



August 10, 2009

Dianne Young, Chief Executive Officer
The Board of Governors of Exhibition Place
200 Princes' Blvd.
Exhibition Place
Toronto, ON.
M6K 3C3

RE: Proposed Hotel Development at Exhibition Place

Dear Ms. Young:

Further to the brief presentation made to you and Ms. Campbell, on June 2, 2009, we are pleased to submit the preliminary schematic design of the proposed Hotel development for your review and subsequent reporting to the Board of Governors.

The financial information outlined in Appendix 'A' and 'B' have remained substantially the same as the original submission of two years ago. Changes have been made to the number of keys from 300 to 320 and increased soft and hard construction cost. Although we have elected to maintain the lease and rent component the same in view of the economic downturn, we will be able to give you definite numbers during the design development and its respective cost analysis.

The attached submission represents work in progress. It is our intent that upon receiving a favourable decision from the Board we will proceed in developing the final design with the participation of a team of consultants. During this next phase we foresee interaction and input from various direct and indirect stakeholders. The potential inherent in the proposed program has the making of a great destination and urban presence.

The proposed hotel occupies the east third of the site and the west third of the site is reserved for future building. The centre portion of the site is left open to preserve views to and from the lake, to make the most of the lands around the historic barracks for archeological interpretation and as a ceremonial centre, not only for the proposed hotel, but for the larger Exhibition Place.

The development concept was generated by the convergence of three major factors:

1. HKHotels' aspiration: creating a unique place;
2. Needs of Exhibition Place: a Hotel to augment its exhibits, conferences and other activities;
3. Architectural identity: interplay of transparency, shadow and light.

The spatial program developed during this early process is centred around three main themes: cultural/community; sports/entertainment; hospitality. The first two, located along Princes' Blvd., will be of a scale that respects that of the newly renovated Allstream Centre to the east and Direct Energy Centre to the North. Furthermore, every effort has been made to maintain an uninterrupted view when approaching the grounds through Princes' Gates. The plans submitted represent phase 1 of a multi-phase development that HKHotels has been granted in the LOI.

The hospitality facility has been positioned on the southern portion of the site. The public spaces and most of the rooms will have a stunning view of either the Downtown skyline and/or Lake Ontario. This configuration was tested in relation to the historical value of the site, view corridors, points of access and servicing.

The cultural/community facility will be housed in the Stanley Barracks and the unearthed remains of other structures: providing the public with memorable encounters. The actual uses of this facility are yet to be finalized; however, the planned intervention will safeguard the integrity of the historical components.

The sports/entertainment facility comprises 4 tennis courts (two within a courtyard at grade, and two on the roof) with its club house; an interior basketball, a fitness club and a sports bar/café. The tennis courtyard has the potential of being used for outdoor events. The space will be further designed to accommodate a air bubble for winter usage.

The hospitality facility will be accessible directly off Newfoundland Drive. The drop off, in the form of a Piazza, will form the foreground to the main entrance. The atrium, a large unencumbered space, will expand the arrival Piazza to the interior, especially during those periods of inclement weather. Reception area, elevators, screening room, restaurants, ballroom, meeting rooms, library/living room, etc., will surround the atrium on three levels. It is contemplated that the design of this space will have an iconography based on 'leaves filtering the sun'. The state-of-the-art Spa facility will be located on the 4th floor. A deck with a lap pool will overlook the lake.

The guests' rooms will occupy the 5th to the 25th floor. These floors will contain a total of 320 rooms, (floor 25 will be dedicated to presidential suites). The top floor will be accessible to the guests and public alike with dining, bar facilities and a terrace with a reflecting pool. The architecture of the tower contemplates a combination of glass and solids. The latter will be either fritted-glass or limestone. The mechanical space will be embedded within the top two floors on the north side. Various views have been generated from residential areas that surround Exhibition Place and the resulting impact of the tower will be minimal

to non-existent. The final 'look' of the tower will be fully resolved during the next phase of the design.

Parking will be accommodated below grade. Two alternative layouts are being considered. Alternative 1 proposes the parking on one level located under the new structure and extends to the south of Stanley Barracks. Alternative two proposes two levels under the new structure. In both cases the protection of the historical remains will be respected. Each alternative will accommodate approximately 400 cars. Two access ramps have been provided for ease of vehicular flow. Further analysis will be undertaken to select the most optimum alternative.

A key characteristic of Exhibition Place is its sense of open space and its extensive green areas. Thus, the design aims to seamlessly integrate architecture, landscape and archeology. The landscape design begins with the preservation of the lands around the barracks. Six gardens are formed to the north and south of the barracks with a major east-west open space connecting the two proposed principal building sites. To the east of the barracks, this east-west zone is at the grade of the moat and extends to encompass the existing foundations of New Fort York, thus making a lower level interpretative experience of the site archeology.

The six gardens are dimensionally derived from the configuration of a platoon in parade formation. North of the barracks, the central garden marks the formal entrance to the barracks, as well as the barracks' original parade grounds with a reflecting pool with soldiers being represented by water jets and stepping stones. The gardens immediately to the east and west are forested to set the view of Stanley Barracks over the reflecting pool. They accommodate a bicycle parking Art Park to the west and a congregation and seating area, adjacent to the New Fort York ruins, to the east.

South of the barracks, the central garden is a formal tree planting of a platoon, planted in Sentry Maples. Immediately to the west is a maze garden and to the east a kitchen garden which will serve the hotel restaurant both as a source of produce and for outdoor dining.

The north facade of the proposed project will be aligned with the face of Allstream Centre to complete an expansive tree-lined promenade along Princes' Blvd and reinforce the ceremonial nature as a main entrance to Exhibition Place. This promenade will be animated by outdoor cafes and seating areas and will easily accommodate the large numbers of pedestrians present during many Exhibition Place events.

The south edge of the project will continue the signature green belvedere edge of Exhibition Place, rejuvenated with additional tree planting. To the north of the belvedere a path will interpret a part of the original south wall of New Fort York.

The proposed project replaces a brown-scape asphalt parking lot, placing the parking below grade. In time more than 500 trees will be planted on the site. The creation of this forest recognizes the importance of the rebalancing of the building footprint / biomass relationship on site by using trees as the first

instrument of sustainable design. The forest will reinforce the greening of Exhibition Place and stand as a model for further site development as it acts to harness rainwater, control storm water run-off and mitigate pollution and noise from Gardiner Expressway to the North and Lakeshore Boulevard to the south.

This greening strategy extends to the buildings with planted courtyards at the ground floor level, habitable roof gardens at the 5th and 26th floor levels and a series of smaller gardens carved in the mass of the hotel tower combining to green more than 60% of the building footprint.

The development will incorporate ease of access at grade to the adjacent buildings and underground connections are contemplated to the Allstream Centre and to the Direct Energy Centre.

Seamlessly integrated environment-supporting features are being considered with the goal of achieving a LEED Silver rating.

In summary, together with HKHotels and its President, Mr. Henry Kallan, we believe that the ultimate goal of this development, Hotel in the Garden, has the making of a design statement as the City's most elegant address in the contemporary and culturally diverse city of Toronto. The building and its grounds will provide the context for a myriad of formal, social and cultural activities. The major spaces, courtyards and gardens will be designed as though they were stage sets for ceremonies, parties, receptions, exhibitions, lectures, and celebrations, the whole within an architecture with its own identity, character and sustainable integrity.

Respectfully submitted,
MARAGNA ARCHITECT INC.



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Cc. Mr. Henry Kallan, HKHotels

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