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Bay-Yorkville Developments Ltd., a joint venture between Menkes Developments and Lifetime Homes, both of Toronto and Alcion Ventures of Boston, announced today that it has recently signed an agreement in principle with Kingdom Hotels to pursue the development of a new 265-room luxury hotel. Four Seasons Hotels and Resorts has agreed to operate the hotel, which is one component of a mixed-use development to include Four Seasons branded and serviced condominiums and high-end retail. Owners of the Four Seasons residences will have access to all hotel services and amenities, including unparalleled dining, a pool, spa and health club facilities, and banqueting and conference facilities. The total value of the project is \$325 million and is expected to create about 1,600 construction jobs in the city.

Located in Toronto's exclusive Yorkville district, at the northeast corner of Bay Street and Yorkville Avenue, the new mixed-use development is just a few blocks from the current Four Seasons Hotel Toronto. The project will be co-developed by Menkes Developments and Lifetime Homes.

"Four Seasons has a long track record of managing exceptional mixed-use hotel-condominium developments around the world," said Murray Menkes of Menkes Developments. "Given the landmark location and prestigious nature of this site, we feel this represents an unparalleled opportunity to build a new Four Seasons in Toronto, and to establish a new benchmark for luxury condominium living in the city. In recent years this type of mixed-use development has become the cornerstone of some of the world's most desirable urban neighbourhoods, including Four Seasons Residences in San Francisco, Miami, Hong Kong, and Moscow, and we believe the time is ideal to bring this world class standard to Toronto."

"Yorkville is quickly becoming one of North America's most vibrant, exclusive residential and hotel locations," said Kyle Rae, Toronto City Councillor, Toronto Centre-Rosedale. "Recently Conde Nast Traveler magazine described the opening of the first Four Seasons Hotel Toronto in 1978 as the 'catalyst for a new Yorkville.' The new Four Seasons hotel and residences will have a similar effect, anchoring the next generation of Yorkville that will extend beyond Bay to Yonge Street."

"Toronto now appeals to an ever-growing group of travelers and residential buyers who want the very best," said Isadore Sharp, Founder, Chairman and CEO, Four Seasons Hotels and Resorts. "Looking ahead, there is a unique opportunity to serve those needs with a hotel and residential experience which will be second to none. We are delighted to be working with Bay-Yorkville Developments and Kingdom Hotels on this exciting new project."

Planning approval applications are currently underway for the project. A sales presentation centre for the condominium residences is scheduled to open in early 2006. Construction is expected to begin by the end of 2006, with project completion slated for the beginning of 2009. Further details on the project can be found at <http://www.yorkvilleresidences.com/>.

Four Seasons continues to manage its award-winning Toronto hotel, at Avenue Road and Yorkville Avenue. Home to Truffles, the city's only AAA-rated Five-Diamond restaurant and Avenue, one of Toronto's top bar and dining venues, the Hotel will continue to be a draw for sophisticated visitors to the city as well as local patrons.

About Menkes Developments Ltd.:

Menkes Developments Ltd. is a fully integrated real estate company involved in the construction, ownership and management of office, industrial and residential properties. The Company was founded in 1954 by Murray Menkes and is one of the leading home builders in the Greater Toronto Area, with a proven track record in creating quality living spaces through innovative design and meticulous craftsmanship. Menkes has constructed over 10,000 homes to date, including single-family and condominium residences.

About Four Seasons Hotels and Resorts:

Founded in 1960, Four Seasons has followed a targeted course of expansion, opening hotels in major city centers and desirable resort destinations around the world. Currently with 65 hotels in 29 countries, and more than 20 properties under development, Four Seasons continues to lead luxury hospitality with innovative enhancements, making business travel easier and leisure travel more rewarding. For more information on Four Seasons, visit <http://www.fourseasons.com/>.

About Kingdom Hotels:

Kingdom Hotels is owned by a trust for the benefit of Prince Alwaleed and his family. Prince Alwaleed, directly or through trusts and other entities for the benefit of himself and his family, has made substantial investments in multiple sectors including hotels, banking, media, telecommunications, technology, construction and real estate, entertainment, and upscale fashion, among numerous others.

About Lifetime Urban Group:

Lifetime Urban Group headed by Mel Pearl and Sam Herzog is a 20 year partnership of friendship and success. From suburban residential communities to prestigious urban neighbourhoods, to the awarding winning "Waterpark City Condominiums" on Toronto's waterfront and finally to Liberty Market - a 350,000 square foot state of the art office renovation, Lifetime has devoted itself to enhancing the architecture, economy and lifestyle of Toronto's neighbourhoods.

About Alcion Ventures:

Alcion Ventures was formed in December 2004 by Martin Zieff and Mark Potter, formerly principals of AEW Capital Management LP. Based in Boston, Alcion Ventures

is a real estate private equity firm that seeks to create value with local entrepreneurs through the acquisition, development or repositioning of real estate to generate high yield returns for our investors. Managing Partners Zieff and Potter have nearly 40 years of combined real estate investment experience and have worked together for over a decade.