Action No: 0901-11866

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER 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 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., ORILLIA INVESTMENTS LTD., 0726028 B.C. LTD., 0675816 B.C. LTD., AND BOSUN'S HOLDINGS LTD.

SECOND REPORT OF THE RECEIVER
ERNST & YOUNG INC.

September 9, 2010

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, 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") 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 June 30, 2010, the Receiver sought and obtained an Order from the Court authorizing and directing the Receiver to:

a. Deliver an information request to secured creditors having security registered against title to the Lands (as such term is defined in the Order appointing the Receiver in the within proceeding filed on March 2, 2010), in the form substantially as that attached to the First Report. Subject to this Order, recipients of this information request were to provide such information within 21 days of receipt of the request; and

b. Provide the documents described in the Summons issued by the Alberta Securities Commission attached as Appendix B to the First Report, including the Receiver's Work Product (as such term is defined in the First Report).

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

PURPOSE OF THIS REPORT

13. The purpose of this report is to provide this Honourable Court with the following:

    a. The activities of Ernst & Young Inc., in its capacity as Receiver of the properties commonly known as OK Falls and MWS;

    b. An update with respect to providing the documents to the Alberta Securities Commission;

    c. An update as to the marketing and realization efforts completed by Romspen and other secured lenders with respect to the Specified Lands and Other Lands; and

    d. The Receivers comments regarding the proposed sale of Winn River that is scheduled to be heard before this Honourable Court on September 13, 2010.

ACTIVITIES OF THE RECEIVER WITH RESPECT TO MWS AND OK FALLS FOR THE PERIOD JUNE 30, 2010 TO THE DATE OF THIS REPORT

Statutory Mailings

14. The Receiver posted notice of its appointment on its website at www.ey.com/ca/shire in accordance with the terms of the Order of the Court of Queen's Bench of Alberta dated October 16, 2009.

15. The Receiver will mail a copy of the Notice of Statement of Receiver, including the detailed listing of the name and amount owing to each creditor upon written request from any creditor, in accordance with the October 16, 2009 Order.

Physical Attendances

Maples and White Sands

16. The Receiver attended Sorrento, British Columbia on or around July 7th and 8th, 2010 to meet with the motel manager, tour the premises, and set up reporting and operating procedures for MWS's operating motel (the "Sorrento Inn").

17. The Receiver has continued to work closely with the motel manager to ensure that operations continue in normal course. There are currently 5 part-time staff in addition to the motel manager employed at the Sorrento Inn. Operating costs have been funded to date through cash flow generated from operations and with nominal positive cash flow.

18. The Receiver is currently compiling accounting and cash flow information that is needed to support an appropriate marketing program and is working with Romspen to commence such a marketing program including obtaining an updated appraisal on the property.

OK Falls

19. The Receiver attended the OK Falls operating motel and RV Park located in Okanagan Falls, British Columbia on or around July 7th and 8th, 2010. The Receiver met with the site manager, toured the premises, and set up reporting and operating procedures.

20. Operating costs have been funded to date through cash flow generated from operations and with nominal positive cash flow.

21. OK Falls has been listed for sale and the marketing program is discussed in further detail below.

UPDATE WITH RESPECT TO ALBERTA SECURITIES COMMISSION

22. As described in the First Report, the Alberta Securities Commission had contacted the Receiver requesting information relating to the books and records of the Shire Group as well as certain financial analysis completed by the Monitor in connection with the various reports, and specifically the Third Report of the Monitor.

23. The Monitor has provided the ASC with documents of the Shire Group as requested under the Summons and met with and provided certain documents as described as the Receiver's Work Product (as such term is defined in the First Report) subject to the

inherent limitations as outlined in the Third Report of the Monitor, dated October 7, 2009.

MARKETING AND REALIZATION EFFORTS

24. In the first report of the Receiver (the "First Report") dated June 28, 2010, the Receiver sought and obtained authorization from this Honourable Court to send an information request to Romspen and each of the remaining secured lenders entitled to take realization proceedings against the Other Lands in order to seek information with respect to the status of the various realization processes. The respective order granted in this application gave the secured lenders 21 days from the date of that request to respond to the Receiver's information request.

25. The information request sent by the Receiver was appended as Appendix D to the First Report. At a high level, the information requested by the Receiver is set out below:

   a. A copy of the listing agreement outlining the name of the listing agent, the listing price for the property and the key determinants of the listing price;

   b. A copy of the marketing materials generated with respect to the property;

   c. An update on the current status of the marketing program, detailing, *inter alia*;

      i. The number of parties who have expressed interest in the property, the number of parties who have toured the property, etc.

      ii. Details of the receipt of any expression of interest or offers received and status of the respective negotiations thereon; and

      iii. An updated mortgage balance and any other secured charges registered on title as at June 1, 2010.

26. The purpose of the Receiver's request for information as outlined above was to allow the Receiver to, inter alia:

a. Respond to investor queries with respect to the status of the independent sales efforts as it impacts their individual investments;

b. Provide this Honourable Court with the current status of each of the respective sale processes of the various properties; and

c. Fulfil the Receiver's mandate as outlined in the July 2010 Receivership Order which empowers the Receiver:

i. To receive notice of and to defend or otherwise enter an appearance in any realization proceedings taken by any creditor entitled to take realization proceedings against any of the Lands;

ii. To report to, meet with and discuss with such affected Persons as the Receiver deems appropriate on all matters relating to the Lands and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable; and

iii. To take any steps reasonably incidental to the exercise of these powers.

27. The Receiver has provided the pertinent available facts from the responses received to its information requests which are also summarized in the table below;

Property	List price ($ million)	Status/details
Fort McMoney I	2.5	Listing expired July 24, 2010
Fort McMoney II	10.0	Listed by Colliers
OK Falls	0.6	Listed by MacDonald Realty
Skaha Lake	1.4	Listed by MacDonald Realty
MWS	n/a	Not listed, appraisal being completed to support listing price
Chemainus	n/a	Not listed, right of way issues to be addressed
Orillia	1.7	Listed with Sutton Group, conditional offer
Bearspaw	9.0	Listed with Royal Lepage
Tsehum Harbour	2.8	Listing expired July 18, 2010
Winn River	1.2	Based on purchase sale agreement

Fort McMoney

List price and listing agent

28. On May 24, 2010 the property was listed as a residential judicial sale listing for $2,499,000. However, based on discussions with the counsel to the secured lender, the listing agreement expired 60 days after execution or on about July 24, 2010. Accordingly, the Receiver understands that the listing agreement has expired and counsel to the secured lender has advised that the listing agreement has not been renewed and therefore the property is currently not listed.

Results of marketing activities

29. The Receiver understands that no offers to purchase the property have been obtained and as the listing has expired it is uncertain as to what current marketing activities are taking place, if any.

30. The Receiver received no further information with respect to the marketing process of the Fort McMoney property.

Fort McMoney II

List price and listing agent

31. The listing agent selected was Kenneth Shebib with Colliers International Inc. ("Colliers") and on July 15, 2010 a listing agreement was signed with an expiry date of October 15, 2010 with a list price of $10,000,000 based on recent market activity, recent appraisals and conditional offers that were in place during the CCAA proceedings.

Marketing Activity and Potential Purchasers

32. The Receiver has been advised by Colliers that the marketing program for this property has included targeted circulation of a marketing brochure, local advertising and web based advertising. To date there has been one formal offer to purchase the

property which has now expired. Colliers continues to actively market the property to developers, investors and businesses.

OK Falls

List price and listing agent

33. 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 RV Park respectively. Subsequently, the listing prices have been reduced based on input from the real estate agent to reflect the current real estate market in the area to $269,000 and $289,000 for the motel and RV Park respectively.

Marketing Activity and Potential Purchasers

34. Based on information provided by the real estate agent, the Receiver has been advised that 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.

35. The Receiver understands from Romspen that there is a finalized purchase and sale agreement of this property that will be brought before this Honourable Court in due course for gross proceeds of approximately $558,000.

Skaha Lake

List price and listing agent

36. The listing agent selected to market Skaha Lake was Alexandra Rebagliati with Macdonald Realty and the original listing price was $1,390,000 supported by a high level review of the property by Cushman Wakefield dated November 24, 2009 as attached to the Affidavit of Doris Bodie sworn on November 25, 2009.

Marketing Activity and Potential Purchasers

37. The marketing program for this property has 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.

38. The Receiver understands from Romspen that a conditional purchase and sale agreement has been entered into for this property, however the Receiver is not providing the value per this conditional purchase and sale agreement until the conditions are listed and the proposed sale is brought before this Honourable Court for approval.

Maples and White Sands

39. The property commonly referred to as Maples and White Sands has not yet been listed for sale pending receipt of an appraisal that is being commissioned by Romspen.

40. As previously outlined, the books and records of the Shire Group are incomplete and the Receiver is in the process of accumulating information with respect to the Sorrento Inn to facilitate a going concern sale value

41. The Receiver understands that this appraisal is expected to be completed imminently upon which an appropriate marketing program will be developed in consultation with the anticipated realtor, Alexandra Rebagliati of MacDonald Realty.

Chemainus

42. The Receiver understands from discussions with Romspen that Chemainus has not yet been listed pending the resolution of certain easement restrictions regarding the statutory right of way which Romspen anticipates resolving through a subsequent court application which it anticipates bring before the Courts in the near future.

43. Romspen anticipates that a ruling with respect to the statutory right of way and easement matter would significantly enhance the value of this property.

Orillia

44. The Receiver has not been able to obtain a formal sales process update with respect to the marketing of the Orillia property. 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.

List price and listing agent

45. 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. Given the lack of sales update, the current list price for the Orillia property is uncertain.

Marketing Activity and Potential Purchasers

46. As discussed in the Monitor’s Eighth Report dated November 22, 2009, the available sales material did not clearly include/exclude the water rights and as the Receiver has not received a formal sales process update it is unclear as to the status of water rights.

47. The Receiver has subsequently received a copy of a conditional offer to purchase the Orillia property for an amount that will be put before this Honourable Court which appears to include the water rights. This offer is conditional on financing as well as various due diligence clauses for a period of 60 days from the date of acceptance on July 29, 2010.

Bearspaw

List price and listing agent

48. The listing agent selected to market the Bearspaw property is Patricia Bedry of Royal LePage Benchmark and the property is listed for $9 million. The Receiver was consulted by counsel to the secured lender with respect to the listing price and the

original listing amount was based the mid point of an appraisal obtained by Shire as at September 15, 2009.

Marketing Activity and Potential Purchasers

49. The Receiver has not obtained a copy of the marketing materials or program for this property but understands that there was previously a conditional offer on the property that was retracted by the purchaser as a result of failed negotiations over the terms of a vendor take back. The Receiver understands that the property is being continually marketed by Royal LePage Benchmark.

Tsehum Harbour

List price and listing agent

50. The listing price of Tsehum Harbour has been reduced to $2,795,000 from the original listing price of $2,995,000. However, this listing expired on July 18, 2010 and the property remains unlisted.

Results of marketing activities

51. No offers to purchase the property have been obtained and as the listing has expired it is uncertain as to what current marketing activities are taking place.

52. The Receiver does not have any information with respect to the results of the marketing program prior to the de-listing.

Winn River

53. The Receiver understands that the property commonly referred to as Winn River or Minaki Lodge is subject to an amended purchase and sale agreement between Robert Banman or Assignee and Kody Stokes under a Power of Sale in the amount of $1.2 million which is being brought before this Honourable Court for approval on September 13, 2010.

54. The Receiver's comments with respect to the above contemplated transaction are provided below.

SUMMARY OF SALES PROCESS UPDATES

55. As outlined above, it is noted by the Receiver that it has not yet received complete updates to allow it to fully report as to the status of the sale processes of each of the above noted properties or the outstanding amounts under the respective mortgages. Specifically, the Receiver notes that the listing agreements of the Tsehum property and the Fort McMoney property have both expired and have not yet been renewed and the Receiver is uncertain as to the current status of the marketing programs.

WINN RIVER SALE

56. As noted above, the secured lender on the property commonly known as Winn River or Minaki lodge has informed the Receiver that they intend on seeking the approval of this Honourable Court for the approval of an amended purchase and sale agreement between Robert Banman or Assignee and Kody Stokes under a Power of Sale in the amount of $1.2 million (the "Proposed Transaction").

57. The Receiver has been provided with information concerning the Proposed transaction by Shewchuk, MacDonnell, Ormiston & Richardt LLP ("SMOR LLP") who is counsel to the secured lender conducting the Power of Sale.

58. The Receiver has the following comments with respect this proposed transaction:

a. Proposed Transaction Price – The Receiver has been provided with an appraisal prepared by Dawn M. Powell Appraisals Inc. effective September 11, 2009 which indicated a market value of approximately $1.2 million, predicated upon a twenty-four month exposure period;

b. Marketing efforts – The Receiver understands that the secured creditor obtained proposals to list the property from four real estate firms and chose Duncan Charmichael Real Estate Brokerage ("DC") as a result of familiarity with the property, extensive experience in the area and a competitive commission rate;

c. Based on discussions with SMOR LLP and a review of the information provided with respect to the proposed sale of Winn River, the Receiver understands the following:

   i. The listing agreement with DC was entered into on April 21, 2010. However, SMOR LLP advised that DC was marketing the property several weeks prior to the execution of the listing agreement. The original listing price was $2.3 million;

   ii. A conditional offer was originally accepted in the amount of $1.5 million dated May 13, 2010 and was subsequently amended to $1.2 million on May 16, 2010. The $1.2 million offer's only condition is Court approval and is supported by a $120,000 non refundable deposit;

   iii. The Receiver understands the revision in the purchase price was due to due diligence findings with respect to zoning/subdivision issues and with potential reclamation costs relating to the remains of a fire that occurred some seven years ago; and

   iv. The Receiver has not been provided with any detailed information with respect to the marketing process including marketing materials, number of parties contacted, etc.; and

   v. DC advised that as a result of the short time frame from the inception of the listing agreement to the entering into of the conditional purchase and sale agreement on May 13, 2010, the property was not listed on MLS, no signage was placed on the property advertising the sale and no targeted marketing campaign was conducted.

Receivers Assessment of Winn River sales Process

59. Given the limited information provided with respect to the marketing process of the Winn River property, the Receiver offers no comment on the efficacy of the marketing process or whether a more fulsome marketing process would result in a higher

purchase price. The Receiver does note that the purchase price of $1.2 million is supported by the appraisal completed by Dawn M. Powell Appraisals Inc. effective September 11, 2009.

60. While the Receiver does not oppose the sale of Winn River, the Receiver believes that the stakeholders, including the unsecured creditors and investors of the Shire Group, should have the benefit of receiving this Report and the information included herein to allow them to assess the Proposed Transaction.

All of which is respectfully submitted this 9th day of September, 2010.

ERNST & YOUNG INC.

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

Deryck Helkaa, CA·CIRP
Senior Vice-President

Action No. 0901-11866 A.D. 2009

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-35, 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 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., ORILLIA INVESTMENTS LTD., 0726028 B.C. LTD., 0675816 B.C. LTD. and BOSUN'S HOLDINGS LTD.

**SECOND REPORT OF
THE RECEIVER ERNST & YOUNG INC.**

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