COURT FILE NUMBER	0901-11866	Clerk's Stamp:
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,

R.S.C. 1985, c. C-36, AS AMENDED, THE JUDICATURE ACT, R.S.A. 2000, c. J-2, AS AMENDED AND THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SHIRE INTERNATIONAL REAL ESTATE INVESTMENTS LTD., SHIRE CAPITAL LTD., HALAMA GARDENS LLC, SHIRE ASSET MANAGEMENT LTD., WINN RIVER RESORT LTD., FORT MCMONEY PROPERTIES II LTD., HALAMA GARDENS LTD., MAPLES AND WHITE SANDS INVESTMENT LTD., FORT MCMONEY PROPERTIES LTD., CHEMAINUS PROPERTIES LTD., SKAHA LAKE DEVELOPMENT LTD., TSEHUM HARBOUR LTD., BEARSPAW AT 144TH AVENUE LTD., BEARSPAW AT 144TH EQUITIES LTD., BEARSPAW AT 144TH BONDS INC., TSEHUM HARBOUR EQUITIES LTD., TSEHUM HARBOUR BONDS LTD., ORILLIA INVESTMENTS LTD., 0726028 B.C. LTD., 0675916 B.C. LTD. and BOSUN'S HOLDINGS LTD.

JUNE 18, 2015

DOCUMENT	SIXTH REPORT OF ERNST & YOUNG INC. AS THE COURT-APPOINTED RECEIVER (THE "RECEIVER")
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	RECEIVER Ernst & Young Inc. 1000, 440 – 2nd Avenue SW Calgary, Alberta T2P 5E9 Attn: Neil Narfason/Cassie Riglin Telephone: (403) 206-5067/(403)206-5106 Email:neil.narfason@ca.ey.com cassie.riglin@ca.ey.com RECEIVER'S COUNSEL McCarthy Tetrault LLP 3300, 421- 7th Avenue S.W. Calgary, AB, Canada T2P 4K9 Attn: Walker MacLeod Telephone: (403) 260-3710 Email: wmacleod@mccarthy.ca

INTRODUCTION

1. On August 10, 2009, Shire International Real Estate Investments Ltd. ("Shire"), Shire Capital Ltd., Halama Gardens LLC, Shire Asset Management Ltd., Winn River Resort Ltd., Fort McMoney Properties II Ltd., Halama Gardens Ltd, Maples and White Sands Investments Ltd., Fort McMoney Properties Ltd., Chemainus Properties Ltd., Skaha Lake Development Ltd., Tsehum Harbour Ltd., Bearspaw at 144th Avenue Ltd., Bearspaw at 144th Equities Ltd., Bearspaw at 144th Bonds Inc., Tsehum Harbour Equities Ltd., Tsehum Harbour Bonds Ltd., and Orillia Investments Ltd. (collectively, "the Applicants" or "Shire Group") sought and obtained protection from their creditors under the Companies' Creditors Arrangement Act, R.S.C. 1985 c. C-36, as amended, (the "CCAA") pursuant to an order of this Honourable Court (the "Preliminary Initial Order").

2. Subsequent to the Preliminary Initial Order, the Alberta Securities Commission ("ASC") sought and obtained certain amendments to the Preliminary Initial Order clarifying terms relating to the actions commenced by the ASC with respect to the interim cease trade order extension dated June 15, 2009. For the purposes of this report, the Preliminary Initial Order, together with the ASC amendments thereon will be referred to as the Initial Order.

3. Pursuant to the Initial Order, Ernst & Young Inc. was appointed monitor of the Applicants during these CCAA proceedings (the "Monitor").

4. On October 8, 2009, the Applicants sought and obtained an Order (the "Receivership Order") appointing Ernst & Young Inc. as Receiver (the "Receiver") of all of the Applicants' current and future assets, undertaking and property of every nature and kind whatsoever, and wherever situate. In addition, on October 8, 2009 this Honourable Court added 0726028 B.C. Ltd., 0675816 B.C. Ltd. ("0675816"), and Bosun's Holdings Ltd. ("Bosun") as parties to these proceedings as a result of an application by the Applicants. Finally, on October 8, 2009, this Honourable Court at the come-back hearing on the Initial Order extended the stay of proceedings to December 4, 2009 and granted an Order approving an increase in the amount of the debtor in possession financing ("DIP Financing") to be obtained by the Applicants up to a maximum amount of $2,500,000 with the stipulation that the Receiver shall only be permitted to draw sufficient funds to repay the existing DIP Facility and draw up to an additional $1,000,000 until further Order of this Court. The Orders granted on October 8, 2009, comprising the Receivership Order, approval of the additional DIP Financing and the extension to the CCAA Proceedings are collectively referred to as the "October 8th Orders".

5. On November 4, 2009, Fisgard Capital Corporation ("Fisgard") applied before the Honourable Mr. Justice Wilkins for an Order vacating the CCAA proceedings in their entirety or, alternatively, for an order removing the property known as Tsehum Harbour over which Fisgard holds mortgage security. Fisgard's application in this regard was argued and heard as a *de novo* application on the basis that Fisgard had commenced foreclosure proceedings in respect of its security and that counsel to Fisgard in the foreclosure proceedings had not been given notice of the October 8, 2009 application. The Monitor understands that Fisgard's Alberta counsel was served with the original material at the inception of the CCAA proceedings and for the October 8, 2009 application, while Fisgard's British Columbia counsel was not served.

6. Justice Wilkins denied the application to vacate the CCAA proceedings in their entirety; however, His Lordship granted the relief sought by Fisgard as it pertained to removing Bosun's Holdings Ltd. and 0675816 from the scope of the CCAA proceedings, with the effect that the assets of these entities do not stand as security for any principal amounts advanced under the DIP Financing.

7. On November 27, 2009, an application was brought before this Honourable Court for advice and directions with respect to the effect, if any, of the error in the material put before this Honourable Court in the granting of the October 8th Orders approving the DIP Financing, granting the Receivership Order and the extension to these CCAA proceedings. This Honourable Court advised that the matter would be put over until December 4, 2009.

8. On December 4, 2009, a further extension of the stay of proceedings was sought. This Honourable Court denied the application to extend the stay and issued its reasons for judgment dated December 7, 2009.

9. On January 11, 2010, this Honourable Court issued an Order which was ultimately entered on March 2, 2010 (the "March 2, 2010 Order") which ordered and declared the following:

   a. Ernst & Young Inc. shall pay the outstanding fees and disbursements up to the date of the entry of the Order relating to fees owing to Ernst & Young Inc., its counsel, counsel for the Applicants from the funds which were held by counsel to the Monitor;

   b. That Ernst & Young Inc. be discharged as Receiver and Manager pursuant to the Receivership Order;

c. Ernst & Young Inc. is appointed as receiver (the "Receiver"), without security, of all the Debtors' current and future interest in the Lands (as defined in the March 2, 2010 Order);

d. The Receiver shall not enter into possession, management or control of the Lands;

e. Romspen Investment Corporation ("Romspen") has the exclusive conduct of the sale of the following lands (the "Specified Lands") until further order of the Court or until the Specified Lands or a sufficient portion thereof are sold as to the retire the DIP financing and the costs of selling the Specified Lands:

   i. Chemainus (as legally defined in the March 2, 2010 Order) – property located at 9933 Esplanade Street located in the town of Chemainus on Vancouver Island, British Columbia (herein referred to as "Chemainus");

   ii. Fort McMoney II (as legally defined in the March 2, 2010 Order) – parcels of property having the civic addresses of 10109, 10111, 10113, 10115, 10117 and 10119 Manning Avenue in Fort McMoney, Alberta (herein referred to as "Fort McMoney II");

   iii. Skaha Lake (as legally defined in the March 2, 2010 Order) – a parcel of land located along the shore of Skaha Lake, in the community of Okanagan Falls, British Columbia (herein referred to as "Skaha Lake"); and

   iv. OK Falls (as legally defined in the March 2, 2010) – a recreational vehicle park located in Okanagan Falls, British Columbia (herein referred to as "OK Falls").

f. The Lands not relating to the Specified Lands (the "Other Lands") were to be sold in accordance with the realization proceedings taken by the respective secured creditors entitled to take realization proceedings against these land. The Other Lands include:

   v. The Bearspaw property with the legal description as per Appendix 2 of the Monitor's Third Report of the South East Quarter of Section Three, in Township Twenty-Six, Range Two, West of the Fifth Meridian, Containing 64.7 Hectares (160 Acres) more or less excepting: Road Plan 7911162, Subdivision Plan 9012020 and all mine and minerals) – a parcel of land within the Bearspaw area, recently annexed into the City of Calgary, Alberta ("Bearspaw")

vi. The Orillia property with the legal description as per Appendix 2 of the Monitor's Third Report of PIN's 58684-205, Lt's 62-67 N/S Creighton St, 1-4 S/S Victoria St. PL Orillia, except 51Rd20 and 51R18), which are parcels of land located in Orillia, Ontario ("Orillia");

vii. Maples and White Sands with the legal description as per Appendix 2 of the Monitor's Third Report of PID 008-545-944 and 003-654-770) which parcel of land also contains the operations of the Sorrento Inn, located in Sorrento, British Columbia ("MWS");

viii. The Winn River Resort with the legal description of PIN's 42180-1007, 42180-1008, 42180-1015, 42180-1017, 42180-1066, 42180-1067, 42180-1068, 42180-1084, 42180-1085, 42180-1086, 42180-1087, 42180-1088, 42180-1089, 42180-1090, 42180-1091, 42180-1092, 42180-1093 ("Winn River", also referred to as the "Minaki Lodge") and is located in the Lake of the Woods district near Kenora, Ontario; and

ix. Other miscellaneous properties of the Shire Group.

g. The Receiver shall hold and deposit all funds, monies, cheques, instruments and other forms of payment received or collected by the Receiver from the sale, lease or other use of the Lands, until further order of this Court.

10. On June 30, 2010, as a result of certain operational activities with respect to MWS and OK Falls, Romspen sought and obtained an Order from this Honourable Court appointing Ernst & Young Inc. as Receiver and Manager of Shire Capital Ltd. and 0726028 B.C. Ltd.

11. On October 8, 2010, Ernst & Young Inc. was discharged as Receiver and Manager of Shire Capital Ltd., upon completion of the sale of OK Falls.

12. On April 21, 2011, Ernst & Young Inc. was discharged as Receiver and Manager of 0726028 B.C. Ltd., upon completion of the sale of the Sorrento Inn.

13. Capitalized terms not defined in this Sixth Report are as defined in the Initial Order or the previous reports of the Monitor and/or Receiver. All references to dollars in this Sixth Report are in Canadian currency unless otherwise noted.

PURPOSE OF THIS REPORT

14. The Receiver continues to receive numerous calls from Shire creditors asking for a more comprehensive update as to the recoveries to date and the anticipated future recoveries with respect to both the Specified Lands and the Other Lands. While such reports are not the responsibility of the Receiver given its limited role within these proceedings as the Receiver does not have any conduct of sale of the properties and is only the receiver of the Debtors the current and future interest in the Lands (as defined in the March 2, 2010 Order), the Receiver believes it would be beneficial to the various stakeholders to provide the following updated.

15. Accordingly, the purpose of this report is to provide this Honourable Court with:

   a. an update as to the marketing and realization efforts completed by Romspen and the other secured lenders with respect to the Specified Lands and Other Lands, and

   b. The Receiver's recommendation to be discharged as Receiver.

REALIZATION PROCESS – SPECIFIED LANDS

16. Romspen has the exclusive conduct of sale for the Specified Lands which include:

   a. Chemainus;

   b. Fort McMoney II;

   c. Skaha Lake;

   d. OK Falls; and

   e. MWS, also referred to as the Sorrento Inn.

17. Below is an update with respect to the process below for each of the Specified Lands and also an estimated recovery for any creditors that are subordinate to the DIP Financing and secured charges.

Chemainus

18. Romspen has exclusive conduct of sale over Chemainus. The Receiver understands from information received from Romspen that Chemainus has not yet been listed pending the

resolution of certain easement restrictions regarding the statutory right of way which Romspen anticipated resolving prior to marketing the property.

19. As more fully set out in the last update from Rompsen regarding the status of recovery efforts relating to the Specified Projects (attached to this Report at Appendix "A"), on January 9 and 17, 2011, Rompsen's application to cancel the right of way was heard by Madam Justice Fitzpatrick. On June 14, 2011, the Court ordered that the statutory right of way be cancelled. The affected party filed an appeal in respect of Madam Justice Fitzpatrick's decision. On August 17, 2012, Madam Justice Rowles issued reasons for decision that required the appellant to post $7,000 in security for costs by July 16, 2012, and $30,000 in security for costs by July 30, 2012. The security was not posted and thus the appeal was dismissed.

20. Romspen advises that Chemainus has a greater value and marketability with the right of way being cancelled and commenced marketing the property once the decision regarding the appeal had been granted.

21. Rompsen completed a purchase and sale with The Corporation of the District of North Cowichan (the "Chemainus Purchaser") dated May 16, 2014 for a purchase price of $550,000 (the "Chemainus Transaction"). The Chemainus Transaction was approved by Court and closed in May 2014.

22. The proceeds from the Chemainus Transaction are summarized below:

Chemainus Transaction	
Purchase price	$ 550,000
Less:	
Property taxes	(6,168)
Real estate commissions	(18,875)
Net Recoveries	$ 524,957
Interest on Deposit	332
Total DIP repayment	$ 525,290

23. The net recovery of $512,290 was paid to Romspen and was applied against the outstanding DIP Financing, as discussed in further detail below.

24. The Chemainus property was acquired by Shire for $780,000. The DIP Financing is the only secured charge registered against Chemainus, other than property taxes etc. Approximately $6.7 million of bonds were issued by Shire (or related entities) relating to Chemainus (the "Chemainus Bondholders") which would rank as unsecured creditors and

subordinate to the DIP Financing. Any recoveries from the Chemainus property would first be applied to repay the outstanding amounts owing under the DIP Financing, accordingly, based on the current realizations, it is not anticipated that there would be any recovery to the Chemainus Bondholders.

Fort McMoney II

25. The property referred to as Fort McMoney II comprises 6 lots located at 10109, 10111, 10113, 10115, 10117 and 10119 Manning Avenue, Fort McMurray, Alberta (referred to as the "Manning Avenue Properties" or "Fort McMoney II"). Rompsen was provided exclusive conduct of sale over the Manning Avenue Properties by way of its security for the DIP Financing. Olympia Trust has a mortgage registered against the Manning Avenue Properties (subordinate to the DIP Financing) in the principal amount of $6.5 million.

26. The listing agent selected by Romspen was Kenneth Shebib with Colliers International Inc. ("Colliers") and on July 15, 2010 a listing agreement was signed with a list price of $10,000,000. The list price was based on recent market activity, recent appraisals and conditional offers that were in previously in place.

27. The Receiver has been advised by Colliers that the marketing program for this property included targeted circulation of a marketing brochure, local advertising and web based advertising.

28. On October 21, 2011, Rompsen made an application for the approval of the purchase and sale agreement for the Manning Avenue Properties for a purchase price of $6.0 million. The Receiver understands that the transaction ultimately failed to close, however, Rompsen received a $300,000 non-refundable deposit which was forfeited by the purchaser due to not closing the transaction. The Receiver anticipates that the deposit received by Rompsen will be applied against the outstanding DIP Financing as discussed in further detail below.

29. The Receiver understands that the Manning Avenue Properties are listed with CBRE.

30. Based on materials filed with the Court, the Receiver notes that the Olympia Trust mortgage registered against the Manning Avenue Properties totals approximately $9.4 million comprising $6.5 million in principal and approximately $2.9 million in accrued interest. Recovery to the holders of the Olympia Trust mortgage depends upon the ultimate selling price of the lands.

Skaha Lake

31. The lands referred to as Skaha Lake comprises approximately a 34,720 square foot parcel of land located along the shore of Skaha Lake, in the community of Okanagan Falls, British Columbia with a legal description of: Lots1, 2 and 3 District Lot 2883S Similkaman Division Yale District Plan 7632 (the "Skaha Lake").

32. Romspen had the exclusive conduct of sale for Skaha Lake and the listing agent selected to market the property was Alexandra Rebagliati with Macdonald Realty. The original listing price was $1,390,000 supported by a high level review of the property by Cushman Wakefield dated November 24, 2009. The Receiver understands that the DIP Financing was the only secured creditor registered against Skaha Lake, other than property taxes and certain builders' liens.

33. The marketing program for this property included local advertising, web based advertising and web based advertising. Ms. Rebagliati provided the Receiver with a detailed listing record sheet outlining various interested parties who requested information.

34. Rompsen completed a purchase and sale with the Regional District of Okanagan-Similkameen (the "Skaha Lake Purchaser") dated April 29, 2010 for a purchase price of $900,000 (the "Skaha Transaction"). The Skaha Transaction was approved by Court on February 25, 2011 and was closed in April 2011.

35. The proceeds from the Skaha Transaction are summarized below:

Skaha Transaction	
Purchase Price	$ 900,000
Less:	
Property Taxes	(98,634)
Real Estate Commissions	(38,918)
Builders' Lien Holdback	(50,049)
Total DIP repayment	$ 712,399

36. The net recovery of $712,399 was paid to Romspen and was applied against the outstanding DIP Financing, as discussed in further detail below. The Receiver continues to hold the Builders' lien holdback of $50,049.

37. Approximately $8.4 million of bonds were issued by Shire related companies with respect to Skaha Lake (the "Skaha Lake Bondholders"). The Skaha Lake Bondholders which would rank as unsecured creditors and subordinate to the DIP Financing. Based on the current

realizations, it is not anticipated that there will be any recovery for the Skaha Lake Bondholders.

OK Falls

38. OK Falls comprises a recreational vehicle park located in Okanagan Falls, British Columbia. Rompsen was given the exclusive conduct of sale over the OK Falls by the Court.

39. The listing agent selected to market OK Falls was Alexandra Rebagliati with Macdonald Realty. The OK Falls properties include both a motel and an RV Park. Both properties were originally listed for the full tax assessed value of $359,000 and $380,000 for the motel and recreational vehicle park respectively. Subsequently, the listing prices were reduced based on input from the real estate agent to reflect the real estate market in the area to $269,000 and $289,000 for the motel and recreational vehicle park respectively.

40. The marketing program for this property has included local advertising, web based advertising and targeting commercial real estate agents. Ms. Rebagliati provided the Receiver with a detailed listing record sheet outlining various interested parties who requested additional information together with parties contacted by Ms. Rebagliati.

41. The Receiver's report with respect to the sale of OK Falls is more fully set out in its Fourth Report dated October 4, 2010. In summary, on July 29, 2010, an offer to purchase both properties at OK Falls was received in the amount of $558,000 (the "OK Falls Transaction"). The OK Falls Transaction was subsequently approved by Court.

42. A summary of the OK Falls Transaction is summarized below:

OK Falls Transaction	
Purchase price	$ 558,000
Less:	
Property taxes	(9,371)
Property transfer (holdback)	(10,000)
Real estate commissions	(26,044)
Total DIP repayment	$ 512,585

43. The Receiver understands that the DIP Financing represented the only secured charge against the property, except for property taxes. No bonds or mortgage units were issued by Shire relating to this property, accordingly, the net recovery of $512,584 was paid to Romspen and was applied against the outstanding DIP Financing, as discussed in further detail below.

44. The Receiver still holds $10,000 with regards to the property transfer.

Maples and White Sands

45. Romspen had the exclusive conduct of sale for the property referred to as Maples and White Sands which comprised the Sorrento Inn and adjacent Lot 6 Corriano Road, located in Sorrento, British Columbia (collectively referred to as the “Sorrento Inn” or “MWS”).

46. The Sorrento Inn was listed with Alexandra Rebagliati of MacDonald Realty and the marketing program for the property commenced on September 27, 2010 as more fully set out in the Receiver’s Fifth Report dated April 15, 2011.

47. The property was originally listed for $1,266,000, but after numerous lower offers, was subsequently reduced to $950,000. On January 28, 2011, an offer to purchase the Sorrento Inn was received for $777,474 (comprising $750,000 plus an agreement to pay the property taxes outstanding at that time of the offer). At the time the purchase and sale agreement was schedule to be approved by Court on April 21, 2011, a competing bid was presented to Court. After a sealed tender process as ordered by the Court, a purchase and sale agreement in the amount of $840,000 plus outstanding property tax was received and approved on April 21, 2011. The net funds received of approximately $608,739 were received on by the Receiver on August 3, 2011 as summarized below:

Sorrento Property Transaction	
Purchase Price	$ 840,000
Property Taxes	27,610
Selling Price	867,610
Less:	
Property taxes & utilities	(32,882)
Real estate commissions	(32,704)
Net Proceeds	802,024
Less:	
Receivership Obligations	(95,000)
Olympia Trust Company	(13,654)
DIP Loan reduction	(84,632)
Net Recoveries	$ 608,739

48. In addition to the DIP Financing, a mortgage in the amount of approximately $11.0 million arranged by Shire is also secured against the Sorrento Inn (the “Sorrento Inn Mortgage”) which is administered by Olympia Trust.

49. On May 23, 2013, it was determined by the Court, that the Sorrento Inn Mortgage was in priority to the DIP Financing, therefore the net funds recovered on the sale of the Sorrento Inn of $608,739 have been transferred to the holders of the Sorrento Inn Mortgage.

50. As the Sorrento Inn Mortgage was determined valid and enforceable, based on the net recoveries of $608,739, and allocation of any repayment of the DIP Financing, the recoveries to the holders to the Sorrento Inn Mortgage were less than 5% of the outstanding Sorrento Inn Mortgage amount which is estimated at $11.0 million.

REALIZATION PROCESS – OTHER LANDS

51. The Other Lands comprise the following properties which are currently being marketed and sold in accordance with the realization proceedings taken by the respective secured creditor who as entitled by the Court:

a. Fort McMoney I;

b. Orillia

c. Bearspaw; and

d. Winn River (also referred to as the Minaki Lodge);

Fort McMoney I (Saline Creek Lands located in Fort McMurray, Alberta)

52. The project referred to as Fort McMoney I comprised 102.83 acres located in the east end of Draper Road, in the Regional Municipality of Wood Buffalo, Alberta, Canada (referred to as the "Saline Creek Lands"). A secured charge security interest comprising a vendor take back mortgage in the approximate principal amount of $1.9 million is held by Charles and Meridel Graves (the "Graves' Mortgage"). The Graves commenced foreclosure proceedings and were provided the exclusive conduct of sale over the Saline Creek Lands. The Graves' Mortgage is subordinated to the DIP Financing.

53. On May 24, 2010 the Saline Creek Lands was listed as a residential judicial sale listing for $2,499,000. However, based on discussions with the counsel to the Graves, the listing agreement expired 60 days after execution or on about July 24, 2010. The property remained off the market but was listed in October 2010 after consultation of with the Receiver and the issues identified in its Third Report dated September 27, 2010.

54. The Receiver understands that the Graves' obtained a foreclosure order on the Saline Creek Lands on March 22, 2012 and have made a payment to Romspen in the amount of $201,473.52. This payment was applied against the DIP Financing and the Graves will be entitled to recover this amount as a "shortfall amount" pursuant to the March 20, 2012 Order, as amended.

55. Approximately $7.8 million of bonds were issued by Shire related entities with respect to Fort McMoney I (the "Fort McMoney I Bondholders"). As the Graves were successful in their foreclosure action, there will be no recoveries for any creditors subordinate to the Graves' Mortgage, including the Fort McMoney I Bondholders.

Orillia

56. The following information was obtained from material put before this Honourable Court in about August 10, 2009 (see affidavit of Gianfranco G. Piccin sworn August 10, 2009) with respect to a sale application that for a sale which was not consummated. The listing agent selected to market Orillia was Carmine Pincente with Sutton Group Security Real Estate Inc. and the value of the property ascribed by an appraisal performed on or about March 12, 2009 by Boterro & Associates Limited Property Valuation and Realty Consultation Services was $1,700,000. The Receiver understands from Gianfranco G. Piccin, that there are currently no offers for the Orillia property.

57. The Receiver understands that the a mortgage registered on the property by 1533021 Ontario Inc. ("153") in the principal amount of $1.4 million, which now totals in excess of $2.0 million with accrued interest.

58. Given the appraised value of $1.7 million and the amount owing on the 153 mortgage, it is unlikely that there will be any recovery to the creditors ranking subordinate to the 153 mortgage, including the approximately $400,000 of bonds issued by Shire related companies with respect to the Orillia property.

Bearspaw

59. The Bearspaw property comprises a 64.7 Hectares (160 Acres) more or less parcel of land within the Bearspaw area, recently annexed into the City of Calgary, Alberta. Invesit Financial Inc. ("Investit") holds a secured charge over the Bearsaw in the principal amount of $7.0 million (the "Bearspaw Mortgage"). Investit was granted exclusive conduct of sale over Bearspaw. The Bearspaw Mortgage was only subordinate to the DIP Financing.

60. The Bearspaw property was listed on March 12, 2010 by Royal LePage Benchmark at a list price of $9 million. The listing price was based the midpoint of an appraisal obtained by Shire as at September 15, 2009.

61. On December 20, 2010 an application was made to approve an offer for the Bearspaw property for a total purchase price of $8.4 million (the "Bearspaw Transaction"). The Court approved the Bearspaw Transaction and the transaction closed shortly thereafter.

62. At the time of approval of the Bearspaw Transaction, the amount owing under the Bearspaw Mortgage was $9,050,827 as summarized below.

Amount owing to First Secured Creditor	
Principal amount	$ 7,000,000
Accrued interest	1,815,602
Appraisal fees	19,405
Legal fees	215,820
Total	$ 9,050,827

63. As the amount owing to Investit (the first secured creditor) was in excess of the purchase price set out in the Bearspaw Transaction, there will be no recovery for any subsequent creditors from this property, including the approximately $20.2 million of bonds issued by Shire related companies relating to Bearspaw.

Winn River (Minaki Lodge)

64. The Receiver understands that Mr. Kody Stokes holds a secured charge over the Winn River in the principal amount of $650,000 (the "Winn River Mortgage"). Mr. Stokes had exclusive conduct of sale over Winn River. Mr. Stokes entered into an amended purchase and sale agreement with Robert Banman in the amount of $1.2 million which was brought before this Honourable Court for approval in September 2010 (the "Manaki Lodge Transaction"). The Receiver has previously provided an update to this Honourable Court with respect to its comments and on the Manaki Lodge Transaction in its Second Report including its concerns over the marketing of the Manaki Lodge. The Court approved the Manaki Lodge Transaction on September 13, 2010.

65. A summary of the net proceeds from the sale of the Manaki Lodge is set out below:

Sale of Manaki Lodge	
Net sale proceeds	$ 1,200,000
Less:	
Property taxes	(61,577)
Real estate commissions	(81,360)
Lombard North Claim (holdback)	(61,132)
Owing to Kody Stokes (see below)	(991,758)
Net equity	$ 4,173
Owing to secured creditor	
Principal	$ 650,000
Accrued interest (20% pa)	230,517
Appraisal	15,996
Legal	36,746
Brokerage fee	58,500
Total owing	$ 991,759

66. The Receiver understands the equity remaining in the Manaki Lodge after payment of the first secured creditor Mr. Kody Stokes was paid to Romspen and applied against the DIP Financing as discussed in further detail below.

67. After the Lombard application was dismissed, the Receiver has released the holdback with regards to the Lombard North Claim to Romspen to apply against the DIP Financing.

Other properties

68. The Receiver is aware of certain other bonds issued by Shire related entities that related to projects that ultimately never purchased any assets or where no recovery is anticipated. The projects would include the following:

a. Bondholders relating to Halama Gardens or the Hawaii fund. The Receiver is not aware of any assets that would result in a recovery for these bondholders;

b. Bondholders relating to Tsehum Harbour. The Receiver does not anticipate any recovery for the Tsehum Harbour Bondholders as the amounts owed to the secured creditor are apparently in excess of the underlying property value. The receiver notes that the Tsehum Harbour property was vacated from these proceedings as discussed above.

DIP FINANCING

69. The Receiver has provided below a summary of the outstanding balance on the DIP Financing as at September 30, 2014, after taking into consideration the net recoveries from certain of the unencumbered properties including Winn River, OK Falls, Skaha Lake, Chemainus and the forfeited deposit related to Fort McMoney II.

70. As set out in the Court Order dated September 23, 2010, a certain percentage of the proceeds from the sale of the encumbered lands (properties that have a secured creditor registered) are to be applied against the DIP Financing in the following amounts:

Allocation of DIP Lender's Charge	
Beaspaw	35%
Fort McMoney I	10%
Fort McMoney II	30%
Orilla	7%
Winn River (Minaki Lodge)	5%
Sorrento Inn (MWS)	5%
Total (rounded)	100%

71. As discussed above, Skaha Lake, Winn River, OK Falls, Chemainus and Sorrento Inn have been sold. However, based on the information received from Rompsen, the allocation of the proceeds from these loans (based on the percentage allocation set out above) have not been reflected in the DIP Financing summary provided below. The Receiver notes that the various secured creditors would effectively be subrogated and have an interest in the DIP Financing to the extent the specific secured creditor has a shortfall on their security.

72. The table below estimates that the outstanding amount owing under the DIP Financing totals approximately $2.17 million including accrued interest, but excluding any allocation for any of the above noted sales completed to date with respect to the encumbered property (i.e. the DIP Financing has only been calculated based on the sale of the unencumbered assets).

Estimated DIP Financing Balance as at June 15, 2015	
Opening Balance (Sept 28, 2010)	$ 2,676,685
Proceeds from unencumbered properties	
Winn River (Minaki Lodge)	(19,853)
Lombard Claim	(61,132)
OK Falls	(512,585)
Skaha Lake	(712,399)
Damage deposit (Bearspaw)	(300,000)
Chemainus	(525,290)
Proceeds from unencumbered properties	(2,131,259)
Outstanding principal	545,426
Estimated Accrued interest	1,628,370
Estimated DIP Financing balance as at June 15, 2015	$ 2,173,796

PROFESSIONAL FEES

73. The Receiver and its legal counsel have not invoiced any time or expenses beyond the cost to complete disclosed in the Fifth Report of the Receiver. As there are no funds remaining in the estates, there will be no further costs incurred by the Receiver or its legal counsel.

REMAINING ACTIONS AND DISCHARGE OF THE MONITOR AND RECEIVER

74. The Receiver currently holds the following funds:

a. $50,049 (plus accrued interest) in relation to a builders lien holdback on the Skaha Lake Transaction; and

b. $10,000 (plus accrued interest) in relation to a property transfer holdback on the OK Falls Transaction.

75. As detailed in prior reports, Romspen is the DIP Financier and is the first ranking secured creditor and has a remaining outstanding amount of approximately $2.17 million. The Receiver proposes paying these remaining funds to Romspen as a paydown of the DIP Financing.

76. The last remaining property that has yet to be sold is Fort McMoney II. Accordingly, upon the sale of the Fort McMoney II, the proceeds will be paid first paid to Romspen as first secured creditor. Depending on the proceeds from such a transaction, if there are any additional funds remaining after the repayment of Romspen, the remainder would be due to Olympia Trust for payment on the mortgage on the Manning Avenue Property.

77. Upon the disposition of the right, title, estate and interest of the Debtors in all of the Lands (the "Final Disposition") the DIP Lender shall provide the Receiver with an accounting all amounts received and disbursed by the DIP Lender in respect of the Debtors and the Lands. Any proceeds received by the DIP Lender from the Final Disposition shall not be disbursed by the DIP Lender unless such disbursement is authorized by the Receiver in writing.

78. The Receiver's administration of the estate is essentially complete. The Receiver will make payment of the funds held as directed by the court and have some miscellaneous administrative items to attend to post-discharge however these items are considered immaterial and, in the Receiver's opinion, should not prevent this Honourable Court from granting an unconditional discharge effective immediately.

RECOMMENDATION

79. The Receiver respectfully request that this Honourable Court approve an Order unconditionally discharging the Receiver from any and all obligations as Receiver of Shire International Real Estate Investments Ltd. et. al immediately.

All of which is respectfully submitted this 18th day of June, 2015.

ERNST & YOUNG INC.

In its capacity as Receiver
of Shire International Real Estate Investments Ltd. et. al

Neil Narfason, CA·CIRP, CBV
Senior Vice-President

Cassie Riglin, CA
Manager