

Ira Smith

TRUSTEE & RECEIVER INC.

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31-455723

IN THE MATTER OF THE RECEIVERSHIP OF THE PROPERTY OF
1539304 ONTARIO INC. O/A TRINITY LANDING CONDOMINIUMS

INTERIM REPORT NUMBER 1 OF THE RECEIVER AND MANAGER
under subsection 246(2) of the Bankruptcy and Insolvency Act

The Receiver and Manager hereby delivers its interim report number 1:

1. By Order of the Ontario Superior Court of Justice (Commercial List) dated the 12th day of November, 2008 the undersigned Ira Smith Trustee & Receiver Inc. (“ISI”) became the Interim Receiver and Receiver and Manager, in respect of the property assets and undertakings of 1539304 Ontario Inc., an insolvent company that is described below:

The assets that the Receiver is currently aware of are as follows:

- | | |
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| A) A condominium building
under construction, and all of
its fixtures and chattels
located at 80 King William
Street, Hamilton, Ontario | Value unknown |
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The Receiver is unable to and does not express an opinion on any other assets and liabilities of the company apart from the above noted assets and the liabilities indicated hereafter.

2. The undersigned became the Receiver by virtue of being appointed by the Court.
3. The undersigned took possession or control of the property on the 13th day of November, 2008.
4. Since taking possession, the undersigned has:
 - a) changed the locks to the premises;
 - b) arranged for thrice nightly randomly conducted security patrols of the building;

- c) had the local utility companies re-establish hydro and gas service to the building;
- d) remediated electrical system deficiencies deemed unsafe by the local electrical utility;
- e) ensured adequate insurance coverage was in place;
- f) performed repairs and maintenance to the building to preserve the security of and integrity of the building and to ensure the safety of the public;
- g) engaged Pelican Woodcliff Inc., a real estate consulting firm to assist and advise the Receiver;
- h) engaged Pinchin Environmental Ltd. to perform Mould and Building Envelope studies;
- i) corresponded with individuals who had paid deposits for the purchase of units in the condominium and requested and reviewed documentation from the lawyer who currently holds deposits in-trust;
- j) held meetings and discussions with stakeholders to develop a plan of action to maximize the realization;
- k) reported to the Court regarding its intended course of action with respect to realization of the assets and received approval to sell the building on an as is where is basis (the details are contained in the Receiver's First Report which along with the Order approving it, is available from the Receiver's website);
- l) begun to execute the Court approved sales process;
- m) received financing for the cost of the Receivership in accordance with the Appointment Order dated November 12, 2008 and the Order approving the Receiver's First Report, dated February 26, 2009; and
- n) payment of expenses related to the Receivership, utilities, insurance and security of the asset.

5. The actions still to be taken by the Receiver are as follows:

- a) continue with the sales process as approved by the Court¹ which the Receiver estimates will take until August 2009, and ultimately complete a sales transaction;
- b) report to the Court from time to time as required;
- c) continue with future tasks related to paragraph 4(n) (above);
- d) seek the Court's advice and direction with respect to returning the deposits held in trust (as referenced in paragraph 4(i)) to the depositors;
- e) engage in claims-bar process to be approved by the Court;
- f) distribute the proceeds of the realization of the asset; and
- g) apply to the Court for our discharge

6. We attach the Receiver's interim statement of receipts and disbursements to date.

¹ The timeline as included in the Receiver's First Report, which the Receiver reserves the right to alter at its discretion, had to be delayed due to unforeseen conditions beyond the Receiver's control.

DATED at Concord, Ontario, this 11th day of May, 2009

Yours truly,

IRA SMITH TRUSTEE & RECEIVER INC.
solely in its capacity as Court-Appointed Interim Receiver
and Receiver and Manager of 1539304 Ontario Inc.
and not in its personal Capacity

Per:

A handwritten signature in black ink, appearing to read 'Brandon Smith', with a long horizontal flourish extending to the right.

Brandon Smith
Estate Manager

IN THE MATTER OF THE RECEIVERSHIP OF THE PROPERTY OF
1539304 ONTARIO INC. O/A TRINITY LANDING CONDOMINIUMS

INTERIM REPORT NUMBER 1 OF THE RECEIVER AND MANAGER
under subsection 246(2) of the Bankruptcy and Insolvency Act

Mailing List

The Official Receiver
Office of the Superintendent of Bankruptcy
25 St. Clair Avenue E, 6th Floor
Toronto, Ontario M4T 1M2

1539304 Ontario Inc.
821 Albion Road
Etobicoke, ON M9V 1A3

Larry Woods, O.L.S.
L.G. Woods Surveying Inc.
334 Hatt Street,
Dundas, ON L9H 2H9

ICICI Bank Canada
150 Ferrand Drive, Suite 1200
Toronto, ON M3C 3E5
Attn: Mr. Kory Ng

The City of Hamilton
21 King Street West, 12th Fl
Hamilton ON L8P 4W7
Attn: Mr. D. Fisher

Court No: CV-08-7714-00CL
Estate No: 31-455723

Receiver's Interim Statement of Receipts and Disbursements
IN THE MATTER OF THE RECEIVERSHIP OF
1539304 ONTARIO INC., OPERATING AS TRINITY LANDING

RECEIPTS

Advance from ICICI Bank - Receiver's Certificate No. 1	\$	50,000.00
Advance from ICICI Bank - Receiver's Certificate No. 2	\$	50,000.00
Advance from ICICI Bank - Receiver's Certificate No. 3	\$	100,000.00
Advance from ICICI Bank - Receiver's Certificate No. 4 (Cancelled)	\$	-
Advance from ICICI Bank - Receiver's Certificate No. 5	\$	41,000.00
Advance from ICICI Bank - Receiver's Certificate No. 6	\$	110,000.00
Interest		1.93

TOTAL RECEIPTS:	\$	351,001.93
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DISBURSEMENTS

Receiver's Fee	67,885.32
Pelican Woodcliff Inc.	84,034.61
Solicitor to the Receiver (Lang Michener LLP.)	54,322.20
Pinchin Environmental	5,900.00
Insurance	27,824.00
Property Tax (inclusive of arrears)	23,722.46
Security	7,329.25
Utilities	15,881.83
Electrical Repairs	1,810.73
Harold Epp - Emergency & Contracted Work	7,565.00
Fees paid to the Official Receiver	70.00
GST paid	12,375.95
Provincial sales tax paid	2,226.72
Locksmith	750.00
Bank Charges	208.27

TOTAL DISBURSEMENTS	311,906.34
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AMOUNT ON HAND AS AT May 11, 2009	\$ 39,095.59
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