

**IN THE MATTER OF THE RECEIVERSHIP OF
CENTRAL MANOR HOLDINGS LTD.**

INTERIM REPORT NUMBER THREE OF THE RECEIVER AND MANAGER

Under subsection 246(2) of the Bankruptcy and Insolvency Act

The Receiver and Manager of Central Manor Holdings Ltd. hereby delivers its interim report number three:

1. By Order of the Supreme Court of British Columbia (the "Court") dated the 1st day of September, 2009, the undersigned, G. Powroznik Group Inc. of G-Force Group, became the Receiver and Manager (the "Receiver") in respect of the property, assets, and undertakings of Central Manor Holdings Ltd. (the "Company"), including the Traveller's Inn Central motel (the "Motel") located in Victoria, B.C. On September 1, 2009 the Company was declared bankrupt as well, with Glover-Drennan Inc. of Victoria, British Columbia appointed as Trustee in Bankruptcy.
2. The Receiver took possession and control of the property on the 1st day of September, 2009.
3. The Receiver delivered its first interim report on March 1, 2010 and its second interim report on December 7, 2010 to the Office of the Superintendent of Bankruptcy.
4. Since the date of the last interim report, the Receiver has:
 - a) Accepted an offer from 0887940 B.C. Ltd. (the "Purchaser") to purchase the Motel and received Court approval for the sale in January 2011. The Court approved the sale for gross proceeds of \$2,150,000 including the chattels/personal property at the Motel;
 - b) Contacted all suppliers, vendors and other service providers to close our accounts and ensure a smooth transition of operations to the Purchaser on the sale closing date of February 28, 2011 (the "Sale Closing Date");
 - c) Transitioned Motel operations to the Purchaser and closed the sale on February 28, 2011;
 - d) Continued to maintain normal operations of the Motel until the Sale Closing Date;
 - e) Continued to pay expenses relating to the Receivership, including utilities, insurance, payroll, statutory remittances, and other Motel operating costs up to the Sale Closing Date; and
 - f) Filed a protective appeal for the Motel's 2011 property assessment and continued to negotiate a settlement of the 2010 property assessment.
5. The Receiver has sold the known assets of the Company, with the exception of a parcel of land located behind the Motel at 645 Dunedin St. (the "Rear Parking Lot"). Before the receivership, this property was charged by New City Realty ("New City") as collateral security for a New City mortgage on another Traveller's Inn property where it suffered a significant shortfall on its loan

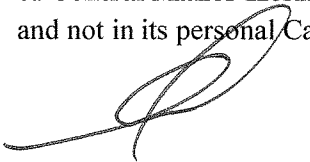
recovery. New City has undertaken a foreclosure process and has obtained conduct of sale for the Rear Parking Lot. We understand New City has listed this lot with a local realtor. Because of New City's significant shortfall on its other mortgage, the Receiver expects no equity from the Rear Parking Lot and, as such, the Receiver has abandoned its interest in the lot.

6. The actions still to be taken by the Receiver are as follows:
 - a) Continue with the process of appealing the Motel's property assessments for 2010 and 2011;
 - b) Receive final statements of account from suppliers/vendors and settle accounts payable and accounts receivable for its time operating the Motel;
 - c) Distribute net proceeds of the receivership to the first mortgagee as directed by the Court;
 - d) Apply to Court to have its accounts taxed and receive its discharge; and
 - e) Make its final report pursuant to BIA s. 246(3).

7. We attach the Receiver's interim statement of receipts and disbursements to the most-recently closed month-end for accounting purposes, January 31, 2011, as Appendix A.

DATED at Vancouver, British Columbia, this 9th day of March 2011.

G. Powroznik Group Inc. of G-Force Group
solely in its capacity as Court-appointed **Receiver and Manager**
of **Central Manor Holdings Ltd.**
and not in its personal Capacity



Per: Gary D. Powroznik
Managing Director

APPENDIX A

**In the matter of the Receivership of Central Manor Holdings Ltd. dba Travellers Inn
Statement of Receiver's Receipts and Disbursements
For the period September 1, 2009 to January 31, 2011**

| | \$ |
|---|----------------------|
| Receipts | |
| Receiver's borrowings - BanCorp | 50,000 |
| Motel revenues | 712,360 |
| Cash assumed upon Receiver's taking possession of assets | 1,926 |
| Net HST/GST and HRT collected | 3,664 |
| Other receipts | 3,797 |
| Total receipts | <u>771,746</u> |
| Disbursements | |
| Payroll | 370,826 |
| Insurance | 44,667 |
| Repairs and maintenance | 48,170 |
| Operating supplies | 78,351 |
| Office supplies & general expenses | 16,443 |
| Utilities | 81,378 |
| Interim advances to Receiver-Manager on account of fees and costs** | 25,000 |
| Environmental assessment and oil tank replacement | 20,048 |
| Appraisal | 4,228 |
| Bank fees and credit card commissions | 11,839 |
| Other disbursements not directly relating to Motel operations | 4,996 |
| Total disbursements | <u>705,947</u> |
| Available Cash as at January 31, 2011 | <u><u>65,800</u></u> |

***Note - In January 2011, Bancorp Financial, the first mortgagee, paid the Receiver a sum of \$148,717.20 relating to its unfunded fees and costs to April 30, 2010. This amount was deposited directly into the Receiver's operating bank account and as such this sum is not reflected in the*