

ADDENDUM
REGULAR MEETING OF CITY COUNCIL

2010 08 23

4:30 P.M.

PART ONE – CONSENT AGENDA

3. APPROVE ADDENDUM AS PRESENTED

Mover: Councillor T. Sheehan

Seconder: Councillor D. Celetti

Resolved that the Addendum for the 2010 08 23 City Council meeting as presented be approved.

5. COMMUNICATIONS AND ROUTINE REPORTS OF CITY DEPARTMENTS; BOARDS AND COMMITTEES

- (a) Further correspondence from AMO is attached for the information of Council.
- (ff) Correspondence from the Finn Grand Fest 2010 Board Members and Organizing Committee is attached for the information of Council.
- (gg) News release concerning a Huron Central Rail Line Update is attached for the information of Council.

PART TWO – REGULAR AGENDA

6. REPORTS OF CITY DEPARTMENTS; BOARDS AND COMMITTEES

Legal

(5)(a) Eastgate Hotel – 874 Queen Street East

Three additional reports of the City Solicitor and a letter from the Fiser family are attached for the consideration of Council.

Mover: Councillor S. Myers

Seconder: Councillor P. Mick

Whereas offers to purchase have been received by City Council for 874 Queen Street East (former Eastgate Hotel); and

Whereas this property is a hazard of health and safety presenting a daily risk to the surrounding residents and all passersby and there is an urgent need to address the status of this building as soon as possible;
And whereas it is unknown to City Council as to the capability of any purchaser as to their ability to perform restoration or renovation to the satisfaction of City Council;
Therefore be it resolved that the following conditions be attached to acceptance of any offer:

1. A performance bond of \$75,000 be held by the City and failure to perform renovations that would pass Ontario Building Code inspection by a specified date would result in 100% forfeit of the bond and return of the property to the City.
2. All renovations must be completed and meet Ontario Building Code including final inspection and approval by the Chief Building Inspector not later than August 31, 2011.

7. **UNFINISHED BUSINESS, NOTICE OF MOTION AND RESOLUTIONS
PLACED ON AGENDA BY MEMBERS OF COUNCIL**

- (f) Mover: Councillor S. Myers
Seconder: Councillor T. Sheehan

Whereas the Heritage Discovery Centre project has been postponed due to a variety of uncontrollable factors; and
Whereas this project remains a very high priority for the City and Historic Sites Board; and
Whereas the provincial government remains committed to \$1 million in funding; and
Whereas there are a number of funding programs both private and public that will be pursued to proceed with this project;
And whereas the City's financial participation is critical;
Therefore be it resolved as per earlier motions dated July 27, 2009 and January 11, 2010 the City will remain committed to working with the Historic Sites Board to move this tender-ready project forward.

- 7(g) Mover: Councillor F. Manzo
Seconder: Councillor P. Mick

Whereas on July 19, 2010 Council was made aware of the law according to Ontario Regulation 210/01 under the Technical Standards and Safety Act 2000, and given Council's concern for the general health and safety of the community; and
Whereas City Council is charged with the responsibility of ensuring the general health and safety of this community; and

Whereas two resolutions brought forward at that meeting regarding changes to the current sign by-law 2005-15 were defeated and only dealt with City rights of way or public property;

Therefore be it resolved that the appropriate City department contact Ontario One Call, PUC Inc., and Shaw requesting locates on all property within the jurisdiction of the City of Sault Ste. Marie and have those locates renewed as dictated under the law to ensure the safety of the citizens of this City;

Further that the appropriate City department contact PUC Inc., Union Gas, Bell, Shaw, and other utility that might have buried cable or lines to request that they ensure that all lines or cables are properly buried at a safe distance below ground so that residents will not accidentally rupture such lines or cables by piercing the ground on their property above the accepted ground frost level.

NEWS RELEASE

FOR IMMEDIATE RELEASE

Local Municipal Official Elected to AMO

Toronto, ON, August 20, 2010 – At the Annual Conference of the Association of Municipalities of Ontario (AMO), Lou Turco, Councillor, City of Sault Ste. Marie, was elected to the AMO Board of Directors. As a member of the Board and the Large Urban Caucus, Lou will help set policy for the Association and serve as a key municipal leader in the Province.

“AMO’s Board of Directors benefits from membership from across the Province, reflecting the diversity of Ontario’s municipal governments. To that end, I am pleased to have Lou on the 2010-2012 Board team,” said AMO President, Norman Sandberg. “The Board will continue its efforts to see properly funded municipal governments.”

AMO’s key advocacy priorities are focused on achieving fiscal sustainability for municipal governments, advancing federal, provincial partnerships for infrastructure and strengthening municipal legislative authority to advance local economic prosperity and environmental sustainability.

AMO is a non-profit organization representing almost all of Ontario’s 445 municipal governments. AMO supports and enhances strong and effective municipal government in Ontario and promotes the value of municipal government as a vital and essential component of Ontario and Canada’s political system.

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FOR MORE INFORMATION CONTACT:

Pat Vanini, AMO Executive Director 416-971-9856, ext. 316 or (416) 729-4394
Brian Lambie, AMO Media Contact, 416-729-5425



5(55)

Dear City Staff of Sault Ste. Marie:

On behalf of the Finn Grand Fest Board Members and Organizing Committee we would like to extend our sincere gratitude and appreciation for helping to make Finn Grand Fest 2010 a truly successful celebration of Finnish culture and folklore. Through traditional dance, music, food and seminars we were able to preserve and promote our Finnish heritage.

It was an honour for Sault Ste. Marie to host this prestigious international event and we would like to thank the local businesses and community for being so welcoming to our guests visiting from across North America and abroad.

It gives us great pleasure to announce that over 5000 people participated in Finn Grand Fest 2010. We hope that you cherish the memories and friends you made throughout the week.

We thank you again for your continuous support and may you enjoy your memorable moments with us in truly festive spirit!

Sincerely,

Finn Grand Fest 2010 Board Members and
Organizing Committee

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NEWS RELEASE
FOR IMMEDIATE RELEASE
2009 08 20

HURON CENTRAL RAIL LINE UPDATE

Following recent discussions with the Federal Government, the Working Committee established to save the Sault Ste. Marie to Sudbury rail line is pleased to announce an extension of the existing interim agreement under which the Huron Central Railway (HCR) operates the railway. Under this arrangement the existing agreement which expired on August 15, 2010 will be extended until September 30th of this year. For more than a year the Working Group, which consists of Essar Algoma Inc., Domtar Inc. and the Corporation of the City of Sault Ste. Marie, with the support of the communities and industries impacted by the potential closure of this line, and with the support of the Provincial and Federal governments, have been working with the HCR and Canadian Pacific (CP) to develop a permanent solution to ensure the survival of this rail line. A permanent solution necessitates one time major capital repairs to the line at an estimated cost of \$33 million of which 90% is requested from the Provincial and Federal governments. Both levels of government continue to assure us that they are committed to this initiative.

It was anticipated that the details of a long term solution would have been completed before August 15, 2010. Although this has not happened, we understand that the newly appointed Federal and Provincial government Ministers are now communicating with respect to how to expedite this initiative.

This essential one time capital funding from the Federal and Provincial governments will ensure the survival of the railway and preservation of the associated jobs, economic, social and environmental opportunities. The Federal Government has advised the Working Group that it expects to be in a position to confirm its previous commitments in the near future. Given that all other agreements between the relevant industries and railways have now been successfully negotiated, this is indeed great news. Without all of these commitments, HCR would be forced to begin the process of closing the line.

For more information please contact:

Joseph M. Fratesi
Chief Administrative Officer
Phone: (705) 759-5347
E-mail: j.fratesi@cityssm.on.ca

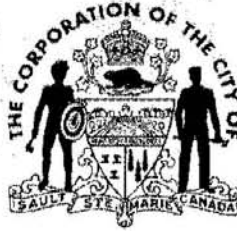
Mario Brault
President of Huron Central Railway
Phone: (514)948-6995
E-mail: mbrault@gwrr.com

6(5)(a)

LORIE BOTTOS
CITY SOLICITOR

NUALA KENNY
ASSISTANT CITY SOLICITOR

MELANIE BOROWICZ-SIBENIK
SOLICITOR / PROSECUTOR



LEGAL
DEPARTMENT

File No. 2007 Tax Sale – Pcl 1

REPORT TO: Mayor John Rowswell and Members of Council

REPORT FROM: Lorie A. Bottos, City Solicitor

DATE: 2010 08 23

**Re: 874 Queen Street East (former Eastgate Hotel)
Agreement of Purchase and Sale from Mr. Petrucci**

On Thursday, August 19, 2010 I received a fax from Michael Allemano, the solicitor for Mr. Petrucci, advising that his client wished to delete the condition in the first agreement of purchase and sale that the City not assess taxes against the property at 874 Queen Street East for the remainder of 2010 and all of 2011. Mr. Allemano provided a new agreement of purchase and sale without that condition in it. The proposed closing date for the transaction is September 15, 2010. I am attaching a copy of the revised Agreement of Purchase and Sale.

Respectfully submitted,

Lorie Bottos
City Solicitor

LAB/da
enclosure

cc: Mr. Bill Freiburger, Commissioner of Finance & Treasurer
Mr. Peter Liepa, City Tax Collector

6 (5) (a)

OFFER TO PURCHASE AGREEMENT OF PURCHASE AND SALE

TOMASSO PETRUCCI ("Purchaser")

having inspected the property, hereby agree to and with **THE CORPORATION OF THE CITY OF SAULT STE. MARIE** ("Vendor")

through _____ **NO** _____ Agent for Vendor ("Agent")

to purchase all and singular the premises situate in the City of Sault Ste. Marie, District of Algoma

known as **874 QUEEN STREET EAST** (herein called the "Property")

being **Lot 1, part of Lot 2, Part of Lots D and E, Plan 310 being PIN 31541-0248**

Registered in the Land Registry Office **ALGOMA**

at the price or sum ("Purchase Price") of **FIVE THOUSAND** _____ Dollars (\$5,000.00)

as follows: **ONE THOUSAND** _____ Dollars (\$1,000.00)

cash or certified cheque to the said Agent/Vendor on this date as a deposit to be held in trust pending completion or other termination of this Agreement, and to be credited on account of Purchase Price on closing, and covenant, promise and agree to **pay the balance on closing by certified cheque** subject to the usual adjustments.

The Purchaser acknowledges and agrees that the property is being sold in an "as is" and "where is" condition without any representations or warranties of any nature or kind by the Vendor with respect to the condition of the said lands and premises.

The Purchaser agrees to pay the Vendor's legal fees incidental to the closing of this transaction to a maximum amount of \$1,000.00.

The Purchaser acknowledges that the Vendor is selling the subject lands and premises pursuant to the tax sale provisions of the Municipal Act, 2001.

The purchaser and vendor agree that a facsimile transmission copy will constitute a binding offer when signed.

The Purchase Price does not include Goods and Services Tax ("G.S.T.") and Harmonized Sales Tax ("H.S.T.") and, if this transaction is subject to G.S.T. and H.S.T., then applicable G.S.T. and H.S.T. shall be in addition to the Purchase Price. All G.S.T. and H.S.T. shall be collected and remitted as required by law. If this transaction is subject to G.S.T. and H.S.T. but the Vendor is not required to collect or remit G.S.T. and H.S.T., the Purchaser agrees to provide on or before closing to the Vendor or Vendor's Solicitor a written certificate in a form reasonably satisfactory to the Vendor or Vendor's Solicitor to the effect that the Vendor is not required to collect or remit the G.S.T. and H.S.T. and shall provide the Vendor with the Purchaser's G.S.T. and H.S.T. registration number, if applicable, failing which the applicable G.S.T. and H.S.T. shall be paid to the Vendor on closing. If this transaction is not subject to G.S.T. and H.S.T., the Vendor agrees to provide on or before closing to the Purchaser or Purchaser's Solicitor a written certificate in a form reasonably satisfactory to the Purchaser or Purchaser's Solicitor certifying that the transaction is not subject to G.S.T. and H.S.T.

The Vendor represents and warrants that during the period of his or her occupancy of the Property and, to the best of his or her knowledge, prior thereto, no building on the Property has been insulated with urea formaldehyde foam insulation. This warranty shall survive completion of this transaction. All fixtures shall remain with the Property, except:

NIL

and the following chattels, the property of the Vendor, shall be included in this sale for the price above-mentioned:

NIL

This Offer shall be irrevocable by the Purchaser until 5:00 P.M. on the **30th day of July, 2010** after which time, if not accepted, this Offer shall be null and void and the deposit returned to the Purchaser without interest or deduction.

PROVIDED the title is good and free from all encumbrances, except as aforesaid, and except local rates and minor easements for hydro, gas, telephone or like services to the Property; said title to be examined by the Purchaser at his or her own expense, and the Purchaser not to call for the production of any title deed, abstract of title, survey, proof or evidence of title, other than those in Vendor's possession or under his or her control; and provided the same have been complied with, the Purchaser to accept the property subject to Municipal requirements, including building and zoning by-laws, minor easements as above mentioned, and to restrictions and covenants that run with the land.

The Purchaser to be allowed **until the 31st day of August, 2010**, to investigate the title at his or her own expense, and if within that time he or she shall furnish the Vendor in writing with any valid objection to the title, or to any outstanding Municipal work orders or deficiency notices affecting the Property, or non-compliance with zoning by-laws, or that the present use of the property may not be lawfully continued or that the buildings on the Property may not be insured against risk of fire, which the Vendor shall be unable or unwilling to remove or correct, and which the Purchaser will not waive, this Agreement shall, notwithstanding any intermediate acts or negotiations, be null and void and the deposit money returned to the Purchaser without interest or deduction, and the Vendor and the Agent shall not be liable for any costs or damages. Save as to any valid objection so made within such time, the Purchaser shall be conclusively deemed to have accepted the title of the Vendor to the Property.

The Vendor hereby consents to the municipality releasing to the Purchaser details of all outstanding Municipal work orders or deficiency notices affecting the Property.

This Agreement shall be completed on or before the **15th day of September, 2010** on which date vacant possession

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of the Property is to be given to the Purchaser unless otherwise provided herein.

Until completion of sale all buildings and equipment on the Property shall be and remain at the risk of the Vendor until closing and the Vendor will hold all policies of insurance effected on the Property and the proceeds thereof in trust for the parties hereto, as their interests may appear. In the event of damage to the said buildings and equipment before the completion of this transaction, the Purchaser shall have the right to elect to take such proceeds and complete the purchase, or disavow this Agreement, whereupon the Purchaser shall be entitled to the return, without interest or deduction, of all moneys theretofore paid on account of this purchase.

Unearned fire insurance premiums, fuel, taxes, interest, rentals and all local improvements and water rates to be proportioned and allowed to the date of completion of sale.

Transfer/Deed to be prepared at the expense of the Vendor in a form acceptable to the Purchaser's Solicitor, and if a Charge/Mortgage is to be given back, same to be prepared at the expense of the Purchaser on a form acceptable to the Vendor's Solicitor.

The Transfer/Deed to be given to the Purchaser shall contain a statement completed by the Vendor and the Vendor's Solicitor pursuant to Section 50 (22) of the Planning Act.

This Agreement shall be effective to create an interest in the real property only if the applicable land division provisions of the Planning Act are complied with, and the Vendor agrees, at this or her expense, to comply with such provisions and to proceed diligently with the application for such compliance.

The Vendor, on or before completion, will produce evidence that he or she is not now, and upon completion will not be, a "non-resident person" within the meaning and for the purposes of Section 116 of the Income Tax Act of Canada or if he or she is a "non-resident person" will fully comply with the provisions of Section 116 of the said Act prior to completion.

The Affidavit of Residence and of Value of the Consideration required under the Land Transfer Tax Act shall be prepared by the Purchaser.

If the Spouse of the Vendor has not executed this Agreement, the Vendor represents and warrants that the completion of this transaction will not contravene the provisions of the Family Law Act.

This Offer, when accepted by the Vendor, shall constitute a binding contract of purchase and sale, and time in all respects shall be of the essence of this Agreement.

It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Property or supported hereby other than as expressed herein in writing.

Any tender of documents or money hereunder may be made upon the Vendor or Purchaser or upon the Solicitor acting for the party on whom tender is desired, and it shall be sufficient that a negotiable certified cheque be tendered instead of cash.

Each party to pay the costs of registration and taxes on his or her own documents.

This Offer and its acceptance to be read with all changes of gender or number required by the context.

DATED AT Sault Ste. Marie this 18 day of August, 2010.

IN WITNESS WHEREOF I have hereunto set my hand and seal.

SIGNED, SEALED AND DELIVERED
in the presence of

X Philip J. Young
Witness

TOMASSO PETRUCCI
Purchaser

The undersigned, hereby accepts the above Offer and its terms and covenants, promises and agrees to and with the above named Purchaser to duly carry out the same on the terms and conditions above mentioned, and hereby accepts the deposit of 1,000.00

The undersigned Spouse of the Vendor hereby consents to the sale of the Property and agrees to join in the conveyance thereof.

DATED at Sault Ste. Marie this day of August, 2010

SIGNED, SEALED AND DELIVERED
in the presence of

Witness

THE CORPORATION OF THE CITY OF
SAULT STE. MARIE

Per

Date
Vendor

I have authority to bind the corporation

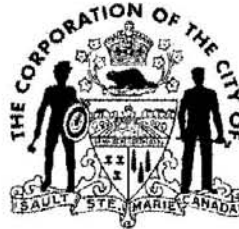
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LORIE BOTTOS
CITY SOLICITOR

NUALA KENNY
ASSISTANT CITY SOLICITOR

MELANIE BOROWICZ-SIBENIK
SOLICITOR / PROSECUTOR

File No. 2007 Tax Sale – Parcel 1



LEGAL
DEPARTMENT

REPORT TO: Mayor John Rowsell and Members of Council

REPORT FROM: Lorie A. Bottos City Solicitor

DATE: 2010 08 23

**RE: EASTGATE AND PROPOSAL FROM ANNA YURKEVICH AND
WALTER JAKUBSKY**

Appearing on your agenda this evening is a proposal for the Eastgate from Anna Yurkevich and Walter Jakubsky. This proposal was received in the Legal Department at approximately 10:00 a.m. Monday, August 23rd in a sealed envelope.

The proposal is a little difficult to make out but it appears that the proposal by way of a post dated cheque is for \$25,000 for the property and \$2,000 for the City legal bills.

One condition in the first paragraph is that the offer is null and void if the City can't guarantee the re-zoning of the complete building/property/parking lot to a residential zone. That is the reason for postdating the cheque to September 30th. A municipality cannot as a condition of a sale of property, guarantee that it (the municipality) will rezone the property. There is a process involved for rezoning and Council cannot tie its hands by guaranteeing a prospective purchaser that property will be rezoned.

In any event the matter of the proposal from Yurkevich and Jakubsky is before Council for consideration. In my opinion City Council cannot accept this offer because of the condition whereby the City is required to guarantee the rezoning.

Respectfully submitted,

Lorie A. Bottos
City Solicitor
LAB/on

Council Reports/2010/2007 Tax Sale-Parcel 1/on

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ANNA YURKEVICH
327 CATHCART ST
SAULT STE. MARIE ON P6A 1E8
(705) 949-7146

DATE 20100930
Y V V M M D D

PAY TO THE ORDER OF SSM City Hall Treasury Dept \$27,000
Twenty seven thousand / 100 DOLLARS



CANADIAN IMPERIAL BANK OF COMMERCE
530 QUEEN STREET EAST
SAULT STE. MARIE, ONTARIO P6A 2A1

MEMO

End of copy original Anna Yurkevich

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Executive Summary

With a combined rental experience of 59 years, Anna Yukervich and Walter Jakubsky can turn the Eastgate building around. Attached is a post-dated check for \$20,000; we challenge all proposed bids for the Eastgate property from an initial bid of \$6001 up to a maximum of \$20,000, and up to \$2000 for all the city's associated legal bills do to the sales transfer. This offer is null and void if the city can't guarantee the re-zoning of the complete building/property/parking lot to a residential zone. The check is post-dated to preform the re-zoning and because we are out of town until around the end of September 30, 2010.

We will balance safety, cutting edge features, and a positive atmosphere for all tenants. These rentals will be provided with unmatched levels of customer service and attention. Sales are projected to be substantial in for the next couple of years due to the lack of housing.

The Market

Management will have an abundance source of renters. From your own municipal geared income program, to Sault Housing, to Ontario Works receiptents, to provincial and federal Disability receiptents, to Sault College and Algoma University College students; all qualify as "low income" which is under \$29,000 annually under the CHMC. Your own municipal geared income program has a waiting list of 3000 people for housing.

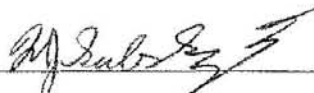
Strategy

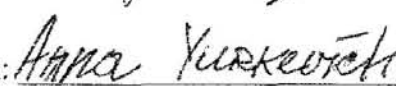
Management will initially focus their efforts cleaning and developing floors two and three of the building since they are already set up as rental space. Once the 2nd and 3rd floor are renovated, there will have been enough time to assess the floor plan design for the first floor. Each floor might have wireless Internet access. Each unit might have state-of-the-art amenities installed, and safety measures will be implemented ensuring a cutting edge, safe environment. This course of action might be initially pursued as a way to efficiently utilize capital and establish a reputation within the community. Future projects may include balconies, wind and solar devices, and a sound-reducing wall.

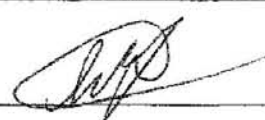
Management Team

Mrs. Anna Yurkevich has been renting rooms in Sault Ste. Marie since 1973. At that time too, she bought a run-down building, but with the help of CHMC in 1984 managed to renovate it into a profitable business that was sold at a substantial capital gain. Mr. Walter M-J Jakubsky, BBA., is a graduate of Algoma University College, and has been the assistant landlord for Anna Yurkevich since 1984. He has experience in plumbing, electrical, roofing, masonry, drywall/repair, painting, interior renovation, classified advertising, and eviction procedures.

Agreement of Sale of Eastgate property between City of Sault Ste. Marie (pending rezoning) and:

Mr. Walter M-J Jakubsky: 

Mrs. Anna Yurkevich: 

Witnessed By: Svitlana Yakubska: 

THE CORPORATION OF THE
CITY OF SAULT STE. MARIE

AUG 23 2010

LEGAL DEPARTMENT

Signed on Saturday, August 21, 2010 in Sault Ste. Marie, ON, Canada.

1.1 Objectives

1. To re-establish a rental income stream.
2. To increase the property value back to at least 250,000
3. To meet the community needs for housing.

1.2 Mission

We will try to provide high-quality, comfortable rental units in downtown Sault Ste. Marie. These apartment units will try to offer state-of-the-art living conditions reflective of the rapid advancements in technology and a growing need for quality housing. Our business is dedicated to a hassle free living environment in which our tenants can enjoy all of the benefits of safe, attractive, and inviting units. Unlike many other rental businesses that are solely concerned with turning profits, our primary objective is to maintain the highest level of customer satisfaction that is achievable. Tenant safety, happiness, and comfort are our main goals. We will maintain competitive market prices, while working toward expanding the number of units owned, and increasing total profits earned. Within the business we will strive to work as a cohesive, harmonious unit focused on exemplifying our mission. Customer satisfaction is an intricate part of management's success. That is why we believe that their satisfaction will make the business a success and will be the key to their longevity.

Initial focus will be to buy and develop existing apartment complexes. We will modify and remodel the acquired real estate so as to meet our standards and increase long-term assets and income. Housing units will predominantly be located in the Sault Ste. Marie area. Targeting both students and professionals. Management fosters the ideals of the importance of tenant needs along with healthy and understanding relationships and a professional commitment to satisfaction.

1.3 Keys to Success

1. Safe, quality housing that provides state-of-the-art amenities at competitive prices.
2. Maintaining open communication between management and its customers in order to ensure the highest level of customer satisfaction and long lasting reputation within the community.
3. To continue to expand the number of units owned and maintained, while also increasing the level of profits for management.

Company Summary

Our business is an enterprise that is involved in numerous aspects of the industry. Primary experience and expertise is in the development of high-quality, lower cost living for students and professionals seeking the most up-to-date technologically advanced living environment. An area of intense training and attention is the importance of strong customer service.

The first property purchased by management was a 9-unit rooming house with 1 apartment on Queen Street. It was close to downtown/Abiti Price/Algoma Steel so was be easily rented to capacity.

2.1 Start-up Summary

The total start-up expenses include legal, stationery, architect, brochures, consultants, insurance, rentals, construction, expensed equipment, etc. Start-up assets required include short-term assets (refuse desposal, cell phone, etc.), and initial cash to handle the architect and contractor fees prior to

opening. Additional cash is needed to pay for all non-CHMC expenses.

Long-term asset purchases and the assumption of long-term liabilities aren't anticipated.

2.2 Business Ownership

Eastgate Apartments will be created as a unofficial family-run partnership, as listed on the the title deed.

2.3 Business Location and Facilities

Management's headquarters will be established in A-quality office space in the building. This will be the heart of our company. We might also install an in-house Internet server and 24-hour answering service so that all customer or business communications are dealt with in an expedient and fluid manner. If space permits on the first floor, there might also be a building superintend apartment.

The price for this building is \$6001. Management has written out a post-dated check in the order of \$8001, pending the approval by the city of the rezoning of the building to 100% residential. This building will probally house 6 one-bedroom apartments each on floors 2 and 3, at a maximum of \$664 per month, as stipulated by CHMC, for the next 15 years.

If management is easily successful in negotiating with deal with the city and CHMC, and there is still a great deal of demand for rentals, it might have further plans to renovate at least 2 more properties, if still available.

Services

Management might offer on-site security guards who patrol the grounds during evenings, nights, and early mornings if crime becomes significant. We might also offer an on-site repair service. There will always be an open line of communication between the renters and the management via telephone and maybe a 24-hour, call-in answering service.

3.2 Competitive Comparison

Management's competitive advantage is as follows:

1. We offer a higher level of quality in our units than the average unit on campus. This allows for those residents who do not want their living situations to inhibit their studies, comfort or enjoyment of campus life.
2. Each unit might be fully wired to the Internet via available modem jacks and/or ethernet access. If the residents desire to have the best Internet access, we will give them that option.
3. Our marketing and advertising costs will be low due to simple marketing strategies. However, the owner's expertise in visual layout and communications will help create a unique and aesthetic product for the customer.
4. The main competition management will encounter will be quitter locations.

3.3 Sales Literature

Management might have brochures available at the office. These will give the customer a general outline of our units and will explain the benefits of our units. We might also have a monthly newsletter that we will send out to our clients. This newsletter will inform the clients as to the growth and outreach of management. It might also contain some human interest stories about our complexes and the residents.

Management will also advertise in the local newspapers including The Sault Star, Sault This Week, and Sootoday.com. Our marketing strategies are simple but aim to reach a large amount of people. The layout of our publications and advertisements will have a sophisticated and contemporary look without being overly formatted.

3.4 Fulfillment

1. Our key fulfillment will be provided by management's dedication to a higher quality product. This is achieved through the solid network of contractors, and cutting edge architects who are all dedicated to helping us. We are hard workers who have a solid backing from our developers.
2. We will maintain a pool of professionals in which to pull from for our needed services. This will help us develop a rapport with our contractors as well maintaining our high expectations.

3.5 Technology

Our real estate might have the most up-to-date technology provided both to the customers and to the subcontractors and other clients.

1. Ethernet ports and/or modem jacks might be installed in each unit developed by us.
2. Access to a 24-hour copy/fax center located on the premises.
3. Each unit might contain an emergency panic alert that will automatically go through to the manager and the local police department.

3.6 Future Services

We are in the process of conducting surveys in order to determine the best possible markets for MSN expansion.

Market Analysis Summary

Our main consumer base will be primarily local employees. Who will benefit from the apartment's unparalleled level of quality, location, and technological amenities. We will also be marketing to students. These customers will be looking for safe, high-quality environments that can foster the type of atmosphere needed for scholastic and professional success.

4.1 Market Segmentation

1. Our largest market segment in the Sault area will single people. These people will be the most likely to desire the technological amenities that our business offers. We expect this to be the largest growing segment.
2. Local professionals are another large segment. They will be attracted to the units because of the same technological needs, but will also be attracted to the comfortable, well maintained living environment. We offer units that provide a quality "hub" between college graduation and home ownership. We expect this segment to grow with more frequent turn over.
- Local university faculty and staff represent the and smallest identifiable segment, but contain the second highest growth rate. Proximity and quality will entice this segment which we expect to grow at a rate of 5%.

4.2 Target Market Segment Strategy

We believe that our unparalleled level of quality and technological amenities put Eastgate Apartments into a niche of its own. This will be the focal point of all our marketing and advertising efforts. These segments are also easily reached through local newspapers and publications, as well frequent open house displays.

It is essential for our patrons to understand that their needs are our priority.

4.2.1 Market Trends

This industry is constantly evolving and leaving many inflexible companies stagnant. One of the major trends is the need to adapt to technological advancements as well as maintaining the overall appearance and condition of the complexes.

Another important trend is adapting to higher density housing in smaller areas due to urban growth boundaries, etc. MSN is dedicated to following these trends while maintaining the level of comfortable livability that sets us apart from our competitors.

4.2.2 Market Growth

The market for high quality, reasonably priced apartment units has been growing. The Sault market will be experiencing employment growth that is fueling demand for apartments, but not many new units are emerging. Not only is our pioneering this particular niche of affordable quality living, but it is capitalizing on the strength of the current economic growth in the Sault.

4.2.3 Market Needs

Each of our targets need the quality, convenience, service, safety, comfort and technological amenities that might only be found at our living complexes.

1. The student segment needs a quiet safe atmosphere that fosters a quality learning environment. They also need the convenience of location and on-site amenities.
2. The professional segment needs a living environment that separates them from the noisy, dirty inconvenience of average apartment living. Most professionals are on their way to home ownership or movement to a larger city, so they need housing that will let them feel like they are getting the quality that they need.
3. The students have similar needs. They need to feel separation from the noise and unkept conditions of most near-campus housing. They also need a place to feel safe and one that fosters convenience.

Strategy and Implementation Summary

We will focus on the three previously mentioned market segments: local employees, and students.

Our target customer is usually looking for higher end living facilities that foster a safe, enjoyable, and convenient environment. They are technology savvy and have a desire to have access to the technological amenities that we provide.

5.1 Competitive Edge

We start with a critical competitive edge: there are very few apartment units that offer the same level of

quality and technological amenities as our properties might. We also have a very high regard for customer service; something that is unparalleled in this industry. We believe it is essential that the customer feels he/she is being treated with the utmost care and urgency. All staff and personnel go through a training program that teaches many of the skills needed for successful client relations and customer service.

5.2 Marketing Strategy

Marketing in a highly competitive housing industry depends on the recognition of excellence, as well as a point of difference to display our units in an individualized light. We will build a reputation upon these components.

We will develop and provide a living environment of unmatched proportion. It starts with the commitment to customer satisfaction and fulfilling their demands. Our commitment to quality and comfort includes safety and maybe even 24-hour customer service. The aspect of our living units that differentiate us from all other real estate businesses is our new focus on maintaining the most advanced technological innovations on the market for our tenants.

5.2.1 Distribution Strategy

We will focus on providing high-quality living in convenient locations with a wide customer base. It is also important that we remain at the upper echelon in the quality range when compared to competitors. We can only do this by organizing and implementing a sound plan that will assume responsibility for the functionality and appearance of our properties.

5.2.2 Marketing Programs

Our most important marketing program is customer word of mouth. The only way to truly know the quality of our units is through experience; hence we must maintain the highest level of customer satisfaction. Rewards will be given to clients or customers that refer new clientele to the business. We confidently believe that the high level of quality that we will provide can attract a strong demand for our units.

Another incentive that we will use is the early move-in bonus program. Anyone that signs their lease before opening will receive a reserved parking space. This will encourage people to try and beat the rush of people who move in later. It will also give the appearance of increased demand.

5.2.3 Positioning Statement

For people who desire high-quality living with all the technological amenities available, only our real estate properties will be able to fulfill their needs and desires at an affordable price. Unlike most other property management companies, ours is the committed to guaranteeing customers full satisfaction, with a potential for 24-hour on-staff service, live answering service, and possibly website that handles all complaints instantly.

5.2.4 Pricing Strategy

Our pricing will be at the top of what the market will bear up to the limit that CHMC has stipulated. We are competing with large firms who have similar complexes. Our prices will be competitive with these larger firms while maintaining the high level of quality and expert management.

Prices vary by unit from \$337 to \$960 a month. We, however, must try to follow market pricing trends in order to maintain a competitive advantage.

5.2.5 Promotion Strategy

Our most successful promotion will come in the form of word of mouth. Since we will own real estate, we will be highly visible to the public. Since our complexes will be in the upper echelon of quality and livability, word will spread through the community about our unique appeal.

Along with word of mouth, our most consistent form of promotion will come from ads in local publications, specifically, *The Sault Star*, *Sault This Week*, and *Sootoday.com*. We will also be personally promoting our product within the community.

5.3 Sales Strategy

Sales in our business is based upon providing customers with a living concept fitting of their needs. We must be in touch with the needs and desires of our clientele in order to best attract a consistent flow of incoming residents.

5.3.1 Sales Forecast

The following table and chart gives the forecasted earnings for our Eastgate apartment rental units. We perceive a significant increase in the total number of units over the next year. As time goes on, the monthly per-unit rental price will slowly ascend, coupled by the decline in cost over time, producing an increased per-unit profit.

From our opening we expect that all units will be completely rented out. In the summer months we anticipate fewer student tenants, so we have planned on a rent lowering process to entice renters to stay. Also, we might only rent on yearly leases to ensure that all rented units remain filled year round.

5.3.2 Sales Programs

Our sale program will include sales awards for length of lease agreements, maintaining a full capacity status, and customer service awards for those who best exemplify our commitment to customers. We will also award existing customers for referring new clientele to the business.

5.4 Strategic Alliances

We depend on our alliance with local contracting services to develop our housing units, as well as local architects to assist in the layout and design of our units. The Sault Star is a key factor in our development process for their continuous fair advertising discounts when we need to advertise supplies.

5.5 Milestones

The accompanying table lists our business's milestones, including dates, management responsibility, and budgets. This table indicates our expectations from the company as well as outlining our plan for start up. The table shows the anticipated divisions that are to occur within the company as it grows, as well as an increase in units owned.

This is an initial assessment, and we will continually adjust in order to sustain our business in all real

estate areas.

Management Summary

The business depends on the founders themselves, with back-up assistance from other property management relatives. As we continue to grow, we will establish satellite offices in all of our living developments. It will also be necessary to take on additional help in the marketing and maintenance areas as growth continues.

6.1 Organizational Structure

Our business depends on an organized division of responsibilities in order to run an efficient, diversified enterprise. Main decisions and responsibilities will be divided between the two top partners. They will focus on maintaining high quality and a cohesive business entity. Building superintendents will be given specific responsibilities such as marketing, and maintenance.

6.2 Management Team

We are cross-trained. The main departments are finance, marketing, management, maintenance, and evictions.

Every six months, the two top partners will assess the results of these tasks, and the personality of the superintendents, to determine promotion and/or salary issues.

6.3 Management Team Gaps

The present team requires expertise in electrical and fire standards.

Financial Plan

We want to finance growth mainly through cash flow. We recognize that this means we will have to grow more slowly than we might like.

The most important factor in our case is collection days. We can't push our clients hard on collection days. Therefore, we need to develop a permanent system of receivables financing, using one of the established financial companies.

7.2 Important Assumptions

Our plan depends on the assumptions that are made in the following table. These are annual and monthly assumptions that show the consistent growth of the company. Since we operate on a monthly collection basis, we are assuming that the majority of the collections will be timely and in full.

Some of the underlying assumptions are:

1. We assume a healthy growth trend in the local real estate market, along with a continuing growing local economy.
2. We assume that we stay in line with the continuing advances in technology and housing.

7.3 Key Financial Indicators

The following chart indicates our key financial indicators for the first three years. We foresee growth in both unit rentals as well as increasing the percentage of growth margin.

Our cash flow depends on the monthly collection from the renters. We allow for a 5-day grace period, after which unpaid accounts will inhibit our cash flow. However, since we collect on a monthly basis, cash flow should maintain at a steady level.

7.4 Break-even Analysis

The following table and chart summarize our break-even analysis. With per month fixed costs and a variable per-unit cost, the number of units we will need to rent out to cover our monthly costs is shown below. Our initial housing complex will consist of 12 units. According to the calculations, we will break-even within our first year of operation.

The break-even assumes that all units will be occupied and that all rent will be paid in a timely manner. This assumption is probably unrealistic; therefore our initial break-even per unit will most likely be higher.

7.5 Projected Profit and Loss

We will also have very low marketing costs, due to the public exposure to the units, and good word of mouth around the university area.

7.6 Projected Cash Flow

The cash flow projections are a key part of our early success. The monthly cash flow is shown in the financials, with one bar representing the cash flow per month, and the other the monthly balance. The annual cash flow figures are included here and the more important detailed monthly numbers are included.

Myths and Itinery

The property has only 2 mold spots under 1 square meter; which is fixable by a non-professional according to your health board.

The property has one lower basement room that is flooded and can be sumped out easily.

Inspection showed no evidence of mice or rats, there cannot be both as they are territorial.

Cleaning with start immediately with the help of some social assistance recipients.

Renovation will being after CMHC approval.

Financials attached on next page.

6(5)(a)

Sheet1

Pro Forma Cash Flow

	Oct	Nov	Dec	Jan	Feb	Mar	
Rent					8,004	11,004	11,004
CHMC Reimbursment			8,800	80,680	62,055	32,505	0
Total Cash Received		0	8,800	80,680	70,059	43,509	11,004
Initial Expenditures							
Cleaning	1,000						
Extermination	2,000						
Consultation	1,000						
Plumbing		30,000		10,000			
Electrical			30,000	10,000			
Furnace		10,000					
Roofing		40,000					
Drywall			1,500	750			
Painting		680	555	555			
Fire Installation			20,000	10,000			
Windows	4,800			1,200			
Flooring			10,000				
Fire Doors			9,000				
Subtotal	8,800	80,680	62,055	32,505	0	0	
Recurring Expenses							
PUC			100	200	300	300	
Heating		200	300	300	300	300	
Advertising			30	30	30	30	
Property Taxes			667				
Maintenance							
Insurance	1,000						
Subtotal	1,000	1,200	1,297	1,627	1,160	1,260	
Total Expenses	9,800	81,880	63,352	34,132	1,160	1,260	
Net Cash Flow	-9,800	-73,080	17,328	35,927	42,349	9,744	
paint out 1 st f	313						
paint out 2 nd fr out	180						
paint 3 rd flor out	180						
plant inside 30 rooms	555						
	1,228						

6 (5)(a)

LORIE BOTTOS
CITY SOLICITOR

NUALA KENNY
ASSISTANT CITY SOLICITOR

MELANIE BOROWICZ-SIBENIK
SOLICITOR / PROSECUTOR



LEGAL
DEPARTMENT

File No. 2007 Tax Sale – Parcel 1

REPORT TO: Mayor John Rowsell and Members of Council

REPORT FROM: Lorie A. Bottos City Solicitor

DATE: 2010 08 23

**RE: EASTGATE HOTEL – AGREEMENT OF PURCHASE AND SALE FROM
ROBERT BERTO JR.**

On Monday, August 23, 2010 at 2:30 p.m. I received a copy of the attached Agreement of Purchase and Sale in the amount of \$17,000 from Robert Berto Jr. The closing date is September 17, 2010. There is no indication of a proposed use.

Respectfully submitted,

Lorie A. Bottos
City Solicitor

LAB/on
Enclosure
Council Reports/2010/2007 Tax Sale-Parcel 1/on

This Agreement of Purchase and Sale dated this 23rd day of August 2010

BUYER, ROBERT BERTO JR., agrees to purchase from
(Full legal names of all Buyers)

SELLER, THE CORPORATION OF THE CITY OF SAULT STE. MARIE (In Tax Trust), the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address 874 Queen Street East fronting on the north side
of Queen Street East in the City of Sault Ste. Marie

and having a frontage of 134.95 feet more or less by a depth of irregular (17004 F) more or less

and legally described as Plan 605 Lot D Pt Brampton's Privated Plan Lot E Plan 310 Lot 1 Pt Lot 2 Pt,

City of Sault Ste. Marie, District of Algoma (the "property").
(Legal description of land including easements not described elsewhere)

PURCHASE PRICE:

Dollars (CDN\$) 17,000.00

Seventeen Thousand Dollars

DEPOSIT: Buyer submits Upon acceptance
(Herewith/Upon Acceptance/as otherwise described in this Agreement)

One Thousand Dollars (CDN\$) 1,000.00

by negotiable cheque payable to THE CORPORATION OF THE CITY OF SAULT STE. MARIE "Deposit Holder"
to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion.
For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the
Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that,
unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's
non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A attached hereto form(s) part of this Agreement.

1. **IRREVOCABILITY:** This Offer shall be irrevocable by Buyer until 5 p.m. on
(Seller/Buyer)

the 27th day of August 2010, after which time, if not accepted, this
Offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. **COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the 17th day
of September 2010. Upon completion, vacant possession of the property shall be given to the
Buyer unless otherwise provided for in this Agreement.

3. **NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant
to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby
appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a
Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be entitled
or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.** Any
notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto,
this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule
hereto shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the
Acknowledgement below, or where a facsimile number is provided herein, when transmitted electronically to that facsimile number.

FAX No. (For delivery of notices to Seller) FAX No. (For delivery of notices to Buyer)

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

6 (5) (a)

4. **CHATELS INCLUDED:**

None

5. **FIXTURES EXCLUDED:**

None

6. **RENTAL ITEMS:** The following equipment is rented and **not** included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable: None

7. **GST/HST:** If the sale of the property (Real Property as described above) is subject to Goods and Services Tax (GST) or Harmonized Sales Tax (HST) then such tax shall be included in the Purchase Price. If the sale of the property is not subject to GST or HST, Seller agrees to certify on or before closing, that the sale of the property is not subject to GST or HST. Any HST on chattels, if applicable, is not included in the purchase price.

8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the 9th day of September, 2010, (Requisition Date) to examine the title to the Property at Buyer's own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy Buyer that there are no outstanding work orders or deficiency notices affecting the Property, and that its present use (C2 - Central Commercial) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the Property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada),

INITIALS OF BUYER(S):



INITIALS OF SELLER(S):



Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Buyer and Seller. **The Buyer acknowledges having the opportunity to include a requirement for a property inspection report in this Agreement and agrees that except as may be specifically provided for in this Agreement, the Buyer will not be obtaining a property inspection or property inspection report regarding the property.**
14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.
15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O. 1990.
17. **RESIDENCY:** Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate or a statutory declaration that Seller is not then a non-resident of Canada.
18. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
19. **PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
20. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
21. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money may be tendered by bank draft or cheque certified by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Caisse Populaire.
22. **FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O. 1990 unless Seller's spouse has executed the consent hereinafter provided.
23. **UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
24. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice.
25. **CONSUMER REPORTS:** **The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.**
26. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
27. **TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

6(5)(a)

28. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:
[Witness] [Signature] [Buyer] ROBERT BERTO JR. (Seal) DATE August 23, 2010
[Witness] [Buyer] (Seal) DATE _____

I, the Undersigned Seller, agree to the above Offer. I hereby irrevocably instruct my lawyer to pay directly to the Listing Brokerage the unpaid balance of the commission together with applicable Goods and Services Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the Listing Brokerage to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:
[Witness] [Seller] The Corporation of the City of Sault Ste. Marie (Seal) DATE _____
[Witness] [Seller] Per: (Seal) DATE August, 2010

SPOUSAL CONSENT: The Undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O. 1990, and hereby agrees with the Buyer that he/she will execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

[Witness] [Spouse] (Seal) DATE _____

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at _____ a.m./p.m. this _____ day of August 3, 2010.
(Signature of Seller or Buyer)

INFORMATION ON BROKERAGE(S)

Listing Brokerage.....	Tel.No.....
Co-op/Buyer Brokerage.....	Tel.No.....

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.	I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.
[Seller] DATE _____	[Buyer] DATE _____
[Seller] DATE _____	[Buyer] DATE _____
Address for Service..... Tel.No.....	Address for Service..... Tel.No.....
Seller's Lawyer.....	Buyer's Lawyer.....
Address.....	Address.....
Tel.No. FAX No.	Tel.No. FAX No.

FOR OFFICE USE ONLY	
COMMISSION TRUST AGREEMENT	
To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale: <u>Gateview Realty Inc.</u>	
In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.	
DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale.	Acknowledged by:
[Authorized to bind the Listing Brokerage]	[Authorized to bind the Co-operating Brokerage]

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, ROBERT BERTO JR., and

SELLER, THE CORPORATION OF THE CITY OF SAULT STE. MARIE (In Tax Trust)

for the purchase and sale of 874 Queen Street East

Sault Ste. Marie dated the 23rd day of August 2010

Buyer agrees to pay the balance as follows:

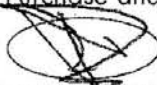
The buyer agrees to pay the balance of the purchase price, subject to adjustments, by bank draft or certified cheque, to the Seller on the completion of this transaction.

The Buyer acknowledges that the property is being sold "As Is" and "Where Is".

The Seller is aware that the Buyer is a registered Real Estate Broker and owner of Gateview Realty Inc.

This form must be initialed by all parties to the Agreement of Purchase and Sale..

INITIALS OF BUYER(S):



INITIALS OF SELLER(S):





This statement is made in accordance with the requirements of the Real Estate and Business Brokers Act and Code of Ethics Regulations of the Province of Ontario.

I, ROBERT BERTO JR. declare that I am
[Name of Registrant]
a registered Real Estate Broker representing Gateview Realty Inc.
[Brokerage/Broker/Salesperson] [Name of Brokerage]
in connection with a proposed Offer to Purchase/Lease/Exchange/Option your Property known as 874 Queen Street East
Sault Ste. Marie, Ontario

Please be advised that, if the proposed Offer is accepted, I will be either directly or indirectly acquiring an interest in your Property.

NOTE: If the Registrant's interest is indirect, explain the nature of the interest in accordance with the definition of a "Related Person", as defined in the Code of Ethics Regulations of the Real Estate and Business Brokers Act.

EXPLANATION: My interest is direct.

I hereby declare that the following is a full disclosure of all facts within my knowledge that affect or will affect the value of your Property:

None that I am presently aware of.

AND

[Attach Appendix "A" if necessary]

I hereby declare that the following is a full disclosure of the particulars of any agreement by, or on behalf of myself for the sale, exchange, option or other disposition of any interest in your Property to any other person:

N/A

[Attach Appendix "B" if necessary]

I will not be receiving a portion of any commission payable in connection with this transaction.
[will/will not]

For the purposes of this Registrant's Statement as Buyer, "Buyer" includes purchaser, tenant and lessee, and "Seller" includes vendor, landlord and lessor.

[Signature of Registrant who is making the Declaration] ROBERT BERTO JR.

DATE August 23, 2010

[Signature of Broker or Manager of Brokerage] ROBERT BERTO JR.

DATE August 23, 2010

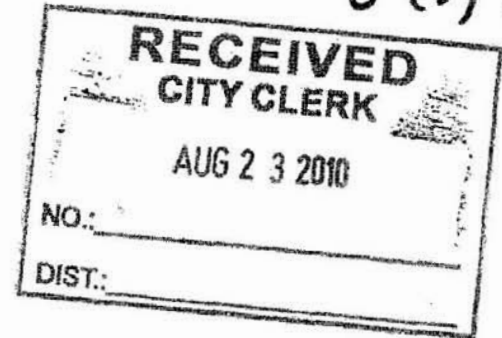
ACKNOWLEDGEMENT

I/We, the undersigned, as Seller(s) in this transaction have read and clearly understand this statement and acknowledge this date having received a copy of same, PRIOR TO BEING PRESENTED WITH AN OFFER TO PURCHASE, LEASE, EXCHANGE, OR OPTION.

[Witness] [Seller] DATE

[Witness] [Seller] DATE

6 (5) (a)



August 23rd, 2010

To the City Council of Sault Ste. Marie :

I am writing this letter to express my concern regarding your decision for the Eastgate Hotel property which is situated next door to our business.

Our family has invested a great deal of effort and money to improve our property and we will be watching councils decision closely since this will affect our neighborhood for years to come.

This is a wonderful area of our city, with the Old Stone House , the Bushplane Museum, the future boardwalk and the Algonquin Hotel which is a Heritage building . Hundreds of tourists are driving by everyday, this is the gateway to the beautiful east and north ends of our City.

We feel that if this property is sold to a private party, council should impose strict conditions that the owner bring the building up to code within a reasonable time frame. The Eastgate in its current condition is a major eyesore to the area not to mention possible environmental risks which have not been properly assessed.

Please make the right decision for our community, our neighborhood and future generations to come.

Sincerely,

The Fiser family
The Algonquin Hotel
864 Queen St. E. Sault Ste. Marie, Ontario
(705)253-2311