge for management and the Board has been structuring the membership model and program offerings to ensure that members will come back, and that their experience at the Oval

today is a positive one. A second part of this challenge is to retain or re-attract key Staff once the Oval is handed back to the City/Corporation after the 2010 Games.

Through the multiparty agreement signed in November 2002, the Oval became eligible to receive legacy operational funding. In the future, disbursements from this fund will be directed to the Oval as detailed in the Post Games Operating Agreement. This agreement requires that the City, and by extension the Richmond Olympic Oval Corporation, ensure that both high performance sport and national sport organizations will have access to the Oval. On many occasions, staff have referred to a general benchmark of 80% community and 20% high performance programming and/or access to the Oval.

Through a process involving Oval, City and VANOC Staff plus representatives of the GOT, it has been established that contractual funding requirements can be met with less than 20% of the Oval programming being dedicated to high performance sport, thereby increasing community program opportunities.

Providing access to high performance sport and national sport organizations does have financial implications in terms of revenues and some costs. However, when high performance athletes, and teams presently, and in to the future use the Oval in tandem with community users, this provides a potential source of inspiration and benefits for both community/personal inspiration, and the high performance athlete. Ultimately, the reputation of the Oval as a quality community facility, and a national/international centre for high performance sport is also realised.

Interim Board/Knowledge Transfer from City

The process of orientation for the Richmond Olympic Oval Corporation Board has been comprehensive and is ongoing. Reliance on policies, systems and processes already in place at the City has provided much needed support during the transition stage to the Board. Initially there was concern that the Board members were not fully comprehending the full extent and value of the 4-5 years of prior work done by the City leading up to the incorporation of the Corporation and the Oval opening. Quite quickly, the Board realised that the complexity of relationships between the Community, VANOC, the Games Operating Trust and the in-depth research and planning on the program and business plan must be incorporated into their decision making.

The transfer of organizational knowledge from the City can now be observed in the autonomous decision making by the Board. For example the Board's business planning committee has led the post games legacy Oval conversion planning process and continues to build strength while seeking to enhance the original business planning work undertaken by the City.

Priorities - Governance versus Operations at Start-Up

At start-up, the Oval Corporation Board initially spent some time focusing on traditional private corporation governance policies and practises. For example there was a desire from some board members to conclude the Operating Agreement with the City and to establish human resource policies and other time consuming administrative matters prior to the recruitment of key staff

positions. However, once the Board realized that at this critical early stage, the City could serve as a valuable resource for needs, policies etc., the Board quickly redirected its priority focus from governance matters to providing strategic business and operational advice and professional decision making during the critical business start-up period.

Employee Attraction - Critical to Successful Start-up

As opening day of the Oval moved closer, it was quickly realized that the competence and professionalism of the Oval staff team would be absolutely critical to visitors' first impressions of the Oval, to the overall success of the business model, and to the quality of service and programs. There is a strong interrelationship between the reputation of the Oval, and by extension the City. Attraction and retention and the continued development of quality staff will be an ongoing concern in to the future as the post games legacy Oval phase approaches.

Operating Agreement

The development of the Operating Agreement with the Richmond Olympic Oval Corporation was a lengthy, but worthwhile exercise. It seems that both City Staff and the Board had expectations that were not necessarily compatible with the others. The resulting tension resulted in both parties collaborating to produce a significantly improved Operating Agreement.

Business Planning in Light of the Exclusive Use Period:

Due to the timing of the Olympics and Exclusive Use Periods (EUP) during which VANOC would occupy the Oval, the Oval Corporation and Board were established under extremely challenging circumstances. The Board has and will continue to encounter non-negotiable timelines associated with various key 2010-related milestones such as the Oval opening and start-up; the December 2008 National Championships; the March 2009 World Championships; and the 2010 Games in less than six months. Also, numerous agreements and financial matters were put in place before the Corporation was established and which therefore the Board does not have any flexibility or discretion to change. As time passes, moving towards 2010, the challenges will increase in frequency, and complexity, while there will be less time to address them.

Although our initial experience operating under the corporate model generated some concerns about the priority of the need to adopt appropriate governance practices for the corporation, etc., and issues concerning the delineation of the City's vs. the Board's role and responsibility, the Interim Board has proven to be a valuable resource, particularly in the areas of business planning and finance.

The important objective going forward is to ensure, through consistently strong performance by the Board and Management, that we can sustain the Community Legacy model and associated financial performance over an extended period of time.

Richmond Olympic Oval Priority Board Activities

Over the coming 12 months, the Oval Corporation will encounter a number of critical milestones that must be met. The conversion to the Community Legacy Oval model is one of the more important of these tasks. It is in areas such as refining the Post-Games program, and aligning it with the Conversion Project that staff feel the talent and expertise offered through the Board can be best utilized.

At a Oval Corporation Board retreat in March 2009, the Board developed a short list of specific priorities including:

1. Revenue Generation;
2. Clarifying the Oval Vision; and
3. Post-Games Conversion Planning.

1. Revenue Generation

The skills and experience of the Board have been of great benefit when applied to revenue generation. The components of the Oval's revenue plan which the Board has specifically provided assistance on:

A. Fees & Charges

The Board approved an initial schedule of rental and membership rates in anticipation of the Oval's opening. Further, it authorized Oval management to adapt quickly to market indicators provided there was sufficient research and analysis to take such actions. The Board has periodically reviewed Oval pricing to ensure it reflects the market. The Board has concurred with Oval management that a focus on membership balanced with rental of time and space to the community was the planning model for the future.

B. Leasing

There is 28,000 square feet of space to be let in 11 different locations and 3 floors within the Oval. The expertise of some Board members with direct commercial leasing experience has been useful during lease negotiations. The Board has retained the leasing agent CBRE to facilitate the process. Lease negotiations are ongoing.

C. Sponsorship

Prior to Incorporation of ROOC, the City had overseen the sponsorship program. When the City's resources were refocused, Oval management recommended retaining Game Day International to solicit sponsors for the post-Games period. The City had previously rejected a specific naming rights offer for the Oval in favour of retaining the use of the Olympic name and rings on the building. The Board accepted the challenge to maximize other sponsorship opportunities that would realize a similar value to the naming rights offer that had been turned down. Early indications show that there are promising sponsorship opportunities

within the Oval despite the economic downturn and the interruption incurred due to the VANOC Exclusive Use Period.

2. Clarifying the Oval Vision

The Board acknowledges that its objectives must accord with the Operating Agreement and with the Oval's obligations to the 2010 Games Operating Trust (GOT). From these objectives, which captured on the attached slide, a Master Strategy was developed (**Attachment 5**). It notes that the Oval will be 'driven by membership'- an important statement that emphasizes the contribution that a membership focus will make to financial sustainability. Importantly, the Board also acknowledges the commitment to specific use by the organized sport community through rental of sport facilities (ice, courts, track, etc.).

Through this process the Board has agreed that the Oval should be both a Landlord (when it rents space) and a Programmer (when it develops elements that will appeal to prospective members). These core slides represent the Oval Vision which will be the basis for future Business Planning and Conversion Planning. Based on the philosophy of "Higher Performance" (still in draft) the Vision encourages Oval staff, members and guests to constantly strive for growth and for improvement.

There have been ongoing concerns that the Corporation ensure that the Oval first serve the community of Richmond, then others and high performance sport. However, based on the membership breakdown of 81% Richmond residents versus 19% others, it appears that the community use objectives have been accommodated.

3. Post Games Legacy Conversion Plan

The Board has recognized the critical importance and priority of the conversion project to create the post 2010 Games Community Legacy model Oval. Accordingly, the Oval Board and Staff have invested significant time and effort in reviewing the Legacy Program to determine what, if any, changes can be made to improve on the City's plans.

The Board has approved Five Fundamental Principles of Conversion Planning:

1. The Oval needs **maximum variety** of facility options to appeal to a broad cross-section of members, as membership is a major part of our revenue picture. One member will join for figure skating ice while another will want to book a badminton or volleyball court.
2. The Oval needs facilities of the **highest standard** to support as many levels of sport training and events as possible. Internationally approved sport surfaces that produce top performances and prevent injuries benefit both community and high performance athletes.
3. **Optimizing flexibility, versatility and transition** is important to accommodate the many needs of community organizations. With the right sport surfaces and separation

screening, the same space could be used for a softball batting cage at one o'clock and indoor field hockey at three o'clock. Later in the evening it could be available for a special community event.

4. **All sport areas of the Oval, ...Court, Track, Ice and Fitness Zones, must be developed;** it is not acceptable to leave one of the 'zones' undeveloped. The available funds must be spread across all zones rather than focused in one area in anticipation of further future funding.
5. The overall funding envelope of **\$8.8 million cannot be exceeded**, meaning that choices must be made to achieve the foregoing. It may be prudent to withhold some funds for future equipment purchases allowing Oval management to assess member and community needs. Such a delay may permit the Oval to add new features in 2011 based on what is learned in 2010.

While the process is not yet complete, it is re-assuring to report that the Corporation is suggesting only a few minor changes to the original program prepared by the City. Under short timelines, City staff and Council operated under the principle of keeping as many options open as possible without sacrificing quality when the first conversion plan was developed.

Summary

The key areas under which the Oval interim governance model has been monitored include:

1. **Vision** – demonstrate a full understanding and support for the long-term Oval Vision adopted by Council;
2. **Community** – embrace the commitment to the principle of broad community first – 80% community/20% high performance sport
3. **Business Fundamentals** – meet expectations for sound financial performance and trouble-free start-up;
4. **Labour Relations/Employee Relations** – establish a positive labour and employee relations environment without causing conflict or disruption to the City's labour/employee relations;
5. **Legacy Funding** – protect and increase the level of Games Operating Trust revenue acquired by the City;
6. **Business & Finance Support & Advice** – add value through expert guidance and advice in specific areas of business including:
 - leasing
 - retail
 - sponsorship
 - procurement of equipment
 - promotion and marketing

- finance

7. General

The purpose of monitoring these key areas is to assist the City to assess the full value added benefit of operating the Oval under the corporate governance model.

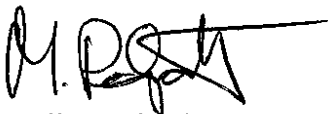
A final report will be prepared at the conclusion of the Interim period which is after the close of the 2010 Games and completion of the Oval conversion project. At the time of this Interim Progress Report which coincides with the timing of the Annual General Meeting of the Oval Corporation, staff's assessment is that although there have been some challenges, overall the corporate model has served the City well in all key areas.

Financial Impact

There are no financial implications as a result of this interim evaluation report.

Conclusion

Through the creation of an independent corporation and appointing a dedicated board, Council has successfully delegated the administration of the Oval Corporation to professionals with significant depth and breadth of talent in key areas while overseeing the successful construction and transition of the Oval operation, from Pre-Games to Games and Post-Games while at the same time maintaining accountability to the public.



Mike Redpath
Senior Program Manager, CPMG
(604-247-4942)

Summary of Attachments:

Attachment 1: Analysis of Governance Options

Attachment 2: Oval Operating Agreement

Attachment 3: Oval Corporation Program Summary

Attachment 4: Event Summary

Attachment 5 Oval Strategy and Philosophy

Analysis of the Governance Options

1. Corporation

There are actually three options for a corporation: a non-profit corporation under the federal Canada Corporations Act, a corporation under the federal Canada Business Corporations Act or a corporation under the British Columbia Business Corporations Act. After reviewing the tax implications and incorporation requirements, staff concentrated on the B.C. corporation as the best corporation option in these circumstances.

A corporation is owned by shareholders who have the right to appoint the Board of Directors, the governing body of the entity. The City could choose to be the sole shareholder and ask key stakeholders to recommend or suggest potential directors. Alternatively the City could give up a percentage of ownership ranging from a small percentage to the entire corporation to third parties and allow them to appoint directors in proportion to their percentage of ownership. The directors of the Board of a corporation owe their fiduciary duty to the corporation and therefore must act, at all times, in the best interests of the corporation, rather than the City.

2. Society

Five or more persons may form a society under the B.C. Societies Act with a constitution and bylaws. Rather than shareholders, the bylaws of a society provide for nominating entities to appoint "Members" who are also the directors of the society. The directors of the Board of a society also owe a fiduciary duty to the society, rather than to the City.

3. Commission

City Council may, by bylaw, establish and appoint a commission, pursuant to Section 143 of the Community Charter to operate services and manage property and licences held by the municipality. Unlike a corporation or a society, a commission is not a separate corporate entity from the City. City Council's authority to appoint the members of the commission includes the authority to rescind the appointment at any time and appoint another person in their place. The degree of independence or separation from the City would be set out in the terms of the establishing bylaw. Other municipalities have established commissions such as the Abbotsford Water and Sewer Commission, the New Westminster Electric Utility Commission and the North Vancouver Recreation Commission.

B. QUESTIONS AND ANSWERS

1. How does the City create each entity legally?

British Columbia Corporation	Society	Commission
<p><u>BCA corporation</u></p> <p>The incorporation procedure under the provincial <i>British Columbia Business Corporations Act</i> entails the following steps:</p> <ol style="list-style-type: none"> the name of the corporation must be reserved; an incorporation agreement signed by the incorporators of the corporation; a set of articles and notice of articles established; the approval of the Inspector of Municipalities must be obtained; and an incorporation application filed. 	<p>The following steps will have to be taken to incorporate a society under the British Columbia Society Act:</p> <ol style="list-style-type: none"> the society's name must be reserved with the Registrar of Companies; and the society's constating documents, the list of directors and the notice of address for the society must be submitted to the Corporate Registry. 	<p>A Commission is established by City Council by bylaw adopted pursuant to section 143 of the <i>Community Charter</i>.</p>

2. How is the Board of Directors appointed? Can the City appoint the entire board of each entity?

Corporation	Society	Commission
<p>The articles of the BC corporation may provide for the appointment of directors by Council. Directors must be elected or appointed in accordance with that statute and with the memorandum</p>	<p>The Bylaws of a society may provide for appointment of directors by Council. However, the members of the Society may change this provision. In order for this provision to be unalterable, it</p>	<p>Pursuant to section 143 of the <i>Community Charter</i>, a Commission is appointed by Council. Under section 144 of the <i>Community Charter</i>, Council has the power to rescind</p>

<p>and articles of the company.</p> <p>Yes, the City can appoint the entire board.</p>	<p>would have to be included in the Constitution of the society, as opposed to in its Bylaws. This is not done in practice for several reasons. First, section 6 of the <i>Society Act</i> requires the provision regarding the appointment of directors to be in the Bylaws. As a result, a duplicate provision would have to be included in the Constitution. There is a risk that the Registrar of Companies may not accept such constating documents. Further, having such a provision in the Constitution increases the likelihood that the relationship between the society and the City may be viewed as not being at arm's length, which may make it easier to pierce the corporate veil and find the City liable for the Society's actions.</p> <p>Yes, subject to the comments above.</p>	<p>appointments.</p> <p>Yes</p>
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Can the City agree to allow third parties (such as the Canadian Olympic Committee, the Province, the federal government and the Business Council of BC) to appoint the entire board of each entity?

Corporation	Society	Commission
Yes.	Yes, subject to the same comments as above.	Yes.

Can both the City and third parties appoint the board of the entity? To illustrate, can there be a board of 9 directors with 5 directors appointed by the City and 4 appointed by third parties?

Corporation	Society	Commission
Yes.	Yes, subject to the same comments as above.	Yes.

3. Can the constating documents of each entity provide that the City's CAO must be a director of the board, regardless of who appoints the other directors? In other words, can the constating documents ensure that the CAO has a permanent position on the board?

Corporation	Society	Commission
Yes.	Yes, subject to the same comments as above in Question 2.	Yes.

4. Is there a possible conflict issue if Mayor, elected officials, the CAO or other City staff member is a director of the board of the entity to be created?

Corporation	Society	Commission
<p>The director of a corporation, society, or commission have a duty of loyalty to that organization and must act honestly and in good faith with a view to the best interests of that organization.</p> <p>The Mayor, elected officials, CAO and City staff also have a duty of loyalty to the municipality. However, the risk of conflict between the interests of the Oval entity and the municipality is higher for the Mayor and City Councillors than for the CAO and staff. Since elected officials are the decision-makers in both capacities, should a conflict arise, the elected official may be precluded from acting in either capacity, thereby reducing the effectiveness of their participation.</p> <p>Although the CAO or City staff may be influential in the decision making of the municipality, they are not the ultimate decision makers. The benefit of having the CAO or staff member appointed to the board of the Oval entity board and their ability to understand and represent the municipality's interests in Oval board discussions likely outweighs the risk of a conflict</p>		

5. May the City provide financial assistance to the entity without breaching the restrictions in Section 24 and 25 of the Community Charter? If not, what are the options to allow the City to provide financial assistance?

Corporation	Society	Commission
<p>Yes.</p> <p><u>Purchase of Shares</u></p> <p>If the City wishes to finance the corporation through capital investment (i.e. by purchasing more shares), this additional share acquisition can only be done with the approval of the Inspector of Municipalities.</p> <p><u>Partnering Agreement</u></p> <p>If the City wishes to provide cash, property or other assistance to a municipal corporation, other than by purchasing additional shares, the City must be mindful of the general prohibition in the <i>Community Charter</i> against a municipality providing assistance to a business. As an exception to this prohibition, Council may provide assistance to a business if the City enters into a partnership agreement with the business for the provision of a service on behalf of the municipality.</p> <p>Operating Agreement</p> <p>Despite the prohibition against aiding a commercial undertaking, there is nothing to stop the City from entering into a business deal such as an operating agreement.</p>	<p>Yes.</p> <p><u>Partnering Agreement</u></p> <p>Depending on the nature of the activities undertaken by the society at the Olympic Oval, the society may be carrying on a business as the term is defined in the <i>Community Charter</i>. If the society is carrying on a business, the City will need to observe the restrictions on providing assistance to a business. As discussed under "Corporation" in the column to the left, the City may consider entering into a partnering agreement, but only with respect to the provision of a service on behalf of a municipality.</p> <p>Regardless of whether or not the society carries on a commercial undertaking, the notice requirements under the <i>Charter</i> in relation to dispositions of land or improvements (s.26) and providing assistance to an organization (s.24), as well as the applicable electoral approval requirements will have to be complied with.</p> <p><u>Operating Agreement</u></p> <p>Our discussion in the left column of the possibility of</p>	<p>Yes.</p> <p>From a legal point of view, a Commissions forms part of the City. As a result, there are no financial assistance issues. As part of the city budget process, the City would annually approve the budget for the operation of the Commission.</p>

<p>The best option would likely be a combined partnership/operating agreement to ensure that any financial assistance provided to the entity complies with the <i>Community Charter</i>.</p>	<p>the City entering into a business deal and of the corporation's ability to borrow from the Municipal Finance Authority applies in this case, as well.</p>	
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6. If the City enters into a partnering/operating agreement within the entity, will property transfer tax and property taxes be payable?

Corporation	Society	Commission
<p><u>Property Transfer Tax</u></p> <p>If this is simply an operating agreement, neither a lease nor a transfer would be involved, and property transfer tax would not be payable.</p> <p><u>Property Taxes</u></p> <p>A mandatory statutory exemption is available if the land is vested in the municipality and is "occupied on behalf of the municipality" (<i>Community Charter</i>, s. 229 and 221). For example, if the operating agreement was construed as an agency agreement whereby the corporation was managing the Oval on behalf of the City, no annual property tax would be payable.</p> <p>If the land is not "occupied on behalf of the municipality", a permissive tax exemption may be available if the municipality owns the land and the council considers that the land is used for a purpose</p>	<p>Our advice with respect to property transfer taxes, property taxes and school taxes in the left column applies.</p>	<p>A Commission is not a separate legal entity so no additional taxes would be triggered.</p>

<p>of the municipality (<i>Community Charter</i>, s. 224(2)(b)).</p> <p>Whether the mandatory or permissive tax exemption is applicable will depend on the way the deal is structured and on the factual intricacies of the arrangement. For certainty purposes, the general practice is to obtain a pre-approval from the Assessment Authority with respect to the payment of property taxes. To obtain this pre-approval, the structure of the final arrangement will have to be submitted to the Assessment Authority.</p>		
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7. **What is the extent of the City's liability in the case of the three governance models? Specifically, what is the likelihood of piercing the corporate veil in the case of a society or corporation as opposed to the case of a Commission?**

Corporation	Society	Commission
<p>Because the Corporation is a separate legal entity, the City would not be responsible for the liabilities of the Corporation unless someone was successful in piercing the corporate veil, i.e. looking behind the corporation to the "ruling mind" of the corporation. Generally speaking, piercing the corporate veil is an extreme remedy, and does not occur frequently. By following corporate formalities and</p>	<p>The discussion of the liability issue the left column is equally applicable to societies subject to the caveat that if the number of members of a society falls below the required number of three for a period of six months, the Society's directors become personally liable for payment of every debt of the society incurred after that six month period.</p>	<p>As the Commission is part of the City, and is not a separate legal entity, the CITY would be liable for the Commission's activities.</p>

<p>regulatory requirements, a municipality will be unlikely to encounter situations in which a court would rule that the corporate veil might be pierced.</p> <p>It is important to note that notwithstanding the fact that the Corporation is a separate legal entity, a plaintiff may seek to join the City in claims involving the Oval due to the City's ownership of the facility and the fact that the City would be perceived as having "deep pockets" whereas the Corporation would have few assets.</p>		
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8. Would the entity be subject to the Freedom of Information and Protection of Privacy Act in the same way the City is subject to the Act?

Corporation	Society	Commission
Yes	Yes	Yes

C. Advantages and Disadvantages of each Governance Model

1. Corporation

Advantages

- Control and Appointment to the Board - the articles of the Corporation may be drafted to provide that the City may appoint the entire Board, none of the Board or a percentage of the Board. If the City wishes, the articles may also allow third parties such as the COC, the Province, the Federal Government or the Business Council of BC to appoint members to the Board. As a further alternative, the City could own

- 100% of the corporation but request recommendations for the Board of Directors from third party nominating entities
- Independence - a Corporation would be a stand-alone legal entity. Independence from the City would depend on who the City allows to nominate and/or appoint board members
 - City Control - the City can incorporate a corporation with a single shareholder (the City)
 - Appointment of CAO to the Board - the constating documents may provide that the City's CAO must be a member of the Board at all times
 - Protection from Liability - the operation of the Oval through a Corporation would provide a measure of legal protection from possible claims for Oval operations. Furthermore, unlike a Society, it is not necessary for a corporation to obtain court approval to indemnify its directors and directors do not become personally liable for certain debts. External directors often have a legitimate concern about incurring personal liability for their board-related activities. As a result, the ability to provide insurance and indemnities to protect those directors has the effect of attracting more candidates willing to participate.
 - Conflict of Interest Rules - the *B.C. Business Corporations Act* makes it relatively simple to build in conflict of interest rules for the Corporation's board that reflect the conflict rules applicable to City council members. As the sole shareholder of the corporation, the appointment, removal and replacement of directors is a simpler matter than with a Society
 - Reservation of Powers - the *B.C. Business Corporations Act* permits certain powers regarding such matters as the payment of remuneration to directors, incurring debt and the issuance of any new shares can be reserved for exercise by the shareholder (the City)
 - Financial Assistance - the City may provide financial assistance to a corporation through a partnering agreement, which is a relatively simple process
 - Director's Compensation - the constating documents may establish whether the directors will set their own compensation (if any), or reserve the power to the shareholder (the City)

Disadvantages

- Costs - to incorporate the Corporation and ongoing support costs for directors' insurance and for the Board of Directors
- Approval Requirements - incorporation by the City requires the approval of the Inspector of Municipalities
- Conflicts - there is a possibility of conflict of interest issues arising if the CAO, other City employee or City Councillor is a voting member of the
- Restrictions on Financial Assistance - due to the provisions of the Community Charter, the City may be restricted in the ways it can provide financial assistance to the Corporation if the Corporation's operations are considered to be a commercial undertaking providing services for profit. However, the City can enter into a partnering agreement pursuant to the Community Charter in order to provide assistance, which is a relatively simple process

- Income Tax Issues – the City must own not less than 90% of the capital (shares) of the Corporation to ensure that it is exempt from income tax. The Province and Federal Government may also be owners of the 90% to qualify. However if COC and the Business Council of B.C., or any other third parties, own more than 10%, income tax will become an issue
- GST Issues - unlike a municipality, which may recover a 100% rebate of any GST incurred, the Corporation may not qualify for a full rebate unless it is at least 90% owned by the City.
- Social Service Tax - incremental SST may be payable if the City purchases tangible personal property and then rents it to the Corporation for a fee. This would not apply if the City owns at least 95% of each class of shares of the Corporation.
- Funding – a corporation may not have access to some of the charitable gifts or grants available to a non-for-profit society.
- Fiduciary Duty – regardless of who appoints the Board of Directors, each Board member will owe their fiduciary duty to the Corporation and must act in the best interests of the Corporation – not the City.

2. Society

Advantages

- Fundraising Opportunities – some unique funding sources may be available to a Society that may not be available to a corporation or a commission. For example, the Society may be entitled to apply for a number of government grants as a not-for-profit entity or charitable gifts if it is classified as a charity
- Independence - a Society would be a stand-alone entity. Independence from the City would depend on who the City allows to appoint board members

Control and Appointment to the Board - subject to the possible amendment of the Bylaws by the Members (see Question 2) the Bylaws may also allow third parties such as the COC, the Province, the Federal Government or the Business Council of BC to appoint members to the Board

- Appointment of CAO to the Board – subject to the possible amendment of the Bylaws by the Members (see Question 2) the constating documents may provide that the City's CAO must be a member of the Board at all times
- Protection from Liability – the operation of the Oval through a Society would provide a measure of protection from possible claims for Oval operations
- Financial Assistance – the City may provide financial assistance to a corporation through a partnering agreement, which is a relatively simple process.
- Director's Compensation – the constating documents may provide whether the directors will set their own compensation (if any) or reserve the power to the members.

Disadvantages

- Costs - to incorporate the Society and ongoing support costs for the Board of Directors

- Control and Appointment of the Board - although the Society Bylaws may be drafted to allow the City to appoint all, none or a portion of the Directors, the Bylaws may be amended at any time thereafter by the Members (similar to shareholders in a corporation). Since a Society requires a minimum of 3 Members, the City will have only one of three votes and could lose any control it has over the Board
- Conflicts - there is a possibility of conflict of interest issues arising if the CAO, City staff member or City Councillor is a voting member of the Board
- Restrictions on Financial Assistance - due to the provisions of the Community Charter, the City may be restricted in the ways it could provide financial assistance to the Society if the Society's operations are considered to be a commercial undertaking providing services for profit. This would likely be avoided with careful drafting of the constitution and bylaws. However, the City can enter into a partnering agreement pursuant to the Community Charter in order to provide assistance which is a relatively simple process
- Income Tax Issues - Since a Society has no share capital it is not clear whether the exemption provided to a corporation applies. In order to be exempt from income tax, the Society could not be a charity, it would have to be organized or operated exclusively for social welfare, civic improvement, pleasure or recreation, must not be for profit and no part of the income may be payable or available to the members
- Fiduciary Duty - regardless of who appoints the Board of Directors, each Board member will owe their fiduciary duty to the Society and must act in the best interests of the Society - not the City
- GST Issues - unlike a municipality, which may recover a 100% rebate of any GST incurred by the City, the Society may not qualify for a full rebate
- Social Service Tax - incremental SST may be payable if the City purchases tangible personal property and then rents it to the Society for a fee
- Profit - a Society may be incorporated for, among other things, sporting or other useful purposes but not for the purpose of carrying on a business for gain. A Society can earn profits as an incident of its purpose but not as its main purpose and cannot distribute any profits except upon wind up or dissolution
- Corporate Culture - the corporate cultural of a Society is perceived by many as a non-for-profit operation which may be contrary to the entrepreneurial or business-oriented culture required in order to encourage the entity to make the Oval operations as self sustaining as possible
- Members - a Society requires at least five organized members (similar to shareholders) to create the Society and at least three members at all times thereafter. The City could become a corporate member and would then have to appoint four organizing members and two members thereafter. This requirement will make it more difficult for the City to maintain control over the Board of Directors (who are appointed by the members)
- Court Approved Indemnity - a Society requires court approval to indemnify its directors. If the number of members of the Society falls below three for a period of more than six months, the Society's directors become personally liable for payment of every debt of the Society incurred after that six-month period.
- Conflict of Interest Rules - the *Society Act* provisions dealing with conflict of interest and disclosure rules do not provide the same level of protection as the *B.C.*

Business Corporations Act. While bylaws can be drafted to provide protection, the ability of the City to remove and replace a director is more complicated than with a City owned corporation

- Reservation of Powers – although the bylaws of the Society could be structured to provide that the members must approve certain material decisions, a Society must have at least three members and the City may not be able to control the other two members.
- Approval of Inspector of Municipalities – although the approval of the inspector is not required, as it is for a corporation, the Registrar must approve a society's constitution and bylaws, which may limit our flexibility in a manner that corporations do not experience, given the more cumbersome and outdated rules of the Society Act.

3. Commission

Advantages

- Costs - minimal costs to establish a Commission
- Established by City Bylaw - no approval of the Municipal Inspector required
- Control and Appointment to the Board - a Commission is appointed by City Council. Council has the power to appoint and rescind appointments at its pleasure and to ensure that the CAO is a member of the Commission at all times. If the City wishes, the Commission may be set up to allow third parties such as the COC, the Province, the Federal Government or the Business Council of BC to appoint or recommend members to the Commission
- No Conflict of Interest Issues for the CAO
- No Restrictions on Ability of City to provide Financial Assistance
- No Tax Issues – because the Commission is not a separate legal entity, it does not trigger any additional tax consequences

Disadvantages

- Protection from Liability – as the Commission is not a separate entity, there would be no measure of protection from liability from possible claims for Oval operations
- Independence – a Commission is not a legal entity separate and distinct from the City. Independence would depend on the provisions embedded in the establishing bylaw and upon whom the City permits to appoint the members of the Commission.
- Outside Influence - as the Commission is not separate from the City in the same way a Society or Corporation is a separate legal entity, there is an increased chance that persons and entities dealing with the Commission would appeal to Council if they were dissatisfied with the Commissions decisions.

Key Considerations

Key considerations in the analysis of the best governance options include the following:

City Control – how independent does Council wish the entity to be? How much control do we wish to retain over the operations of the Oval? Some control can be retained by controlling appointments to the Board or the Commission, however directors owe their fiduciary duty to the Oval entity, not the City. Further control can be attained through the terms of a detailed operating agreement, which can address issues such as:

- entering into separate or independent agreements with, or resolution of disputes with, Olympic parties (including VANOC, COC, IOC and NOCs)
- the level of financial support by the City
- annual business plan and budget, including sponsorship arrangements
- major capital repairs or expenditures
- borrowing or lending money
- terms relating to of fees and service levels
- hiring key Oval personnel or dealing with union issues
- conversion of Oval space to new sport uses or alternative uses

Tax implications of nongovernmental ownership of a corporation should be kept in mind when considering how much control the City is willing to grant to third parties. Risk management is also an issue when considering the control issue.

How do we best obtain expertise in funding raising, facility management, major event planning and sports programming – this can be accomplished in several ways. First the City can choose, and/or have the designated Nominating Entities choose, directors with a view of ensuring that the Board has the expertise it requires to provide the broad range of advice on Oval operations. Second, the Oval can hire staff or consultants with the specific expertise required.

How do we ensure that we comply with the Legacy Trust requirements – specific obligations with respect to provision of access for high performance sport and the other requirements of the Legacy Trust can be written into the operating agreement to ensure that the Legacy Funding is not jeopardized. The City, at the City's option, could manage the application for and disbursement of the Legacy Trust funds to the Oval operations.

Can the chosen entity accept charitable donations or apply for grants – a British Columbia corporation cannot accept charitable donations and may not have access to all grant opportunities. A non-profit society established as a charity may accept charitable donations and may have access to more grants.

Key Operational Objectives

Regardless of the operational model chosen, the City needs to ensure that the following objectives are met. These would form the basis for the policies and guidelines and/or operating agreement for the facility's operation under whatever structure is chosen. The Oval operational structure will need to achieve the following key objectives:

Financial and Risk Management

- have a defined and limited level of annual City funding (if any) (ideally no net increase in annual City operating costs)
- have the ability to generate sufficient operating revenue
- minimize and control operational expenses and develop effective business plans
- allow for funding of future facility conversion and capital work
- effectively manage risks
- ensure that risk is allocated to the party best able to address it
- be environmentally responsible

Organizational Structure and Management

- be managed competently, effectively and socially responsibly
- have a broad base of representation and expertise
- ensure that actions and business decisions are in line with the spirit, intent and values of the business and in line with needs of the City, the users, and community at large
- reflect and respond to current and potential needs of the City
- allow the City to have optimal input into business planning and establishing and monitoring performance outcomes and service standards

Programming and Facility Management

- support development of high performance athletes
- respond to sporting needs (local, regional, national)
- meet the City's community wellness objectives for the facility
- make the best possible use of the facility
- allow for innovation and flexibility in programming
- ensure that the City retains long-term legal and beneficial ownership of the property
- ensure that strict facility maintenance requirements are met
- maximize efficiency of facility use

Community Relations and Marketing

- be accountable to the City and taxpayers
- maintain effective stakeholder relationships
- effectively market the facility and programming locally, regionally and nationally
- capitalize on the market potential of the neighbouring high-density urban area.

RICHMOND OVAL AGREEMENT

THIS AGREEMENT made as of the 1st day of July 2008,

BETWEEN:

CITY OF RICHMOND, a municipality incorporated pursuant to the *Local Government Act* and the *Community Charter* with its principal corporate offices at 6911 No. 3 Road Richmond, B.C., Canada V6Y 2C1

(the "City")

AND:

0827805 B.C. LTD., a company incorporated under the *Business Corporations Act of British Columbia* with its principal offices at 6111 River Road, Richmond, B.C., Canada

(the "Company")

WHEREAS:

- A. The City is the legal and beneficial owner of the Oval (hereinafter defined);
- B. The Oval will be used for long track speed skating events during the 2010 Olympic Winter Games and afterwards as a world class venue for high performance and recreational sports and wellness programs;
- C. The City has incorporated the Company as a wholly-owned municipal corporation for the purpose of operating the Oval as a service for and on behalf of the City;
- D. The City believes that by incorporating the Company, leasing the Oval to the Company and permitting the Company to operate the Oval, the Company will be able to operate the Oval in a financially effective and sustainable manner and will facilitate the Oval's recognition as an iconic facility;
- E. The City may, pursuant to the *Community Charter*, provide assistance to a business through a partnering agreement where the business is providing a service for or on behalf of the City; and
- F. The parties have agreed to enter into this Agreement to establish the terms and conditions of the relationship between the City and the Company,

NOW THEREFORE in consideration of the payment of \$1.00 by each of the parties to the other, the mutual covenants and obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement except as expressly provided or as the context otherwise requires:

- a) **"Agreement"** means this Richmond Oval Agreement and any amendments thereto;
- b) **"Capital Works Committee"** means the committee referred to in Section 8.1(f);
- c) **"City Personnel"** means the City's officials, officers, employees, agents, consultants, contractors and subcontractors;
- d) **"Company Personnel"** means the Company's directors, officers and employees;
- e) **"Contaminants"** means any explosives, radioactive materials, dangerous goods or substances, pollutants, contaminants, deleterious substances, underground or above-ground tanks, asbestos materials, hazardous, corrosive, or toxic substances, Special Waste or waste of any kind, or any other substance that is now or hereafter prohibited, controlled or regulated under Environmental Laws;
- f) **"Council"** means the elected Mayor and Councillors of the City;
- g) **"Environment"** means all components of the earth including all layers of the atmosphere, air, land, soil, water, organic or inorganic matter and living organisms, and the interacting natural systems that include the components referred to in this definition;
- h) **"Environmental Laws"** means all Laws relating, in whole or in part, to the enhancement or protection of the Environment, occupational safety, product liability, public health, public safety and the transportation of dangerous goods;
- i) **"Event of Insolvency"** means, that the Company has:
 - (i) become insolvent;
 - (ii) made any assignment in bankruptcy or made any other general assignment for the benefit of its creditors;
 - (iii) had a petition of bankruptcy filed with respect to it or has filed a petition or otherwise sought to take advantage of any other law of Canada or any province thereof for the relief of bankrupt or insolvent persons (including, without limitation, the *Companies' Creditors Arrangement Act* (Canada))

and the *Winding Up Act* (Canada)) or has filed any proposal under the *Bankruptcy and Insolvency Act* (Canada), or any similar insolvency law, or made any assignment for the benefit of creditors or any arrangement or compromise;

- (iv) a trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestator or liquidator or other persons with similar powers appointed with respect to it or with respect to all or any substantial part of its assets;
 - (v) been adjudicated a bankrupt upon a petition in bankruptcy being filed; and/or
 - (vi) taken (or any other person, court or governmental authority has taken) any step or any action or has instituted any proceeding for the reorganization, arrangement, composition, readjustment, dissolution, winding-up or liquidation of the Company or its assets under any applicable bankruptcy, insolvency, moratorium or other similar law affecting creditors' rights or consents to, or acquiesces in the filing of any such petition;
- j) **"Foundation"** means the British Columbia not for profit society which may be created by the City for the purpose of sourcing and securing grants and other funding for the Oval;
- k) **"Games"** means the 2010 Olympic and Paralympic Winter Games to be held in and around Vancouver in 2010;
- l) **"Games Exclusive Use Period"** means December 1, 2009 until the date of delivery of the care, custody and control of the Oval to the City following the 2010 Olympic and Paralympic Games, such delivery to occur not later than April 1, 2010;
- m) **"Games Venue Agreement"** means the agreement between the City of Richmond and VANOC made as of March 31, 2005 setting out the terms and conditions under which the Oval will be developed and used for the Games, as amended;
- n) **"Lands"** means those lands in the City of Richmond legally described as PID: 027-090-434, Lot 8, Section 6, Block 4, North Range 6, West New Westminster District Plan BCP30383;
- o) **"Laws"** means all applicable municipal, provincial and federal laws, bylaws, regulations and policies;
- p) **"Legacy Suite"** means the approximately 5,000 square foot area located along the East end of the Oval, on the second floor;

- q) "Lot 5" means those lands and premises legally described as PID: 027-090-400, Lot 5, Section 6, Block 4, North Range 6, West New Westminster District Plan BCP30383 (as shown in bold outline on the plan attached hereto as Schedule "A");
- r) "Lot 6" means those lands and premises legally described as PID: 027-090-426, Lot 6, Section 6, Block 4, North Range 6, West New Westminster District Plan BCP30383 (as shown in bold outline on the plan attached hereto as Schedule "A");
- s) "Olympic Agreements" means the Games Venue Agreement, the Venue Use Agreement, and any other agreements entered into by the City with VANOC or any third party, at any time, respecting use of the Oval for the Games or post Games use, operation or retrofitting of the Oval in the legacy configuration;
- t) "Oval" means, collectively, the Lands and the oval building and all structures, landscaping and improvements and any additions, renovations, repairs or alterations thereto which are, from time to time, located, constructed upon or affixed or appurtenant to the Lands;
- u) "Oval Parking Easement Agreement" means the agreement between, inter alia, the City, Oval 5 Holdings Ltd. and Oval 6 Holdings Ltd. made as of July 10, 2007 and registered in the Land Title office under number BB423513;
- v) "Plazas" means the "Legacy Plaza, "Riverside Plaza" and the "Waterworks Plaza" located on the Lands, all as identified on the plan attached hereto as Schedule "A";
- w) "Prime Rate" means the annual percentage rate of interest established from time to time by RBC Royal Bank, Vancouver, British Columbia as the base rate that will be used to determine rates of interest charged by it for Canadian dollar loans to customers in Canada and designated by RBC Royal Bank as the prime rate;
- x) "Representative" means the person appointed by each of the City and the Company, from time to time, in the event a Representative is required for the purposes of the resolution of any dispute in accordance with Section 14.6;
- y) "Special Waste" means "Special Waste" as defined in the *Environmental Management Act* (British Columbia) and in the *Hazardous Waste Regulation* under the *Environmental Management Act* (British Columbia) as amended or replaced, from time to time;
- z) "Taxes" means all taxes, rates, duties, levies, and assessments whatsoever, whether municipal, parliamentary, or otherwise, that are levied, imposed, or assessed against or in respect of the Oval or upon the Company in respect of the Company's activities, or that are from time to time levied, imposed, or assessed in the future in addition or in lieu thereof;
- aa) "Term" has the meaning set out in Section 3;

- bb) "Trust Fund" means the 2010 Games Operating Trust pursuant to the 2010 Games Operating Trust Agreement between the Province of British Columbia and the 2010 Games Operating Trust Society, dated March 31, 2004 as amended;
- cc) "VANOC" means the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games; and
- dd) "Venue Use Agreement" means any agreement between the City and VANOC setting out the terms of use of the Oval and the lands supplementing the terms of the Games Venue Agreement.

2. GRANT OF LEASE AND OPERATING OBJECTIVES

2.1 Grant of Lease

In consideration of the payment of \$1.00 by the Company to the City and of the covenants and conditions on the part of the Company to be performed and observed, the City hereby leases the Oval to the Company for and during the Term and any renewals thereof. There will be no over holding under this lease.

2.2 Operating Objectives

The Company will operate the Oval solely for the purposes of carrying out its obligations under this Agreement. Without limiting the generality of the foregoing, the objectives of the City and the Company with respect to the long-term use and operation of the Oval include but are not limited to the following:

- (a) the Oval will be developed, used and promoted for a training and competition facility for high performance sport;
- (b) the Oval will provide facilities, programs and services for quality sport, fitness, recreational uses and wellness services for the Richmond community, neighbouring communities and the general public;
- (c) the Oval will provide facilities for non-sporting, community and entertainment events; and
- (d) the Oval will provide ancillary commercial, retail, health and wellness services to enhance its use in respect of the activities set out above.

2.3 Completion of Construction and Retrofitting of the Oval

The Company acknowledges and agrees that construction and outfitting of the Oval for pre-Games and Games-time use will not be completed as of the effective date of this Agreement. The City estimates that the preliminary configuration of the Oval will be substantially completed by November 30, 2008, for use by the City pre-Games and by VANOC during the Games Exclusive Use Period. Following the Games the Oval will be retrofitted to the post Games legacy configuration. The City hereby reserves the right to

enter onto the Oval, along with workers, equipments, supplies, vehicles and machinery, during the Term:

- (a) to complete construction and outfitting of the Oval as well as preparing the Oval for use and occupation by VANOC for the Games pursuant to the Olympic Agreements;
- (b) to address warranty or guarantee issues for Oval construction, outfitting and retrofitting;
- (c) to comply with any statutory or legal obligations related to the Oval which are not assigned or fully assigned by the City to the Company; and
- (d) upon completion of VANOC's use and occupation of the Oval, to retrofit the Oval to the post-Games legacy configuration, as agreed upon, and funded, by the City in its sole discretion,

and the Company acknowledges and agrees that such construction, outfitting and retrofitting (the "Work") may interfere with, interrupt or prevent the normal operations of the Oval. The parties agree to work cooperatively and reasonably to schedule the Work to reasonably minimize the impact on normal Oval operations without unreasonably increasing the cost of the Work provided that the Capital Works Committee will have the final decision regarding the timing of City access prior to completion of the retrofitting of the Oval for post-Games legacy conversion and any access thereafter must be as mutually agreed by the parties. Notwithstanding the foregoing, the Company will not be entitled to compensation for any inconvenience, nuisance, loss of revenues, profits or economic loss of any kind suffered by the Company, Company Personnel, and/or third parties including, without limitation, event owners or operators and the Company's consultants, contractor's, licensees and tenants, due to the Work, or any failure to conduct the Work. The City agrees to reasonably consult with the Company when developing the plans and specifications for the post-Games legacy configuration.

2.4 Use of the Oval

- (a) The Company will not use or operate or knowingly permit any person to use or operate the Oval for any purpose inconsistent with or contrary to the operating objectives set out in Section 2.2.
- (b) After consultation with the City, the Company will develop and implement annual programming, addressing, without limitation, the following:
 - (1) high performance, professional and amateur sport;
 - (2) community and recreational sport including, without limitation, wellness and fitness;
 - (3) community, entertainment and non-sporting events;

- (4) volunteer involvement and community consultation;
 - (5) commercial operations including retail and food service operations;
 - (6) promotional activities and publications;
 - (7) role and involvement of City officials in public events;
 - (8) sports medicine and sport sciences and wellness services; and
 - (9) ancillary and related activities and services.
- (c) The Company will ensure that a significant portion of the Oval programming and use is available to the general public.

2.5 City Use of the Plazas

The Company acknowledges and agrees that the City may wish to book the Plazas (or any portion thereof at the option of the City) for City and/or community uses for up to eighteen (18) days each year of the Term. The City may cancel its bookings without penalty provided that the cancellation is made at least ninety (90) days prior to the event. The City will pay the lowest prevailing rate the Company is charging other customers in accordance with its usual practices. This right to book the Plazas is subject to, and cannot usurp, any confirmed bookings made by the Company prior to receipt of the written request from the City.

2.6 City Use of the Legacy Suite

The Company acknowledges and agrees that the City may wish to book the Legacy Suite for City and/or community uses for up to seven (7) days each year of the Term. The City may cancel its bookings without penalty provided that the cancellation is made at least ninety (90) days prior to the event. The City will pay the lowest prevailing rate the Company is charging other customers in accordance with its usual practices. This right to book the Legacy Suite is subject to, and cannot usurp, any confirmed bookings made by the Company prior to receipt of the written request from the City.

2.7 City Use of the Oval

The Company acknowledges and agrees that the City may wish to book the Oval (or any portion thereof at the option of the City) for City and/or community uses for up to seven (7) days each year of the Term. The City may cancel its bookings without penalty provided that the cancellation is made at least ninety (90) days prior to the event. The City will pay the lowest prevailing rate the Company is charging other customers in accordance with its usual practices. This right to book the Oval is subject to, and cannot usurp, any confirmed bookings made by the Company prior to receipt of the written request from the City.

3. TERM

3.1 Initial Term

The term of this Agreement will be for a period of twenty-five (25) years commencing as of July 1, 2008 unless earlier terminated in accordance with the terms and conditions of this Agreement (the "Term").

4. POWER AND AUTHORITY OF COMPANY

4.1 General Authority

The Company will have the general power to manage and operate the Oval in furtherance of its obligations under this Agreement and will have authority to use and occupy the Oval, contract for its use and occupancy by others and generally to perform all other acts reasonably necessary for the proper operation and management of the Oval.

4.2 No Agency or Employer Relationship

The parties acknowledge that in entering into this Agreement pursuant to Section 21 of the Community Charter, the Company in operating the Oval has and will have the status of a separate legal entity and that nothing in this Agreement will contemplate or constitute for any purpose the Company as a legal agent or partner of the City or will render the Company's employees as agents or employees of the City, except where otherwise expressly stated herein.

4.3 Third Party Agreements

Except as otherwise provided in this Agreement, the Company will have the authority to enter into third party agreements including, without limitation, leases, licenses, equipment and supply agreements, event agreements and sponsorship agreements, provided that such agreements are in respect of the Company's performance of its obligations under this Agreement and in accordance with its terms and conditions. The Company will be solely responsible for the negotiation and performance of all such agreements. The Company will ensure that all agreements entered into by the Company with third parties will permit the assignment of such agreement to the City, without the consent of the other party, to permit the Company to comply with the terms of Section 13.4 in the event this Agreement expires or is terminated.

5. COMPANY OBLIGATIONS

5.1 Operate Oval

During the Term and any renewals thereof the Company will use, occupy, maintain, manage and perform all other acts necessary to operate the Oval in a proper, efficient and prudent manner in compliance with all applicable laws.

Without limiting the generality of the foregoing, the Company will be responsible for the following:

- (a) ongoing planning for the continued use of the Oval in accordance with Section 2 including short-term and long-term strategic planning;
- (b) general administration of the Oval facilities;
- (c) establishing hours of operation;
- (d) establishing admission and rental fees and ensuring that subsidized opportunities exist for admissions, rental fees and programming to address financial barriers to participation;
- (e) providing equipment, supplies and all other items necessary for the delivery of programs, events and activities;
- (f) marketing the Oval and promoting it as a venue for sports events and corporate and community programs;
- (g) leasing space in the Oval to third party tenants;
- (h) security for the Oval; and
- (i) fundraising.

5.2 Maintenance and Repair

The Company will be responsible, at the Company's cost, for repairing, constructing, updating and replacing all components of the Oval and for maintaining such components at all times in good and safe working order and repair including:

- (a) following a reasonable, cost-effective preventative maintenance program for the purpose of maximizing building and component life cycles;
- (b) providing for the prompt repair of the Oval, or any part thereof damaged or deteriorated by any cause whatsoever from its original condition, in accordance with its original design, as near as reasonably possible;
- (c) subject to Subsection 5.2(d), providing for the prompt replacement or reconstruction of the Oval, or any part thereof damaged or deteriorated by any cause whatsoever from its original condition, in accordance with its original design, as near as reasonably possible;
- (d) notwithstanding subsection (a) and (b), not undertaking any major, in the opinion of the Capital Works Committee, structural alteration or alteration to the exterior of the oval building or the Lands without the prior written approval of the City; and

- (e) completing any repairs for which the City has provided notice within 10 days if the City has identified the repairs as being in regard to a public or building safety issue, or in all other events, within 30 days or within such reasonable period as the City may advise.

5.3 City Inspections

The City may, upon delivery of not less than twenty-four hours written notice (except in the case of a real or apprehended emergency, when no notice will be required), enter onto the Oval to:

- (a) confirm whether the provisions of this Agreement are being complied with; and
- (b) exercise any rights of the City under this Agreement.

5.4 Performance of City Obligations and Commitments

- (a) The City has entered into, or will enter into, agreements relating to the design, construction, outfitting, use and operation of the Oval prior to January 31, 2008 (the "Existing Agreements"). The City also expects to enter into further agreements related to the design, construction, retrofitting and outfitting of the Oval for the conversion to post-Olympic Games configuration, use and operation of the Oval by VANOC and other Olympic related parties prior to and during the Games Exclusive Use Period, commitments and obligations regarding programming of the Oval to support funding under the Trust Fund, amendments of, or agreements related to the Olympic Agreements, and sponsorship and/or naming rights for the Oval (the "Future Agreements"). The Company acknowledges and agrees that the Existing Agreements and the Future Agreements will be delivered to the Company, from time to time, and the City will assign the Existing Agreements and the Future Agreements to the Company. The Company agrees to immediately accept such assignments.
- (b) The City has entered into discussions regarding hosting those events set out in Schedule "C" at the Oval. The Company agrees to undertake the negotiations required to attempt to secure such events. The Company acknowledges and agrees that the events specified in Schedule "C" as mandatory events must be hosted by the Company at the Oval.
- (c) The City has entered into discussions regarding use of the Oval by the organizations set out in Schedule "D". The Company agrees to undertake negotiations with such organizations and to make reasonable efforts to provide them with access to the Oval.

5.5 Oval Parkade – Use by Lot 5 and Lot 6

- (a) The parties acknowledge that the parking lot located in the oval building will be operated in compliance with the terms of the Oval Parking Easement Agreement. The Oval Parking Easement provides inter alia, that up to 200 parking spaces in the Oval will be for the use of the owners, tenants and invitees of adjacent Lot 5 and Lot 6 on the terms set out in the Oval Parking Easement Agreement.
- (b) The City received Six Million Five Hundred Thousand (\$6,500,000) Dollars as prepaid revenue pursuant to the Oval Parking Easement Agreement (the "Parking Funds"). The City, in consultation with the Company, will determine an appropriate formula for use and payment of the Parking Funds, any transfer of such Parking Funds will be subject to City Council approval.

5.6 Removal of Ice and Snow from Sidewalks

The Company will keep the public driveways, walkways, open spaces, plazas and sidewalks of the Lands reasonably clear of ice and snow in accordance with applicable City bylaws.

5.7 Maintaining the Oval's LEED Silver Certification

The Company will maintain, repair and operate the Oval to ensure compliance with any LEED Canada Silver level certification issued for the Oval building by the Canada Green Building Council.

5.8 Staffing

The Company will be responsible for the Oval staffing functions including but not limited to recruitment, training, labour management, contract negotiation, remuneration and benefits, and scheduling of qualified personnel for the delivery of programs and services and all other functions necessary for the operation of the Oval.

5.9 Information Technology Systems

The Company will maintain in good working order and upgrade as needed, computer, telecommunication, security and building automation systems for the Oval. The Company will operate a computer-based registration and reservation booking system which is compatible with, yet can operate independently from, the system utilized by the City for its recreational programming.

5.10 Compliance with Laws

The Company will observe and comply with all Laws applicable to the Oval and the Company's use, occupation and operation of the Oval.

5.11 Removal of Contaminants

The City agrees that the Company will not be responsible for any Contaminants existing on the Oval as of the commencement of the Term. The Company will not bring, release, dump or spill (collectively "Release") upon the Oval or any part thereof, or cause or suffer the Release upon the Oval or any part thereof, of any Contaminants. If at any time any Contaminants are, to the Company Personnel's knowledge, brought upon, released, dumped or spilled on the Oval or a part thereof, the Company will, at its own expense:

- (a) immediately, and in any event within seventy-two (72) hours, give the City written notice to that effect and thereafter give the City from time to time written notice of the extent and nature of the Company's compliance with the following provisions of this Section 5.11;
- (b) promptly remove the Contaminants from the Oval in a manner which conforms with all Environmental Laws; and
- (c) if requested by the City, obtain at the Company's cost and expense from an independent consultant approved by the City verification of the complete and proper removal of the Contaminants from the Oval.

5.12 Breach of Environmental Laws

Without limiting the generality of Section 5.10 or Section 5.11:

- (a) the Company will immediately, and in any event within seventy-two (72) hours of Company Personnel becoming aware of the occurrence of an event, give written notice to the City of the occurrence of any event within the Oval constituting an offence under or a breach of any applicable Environmental Laws, and at its own cost and expense, comply with all Environmental Laws and will immediately give written notice to the City of the occurrence of any event within the Oval constituting an offence thereunder.
- (b) the Company will, at its own expense, remedy any damage to the Oval caused by such event within the Oval or by the performance of the Company's obligations under this Section 5.12 as a result of such occurrence; and
- (c) if any governmental authority having jurisdiction requires the cleanup of any Contaminants held, released, spilled, abandoned or placed upon the Oval or released into the Environment from the Oval during the Term, or any renewals thereof, then the Company will, at its own expense, prepare all necessary studies, plans and proposals and submit the same for approval, provide all bonds and other security required by governmental authorities having jurisdiction and carry out the work and will keep the City fully informed and provide to the City full information with respect to

proposed plans and comply with the City's requirements with respect to such plans and the Company agrees that if the City determines, in its sole discretion, that the City, its property or its reputation is placed in any jeopardy by the requirement for any such work, the City may itself undertake such work or any part thereof at the cost and expense of the Company.

5.13 Annual Public Information Meeting

The Company will hold an annual information meeting providing members of the public with the opportunity to meet the Company's directors and senior officers and to review and ask questions about the Company's activities and directions, in accordance with the requirements of the Inspector of Municipalities.

5.14 Property, School and Metro Vancouver Taxes

The City will endeavour to have the Company's operations of the Oval (excluding the operations of third parties) exempted from property, school and other non-municipal taxes. Alternatively, the City will consider granting a permissive tax exemption to the Company for property taxes for a period of ten (10) years. In the event that Oval operations are not exempt from such taxes, the Company will be responsible for the payment of any applicable taxes.

5.15 Sponsorship

The Company will be responsible for securing sponsors for the Oval and will complete the sponsorship process contemplated and initiated by the City. The City will brief the Company on the sponsorship decisions, commitments and initiatives for the Oval undertaken by the City to date. Notwithstanding the foregoing, the Company will not name, or grant naming rights in respect of, the Oval itself or any portion of the Lands, without the prior approval of City Council.

6. CITY RESPONSIBILITIES, FINANCIAL SUPPORT AND WARRANTIES

6.1 City Financial Support

Subject to Council approval, the City will, from time to time, for the first fifteen (15) years of the Term, provide financial support to the Company to assist the Company in carrying out its obligations under this Agreement. Such financial support will be on such terms and conditions as may be agreed upon by the City and the Company from time to time. The parties acknowledge and agree that for the years 2010, 2011 and 2012 the annual financial support will not be less than One Million Five Hundred Thousand (\$1,500,000) Dollars per year indexed annually in accordance with the annual average percentage change of the Vancouver Consumer Price Index. In exchange for this financial support, the Company will provide value-in-kind benefits to the City equal to the amount of the financial support.

Commencing in 2013, the Company may apply to the City, through the City's normal budgeting process, for funding it requires above One Million Five Hundred Thousand (\$1,500,000) Dollars per year and the City will assess the requested grant.

Following expiry of the first fifteen (15) years of the Term, any financial assistance provided by the City pursuant to this Section 6.1 will be as determined by the City, in its sole discretion. The Company may approach the City not less than 12 months prior to the expiry of the first fifteen (15) years of the Term, with a request for clarification by the City on the amount of financial assistance, if any, the City is willing to provide during the balance of the Term and the City will, within five (5) months of receipt of such request, advise the Company of the amount of financial assistance, if any, the City is willing to provide to the Company for the balance of the Term.

6.2 Games Operating Trust Funding

VANOC, the Federal government and the Provincial government have established the Trust Fund, inter alia, to provide ongoing financial support for the Oval. In order to obtain such financial support the City and the Company must comply with any existing or future agreements, policies or disbursement guides entered into or agreed to by the City with respect to the Trust Fund. The parties agree that the Company will have primary responsibility for ensuring compliance with the Trust Fund requirements and will, at its cost, annually track performance against such requirements and, in consultation with the City, prepare any applications, reports or other documentation required in order to obtain the annual funding. The City will have primary responsibility for submitting the annual application for funding to the 2010 Games Operating Trust Society and upon receipt of any funds from the Trust Fund, will pay the funds to the Company within thirty (30) days of receipt thereof.

6.3 Warranties and Guarantees

- (a) The City may assign to the Company assignable warranties and guarantees in respect of the construction, outfitting and/or legacy retrofitting of Oval. The City will inform the Company in a timely manner with respect to any notice received by the City as to applicable warranties and guarantees for the Oval including, but not limited to, notices provided to the City by third party building, equipment and contracting service providers; and
- (b) The Company will ensure that any warranties or guarantees received by the Company related to the Oval during the Term, from any third parties, are assignable to the City, without the prior consent of the other party, in accordance with Section 13.4 in the event this Agreement expires or is terminated.

6.4 Completion of the Oval

The City is fully responsible for completing construction of the Oval in the pre-Games configuration and for reconfiguring the Oval into the post-Games legacy configuration, at the City's cost, in the configurations approved by City Council.

7. ACCOUNTING AND FINANCIAL REPORTING

7.1 Maintenance of Accounting Records

- (a) The Company will maintain at its cost a general ledger accounting system for the purposes of recording all financial transactions during the Term, and any renewals thereof. Such system will be capable of producing financial statements in accordance with generally accepted accounting principles. City Personnel will have access at all reasonable times to inspect, audit, examine and copy such accounting records; and
- (b) Any accounting records, whether electronic or hardcopy, must be retained, in an orderly and auditable fashion, by the Company for a minimum of 7 years following the end of the fiscal year-end of which they are created. No such records will be disposed of or destroyed after 7 years without the prior written approval of the City.

7.2 Annual Financial Reporting

The Company will prepare and deliver to the City, for City Council's information, on an annual calendar year basis, audited financial statements prepared in accordance with generally accepted accounting principles, no later than April 30 of the following fiscal year of the Term, and any renewals thereof.

7.3 Financial Reporting Requirements

During the Term, and any renewals thereof, the Company will prepare and deliver to the City, for City Council's information, financial reports, at dates to be determined by the City, on the financial matters of the Company. The financial reports will include, but not be limited to:

- a) the annual business plan;
- b) the annual operating and capital budgets;
- c) the annual audited financial statements prepared in accordance with generally accepted accounting principles;
- d) quarterly comparisons of budgeted to actual results; and
- e) quarterly projected annual financial statements to fiscal year-end with comparison to budget.

7.4 Annual Report to the City

The Company will prepare and submit an annual report to the City, for City Council's information, no later than April 30 of the following fiscal year of the Term, and any renewals thereof, and prior to the annual general meeting of the Company. The annual report will be prepared with the expectation that it will become a public document and should include the information specified in Schedule "E".

8. FINANCE

8.1 Revenue and Expenditure

- (a) All revenue obtained from Oval operations will become the property of the Company. The Company covenants and agrees that all revenue will be used exclusively for meeting the mandate of the Company as set out herein. Any exception to this clause will be subject to prior agreement between the Company and the City.
- (b) The Company will be responsible for all operational costs and expenses incurred including, without limitation: all wages and staffing costs; utility costs; Taxes where applicable, and maintenance and capital expenditures.
- (c) The accumulation of retained earnings or deficit will be the responsibility of the Company.
- (d) As of fiscal year 2011, the Company will, at the end of each fiscal year, allocate from shareholder's equity, funds to:
 - (i) a Sustaining Capital Reserve to be used solely for the purposes of funding purchases of replacement equipment, and minor and major capital repairs and rehabilitation; and
 - (ii) an Operating Capital Reserve to be used solely for the purposes of initiating new capital projects, purchasing new equipment and upgrading existing buildings, equipment and mechanical systems,(collectively the "Reserves").

The amount allocated to the two Reserves will be represented by a like cash amount to be held and invested in a capital reserve account separate from the Company's operating bank accounts. In fiscal year 2011 the total contribution to the two Reserves will be not less than One Million Seven Hundred Thousand (\$1,700,000) Dollars. The allocation of the One Million Seven Hundred Thousand (\$1,700,000) Dollars between the two Reserves will be determined by the Company. In the following fiscal years the amount of the contribution to the Reserves will be determined on an annual basis by the Capital Works Committee.

- (e) The Company will consult with the Capital Works Committee on all capital reserve projects related to the Oval over two hundred and fifty thousand (\$250,000) dollars and/or which require a building permit, including projects to be funded from the Reserves. If such capital project is to be funded, in whole or in part, by funds provided by the City, the final decisions regarding scope, purpose, quality and cost of such project will be made by the Capital Works Committee. If a capital project is not to be funded in whole or in part by the City, the Capital Works Committee must be consulted, but all final decisions may be made by the Company Board of Directors, provided that no capital project, regardless of the source of the funding, may result in a decrease in funding by the Trust Fund.
- (f) A committee (the "Capital Works Committee") comprised of two (2) representatives from the City and two (2) representatives from the Company will be formed by the parties and will be responsible for determining the amount to be allocated on an annual basis to the capital reserve pursuant to Section 8.1(d). The parties will cause their representatives or their alternates to attend and where applicable, vote, at all scheduled meetings of the Capital Works Committee. A quorum for meetings of the Capital Works Committee will be two (2) representatives of the City and two (2) representatives of the Company (i.e. all of the representatives as initially constituted). Decisions of the Capital Works Committee will be by simple majority vote. If the Capital Works Committee is deadlocked with respect to any matter, the matter will be referred to the Chief Administrative Officer of the City who will resolve the matter. The Chief Administrative Officer's decision will be final.

8.2 Transactions between the City and the Company:

- (a) Upon mutual agreement by the City and the Company, either party may provide goods or services to the other party in the normal course of operations including, but not limited to:
 - (i) items of furniture, fixtures and equipment;
 - (ii) accounting and bookkeeping;
 - (iii) human resources and personnel;
 - (iv) management and administration;
 - (v) repairs and maintenance, landscaping and gardening;
 - (vi) legal and professional;
 - (vii) programming;

- (viii) purchasing; and
- (ix) information technology.

Such transactions will be measured at the carrying amount being the amount of an item or cost of the services (including wages and benefits if applicable) as recorded in the books of the transferor plus an administration fee at the City's prevailing rate for such goods or services.

- (b) From time to time the parties may enter into transactions not in the normal course of operations including, but not limited to:
 - (i) lending or granting of money;
 - (ii) sale, purchase, lease or transfer of capital assets; or
 - (iii) issue or redemption of capital.

Such transactions will be measured at the exchange amount being the amount of consideration received as agreed to by the related parties.

9. INDEMNITY AND RELEASE

9.1 Indemnity by the Company

- (a) The Company will indemnify and save harmless the City and City Personnel from any damages, losses, liabilities, claims, charges, liens, judgements, courts orders, penalties, fines, costs and expenses (including legal fees on an indemnity basis) of any nature and kind whatsoever and howsoever arising, whether under statute or contract, at common law or equity (collectively, the "Losses") that the City or City Personnel may pay sustain, incur, suffer or be put to which arise out of or that would not or could not have occurred "but for":
 - (i) the rights and obligations of the Company under this Agreement;
 - (ii) the occupation, use and operation of the Oval by the Company, Company Personnel and any invitees, consultants, contractors, licensees or agents of the Company;
 - (iii) the negligent acts or omissions of the Company, Company Personnel and any invitees, consultants, contractors, licensees or agents of the Company ;
 - (iv) the presence of any Contaminants on the Oval arising during the Term, or any renewals thereof; and

- (v) any breach by the Company and/or the Company Personnel of any term of this Agreement.

This indemnity will survive expiry or sooner termination of this Agreement.

- (b) Neither the provision of insurance by the Company in accordance with the requirements of this Agreement nor the insolvency, bankruptcy or the failure of any insurance company to pay any subsequent claim will be held to relieve the Company from any other provisions of this Agreement with respect to the liability of the Company or otherwise.

9.2 Release

The Company hereby releases the City and City Personnel from any and all Losses incurred or suffered by the Company which arise directly or indirectly out of or that would not or could not have occurred "but for" the rights and obligations of the Company under this Agreement or the use and operation of the Oval by the Company. This release will survive expiry or sooner termination of this Agreement.

9.3 Indemnity by the City

The City will provide an indemnity to the Company's Board of Directors on terms and in a form acceptable to the City. The City will grant such indemnity to each director in a separate agreement.

10. INSURANCE

10.1 Company's Insurance

The Company will obtain and maintain, and at its own cost, at all times during the Term and any renewals thereof, the following:

- (a) property insurance on an "All Risks" basis, including flood and earthquake exposures and including increased costs of construction due to by-laws, in an amount equal to the full replacement value thereof, on all property and buildings comprising the Oval as well as all contents, tenant's improvements, chattels and equipment;
- (b) commercial general liability insurance including coverage for contractual liability, in the name of the Company and the City to cover the functions of both parties in the management and operation of the Oval including, without limitation for personal injury, death or property damage or other third party or public liability claims arising from any accident or occurrence; and
- (c) sudden and accidental pollution and environmental impairment insurance.

Such insurance will:

- (c) include the City as additional insured (without any rights of cross claim or subrogation against the City and City Personnel and will contain a broad "cross liability" and severability of interests clause);
- (d) be obtained and issued by insurance companies authorized to carry on business in the Province of British Columbia in a form, amount and on terms satisfactory to the City's Manager, Purchasing and Risk as established from time to time during the Term or any renewals thereof;
- (e) be primary insurance as it respects the City and any insurance of self-insurance maintained by the City will be in excess of this insurance and will not contribute to it; and
- (f) contain a provision that coverages afforded will not be suspended, voided, reduced or materially altered or changed without the insurance companies giving at least thirty (30) day's prior written notice by registered mail to the City.

10.2 Copies of Insurance Coverage

The Company will provide the City with evidence of all insurance to be taken out under this Agreement in the form of a detailed certificate of insurance as soon as reasonably practicable. The certificate of insurance will identify this Agreement's title, effective date, policy holder and contract subject-matter and must not contain any disclaimer whatsoever which is contrary to this Agreement. At all times thereafter, during the Term, and any renewals thereof, the Company agrees to comply with all of its obligations under such policies and will not violate or void any policy. Proof of insurance, in the form of a certificate of insurance, will also be delivered to the City's Manager, Purchasing and Risk at any time upon request by the Manager, Purchasing and Risk.

10.3 Insurance May be Maintained by City

The City and the Company agree that should the Company at any time during the Term and any renewals thereof, fail to obtain and maintain the requisite insurance in good standing or deliver certificates as required by this and any renewals thereof, Section 10, then the City, although not obliged to do so, may obtain and maintain any such insurance in such amount or amounts with such deductible amounts and for such period or periods of time as the City deems advisable; and the Company will reimburse the City within thirty (30) days after receipt of any invoice from the City for any amounts incurred by the City to effect such insurance.

11. BUILDERS AND OTHER LIENS

11.1 Compliance with Builders Lien Act

In connection with all labour performed on, or materials supplied to the Oval, the Company will comply with all the provisions of the *Builders Lien Act*, R.S.B.C. 1997, c. 45, and other statutes from time to time applicable thereto (including any provision

requiring or enabling the retention of portions of any sums payable by way of hold-backs).

11.2 Discharge of Liens

If and whenever any:

- (a) builders liens or other lien for work, labour, services, or materials supplied to or for the Company or for the cost of which the Company may be in any way liable, or claims therefore arise or are filed; or
- (b) any lien, judgment or other encumbrance is filed against the City's interest in the Lands as a result or arising out of this Agreement,

then the Company, will within fifteen (15) days after becoming aware of such lien(s) or upon receipt of notice thereof, procure the discharge thereof, including any *lis pendens* registered in respect of any lien, by payment or giving security or in such other manner as may be required or permitted by law. Provided however, that in the event of a bona fide dispute by the Company of the validity or correctness of any claim for any such lien, the Company will not be bound by the foregoing, but will be entitled to defend against the same in any proceedings brought in respect thereof after first paying into a court of competent jurisdiction the amount claimed or sufficient security therefor, and such costs as the court may direct.

12. ENCUMBRANCES

12.1 No Encumbrances Allowed

The Company will not allow any encumbrances, to be registered against the Lands whether arising by reason of any work, labour, service or materials supplied or claimed to have been supplied to the Company or arising out of the acts of, or attributed to, the Company. For the purposes of this Agreement, encumbrances include any judgment, mortgage, lien, Crown debt, or other financial claim against the Oval created or given for any purpose, whether voluntary or involuntary. If any encumbrance as prohibited by this Section 12 becomes registered, the Company will immediately take all reasonable actions, including making payments into court, to remove such encumbrance. If the registered encumbrance is not removed within a reasonable period of time, the City has the right to take immediate action to have the encumbrance removed and any costs incurred by the City in respect thereof will be charged to the account of the Company.

12.2 Mortgage of Lease

The lease granted herein may not be mortgaged or otherwise encumbered except by way of subleases of portions of the Oval to tenants.

12.3 Registration of Lease

The City will register a short form of the lease contained herein in the Land Title Office.

13. DEFAULT

13.1 Events of Default

Any one or more of the following events will constitute an "Event of Default" (whether any such Event of Default will be voluntary or involuntary or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- a) the failure by the Company to make any payment due under this Agreement;
- b) the failure by the Company to perform or observe any of the covenants, conditions or agreements to be performed or observed by the Company hereunder; and
- c) any Event of Insolvency.

13.2 Remedies Upon Default

If an Event of Default occurs and such default is not cured, the City may give notice of such Event of Default, which notice will contain:

- a) details of the Event of Default; and
- b) at least a thirty (30) day time limit within which the Event of Default must be cured.

If the Event of Default is not cured to the satisfaction of the City, acting reasonably, within the time limit specified in the notice or, if the default cannot reasonably be cured within such time limit, if the Company is not diligently working to cure such default, the City may, in its sole discretion:

- c) cure the default at the sole cost of the Company and the Company will pay to the City the costs of curing same plus an administrative overhead fee not to exceed fifteen percent (15%); or
- d) terminate this Agreement by delivery of written notice thereof to the Company.

13.3 Termination on Damage or Destruction of Oval

If the Oval is substantially damaged or destroyed to the extent that the Oval or a substantial portion of the Oval is rendered unusable by the Company or convenient access to the Oval cannot be had, all as determined by the City in its sole discretion, the City may, at its option, elect to not restore the Oval and may terminate this Agreement. Such termination will not operate so as to relieve the Company of any liability arising from such damage or destruction. There will be no compensation to the Company on account of such termination.

13.4 Transfer of Oval and Company Assets Upon Termination

In event of the expiry of this Agreement or in the event of termination of this Agreement pursuant to this Section 13, the Company will, within ninety (90) days of receipt of written notice from the City:

- a) transfer all right, title and interest in and to all assets, fixtures, chattels and equipment of the Company to the City; and
- b) assign all leases, licences, warranties, guarantees and agreements or contracts of any kind related to the Oval to the City.

in a form and manner acceptable to the City and the Company will cease all use and operation of the Oval.

13.5 Remedies Non-Exclusive

No remedy herein is intended to be exclusive. Each and every remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The exercise or commencement or exercise by the City of any one or more of such remedies will not preclude the simultaneous or later exercise by the City of any or all other such remedies.

13.6 Waiver

The City may by written instrument in its absolute discretion at any time and from time to time waive any breach by the Company of any of the covenants herein. No course of dealing between the Company and the City nor any delay in exercising any rights hereunder or under any other security will operate as a waiver of any further rights of the City.

14. GENERAL

14.1 Notices

Communications in writing between the parties when addressed or directed to the parties at the address and facsimile address as noted hereunder is effective on the date of delivery if delivered personally or by commercial courier, or on the third (3) business day of the date of mailing if sent by mail or postage prepaid or facsimile transmission record if sent by facsimile. If sent to the City:

City of Richmond
6911 No. 3 Road
Richmond, B.C.
V6Y 2C1

Attn: General Manager of Parks, Recreation and Cultural Services

Fax: 604-276-4222

If sent to the Company:

0827805 B.C. Ltd.
6111 River Road
Richmond, BC V7C 0A2

Attn: John Mills, General Manager

Fax: 778-296-1429

14.2 Amendments

This Agreement may be amended by mutual written agreement of the parties.

14.3 Governing Law

This Agreement and the use and occupation of the Oval under this Agreement will all be governed by the laws of the Province of British Columbia.

14.4 Severability

If a provision of this Agreement is invalid or unenforceable under the laws of British Columbia, it will be severed from this Agreement and will not affect the validity or enforceability of the remaining provisions of the Agreement.

14.5 Headings

The headings and sub-headings in this Agreement are for convenience of reference only, do not constitute a part of this Agreement and will not be taken into consideration in the interpretation or construction of, or affect the meaning of, this Agreement.

14.6 Disputes

- a) Subject to and excluding: the City's rights of default pursuant to Section 13 of this Agreement; any rights of the City as shareholder; and the duties, rights and obligations of the City as a local government, the parties agree that notwithstanding that any other remedies may be available at law, the parties will resolve any disputes involving only the Company and the City in accordance with this Section 14.6 and neither party will avail themselves of any other legal remedy.
- b) If the parties to this Agreement are unable to agree on the interpretation or application of any provision herein, or are unable to resolve any other issue in dispute pertaining to this Agreement, on notice by either party to the other, the parties agree:
 - (i) First, the parties' respective Representatives will promptly, diligently and in good faith take all reasonable measures to negotiate an acceptable resolution to the disagreement in dispute; and

- (ii) Second, if the parties are unable to negotiate a resolution pursuant to subparagraph (a) above, within ten (10) days of the notice of dispute or disagreement, City staff will make a recommendation to Council regarding the dispute. The Company will be entitled to appear before City Council to make representations regarding the matter. City Council's decision on the matter will be final.

14.7 Assignment and Subcontracting

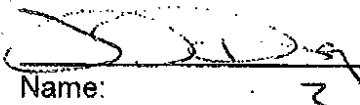
The Company will not subcontract or assign this Agreement.

14.8 Time of the Essence

Time will be of the essence of the Agreement

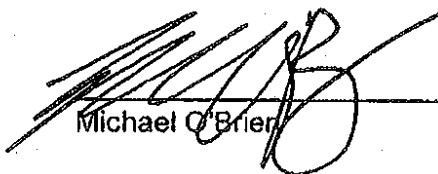
IN WITNESS WHEREOF the parties have caused this Agreement to be made as of July 1, 2008.

CITY OF RICHMOND by its authorized signatory

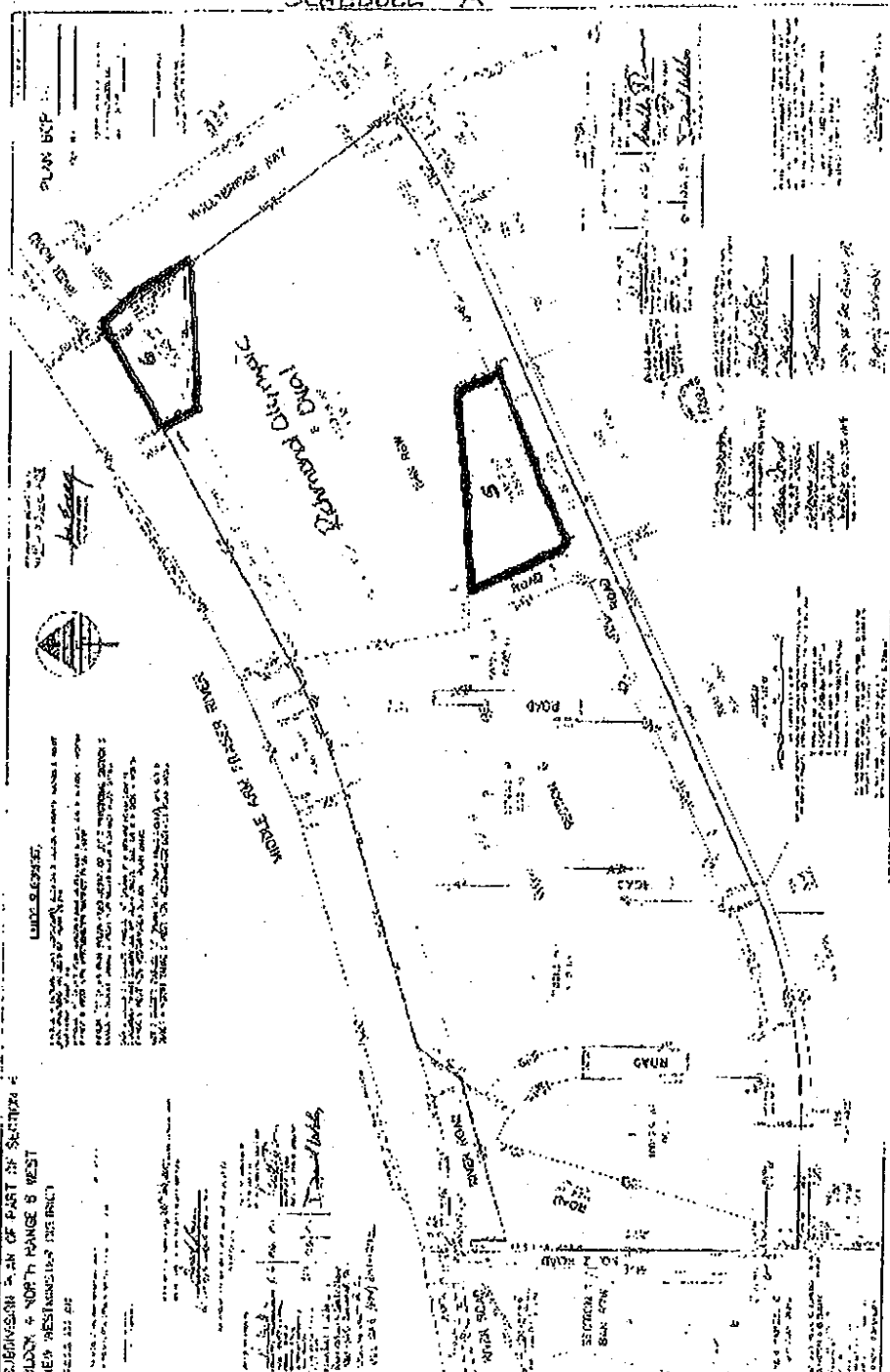

Name: _____

Approved by City Council on November 24, 2008

0827805 B.C. LTD. by its authorized signatory


Michael O'Brien

SCHEDULE "A"



SCHEDULE "B"
PLAN DEPICTING THE PLAZAS

SCHEDULE "C"
EVENT COMMITMENTS

Inventory of Confirmed & Tentative Events - Richmond Oval			
As of July 28, 2008			
Date	Event	Details	Status
2008			
November 18, 2008	World Media Tour	Contact - Ted Townsend and Tracy Lakeman 350-400 International Media in Oval for tour and reception	Tentative
December 12-13, 2008	Oval Grand Opening Celebrations	Winterfest Celebrations to take place on Oval Site Speed Skating Celebration/Extravaganza to be included Speed Skating Canada members invited where possible Inviting all BC clubs to take part in the festivities Contacts: Ann Phelps, Ted Houghton, Sue Spencer	Tentative
December 27-Jan 5	Canadian Single Distance Champs (Speed Skating)	National Championships for Speed Skating Olympic Format	Confirmed Dates TBD
2009			
January 3-4, 2009	Youth Futsal Provincials (Indoor Soccer)	24 Teams (12 Boys/12 Girls) Event to take place on Oval infield To be interlocked with Canadian Single Distance Champs Contact: Roger Barnes	Tentative
January 17-18, 2009	Futsal Fiesta	Contact: Roger Barnes U9-U18 Event / approx 2500 participants 4 Gyms	Confirmed
January 19-23, 2009	Chinese New Year	Pius Chan pius@profilek.com 604 248 2348	Tentative
January 23-25, 2009	BC Speed Skating Championships	Qualifier for Canadian Age Class Champs Contact: Ted Houghton	Confirmed
January 29-30, 2009	Legacy Lives Venue Tours	Sport Event Rights Holders & Leading Pros in Sport Hosting Legacy Lives 2009 Conference Contact: Ian Buckley - 778-327-5155	Tentative
January 30 - February 1, 2009	Canada Cup #2/ Canadian Junior Championships (Speed Skating)	Qualifying event for World Junior Championships 2nd of 3 competitions for Nat'l Jrs or Nat'l B Contact: Ted Houghton	Confirmed
February 4, 2009	Travel Media Association of Canada 2009 Tour and Activity	Contact: Ted Townsend 50-75 looking for a fun, free activity plus tour 7:00 pm - 11:00 pm	Tentative

Inventory of Confirmed & Tentative Events - Richmond Oval (continued)			
As of July 28, 2008			
Date	Event	Details	Status
February 13-14, 2009	Winterfest/Oval Grand Opening Celebration	Winterfest Celebrations to take place on Oval Site Speed Skating Celebration/Extravaganza to be included SSC members invited where possible Inviting all BC Speed Skating clubs to take part in the festivities Contacts: Ann Phelps, Ted Houghton, Sue Spencer	Tentative
February 13-14, 2009	Speed Skating Canada Youth Symposium	Contact: Dawn Currie	Confirmed
February 21-22, 2009	Canadian Masters Championships (Speed Skating)	200+ competitors Age range 20 - 80 Contact: Ted Houghton	Confirmed
March 12-15, 2009	International Skating Union World Single Distance Championships (Speed Skating)	VANOC Event	Mandatory
March 22-26, 2009	Wheelchair Rugby National Team Training Camp	1-2 courts required, 5 hours per day Meeting space for team meetings, individual athlete meetings	Tentative
March 27-29, 2009	Van Invitational WC Rugby Tournament	2-4 courts daily, 12 hrs/day Fri, Sat, Sun Storage for Wheelchairs Meeting space for officials, classification, food services, team prep	Confirmed
April 1 - 5, 2009	Champions Series Tennis	Celebrity Tennis Event Contact: John Rocha	Mandatory
April 16, 2009	Cocktail Reception/Legacy Suite	Gowlings Law Firm Contact: Shane 683-6498 ext 42433 Reception for 200-300 ppl	Tentative
April 17-22, 2009	World Chinese Chess (Xiangqi) Champs	26 Countries - 150/200 delegates/competitors Competition - 5 Days International Media Contact: Paddy Wong & Martin Yeung	Tentative

SCHEDULE "D"

The following are organizations that have expressed interest in access to the Oval for training purposes:

- Canadian Olympic Committee
- Hockey Canada (Oval usage agreement)
- Canadian Wheelchair Sports (Oval as a National training centre for Wheelchair Rugby)
- Badminton BC (Oval as a high performance centre)
- Rowing BC (Oval as a high performance centre)
- Speed Skating Canada/BC Speed Skating Assoc (Oval as a regional training centre for short track – post 2010)
- Volleyball Canada/BC – (Oval as a regional training centre)

SCHEDULE "E"

ANNUAL REPORT CRITERIA

The annual report to the City will include, but not be limited to, the following information:

1. A listing of directors and senior officers with their position and principal occupation;
2. A listing of committees of the Board of Directors and their members;
3. a vision and strategy statement;
4. a letter/report at high level from the Chair to the shareholder on critical elements of the reporting year and the outlook for the next year;
5. a report from the Chief Executive Officer on the year's significant activities;
6. a report in the form of management's discussion and analysis giving an overview on business operations as well as significant developments that have affected the Company's financial condition and results of operations for the current year relative to the past year. This would include discussion of:
 - (a) the various revenues, expenses and activities including high performance sport, fitness and wellness, events, leasing, marketing, sponsorship, the 2010 Games Operating Trust ("GOT") funding and City funding;
 - (b) significant accounting policies and estimates;
 - (c) uncertainties affecting the business such as threatened or actual claims, labour relations; and
 - (d) risk management issues, which may relate to the market for sport and fitness programs, GOT funding, cost escalations, regulatory issues, and safety;
7. a report on the outlook for the ensuing year;
8. a report in standard format from officers of the company on management's responsibility for the internal controls and financial statements;
9. the audited financial statements for the year; and
10. contact information for the Company; address, website, telephone number, contact person.

Fall 2009 Drop-in Fitness Schedule

September 14 – November 30

TIME	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
9:15 am	Pure Step Yoga Flow	Cycling - All Terrain	Morning Jolt Pilates Mat	BOSU Bootcamp	Transform-er	Cycling - All Terrain	10 am Kinesis™ Experience (30 min)
10:30 am	Kinesis™ Experience (30 min)	Cardio & Core	Functionally Fit	Yoga Flow Cycling-All Terrain	Form & Foundation	Yoga Flow Morning Jolt	Cycle & Core
12:15 pm	Six-Pack Abs (30 min)	Transform-er Express (30 min)	Six-Pack Abs (30 min)	Kinesis™ Experience (30 min)	Beginner Yoga Flow		
5:30 pm	Cardio - Kick Bootcamp	BOSU Blast Cycling-All Terrain	30 - 30 - 30 (90 min)	Rock & Row Yoga Flow			
6:30 pm	Row & Ride	Yoga Flow Kinesis™ Experience (30 min)	Rowing Express (30 min)	Hip Hop			
7:00 pm			Cycling Express (30 min)				

Fall 2009 Registered Programs
now available for registration!

Choose from Power Yoga, Bellyfit, Wushu Martial Arts, Tai Chi,
Sexy Stiletto Dance, Ski Conditioning, Bootcamp and more!

Check out our website for more information.

Class Location



Spinning/Rowing Studio
(Room 2010)



Group Fitness Studio
(Room 2026)



Mind/Body Studio
(Room 2027)



Kinesis™ Studio
(Room 2009)

Richmond Olympic Oval
6111 River Road
Richmond, BC V7C 0A2
778 296 1400
www.richmondoval.ca

All classes are 60 minutes unless otherwise stated and are subject to change. Members are encouraged to sign in up to 60 minutes prior to the start of class, by telephone or in person. Non-Members may sign up (in person) up to 15 minutes prior to the start of the class. Sign-in is limited to the individual attendee. **Childminding is available during all fitness classes except for Sundays.** Call 778 296 1400 for more information.

Class Descriptions

BOSU™ Blast The BOSU is a dome shape piece of fitness equipment that when used in a variety of unique and effective ways, works the entire body. BOSU Blast is a fun and effective class that will challenge your core, cardio vascular and strength conditioning systems.

BOSU™ Boot Camp The BOSU is a dome shape piece of fitness equipment that when used in a variety of unique and effective ways, works the entire body. BOSU Boot Camp is a fun and challenging back-to-basics workout that will burn calories, build muscle and get your heart pumping.

Cardio & Core This cardiovascular and focused core conditioning class will feature a different piece of fitness equipment each week! Experience the Stability Ball, BOSU, Gliding discs, Pilates balls and more!

Cardio Kick Boot Camp A non-stop cross training class! A combination of kicks, jabs, uppercuts, athletic cardio, speed drills and strength intervals. This class is sure to be challenging and make you sweat!

Cycle & Core This energizing indoor cycling and core conditioning workout is sure to wake you up on Sunday morning! Enjoy 40 minutes of cycling followed by 20 minutes of core strengthening and stretch.

Cycling All-Terrain A high-energy, non-impact cardiovascular conditioning class with-out comparison. Rev up your R.P.M.'s and experience variable hill training, fast flats and invigorating spinning.

Cycling Express In 30 minutes, this indoor cycling appetizer is a perfect introduction to cycling and a great workout if you are short on time. Taught on the award-winning Keiser M3 cycles, experience an outdoor ride in the comfort of a studio

Form & Foundation The foundation for all movement comes from a strong core. Form and Foundation will focus on correct posture, improvement of the outer core and a focus on activation of the inner core.

Functionally Fit Ease your way into fitness with this functional training workout. By incorporating balance, core strength, cardio and weights, learn to prevent injury in your current sport or everyday life activities. This class is designed for the beginner exerciser or anyone looking to work in the garden or swing a golf club without back pain or lift heavy groceries out of your car with ease. A functional and fit body is the greatest gift to you.

Hip Hop So you think you can dance? Well don't worry even if you can't as this is a fun workout for all levels. With the integration of R&B, street jazz and different styles of hip hop, this class is fun and energetic that is geared towards the novice dancer, or anyone who just wants to move! Learn the latest urban dance steps influenced by some of today's hottest choreographers. All levels welcome.

Kinesis Experience These 30-minute introduction to Kinesis classes include core training, stability and balance. Whether you are looking to begin a weight training program, wanting to supplement your current workout routine, needing to decrease exercise boredom, or wishing to take your personal fitness to a higher level, Kinesis is for you. With Kinesis you truly can accomplish more in just 30 minutes.

Morning Jolt Skip the caffeine and jump start your day with this energetic 60 minute class that is sure to wake you up! Morning Jolt combines intervals of strength training and cardio conditioning, finishing with core and flexibility work.

Pilates Mat An introduction to the principles and essential exercises of contemporary mat work. Pilates mat will train the abdominal and torso muscles, as well as focus on proper alignment and movement patterns of the spine, pelvis and shoulders.

Pure Step This 60 minute cardio class is geared for the intermediate to advanced participant who loves choreography, floor work and a relaxing stretch.

Rock & Row Taught to great music, this indoor rowing and strength training class is sure to rock! Row yourself to a fitter and leaner you. Experience all the physical and technological benefits of indoor rowing on state-of-the-art Concept II indoor rowers.

Rowing Express In 30 minutes, this indoor rowing appetizer works the lower body, upper body and cardiovascular system. Individuals looking for a non-impact exercise session will especially benefit from rowing.

Row & Ride Come and try indoor rowing and indoor riding in one amazing workout. This non-impact workout burns calories, improves your cardiovascular system and is a unique indoor cycling and rowing experience.

Six-Pack Abs Do you want to develop strong abdominals? Focused abdominal work in combination with regular cardiovascular workouts will get you one step closer to achieving your goal. Crunch, curl and achieve a mid-section that you can be proud of.

30-30-30 If you only have half-an-hour to work-out or want to stay for 90 minutes, 30-30-30 is the perfect class for you. Every 30 minutes the format changes so you can join in at any point. Starting with 30 minutes of BOSU, transitioning into Stability Ball work and finishing with 30 minutes of abdominals, as a whole or in parts this is a fantastic workout.

Transformer This all-out strength workout uses a variety of re-sistance training techniques and equipment. From hand held weights, resistance bands, gliding discs, manual resistance and more, experience a full-body muscular conditioning workout that will rev up your metabolism and change your body.

Yoga Flow Come and experience how yoga truly connects mind and body, spirit and heart.

Personal Training

Are you looking to improve your activity levels and get into a routine? Are you an experienced fitness enthusiast looking for a little tune up to get the most out of your workout sessions? Not sure what to do or where to start?

Whatever your experience, age, or fitness level, our qualified personal fitness trainers will design a custom program just for you and help you to achieve your health and fitness goals. Make an investment in yourself – the best investment you can make!

Personal Training Packages	Members	Non-Members
INDIVIDUAL		
Intro Package (3 sessions)*	\$49/session	\$59/session
5 sessions	\$55/session	\$65/session
10 sessions	\$50/session	\$60/session
1 session update**	\$60	\$70
PARTNER TRAINING (Prices per person)		
Intro Package (3 sessions)*	\$40/session	\$50/session
5 sessions	\$45/session	\$55/session
10 sessions	\$40/session	\$50/session
GROUP TRAINING - 3 People (Prices per person)		
Intro Package (3 sessions)*	\$35/session	\$45/session
5 sessions	\$40/session	\$50/session
10 sessions	\$35/session	\$45/session
GROUP TRAINING- 4-5 People (Prices per person)		
Intro Package (3 sessions)*	\$30/session	\$40/session
5 sessions	\$35/session	\$45/session
10 sessions	\$30/session	\$40/session

* Intro packages are available 1x per client per 12 month period.

** Need a training update? 1-session updates are available after a 3, 5 or 10 session package has been purchased.

The fitness staff at the Richmond Olympic Oval is here to ensure you have a fun, safe, and effective workout. If you require assistance at any time please do not hesitate to ask. For more information please call 778 296 1400.

Richmond Olympic Oval
 6111 River Road
 Richmond, BC V7C 0A2
 778 296 1400
www.richmondoval.ca

Fitness Trainer Bios

Wagner Rulli, CSCS

Originally from Montreal, Wagner has recently made Vancouver his new home where he dedicates much of his time helping people reach their fitness goals by teaching them how to develop a better understanding of their body during physical exercise. As a Certified Strength & Conditioning Specialist with the internationally recognized National Strength and Conditioning Association, Wagner Rulli has spent the past 15 years participating in the development of health & fitness awareness on every level from editor of a fitness magazine, to teaching fitness certification courses, to the development of world level and Olympic athletes.

Rhonda Bourne, BCRPA Personal Trainer, Group Fitness

Rhonda's passion for fitness dates back to as far as she can remember. To her, the only gift better than maintaining her own fitness is sharing her knowledge with others. Rhonda has years of experience as a group exercise specialist and has been actively personal training since 1999. Known for her contagious energy and drive for success, her passion for health and wellness is dear to her heart. She is an avid runner of numerous 10 km runs, half marathons and 8 marathons including the Boston Marathon. As a mobile trainer for the last 5 years, Rhonda's had the opportunity to work with a wide variety of clients from Type 1 Diabetics to people struggling with cancer and clients who are preventing CVD or surviving heart problems. Rhonda's current client base ranges from a race car driver to an avid golfer to coaching 10 km, half and full marathons.

Pat Yee, BCRPA Personal Trainer, Group Fitness, Yoga, Third Age

Pat has a passion for fitness and she uses that energy to help her clients achieve their goals, challenges them in a caring way, and offers a repertoire of exercises to keep their programs effective and fun. Pat's philosophy is to empower and encourage without judgment, to help clients discover or explore what they never knew they were capable of, to experience a mind-body connection, to reach personal goals, and to claim well deserved freedom through an active, healthy lifestyle. When she's not working at the Oval, Pat can be found experimenting with healthy recipes, attending a variety of fitness classes, and inspiring her family and friends to be active.

Dylan Kay, BHK, CSEP-PT

"Life is busy, but your health and wellness remain a high priority". As a personal trainer, multi-sport athlete, and recent graduate of Kinesiology at UBC, Dylan uses the latest theories and techniques to create an effective fitness program tailored to your busy lifestyle. Dylan will help you improve your self-confidence and fitness level by training the mind and the body. A higher level of self-confidence, along with sport specific training, represents the best path towards an improved quality of life and higher level of athletic performance.

Ryan Delaney, BCRPA Personal Trainer

Ryan joins the Richmond Olympic Oval Personal Training team after a diverse career. His experience with running his own business helps him set attainable goals for his clients' of any age or level. Trained in Stability Ball and BOSU Core training, these are just a few tools that Ryan uses to help his clients successfully achieve their fitness goals. Ryan is currently studying for his ACSM Personal Trainer designation and as a professional affiliate of the American College of Sports Medicine, Ryan stays up-to-date on the latest research and developments in fitness.

Ken Kalsi, BCRPA Personal Trainer, ACE, CSCS

As a Certified Strength & Conditioning Specialist with the internationally recognized National Strength and Conditioning Association, Ken applies his acquired fitness knowledge and experience into his own lifestyle and has a passion for helping others change theirs. Ken will teach you safe, effective, and proper exercise techniques and show you their effects on overall wellness. You will learn to become self-sufficient and take responsibility for your own health, but most of all, you can expect to have fun and a few laughs. Making workouts enjoyable and something to look forward to is his way of ensuring that his clients stay motivated and are enjoying themselves.

SKATING LESSONS

Group or Private Lessons
Ages 3 to Adult

> CALL 778.296.1401

I will skate like the wind.

I WILL FEEL GOOD.

6111 River Road, Richmond BC 778.296.1400 www.richmondoval.ca

I will feel motivated.

I will get results.

I will belong here.

WHERE YOU BELONG

Member benefits include:

- Skate, Play, Train & Get Fit
- Complimentary Fitness Orientations
- Priority Access to Fitness Classes
- Member Only Rates for Programs
- Complimentary Parking

› ASK OUR FRONT DESK
ABOUT BECOMING A MEMBER TODAY!

I WILL FEEL GOOD.

6111 River Road, Richmond BC 778.296.1400

www.richmondoval.ca

CHILD- MINDING

I will learn.
I will have fun.
I will feel safe.

Childminding Hours

Monday – Thursday
9 am – 1 pm
5 pm – 8 pm

Friday
9 am – 1 pm

Saturday
9 am – 12 pm

I WILL FEEL GOOD.

6111 River Road, Richmond BC 778.296.1400 www.richmondoval.ca

SPORTS & ATHLETIC PROGRAMS

I will compete hard.
I will play fair.

From motor skills
to elite skills
For ages 3 to 17

> CLICK, CALL OR REGISTER
AT THE FRONT DESK.

I WILL FEEL GOOD.

6111 River Road, Richmond BC 778.296.1400

www.richmondoval.ca

FITNESS PROGRAMS

35 classes / week

> CLICK, CALL OR REGISTER
AT THE FRONT DESK.

I will try new things.
I will achieve my goals.
I will step higher.

I WILL FEEL GOOD.

6111 River Road, Richmond BC 778.296.1400 www.richmondoval.ca

LEARN-TO-ROW

STEP 1 Get fit in Canada's only group rowing studio.

STEP 2 Learn skills in BC's only public indoor rowing tank.

STEP 3 Confidently take to the river.

› **CLICK, CALL OR REGISTER
AT THE FRONT DESK.**

I will find tranquility.



I WILL FEEL GOOD.

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OVAL KIDS

THE NEW GOLD MEDAL STANDARD IN SUMMER CAMPS

WEEKLONG DAY CAMPS FOR AGES 6 TO 15
MONDAY – FRIDAY • 9 AM – 4 PM
BEGINNING JULY 6, 2009

BEFORE AND AFTER CAMP CARE AVAILABLE

We'll run your kids around in OVALS!

Sign your kids up for non-stop action from a selection of six different week-long summer camps. Each camp features different sports such as skating, dragon boating, biking and hiking adventures, or multi-sport activities across basketball, soccer, volleyball, yoga, swimming and more.

They may even meet Olympic Athletes and Olympic Mascots!

Registration begins April 10, 2009


**RICHMOND
OLYMPIC OVAL**
MORE THAN MEETS THE ICE

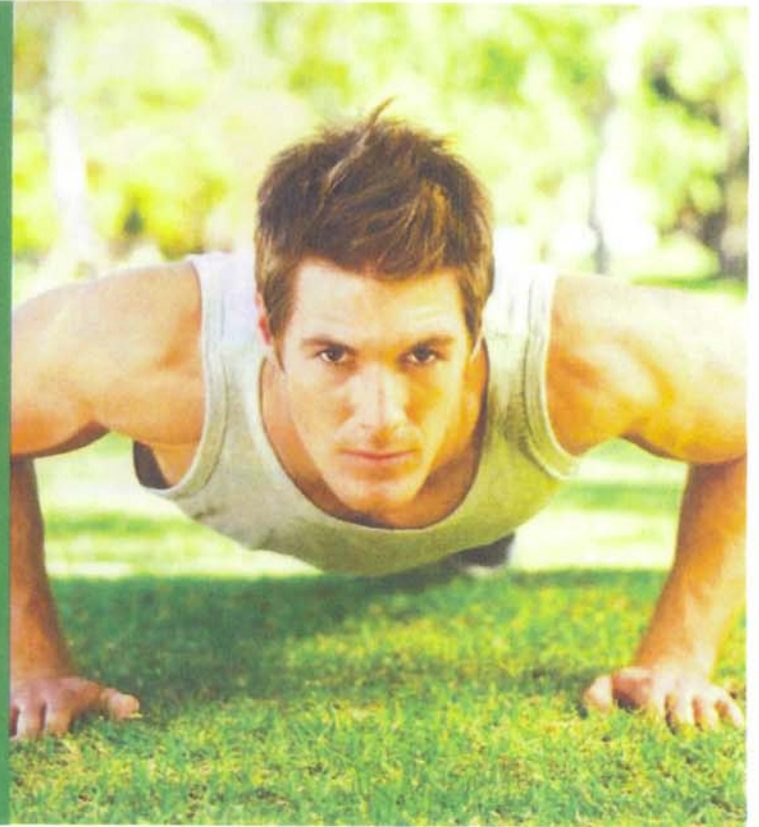
Visit www.richmondoval.ca for details.

6111 River Road Richmond BC | Tel: 778.296.1400

Outdoor Bootcamp

June 30 – July 23
Tuesday & Thursday
6:00 – 7:00pm

Members: \$96
Non-Members: \$120



**Get ready for a total body workout
with intensity levels you choose.**

Outdoor Bootcamp is an effective and results driven workout. Improve your overall fitness with athletic drills and exercises that will challenge you mentally and physically. With the potential to lose inches, this program is sure to deliver.

Group fun + pure motivation + total commitment = Boot Camp!

To register call 778 296 1400
or go to www.richmondoval.ca

Richmond Olympic Oval
6111 River Road
Richmond, BC V7C 0A2
778 296 1400
www.richmondoval.ca



CAMP DATES

July 6-10	July 13-17	July 20-24	July 27-31	Aug 4-7*
Aug 10-14	Aug 17-21	Aug 24-28**	Aug 31-Sept 4	
* Aug 4-7 (4-day week; 20% off)				
** Aug 24-28 (Get Outdoors, Get Wet, Get Skills Half Day, and Power Performance camps only)				

HOW TO GET GOING!

Go to www.richmondoval.ca or call 778.296.1400 to register your camper today. Within 72 hours, you will receive a 'peace of mind' phone call from OVAL staff to confirm your camper's registration. OVAL staff may also ask for additional information if you have not already filled out and returned your waiver and registration forms available online.

CAMP 1: GET COOL!

Highlight:	Skating
Ages:	6-13; groups divided by age and ability
Time:	9 am - 4 pm
Cost:	\$285* (per week)

Keep cool on the ice this summer! All GET COOL camps include daily 45 min structured skating lessons, plus a number of chilly games for striding, gliding, racing and other blade escapades! In total, Oval Kids will hit the ice for 90 skating minutes a day! In addition to this icy curriculum, Oval Kids participate in a number of off-ice activities designed to improve on-ice ability and technique.

CAMP 2: GET WET!

Highlight:	Dragon Boating
Ages:	9-13; groups divided by age and ability
Time:	9 am - 4 pm
Cost:	\$305* (per week)

Experience a week of wild water adventures! Oval Kids can try dragon boating on the Fraser River and training in our indoor rowing tank, among other paddling adventures, all instructed by experienced members of the John MS Lecky UBC Boathouse. GET WET Oval Kids can also dive right in at the Minoru swimming pool for some swimming and splashing excitement!

CAMP 3: GET OUTDOORS!

Highlight:	Bikes, hikes, and adventures
Ages:	6-13; groups divided by age and ability
Time:	9 am - 4 pm
Cost:	\$285* (per week)

Oval Kids benefit from a number of creative outdoor activities such as orienteering, oval sized scavenger hunts, obstacle courses, exploring and biking the dyke and other Richmond trails, games at Gary Point and Centennial beach, swimming at Steveston and Minoru pools, and visiting the UBC boathouse for dragon boating (ages 9-13 only).

CAMP 4: GET SKILLS!

Highlight:	Multi-Sport Activities
Ages:	6-13; groups divided by age and ability
Time:	9 am - 4 pm
Cost:	\$285* (per week)

GET SKILLS exercises kids' passion for sport and games. Oval Kids will participate in sports such as soccer, basketball, badminton, ultimate frisbee, school yard and parachute games, and varieties of tag, races and crafts. Plus, each will have a chance to skate and play ice games on the official long track speed skating oval of the 2010 Olympic Winter Games!

CAMP 5: GET SKILLS - HALF DAY CAMP

Highlight:	Multi-Sport Activities
Ages:	6-9; groups divided by age and ability
Time:	9 am - 12 pm or 1 pm - 4 pm
Cost:	\$142.50* (per week)

Exercising kids' passion for sport and games in a half-day GET SKILLS camp format.

CAMP 6: POWER PERFORMANCE

Highlight:	Holistic Health and Fitness Training
Ages:	10-15; groups divided by age and ability
Time:	9 am - 4 pm
Cost:	\$305* (per week)

Balance, flexibility, strength, diet, endurance, agility and speed - POWER PERFORMANCE takes your game to the next level! Skilled trainers and coaches will teach campers the essentials of fitness, health and nutrition helping your camper prepare for athletic events, tryouts or to stay in shape over the summer.

EXTRA SUPERVISION

Ages:	6-15
Time:	8-9 am (morning) or 4-5:30 pm (evening)
Cost:	\$40 (morning) or \$60 (evening) except AUG 4-7 (4-day week; 20% off)

Need a little flexibility in your schedule? Our Extra Supervision times will keep your camper entertained with interactive circle games, relaxed sporting activities or an opportunity to have some free time at the Oval. All supervised by our experienced camp leaders.



WE'LL RUN YOUR KIDS AROUND IN OVALS!

Sign your kids up for non-stop action from a selection of six different week-long summer camps. Each camp features different sports such as skating, dragon boating, biking and hiking adventures, or multi-sport activities from basketball, soccer, volleyball – to yoga, swimming and more.

**Exciting opportunities to meet Olympic
Athletes and Olympic Mascots!**



**EXPLORE SUMMER CAMPS
DISCOVER THE OVAL!**



OVAL MEMBERSHIP

For \$55/month you can skate, take fitness classes, workout, and use the open gym times. Free parking, priority program registration, available child minding, and first chance at selected special events tickets are some of the exciting member benefits.

OVAL FITNESS

Tone your abs, sculpt your body, clear your mind and rejuvenate your soul. Try a Superhero workout, Gyrokinesis, Iyengar Yoga, Functionally Fit, Pilates Ball and more!

OVAL SPORTS

Basketball, badminton, volleyball and futsal are a few of the OVAL sports. There's a drop-in gymnasium time and sport for everyone including special Masters (50+), Youth (18 and younger) and Family times!

www.richmondoval.ca

6111 River Road Richmond BC | Tel: 778.296.1400

**REGISTER
TODAY!**

**OVAL
KIDS**

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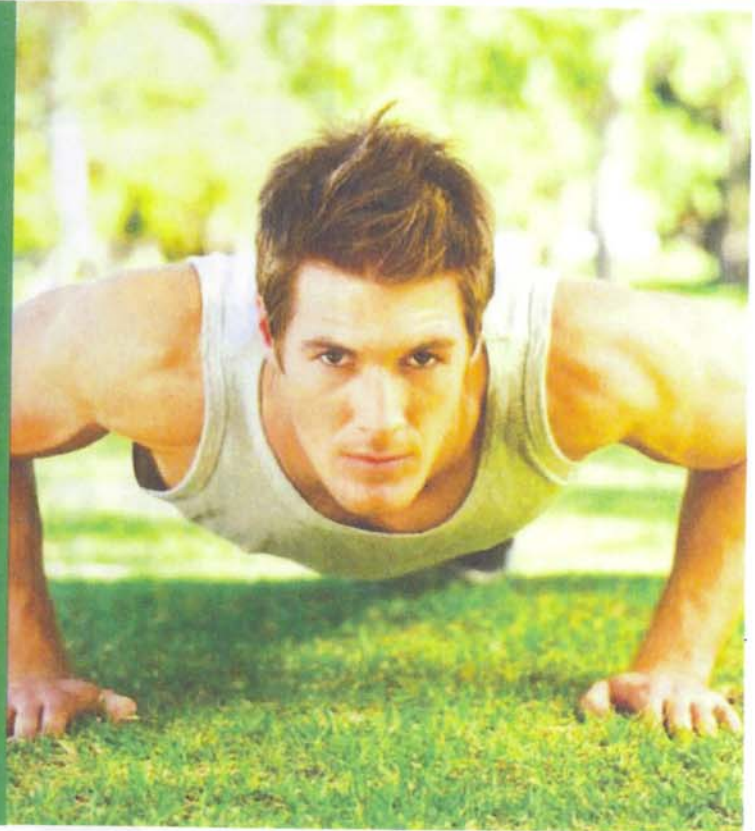
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**Get ready for the total body workout
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Get in on one of the most effective, results driven programs with a reputation to deliver! Improve your overall fitness with athletic drills and exercises that will challenge you mentally and physically, with potential to loose inches

Group fun + pure motivation + total commitment = Boot Camp!

To register call 778 296 1400
or go to www.richmondoval.ca

PRIZES • LIVE DJ • FUN ACTIVITIES
AND MORE...



THE OVAL ICE IS BACK!

Come celebrate at the Richmond Olympic Oval
Red, White & Gold Skating Event



JOIN IN THE CANADIAN
SPIRIT OF THE GAMES

Friday, May 29
6:00 – 10:00 pm

FREE

One-Week Membership to the
first 100 people wearing Red,
White and Gold!

Admission by donation
to support local athletes

CSA approved helmets are required
for youth aged 12 and under.
Limited skate and helmet
rentals available.



**RICHMOND
OLYMPIC OVAL**

MORE THAN MEETS THE ICE

www.richmondoval.ca

6111 River Road Richmond BC | Tel: 778.296.1400



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CLIENT: Mark Chubb - Richmond Olympic Oval
FILE NAME: 00001 - Park 100 - Red, White & Gold
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Richmond News

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DROP-IN FITNESS CLASSES

Bike, row, dance or step your way to fitness.

September 14 – November 30

TIME	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
9:15 am	Pure Step Yoga Flow	Cycling - All Terrain	Morning Jolt Pilates Mat	BOSU Bootcamp	Transform-er	Cycling - All Terrain	10 am Kinesis [™] Experience (30 min)
10:30 am	Kinesis [™] Experience (30 min)	Cardio & Core	Functionally Fit	Yoga Flow Cycling-All Terrain	Form & Foundation	Yoga Flow Morning Jolt	Cycle & Core
12:15 pm	Six-Pack Abs (30 min)	Transform-er Express (30 min)	Six-Pack Abs (30 min)	Kinesis [™] Experience (30 min)	Beginner Yoga Flow		
5:30 pm	Cardio - Kick Bootcamp	BOSU Blast Cycling-All Terrain	30 - 30 - 30 (90 min)	Rock & Row Yoga Flow			
6:30 pm	Row & Ride	Yoga Flow Kinesis [™] Experience (30 min)	Rowing Express (30 min)	Hip Hop			
7:00 pm			Cycling Express (30 min)				

Childminding is available.

> ASK OUR STAFF FOR DETAILS.

I WILL FEEL GOOD.

6111 River Road, Richmond BC 778.296.1400 www.richmondoval.ca

Schedule of Oval Events

Over the past eleven months, the Oval has hosted several local, national and international events, demonstrating both the versatility and the quality of its event-hosting capabilities.

Sport and Community Events

Oval Opening Ceremonies December 12 – 13, 2008

On December 12, 2008, Premier Gordon Campbell, Federal Minister of State for Sport Gary Lunn, Richmond Mayor Malcolm Brodie and VANOC officially opened the Oval. Olympic Gold medalists Cindy Klassen and Kyle Hamilton also participated in the opening ceremonies, which included live entertainment, venue tours and the first opportunity for members of the public to skate on the 400-metre ice track that will host the speed skating competition for the Games. An estimated 24,000 people attended the two-day event.

2008 Canadian Single Distance Championships December 27 – 31, 2008

The Oval made a good first impression at the 2008 Canadian Single Distance Championships, its first sport event competition, with full bleachers, lively crowds, and an ice surface that kept getting faster and faster. Winnipeg's Shannon Rempel had the honour of being the first winner at the Oval, taking the gold medal in the 500-metre event. Other medal winners included Jamie Gregg, Kyle Parrot, Christine Nesbitt, Denny Morrison, Lucas Makowsky, Kristina Groves, and Clara Hughes. "Being in this facility is incredibly motivating," said Ms. Hughes. Like all the athletes who skated at the Oval on the weekend, Ms. Hughes and Ms. Groves were elated to see the large crowds, which ranged from 1,200 to 1,500 people throughout the weekend.

Youth Futsal Provincials January 3 – 4, 2009

Hosting 28 teams and over 400 children from as far away as Fort St. John, British Columbia, the Oval's four side-by-side pitches, which were "within view of each other and the spectators added tremendously to the sense of tournament, energy and excitement," said Heidi Lyons, Tournament Chair. The Richmond Soccer Association estimated that the total direct economic impact of the event to the City was \$23,000.

Futsal Fiesta January 17 – 18, 2009

Building on the success of the Youth Futsal Provincials, Futsal Fiesta was open to all Richmond Soccer Association teams. For this event, 102 teams, or approximately 1,500 boys and girls between the ages of six-years old to 17-years old, were able to experience the Oval firsthand. The focus of the event was having fun, showcasing creativity and ball control.

Canadian Junior Speed Skating Championships and Canada Cup #2 January 30 – February 1, 2009

Canada's best junior speed skaters converged on the Oval for the Canadian Junior Speed Skating Championships. The Championships was used to select four Canadians to represent their country at the 2009 World Junior Speed Skating Championships in Zakopane, Poland. The Canada Cup #2 speed skating competition was held jointly with the Canadian Junior Speed Skating Championships for skaters to earn points towards their Canadian rankings in order to be selected on next year's National or Development Team.

Travel Media Association of Canada 2009 Tour February 4, 2009

This year's Travel Media Association of Canada's conference was held in the City with 250 association members attending a gala dinner and tour of the Oval. All of the members were amazed by the Oval's expansive roof comprised of pine beetle-salvaged timber, multi-purpose nature and accessibility to the public.

2010 Olympic Winter Games One-Year Countdown February 12, 2009

The Oval was selected as the site for the Games' official one-year countdown event and attracted major media coverage, including a taping of CBC's *The National* with Peter Mansbridge the night before. The event itself was broadcast nationally on CTV and began with a message from students from the Oakdale Junior School in London, England to their pen pals in Vancouver. The theme of the event was about connections. Shortly after 5:00 p.m., Richmond Mayor Malcolm Brodie introduced the event. "The Oval will be one of the premiere venues for the 2010 Olympics," said Mr. Brodie. "Richmond is ready to welcome the world." John Furlong, Chief Executive Officer of VANOC, came onstage to remind everyone, "we're at the last lap, the final bell," before formally introducing Canadian Olympic gold-medalist, Cindy Klassen. Ms. Klassen welcomed her fellow Olympians and Paralympians, and cheers of approval met Olympic medalist Simon Whitfield's bearing of a Canadian flag that flew on Parliament Hill that morning. After the Olympians and Paralympians left the stage, Jacques Rogge, President of the International Olympic Committee, made the official invitation to the world to participate in the 21st Olympiad in Vancouver, British Columbia, Canada. At 5:58 p.m., the countdown itself began. The crowd joined in at the 20-second count until a confetti shower at 6:00 p.m. officially declared the one-year mark before the Games.

2009 Richmond Winterfest February 13 – 14, 2009

An estimated 47,000 people attended the 2009 Richmond Winterfest. While most people came to take a spin on the Oval's 400-metre ice track with visions of Olympic gold dancing in their heads, others enjoyed the event's numerous attractions including a spectacular ice carving competition on the BC Spirit Square and Riverside Plaza, live indoors performances on the Petro-Canada stage, face-painting, magic shows and more.

Speed Skating Canada Youth Leadership Symposium February 13 – 14, 2009

The Speed Skating Canada Youth Leadership Symposium invited students from the ages of 16-years old to 19-years old to participate in a leadership development conference that revolved around speed skating and the upcoming Games. The program taught participants leadership skills and values through an examination of SSC, the Olympic Movement and the values of both organizations. Additionally, through group projects, delegates obtained a better understanding of the concepts of teamwork and communication, becoming successful leaders and role models of fair play, fun, respect, peace, excellence, and human development.

Canadian Masters Speed Skating Championships February 21 – 22, 2009

Eighty-eight competitors, including 73 Canadians, 13 Americans, one German and one Romanian, skated in this short all-round competition.

Essent International Skating Union World Single Distances Championships March 12 – 15, 2009

During the four-day Essent International Skating Union World Single Distances Championships, the Oval proved that it has fast ice and the potential to be a Canadian medal factory during the Games. Several records were set at the Oval including: the Ladies' Team Pursuit time, which resulted in a Canadian Gold, that smashed the low level (less than 300 metres) track record by almost seven seconds; the Men's Team Pursuit time set by the Netherlands also trumped the low level track record by over 12 seconds; the second fastest opening 100 metres ever (for any speed skating oval regardless of altitude) in the Ladies' 500-metre race; the fifth fastest Men's 10,000-metre race; the eighth fastest Men's 5,000-metre race; and the ninth fastest Ladies' 5,000-metre race. Not to be overshadowed by falling records, the Canadian speed skating team won eight medals at the event, tying the Netherlands for the medal lead. Approximately 15,000 people attended the event. Media coverage included broadcast (NOS – Netherlands national television; Universal Sports – NBC Affiliate; CBC – Canada's national television) and print (48 articles spanning the Globe and Mail, National Post, Toronto Star, Montreal Gazette, Ottawa Citizen, Calgary Herald, Times Columnist, Vancouver Sun, and Vancouver Province). In order to host this event, the Oval was closed to the public from February 26 to March 20, 2009.

Wheelchair Rugby National Team Training Camp March 22 – 26, 2009

Featuring the Oval as one of the most accessible venues in the world, this training camp was used to select the Canadian National Wheelchair Rugby Team for the period from May 1, 2009 to April 30, 2010. In addition to the current members of the National Team and National Squad, the High Performance Coaching Team extended invitations to individuals who, in their view, had the potential to make the team this year.

Vancouver Invitational Wheelchair Rugby Tournament March 27 – 29, 2009

The annual Vancouver Invitational Wheelchair Rugby Tournament showed that the Oval is well-suited for its post-Games life as a multi-use sports facility. The Oval is one of the few facilities with lines on the floor specifically for the sport of wheelchair rugby. Quebec won the tournament on March 29, 2009 in a 58-30 victory over Ontario. "Everybody I've spoken to, the athletes, the coaches, officials, have been amazed by it and overwhelmed by it," said Kathy Newman, co-chair of the 2010 World Wheelchair Rugby Championships' organizing committee. Ian Chan of Richmond, British Columbia, one of Canada's top players, said the Oval is "a world class facility".

Racket Rally '09 April 3 – 5, 2009

Racket Rally '09 – broadcast by Fairchild TV across Vancouver, Edmonton and Toronto – featured some of the world's best in badminton and table tennis, and provided a three-day glimpse into the post-Games future of the Oval. With the speed skating ice removed, the 215,000 square foot floor was transformed into a 24-court festival for racquet sports. A cozy amphitheatre at the east end hosted over 5,000 spectators during the competition and was filled for a pair of featured weekend matches between Joachim Persson of Denmark and Taufik Hiyadat of Indonesia, the world's sixth-ranked and seventh-ranked players, respectively. Mr. Hiyadat, who was also the 2004 Olympic gold medalist in Men's badminton, stumped Mr. Persson 21-11 and 21-13 in the round-robin final on the last day of competition. Leung Chu Yan of Hong Kong won 4-1 over Robert Gardos of Austria in the table tennis summit.

Coloplast Canadian Wheelchair Rugby Championships May 8 – 10, 2009

The Coloplast Canadian Wheelchair Rugby Championships will represent the second wheelchair rugby test event to be held at the Oval. This event will feature the National Team players who won a bronze medal at the 2008 Paralympic Games in Beijing, China, who will each be competing for their respective provinces. These athletes will form the nucleus of the National Team who will be gunning for gold at the 2010 World Wheelchair Rugby Championships, also to be held at the Oval in September 2009.

2009 International Wheelchair Basketball Federation's America's Zone Qualifier Wheelchair Basketball Tournament August 5 – 12, 2009

The 2009 International Wheelchair Basketball Federation's America's Zone Qualifier Wheelchair Basketball Tournament is the tournament that all Men's and Women's teams must attend in order to qualify to attend the 2010 World Wheelchair Basketball Championships, which will be held in Birmingham, England. This qualifying tournament is held every two years, one year prior to the World Championships. The event will include eight Men's teams and six Women's teams. Teams attending the event will be from North, Central and South America, collectively known as the Americas Zone.

2009 BC Seniors Games September 16 – 19, 2009

The BC Seniors Games is an annual, multi-sport event hosted by a different British Columbia community each year. This event is one of the largest games organized within British Columbia with approximately 3,500 participants, aged 55-years old and over, from all over the province. The event included a variety of activities such as archery, badminton, bridge, carpet bowling, cribbage, cricket, cycling, darts, dragon boat racing, five pin bowling, floor curling, golf, horseshoes, ice curling, ice hockey, lawn bowling, one-act plays, pickleball, slo-pitch, snooker, soccer, speed skating, square dancing, swimming, table tennis, tennis, track and field, volleyball and whist.

Speed Skating Canada World Cup Qualifier October 17 – 20, 2009

The Speed Skating Canada World Cup Qualifier competition is an event which allows speed skaters to earn points towards their Canadian rankings in order to be selected to next year's National or Development Team.

2009 Canadian Single Distance Championships December 2009/January 2010

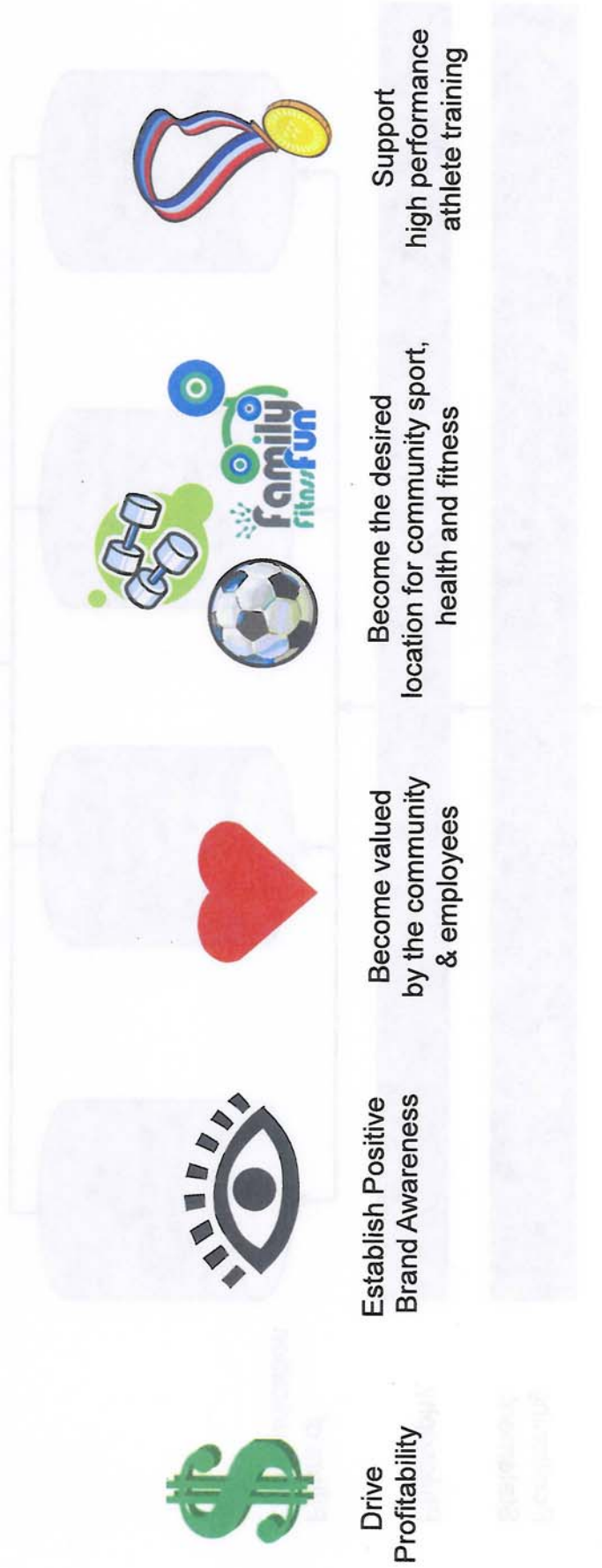
Building on its success in holding the 2008 Canadian Single Distance Championships, the Oval will host the 2009 Canadian Single Distance Championships just prior to the Games.

2010 World Wheelchair Rugby Championships September 16 – 25, 2010

The top 12 ranked wheelchair rugby teams in the world will compete at the 2010 World Wheelchair Rugby Championships, which will attract over 400 athletes, coaches, officials, delegates and volunteers to the Oval.

Objectives

The following objectives operate in accordance with the Operating Objectives as defined in the Richmond Oval Agreement, and with GOT requirements:



Master Strategy

Strategy

Create a sustainable business model driven by membership that establishes the Richmond Olympic Oval as an invaluable contributor to community growth and the epicentre for the City Centre Area Plan

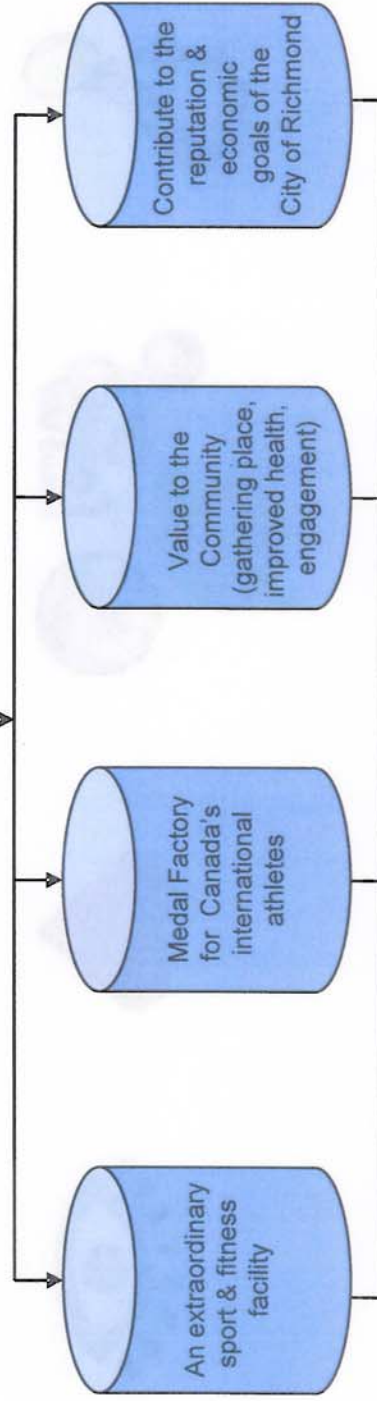
Positioning Statement

The Richmond Olympic Oval is elevating the community through its culture of excellence, emotional connection with stakeholders, and its cutting edge facility & services

Philosophy

HIGHER PERFORMANCE...reaching your personal podium

Pillars of Communication



Stakeholders



Why 'Driven By Membership'?

Membership revenue has longevity and is almost unlimited compared to other potential revenue streams. The chart below reflects the relative longevity of revenue sources.

Line of Business	Description	Revenue	2010	2011	2012	2013	2014
Membership	107 new members x \$700/yr	\$75,000	X	X	X	X	X
Events	3 x \$25,000 net/event	\$75,000	X	X			
Ice/Court Rental		\$75,000	X	X	X		
Sponsorship	\$75,000/year/sponsor	\$75,000	X	X	X	X	
Leasing			X	X	X	X	X

* Based on approximate longevity

Positioning Statement Defined

LANDLORD vs PROGRAMMER

The Positioning Statement prompts the discussion about the Oval as 'landlord' or 'programmer'. While straightforward rentals of ice or court time will always be a part of the Oval's business mix, the intended direction is to create a community of members who feel a strong connection to the Oval's values of physical activity, healthy lifestyles, excellence and continuing improvement. This requires that the Oval focus on membership and program delivery while also providing time and space to community groups.