

NEWS RELEASE

**For Immediate Release
June 15, 2010**

City of Nanaimo to Initiate Legal Action against Millennium Nanaimo Properties Ltd. and Suro Development Company

Nanaimo, BC, June 15, 2010 – Nanaimo City Council has decided to initiate legal action to recover funds it is owed by Millennium and Suro, its former partners in the development of the Port of Nanaimo Centre. Suro is the assignee of Triarc International Inc. of Connecticut, the City's original hotel partner. The Port of Nanaimo Centre is Nanaimo's award winning downtown revitalization project that includes the Vancouver Island Conference Centre, Nanaimo Museum, retail shops and parking.

Millennium and Suro have failed to complete the hotel component of the Port of Nanaimo Centre as required in the Amended Partnering Agreement, despite the granting of numerous time extensions by the City.

Under the terms of its agreement with the City, Millennium and Suro are obligated to repay fees paid to them by the City if they did not proceed with the hotel. The City has demanded repayment but the funds have not yet been paid.

Accordingly, the City solicitors have now been instructed to seek resolution through the Courts.

The City of Nanaimo believes that it acted reasonably and in good faith at all times in its relationship with Millennium and Suro.

The funds being sought by the City total \$3,045,058.00.

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