

Vaughan Mills Hotels Inc.

2601 Matheson Blvd E • Suite 212 • Mississauga • ON • L4W 5A8 • Phone: 905-629-9992 • Fax: 905-629-9636

June 16, 2008

Regional Municipality of York
17310 Yonge Street, Unit 9
Newmarket, Ontario
L3Y 7R9
Attention: Denis Kelly

RE: Vaughan Mills Hotels Inc.
Site development file #DA.07.056 – North side of Bass Pro Mills, East of Edgeley, Block 31
Part of Lot 14, Concession 5, City of Vaughan
Building Permit #08-3138

We are requesting to appear in deputation of the Regional Council's meeting of June 19th, 2008.

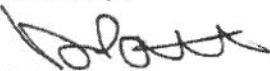
We are requesting Regional Council's authorization to its Finance Department to accept the payment of the Development Charges for the above mentioned site development based on the current rate in effect and not subject to increase effective after June 18th, 2008.

We are prepared to prepay the current Development Charges prior to the rate increase effective June 18th, 2008.

We would appreciate your confirmation of our deputation.

Please see attached letter from June 11th, 2008 submitted to the City of Vaughan. Also find letter providing a description of events surrounding this developments.

Sincerely,



Vinod Patel
President
Vaughan Mills Hotels Inc.

Vaughan Mills Hotels Inc.

2601 Markham Blvd E • Suite 212 • Mississauga • ON • L4W 5A8 • Phone: 905-629-9992 • Fax: 905-629-9630

June 11, 2008

Sybil Fernandes
City of Vaughan, c/o City Clerk
2141 Major Mackenzie Drive
Vaughan, ON L6A 1T1

**RE: Site Plan Application – Zoning By-Law, Amendment File Z-08-024.
Site Plan File DA.07.056 – Vaughan Mills Hotels Inc.**

Dear Sirs,

We understand that there is a council meeting today to discuss the removal of the Holding symbol "H" from the subject lands. We wish to point out to you that we have been working with the site plan application process for over a year. The Hold has prevented us from receiving the permit from the City of Vaughan until after June the 23rd. We are concerned with the timing of this approval, as we are not permitted to apply for permits for this development.

As you know, development charges are set to increase on the 18th of June. Due "H" designation is not scheduled to be lifted till the 23rd of June. The new development charges may make this project uneconomical. We understand the planning department is prepared to process the permit without delay once "applicable law is satisfied".

As this matter is before Council today we are asking assistance from Council in this regard to take the required actions lift the "H" designation so that we may make the necessary permit applications without it being punitive.

Please find enclosed support letter from Ivanhoe Cambridge.

Your assistance on this matter is greatly appreciated

Sincerely,



Vinod Patel.

CC: Deepak Ruparel, Lin Saplys; John Zipay john.zipay@vaughan.ca

AS SUBMITTED CITY COUNCIL
MEETING - JUNE 11TH / 2008.



Ivanhoe
Cambridge

Caisse de dépôt et placement
du Québec

Ivanhoe Cambridge

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www.ivanhoecambridge.com

June 11, 2008

Mr. John Zipay
Commissioner of Planning
City of Vaughan
Development Planning Department
City of Vaughan Civic Centre
Main Floor
2141 Major Mackenzie Drive
Vaughan ON L6A 1T1

Dear Sir:

Re: Aloft Hotel - Parts 9 to 13, 24, 25, 30, and 35 to 39, Plan 65R-29976,
Part of Block 1, Registered Plan 65M-3696,
Vaughan Mills

Please be advised Ivanhoe Cambridge supports the immediate lifting of the (H) zoning designation imposed on the captioned site under By-law No. 374-98.

You earliest attention to this matter will be appreciated.

Yours truly,

IVANHOE CAMBRIDGE INC

David A. Baffa, MCIP

cc: Christina Napoli, City of Vaughan
V. Patel, Northampton Group Inc
Thor Eklund, Ivanhoe Cambridge

R RICKETTS, HARRIS LLP
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June 16, 2008

Regional Municipality of York,
17250 Yonge Street,
Newmarket, Ontario
L3Y 6Z1

Attention: Denis Kelly - Regional Clerk

Dear Sirs:

Re: Vaughan Mills Hotel Development
151 Bass Pro Mills Drive, Vaughan

I am writing with regard to the development charges relating to the above project (Regional Municipality of York's File SP-V-035-07). Vaughan Mills Hotels Inc. is requesting that it be allowed to appear in deputation at the regional Council meeting of June 19, 2008.

It is requesting the Regional Council's authorization to its Finance Department to accept payment of the development charges for this project based on the rate in effect as of June 18th, 2008 and not at the increased rate after June 18th based on the reason set out below.

This project has been in development since early 2007 and as a result of various complications, the site plan has not been approved until very recently.

Some of the complications have arisen with regard to matters completely unrelated to this specific site. Apparently through the placement and construction of the roads and the re-alignments necessary, easements are required to be provided to both of the City of Vaughan and the Region including a new easement for a bus stop pad due to a relocation of the original planned bus stop. Both the Region and the City in the draft site plan required Vaughan Mills Hotels Inc. (the applicant) to provide easements over extensive pieces of land which were not owned by the applicant and over which the applicant had no control. In spite of this problem being brought to the attention of

both the City and the Region there have been continued demands upon my client for the delivery of these easements. The easements should have been obtained some time ago from our predecessor owner under their blanket site plan and should not have been a condition of this site specific site plan. It has transpired that the prior owner (Ivanhoe) owns the necessary lands over which the easements have been required and has now cooperated in the delivery of the necessary easements which were made a pre-condition of the site plan. This pre-condition has resulted in a considerable delay in approval of the final form of the site plan. To this day Schedule "E" to the draft site plan requires easements over parts of land not owned by Vaughan Mills Hotels Inc. but which will be and have been provided by Ivanhoe.

Had the site plan negotiations required only the delivery of the parts on the R-Plan owned by Vaughan Mills Hotels Inc. those easements would have been and could have been delivered immediately and the site plan issued and matters proceeded. This, however, was not possible.

In spite of communications to the contrary, until the last couple of days it was apparent that no one understood that what was being demanded of Vaughan Mills Hotels Inc., by both the Region and the City, was not within the control of Vaughan Mills Hotels Inc. and arose from problems not caused by Vaughan Mills Hotels Inc. Vaughan Mills Hotels Inc. has suffered considerable delay and expense in rectifying a problem not created by it so that the Region and the City could obtain the appropriate easements to accord with their transport plans.

It was not until over a year into this planning process that our client was advised that there was a specific "hold" on the zoning to their property in spite of the fact that the property had been specifically zoned for exactly the hotel operation that was applied for.

The process to lift the "hold" could not be implemented until an appropriate site plan had been agreed to. The City of Vaughan council has now approved the report and lifting of the "hold" and the site plan on June 11th, 2008, but because of the particular notice requirements the "hold" may not be lifted until June 23rd, 2008, and the building permit can not be issued until that date. Our client has been ready for a considerable period of time to apply for the building permit but could not do so because of the pre-conditions to the site plan which were not within their control nor caused by them.

It now appears that the Regional Municipality of York's development charges are to increase dramatically on June 18th, 2008, and as our building permit can not be issued until June 23rd, 2008, our client will be subject to punitive increases in development charges through no fault of their own. They have always been prepared and ready to provide the appropriate development charge payment and have been prevented from doing so due to the bureaucratic nightmare in which they found themselves.

This is clearly a case in which the Region should consider an application for relief from the payment of the increased charges to which Vaughan Mills Hotels Inc. will be subject should they be required to pay the new development charges.

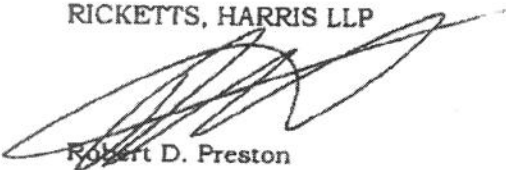
RICKETTS, HARRIS LLPPage 3

As the City of Vaughan and the Region are receiving a development of a hotel which is particularly suited to both the zoning and the requirements of the area this development should be encouraged given the size of the proposed operation. In the circumstances, the new development charges are unduly punitive.

I write this letter asking for immediate consideration and grandfathering this application and development from the new development charges. If you require any evidence or information to expand upon this letter, would you please contact the undersigned immediately.

Yours very truly,

RICKETTS, HARRIS LLP



Robert D. Preston

RDP:mab