

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

ICICI BANK CANADA

Applicant

-and-

BAYSIDE MALL LIMITED

Respondent

THIRD REPORT OF THE COURT APPOINTED RECEIVER
OF BAYSIDE MALL LIMITED

Dated October 23, 2013

Introduction

Pursuant to a motion heard on December 5, 2012, the Honourable Mr. Justice Wilton-Siegel appointed A. John Page & Associates Inc. as receiver and manager ("**the Receiver**") of the assets, undertakings and properties of Bayside Mall Limited ("**Bayside**") used in connection with a business pursuant to Section 243 (1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended ("**the BIA**") and Section 101 of the Courts of Justice Act, R.S.O. 1990, c. 43, as amended. A copy of the Order of the Honourable Mr. Justice Wilton-Siegel dated December 5, 2012 ("**the Initial Order**") is attached as *Exhibit "A"*.

The principal asset of Bayside is a 245,598 leasable square foot shopping mall located at 150-202 Christina St. N., Sarnia, Ontario ("**Bayside Mall**" or "**the Mall**").

On January 28, 2013 the Receiver made its First Report to the Court ("**the First**

Report”).

On February 12, 2013 the Receiver made its Supplement to the First Report (**“the Supplement to the First Report”**).

On February 15, 2013 the Receiver issued a Notice of Motion asking, among other things, for an order directing the former property manager of Bayside Mall, SAMAK Management & Construction Inc. (**“SAMAK”**), to remit \$155,580.93 to the Receiver, being the amount of rent collected from tenants of the Bayside Mall by SAMAK for the month of December 2012 (**“the December Rents”**).

By order of the Honourable Mr. Justice Wilton-Siegel dated February 21, 2013 (**“the February 21, 2013 Order”**) the activities of the Receiver set down in the First Report and the Supplement to the First Report were approved. The fees and expenses of the Receiver and its primary counsel, Heath Whiteley, to January 31, 2013 were also approved. The fees and expenses of the Receiver’s independent counsel, Gardiner Roberts LLP, to December 31, 2012 were also approved.

On February 28, 2013 the Receiver made its Second Supplement to the First Report to provide the court with an update of certain information relating to the December Rents matter.

In light of the bankruptcy of SAMAK (see later) the motion for an order directing SAMAK to remit the December Rents to the Receiver was adjourned by the court to a date to be determined. It now seems likely that that motion will never proceed.

On April 16, 2013 the Receiver made its Second Report to the Court (**“the Second Report”**).

By order of the Honourable Mr. Justice Wilton-Siegel dated April 25, 2013 (“**the April 25, 2013 Order**”) the activities of the Receiver set down in the Second Report were approved. The Receiver was authorized to enter into a two year lease extension agreement with the County of Lambton. The receipts and disbursements set down in the Statement of Receipts and Disbursements contained in the Second Report, together with the fees and expenses of the Receiver, the Receiver’s counsel and the Receiver’s independent counsel to March 31, 2013 were also approved.

Notice to Reader

In preparing this Report and making some of the comments contained in the Report, the Receiver has been provided with unaudited financial and other information from a variety of sources. While the Receiver has no reason to believe that such information is not materially correct, readers should note that the Receiver has not formally audited or reviewed such information. In this Report nothing of a material nature is believed to turn on the information not otherwise audited or reviewed for accuracy.

Purpose of this Report

- To provide the court with information on the activities of the Receiver since its Second Report
- To seek approval of the activities of the Receiver and its Statement of Receipts and Disbursements as described in this Report
- To seek approval for the fees and disbursements of the Receiver, its primary legal counsel, Heath Whiteley, and its independent legal counsel, Gardiner Roberts, for the period from April 1 to September 30, 2013 as set down in fee affidavits

The Bayside Mall - Overview

The Bayside Mall comprises a 245,598 leasable square foot enclosed shopping mall and office building together with close to 1,000 underground and over 300 surface parking spaces. It is located at 150-202 Christina St. N. in Sarnia, Ontario. The Bayside Mall is situated on approximately 8.72 acres of leased land owned by The City of Sarnia (“**the City**”) pursuant to a land lease (see later). At the date of our appointment the Bayside Mall had 24 tenants collectively occupying approximately 44% of the available space. Two small tenants have since left the Mall and there are now 22 tenants occupying 43.55% of the Mall. In addition a number of people rent parking and storage space at the Mall. The Receiver’s property manager, Larlyn Property Management Ltd. (“**Larlyn**”), continues to handle day to day management issues at the Mall.

The Physical Condition of the Bayside Mall

Building Condition Report –

We had previously engaged Halsall Associates (“**Halsall**”) to prepare a building condition report (“**the BCR**”) of the Bayside Mall. The BCR was finalized and issued with an effective date of March 28, 2013. A copy has been posted in the Data Room (as defined later) where potential purchasers can download it. The BCR identified a couple of small safety matters relating to loose concrete and brick and these were promptly remedied. It also identified areas of deferred maintenance where funds will need to be expended in the not too distant future, primarily the roof and the parking garage (see later).

The Parking Garage and Certain Work Orders –

At the date of our appointment there was an outstanding “Order to Remedy Unsafe Building” dated August 12, 2012 (“**the August 12, 2012 Order**”) issued by Mr. Alan Shaw, the City Chief Building Official. The August 12, 2012 Order related to the parking garage at Bayside Mall. In response to the August 12, 2012 Order temporary shoring had been put in place by SAMAK in the small area of perceived concern and that shoring and the parking garage were being inspected every two weeks by a professional engineer. Copies of the inspection reports were being forwarded to Mr. Shaw. We have continued with the shoring and the regular inspections and, with the exception of an issue raised in an email from Mr. Shaw dated October 21, 2013 that we are investigating, to date no matters of immediate and valid concern have been brought to our attention and we have no reason to believe there is any immediate potential health or safety issue relating to the parking garage.

In April 2013, we commissioned Halsall to prepare a Garage Condition Evaluation in part to conclusively respond to the issues and concerns raised in the August 12, 2012 Order.

While Halsall’s report on their evaluation was being prepared Mr. Shaw issued a further “Order to Remedy Unsafe Building” dated June 24, 2013 (“**the June 24, 2013 Order**”). A copy of the June 24, 2013 order is included in ***Exhibit “B”*** (see later).

Halsall issued their “final” report to us dated July 31, 2013 and a copy was promptly sent to Mr. Shaw.

In response to clarifications requested by Mr. Shaw and, in particular, to clearly address the issues raised in the June 24, 2013 Order, Halsall issued a

revised final report dated September 15, 2013 (“**the September 15, 2013 Halsall Report**”). While the September 15, 2013 Halsall Report was being finalized Mr. Shaw issued a further “Order to Remedy Unsafe Building” dated September 17, 2013 “**the September 17, 2013 Order**”. A copy of the September 17, 2013 Order is also included in ***Exhibit “B”***. A copy of the September 15, 2013 Halsall Report was promptly forwarded to Mr. Shaw.

In summary, with regular inspection, Halsall do not think that the areas that are the subject of the August 12, 2012 Order, the June 24, 2013 Order and the September 17, 2013 Order present an immediate safety concern.

We have attached as ***Exhibit “B”*** a copy of the document entitled “Background Information on certain Orders that are or may be registered on title to Bayside Mall – September 19, 2013”. This document was prepared to assist potential purchasers in getting an understanding of this issue and has been posted in the Data Room. It also provides further information on the June 24, 2013 Order and the September 17, 2013 Order.

In response to a recommendation by Halsall we are in the process of having height restriction barriers erected on the roof deck to limit access to light vehicles. We hope to have this work done before the end of this month. We are continuing to have copies of the professional engineer’s inspection reports sent to Mr. Shaw.

Based on Halsall’s advice and given the fact that we are in the process of attempting to sell the Mall, we are not proposing to undertake extensive repair work in the parking garage.

We are in communication with Mr. Shaw and will be approaching him to seek clarification of certain comments in recent emails from him once we have the height restriction barriers in place.

Repairs and Maintenance

Larlyn have been overseeing necessary repairs and maintenance at the Mall. Work undertaken has included exterior repairs to the second floor wall of space occupied by the County of Lambton as well as elevator and escalator repairs and the repair or replacement of a number of HVAC units. Major expenditures have required our prior approval.

Robert E. Dale Limited (“Dale”)

At the date of our appointment a Sarnia based firm of professional engineers, Dale, were performing the periodic inspections of the parking garage noted earlier. We continued to use Dale in that regard through until the summer of 2013. On or about June 21, 2013 Dale sent a report directly to Mr. Shaw, without notice to us, detailing what seems with hindsight to be unfounded concerns regarding the condition of the parking garage. Based on that report Mr. Shaw issued the June 24, 2013 Order. Halsall had to then promptly investigate the issue at hand and confirm to us and to Mr. Shaw that the concerns expressed by Dale were unfounded. We have replaced Dale with another Sarnia based firm of professional engineers, MIG Engineering (2011) Ltd.

The Land Lease

As noted earlier, Bayside Mall is situated on leased land (“**the Land**”) owned by the City. This relationship is governed by a complex 97 page land lease made as of April

15, 1981 and since amended (“**the Land Lease**”). Neither the City nor the Receiver have a clear and complete idea at the moment of the status of the Land Lease and the rights and obligations under it.

It was and is our view that the uncertainty surrounding the Land Lease will likely have a detrimental impact on both price and our ability to quickly and cleanly close a sale. Therefore when the City approached us in early March 2013 to see if a joint sale of both the Land and the Mall might be possible we actively signalled our interest. We have been and continue to be of the view that a joint sale should be a "win-win" for both the City and the receivership. We exchanged information with the City including copies of appraisals in an attempt to establish a proceeds sharing formula. We had a number of telephone discussions with City staff and one face to face meeting in Sarnia in late July 2013 at which a representative of ICICI Bank Canada, as the party with essentially the only economic interest in the sale of the Mall, was present. Unfortunately it was not possible to come up with a proceeds sharing formula that would meet the likely requirements of the interested parties and in early August 2013 those negotiations were terminated.

We attach as ***Exhibit “C”*** a document entitled “August 2013 - Background Information on the Land Lease affecting Bayside Mall”. This document was prepared to assist potential purchasers in getting an understanding of this issue and has been posted in the Data Room.

Although we have now launched the sale of the Mall (see later) we will only know at a later time how potential purchasers and their legal counsel will view the Land Lease and its uncertain status. We may find ourselves drawn back into further negotiations with the City whether directly or indirectly prior to a sale being concluded.

County of Lambton (“Lambton”)

Lambton is the largest tenant at Bayside Mall pursuant to a lease dated August 17, 2000 as amended and extended (“**the Lambton Lease**”). Lambton currently occupies a total of 55,595 sf of office space and 895 sf of storage space. As authorized by the April 25, 2013 Order, we and Lambton agreed to extend the term of the Lambton Lease by two years to May 15, 2016 otherwise on the same terms and conditions.

At their request we have subsequently had two face to face meetings with senior Lambton staff in order to address questions they had about the receivership and their tenancy. They do not seem to have any major issues with their space or the running of the Mall. They did enquire about whether they could have an option to extend the Lambton Lease by a further year but have yet to make a specific proposal in that regard setting down what they would give in return.

Other Tenants and Leasing Generally

Two tenants asked us to reduce their rent. We saw no basis for so doing and the tenants have continued to pay the rent set down in their leases. Two small tenants abandoned their premises and Larlyn had the locks changed. We have not actively attempted to locate tenants for vacant space because such a process takes time and is expensive, in terms of commissions, Receiver’s and legal fees and of any required lease hold improvements. In addition new tenancies bind the Mall and its image. Given our strategy to sell the Mall as soon as reasonably possible, we felt it better that a potential purchaser be as free as possible regarding how they might take the Mall forwards.

Larlyn and Operations Generally

Larlyn continue to act as property manager. They collect the rent and pay expenses. They have staff on site on a daily basis, including the Mall manager and security and maintenance staff. They address concerns that tenants might have. We have generally received complementary reports from tenants about their level of service. Larlyn provide us with a detailed report and remit surplus moneys to us monthly be it not always in accordance with the time line set down in our contract with them.

Media Enquiries

The receivership of the Mall is news in the Sarnia area and we have undertaken a number of radio and newspaper interviews on its status.

Property Taxes

Unpaid property taxes to October 2, 2013 are \$630,388.33. The City has informed us that they will be in a position to initiate proceedings against Bayside Mall on January 1, 2014 if certain of those arrears are not paid. We have written to the City to remind them of certain terms of the Initial Order, particularly pertaining to the stay of proceedings, and also to indicate that we are already attempting to sell the Mall. We have made no payments to the City on account of property taxes to date.

We engaged the property tax division of Altus Group (“**Altus**”) to file an application for a vacancy rebate re 2012 and were able to get the taxes reduced by \$42,982.40. We have also had them file an appeal of the MPAC Property Assessment which valued the Mall for tax purposes at \$7,110,000 for 2013 – 2016.

Appraisals

We have obtained two appraisals of the Mall from Altus. The first appraisal, dated June 7, 2013, is of just the leasehold interest. The second appraisal, dated June 20, 2013, is of the Land together with the Mall ie is on the basis that the Land Lease does not exist. We have attached copies of these two appraisals as *Exhibits "D" and "E"* (filed separately and subject to a request for a sealing order). Since the two appraisals contain commercially sensitive information we are asking that they be sealed until after the closing of any sale of the Mall.

Operating Budget

Larlyn prepared for us a 2013 Normalized Budget reflecting operating income and expenses. We attach a copy as *Exhibit "F"*. This budget has been included in the Data Room.

Lease Documentation and the Rent Roll

We have worked with Larlyn to try and assemble as accurate a picture as we can of the rent roll and the nature of each leasing arrangement with a tenant. This task has been difficult because many tenancies have different types of leasing arrangements. Although we are unable to be sure that the rent roll is completely accurate we have posted a copy in the Data Room together with a copy of all the lease documents we have been able to locate to assist potential purchasers in their due diligence. We attach a copy of that rent roll as *Exhibit "G"*.

Additional Rent

Many of the lease arrangements include provision for the payment of a tenant's share

of property taxes and common area maintenance (“CAM”) costs as additional rent based initially on estimates. It seems that SAMAK/Bayside had not prepared annual statements to “true up” their estimates of CAM and taxes for some time. We will prepare annual CAM statements for 2013 sometime in early 2014. If tenants have been overpaying their share of CAM and property taxes since our appointment then we will make arrangements for reimbursement of any such overpayments. If tenants have been underpaying we will take steps to collect any such underpayment.

Selection of a Listing Broker

In early 2013 we contacted three brokers with offices in London Ontario, CBRE Limited, Colliers International London Ontario (“Colliers”) and DTZ. We asked them for their assessment of the options available to us with respect to the Mall and for an indication of what role they could play in our chosen strategy. Based on their responses we selected Colliers and on May 16, 2013 signed a listing agreement with them (“the Colliers Listing Agreement”). A copy of the Colliers Listing Agreement is attached as *Exhibit “H”*. The Colliers Listing Agreement will expire in mid November 2013 and we therefore intend to extend it shortly.

Preparing the Mall for Sale

Upon the signing of the Colliers Listing Agreement Colliers began to prepare their marketing material and, with our active assistance, compile documents for posting in their on-line “Data Room”. The Data Room is located on the Colliers website and is designed to allow qualified potential buyers to easily access and download background documents.

However at that time we were in discussions with the City regarding a joint sale of

the Land and the Mall. Colliers felt strongly that it would be a mistake to attempt to launch the sale of the Mall until those discussions had been completed. It was their hope that the Land could be sold jointly with the Mall.

Once negotiations with the City were terminated in early August 2013 we and Colliers moved to draft a Confidential Information Memorandum for potential purchasers and finalize the other marketing material. We decided to create two areas within the Data Room, Data Room #1 for potential purchaser to access virtually immediately and Data Room #2 containing the leases (which we deemed commercially “sensitive”) and our standard form of agreement of purchase and sale which only “qualifying” potential purchasers would be permitted to access at a later stage. We continued to populate the Data Room with additional up to date information. Given the nature of the proposed sale and the lack of any representations or warranties we felt it was appropriate that potential buyers had as much background information as possible. We therefore wrote background briefing notes on a number of topics. We attach as *Exhibit “I”* a list of the documents currently in the Data Room #1.

We are using Gardiner Roberts to assist us with respect to the sale of the Mall. They are in the process of cleaning up legal title including attempting to remove the many registrations on title relating to leases with former tenants. They are also drafting a standard form of agreement of purchase and sale for posting in Data Room #2.

Launching the Marketing of the Mall

On October 1, 2013, once we were comfortable with the final versions of Colliers’ marketing material, we gave the go ahead for the launch of the marketing of the Mall. Colliers ran advertisements in the Globe & Mail on October 8 and 10, 2013 and have

been sending out email fliers and otherwise contacting potential purchasers. The Mall has a listing price of \$6.5 million.

Potential purchasers are now able to access Data Room #1 after they sign a confidentiality agreement.

We will report to the court further on our marketing activities in a later report.

Secured Creditors

We understand that the Applicant, ICICI Bank Canada, is currently owed well in excess of \$10,000,000 secured by two mortgages for \$6,500,000 and \$5,000,000 registered against the Bayside Mall together with a General Security Agreement registered under the PPSA against Bayside. We have asked our independent legal counsel, Gardiner Roberts, to review the Applicant's security.

SAMAK and the December Rents

The property manager of the Bayside Mall prior to the receivership appointment, SAMAK, was owned and/or controlled by Mr. Malik Khalid, the former principal of Bayside. On March 5, 2013 SAMAK filed an assignment in bankruptcy and Kunjar Sharma & Associates Inc. ("**Sharma**") was named as Trustee of the Estate of SAMAK. Mr Whiteley was appointed an Inspector of the Estate of SAMAK. We understand that the December Rents were not in the possession of SAMAK at the time of its bankruptcy. Mr. Whiteley inquired of Sharma whether it had made any investigation into the December Rents, and was informed it had yet to complete a review to identify any potential reviewable transactions and that it lacked funds to carry out any investigations. We attach as ***Exhibit "J"*** the Minutes of the First Meeting of the Inspectors of SAMAK. As a consequence, there may be little

likelihood of us recovering the December Rents and the motion in respect of same may never proceed.

Insurance

The Mall was covered under an insurance policy with Northbridge General Insurance Corporation (“**Northbridge**”) that is due to expire on October 25, 2013. We had had this policy reviewed by our insurance brokers, Firstbrook Cassie & Anderson Limited (“**FCA**”), immediately after our appointment and they had advised us to continue with the policy with its monthly premium of just over \$4,600. In August we approached Northbridge regarding obtaining a renewal of the policy and were informed that they did not wish to renew it. We have therefore had FCA canvas the market to obtain alternative coverage. Most of the insurance companies they approached declined to provide a quote. FCA have been able to obtain coverage but the best quote they got was with Chubb Insurance and was only for three months from October 25, 2013 and for a significantly higher premium of approximately \$55,000 in total.

Harmonized Sales Tax (“HST”)

We have now filed all the outstanding pre appointment HST returns. We have also filed quarterly returns covering the receivership period to July 31, 2013. Given the state of Bayside’s records and a series of arbitrary assessments and offsets booked this summer by CRA it may be some time before we have a full picture of the amount due to or from CRA on account of Bayside’s HST.

Fees and Expenses of the Receiver and its Legal Counsel

The fees and expenses of the Receiver, its primary legal counsel, Heath Whiteley, and

its independent counsel, Gardiner Roberts, relating to their activities from April to September 2013 were as follows:

A. John Page & Associates Inc.

Month	Hours	Fees	HST	Total
April 2013	109.27	\$35,052.53	\$4,556.83	\$39,609.36
May 2013	98.09	28,408.62	3,693.12	32,101.74
June 2013	76.59	25,133.50	3,267.36	28,400.86
July 2013	52.43	16,762.60	2,179.14	18,941.74
August 2013	67.28	22,718.64	2,953.42	25,672.06
September 2013	89.15	27,338.79	3,554.04	30,892.83
Total	492.81	\$155,414.68	\$20,203.91	\$175,618.59

Heath Whiteley

Period	Fees	Disbursements	HST	Total
April 1 - 30, 2013	\$9,920.00	\$167.42	\$1,294.85	\$11,382.27
May 1 - Jun 30, 2013	11,120.00	0.00	1,445.60	12,565.60
July 1 - September 30, 2013	10,560.00	0.00	1,372.80	11,932.80
Total	\$31,600.00	\$167.42	\$4,113.25	\$35,880.67

Gardiner Roberts

Period	Fees	Disbursements	HST	Total
June 24 - 25, 2013	\$966.00	\$26.62	\$129.04	\$1,121.66
July 30, 2013	225.00	0.00	29.25	254.25

August 6 - 30, 2013	14,968.50	580.75	2,021.40	17,570.65
August 23 - September 27, 2013	12,640.00	770.31	1,743.34	15,153.65
Total	\$28,799.50	\$1,377.68	\$3,923.03	\$34,100.21

The Receiver, Mr. Whiteley and Gardiner Roberts are submitting fee affidavits to the court concurrent with the submission of this Report and are asking the court to approve these fees and disbursements.

Banking and the Receiver's Statement of Receipts and Disbursements

At the commencement of this assignment, we opened up receivership bank accounts at Royal Bank of Canada and at ICICI Bank Canada. Shortly after their appointment as property manager Larlyn opened up a separate account at Royal Bank of Canada (“**the Larlyn Royal Account**”) for use in the management of the Bayside Mall. We have signing authority over this account jointly with Larlyn and all cheques over \$20,000 have to be signed by us. Attached as ***Exhibit "K"*** is a copy of the Receiver's Interim Statement of Receipts and Disbursement from December 5, 2012 to October 23, 2013 combining the three accounts (“**the R&D**”). The R&D does not include any transactions flowing through the Larlyn Royal Account after September 30, 2013 as these have yet to be reported to us.

The fees and disbursements of the Receiver, Mr. Whiteley and Gardiner Roberts for April through to September 2013 are included as a disbursement in the R&D. We are asking the court to approve the R&D.

Page 18
Third Report to the Court
October 23, 2013

All of which is respectfully submitted this 23rd day of October, 2013

A. JOHN PAGE & ASSOCIATES INC.

COURT APPOINTED RECEIVER OF BAYSIDE MALL LIMITED

per:

A handwritten signature in black ink, appearing to read 'A. John Page'. The signature is stylized with a large, sweeping 'A' and a long, horizontal stroke extending to the right.

A. John Page FCPA, FCA, CIRP

President

**Exhibits to the Third Report of A. John Page & Associates Inc.
as Court Appointed Receiver of Bayside Mall Limited
dated October 23, 2013**

Initial Order	A
Background Information on certain Orders that are or may be registered on title to Bayside Mall – September 19, 2013	B
August 2013 - Background Information on the Land Lease affecting Bayside Mall	C
Confidential Exhibit – Altus Appraisal dated June 7, 2013	D
Confidential Exhibit – Altus Appraisal dated June 20, 2013	E
2013 Normalized Budget	F
Rent Roll	G
Colliers Listing Agreement May 16, 2013	H
Contents of Data Room #1	I
Minutes of the First Meeting of Inspectors of SAMAK	J
Statement of Receipts and Disbursements	K



Exhibit "A"

**Third Report of A. John Page & Associates Inc.
Court Appointed Receiver of Bayside Mall Limited
Dated October 23, 2013**

Initial Order

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) WEDNESDAY, THE 5th DAY
)
JUSTICE WILTON-SIEGEL) OF DECEMBER, 2012

ICICI BANK CANADA

Applicant

- and -

BAYSIDE MALL LIMITED

Respondent

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing A. John Page & Associates Inc. as receiver and manager (in such capacities, the "**Receiver**") without security, of certain of the assets, undertakings and properties of Bayside Mall Limited (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavits of Lionel Meunier sworn November 16 and December 4, 2012 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, the Debtor and SAMAK Management & Construction Inc. ("**SAMAK**"), on reading the consent of A. John Page & Associates Inc. to act as the Receiver and on

reading the proposed transition agreement dated December 5, 2012 to be executed by the Receiver and SAMAK,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, A. John Page & Associates Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**"), with such appointment being effective as of 10:00 a.m. on December 5, 2012.

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor, and nothing herein shall preclude the Receiver from appointing any party related to the Debtor as its agent for such purposes;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request. All Persons shall inform the Receiver if any of the Records might contain information of third parties that were and remain subject to confidentiality

obligations and shall provide the Receiver with details of any such confidentiality obligations. The Receiver shall then keep any such information confidential.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER OR PROPERTY MANAGER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver or its property manager except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with: (i) the Debtor; or (ii) SAMAK in respect of the Property; or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor and/or SAMAK or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may

terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*,

the Ontario *Environmental Protection Act*, the Ontario *Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its

legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$750,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

24. THIS COURT ORDERS that the Receiver be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

25. THIS COURT ORDERS that the Plaintiff, the Receiver, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver may post a copy of any or all such materials on its website at www.ajohnpage.com.

GENERAL

26. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

27. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

28. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

29. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

30. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

31. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

32. THIS COURT ORDERS that the first report of the Receiver shall be served on counsel for the Debtor and counsel for SAMAK by no later than January 28, 2013, and that there shall be a motion in connection with such report scheduled for a date no later than 10 days following service.

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE

LA PRÉSENT ATTEST QUE CE DOCUMENT, DONT CHACUNE DES PAGES EST REVÊTUE DU SCEAU DE LA COUR SUPÉRIEURE DE JUSTICE À TORONTO, EST UNE COPIE CONFORME DU DOCUMENT CONSERVÉ DANS CE BUREAU

DATED AT TORONTO THIS 5th DAY OF Dec 20 12
FAIT À TORONTO LE 5th JOUR DE

REGISTRAR

GREFFIER



W. / Hon - L.J.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

DEC 05 2012

MB

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that A. John Page & Associates Inc., the receiver (the "**Receiver**") of certain of the assets, undertakings and properties of Bayside Mall Limited (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ____ day of _____, 20__ (the "**Order**") made in an action having Court file number ____-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

A. John Page & Associates Inc., solely in its
capacity as Receiver of the Property, and
not in its personal capacity

Per: _____
Name:
Title:

B E T W E E N:

ICICI BANK CANADA
Applicant

- AND -

BAYSIDE MALL LIMITED
Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

(PROCEEDING COMMENCED AT TORONTO)

ORDER
(appointing Receiver)

Heath P.L. Whiteley
(L.S.U.C. No. 38528P)

Tel: (905) 773-7700
Fax: (905) 773-7666
Email: heath@whiteleylitigation.com

310 Stouffville Road
Richmond Hill, Ontario
L4E 3P4

Lawyer for the Applicant



Exhibit "B"

**Third Report of A. John Page & Associates Inc.
Court Appointed Receiver of Bayside Mall Limited
Dated October 23, 2013**

**Background Information on certain Orders that are
or may be registered on title to Bayside Mall -
September 19, 2013**

The Sale of the Building Known as Bayside Mall

Background Information on certain Orders that are or may be registered on title to Bayside Mall - September 19, 2013

Notice to Reader

The information below is provided by the Receiver of Bayside Mall Limited ("Bayside") to assist potential purchasers in getting an understanding of the nature of three "Orders to Remedy Unsafe Building" (the "Orders") that are or may be registered on title to the Bayside Mall so that they can better direct their due diligence enquiries. While the Receiver does not believe that the information below is in any material sense incorrect or misleading no party should rely upon it. The Receiver is giving no representations or warranties whatsoever as to the accuracy or completeness of the information. Interested parties are strongly advised to make whatever enquiries they deem appropriate and to consult with their legal counsel and other professional advisers regarding this matter and in particular the position of the Orders and the condition of the parking garage at Bayside Mall.

The Orders

The following Orders have been issued by Mr. Alan Shaw, Chief Building Official of the City of Sarnia:

Order dated August 12, 2012 ("the August 12, 2012 Order")

Order dated June 24, 2013 ("the June 24, 2013 Order")

Order dated September 17, 2013 ("the September 17, 2013 Order")

The September 17, 2013 Order rescinds and replaces the August 12, 2012 Order and the June 24, 2013 Order.

Copies of the Orders are attached.

The Orders relate to the parking garage at the Bayside Mall. Although the Orders are each entitled "Order to Remedy Unsafe Building", based on the advice of its professional engineers the Receiver does not believe that the Bayside Mall is "unsafe" at this time. The Receiver is working with the City of Sarnia Building Department with the aim of having these Orders removed from title as soon as possible.

Background to the August 12, 2012 Order

It is the Receiver's understanding that the August 12, 2012 Order was issued as a result of the general concern in Ontario about parking garages in shopping plazas. The August 12, 2012 Order required that certain temporary measures be taken on a precautionary basis pending a full structural review of the parking garage being undertaken.

Action Taken by Previous Management

In or about August 13, 2012 previous management commissioned exp Services Inc. to conduct a limited review of the parking garage, primarily the taking of core samples. A copy of their report dated August 31, 2012 can be found in the "Document Centre #1" data room established by Colliers as part of the Sale Process.

As a result of and in order to comply with the August 12, 2012 Order shoring was put in place in a small area in the parking garage and a schedule of regular inspections by a professional engineer (Robert E. Dale Limited ("Dale")) was instituted pending a proper review of the condition of the parking garage. This shoring continues to be in place and the regular inspections by a professional engineer are ongoing. Mr. Shaw has been kept informed of these actions and receives copies of the regular inspection reports issued by the professional engineer. Copies of the inspection reports issued by Dale from January 1 to August 31, 2013 ("the Dale 2013 Inspection Reports") are to be found in the "Document Centre #1" data room established by Colliers as part of the Sale Process.

It is the Receiver's understanding that neither Dale nor any other engineer conducted a full structural review of the parking garage prior to our appointment as Receiver of Bayside on December 5, 2012.

The Halsall Review

Subsequent to our appointment as Receiver we commissioned Halsall Associates, a national firm of professional engineers, ("Halsall") to perform a Garage Condition Evaluation in part to conclusively respond to the issues and concerns raised in the August 12, 2012 Order.

While that evaluation was in progress Mr. Shaw issued the June 24, 2013 Order. This was in response to what seems with hindsight to be unfounded concerns raised in a report dated June 21, 2013 issued by Dale ("the Dale June 21, 2013 Report") and sent to Mr. Shaw without having been seen by or discussed with the Receiver. A copy of the Dale June 21, 2013 Report is included in the Dale 2013 Inspection Reports. Halsall have advised the Receiver that the matters raised in the Dale June 21, 2013 Report are not in their opinion concerns.

Halsall issued a "final" report to us dated July 31, 2013 ("the July 31, 2013 Halsall Report"). A copy of the July 31, 2013 Halsall Report was forwarded to Mr. Shaw at that time.

In response to clarification requests received from Mr. Shaw, Halsall issued a revised final report dated September 18, 2013 ("the Revised September 18, 2013 Final Halsall Report"). In the intervening period Mr. Shaw issued the Order dated September 17, 2013.

A copy of the Revised September 18, 2013 Final Halsall Report is to be found in the "Document Centre #1" data room established by Colliers as part of the Sale Process. The Revised September 18, 2013 Final Halsall Report indicates, among other things, that

expansion joint waterproof seals have failed resulting in deteriorated concrete on the beam below. They note that two beams are currently shored. While they recommend that concrete repairs be completed in the near term in order to minimize further water ingress and long term deterioration, as long as the shoring is maintained and the garage is regularly inspected, these areas do not present an immediate safety concern.

They recommend that the shoring be reviewed monthly by in-house staff and quarterly by a Professional Engineer. They further recommend that if no repair work is done by the summer of 2014 the garage should be reassessed on an annual basis.

Halsall also issued a letter to us dated July 30, 2013 entitled "Garage Condition Evaluation - Roof Slab Loading Design Check" ("the July 30, 2013 Halsall Roof Slab Letter"). A copy of the July 30, 2013 Halsall Roof Slab Letter is attached. The July 30, 2013 Halsall Roof Slab Letter indicates that the roof slab was not built to conform to building code truck load requirements in effect at that time (the early 1980s). As noted later, we are taking steps to address the issues raised in the July 30, 2013 Halsall Roof Slab Letter.

Recent Communications with Mr. Shaw

The Receiver sent a detailed email to Mr. Shaw on September 18, 2013 addressing all outstanding issues in the Orders and including copies of the Revised September 18, 2013 Final Halsall Report together with a reporting letter from the property manager, Larlyn Property Management Ltd. ("Larlyn"), dated September 6, 2013 and the July 30, 2013 Halsall Roof Slab Letter. Included in this email are details of our plan for addressing the issues raised in the July 30, 2013 Halsall Roof Slab Letter. A subsequent email was sent to Mr. Shaw on September 19, 2013 providing a copy of an email from Dale relating to the shoring and loadings. Copies of these emails and their attachments (except for the Revised September 18, 2013 Final Halsall Report which is 30 pages long and can be found in Document Centre #1) form part of this Background Information Note.

The Receiver's Plan to have the Orders Removed

As is noted in the Receiver's email to Mr. Shaw dated September 18, 2013 the Receiver is in communications with Mr. Shaw with a view to, if helpful, organizing a meeting between the Receiver, Mr. Shaw, Larlyn and Halsall to address any questions or concerns he may have with the aim of having the Orders lifted from title.

Attachments

The August 12, 2012 Order
The June 24, 2013 Order
The September 17, 2013 Order
Email to Mr. A. Shaw dated September 18, 2013
Letter from Larlyn dated September 6, 2013

Page 4

The July 30, 2013 Halsall Roof Slab Letter
Email to Mr. A. Shaw dated September 19, 2013

S:\DATA\WP\CLIENTS\SARNIA\ORDINF2A.WPD



City of Sarnia
BUILDING DEPARTMENT
255 Christina Street N, Sarnia, ON. N7T 7N2
p 519-332-0330 f 519-332-0776

ORDER TO REMEDY UNSAFE BUILDING

Pursuant to Subsection 15.9 (4) of the Building Code Act, 1992

Date of Inspection August 10, 2012	Time 2:30pm	Permit No. N/A
Location of building / structure / System (Municipal Address) 150 – 202 , Christina Street North, (Bayside Mall)		
Owner Bayside Mall Ltd.		
Occupant / Person in possession Bayside Mall Ltd.		

THE ABOVE NOTED BUILDING HAS BEEN FOUND TO BE IN AN UNSAFE CONDITION AS DEFINED BY SUBSECTION 15.9 (2) OF THE BUILDING CODE ACT, 1992. YOU ARE HEREBY ORDERED TO UNDERTAKE THE FOLLOWING REMEDIAL STEPS TO CORRECT THE UNSAFE CONDITIONS:

Description of Unsafe Condition	Location	Section Reference
columns and beam in lower level parking garage show signs of decay and damage, concrete has fractured and rebar is visible in areas	REG COMP PLAN 664 PT LOT 1;PT LOT 10 RP 25R3518 PARTS; 2,3,7,8 12 (Parking Garage)	15.9 (1) & 15.9 (2)

Required Remedial Steps

- 1) Cease use of parking lot above affected areas as identified during site inspection (north end of street level lot adjacent to Vidal) **Immediate**
- 2) Provide temporary shoring as determined by Professional Engineer (to be in place by Aug.17 2012)
- 3).Provide full structural review and analysis of parking structure including required work / repairs by Professional Engineer (to be provided by Aug. 24th 2012)

YOU ARE HEREBY ORDERED TO CARRY OUT THE SPECIFIED REMEDIAL ACTION ON OR BEFORE :

DATE ...August 24, 2012..... TIME4:30 pm.....

ORDER ISSUED BY:

Name: Alan Shaw Building Inspector.....BCIN #:15584.....

Signature:  Telephone No.: 519-332-0330

Order Respecting Occupancy - If an order of an *inspector* under subsection (3) is not complied with within the time specified in it, or where no time is specified, within a reasonable time, the *chief building official* may by order prohibit the use or *occupancy* of the *building*; and may cause the *building* to be renovated, repaired or *demolished* to remove the unsafe condition or take such other action as he or she considers necessary for the protection of the public. ss. 15.9 (6)

Municipal Lien - If the *building* is in a *municipality*, the *municipality* shall have a lien on the land for the amount spent on the renovation, repair, demolition or other action under clause (6) (b) and the amount shall have priority lien status as described in section 1 of the Municipal Act, 2001. 2002, c17, Sched. C, s.4(1)

Prohibition - No person shall obstruct the visibility of an order and no person shall remove a copy of any order posted under this Act unless authorized to do so by an *inspector* or officer. 1997, c. 24, s. 224(14). sec 20



City of Sarnia

BUILDING DEPARTMENT

255 Christina Street N, Sarnia, ON. N7T 7N2

p 519- 332-0330 f 519-332-0776

ORDER TO REMEDY UNSAFE BUILDING

Pursuant to Subsection 15.9 (4) of the Building Code Act, 1992

Date of Inspection June 24, 2013	Time 1:00pm	Permit No. N/A
Location of building / structure / System (Municipal Address) 150 – 202 , Christina Street North, (Bayside Mall)		
Owner Bayside Mall Ltd.		
Occupant / Person in possession A John Page & Associates Inc. / Larlyn Property Management Ltd.		

RECEIVED

JUN 25 2013

THE ABOVE NOTED BUILDING HAS BEEN FOUND TO BE IN AN UNSAFE CONDITION AS DEFINED BY SUBSECTION 15.9 (2) OF THE BUILDING CODE ACT, 1992. YOU ARE HEREBY ORDERED TO UNDERTAKE THE FOLLOWING REMEDIAL STEPS TO CORRECT THE UNSAFE CONDITIONS:

Description of Unsafe Condition	Location	Section Reference
columns and beam in lower level parking garage show signs of decay and damage, concrete has fractured and showing signs of being over stressed	REG COMP PLAN 664 PT LOT 1;PT LOT 10 RP 25R3518 PARTS; 2,3,7,8 12 (Parking Garage)	15.9 (1) & 15.9 (2)

Required Remedial Steps

- 1) Cease use of parking lot above affected areas as identified in Robert E. Dale Structural inspection (dated June 21, 2013) **Immediate**
- 2) Provide barriers sufficient to prohibit parking in these areas until repairs have been completed. **(to be in place by July 1st 2013)**
- 3) Provide temporary shoring as determined by Professional Engineer **(to be in place by July 1 2013)**
- 4) Provide a third party engineering review of all engineering works including reports and tests taken to date to confirm, condition of structure and structural integrity is being achieved through temporary measures. **(to be submitted by August 1 2013)**
- 5) Provide a timeline identifying start and completion dates for remedial work to ensure work is conducted in a timely and safe manner as determined by a Professional Engineer. **(to be submitted by August 1 2013).**

YOU ARE HEREBY ORDERED TO CARRY OUT THE SPECIFIED REMEDIAL ACTION ON OR BEFORE:

DATE (See dates above)

TIME

ORDER ISSUED BY:

Name: Alan Shaw, Building inspector.....BCIN #:15584.....

Signature: _____

Telephone No.: 519-332-0330

Order Respecting Occupancy - If an order of an *inspector* under subsection (3) is not complied with within the time specified in it, or where no time is specified, within a reasonable time, the *chief building official* may by order prohibit the use or *occupancy* of the *building*; and may cause the *building* to be renovated, repaired or *demolished* to remove the unsafe condition or take such other action as he or she considers necessary for the protection of the public. ss. 15.9 (6)

Municipal Lien - If the *building* is in a *municipality*, the *municipality* shall have a lien on the land for the amount spent on the renovation, repair, demolition or other action under clause (6) (b) and the amount shall have priority lien status as described in section 1 of the Municipal Act, 2001. 2002, c17, Sched. C, s.4(1)

Prohibition - No person shall obstruct the visibility of an order and no person shall remove a copy of any order posted under this Act unless authorized to do so by an *inspector* or officer. 1997, c. 24, s. 224(14). sec 20



City of Sarnia
BUILDING DEPARTMENT
255 Christina Street N, Sarnia, ON. N7T 7N2
p 519- 332-0330 f 519-332-0776

ORDER TO REMEDY UNSAFE BUILDING

Pursuant to Subsection 15.9 (4) of the Building Code Act, 1992

Date of Inspection September 17, 2013	Time 1:00pm	Permit No. N/A
Location of building / structure / System (Municipal Address) 150 – 202 , Christina Street North, (Bayside Mall)		
Owner Bayside Mall Ltd.		
Occupant / Person in possession A John Page & Associates Inc. / Larlyn Property Management Ltd.		

THE ABOVE NOTED BUILDING HAS BEEN FOUND TO BE IN AN UNSAFE CONDITION AS DEFINED BY SUBSECTION 15.9 (2) OF THE BUILDING CODE ACT, 1992. YOU ARE HEREBY ORDERED TO UNDERTAKE THE FOLLOWING REMEDIAL STEPS TO CORRECT THE UNSAFE CONDITIONS:

Description of Unsafe Condition	Location	Section Reference
columns and beam in lower level parking garage show signs of decay and damage, concrete has fractured and showing signs of being over stressed	REG COMP PLAN 664 PT LOT 1;PT LOT 10 RP 25R3518 PARTS; 2,3,7,8 12 (Parking Garage)	15.9 (1) & 15.9 (2)

Required Remedial Steps

- 1) Provide an engineer report regarding the condition of the structure in the area of the entrance ramp (South-East corner) specifically addressing the following; **(Required Sept. 30th)**
 - a. structural integrity.
 - b. time line if repairs are required.
 - c. advise if shoring in this area is required
 - d. advise if restricted use of this area is required
- 2) Under the direction and supervision of a profession engineer conduct weekly inspections of the parking garage to monitor and identify any concerns or deficiencies in the building or structure. Any concerns or deficiencies noted by the Engineer are to be reported to the CBO of the City of Sarnia immediately. Inspections are to remain in place until repairs have been completed with quarterly reports from the engineer being submitted to the CBO of the City of Sarnia. **(Required Immediately and to remain until repairs complete)**
- 3) Provide engineers report to confirm if both live and dead loads are accounted for in shoring which would allow use of north section of the parking structure. If parking is to remain restricted, Owner is to install non movable parking barriers as determined by the Engineer. **(Required Sept. 30th)**
- 4) Engineer to conduct monthly inspections of temporary shoring/bracing currently in place. Any concerns or deficiencies noted by the Engineer are to be reported to the CBO of the City of Sarnia immediately. Inspections are to remain in place until repairs have been completed with quarterly reports from the engineer being submitted to the CBO of the City of Sarnia. **(Required Immediately and to remain until repairs complete)**
- 5) As per Halsall Associates "Garage Condition Evaluation Report" (Ref# 13Y125-035) repair Strategy 1 is to be commenced no later than June 1st 2014. *Building Permits and other approvals must be obtained as required.* **(Required June. 1st 2014)**

Please note this order rescinds and replaces prior orders dated August 10th, 2012 and June 24th, 2013

YOU ARE HEREBY ORDERED TO CARRY OUT THE SPECIFIED REMEDIAL ACTION ON OR BEFORE:

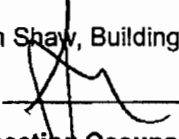
DATE (See dates above)

TIME

10F2

ORDER ISSUED BY:

Name: Alan Shaw, Building inspector.....**BCIN #:**15584.....

Signature: ..... **Telephone No.:** 519-332-0330

Order Respecting Occupancy - If an order of an *inspector* under subsection (3) is not complied with within the time specified in it, or where no time is specified, within a reasonable time, the *chief building official* may by order prohibit the use or *occupancy* of the *building*; and may cause the *building* to be renovated, repaired or *demolished* to remove the unsafe condition or take such other action as he or she considers necessary for the protection of the public. ss. 15.9 (6)

Municipal Lien - If the *building* is in a *municipality*, the *municipality* shall have a lien on the land for the amount spent on the renovation, repair, demolition or other action under clause (6) (b) and the amount shall have priority lien status as described in section 1 of the Municipal Act, 2001. 2002, c17, Sched. C, s.4(1)

Prohibition - No person shall obstruct the visibility of an order and no person shall remove a copy of any order posted under this Act unless authorized to do so by an *inspector* or officer. 1997, c. 24, s. 224(14). sec 20

OTRUB-June2006.

A. John Page

From: "A. John Page" <ajpage@ajohnpage.com>
To: "Alan Shaw" <alan.shaw@sarnia.ca>
Cc: <lloyd.fennell@sarnia.ca>; <brian.knott@sarnia.ca>; "Jonathan Wigley" <jwigley@gardiner-roberts.com>; "Michael Holmes" <mrholmes@larlyn.com>; "Wight, Peter" <pwight@halsall.com>
Sent: September 18, 2013 3:08 PM
Attach: Halsall 13Y125-035A.Revised Final Report re Parking Garage Sept 18 13.pdf; Halsall 13Y125-035A.let01.Roof Slab Loading.issued.pdf; Bayside Mall Larlyn Parking Garage Response - September 6 2013.pdf
Subject: Bayside Mall
 Mr Shaw

I should like to apologize for the delay in me sending this email.

In any event I should now like to respond to the questions in your email dated August 13, 2013 regarding Bayside Mall and in particular its parking garage.

This email and the documents that are attached were completed or virtually completed prior to us receiving your Order to Remedy Unsafe Building dated September 17, 2013 ("the September 17, 2013 Order") yesterday. It seems that the issues raised in the September 17, 2013 Order have been addressed through this email and its attachments. We have generally not rewritten the email or had the attachments revised to specifically refer to the September 17, 2013 Order because the reality is that that would take time and we want to get this response to you without delay.

Please find attached a copy of a revised Garage Condition Evaluation dated September 18, 2013 ("the Revised Halsall Garage Report") that was prepared for us by Halsall Associates, a firm of professional engineers ("Halsall"). This amplifies the conclusions in Halsall's Final Garage Condition Evaluation dated July 30, 2013 ("the Original Halsall Garage Report") that was forwarded to you on that date. The amplification specifically addresses the matters raised in the Order to Remedy Unsafe Building dated June 24, 2013 ("the June 24, 2013 Order") and in particular the items listed in point 1 of your August 13, 2013 email. In conclusion Halsall indicate that they reviewed the cracks that were the cause of the June 24, 2013 Order and state that they "did not note any evidence...that would indicate a structural issue.". They go on to say that "so long as the garage is regularly inspected, these areas do not present an immediate safety concern."

Please also find attached a copy of a letter from Halsall to us dated July 30, 2013 entitled Garage Condition Evaluation - Roof Slab Loading Design Check. In this letter Halsall informed us that the building garage roof slab drawings indicate a design load of 200 lbs psf which might be inadequate for large, heavy fire trucks or similar vehicles. Based on their recommendations we adopted a two stage plan:

1. We had our property manager, Larlyn Property Management Ltd. ("Larlyn") seek approval for a revised fire route away from the problematic roof slab. Larlyn have advised us that they hope to hear back from the City of Sarnia Fire Prevention Department in this

regard by the end of this week.

2. We asked Larlyn to arrange for the installation of height restriction barriers on the access points to the parking garage roof deck. In that regard we understand that they were yesterday meeting on site with firms who supply these barriers.

We are advised that the height restriction barriers will limit access to the roof deck to light vehicles that will not exceed the 200 lb psf live load threshold.

Please also find attached a copy of a letter from Larlyn dated September 6, 2013 which addresses points 2 and 3 of your email. The statements made by Larlyn are, obviously, only applicable while Larlyn remain property manager and while we remain Receiver. We cannot bind any future purchaser of the Bayside Mall. We have asked Larlyn to forward to us, for onwards transmission to you for your files, a copy of the email from Robert E. Dale dated August 21, 2013 that evidences their advice regarding the shoring design load.

I am currently seeking clarification from Larlyn regarding the timing of the return of any parking barriers that have been borrowed from the City of Sarnia and how this connects with the installation of height restriction barriers and can provide a status update in due course if required.

Please let me know if you would like any further information regarding these three points.

In point 4 of your email you ask that we agree to commence repairs in line with "Strategy 1" as described in the Original Halsall Garage Report by June 1, 2014. We would like to discuss this request with you because the Revised Halsall Garage Report does not see a need, from a safety perspective, to do any repairs providing certain shoring remains in place and providing there are periodic inspections. It is a matter of economics.

As you know, we are in the process of attempting to sell the Bayside Mall. It is our hope that we will no longer in charge of Bayside Mall on June 1, 2014. As court receiver it is appropriate that we seek an order of the court prior to committing to expenditures of the type outlined in "Strategy 1" and it is hard to justify making that request of the court when Halsall are saying that there is no indication that the parking garage is "unsafe". We think in the context of the Bayside Mall receivership that, providing there is no abnormal health or safety risk, a new purchaser would be better positioned to decide what work should be done in the parking garage and when. For example it may be that that purchaser might want to redevelop the Bayside Mall making an investment in the parking garage pointless. We do not know.

The June 24, 2013 Order together with the earlier "Order to Remedy Unsafe Building" dated August 10, 2012 and perhaps now the September 17, 2013 Order (collectively "the Orders") are registered on title. We are just about to launch our marketing of Bayside Mall and would like to explore with you whether you now have enough information from engineers about the condition of the parking garage to be able to have all the Orders removed from

title. The Orders would be on the face of it disturbing to a potential buyer in that they seem to suggest the building is unsafe and according to Halsall this is not the case.

Would it be helpful if we arranged a meeting between yourself, Halsall, Larlyn and ourselves in Sarnia to explore and address these issues and any concerns you may still have and to discuss how we should proceed.

Regards

John Page FCPA, FCA
President
A. John Page & Associates Inc.
Court Appointed Receiver
100 Richmond St. West, Suite 447
Toronto, Ontario, Canada M5H 3K6

Telephone: 416-364-4894
Fax: 416-364-4869
Email: ajpage@ajohnpage.com
www.ajohnpage.com

The material contained in this transmission is intended for the person or entity indicated above. It may contain information that is confidential or otherwise protected from disclosure. Any review, dissemination or use of the contents of this transmission by anyone other than the addressee is strictly prohibited. If you receive this transmission in error, please permanently delete the transmission, including any attachments, without making a copy and notify us immediately at mail@ajohnpage.com so that we may correct our records.

Thank you



September 6, 2013

Via e-mail

A. John Page & Associates Inc.
Court Appointed Receiver of Bayside Mall Limited
100 Richmond Street West, Suite 447
Toronto, Ontario
M5H 3K6

Attention: Mr. John Page

Dear Mr. Page:

RE: Bayside Mall Parking Garage

This letter is being written in response to the August 13th e-mail from Alan Shaw of the City of Sarnia to address the matters raised in points #2 and #3 of his e-mail.

In regards to section 3.1 of the report and point #2 raised by Mr. Shaw:

- (a) I can confirm that the maintenance and security staff at Bayside Mall have been and continue to conduct weekly inspections of the garage to inspect for any cracks, pops or loose concrete all under the direction of a Professional Engineer. Up until September 1, 2013 the Professional Engineer engaged in overseeing the inspections has been Robert E. Dale. As of September 1, 2013 the Professional Engineer engaged in overseeing the inspections is MIG engineering (2011) Ltd.
- (b) I can confirm that any concerns noted per item (a) above are brought to the attention of the Professional Engineer immediately for review and determination of remedial steps, if any are required.
- (c) I can confirm that any action deemed necessary by the Engineer is reported to the CBO of the City of Sarnia within 30 days.
- (d) I can also confirm that the current inspections will remain in place until repairs have been completed or per any modifications agreed upon.

In regards to section 3.3 of the report and point #3 raised by Mr. Shaw:

- (a) In an e-mail dated August 21, 2013 from Geoff Dale of Robert E. Dale, he confirmed that his office has designed the shoring to suit a superimposed live loading of 250 psf, in addition to the dead loading in place.
- (b) In terms of the City of Sarnia wishing the return of its parking barriers, we are agreeable to same as per the Halsall report they are of the opinion that the north portion of the garage roof slab can be opened provided the shoring is


acceptable. The shoring as confirmed by Robert E. Dale provides for a live loading of 250 psf in addition to the dead loading.

- (c) I can confirm that the shoring is reviewed monthly by a Professional Engineer with reports being submitted Quarterly to the Office of the CBO for the City of Sarnia.
- (d) I can also confirm that the shoring will remain in place until repairs have been completed or per any modifications agreed upon.

I trust this addresses all issues raised and if there are any further questions or information required, please do not hesitate to give me a call.

Sincerely,

LARLYN PROPERTY MANAGEMENT LTD.



Michael Holmes, MBA, CPM, RCM, ACCI, CMOC, ARM
President & COO

cc: Mike Service, General Manager, Bayside Mall
Marty L. Raaymakers, MIG Engineering (2011) Ltd.





13Y125-035A

July 30, 2013

A. John Page & Associates Inc.
100 Richmond St. W., Suite 447
Toronto, ON M5H 3K6

Attn: John. A. Page, President

E-mail: AJPage@ajohnpage.com

Dear John,

**Re: Bayside Mall - 150 Christina St., Sarnia
Garage Condition Evaluation – Roof Slab Loading Design Check**

As requested as part of our garage condition evaluation, we were to complete a structural analysis of the closed section of the garage roof slab to evaluate loading limitations. We report as follows:

1. KEY FINDING

The Roof Slab does not conform to Building Code Truck Load Requirements

As requested, we completed a structural analysis of the north half of the parking garage roof deck (i.e. the portion of the garage roof slab currently closed off). It is our understanding that larger trucks would typically not use this area, and that the loading dock is located in a different area. However, this area could be used by firetrucks since the signage currently shows that it is part of the fire route.

The base building garage roof slab drawing indicates a design live load of 200 psf. Based on our cursory analysis of the slab, we report that the live load capacity is approximately 200 psf. The current Ontario Building Code, as well as the 1976 Ontario Building Code which would have been in effect at the time of construction, indicates a minimum live load of 250 psf for driveways over basements or parking garages. The 250 psf loading is generally associated with truck loading.

We reviewed the building's Fire Plan (dated August 2011). The Fire Plan does not indicate the location of the fire route for the property. As noted above, there is signage at the north portion of the roof deck indicating "Fire Route: No Parking," however we were unable to confirm if this was simply installed in order to minimize parking or if it is the designated fire route.

If it is not considered the fire route, you may consider installing height restriction bars across the entrance drive to limit the size of trucks that can access the roof deck. If the north half of the roof deck is confirmed to be the fire route, we recommend that the fire truck weights and footprints be verified with the Sarnia Fire Department. If the trucks are not within the 200 psf allowance, you may consider discussing with the Sarnia Fire Department the option of re-routing the fire route to allow for installation of height restriction bars.

Halsall Associates

2300 Yonge Street, Suite 2300, Toronto, ON M4P 1E4 www.halsall.com T: 416 487 5256 F: 416 487 9766
VANCOUVER • CALGARY • SUDBURY • BURLINGTON • TORONTO • OTTAWA



2. MANAGEMENT STRATEGY

Install Roof Loading Restrictors

Depending on confirmation of the Fire Route, we recommend installing height restriction bars across the entrance drive to limit the size of truck that can access the roof deck. We assume that the restriction bars will include a lockable and movable top bar to allow truck access if required in the future. Our recommended budget to complete this installation is **\$20,000**. This budget includes a fee for a Fire Code consultant to confirm the acceptable fire routing and updating the current Fire Plan.

We trust this is acceptable. Please do not hesitate to contact us should you have any questions.

Respectfully submitted,
HALSALL ASSOCIATES



Dustin Ducharme, B.A.Sc.
Project Manager

13Y125-035A.let01.Roof Slab Loading.docx/ctm



A. John Page

From: "A. John Page" <ajpage@ajohnpage.com>
To: "Alan Shaw" <alan.shaw@sarnia.ca>
Cc: <lloyd.fennell@sarnia.ca>; <brian.knott@sarnia.ca>; "Jonathan Wigley" <jwigley@gardiner-roberts.com>; "Michael Holmes" <mrholmes@larlyn.com>; "Wight, Peter" <pwight@halsall.com>
Sent: September 19, 2013 7:33 AM
Subject: Fw: Shoring for Bayside Mall
 Mr. Shaw

Further to my email of yesterday please find below the email from RE Dale relating to the shoring and related loading.

Regards

 John Page FCPA, FCA
 President
 A. John Page & Associates Inc.
 Court Appointed Receiver
 100 Richmond St. West, Suite 447
 Toronto, Ontario, Canada M5H 3K6

Telephone: 416-364-4894
 Fax: 416-364-4869
 Email: ajpage@ajohnpage.com
www.ajohnpage.com

The material contained in this transmission is intended for the person or entity indicated above. It may contain information that is confidential or otherwise protected from disclosure. Any review, dissemination or use of the contents of this transmission by anyone other than the addressee is strictly prohibited. If you receive this transmission in error, please permanently delete the transmission, including any attachments, without making a copy and notify us immediately at mail@ajohnpage.com so that we may correct our records.

Thank you

----- Original Message -----

From: Michael Holmes
To: A. John Page
Sent: Wednesday, September 18, 2013 4:45 PM
Subject: FW: Shoring for Bayside Mall

John,

Please find below the e-mail from Robert E. Dale regarding the live and dead load re the shoring at Bayside Mall.

Regards,

Michael Holmes, MBA, CPM, RCM | President and Chief Operating Officer
Larlyn Property Management | ISO 9001:2008 Registered
 540 Wharnccliffe Road South | London, ON N6J 2N4
 Direct 519-266-3304 | F 519-690-1352
mrholmes@larlyn.com | www.larlyn.com

DISCLAIMER This e-mail message is intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you have received this message in error, or not the named recipient(s), please immediately notify the sender and delete this e-mail message.

19/09/2013



*Family Owned and Operated Since 1975.
A Legacy of Integrity, Trust and Care.*



From: Geoff Dale [<mailto:geoff@redaleltd.ca>]
Sent: Wednesday, August 21, 2013 4:08 PM
To: Mike Service
Subject: Shoring for Bayside Mall

Mike-

Please be advised that this office has designed the shoring to suit a superimposed live loading of 250 psf, in addition to the dead loading in place. If you have any questions, please feel free to contact our Office.

Geoff Dale- President



ROBERT E. DALE
 LIMITED
 CONSULTING ENGINEERS

429 Exmouth Street- Suite 208, Sarnia, Ontario
 o 519 337 7211 x225 f 519 331 6771
 f 519 337 7213

www.redaleltd.ca

Member of the Canadian Green Building Council



please don't print this e-mail unless you really need to



Exhibit "C"

**Third Report of A. John Page & Associates Inc.
Court Appointed Receiver of Bayside Mall Limited
Dated October 23, 2013**

**August 2013 - Background Information on the
Land Lease affecting Bayside Mall**

The Sale of the Building Known as Bayside Mall August 2013

Background Information on the Land Lease affecting Bayside Mall

Notice to Reader

The information below is provided by the Receiver of Bayside Mall Limited ("Bayside") to assist potential purchasers in getting an understanding of the nature of the Land Lease affecting Bayside Mall so that they can better direct their due diligence enquiries. While the Receiver does not believe that the information below is in any material sense incorrect or misleading no party should rely upon it. The Receiver is giving no representations or warranties whatsoever as to the accuracy or completeness of the information. Interested parties are strongly advised to make whatever enquiries they deem appropriate and to consult with their legal counsel and other professional advisers regarding this matter and in particular the position of the Land Lease.

The Land Lease

The Receiver of Bayside is offering for sale, on an "as-is, where-is" basis with no representations or warranties, the mall located at 150 Christina St. N., Sarnia, Ontario ("Bayside Mall" or "the Buildings"). Bayside Mall is situated on leased land ("the Land") owned by the City of Sarnia ("the City"). This relationship is governed by a complex 97 page land lease made as of April 15, 1981 and since amended ("the Land Lease"). The Receiver is aware of amendments dated June 1, 1981 and February 29, 1988. Copies of the April 15, 1981 agreement, the June 1, 1981 agreement and the February 29, 1988 agreement are all available in the data room established by the Receiver's realtor, Colliers International.

The Term

The Land Lease has an initial term of 60 years from the opening date of the Bayside Mall (believed to be in 1983) so will end in 2043. There is an option to renew the Land Lease for a further 30 years and an additional option to renew for 60 years providing the mall owner has completed a major renovation or redevelopment.

The Payment of Participation Rent under the Land Lease

The Land Lease provides for the payment of "Participation Rent" to the City from the "Net Participation Income" which is defined as gross revenue less a series of deductions.

The Receiver has been unable to find any record of any payment having been made to the City by Bayside on account of Participation Rent pursuant to the Land Lease.

The Director of Finance of the City verbally informed the Receiver that they have not received any payment on account of the Land Lease for a very long time. He indicated that the City may have only received payment in the first two years.

In a briefing memorandum to City Council dated May 6, 2013 ("the May 6, 2013 Briefing Notes")(copy attached) the City solicitor notes that "City Hall has not directly benefitted from any Participation Rent". The briefing documents go on to say that "Participation rent is 15% of gross revenues less operating costs. Since its inception, the mall has not generated sufficient revenues to enable the City to benefit from the provisions relating to participation rent. In the future the mall may be extremely successful and participation rent paid to the City if the land lease remains. At this stage, it is not possible to indicate if or when that stage may be reached."

The calculation of Net Participation Income and Participation Rent seems complex. Although the Receiver does not have complete information about the components forming certain of the deductions, at first glance, the permitted deductions seem to go well beyond normal operating costs. This may explain why so few payments of Participation Rent were ever made to the City.

Discussions between the Receiver and the City

In early spring 2013, staff from the City approached the Receiver to see if a joint sale of the Land and Buildings at Bayside Mall might be possible. At the May 6, 2013 City Council meeting a resolution was passed "approving in concept the sale of the Bayside Mall Lands in conjunction with the sale of the Bayside Mall, to be conducted by A. John Page & Associates Inc. and their agents;". The Receiver then held discussions with the City staff, including one face to face meeting, with a view to seeing if that might be possible. Unfortunately, it was not possible to come up with a proceeds sharing formula that would meet the likely requirements of the interested parties and in early August 2013 those negotiations were terminated.

However, relations with City staff remain cordial and they have indicated that they expect that the City would be receptive to negotiating with the successful purchaser of the Bayside Mall to either sell that party the Land or alternatively to try and agree to a simpler form of Land Lease that might better address the plans of that purchaser for the Bayside Mall.

The Director of Finance for the City commented to us that he saw the purpose of the Participation Rent as being to provide funds to enable the City to repay a loan provided by the Province to the City under the Ontario Downtown Revitalization Program prior to the opening of the Bayside Mall to help pay for the purchase of the various parcels of land on which Bayside Mall was built. As detailed in the May 6, 2013 Briefing Notes, the amount then owing under that loan was forgiven by the Province in 2006.

THE CORPORATION OF THE CITY OF SARNIA
People Serving People

CITY SOLICITOR/CLERK'S DEPARTMENT

OPEN SESSION REPORT

TO: Mayor Bradley and Members of Sarnia City Council

FROM: Brian Knott, City Solicitor/Clerk

DATE: May 6, 2013

SUBJECT: Opportunity to Sell Bayside Mall Lands

Recommendation:

It is recommended:

1. That Council approve, in concept, the sale of the Bayside Mall Lands in conjunction with the sale of the Bayside Mall, to be conducted by A. John Page & Associates Inc. and their agents; and
2. That Council, in recognition of the uniqueness of this land lease situation, and in recognition of the uniqueness of the court supervised sale situation, waive the procedural requirements outlined in the City's Sale of Land Bylaw.

Background:

At the last open Council meeting a report on the opportunity to sell the Bayside Mall Lands was tabled so that staff could bring forward further information (report attached).

Comments:

Staff have attempted to answer questions raised by Councillors at the last meeting. These questions and answers are attached.

In the event Council decides to approve in concept the sale of the lands in conjunction with the Bayside Mall, staff will undertake further discussions with the Receiver to review options to determine the manner in which the City would be compensated for its asset. A further report to Council would provide details on those discussions and any other ancillary items needed prior to sale.

A copy of the Lease (100 pages) and the Second Report of the Court Appointed Receiver (35 pages) is available upon request.

Consultation:

The Finance, Planning, and Legal departments have had discussions with the bankruptcy trustee and the mortgagee.

Financial Implications:

None at this time.

Reviewed by:



Brian Knott
City Solicitor/Clerk

Approved by:



Lloyd Fennell
City Manager

This report was prepared by Scott McEachran, Assistant Solicitor

Attachment(s): April 9, 2013 Council Report
Questions & Answers
A. John Page & Associates Inc. letter dated May 3, 2013
July 17, 2006 Council Report

THE CORPORATION OF THE CITY OF SARNIA
People Serving People

CITY SOLICITOR/CLERK'S DEPARTMENT

OPEN SESSION REPORT

TO: Mayor Bradley and Members of Sarnia City Council

FROM: Brian Knott, City Solicitor/Clerk

DATE: April 9, 2013

SUBJECT: Opportunity to Sell Bayside Mall Lands

Recommendation:

It is recommended:

1. That Council approve, in concept, the sale of the Bayside Mall Lands in conjunction with the sale of the Bayside Mall, to be conducted by A. John Page & Associates Inc. and their agents.
2. That Council, in recognition of the uniqueness of this land lease situation, and in recognition of the uniqueness of the court supervised sale situation, waive the procedural requirements outlined in the City's Sale of Land Bylaw.

Background:

In 1981 the City entered into an agreement with Cadillac Fairview and Eaton Properties wherein the developers would build a mall, and retain ownership of the building, on land leased from the City. The land was leased for \$1 a year plus "Participation Rent" based on a percentage of net income (which varied depending on circumstances). City Hall has not directly benefited from any Participation Rent.

Over the years the mall building has been sold a number of times, each owner being bound by the land lease with the City. Bayside Mall is currently owned by Bayside Mall Limited which recently listed the mall for sale. In early 2013 staff were approached by a local realtor who inquired as to the City's interest in selling the land. Since that initial inquiry, however, Bayside Mall Limited has entered into bankruptcy proceedings. The court appointed receiver is A. John Page & Associates Inc.

Comments:

Staff have discussed the possibility of a combined sale with A. John Page & Associates Inc. Selling the building and the land together may benefit both parties as outlined in the attached letter from A. John Page & Associates Inc.

If Council approves the concept of the sale of lands, it is anticipated the following procedure would occur:

- A. John Page & Associates Inc. will hire a realtor and obtain court approval to proceed with the sale
- The property would be listed MLS
- City Staff will advertise Council's intention to declare the lands surplus and bring back a report for Council to declare the lands surplus
- An appraisal will be forthcoming to Council
- All offers to purchase will be presented to Council (note that court approval will also be required along with Council's approval)

The City's Sale of Land Bylaw states that government entities shall be notified and have 45 days to declare their interest in a property. Given the uniqueness of this situation, in that the City can only offer the land for sale, and not the building, and that the purpose of proposing to sell the property at this time is to list it together with the building, it is suggested that Council waive this notice requirement.

Consultation:

The Finance, Planning, and Legal departments have had discussions with the bankruptcy trustee and the mortgagee.

Financial Implications:

None at this time.

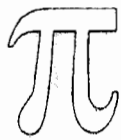
Approved by:



Brian Knott
Acting City Manager

This report was prepared by Scott McEachran, Assistant Solicitor

Attachment(s): Letter from A. John Page & Associates Inc.



By Email

April 8, 2013

Mr. Scott McEachran
Assistant City Solicitor
City of Sarnia
255 Christina Street North
Sarnia, ON
N7T 7N2

Dear Mr. McEachran

Bayside Mall Limited ("Bayside")

As you know, by order of the Honourable Mr. Justice Wilton-Siegel dated December 5, 2012 A. John Page & Associates Inc. was appointed as Receiver of Bayside. Bayside's major asset is the mall located at 150 Christina St. N., Sarnia, Ontario ("the Bayside Mall"). The Bayside Mall is situated on leased land owned by the City of Sarnia ("the Land"). This relationship is governed by a voluminous land lease signed approximately 30 years ago, as amended ("the Land Lease").

In our capacity as Receiver we are preparing to list the Bayside Mall for sale. We are writing this letter in response to a request for our comments on whether, if possible, it might be advantageous for the Land to be sold concurrently with the Bayside Mall so that a purchaser would be able to purchase both the land and the buildings.

Our initial impression of the Land Lease is that it is complex. It was written to deal with a situation many years ago at about the time the Bayside Mall was being constructed. It is not easy to understand what the current rights, remedies and obligations of the parties are. It is our current understanding that, due to the poor financial state of the Bayside Mall, no funds have been paid to the City of Sarnia pursuant to the Land Lease for many years. We are guessing but suspect that it has merely been a nuisance to the City in that the City has to deal with enquiries and is drawn into any legal actions pertaining to the Bayside Mall such as construction lien claims.

In our discussions with an appraiser and with a number of realtors we have been informed that the presence of the Land Lease complicates the prospects for the Bayside Mall and its perceived value. As noted earlier, it is hard to understand. As such it will likely deter certain potential buyers from entertaining making an offer for the Bayside Mall. Interested parties have to incur legal costs trying to understand it, particularly in the context of a sale by a court receiver where sales are 'as-is, where-is' and no representations or warranties are given. We can see that a "mainstream" buyer with conventional institutional financing will find it hard to



Page 2

Mr. Scott McEachran
April 8, 2013

explain the Land Lease to its lenders and investors and, as a result, may be unable to get financing or at less attractive rates.

For a successful revitalization we think that the Bayside Mall needs a well financed purchaser with the resources to invest in its future. Because of the Land Lease, the pool of potential buyers may be reduced to the more unique/speculative group of buyers such as the recent owner.

It seems to us to be a win-win if the Land and the Bayside Mall can be sold concurrently to the same purchaser. In this way this purchaser gets clear ownership to "everything" in a simple legal form that is clearly understandable by lenders and investors. In addition we would expect a better price than that from a sale of just the Bayside Mall. We merely need to work out how to value the Land and I am sure this can be done with the help of appraisers or otherwise.

I would appreciate it if you could indicate if the City of Sarnia is interested in pursuing the idea of a concurrent sale of the Land and the Bayside Mall and, if so, the next steps and timeline for so doing. We are being asked to move the sale of the Bayside Mall forward promptly so a quick response would be very helpful.

Yours very truly

A. JOHN PAGE & ASSOCIATES INC.
COURT APPOINTED RECEIVER OF BAYSIDE
per:

A. John Page FCPA, FCA • CIRP
President

S:\DATA\WP\CLIENTS\SARNIA\SARNIA2B.WPD

cc Mr. Brian Knott, Solicitor/Clerk & Acting City Manager

What are the origins of the Bayside Mall?

In the mid-1970's a number of factors came together:

- Lambton Mall was completed raising the need for downtown renewal efforts
- Developers approached the City with downtown proposals
- The province announced the Ontario Downtown Revitalization Program (ODRP) which provided low interest financing wherein the province would contribute 2/3 of the loan amount while the local municipality would provide 1/3 of the loan amount. (The Province loaned the City \$7,115,000 and in 2006 forgave \$5.3 million. See attached July 10, 2006 Council Report.)

Ultimately, the proposed projects were scaled down and divided into two phases. Phase 1 resulted in the Kenwick Building and Phase 2 became the Bayside Mall.

The City's primary role was to purchase and acquire the project site as well as to provide upgrading of municipal services. In 1978 the City began negotiations with 27 different property owners and began to assemble land for the Mall. Portions of Lochiel and Victoria Streets were closed.

Ultimately there were 46 deeds registered to the City.

Recent History

During the 1990's, the mall was sold twice. In 1996, the leasehold interest in the mall was sold for \$3,100,000, and in 1999, it was sold for \$5M. In both these situations the land was not required to be part of the sale.

What is the purpose of the land lease?

The lease was drafted 32 years ago for the specific purpose of having the mall owner build and then occupy a mall. The lease contains a number of issues that are no longer relevant to a new mall owner:

- Five stages of delivery dates and termination rights
- Building Security deposits
- ODRP repayment formulas
- Limitations on Cadillac Fairview's ability to transfer its interest
- Reference to an existing TD lease on title and payments to prior developers
- Relationship between Cadillac Fairview and Eaton Properties and their respective interests

The lease contains two issues in particular that may concern a new buyer:

- Participation rent is 15 % of gross revenues less operating costs. Since its inception, the mall has not generated sufficient revenues to enable the City to benefit from the provisions relating to participation rent. In the future, the mall may be extremely successful and participation rent paid to the city if the land lease remains. At this stage, it is not possible to indicate if or when that stage may be reached.
- Use of property is limited in the lease to that of a first class commercial and retail project including the requirement to use best efforts to lease to a conventional department store, a food supermarket, and a farmer's market (on a periodic basis). In today's market these uses may not be the best use of the property. The Receiver commented on use of the property and its potential effect on a sale in its May 3, 2013 letter (attached).

Can the Land Lease be renegotiated & simplified?

The Bankruptcy Trustee does have authority to renegotiate the lease (with court approval). However, the Trustee does not favour this option and the reasons are outlined in the attached letter.

Does the Sale of the Mall Lands affect Downtown Parking?

No. The mall owner owns and controls the 690 underground and 190 aboveground parking lots. There is nothing in the lease requiring the mall owner to allow those not using the mall to park on mall property. In other words, the current mall owner's policy of allowing anyone to use the parking lot could change whether or not the City sells the land. Staff will work with the receiver or any new owner to optimize the availability of mall parking for downtown use.

Term

The term is for 60 years after the opening date (believed to be in 1983 when 2/3 of the stores were open) and will end in 2043. There is an option to renew for 30 years. There is also an additional renewal term of 60 years provided the mall owner shall have completed a major renovation or redevelopment of the property.

By Email

May 3, 2013

Mr. Scott McEachran
Assistant City Solicitor
City of Sarnia
255 Christina Street North
Sarnia, ON
N7T 7N2

Dear Mr. McEachran

Bayside Mall Limited ("Bayside")

As you know, by order of the Honourable Mr. Justice Wilton-Siegel dated December 5, 2012 A. John Page & Associates Inc. was appointed as Receiver of Bayside. Bayside's major asset is the mall located at 150 Christina St. N., Sarnia, Ontario ("the Bayside Mall"). The Bayside Mall is situated on leased land owned by the City of Sarnia ("the Land"). This relationship is governed by a complex and confusing 97 page land lease signed over 30 years ago and since amended a few times ("the Land Lease").

I am writing this letter as a follow up to our April 8, 2013 letter and the comments and questions raised in our conference call on May 1, 2013. In our conference call you indicated that council was looking for more information on the Land Lease and why it might be appropriate to allow the Land to be sold concurrently with the Bayside Mall.

As noted in our April 8, 2013 letter, we continue to see the Land Lease as an impediment to a successful sale of the Bayside Mall. The original Land Lease was drafted at a time when it was assumed all the mall would ever be was a shopping centre. Bayside Mall has not operated successfully as a shopping centre for some time. As you know it is more than half empty and its major tenant, County of Lambton, uses its space for offices. Its optimal future might well be as a mixed use development of perhaps condominiums, offices, retail, etc. The Land Lease does not fit well with this vision. For one thing it has an expiry date. We do not see the right type of purchaser/developer putting in the necessary time, effort and capital required for any such revitalization without owning the Land. In all likelihood if the Bayside Mall is sold without the Land (ie subject to the Land Lease) the pool of potential purchasers will be reduced to those without the inclination or resources for redevelopment, basically a repeat of the status quo. Redevelopment seems to offer a much brighter prospect than that, of a vibrant downtown centre and the increased property tax revenue that that implies.

While in theory it might be possible to sign up a new, simpler Land Lease we do not think that would work in reality. We suspect that a new lease is unlikely to easily address all the



Page 2

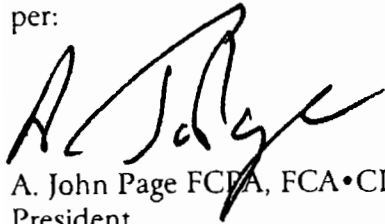
Mr. Scott McEachran
May 3, 2013

concerns a developer might have. It would also require both court and council approval. In particular it would take time and time is not on our side.

We are being asked to move to list the Bayside Mall quickly. We are starting to pull together the information we need to do that. Could you therefore please let us know as soon as possible if council wish to try and move forward with a concurrent sale of the Land and the Bayside Mall.

Yours very truly

A. JOHN PAGE & ASSOCIATES INC.
COURT APPOINTED RECEIVER OF BAYSIDE
per:



A. John Page FCIA, FCA • CIRP
President

S:\DATA\WP\CLIENTS\SARNIA\SARNIA3A.WPD

cc Mr. Brian Knott, Solicitor/Clerk & Acting City Manager

CORRESPONDENCE #7 (SEE BY-LAW #5)

THE CORPORATION OF THE CITY OF SARNIA

People Serving People

OFFICE OF THE CITY MANAGER

OPEN SESSION REPORT

JUL 17 2006

TO: Mayor Bradley and Members of Sarnia City Council

FROM: Ann Tuplin
City Manager

DATE: July 10, 2006

SUBJECT: Loan under the Ontario Downtown Revitalization Program

RECOMMENDATIONS

It is recommended that:

1. That Sarnia City Council authorize the Mayor and Clerk-Solicitor to execute the amendment to the agreement with the Ministry of Municipal Affairs which will release the City from the obligation of paying the loan under the Ontario Downtown Revitalization Program.

BACKGROUND

The original loan of \$7,115,000 was used for acquisition and servicing of the Bayside Mall (originally called the Eaton's Centre) which was completed in 1983. The repayment terms of the loan required 2/3 of the proceeds of sale or lease of surplus land acquired but not required for the redevelopment project, and the greater of

- \$40,000 per year or 2/3 of any lease income payable to the City
- 1/3 of tax increment, based on the 1976 base year, and
- 100% of proceeds of disposition of the project or part of it.

The amount outstanding at this time is approximately \$5.3 million.

Because the property taxes collected on the property are actually less than the 1976 base year, the City is paying the minimum \$40,000 annually which means that, unless there is a significant change, the City could potentially not pay off the loan for 136 years.

#7(2)

- 2 -

On a number of occasions the City has approached the Province to determine whether or not, given the circumstances, the Province would be willing to reconfigure the loan or, preferably, whether the loan could be forgiven. This position was put forward by Mayor Bradley and me, on behalf of the City, at a meeting which was held in Queen's Park, arranged by the MPP, with a number of Ministers on various topics. Subsequent to the Queen's Park meeting, discussions took place with Ministry representatives but the conclusion was that the Province would consider any proposal; however it was extremely unlikely that the Province would consider any financial concessions given that no other municipalities were given that opportunity.

COMMENTS

At the end of June, the Minister of Municipal Affairs and Housing wrote to Mayor Bradley to advise him of cancellation of the Ontario Downtown Revitalization Program and of an opportunity for the City to be released from the loan followed by a letter and proposed agreement. This correspondence was subsequently followed the letter attached to this report.

Nothing is required of the City other than to execute the amendment agreement which relieves the City of responsibility from paying the loan.


CONSULTATION (Internal and External Stakeholders/Community Impact)

This issue has been discussed with the City Treasurer and the City Solicitor-Clerk. There has been no external consultation.

FINANCIAL IMPLICATIONS


The net financial result of executing this agreement is that the City is able to reduce its outstanding long term debt by \$5.3 million, and \$40,000 per year previously required to make payment on the loan will no longer be required. It is our understanding that the \$40,000 budgeted for 2006 will not be required

Prepared by:




Ann Tuplin
City Manager

Reviewed by:



Brian Knott
City Solicitor-Clerk

Reviewed by:



Dean Anderson
City Treasurer

Attachment: Copy of correspondence from the Deputy Minister of Municipal Affairs, John Burke. Copy of the agreement is attached to the Authorizing By-law



Welcome to the City of Sarnia

This service allows users to easily search, navigate and print documents published by the City of Sarnia. You should familiarize yourself with the features of this service before beginning to use it.

Disclaimer

Every effort is made to ensure the information in these files and on this web site is timely and accurate; however information should be verified independently before being used or relied on. All information is provided on an "as is" basis without warranty of any kind, either expressed or implied, statutory or otherwise. The City of Sarnia does not warrant or make any representations as to the quality, content, accuracy or completeness of the information, text, graphics, links and other items contained in these files or on its web site. Any reliance or use of the information provided herein is at the sole risk of the user and the City makes no warranties, express or implied or otherwise as to the fitness of the information and is not responsible for any action taken in reliance on the information contained herein. Material is provided as a general and convenient source of information only and is not intended to provide specific legal advice for any individual and should not be relied upon in that regard.



Exhibit "D"

**Third Report of A. John Page & Associates Inc.
Court Appointed Receiver of Bayside Mall Limited
Dated October 23, 2013**

**Confidential Exhibit - Altus Appraisal
dated June 7, 2013**

Confidential Exhibit

Filed Separately



Exhibit "E"

**Third Report of A. John Page & Associates Inc.
Court Appointed Receiver of Bayside Mall Limited
Dated October 23, 2013**

**Confidential Exhibit - Altus Appraisal
dated June 20, 2013**

Confidential Exhibit

Filed Separately



Exhibit "F"

**Third Report of A. John Page & Associates Inc.
Court Appointed Receiver of Bayside Mall Limited
Dated October 23, 2013**

2013 Normalized Budget

Bayside Mall, Sarnia, Ontario

Statement of Income and Expense

2013 Normalized Budget together with 2013 Estimated and 2012 Actual

Prepared by Larlyn Property Management Ltd. - June 3, 2013

	Unaudited	See attached notes	
Description	2012 Actual	2013 Budget	2013 Normalized Budget
INCOME			
Commercial Rent	\$1,262,602.94	\$1,202,198.14	\$1,179,664.80
Parking Income	102,079.56	45,479.52	45,850.21
Storage Income	9,727.44	58,749.82	62,658.05
Rental Incentives	0.00	(4,000.00)	0.00
Interest Income	136,416.92	240.27	0.00
Realty Tax Rebate	29,342.84	25,975.32	25,975.32
Other Rental Income - Coin/ATM Machines	4,056.75	3,600.00	5,400.00
Other Income	13,268.43	5,542.19	0.00
	<u>1,557,494.88</u>	<u>1,337,785.26</u>	<u>1,319,548.38</u>
 CAM Tax Recoveries	 135,826.50	 179,186.52	 179,186.52
CAM Tax Recoveries (Prior Year)	4,821.24	0.00	0.00
CAM Recoveries	412,157.57	338,146.46	331,965.12
Utilities - Hydro Recovery	28,748.68	22,032.00	32,243.64
Utilities - Water Recovery	10,719.58	0.00	0.00
Utilities - Direct Recharge - Hydro	3,382.80	2,496.16	2,496.16
Utilities - Direct Recharge - Gas	103.83	1,235.00	1,235.00
Recoveries - Other Utilities	0.00	100.88	0.00
Recoveries - Other Recoveries	13,337.56	17,214.24	17,115.12
	<u>609,097.76</u>	<u>560,411.26</u>	<u>564,241.56</u>
 TOTAL INCOME	 <u><u>\$2,166,592.64</u></u>	 <u><u>\$1,898,196.52</u></u>	 <u><u>\$1,883,789.94</u></u>
 EXPENSES			
CAM - Site Salaries	366,617.26	331,287.62	269,928.00
CAM - Cleaning Contract	0.00	109,220.85	145,627.80
CAM - Cleaning Supplies	12,911.54	4,841.96	3,000.00
CAM - Garbage Disposal	10,023.97	9,102.53	9,492.00
CAM - Snow Removal	29,900.00	32,354.71	31,000.00
CAM - Elevator	57,382.80	60,190.81	49,101.12
CAM - Repairs & Maintenance	96,672.62	41,560.00	41,560.00
CAM - Roof Repair	13,577.34	55,198.66	5,700.00
CAM - Plumbing & Electrical	8,056.33	17,184.56	10,100.00
CAM - HVAC Repairs	11,064.61	35,528.16	10,500.00
CAM - Parking Lot Repairs	13,326.69	68,676.77	4,400.00

Bayside Mall, Sarnia, Ontario

Statement of Income and Expense

2013 Normalized Budget together with 2013 Estimated and 2012 Actual

Prepared by Larlyn Property Management Ltd. - June 3, 2013

Unaudited

See attached notes

Description	2012 Actual	2013 Budget	2013 Normalized Budget
CAM - Equip / Pylon / Lighting	2,570.00	9,131.33	7,700.00
CAM - Mat & Mop Rentals	539.38	6,963.39	6,888.00
CAM - Gas	48,838.58	54,509.05	37,250.00
CAM - Water & Sewer	25,938.49	30,722.78	35,440.74
CAM - Hydro	197,826.08	205,001.27	218,045.60
CAM - Administration	32,290.50	27,974.61	24,225.88
CAM - General Expenses	89,571.32	7,410.57	5,967.00
CAM - Insurance Premiums	75,449.58	55,665.44	55,415.16
CAM - Management Fees	101,324.86	74,810.54	76,380.02
CAM - Security	709.00	2,983.00	3,600.00
CAM - Bank Charges	532.82	358.60	420.00
	1,195,123.77	1,240,677.22	1,051,741.32
CAM - Realty Tax	285,765.66	285,766.48	285,765.72
TOTAL RECOVERABLE EXPENSES	1,480,889.43	1,526,443.70	1,337,507.04
Commission	0.00	0.00	0.00
Rental Expenses	0.00	0.00	0.00
Tenant Improvement	0.00	0.00	0.00
Miscellaneous	0.00	0.00	0.00
Professional Fees	0.00	0.00	0.00
Promotion	1,364.75	0.00	0.00
Vacant Unit - Electricity / Power / Hydro	67,734.19	39,865.26	39,865.26
Vacant Unit - Gas	242.53	24,226.28	25,011.00
Vacant Unit - Water & Sewer	0.00	5,922.54	5,922.54
Direct Recharge - Hydro Recovery (Expense)	0.00	2,496.16	2,496.16
Direct Recharge - Gas Recovery (Expense)	0.00	1,235.00	1,235.00
TOTAL NON-RECOVERABLE EXPENSES	69,341.47	73,745.24	74,529.96
TOTAL EXPENSES	1,550,230.90	1,600,188.94	1,412,037.00
NET INCOME	\$616,361.74	\$298,007.59	\$471,752.94

Notes to the Bayside Mall Statement of Income and Expense prepared June 3, 2013

The attached Statement has been prepared by the Bayside Mall property manager, Larlyn Property Management Ltd.. ("Larlyn"). It has not been audited.

Some of the information in the Statement consists of forecasts and projections. An examination or review of the financial forecasts or projections, as outlined in the Canadian Institute of Chartered Accountants Handbook, has not been performed. Readers are cautioned that, since such information is based on assumptions about future events and conditions that are not verifiable, the actual results will vary from the forecasts and projections and the variations may be material.

2012 Actual

These figures have been compiled by combining the actual results obtained from the accounting records of the prior property manager, SAMAK Management & Construction Inc. ("SAMAK"), covering the period from January 1 to December 5, 2012 (without review or adjustment) with the actual results of Larlyn's management of Bayside Mall from December 5 to 31, 2012.

2013 Budget

These figures have been prepared based upon actual results from January 1 to April 30, 2013 and Larlyn's estimation of income and expenditure by month to December 31, 2013.

2013 Normalized Budget

These figures have been prepared based on Larlyn's view of the normalized income and expenses of Bayside Mall when capital and extraordinary items have been excluded.

Selected key assumptions are as follows:

Income - based on income/rent roll as at May 1, 2013. Assumes no new tenancies, no departures and no change in rent rates.

CAM and Tax recoveries - Based on amounts being paid as at May 1, 2013 which are those previously set by SAMAK in 2012 or prior. No account taken of any adjustment on account of the "true up" of CAM and property tax recoveries to actual.

Property Taxes - Amount shown is amount levied (or in the case of the vacancy rebate claim, credited) in 2012 without penalty or interest. Property taxes for 2013 have been appealed. The amount shown does not reflect any recovery on account of the tax appeal. It also does not reflect any general increase in taxes from 2012 to 2013.

Expenses generally do not include items that might be regarded as more of a capital nature such as major roof or parking garage repairs.

No representations or warranties whatsoever are being made that these figures are accurate or otherwise suitable for a reader's purposes. Readers are advised to make their own enquiries.

S:\DATA\WP\CLIENTS\SARNIA\PFCAVE1B.WPD



Exhibit "G"

**Third Report of A. John Page & Associates Inc.
Court Appointed Receiver of Bayside Mall Limited
Dated October 23, 2013**

Rent Roll

BAYSIDE MALL - SARNIA

Estimated Rent Roll August 1, 2013

Unaudited - See Notes Below

BUILDING/ UNIT	SQ.FT. PER UNIT	TENANT	LEASE DETAILS			TOTAL	RENT	C.A.M.	PROP. TAX	OTHER	H.S.T.	Check	Notes
TERM YRS	FROM	TO											
166	2,755	Anjema Eye Institute	3	1-May-11	30-Apr-14	\$ 5,224.90	\$ 2,295.83	\$ 1,926.20	\$ 401.77		\$ 601.10	\$ -	
121	3,532	Aram's Rugs (Dermentjian)	No Lease Located									0.00	Seems to be paying utilities?
FC131	487	Beanzz	10	1-Dec-03	30-Nov-13	1,606.68	1,014.59	340.49	66.76		184.84	0.00	
101	3,472	Canadian Blood Services	2	1-Aug-13	31-Jul-15	7,447.85	3,182.67	2,184.47	474.51	749.37	856.83	0.00	
191	55,595	County of Lambton	3+2	16-May-11	15-May-16	85,516.80	58,977.03	9,080.52	7,621.03		9,838.22	0.00	
BS191	895	County of Lambton	3+2	16-May-11	15-May-16	421.40	372.92				48.48	0.00	Basement storage
104	2,000	Hogan Pharmacy	2	29-Jul-12	30-Jul-14	4,257.76	1,666.67	1,201.67	247.92	651.67	489.83	0.00	
FC144	513	Hong Kong Express	2	1-Jan-12	31-Dec-13	1,298.51	694.69	358.67	70.54	25.22	149.39	0.00	Other - water recovery
100	3,507	Limbo Lounge	6	1-Feb-10	31-Jan-16	6,497.50	5,238.56	0.00	511.44		747.50	0.00	
100B	2,572	Limbo Lounge	6	1-Feb-10	31-Jan-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Basement included
125	834	Mandarin Arts	No Lease Located			752.66	600.27		65.80		86.59	0.00	
175	1,952	Marsh TV	No Lease Located			1,930.04		1,423.33	284.67		222.04	0.00	
145	636	Mary Kathy Anic Vinnis	2	1-Nov-12	31-Oct-14	960.04	318.00	444.67	86.92		110.45	0.00	
185	4,485	Meridian Hearing only using small portion	No Lease Located			904.00	800.00				104.00	0.00	
116	400	Mini Accessories	5	1-Jun-12	31-May-17	926.60	500.00	265.00	55.00		106.60	0.00	
115	2,809	Ministry of Children & Youth Services	5	1-Nov-12	31-Oct-17	5,459.89	2,785.59	1,657.53	388.64		628.13	0.00	
105	4,743	Ministry of College & University	5	1-Jun-09	31-May-14	8,941.04	3,741.67	3,481.85	688.91		1,028.61	0.00	
129	1,074	Ontario March of Dimes	1	31-Oct-12	1-Nov-13	1,924.61	805.50	750.91	146.78		221.42	0.00	
80/81	1,571	Preferred Hairstylists	5	1-Dec-08	30-Nov-13	2,241.87	1,983.96				257.91	0.00	
184	2,450	PT Health Solutions	No Lease Located	1-Aug-04	31-Oct-14	3,691.33	3,266.66	0.00	0.00		424.67	0.00	
182A	200	Sarnia Transit	2	1-Dec-11	30-Nov-13	1,000.00	884.96				115.04	0.00	
174	721	Sarnia Vision Care	No Lease Located			1,391.83	600.83	525.73	105.15		160.12	0.00	
FC146	545	Subway	5	1-May-09	30-Apr-14	1,541.42	908.33	381.05	74.71		177.33	0.00	
52A	9,200	Sun Media	5	1-Feb-11	31-Jan-16	16,893.50	7,666.67	3,641.67	3,641.66		1,943.50	0.00	
102	1,385	Vacant											
106	1,231	Vacant											
108	620	Vacant											
109	397	Vacant											
110	336	Vacant											
111	2,222	Vacant											
112	1,120	Vacant											
113	1,077	Vacant											
114	996	Vacant											
		Vacant											
115A	1,055	Vacant											
115B	1,312	Vacant											
116B	434	VACANT BACK PORTION OF MINI ACCESSORIES											
117	4,703	Vacant											
118	1,300	Vacant											
119/120	2,738	Vacant											
123	2,645	Vacant											
124	2,081	Vacant											
125B	1,092	VACANT BACK PORTION OF MANDARIN ARTS											
126	4,040	Vacant											
129	796												
130	1,693	Vacant											
132	1,191	Vacant											
133	1,155	Vacant											
134	432	Vacant											
136	636	Vacant											
137	1,620	Vacant											
138	6,777	Vacant											

141	540	Vacant											
142	1,325	Vacant											
147	420	Vacant											
148	525	Vacant											
151	2,230	Vacant											
158	3,603	Vacant											
162	1,600	Vacant											
163	868	Vacant											
164	2,014	Vacant											
165	1,894	Vacant											
166	356	Vacant											
167	1,143	Vacant											
167B	2,429	Vacant											
168	283	Vacant											
169	934	Vacant											
170	3,056	Vacant											
173	793	Vacant											
177	4,165	Vacant old AON Insurance											
179	1,279	Vacant											
182	7,254	Vacant											
183	1,781	Vacant											
192	212	Vacant											
192B	28,036	Vacant											
Z001	112	Vacant											
BS189	20,151	Vacant - Old Liquidation World											
MGMT	1,449	Management Office											
128	1,495												
160	3,619												

Total Sq Ft	<u>245,598</u>												

Note

Rent Roll compiled from a number of sources without audit
Subject to correction, change and update as more information becomes available.
Not systematically validated/confirmed by tenants
Anyone wishing to rely upon the rent roll must do their own due diligence, this rent roll is not represented to be correct

No Lease Located

No current lease located to date



Exhibit "H"

**Third Report of A. John Page & Associates Inc.
Court Appointed Receiver of Bayside Mall Limited
Dated October 23, 2013**

Colliers Listing Agreement May 16, 2013

THIS SALES LISTING AGREEMENT, dated May 16, 2013, between

A. JOHN PAGE & ASSOCIATES INC., as Receiver of Bayside Mall
Limited and not in its personal capacity

(the **"Receiver"**)

and

J.A.C.K. Realty Inc. o/a Colliers International London Ontario, a corporation

(the **"Broker"**)

1. The Broker and the Receiver acknowledge that this Agreement is made in the context of the following facts:
 - (i) By Order of the Honourable Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (the **"Court"**) dated December 5, 2012 (**"the Initial Order"**), issued in the matter of ICICI Bank Canada v. Bayside Mall Limited Court File # CV-12-9911-00-CL (the **"Proceeding"**), A. John Page & Associates Inc. was appointed Receiver of the assets of Bayside Mall Limited (**"Bayside"**). The major asset of Bayside covered by the appointment is the mall located at 150 Christina St. N. Sarnia known as Bayside Mall (**"the Property"**).
 - (ii) Pursuant to the Initial Order the Receiver was and is empowered and authorized to, among other things, market any and all of the Property.
 - (iii) Pursuant to the Initial Order the Receiver was and is empowered and authorized to sell the Property with the approval of the Court.
 - (iv) The Receiver is an independent Court officer;
 - (v) Following its appointment, the Receiver asked the Broker (among others) for its views on the options available to the Receiver to carry out its mandate. The Receiver also asked the Broker to indicate what role the Broker felt it could play in any of those options and how it would charge for such services; (**"the Initial Request"**) and
 - (vi) The Broker responded to the request through a proposal on or about April 4, 2013 in which it recommended listing the Property for sale "as is" and, at the same time attempting to lease up the vacant space at the Property. The Broker provided details of its proposed remuneration for providing services to assist the Receiver with these two mandates (**"the Broker Response"**).

2. The Receiver hereby engages the Broker to market and sell the Property in accordance with the terms and conditions set out in this Agreement.
3. For greater certainty, it is acknowledged that the Receiver has yet to determine whether to engage the Broker to lease some or all of the vacant space at the Property and this Agreement is independent of any such agreement that may or may not be subsequently entered into in that regard.
4. The term of this Agreement shall be for a period commencing on May 16, 2013 and ending at midnight on the day that is 182 days after that date (the "**Term**"). The Receiver may terminate this Agreement for any reason on providing the Broker with 10 days written notice of termination.
5. In the event of a termination of the Agreement by the Receiver, the Broker shall be entitled to recover its out-of-pocket costs incurred in carrying out its mandate under this Agreement, up to a maximum of \$30,000 plus HST, unless it is otherwise entitled to a commission in accordance with the terms of this Agreement. The Broker and the Receiver agree that this calculation represents a genuine and accurate pre-estimation of the damages arising from any such termination and the Broker agrees that its claim is strictly limited to this amount and that it is only entitled to recover any such amount from any net proceeds of sale actually received by the Receiver.
6. To the extent that they do not conflict with this Agreement,
 - (i) any terms and conditions set out in the Initial Request; and
 - (ii) the representations and warranties set out in the Broker's Responseare hereby incorporated by reference into this Agreement.
7. The Broker agrees and acknowledges that the Receiver is in control and management of the marketing and sales process and may receive expressions of interest and offers and conduct negotiations directly with prospective purchasers without the involvement of the Broker. Regardless of the involvement of the Broker, the Broker is entitled to commissions as per the terms of this contract.
8. The Broker shall act as advisor to the Receiver in respect of this engagement and shall perform such financial and real estate advisory services as are required and requested by the Receiver, including the following:
 - (i) Perform underwriting, financial analysis, pre-marketing due diligence and valuation work on the Property;
 - (ii) Prepare along with the Receiver a marketing plan

- (iii) Assemble and package due diligence materials prior to marketing launch;
- (iv) Prepare marketing materials for use in promoting the Property;
- (v) Advise the Receiver of the various steps in achieving the sale of the Property;
- (vi) Compile a list of potential investors that may be interested in acquiring the Property;
- (vii) Execute the marketing plan for the Property;
- (viii) Day-to-day management of the disposition program, including marketing, co-ordination of due diligence, assisting the Receiver and third parties, facilitating tours and information requests, and other duties as required and requested;
- (ix) Providing the Receiver with regular and as required reporting on activities and the progress of the execution of the marketing plan
- (x) Receiving expressions of interest for the Property, if required;
- (xi) Advising the Receiver with respect to such interest and offers;
- (xii) Assisting the Receiver in negotiations, structuring and documentation of the transaction with the purchaser until closing; and
- (xiii) Provide such other advice or services as may be required in order to carry out responsibilities.

The Broker shall have no authority to bind the Receiver and the Receiver is not obliged to accept any offer.

9. Following the earlier of the termination of this Agreement or expiry of the Term, there shall be a holdover period of 120 days (the "**Holdover Period**"). Within five days of the commencement of the Holdover Period the Broker will deliver to the Receiver a list (the "**List**") of persons or entities to whom the Property has been submitted prior to the termination or expiration of this Agreement, which List shall be approved by the Receiver acting reasonably.

If during the Term or prior to the termination of this Agreement, if earlier, the Receiver enters into a binding contract of purchase and sale for part or all of the Property (the "**Sale Agreement**") and that the Sale Agreement has closed or closes within 365 days following the end of the Holdover Period, the Broker shall be entitled to a commission on the Sale Agreement in accordance with this Agreement to be paid from the proceeds of sale on closing.

During the Holdover Period, if the Receiver signs a binding Sale Agreement with any party on the List, and that Sale Agreement closes within 365 days following the end of the Holdover Period the Broker shall be entitled to a commission on the Sale Agreement in accordance with this Agreement to be paid from the proceeds of sale on closing.

The Broker shall be entitled to be paid its commission on closing from and only from the proceeds of any sale of the Property, or any part thereof, by the Receiver calculated at the rate of 4.5% of the gross sale price (not including HST and Land Transfer Tax) plus applicable taxes.

10. The Broker acknowledges that any sale of the Property by the Receiver will be on an "as-is, where-is" basis with no representations or warranties whatsoever. The Broker further acknowledges that any such sale will require the approval of the Court and will be effected through a vesting order.
11. For greater certainty, the Broker shall be solely responsible for, among other things, payment of the following expenses in connection with this Agreement and the transactions contemplated in this Agreement:
 - (i) preparation, hosting, and monitoring of any electronic due diligence room;
 - (ii) preparation, design, photography, printing, and other costs associated with marketing and advertising materials;
 - (iii) any lawyers retained by the Broker for advice to the Broker in connection with this Agreement and the transactions referred to in this Agreement;
 - (iv) advertising costs; and
 - (v) any commission for cooperating brokers
12. For greater certainty, the following costs shall not be the responsibility of the Broker:
 - (i) building condition reports;
 - (ii) environmental reports;
 - (iii) energy audits;
 - (iv) appraisals;
13. Any information
 - (a) about the Property which is designated by the Receiver as confidential; or
 - (b) the marketing and sale process

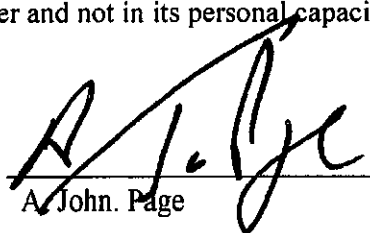
supplied to the Broker by the Receiver or otherwise (except information that was publicly available) shall be kept confidential by the Broker. The Broker shall not discuss the sales and

marketing process with any of the parties to the Proceeding, nor release any information to them, without express direction and authorisation from the Receiver.

14. The Broker shall not be entitled to any payment from the Receiver on account of commission, costs, or damages other than from the proceeds of sale on closing of the Property or any part thereof, except damages caused to the Broker arising from any gross negligence or wilful misconduct of the Receiver.
15. The Broker acknowledges and agrees that it will not represent a buyer in a dual agency relationship or otherwise without the consent of the Receiver.
16. This Agreement shall be governed by and shall be subject to the laws of the Province of Ontario.
17. It is acknowledged that the Property comprises only the building situated at 150 Christina St. N. The land at 150 Christina St. N. ("**the Land**") is owned by the City of Sarnia ("**the City**") and the occupation of the Land by Bayside is pursuant to a land lease dated April 15, 1981, as amended. The City have expressed an interest in principle in seeing the Land sold by the Receiver concurrently with the Property. If the City confirm this interest then the Receiver will endeavour to have the City agree that the mandate of the Broker will be expanded, on otherwise the same basis, to include the Land with the Property. Pending finalization of negotiations between the Receiver and the City, the Broker agrees to work to prepare for market both the Land and the Property on a concurrent basis together with the Property on a standalone basis. If the Land is then sold by the Receiver alongside the Property in a manner in which the Broker is entitled to the commission set down in this Agreement then such commission relating to the sale of the Land will be paid only from the City's share of those proceeds, as determined by the City and the Receiver. The Receiver will not be obliged to pay any payment to the Broker relating to the sale of the Land other than with the agreement of the City from the funds that the Receiver receives from the sale of the Land.

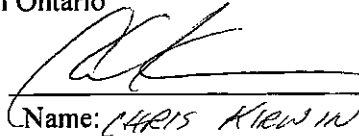
A. JOHN PAGE & ASSOCIATES INC., as
Receiver and not in its personal capacity.

Per:


A. John. Page
President

J.A.C.K. Realty Inc. o/a Colliers International
London Ontario

Per:

A handwritten signature in dark ink, appearing to read "Chris Kiewin", is written over a horizontal line.

Name: CHRIS KIEWIN

Title: President

I have authority to bind the Corporation



Exhibit "I"

**Third Report of A. John Page & Associates Inc.
Court Appointed Receiver of Bayside Mall Limited
Dated October 23, 2013**

Contents of Data Room #1.

Select the documents from the list below

- [UPDATE OCT 8, 2013 – Subway Termination Letter 09 19 2013.pdf](#)
- [Bayside - Tax Vacancy Rebate 2012.pdf](#)
- [Bayside Mall- Dec 31 11 Financial Statements.pdf](#)
- [2012 Property Assessment Notice.pdf](#)
- [Background Info on certain Orders issued by the City of Sarnia Sept 19 2013.pdf](#)
- [City of Sarnia 2012 Final Tax Bill.pdf](#)
- [Bayside - Rent Roll August 2013.pdf](#)
- [Bayside Mall Tenant Map List 2012.pdf](#)
- [Full Occupancy Proforma Income Statement Worksheet.pdf](#)
- [Bayside Land Lease Background Info Aug.2013.pdf](#)
- [ZB_Sec_14_Downtown_1_Zone\(D1\).pdf](#)
- [Exterior Photos of Bayside Mall.pdf](#)
- [Zoning_Map_53.pdf](#)
- [Bayside - Proforma Stmt 2013 with Notes 04.06.13.pdf](#)
- [Bayside Floor Plan - August 2013.pdf](#)
- [Parking and Storage Rates.pdf](#)
- [City of Sarnia 2013 Final Tax Bill.pdf](#)
- [Land lease and amendments.pdf](#)
- [Bayside Mall Final Halsall Building Condition Report Mar 28 2013.pdf](#)
- [AMEC Phase I Update 11 November 2011 .pdf](#)
- [EXP Report August 31, 2012.pdf](#)
- [RE Dale Garage Inspection Reports 2013.pdf](#)
- [Standard Form of Letter of Intent.doc](#)
- [Halsall Revised Final Garage Condition Evaluation September 18, 2013.pdf](#)
- [Initial Order of the Honourable Mr. Justice Wilton-Siegel December 5 2012.pdf](#)

Disclaimer: The contents of these documents do not form any part of a contract. Whilst all care has been taken in preparation, no responsibility is accepted any part and interested persons are advised to make their own enquiries and satisfy themselves in all respects.



Exhibit "J"

**Third Report of A. John Page & Associates Inc.
Court Appointed Receiver of Bayside Mall Limited
Dated October 23, 2013**

**Minutes of the First Meeting of Inspectors
of SAMAK**

MINUTES OF THE FIRST MEETING OF THE INSPECTORS OF
SAMAK MANAGEMENT & CONSTRUCTION INC.
IN THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

HELD on the March 21, 2013 at the office of the Trustee at 120 Eglinton Avenue East, Suite 707, in the City of Toronto, in the Province of Ontario, at the hour of 12.45 pm.

PRESENT:

Kelby Carter and Heath Whiteley (Inspectors)
Greg Judd (Kunjar Sharma & Associates Inc.)
Prakash Desai (Kunjar Sharma & Associates Inc.)

Greg Judd acted as chairman of the meeting and Prakash Desai as secretary.

All the inspectors being present in person the chairman declared the meeting to be regularly constituted.

The chairman briefly outlined to the Inspectors their duties as set out in section 90 and 116 of the BIA.

The Trustee's actions to the First Meeting of Creditors as set out in the Trustee's Report were ratified and approved.

The chairman advised the meeting that the Trustee determined that it was necessary to employ a solicitor to review the various security interests and actions involving the debtor where there may be potential recoveries for creditors. Upon motion made and seconded it was unanimously resolved that the firm of Beber & Associates Inc. be appointed solicitors to the estate and be instructed to provide any necessary opinions required.

Reviewable Transactions:

The Trustee was in the process of carrying out an exercise to review bank payments to identify any potential reviewable transactions. However, the Trustee explained that presented cheques nor copies thereof were readily available from neither the bankrupt nor its former bankers. As such the Trustee may be limited to examining the bankrupt's bank transaction records which notes the payment amount and payee.

Funds available to the Trustee:

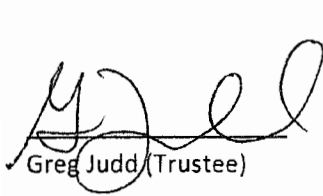
The Trustee explained that the Estate did not have any funds to carry out any investigations and the Trustee will likely recommend the application of S.38 of the Bankruptcy and Insolvency Act where Creditors request the investigation and realization on potential assets that are considered recoverable.

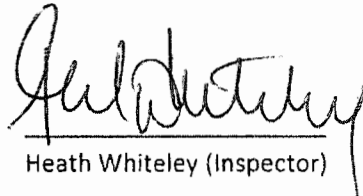
Approval of Interim Draw:

The Inspectors APPROVED a draw by the Trustee of \$6,500 on account of fees and costs incurred to date from the total funds available of \$8,500.

Adjournment:

There being no further business, the KSAI representatives declared the Meeting adjourned.


Greg Judd (Trustee)


Heath Whiteley (Inspector)

Kelby Carter (Inspector)



Exhibit "K"

**Third Report of A. John Page & Associates Inc.
Court Appointed Receiver of Bayside Mall Limited
Dated October 23, 2013**

Statement of Receipts and Disbursements

Bayside - Statement of Receipts and Disbursements

05/12/2012 through 23/10/2013 (in Canadian Dollars) (Cash Basis)

24/10/2013

Page 1

Category Description	05/12/2012- 23/10/2013
INCOME	
HST on Sales	46,536.20
Interest	1,352.30
Receivables	4,873.91
Receiver's Certificate Borrowing	750,000.00
Rent and Other Income	1,339,850.78
TOTAL INCOME	2,142,613.19
EXPENSES	
Consulting Fees	48,142.92
HST Control	4,697.13
HST Input	44,722.27
Insurance	45,691.11
Larlyn Property Management	
Cleaning	53,166.73
Engineering Inspections	14,787.41
Management Fees	66,618.68
Misc HST Exempt	91.00
Other	57,668.91
Repairs & Maintenance	123,878.93
Snow Removal Services	25,247.50
Temporary Shoring	40,410.00
Utilities	303,405.44
Wages	309,362.96
TOTAL Larlyn Property Management	994,637.56
Legal Fees	110,031.66
Misc.	4,269.98
OSB Filing Fee	70.00
Receiver's Fees	319,229.27
TOTAL EXPENSES	1,571,491.90
OVERALL TOTAL	571,121.29