

IN THE MATTER OF THE RECEIVERSHIP OF THE PROPERTY OF
1817983 ONTARIO LTD.

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

The Receiver hereby delivers its interim report number 1:

1. On the 25th day of March, 2013 the undersigned Ira Smith Trustee & Receiver Inc. ("ISI") became the Receiver of the property of 1817983 Ontario Ltd. (the "company" or "181"), an insolvent company that is described below:

An off campus student housing apartment building located at 316 King Street North, Waterloo, Ontario, and the adjoining unimproved lots (collectively known municipally as 312, 316-318 & 322 North King Street, Waterloo, Ontario) including all of its fixtures, fittings and chattels but excluding those fixtures, fitting and chattels that are the rightful property of the tenants.

2. The undersigned became the Receiver by virtue of being appointed by Trez Capital Corporation, Trez Capital Limited Partnership and Computershare Trust Company of Canada (collectively "Trez") pursuant to:
 - a) General Security Agreement dated June 11, 2012; and
 - b) a Charge/Mortgage registered against the Lands municipally described as 312, 316-318 & 322 North King Street, Waterloo, Ontario.

Trez sought and obtained an Order from the Ontario Superior Court of Justice (Commercial List) on April 26, 2013 converting the private appointment into a court appointment pursuant to section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended.

3. The undersigned took possession or control of the property on the 26th day of March, 2013.
4. Since taking possession, the undersigned has:
 - a) changed the locks to the premises;
 - b) retained a property and leasing manager;
 - c) assumed responsibility for utilities since its appointment;
 - d) ensured adequate insurance coverage was in place;
 - e) performed repairs and maintenance in and around the subject property to preserve the security and integrity of the building and to ensure the safety of the public;
 - f) engaged Pelican Woodcliff Inc., a real estate and construction consulting firm to assist and advise the Receiver;
 - g) met with city building officials;

- h) engaged contractors as appropriate to perform repairs required as a result of the neglect of the prior owner(s);
- i) through its property and leasing manager developed rent rolls, enforced rent collection, rented suites for the current academic term and handled tenant change over;
- 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 with a real estate broker (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) sought realtor proposals in progressing with the Court approved sales process;
- m) received financing for the estimated cost of capital repairs in accordance with the Appointment Order dated April 26, 2013; and
- n) management and accounting of receipts and disbursements relating to the rental and building operations.

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

- a) continue with the sales process as approved, or to be approved, by the Court;
- b) report to the Court and the various stakeholders from time to time as required;
- c) continue with future tasks related to paragraph 4(n) (above);
- d) engage in claims-bar process to be approved by the Court;
- e) distribute the proceeds of the realization of the asset; and
- f) apply to the Court for our discharge

6. We attach the Receiver's interim statement of receipts and disbursements as at September 30, 2013.

DATED at Concord, Ontario, this 2nd day of October, 2013

Yours truly,

IRA SMITH TRUSTEE & RECEIVER INC.,
Solely in its capacity as Receiver of the assets,
undertakings and properties of 1817983 Ontario Ltd.

Per:

Brandon Smith, CIRP
Senior Vice-President

Court No: CV-13-10065-00CL
Estate No: 35-124182

Receiver's Interim Statement of Receipts and Disbursements

IN THE MATTER OF THE RECEIVERSHIP OF

1817983 ONTARIO LTD.

FOR THE PERIOD FROM APRIL 26, 2013 TO September 30, 2013

RECEIPTS

Receiver's Certificate 1	200,000.00
Rent	185,178.00
Misc. Refund	11.07
Interest	0.45
Laundry Revenue	907.78
Administrative Fees	25.00

TOTAL RECEIPTS:	\$ 386,122.30
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DISBURSEMENTS (Inclusive of exigible taxes)

Filing Fee	70.00
Locksmith	1,181.18
Staging for Model Rental Suites	1,938.91
Insurance	17,683.85
Bank Charges	153.48
Appraisal Fee	5,537.00
Consultants Fees	29,489.96
Utilities	17,145.06
Maintenance, Repairs and Waste Disposal	53,952.60
Property Management Fees	29,320.82

TOTAL DISBURSEMENTS	\$ 156,472.86
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AMOUNT ON HAND AS AT SEPTEMBER 30, 2013	\$ 229,649.44
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