

Date: 2009-MAR-02  
Ref: NR090302AmendedAgreement

## INFORMATION BULLETIN

FOR IMMEDIATE RELEASE

### Millennium Hotel

NANAIMO – The City of Nanaimo and the Millennium/Suro Joint Venture wish to announce that they have agreed to a framework for a further amendment to the Amended Partnering Agreement. The Joint Venture will continue to work toward the development of a hotel adjacent to the Port of Nanaimo Centre and development of residential units at the old foundry site. A key point in this announcement is that the City will now also have the right to work with other potential investors for the hotel site and the foundry residential site and to enter into an agreement with another party if it considers this to be a preferable option.

The Amended Partnering Agreement will be extended for a further year, until 2010-MAR-31. During this time, the Joint Venture will continue design development and continue to seek financing for the project.

The Joint Venture will provide the City with an Irrevocable Letter of Credit in the amount of \$100,000 which the City may cash if Millennium does not proceed with the hotel.

Further details about the terms of the extension are available in the staff report dated 2009-MAR-02.

Shahram Malek, Director of Millennium (the lead partner in the Joint Venture), said his company believes in the future of Nanaimo and wishes to continue to pursue the development of the hotel site and the residential/foundry site. He adds he is disappointed that the current economic conditions have delayed development of the hotel, but is optimistic about the future and his company's ability to get the job done.

Mayor John Ruttan said he is pleased that the Joint Venture is willing to continue its work toward completing the proposed development but also happy that the City will be able to pursue other opportunities at the same time. This will allow the City to find out if there are more attractive proposals available.

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Council continues to support the development of the hotel and the residential property at the site of the old foundry because of its importance to the future of downtown Nanaimo. The hotel will complement the VICC and continue to build on the community's success so far in re-energizing the downtown. The residential development at the foundry will add much needed density to downtown.

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Contact information:

Mayor John Ruttan  
Phone: 250-755-4400

Shahram Malek, Director  
Millennium Nanaimo Properties Ltd.  
Phone: (604) 694-6141