



HORWATH HTL
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Ms. Arlene Campbell
General Manager
Direct Energy Centre / Allstream Centre
100 Princes' Blvd.
Exhibition Place
Toronto, Ontario M6K 3C3

Dear Ms. Campbell

You have asked us as experts in the hospitality industry to provide you with our comments with respect to the potential uplift from having a 320-room hotel with extensive meeting space, on site, adjacent to the Direct Energy Centre and the new Allstream Conference Centre.

These facilities cater predominantly to trade shows, consumer shows, exhibitions, conferences and special events.

You have indicated that the Direct Energy Centre and Allstream Conference Centre have lost potential business due to the lack of a hotel on site. For example, between May 2008 and May 2014, you had the opportunity to book some 37 events with expected delegates of greater than 20,000. Ten of these events indicated that they would have generated hotel demand in the order of 24,000 room nights. Although the balance of events did not indicate their accommodation needs, they chose other cities due to the lack of on-site accommodation.

These events are lost not only to the Direct Energy Centre, but to the City of Toronto.

Having a hotel on site would allow the Direct Energy Centre to be a serious competitor for North American trade shows and conferences. The proposed hotel offers the potential to capture incremental business that would not otherwise consider the Direct Energy Centre, Allstream Conference Centre or the City of Toronto.

In addition, the proposed hotel would be a unique urban resort destination that would cater to smaller conferences and seminars as well as leisure demand that might not otherwise consider downtown Toronto as a destination.

Yours truly,
HORWATH HTL



Joel Rosen
Chairman and CEO