

AGREEMENT FOR USE OF CONFERENCE CENTRE PARKING SPACES

THIS AGREEMENT dated for reference October 21, 2013,

BETWEEN:

SSS MANHAO INTERNATIONAL TOURISM GROUP (CANADA) CO. LTD.,
a company duly incorporated under Incorporation Number BC0953560
pursuant to the provisions of the *Business Corporations Act*, SBC 2002,
c 57, having its registered office at Suite 270, 10711 Cambie Road,
Richmond, British Columbia V6X 3G5

("Manhao")

AND:

CITY OF NANAIMO, a British Columbia local government, having its
administrative offices at 455 Wallace Street, Nanaimo, British
Columbia V9R 5J6

(the "City")

GIVEN THAT:

- 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 District 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, situated at 101 Gordon Street, Nanaimo, British Columbia and across Gordon Street from the Land, which is legally described as:

Parcel Identifier: 026-458-942

Lot A Section 1 Nanaimo District and of the Bed of the Public Harbour of Nanaimo
Plan VIP79754 Except that part in Plan VIP85148

(the "Conference Centre");

- C. Manhao will construct the Hotel on the Land without any aboveground or underground parking spaces, and Manhao will operate the Hotel such that guests of the Hotel will be able to use parking spaces in the underground parking garage of the Conference Centre (the "Parking Garage");

- D. 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 the parties agreeing to and entering into this agreement (the "Agreement");

NOW THEREFORE in consideration of the premises, promises and payments herein, the sum of \$1.00 paid by Manhao to the City, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the parties), the City and Manhao covenant and agree as follows:

Use of Parking Spaces

1. Manhao may use up to Two Hundred Fifty-Five (255) parking spaces (the "Parking Spaces") within the Parking Garage and the City shall provide for use by Manhao the Parking Spaces within the Parking Garage on the terms and conditions of this Agreement.

Term of Agreement

2. This Agreement commences on the date that the Hotel is open for business and continues for five (5) years after that date (the "Initial Term").

Renewal of Term

3. Upon the expiry of the Initial Term, Manhao will have the option to renew this Agreement for an unlimited number of additional terms of five (5) years each (individually, "Additional Term"; collectively, "Additional Terms") on the same terms and conditions as herein contained.

Method of Renewal

4. Manhao may exercise its option to renew under section 3 by giving written notice to the City at least two months (but no earlier than 6 months) before the expiry of the Initial Term or any Additional Term, and if this Agreement is so renewed, it is not necessary for the City and Manhao to sign a renewal agreement.

Termination of Agreement

5. Notwithstanding section 2, section 3 or anything else in this Agreement, the Initial Term and any Additional Terms of this Agreement will automatically terminate if the Land should at any time cease to be used as a hotel in compliance with the Development Covenant (the "Development Covenant") between Manhao and the City under section 219 of the *Land Title Act* and registered on title to the Land concurrently with the transfer of the Land to Manhao. For certainty, the Land shall not cease to be used as a hotel if the Hotel is closed for renovations or repairs; closed for sale to a new buyer; or closed for other legitimate purposes.

Hotel Guests

6. Manhao agrees that it will only authorize guests of the Hotel to park in the Parking Spaces. For certainty, the Parking Spaces may not be used by the Hotel's managers, employees, contractors or others, but nothing prohibits the Hotel's managers, employees, contractors or others from parking elsewhere in the Parking Garage on a daily or monthly basis in the same way as other members of the public.

Parking Fee

7. Manhao shall pay a parking fee to the City for each Parking Space used in relation to the Hotel for a day, or portion of day, based on the City's current rate for a monthly parking pass in the Parking Garage, divided by 30 to obtain a daily rate, which amount is payable for each one-day parking pass. This parking fee does not include Goods and Services Tax ("GST") (or similar tax), which must be paid in addition to the parking fee. For certainty, the fee for a monthly parking pass at the date of this Agreement is \$95.00 plus GST per space.

Increase in Parking Fee

8. Manhao acknowledges that the City's current rate for a monthly parking pass in the Parking Garage may be increased from time to time based on the rates as may be set from time to time by bylaw or resolution of the City.

Parking Passes

9. In order for Manhao to use the Parking Spaces pursuant to this Agreement, Manhao may purchase parking passes in bulk from the City from time to time and the City shall provide such parking passes for the Parking Spaces in the form of single-day passes for each Parking Space used (up to a maximum of 7,650 passes per month). Manhao shall arrange for the parking passes to be delivered to guests of the Hotel and shall instruct such guests to visibly display same through the windshields of their motor vehicles and motor cycles (collectively "Motor Vehicles"). Manhao shall not deliver or otherwise provide the parking passes to anyone other than guests of the Hotel.

Location of Parking Spaces

10. Manhao agrees that the Parking Spaces may not be designated within the Parking Garage as being for the exclusive use of the Hotel. The City, at its option, may choose to allocate, acting reasonably, one or more areas of the Parking Garage in any location as parking for the Hotel, or not to allocate any areas for parking for the Hotel. In the event the City does not allocate areas of the Parking Garage for the Hotel, guests of the Hotel may park in the Parking Spaces within the Parking Garage on a first come-first serve basis.

Costs of Parking Garage Operations

11. The City will be responsible for any and all costs related to the operation of the Parking Garage, including but not limited to, maintenance, repair, security, insurance, signage and taxes.

Rules and Regulations

12. Manhao agrees and acknowledges that the City may establish, from time to time, reasonable rules and regulations applicable to the Parking Garage, and consequences, including fines and towing, for breach of those rules and regulations. Manhao further agrees and acknowledges that Manhao will not use or authorize others to use the Parking Garage in contravention of the rules and regulations, but that Manhao shall have no obligation to enforce such rules and regulations. For certainty, if there is any contradiction between such rules and regulations and the terms and conditions of this Agreement, the latter shall prevail.

Compliance with Laws

13. Manhao shall use the Parking Garage and Parking Spaces in compliance with any and all applicable statutes, enactments, bylaws, regulations and orders from time to time in force and shall not contravene same.

Manhao Notice to Hotel Guests

14. Manhao shall provide notice to all guests of the Hotel that their use of the Parking Garage and the Parking Spaces is subject to the City's rules and regulations.

Availability of Parking

15. The City agrees that parking for guests of the Hotel will be available in the Parking Garage 24 hours per day, on each day of the year.

Access to Hotel

16. Manhao agrees and acknowledges that at times that the operator or manager of the Conference Centre chooses not to staff the lobby of the Conference Centre as contemplated in section 17, guests of the Hotel will be able to enter and exit the Parking Garage from the Hotel by the overhead walkway constructed above Gordon Street to be constructed by Manhao, from the main vehicle access point at Gordon Street, and from the main vehicle access point in the adjacent Bastion Parkade.

Staffing

17. Manhao agrees and acknowledges that the operator or manager of the Conference Centre may or may not choose to have the lobby of the Conference Centre and/or the Parking Garage staffed during any particular time of the day or day of the week, provided that access by guests of the Hotel to the Parking Garage is not affected.

Valet Parking

18. The City agrees that Manhao may use a system of valet parking for Motor Vehicles of guests of the Hotel in the Parking Garage.

Parking Garage Operations

19. Manhao agrees and acknowledges that operation of the Parking Garage is entirely within the control of the City, and without limitation, the City reserves the right, acting reasonably, from time to time, to add, remove or change signage, dimensions of the Parking Spaces and markings, directional signs, security measures, lighting, and other aspects of the Parking Garage, provided access and use of the Parking Spaces by guests of the Hotel is not affected.

Usage

20. Manhao may allow guests of the Hotel to use the Parking Spaces only for the parking of Motor Vehicles (to the extent that such Motor Vehicles fit in the Parking Garage and the Parking Spaces). Manhao acknowledges that campers and recreational vehicles will not fit in the Parking Garage and Parking Spaces. For certainty, Manhao acknowledges that the Parking Spaces may not be used for storage; for parking of unlicensed or uninsured Motor Vehicles, for repair or maintenance or washing of Motor Vehicles; or any other purpose other than parking; and the City may tow or ticket Motor Vehicles in breach of this provision.

Parking Garage Repairs, Maintenance

21. Manhao agrees that the Parking Garage may be closed completely or in part, from time to time, for necessary repairs and maintenance, but the City agrees to arrange such closures so as to cause as little disruption as possible to parking for guests of the Hotel. The City will attempt to give as much notice as possible to Manhao of such temporary closures of the Parking Garage. If the City has allocated areas of the Parking Garage for the Parking Spaces under section 10, the City may temporarily change those areas for the purposes of conducting repairs and maintenance. Notwithstanding anything in this section 21 to the contrary, unless in an emergency, the City will provide Manhao with 15 days notice of a temporary closure of any part of the Parking Garage and will provide reasonable alternate parking for guests of the Hotel for the duration of any temporary closure.

Conference Centre - Parking Garage Damage, Destruction

22. Notwithstanding section 2, section 3 or anything else in this Agreement, Manhao agrees that:
- (a) in the event that the Parking Garage should reach the end of its life-span and is unable to be used by Manhao for the purposes contemplated herein; or
 - (b) in the event that the Parking Garage is completely destroyed by earthquake, fire or other cause; or
 - (c) in the event that the Parking Garage is partially damaged or destroyed to the extent that Manhao cannot use same for the purposes contemplated in this Agreement,

the City will provide Manhao and guests of the Hotel with reasonable alternate parking in parkade(s) in close proximity to the Parking Garage during the Initial Term of this Agreement or any Additional Terms on the same terms and conditions as set forth in this Agreement or until such time as the Parking Garage may be reconstructed or restored by the City, whichever is earlier.

No Compensation

23. Provided the City provides reasonable alternate parking as contemplated in section 22, in no event will Manhao be entitled to compensation for any loss or damage, including business losses, resulting from temporary closure of the Parking Garage for maintenance and repairs under section 21, or from termination or suspension of this Agreement under section 5 or section 22.

Assignment by Manhao

24. Manhao may not assign this Agreement except to an entity who becomes the sole owner or licensee of the Hotel, and Manhao must not sell or otherwise transfer the Hotel to any entity unless Manhao assigns this Agreement to that entity. In that case:
- (a) Manhao and the assignee must promptly provide the City with a copy of the assignment agreement;
 - (b) Manhao and the City will release each other from all future obligations under this Agreement from the date of assignment; and
 - (c) the assignee must enter into an assumption agreement with the City agreeing to assume all of Manhao's obligations under this Agreement from the date of the assignment.

Assignment by City

25. The City agrees not to sell, transfer or otherwise convey the Conference Centre unless the City first assigns this Agreement to the purchaser and in that case:
- (a) the City and the purchaser must promptly provide Manhao with a copy of the assignment agreement;
 - (b) Manhao must release the City from all obligations under this Agreement from the date of assignment; and
 - (c) the purchaser must enter into an assumption agreement with Manhao, agreeing to assume all of the City's obligations under this Agreement from the date of the assignment.

Default

26. Due to the fact that the Hotel cannot be operated as a hotel without the parking arrangements set forth in this Agreement, the parties agree that this Agreement cannot be terminated for default, and instead, in the event of a default by one party, the other party may give a notice of default and reasonable time for correction of the default, and if the default is not corrected within that reasonable time, the other party may apply to court for a remedy in the form of injunction or damages.

Notice

27. Any notice which may be given pursuant to this Agreement must be in writing and either 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 if delivered by hand. All notices to the City must be addressed to the attention of the City's Corporate Officer.

No Interest in Land

28. This Agreement shall not be interpreted as granting any interest in the Parking Garage to Manhao.

Waiver

29. Waiver of any default by a party shall not be interpreted or deemed to be a waiver of any subsequent default. All waivers must be in writing.

Time of Essence

30. Time is of essence of this Agreement.

No Other Agreements

31. This Agreement is the entire agreement between the parties regarding its particular subject matter, except as otherwise provided in the Offer to Purchase and in the Development Covenant between the City and Manhao registered on title to the Land concurrently with the transfer of the Land to Manhao .

Benefit

32. This Agreement enures to the benefit of and is binding upon the parties and their respective heirs, executors, successors, administrators, and permitted assigns.

Modification

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

Interpretation

34. Wherever the singular is used or neuter is used in this Agreement, it includes the plural, the feminine, the masculine or body corporate where the context or the parties so required.

Governing Law

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

Further Assurances

36. Each of the parties must at all times execute and deliver at the request of the other all such further documents, deeds and instruments, and do and perform such other acts as may be reasonably necessary to give full effect to the intent and meaning of this Agreement.

Joint and Several

37. 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 Manhao under this Agreement.

No Representations

38. The City has made no representations, warranties, guarantees, promises, covenants or agreements to or with Manhao in respect of the particular subject-matter of this Agreement other than those expressed in writing in this Agreement, in the Offer to Purchase and in the Development Covenant.

Covenants

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

Execution in Counterparts

40. This Agreement may be executed in one or more facsimile or PDF counterparts, each of which will be deemed to be an original of this Agreement and all of which, when taken together, will be deemed to constitute one and the same Agreement.

IN WITNESS WHEREOF the City and Manhao have executed this Agreement as of the day and year written below.

CITY OF NANAIMO by its authorized signatories:

Per:  _____


Name and Title: John Ruttan, Mayor

Per:  _____

Name and Title: Kristin King, Corporate Officer

DATE: October 30, 2013

**SSS MANHAO INTERNATIONAL TOURISM GROUP
(CANADA) CO. LTD.** by its authorized signatories:



Signature

CHEN JUNHAO

Name

President

Title

DATE: October 21, 2013
