GE	THERE INSTRUMENT - I ART I TROUMEE OF DITUSE C	orumona		TROL I OF ITTAD	LO	
	Your electronic signature is a representation that you are a Land Title Act, RSBC 1996 c.250, and that you have appliin accordance with Section 168.3, and a true copy, or a c your possession.	ied your electronic sign	nature			
1.	APPLICATION: (Name, address, phone number of applic	ant, applicant's solicito	or or agent)			
	KAHN ZACK EHRLICH LITHWICK LLP 270 - 10711 Cambie Road Richmond BC	√6X 3G5	Telephone: (604) LTO Client No. 0 [°] File No <i>.</i> 46320	11757	-71	
2.	PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF			Deduct LTSA Fees? Yes	<u>√</u>	
	[PID] [LEGAL DESCRIPTION] SEE SCHEDULE					
	SEE SCHEDULE					
	STC? YES					
3.	NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFO	ORMATION		
	SEE SCHEDULE					
4.	TERMS: Part 2 of this instrument consists of (select one of (a) Filed Standard Charge Terms D.F. No. A selection of (a) includes any additional or modified terms	(b) 🗸 E	Express Charge Terms Anno or in a schedule annexed to	exed as Part 2 this instrument.		
5.	TRANSFEROR(S):					
	CITY OF NANAIMO					
6.	TRANSFEREE(S): (including postal address(es) and posta	ll code(s))				
	SSS MANHAO INTERNATIONAL TOUI		(CANADA) CO. LT	D.		
				Incomposition No.		
	SUITE 270, 10711 CAMBIE ROAD RICHMOND	RDITICH (COLUMBIA	Incorporation No BC0953560		
	V6X 3G5	CANADA	COLONIDIA	DC0933300		
7.	ADDITIONAL OR MODIFIED TERMS: N/A					
8.	EXECUTION(S): This instrument creates, assigns, modifie the Transferor(s) and every other signatory agree to be boun charge terms, if any. Officer Signature(s) MANCY PETERSON Commissioner for taking Affidavits for British Columbia 455 Wallace Streat Nanaimo, BC VOB 546 (as to all signatures)	nd by this instrument, a	and acknowledge(s) receipt Transferor(s) Sig CITY OF NA authorized s	of a true copy of the filed standard gnature(s) NAIMO by its ignatory(ies):	ıd	
		· · · · · · · · · · · · · · · · · · ·				

(as to all signatures) OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

LAND TITLE ACT FORM D EXECUTIONS CONTINUED

Officer Signature(s) **Execution Date** Transferor / Borrower / Party Signature(s) M Y D SSS MANHAO INTERNATIONAL 13 10 21 TOURISM GROUP (CANADA) CO. LTD. by its authorized signatory(ies): MICHAEL L. LIPTON Name: Barrister & Solicitor 270-10711 CAMBIE ROAD RICHMOND, BRITISH COLUMBIA V6X 3G5 604-270-9571 Name: (as to all signatures)

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

LAND TITLE ACT FORM E

SCHEDULE

PAGE 3 OF 14 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND: [PID] [LEGAL DESCRIPTION]
NO PID NMBR PART OF GORDON STREET IN SECTION,CITY, BEING PART OF ROAD DEDICATED BY PLAN EPP
STC? YES
[Related Plan Number]
EPP
2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND: [PID] [LEGAL DESCRIPTION]
026-458-942 LOT A SECTION 1 NANAIMO CITY AND OF THE BED OF THE PUBLIC HARBOUR OF NANAIMO PLAN VIP79754 EXCEPT THAT PART IN PLAN STC? YES TVIP85148

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND: [PID] [LEGAL DESCRIPTION]

STC? YES

FORM E					
SCHEDULE NATURE OF INTEREST	CHARGE NO.	PAGE 4 OF 14 PAGE ADDITIONAL INFORMATION			
Easement		over parts on Plan EPP			
		Dominant Land: PID 029-126-002 Lot A Section 1 Nanaimo City and of the Bed of the Public Harbour of Nanaimo Plan EPP30518			
NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION			
NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION			
NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION			
NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION			
NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION			

TERMS OF INSTRUMENT – PART 2

EASEMENT FOR OVERHEAD WALKWAY

This Agreement dated for reference the 21st day of October, 2013

BETWEEN:

SSS MANHAO INTERNATIONAL TOURISM GROUP (CANADA) CO.

LTD., a company duly incorporated under the laws of the Province of British Columbia having its registered and records office care of Suite 270, 10711 Cambie Road, Richmond, British Columbia V6X 3G5

(the "Owner")

OF THE FIRST PART

AND:

CITY OF NANAIMO, a municipality incorporated under the laws of the Province of British Columbia and having an address at 455 Wallace Street, Nanaimo, British Columbia, Canada V9R 5J6

(the "City")

OF THE SECOND PART

WHEREAS:

A. Pursuant to an Offer to Purchase between Manhao and the City dated for reference June 19, 2013 (the "Offer to Purchase"), Manhao agreed to purchase from the City for the purpose of developing and operating a hotel (the "Hotel") certain land situated at 100 Gordon Street, Nanaimo, British Columbia, and legally described as:

> Parcel Identifier: 029-126-002 Lot A Section 1 Nanaimo City and of the Bed of the Public Harbour of Nanaimo Plan EPP30518

(the "Land");

B. The City is the owner of the Vancouver Island Conference Centre (the "Conference Centre"), which is legally described as:

Parcel Identifier: 026-458-942 Lot A Section 1 Nanaimo City and of the Bed of the Public Harbour of Nanaimo Plan VIP79754 Except that part in Plan VIP85148

(the "Conference Centre Property");

- C. Pursuant to the terms of the Offer to Purchase, the City's sale of the Land and Manhao's purchase of the Land is subject to Manhao's construction of an overhead walkway between the Conference Centre and the Hotel (the "Walkway") in order to provide guests of the Hotel, users of the Conference Centre and the public generally free access between the Hotel and Conference Centre;
- D. Pursuant to section 35(1)(a) of the *Community Charter*, the City owns the highway between the Land and the Conference Centre Property, which highway is known as Gordon Street (the "Highway");
- E. Section 35(11) of the *Community Charter* authorizes Council of the City to grant an easement or permit an encroachment in respect of a highway vested in the City under section 35(1)(a);
- F. By this Agreement and on the terms of this Agreement, the City is prepared to grant to the Owner an easement to permit the Owner to construct and use the Walkway above the Highway and above a portion of the Conference Centre Property.

NOW THEREFORE this Agreement is evidence that in consideration of the mutual covenants contained herein, the payment of \$1.00 by the Owner to the City and other good and valuable consideration (the receipt and sufficiency of which is acknowledged by each of the parties), the City and Owner covenant and agree as follows:

Permission to Encroach

The City hereby grants to the Owner the non-exclusive right, license, liberty, easement, privilege and permission (the "Easement") to encroach upon that portion of the Highway and portion of the Conference Centre Property shown outlined in heavy black on the survey plan prepared by ______, B.C. Land Surveyors, dated the _____ day of ______, 2013, a copy of which is attached as Schedule "A" (the "Easement Area") for the sole purpose of constructing, maintaining, repairing, replacing, occupying, and using the Walkway on the terms and conditions of this Agreement.

Use of Walkway

- 2. The City grants this Easement to the Owner on the condition that the Owner must permit the Walkway to be used to provide guests, employees and others using the Hotel, and users of the Conference Centre Property, and the public generally free access through the Walkway between the Hotel and Conference Centre Property.
- 3. For certainty, the Owner may not use the Walkway for retail sales, for storage, for display of items or any purpose other than pedestrian access between the Hotel and

Conference Centre Property.

Design of Walkway

4. The Owner shall construct the Walkway in strict accordance with the design prepared by gBL Architects, a copy of which is attached to Development Permit 854 (approved by City Council on October 7, 2013), which design, among other things, specifies the dimensions of the Walkway, the height of the Walkway above the Highway and the Conference Centre Property, the building materials and structural components of the Walkway.

Term of Easement

- 5. This Easement commences on the date of its registration in the Land Title Office and, subject to section 16, continues until such time as the Hotel is intentionally demolished or the Hotel is demolished by earthquake, fire or other similar cause and the Owner chooses not to reconstruct the Hotel, and in that case, the Owner shall:
 - (a) remove the Walkway provided the Owner causes as little disruption as possible to the Conference Centre in connection with such removal;
 - (b) undertake all work necessary to the Conference Centre to remedy any damage caused by the removal of the Walkway to restore the Conference Centre to the state it was prior to construction of the Walkway; and
 - (c) discharge this Easement from the Land Title Office.

Ownership of Walkway

6. The Owner and City agrees that, despite any rule of law or equity, the Walkway belongs at all times to the Owner.

Owner Responsibility

7. The Owner is solely responsible for all aspects of the Walkway, including repair, maintenance, cleaning, clearing, replacement, safety, security, inspection, utilities and other matters specified in this Agreement, except where caused by the negligence or deliberate wrongful acts of the City, the City Representatives (as hereinafter defined) or those for whom the City is responsible at law.

Standard to be Met

8. The Owner shall at all times repair, maintain, clean, clear, replace, operate and inspect and keep the Walkway in a good condition and repair, reasonable wear and tear excepted, that ensures the safe passage of the public through the Walkway.

<u>Security</u>

9. The Owner is responsible for all aspects of security of the Walkway and the Owner may employ security cameras, security guards and other measures to ensure the safety of those using the Walkway.

Hours of Opening

10. The Owner shall ensure that the Walkway is open at all times when the Conference Centre Property is open. The Owner may by a system of gates or otherwise prohibit access across and along the Walkway during hours that the Conference Centre Property is closed.

<u>Cleaning</u>

11. The Owner shall clean the Walkway and remove all rubbish and debris on a regular basis.

<u>Costs</u>

12. The Owner shall be responsible for all costs, payments, outlays and expenses with respect to the Walkway and this Agreement, including those associated with engineering, survey, legal, insurance, construction, maintenance, repair, removal, replacement, inspection, cleaning, security, utilities, or servicing, unless any of the aforesaid costs, payments, outlays or expenses are caused by the negligence or deliberate wrongful acts of the City or those for whom the City is responsible at law.

Required Repairs

13. The City may at any time inspect the Walkway and the Owner shall conduct any repairs or maintenance to the Walkway as directed by the City, acting reasonably, if the Owner is in breach of its obligations pursuant to section 8. Despite the fact that the City may require repairs to the Walkway, the City is not responsible for the condition or safety of the Walkway and the City is not required to give any notices to repair.

Disruption of Public Travel

14. The Owner shall give the City notice of its intention to undertake any repairs, maintenance or other work to the Walkway which may disrupt public travel along the Highway and, except in the case of an emergency, the Owner shall only undertake such work at those times and dates and under those conditions authorized by the City, acting reasonably. In any event, the Owner shall use all reasonable efforts to minimize disruption and inconvenience to the public and where necessary for public safety, the Owner shall place and maintain flag persons, warning signs, barricades, lights and flares as will give clear warning and protection to the public on the Highway.

No Termination for Default

15. In the event that the Owner breaches any term, condition, covenant or provision of this Agreement, the Owner shall remedy the breach within 15 days of receipt of a notice from the City (or such longer time reasonably required to remedy the said breach if it cannot be remedied in such 15 day period) and if the breach is not remedied to the satisfaction of the City within the time specified, the parties agree that, due to the essential nature of the Walkway, this Agreement will not be terminated for default, but the City may apply to court for a remedy in the form of injunction, damages, or other legal remedy to enforce compliance by the Owner of its obligations pursuant to this Agreement.

Demolition or Destruction of Conference Centre Property

- 16. If the Conference Centre Property should reach the end of its life-span and the City chooses to demolish and not replace it, or if the Conference Centre Property should be substantially damaged or destroyed by earthquake, fire or other similar cause and the City chooses not to replace it, the City will:
 - (a) remove the Walkway provided the City causes as little disruption as possible to the Hotel in connection with such removal; and
 - (b) undertake all work necessary to the Hotel to remedy any damage caused by removal of the Walkway to restore the Hotel to the state it was prior to construction of the Walkway;

and the Owner shall discharge this Easement from the Land Title Office.

Action by City

17. If the Owner fails to do any matter required of it under this Agreement, the City is entitled to take all such actions on the Owner's behalf and at the Owner's cost, and the Owner shall pay the City its costs immediately upon receipt of an invoice from the City, but the City is in no circumstance liable for its failure to do so or its manner of doing so.

Compensation

18. Except as set forth in section 16 of this Agreement, the Owner shall not be entitled to compensation for injurious affection or disturbance resulting in any way from the removal of the Walkway under section 16 and, without limitation, the Owner shall not be entitled to business losses, loss of profit, loss of market value, relocation costs or other consequential loss by reason of the removal of the Walkway or by reason of revocation of the permission to encroach granted under this Agreement under section 16.

Acknowledgement of Highway

- 19. The Owner acknowledges and agrees that a portion of the Easement Area is a highway and that this Agreement shall not in any way restrict the right of the City to at any time:
 - (a) improve, maintain, widen, raise, lower or otherwise alter the Highway;
 - (b) inspect, install, improve, maintain, alter or permit any structure, service or utility on, over or under any portion of the Highway; or
 - (c) permit other encroachments or use of the Highway

provided there is no material detrimental effect to the Walkway and there is no material disruption to the Owner's operation of the Hotel.

Compliance with Laws

20. The Owner shall carry on and conduct its activities on the Easement Area in compliance with any and all applicable statutes, enactments, bylaws, regulations and orders from time to time in force and obtain and maintain all required approvals, permits and licenses thereunder and not to do or omit to do anything upon or from the Easement Area in contravention thereof.

Discharge of Agreement

21. Upon the expiry or other termination of this Agreement, the Owner shall execute and file in the Land Title Office a discharge of this Easement.

Release of Liability

22. The Owner hereby releases the City and its elected officials, officers, employees and agents (the "City Representatives") from all claims, demands, losses and costs which the Owner may at any time incur or suffer due to or related to or arising from the existence or use of the Walkway or Easement Area or the granting of this Agreement or any act or omission of the City or the City Representatives pursuant to this Agreement UNLESS liability to the Owner is caused by the negligent or deliberate wrongful acts of the City, City Representatives or those for whom the City is responsible at law.

Indemnity

23. The Owner hereby indemnifies and saves harmless the City and the City Representatives from all actions, proceedings, claims, demands, debts, damages, losses, costs and other harm of whatever kind which may at any time be suffered or incurred by the City of the City Representatives by reason of, arising from or in any way relating to the existence or use of the Walkway or Easement Area, the granting of this Agreement, or the acts, omissions, negligence or default (including breach of bylaws) of the Owner or its

directors, officers, employees, tenants, invitees, guests, contractors, licensees, agents and others for whom it is responsible unless caused by the negligence or deliberate wrongful acts of the City, City Representatives or those for whom the City is responsible at law.

24. The obligation of the Owner to release and indemnify the City and the City Representatives survives any expiry or termination of this Agreement.

<u>Insurance</u>

25. The Owner shall take out and maintain at all times throughout the term of this Agreement a policy of comprehensive general liability insurance providing coverage for all potential losses under this Agreement (including death, bodily injury, property loss, property damage, consequential and economic losses), in an amount of not less than Five Million (\$5,000,000.00) Dollars per occurrence, or such greater amount as the City may require from time to time, which policy names the City as an additional insured, a term of which policy will be (if possible) that it cannot be cancelled or altered without prior notice to the City, and which policy waives all rights of subrogation, a copy of which policy (or certificate of insurance) must be delivered to the City at the time of execution of this Agreement and at other times required by the City.

Entire Agreement

26. This Agreement is the entire agreement between the City and the Owner in respect of its specific subject matter.

No Representations

27. The City has made no representations, warranties, guarantees, promises, covenants or agreements to or with the Owner in respect of the particular subject-matter of this Agreement other than those expressed in writing in this Agreement.

<u>Amendment</u>

28. No amendment to this Agreement is valid unless in writing and executed by the parties.

Interpretation

- 29. In this Agreement:
 - (a) wherever the singular or masculine is used the same shall be construed as meaning the plural or the feminine or the body corporate or politic where the context or the parties hereto so require;
 - (b) every reference to a party is deemed to include heirs, executors, administrators, successors, assigns, officers and employees of such parties wherever the context

(c) the headings are inserted for reference and convenience only and must not be used to construe or interpret the provisions hereof.

<u>Covenants</u>

30. All provisions of this Agreement are to be construed as covenants.

<u>Time</u>

31. Time is of the essence of this Agreement.

Interest in Land

32. This Agreement shall charge the Highway and the burden of all the covenants herein shall run with the Highway and charge the Highway and every part into which the Highway may be divided or subdivided.

Modification

33. This Agreement may not be modified except by an instrument in writing signed by the parties.

<u>Waiver</u>

34. Waiver of any default by any party will not be deemed to be a waiver of any subsequent default by that party. All waivers must be in writing.

Powers Preserved

35. Nothing contained or implied herein shall prejudice or affect the rights and powers of the City in the exercise of its functions pursuant to the *Local Government Act*, (B.C.) or the *Community Charter* (B.C.) or its rights and powers under all of its public and private statutes, bylaws, orders and regulations.

<u>Notice</u>

36. Any notice which may be given pursuant to this Agreement must be in writing and delivered by hand and addressed to the applicable party at its address set out above, or to such other address as the party may specify by notice in writing to the other in accordance with this section.

A notice will be deemed to be given on the day of delivery.

All notices to the City must be addressed to the attention of the City's Corporate Officer.

Governing Law

37. This Agreement will be governed by and construed in accordance with the laws in force in the Province of British Columbia.

<u>Invalidity</u>

38. If any section, subsection, sentence, clause or phrase in this Agreement is for any reason held to be invalid by the decision of a court of competent jurisdiction, the invalid portion will be severed and the decision that it is invalid will not affect the validity of the remainder of this Agreement.

Further Assurances

39. The parties shall do and cause to be done all things and execute and cause to be executed all documents that may be necessary to give proper effect to the intention of this Agreement.

Joint and Several

40. If at any time more than one person (as defined in the *Interpretation Act* (British Columbia) owns the Land, each of those persons will be jointly and severally liable for all of the obligations of the Owner under this Agreement.

<u>Enurement</u>

41. This Agreement will enure to the benefit of and be binding on the parties and their respective corporate successors, successors in title, heirs, executors, administrators, and personal representatives, notwithstanding any rule of law or equity to the contrary.

<u>Interest</u>

42. All monies owing and unpaid by the Owner to the City under this Agreement will bear interest at the rate of 6% per annum, compounded and calculated semi-annually not advance.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the Form C above.

