

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

CAISSE DESJARDINS ONTARIO CREDIT UNION INC.

Applicant

- and -

**GC KING BOND LIMITED PARTNERSHIP, by its general partner, GC KING BOND
GP INC.**

Respondents

**SECOND REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS RECEIVER**

DATED MAY 7, 2026

TABLE OF CONTENTS

INTRODUCTION	4
PURPOSE OF THIS SECOND REPORT.....	5
TERMS OF REFERENCE	7
BACKGROUND	8
CREDITORS	10
THE UNIT PURCHASERS	12
THE SALE PROCESS	17
THE TRANSACTION.....	21
THE SEALING ORDER	27
ACTIVITIES OF THE RECEIVER.....	27
INTERIM STATEMENT OF RECEIPTS & DISBURSEMENTS.....	30
PROPOSED INTERIM DISTRIBUTION TO DESJARDINS	31
APPROVAL OF PROFESSIONAL FEES & DISBURSEMENTS.....	33
RECEIVER’S RECOMMENDATIONS.....	34

APPENDICES

APPENDIX	DESCRIPTION
“A”	Receiver’s First Report dated September 12, 2025 (without appendices)
“B”	Receivership Appointment Order dated May 2, 2025
“C”	Sale and Investment Solicitation Process Order dated September 18, 2025
“D”	Redacted Sample Condo Unit Purchase Agreement
“E”	Redacted Sample Freehold Unit Purchase Agreement
“F”	Westmount Security Opinion dated April 15, 2026
“G”	Redacted Agreement of Purchase and Sale between the Purchaser and the Receiver dated February 6, 2026
“H”	Notice to Unit Purchasers dated March 2, 2026
“I”	Selected Purchaser Letter dated March 3, 2026
“J”	Non-Selected Purchaser Letter dated March 3, 2026
“K”	Template Amending Agreement entered into between the Purchaser and a Unit Purchaser
“L”	Desjardins Security Opinion dated October 9, 2025
“M”	Fee Affidavit of Mr Jordan Sleeth, sworn May 7, 2026
“N”	Fee Affidavit of Mr Stephen Gaudreau, sworn May 7, 2026

CONFIDENTIAL APPENDICES

APPENDIX	DESCRIPTION
“1”	First Offer Summary
“2”	Second Offer Summary
“3”	Final Offer Summary
“4”	Unredacted Agreement of Purchase and Sale between the Purchaser and the Receiver dated February 6, 2026
“5”	Proposed Assignment Summary

INTRODUCTION

1. On May 2, 2025, (the “**Date of Appointment**”), pursuant to an application by Caisse Desjardins Ontario Credit Union Inc. (“**Desjardins**”) under section 243(1) of the *Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3*, as amended (the “**BIA**”), and section 101 of the *Courts of Justice Act, R.S.O. 1990 c. C.43*, as amended, the Ontario Superior Court of Justice issued an order (the “**Receivership Order**”) appointing Deloitte Restructuring Inc. (“**Deloitte**”) as receiver and manager (in such capacity, the “**Receiver**”) without security, over all the assets, undertakings and properties (collectively, the “**Property**”) of each of GC King Bond Limited Partnership (“**King Bond LP**”) and GC King Bond GP Inc. (“**King Bond GP**”, and together with King Bond LP, the “**Debtors**” or “**GC King Bond**”) acquired for, or used in relation to, a business carried on by the Debtors, including all proceeds thereof, including, in particular the lands municipally known as 301, 311, 319, 329, 339, 349 King Road and 115, 119 Bond Crescent, Richmond Hill, Ontario (the “**Real Property**” or the “**King Bond Site**”).
2. On September 18, 2025, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made orders:
 - (a) approving the draft Sale and Investment Solicitation Order (the “**SISP Order**”), which, *inter alia*:
 - (i) authorized the proposed sale and investment solicitation process in connection with the Property (the “**Sale Process**”);
 - (ii) increased the Receiver’s borrowing charge and the amount the Receiver was allowed to borrow thereunder from \$500,000 to \$1,500,000 (the “**Receiver’s Borrowing Charge**”);
 - (iii) approved the Receiver’s receipts and disbursements (the “**Initial R&D**”) for the period from May 2, 2025, to September 7, 2025 (the “**Initial Period**”); and
 - (iv) approved the Receiver’s first report dated September 12, 2025 (the “**First Report**”), and the actions, activities and conduct of the Receiver as set-out therein; and

- (b) approving the sealing of the confidential appendices to the First Report until further order of this Court.
3. This report is the Receiver's second report (the "**Second Report**") in connection with these receivership proceedings (the "**Receivership Proceedings**"). Copies of the First Report (without appendices), the Receivership Order, and the SISP Order are attached hereto as **Appendix "A"**, **Appendix "B"** and **Appendix "C"**, respectively.

PURPOSE OF THIS SECOND REPORT

4. The purpose of this Second Report is to, amongst other things:
- (a) provide the Court with a brief summary of the Debtors' background, and of the events that led to these Receivership Proceedings;
 - (b) provide an update on the GC King Bond's creditors;
 - (c) provide the Court with information on the status of the Unit Purchasers (as hereinafter defined);
 - (d) provide the Court with an update on the Sale Process;
 - (e) summarize the results of the Sale Process;
 - (f) provide the Court with information regarding the proposed Transaction (as hereinafter defined) between the Receiver and the purchaser, Project Green Capital GP Inc., as general partner for Project Green Capital Limited Partnership ("**Project Green**"), and vesting in Project Green's nominee, Sunny Communities (King Bond) Inc. (the "**Purchaser**");
 - (g) update the Court on the activities of the Receiver since the date of the First Report;
 - (h) summarize the Receiver's receipts and disbursements (the "**Interim R&D**") for the period from May 2, 2025, to April 30, 2026 (the "**Period**");

- (i) update the Court on the fees and disbursements of the Receiver and its counsel, Blaney McMurtry LLP (“**Blaney**”); and
- (j) provide the Court with an evidentiary basis to make orders:
 - (i) authorizing the approval and vesting order (the “**Approval and Vesting Order**”), *inter alia*:
 - approving an agreement of purchase and sale (as amended, the “**APS**”) entered into between the Receiver and the Purchaser, for the sale (the “**Transaction**”) of the King Bond Site and other assets as described in the APS (collectively, the “**Purchased Assets**”);
 - following the Receiver’s delivery of the Receiver’s certificate substantially in the form attached as Schedule “A” to the proposed Approval and Vesting Order (the “**Receiver’s Certificate**”), transferring and vesting all of the Debtors’ right, title and interest in and to the Purchased Assets, free and clear of all liens, charges, security interests and encumbrances, other than the permitted encumbrances (as described in the APS);
 - authorizing the Receiver to assign the Assumed UPAs (as hereinafter defined) to the Purchaser; and
 - authorizing the Receiver to terminate and disclaim the Unassumed UPAs (as hereinafter defined);
 - (ii) sealing the Confidential Appendices (as hereinafter defined) to the Second Report pending completion of the Transaction or further order of this Court (the “**Sealing Order**”); and
 - (iii) approving the ancillary matters and distribution order (the “**Distribution Order**”), *inter alia*:
 - authorizing and directing the Receiver to make certain payments and distributions, and maintain certain reserves (as described and recommended

below) from the net proceeds of the Transaction (the “**Sale Proceeds**”) including one or more distributions to Desjardins in respect of the Desjardins Indebtedness (as hereinafter defined);

- approving the Interim R&D;
- approving the fees and disbursements of the Receiver and Blaney, as detailed in the Fee Affidavits (as hereinafter defined); and
- approving this Second Report and the Receiver’s activities described herein.

TERMS OF REFERENCE

5. In preparing this Second Report, the Receiver has been provided with, and has relied upon, unaudited, draft and/or internal financial information, the Debtors’ books and records, and discussions with management of the Debtors and Green City (as defined below) (together “**Management**”) (collectively, the “**Information**”). Except as described in this Second Report:
 - (a) Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided, however; Deloitte has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CAS**”) pursuant to the *Chartered Professional Accountants Canada Handbook*, and, accordingly, Deloitte expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
 - (b) Deloitte has prepared this Second Report in its capacity as the Receiver in connection with the relief sought by the Receiver described herein, and as such, parties using this Second Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.
6. Unless otherwise stated, all dollar amounts contained in this Second Report are expressed in Canadian dollars.

7. This Second Report should be read in conjunction with (i) the affidavit of Ms Geneviève Riverin-Boilard, sworn on April 17, 2025 (the “**Riverin-Boilard Affidavit**”) in support of the Receivership Order, and (ii) the First Report, as certain information contained in the Riverin-Boilard Affidavit and the First Report has not been included herein in order to avoid duplication. A copy of the First Report, the Riverin-Boilard Affidavit, together with other materials filed by Desjardins in support of the commencement of these Receivership Proceedings, can be found on the Receiver’s case website (the “**Receiver’s Website**”) at: <https://www.insolvencies.deloitte.ca/en-ca/Pages/GCKingBondLimitedPartnershipandGCKingBondGPInc.aspx>

BACKGROUND

8. King Bond GP is a private company and was incorporated on May 7, 2018, pursuant to the *Business Corporations Act (Ontario)*, and King Bond LP is a limited partnership formed pursuant to the *Limited Partnership Act (Ontario)* on May 14, 2018.
9. The Receiver understands that the Debtors were formed for the purpose of undertaking the development and construction of a 115-unit residential development marketed as Twelve Oaks Towns (the “**Twelve Oaks Project**”), situated on the Real Property.
10. The Receiver has been advised by Management, that in carrying out the Twelve Oaks Project, the Debtors relied significantly on the resources, personnel, and infrastructure of Green City Investment Inc. and Green City Development Inc. (together, “**Green City**”), resulting in material operational and financial interdependence between the Debtors and Green City.

Status of the Twelve Oaks Project

11. The Twelve Oaks Project was intended to comprise 115 residential units, including stacked townhouse condominium units, freehold back-to-back townhouse units, freehold traditional townhouse units, and freehold semi-detached units.
12. As at the Date of Appointment, the Receiver understands that only four semi-detached units have been delivered to their respective purchasers, with construction on the remaining 111

units either unfinished or not yet commenced, thereby representing the overwhelming majority of the Twelve Oaks Project.

13. Based on information provided by Management, the Receiver understands that, as at the Date of Appointment, the sales distribution by unit type for the Twelve Oaks Project, was as follows:

Unit Type	Construction Status By Unit Type			Total
	Completed	Partially-Built	Construction Not Started	
Stacked Townhouse Condominiums	-	-	42	42
Freehold Back-To-Back Townhouses	-	-	36	36
Freehold Traditional Townhouses	-	6	27	33
Freehold Semi-Detached Homes	4	-	-	4
Total Units	4	6	105	115

14. Management advised the Receiver that construction activity at the Twelve Oaks Project was substantially curtailed beginning in the third quarter of 2024. Since that time, and prior to the Date of Appointment, only limited and intermittent work was undertaken, primarily for site maintenance and health and safety purposes. The Receiver understands that the reduction in construction activity was primarily attributable to liquidity constraints affecting the Debtors and their ability to meet payment obligations to certain subcontractors and trades.
15. Since the Date of Appointment, the Receiver has taken steps to preserve and maintain the King Bond Site, including engaging third-party service providers to carry out clean-up and site maintenance activities and to address safety risks and potential liabilities to the local community.
16. The Receiver has engaged with Tarion Warranty Corporation (“**Tarion**”) and its legal counsel, Tory’s LLP (“**Tory’s**”), to provide updates on the Receivership Proceedings, together with the current construction status at the King Bond Site. In June 2025, the Receiver coordinated and facilitated a site visit for Tarion to assess the stages of completion of the Twelve Oaks Project, identify any deficiencies, and evaluate potential warranty obligations that Tarion may have.

CREDITORS

Secured Creditors

Desjardins

17. As set out in the Riverin-Boilard Affidavit, the Debtors entered into a credit agreement dated June 18, 2021, with Desjardins (the “**Credit Agreement**”) to finance the development of the Twelve Oaks Project. The Receiver understands that, pursuant to the Credit Agreement, Desjardins obtained various forms of security from the Debtors, including, *inter alia*, a collateral mortgage over the King Bond Site, a general security agreement, a general assignment of agreements of purchase and sale, together with certain personal and corporate guarantees (collectively, the “**Desjardins Security**”).
18. In accordance with the Credit Agreement, Desjardins made advances to the Debtors under a demand interim non-revolving construction loan facility and a letter of credit facility (collectively, the “**Credit Facility**”) in furtherance of the Twelve Oaks Project. Based on information provided to the Receiver, Desjardins is owed approximately \$29,958,000 (inclusive of amounts advanced under the Receiver’s Borrowing Charge) under the Credit Facility as of April 24, 2026 (the “**Desjardins Indebtedness**”).
19. The Receiver has been advised that the Debtors made representations to Desjardins regarding the pursuit of refinancing in respect of the amounts owing under the Credit Facility; however, no refinancing transaction was completed. As set out in the Riverin-Boilard Affidavit, Desjardins subsequently issued a written demand for repayment and delivered a notice of intention to enforce security pursuant to section 244 of the BIA, which preceded the commencement of these Receivership Proceedings.

Westmount

20. Westmount Guarantee Services Inc. (“**Westmount**”), as administrative agent for Aviva Insurance Company of Canada (“**Aviva**”), holds security (the “**Westmount Collateral**”) over the Deposits (as defined below) held by the Debtors’ legal counsel, Robins Appleby LLP (“**Robins Appleby**”) as escrow agent. This security arises in connection with certain credit,

indemnification, and bonding support provided by Westmount to the Debtors in relation to their registrations with Tarion Warranty Corporation (“**Tarion**”).

21. Pursuant to paragraph 3 of the Receivership Order, the Westmount Collateral is excluded from the Property.

Other Secured Creditors

22. On May 7, 2025, Mr Alex Liu, an employee of Green City, and a member of Management, informed the Receiver about the registration of a third mortgage in the amount of \$400,000 against the Real Property (the “**Third Mortgage**”). The Third Mortgage was registered on May 1, 2025, in favour of Yinglie Li and Song Shao (together, the “**Third Mortgagees**”).
23. Mr Liu further advised the Receiver that the Third Mortgage is understood to relate to amounts advanced by the Third Mortgagees to GC King Bond in lieu of deposits in respect of a unit purchased in the Twelve Oaks Project.
24. As further discussed herein, the Sale Proceeds will not be sufficient to repay the Desjardins Indebtedness in full. Accordingly, the Receiver has not instructed Blaney to conduct a review of the security purportedly granted in favour of the Third Mortgagees. Should circumstances materially change such that funds may become available for distribution to the Third Mortgagees, the Receiver will address this issue at that time.

General Creditors

25. In addition to the amounts owing by the Debtors to their secured creditors, the Receiver understands that GC King Bond has accrued unpaid unsecured obligations, including amounts owing to trade creditors, subcontractors and other service providers. This information is based on the Debtors’ most recent books and records, which have not been independently verified by the Receiver. As outlined above, given the anticipated shortfall in respect of the Desjardins Indebtedness, the Receiver does not expect that any funds will be available for distribution to unsecured creditors.

THE UNIT PURCHASERS

Overview of Deposits Held in Trust

26. The deposits paid by the pre-construction condominium unit purchasers (the “**Condo Purchasers**”), and the pre-construction freehold townhome¹ unit purchasers (the “**Freehold Purchasers**”, and together with the Condo Purchasers, the “**Unit Purchasers**” and each a “**Unit Purchaser**”) were paid into two trust accounts managed and overseen by Robins Appleby, as escrow agent.
27. The deposits paid by the Condo Purchasers (the “**Condo Deposits**”) were segregated and held in a separate condominium trust account (the “**Condo Trust Account**”) from the freehold deposit account (the “**Freehold Deposit Account**”) that held the deposits paid by the Freehold Purchasers (the “**Freehold Deposits**” and together with the Condo Deposits, the “**Deposits**”).
28. Robins Appleby advises that, as of March 31, 2026, the total quantum of the Deposits held by Robins Appleby is approximately \$7,945,117, of which approximately \$5,698,144 is held in the Condo Trust Account, with approximately \$2,246,973 held in the Freehold Deposit Account.
29. A summary of the Deposits as at March 31, 2026, is outlined below:

Unit Type	Deposits Received (A)	Deposits Refunded to Purchasers (B)	Deposits Released to King Bond (C)	Interest Accrued (D)	Current Deposit Balance (E)
Condo Deposits	7,743,274	2,837,782	-	792,652	5,698,144
Freehold Deposits	16,929,844	6,430,052	8,627,340	374,521	2,246,973
Total Deposits	24,673,118	9,267,834	8,627,340	1,167,173	7,945,117

¹ The freehold townhomes are in the form of parcels of tied land appurtenant to a common elements condominium, often referred to as POTLs.

Status of Condo Deposits

30. As outlined in the table above, Condo Deposits totaling approximately \$7,743,274 were transferred into the Condo Trust Account, of which approximately \$5,698,144 remains (calculated as A-B-C+D = E).
31. The Receiver has been advised by Robins Appleby that the pre-construction agreements of purchase and sale entered into with condominium purchasers (the “**Condo UPAs**”, and each a “**Condo UPA**”) were, in certain cases, terminated pursuant to mutual releases prior to the Date of Appointment, and that any amounts released from the Condo Trust Account relate solely to refunds issued prior to the Date of Appointment in connection with such terminations. Attached as **Appendix “D”** is a partially redacted copy of a sample Condo UPA entered into between the Debtors and the Condo Purchasers.
32. The Receiver has been advised by Robins Appleby that there are sufficient funds held in the Condo Trust Account to repay the Condo Deposits, plus accrued interest that may be owing to them.

Status of Freehold Deposits

33. Based on information provided by Robins Appleby, the Receiver understands that Freehold Deposits totaling approximately \$16,929,844 were transferred into the Freehold Deposit Account, of which approximately \$2,246,973 remains. The Receiver understands that the pre-construction freehold townhome unit agreements of purchase and sale entered into with Freehold Purchasers (the “**Freehold UPAs**”, and each a “**Freehold UPA**”, and together with the Condo UPAs, the “**UPAs**”) were, in certain cases, terminated pursuant to mutual releases effected prior to the Date of Appointment, and that refunds totaling approximately \$6,430,052 were paid from the Freehold Deposit Account prior to the Date of Appointment in connection with such terminations. Attached as **Appendix “E”** is a partially redacted copy of the standard form Freehold UPA entered into between the Debtors and the Freehold Purchasers.
34. The Debtors did not obtain excess deposit insurance for the Freehold Deposits.

35. The Receiver understands that Westmount, acting as administrative agent for Aviva, established a bonding facility in favour of Tarion (the “**Tarion Bond**”) in connection with the Twelve Oaks Project. Under the Tarion Bond, Westmount holds security over, amongst other things, the Westmount Collateral, which includes a priority charge over the Freehold Deposits maintained in the Freehold Deposit Account (collectively, the “**Westmount Security**”).
36. Blaney has provided the Receiver with a legal opinion in respect of the Westmount Security (the “**Westmount Security Opinion**”). Subject to the assumptions, qualifications, and limitations set out therein, Blaney has opined that the Westmount Security constitutes valid security interests or charges, as applicable, over the Freehold Deposits, and that such security has been properly perfected by registration under the Personal Property Security Act (Ontario), as applicable. A copy of the Westmount Security Opinion is attached hereto as **Appendix “F”**.
37. Pursuant to the Tarion Bond, a minimum amount of approximately \$2,190,000 (the “**Tarion Bond Minimum**”) is required to remain in the Freehold Deposit Account at all times and is not available for general use or return to the Freehold Purchaser except in accordance with the terms of the Tarion Bond. The Receiver further understands that any amounts in excess of the Tarion Bond Minimum could only be released with Westmount’s approval. The Receiver was advised by Management that, aside from refunds to Freehold Purchasers who obtained mutual releases, all other amounts released from the Freehold Deposit Account were applied to construction activities or otherwise used to advance construction at the King Bond Site. A tracing exercise with respect to the application of the Freehold Deposits would be a costly endeavour, and the primary secured creditor, who would ultimately bear those costs, has not requested such an exercise. Accordingly, on a cost/benefit basis, the Receiver has exercised its discretion not to undertake a tracing exercise as at the date of this Second Report.
38. As set out above, there is approximately \$2,246,973 remaining in the Freehold Deposit Account. It is expected that Westmount will realize upon the entirety of that account to partially offset its obligations to Tarion in accordance with its indemnity. As a result, and pursuant to the Tarion Bond, it is expected that there will be no further funds remaining in the Freehold Deposit Account. Accordingly, any potential recovery for the Freehold Purchasers

is expected to arise, to the extent available, through Tarion’s deposit warranty program (the “**Tarion Warranty**”), subject to applicable eligibility requirements and coverage limits.

39. Certain Unit Purchasers paid deposits directly to GC King Bond in respect of upgrades to their units, such as upgraded appliances (the “**Décor Deposits**”). As the Décor Deposits were paid directly to GC King Bond and not into a trust account, they were not held in trust and are not included in the amounts held in the Condo Trust Account or the Freehold Deposit Account.
40. As outlined above, the Receiver anticipates that there will be no funds available in the Debtors’ estate to reimburse Freehold Purchasers. In circumstances like this, Tarion provides deposit protection for eligible Freehold Purchasers under its deposit warranty coverage program, as outlined below:
 - (a) for purchase prices of \$600,000 or less, coverage is limited to a maximum of \$60,000;
or
 - (b) for purchase prices exceeding \$600,000, coverage is equal to 10% of the purchase price, subject to a maximum limit of \$100,000.

Future Deposit Return Protocol

41. As the Receivership Proceedings have progressed, the Receiver has been working with Tarion and Westmount, as administrative agent for Aviva, and their respective counsel to develop a proposed deposit return protocol (the “**Deposit Return Protocol**”), which is intended to facilitate, to the extent available, the return of deposits paid in respect of the Unassumed UPAs (as hereinafter defined) for both Condo and Freehold Purchasers.
42. The Receiver had anticipated including a finalized version of the Deposit Return Protocol as part of this Second Report. However, Tarion and Westmount were not in a position to finalize the terms of the Deposit Return Protocol prior to the completion of this Second Report.
43. Tarion and Westmount continue to negotiate the terms of the Deposit Return Protocol. The Receiver understands that these discussions are ongoing and anticipates filing a supplementary report in advance of the hearing scheduled for May 14, 2026 (the “**May 14 Hearing**”) to provide the Court with additional information regarding the finalized Deposit

Return Protocol, if available. In the event the Deposit Return Protocol is not finalized in time for the May 14 Hearing, the Receiver intends to adjourn the relief sought in respect of the Deposit Return Protocol and return to Court as soon as practicable to seek approval of the finalized protocol.

44. The Deposit Return Protocol is recommended in the circumstances given that the Deposits are expressly excluded from the definition of “Property” in the Receivership Order and multiple stakeholders, including Tarion and Westmount, and the Receiver, have an interest in the orderly administration and return of such Deposits to Unit Purchasers whose UPAs are not to be assumed. Deposit return protocols of this nature are commonly utilized in real estate insolvencies and are regularly approved by the Court to facilitate an orderly and efficient process for the return of deposits. While Tarion and Westmount continue to finalize the terms of the Deposit Return Protocol, the Receiver anticipates that, if approved, it will provide clarity to stakeholders and support the timely return of deposits to affected Unit Purchasers, to the extent available.

Home Construction Regulatory Authority Penalties

45. Prior to the Date of Appointment, the Debtors incurred significant penalties from the Home Construction Regulatory Authority (“**HCRA**”) arising from their dealings with Unit Purchasers. In or around May 2022, the Debtors increased the purchase prices for all Unit Purchasers and required them to either pay the additional amount or execute a mutual release terminating their UPAs. Between June 2022 and December 2022, 18 Unit Purchasers accepted the increased pricing, while between June 2022 and February 2024, 58 Unit Purchasers terminated their UPAs. The Debtors subsequently resold 48 of these units at prices exceeding those set out in the original UPAs.
46. In April 2024, the HCRA issued a Notice of Proposal seeking to impose an administrative penalty of approximately \$16,746,800 on the Debtors. The Debtors appealed to the Licence Appeal Tribunal and, prior to the scheduled hearing, reached a settlement with the HCRA pursuant to Minutes of Settlement dated October 29, 2024 (the “**HCRA Settlement**”). Under the HCRA Settlement, the penalty was reduced to \$6,415,100, to be partially satisfied through

credits provided to certain affected Unit Purchasers on closing (the “**HCRA Closing Adjustments**”).

THE SALE PROCESS

47. CBRE Limited (“**CBRE**”) was selected as listing agent for the Sale Process after soliciting proposals from several reputable, well-known commercial property brokers in the Greater Toronto Area (the “**GTA**”). The Receiver, in consultation with Desjardins, determined that the proposal from CBRE was superior to the other realtors that submitted proposals, due to; (i) CBRE’s experience selling the King Bond Site (CBRE was the listing agent when the King Bond Site was sold to the Debtors in 2018), and (ii) its experience selling similar properties and commercial real estate properties subject to insolvency proceedings. In addition, CBRE presented a commission structure that was consistent with the market and superior to the other proposals submitted.
48. Pursuant to the SISP Order, on September 22, 2025, the Receiver, in consultation with CBRE, launched the Sale Process. Key activities undertaken by the Receiver and CBRE in respect of the Sale Process include:
- (a) preparation of a list of potential bidders made up of strategic parties, major residential developers, and investors active in the GTA;
 - (b) distribution of a summary of the King Bond Site and the Sale Process (the “**Teaser**”) to potential interested parties;
 - (c) preparation of a form of non-disclosure agreement to be executed in order to obtain access to more confidential information related to the Property (the “**NDA**”);
 - (d) establishment of a virtual data room (the “**Data Room**”), accessible upon execution of an NDA;
 - (e) inclusion in the Data Room of detailed information regarding the Property, including drawings, site maps, permits, and other due diligence materials;

- (f) provision of a form of agreement of purchase and sale within the Data Room, which interested parties were required to use, in substantially the same form, when submitting offers (the “**Template APS**”), in order to facilitate the efficient review and assessment of such offers;
 - (g) publication of advertisements in the *Globe and Mail* (National Edition) regarding the Sale Process on September 30, 2025, and October 2, 2025;
 - (h) publication of the Sale Process on the Insolvency Insider website and through its newsletter distribution;
 - (i) communication to prospective bidders who had executed an NDA advising of the advancement of the initial bid deadline to November 12, 2025 (the “**Initial Bid Date**”) and that offers were required to be submitted by that date using the Template APS; and
 - (j) negotiations between the Receiver and/or CBRE and prospective purchasers to finalize the terms of offers submitted.
49. The Sale Process was structured as a three-phase process and was designed to be a broad and flexible process to maximize recovery for stakeholders. The Sale Process provided the Receiver with discretion to modify the timelines without approval of the Court if the Receiver determined it would be beneficial to the process.

50. The initial proposed Sale Process timeline was as set out below:

Milestones	Initial Timeline
Phase One: Marketing & Exposure Period	September 22, 2025, to November 20, 2025.
Phase Two: Initial Bid Date	November 20, 2025, to November 25, 2025.
Phase Two: Offer Review & Selection	Offers reviewed and successful bidder selected within 5 - 10 days of the Initial Bid Date.
Phase Three: Due Diligence Period	Approximately 60 - 70 days from the Initial Bid Date.
Phase Three: Court Approval Hearing	Scheduled following satisfaction or waiver of conditions, within 80 - 90 days of the Initial Bid Date.
Phase Three: Sale Closing	Forthwith upon Court approval of the Transaction.

51. The Receiver consulted with Desjardins and CBRE regarding the Sale Process, and both parties were in agreement with the Sale Process timelines and procedures.

Results of the Sale Process

52. A summary of the results of the Sale Process is as follows:

- (a) on September 22, 2025, CBRE officially marketed the property through its exclusive database of approximately 1,000 subscribed contacts, generating over 10,000 views, and also contacted parties who had previously reached out to the Receiver expressing interest in purchasing the King Bond Site;
- (b) a total of 30 parties executed NDAs and were provided access to the Data Room;
- (c) six prospective bidders attended site tours; and

- (d) five parties submitted offers by the Initial Bid Date (collectively, the “**Offers**”, and each an “**Offer**”) for the Property.
53. The Receiver reviewed the Offers and after consultation with CBRE and Desjardins, the Receiver determined that one of the Offers was materially lower than the other four, and that the Receiver would not proceed with the lowest Offer. Accordingly, the Receiver instructed CBRE to invite the remaining four parties that submitted an Offer to continue their due diligence and resubmit their revised highest and best offers by November 17, 2025, 2025 (the “**Second Bid Date**”). A summary of the Offers received (the “**First Offer Summary**”) is provided to the Court as **Confidential Appendix “1”**, to be sealed.
54. As at the Second Bid Date, two parties increased their Offers, whilst the two other parties kept their Offers unchanged. After discussions with Desjardins and CBRE, the Receiver chose the highest and best offer as the successful purchaser (the “**Initial Proposed Purchaser**”). A summary of the Offers received after the Second Bid Date (the “**Second Offer Summary**”) is provided to the Court as **Confidential Appendix “2”**, to be sealed.
55. On November 21, 2025, the Receiver and the Initial Proposed Purchaser signed an agreement of purchase and sale, subject to due diligence.
56. On January 12, 2026, the Initial Proposed Purchaser informed CBRE that it was not prepared to proceed to close the transaction without a significant purchase price reduction. The Receiver, in consultation with Desjardins, determined that it would not agree to the purchase price reduction. As a result, the agreement of purchase and sale terminated, and the Initial Proposed Purchaser’s deposit was returned.
57. On January 16, 2026, following consultation with Blaney, Desjardins and its counsel, Gowling WLG (Canada) LLP (“**Gowlings**”), and CBRE, the Receiver instructed CBRE to contact the next two highest bidders and invite them to submit revised offers for the Property by January 16, 2026 (the “**Final Bid Date**”). A summary of the offers received after the Final Bid Date (the “**Final Offer Summary**”) is provided to the Court as **Confidential Appendix “3”**, to be sealed.

58. The Receiver, in consultation with CBRE and Desjardins, selected the Purchaser’s offer (the “**Purchaser’s Offer**”), as, amongst other considerations, it:
- (a) was the highest bid;
 - (b) in the Receiver’s view, presented the greatest certainty of closing; and
 - (c) provided a significant number of Unit Purchasers, selected at the Purchaser’s discretion, with an option to either have their UPAs disclaimed or assigned with mutually agreeable amendments.
59. Desjardins, being the primary secured creditor, was in agreement with the decision to accept the Purchaser’s Offer, details of which are set out below.

THE TRANSACTION

60. On or about February 6, 2026, the Receiver entered into the APS with the Purchaser on certain terms and conditions, one of which includes Court approval of the Transaction and the granting of the Approval and Vesting Order.
61. A redacted copy of the APS is attached hereto as **Appendix “G”**, and the unredacted copy is provided to the Court as **Confidential Appendix “4”**, to be sealed.
62. A summary of the non-commercially sensitive key terms of the APS is provided below.

Summary of the APS	
Purchaser	<ul style="list-style-type: none"> • The Purchaser (as defined in Paragraph 4 herein).
Transaction Type	<ul style="list-style-type: none"> • Court-supervised, “as is, where is” sale pursuant to the Approval and Vesting Order.
APS Date	<ul style="list-style-type: none"> • February 6, 2026.
Purchase Price	<ul style="list-style-type: none"> • Confidential, but outlined in the Confidential Appendices. • Consists of a base purchase price, subject to an upward adjustment for each Assumed UPA (as hereinafter defined) (together the “Purchase Price”).

Summary of the APS	
Deposit Received	<ul style="list-style-type: none"> • Confidential. • The Transaction deposit (the “Transaction Deposit”) was paid to the escrow account of the Receiver’s counsel, Blaney.
Purchased Assets	<ul style="list-style-type: none"> • All right, title and interest of the Debtor in the Real Property. • The Assumed UPAs (as discussed further below). • Assets conveyed free and clear of encumbrances, other than permitted encumbrances (as set out in the APS), pursuant to the Approval and Vesting Order.
Excluded Assets	<ul style="list-style-type: none"> • Cash and cash equivalents. • The Unassumed UPAs (as hereinafter defined), along with any Deposits relating thereto. • The Freehold Deposits. • Certain books, records and other excluded assets as specified in the APS. • Any other assets identified as excluded in the APS.
Outside Closing Date	<p>The later of:</p> <ul style="list-style-type: none"> • the first Business Day that is 30 days after the Approval and Vesting Order is granted; or • the first Business Day that is 30 days after any appeals are resolved or periods expire.
Conditions to Closing	<p>Closing is subject to, amongst other things:</p> <ul style="list-style-type: none"> • issuance of the Approval and Vesting Order; • final determination or expiry of all appeal periods; • satisfaction or waiver of applicable conditions; • completion upon delivery of the Receiver’s Certificate; and • payment of the balance of the Purchase Price.

Treatment of the UPAs

63. The APS includes a condition permitting the Purchaser to identify certain UPAs for assignment and amendment, subject to the consent of the applicable Unit Purchaser. Pursuant to this process, the Purchaser selected 71 of 111 UPAs for potential assignment, with the Unit Purchasers thereunder (the “**Selected Purchasers**”) being contemplated to have their UPAs assigned to the Purchaser by the Receiver on a consensual basis.
64. The Receiver intends to disclaim the UPAs that are not assigned to the Purchaser. Pursuant to this process, of the 71 UPAs, 58 were not selected for assignment, and the applicable Unit Purchasers thereunder (the “**Non-Selected Purchasers**”) are contemplated to have their UPAs disclaimed by the Receiver in accordance with the terms of the APS.
65. On March 2, 2026, the Receiver issued a notice (the “**March 2026 Notice**”) to the Unit Purchasers providing an update on the proposed Transaction and the anticipated treatment of the Deposits, and advising that certain UPAs may be selected for proposed assignment to the Purchaser while others may not be selected, with further correspondence to follow identifying the status of each Unit Purchaser. A copy of the March 2026 Notice is attached hereto as **Appendix “H”**.
66. On or about March 3, 2026, the Receiver sent a form letter to the Selected Purchasers (the “**Selected Purchaser Letter**”), and a separate form letter to the Non-Selected Purchasers (the “**Non-Selected Purchaser Letter**”) outlining the proposed next steps with respect to the UPAs. Copies of the Selected Purchaser Letter and the Non-Selected Purchaser Letter are attached hereto as **Appendix “I”**, and **Appendix “J”**, respectively.

The Selected Purchasers

67. As outlined in the Selected Purchaser Letter, over a period of approximately eight weeks, the Purchaser’s representatives met individually with the Selected Purchasers to discuss whether each Unit Purchaser would consent to the proposed amendments and an assignment of their UPA to the Purchaser on closing of the Transaction. The Selected Purchasers were provided with the option to (i) consent to the assignment and amendment of their UPAs (each, an “**Amending Agreement**”), or (ii) decline, in which case their UPAs would be disclaimed in

line with other affected Unit Purchasers. The Amending Agreements and assignments are conditional upon Court approval and closing of the Transaction. As such, the Purchaser is not seeking any forced assignments or amendments of UPAs. It is a condition of the Amending Agreement that the Court approves the form of Amending Agreement. A copy of the standard form of amending agreement entered into between the Purchaser and each of a Condo Purchaser and a Freehold Purchaser is attached hereto as **Appendix “K”**.

68. Although not a signatory to the HCRA Settlement, the Purchaser has agreed to honour the HCRA Closing Adjustments for those Unit Purchasers who were affected by the HCRA Settlement and who have agreed to execute an Amending Agreement. Such amounts will be applied as a credit on that unit’s closing price by the Purchaser.
69. A summary of the UPAs identified by the Purchaser for assignment, as compared to those in respect of which Amending Agreements were ultimately executed, is set out below.

Unit Type	Sought To Be Assigned	Executed Assignment
Freehold Units	32	6
Condo Units	39	7
Total Units	71	13

70. The Purchaser advises that 13 Unit Purchasers have agreed to and executed an Amending Agreement (collectively, the “**Assumed UPAs**”, and each an “**Assumed UPA**”). The Receiver has requested copies of these executed Amending Agreements before it completes the Transaction. A summary setting out the status and outcome in respect of each UPA for which the Purchaser sought assignment (the “**UPA Assignment Summary**”) is provided to the Court as **Confidential Appendix “5”**, under seal.

The Non-Selected Purchasers

71. The Non-Selected Purchaser Letter advised the Non-Selected Purchasers that the Receiver would seek to have their UPAs disclaimed as part of the motion to approve the Transaction, and as a result, the Receiver is seeking to terminate and disclaim such UPAs (the “**Unassumed UPAs**”, and each an “**Unassumed UPA**”).

72. A summary of the status of the UPAs is set out in the table below:

Unit Type	Assumed UPAs	Unassumed UPAs	Total
Freehold Units	6	26	32
Condo Units	7	32	39
Total Units	13	58	71

73. In support of the proposed disclaimer of the Unassumed UPAs, the Receiver notes the following:

- (a) many of the Unit Purchasers have expressed a preference for their respective UPAs to be disclaimed;
- (b) the Purchaser gave an opportunity to many of the Unit Purchasers to have their UPAs honoured; however, the majority of those Unit Purchasers ultimately declined;
- (c) the forms of pre-sale UPAs provided to the Receiver expressly stipulate that: (i) the Unit Purchaser's agreement is subordinated and postponed to any mortgages granted by the Debtors and any advances made thereunder from time to time; and (ii) the UPAs do not create an interest in the Real Property, and each Unit Purchaser has agreed not to register, or permit the registration of, its UPA against title to the Real Property;
- (d) the Receiver has provided notice to the Unit Purchasers whose UPAs are proposed to be disclaimed and has advised the Selected Purchasers that, absent their consent to the assignment and amendment of their UPAs, the Receiver will seek to disclaim such UPAs; and
- (e) the Receiver intends to serve each of the Unit Purchasers with this motion by email (if available) or by registered mail.

74. The Receiver recommends that the Court authorize the Receiver to terminate and disclaim the Unassumed UPAs upon the closing of the Transaction.

Transaction Recommendation

75. The Receiver is of the view that the Transaction represents the best executable offer received in the Sale Process. Although the Sale Proceeds will be insufficient to repay the Desjardins Indebtedness, the Receiver does not have any reasonable basis to believe that further marketing of the Property will result in a higher or better offer given the broad marketing process completed by CBRE.
76. The Receiver respectfully recommends that this Court approve the Transaction and grant the proposed Approval and Vesting Order, for the following reasons:
- (a) in the Receiver's view, the Sale Process undertaken by CBRE to market the Property, including its terms, procedures and proposed timeline, was commercially reasonable in the circumstances;
 - (b) CBRE strongly recommends that the Transaction be completed;
 - (c) the Purchaser's Offer represents the highest and best offer received for the Property following a thorough canvassing of the market;
 - (d) Unit Purchasers who consent to the assignment of their UPAs will obtain increased certainty regarding the timing of construction and delivery of their units, noting that certain of these Unit Purchasers originally entered into their UPAs as early as 2020;
 - (e) Unit Purchasers whose UPAs are to be disclaimed are expected to be able to avail themselves of the anticipated Deposit Return Protocol to seek recovery of some or all of their deposits;
 - (f) Desjardins, which is expected to incur a shortfall in respect of the Desjardins Indebtedness, has advised the Receiver that it supports the Transaction; and
 - (g) as at the date of this Second Report, the Receiver is not aware of any party that will be filing materials objecting to the Approval and Vesting Order. However, the Receiver has recently received correspondence from some Freehold Unit Purchasers whose UPAs are to be disclaimed, expressing concern about potential losses they may incur (i.e., if

their deposit amount is greater than the Tarion coverage) as a result of the Transaction and the disclaimer of their UPA. The Receiver has corresponded with these parties and will continue to do so following the service of this report.

THE SEALING ORDER

77. The Receiver recommends that the following appendices (collectively, the “**Confidential Appendices**”) be filed with the Court under seal on a confidential basis:

- (a) the First Offer Summary;
- (b) the Second Offer Summary;
- (c) the Final Offer Summary;
- (d) the Unredacted APS; and
- (e) the UPA Assignment Summary.

78. The Receiver believes it is appropriate for the Confidential Appendices to be filed under seal pursuant to this Court’s approval of the Approval and Vesting Order. Disclosure of this information could prejudice the completion of the Transaction by revealing valuation details and other confidential data to parties who may have an interest in the Transaction. Further, if the Transaction does not close, disclosure of the confidential data could prejudice a future transaction.

79. The Receiver is not aware of any party that would be prejudiced by the proposed Sealing Order, and therefore, the Receiver believes the proposed Sealing Order is reasonable and appropriate in the circumstances.

ACTIVITIES OF THE RECEIVER

80. The Receiver’s activities since the First Report have included, amongst other things:

- (a) attending periodically at the King Bond Site to address maintenance, security, and other on-site operational matters;

- (b) coordinating with site security personnel in response to incidents involving attempted or actual unauthorized entry onto the King Bond Site;
- (c) coordinating extensively with various vendors and service providers to ensure the continued provision of key services at the King Bond Site;
- (d) responding to calls and written enquiries from stakeholders and creditors, including, in particular, Unit Purchasers who have contacted the Receiver seeking information regarding the Receivership Proceedings and the status of the Deposits and UPAs;
- (e) issuing formal written communications to Unit Purchasers to provide updates regarding the status of the Receivership Proceedings, and related matters, as summarized below:
 - (i) on October 29, 2025, the Receiver issued a notice responding to common queries received from the Unit Purchasers;
 - (ii) on March 2, 2026, the Receiver issued the March 2026 Notice; and
 - (iii) on March 3, 2026, the Receiver issued both the Selected Purchaser Letter and the Non-Selected Purchaser Letter to the applicable Unit Purchasers;
- (f) corresponding with the Debtors' legal counsel, Robins Appleby, regarding matters relating to the status of the Deposits;
- (g) corresponding with representatives of Tarion regarding the status of the Twelve Oaks Project and matters relating to the Transaction;
- (h) corresponding with representatives of the City of Richmond Hill with respect to the Twelve Oaks Project and Transaction-related matters;
- (i) corresponding with the Receiver's independent legal counsel, Blaney, on various legal and administrative matters arising in connection with the Receivership Proceedings;
- (j) corresponding with the Receiver's insurance broker, Jones DesLauriers Insurance Management Inc., including in connection with extensions and renewals of insurance coverage;

- (k) corresponding with the Canada Revenue Agency (“CRA”) regarding the Debtors’ GST/HST accounts;
- (l) corresponding with the Debtors’ creditors in respect of matters arising in the administration of the Receivership Proceedings;
- (m) conducting the Court-approved Sale Process in accordance with the SISP Order;
- (n) corresponding with parties that expressed an interest in participating in the SISP, including responding to preliminary inquiries regarding the Sale Process;
- (o) coordinating and responding to due diligence requests submitted by prospective purchasers throughout the Sale Process, including arranging and accommodating site tours, responding to information requests, and managing access to project materials;
- (p) corresponding extensively with the Purchaser and its counsel in connection with the APS and the Transaction, including negotiating commercial terms, timelines, and conditions;
- (q) corresponding with Desjardins and its legal counsel, Gowlings, regarding the progress of the SISP, the Transaction, and other matters arising in connection with the Receivership Proceedings;
- (r) preparing and reviewing sale-related documentation in support of the Transaction, including materials required for Court approval;
- (s) coordinating with advisors and stakeholders in advance of seeking Court approval of the Transaction;
- (t) liaising with Desjardins in connection with draws under the Receiver’s Borrowing Charge in accordance with the Receivership Order;
- (u) recording the receipts and disbursements of the Receiver, including the preparation of the Interim R&D for the Period;

- (v) attending to various other matters incidental to the ongoing administration of the Receivership Proceedings; and
- (w) preparing this Second Report.

INTERIM STATEMENT OF RECEIPTS & DISBURSEMENTS

81. Set out below is a summary of the Interim R&D for the Period:

GC King Bond Limited Partnership, and GC King Bond GP Inc. Interim Statement of Receipts & Disbursements For the Period May 2, 2025 to April 30, 2026 (CAD, Unaudited)	
Receipts	
Receiver's Borrowings	1,400,000
HST Refunds	85,192
Other Receipts	2,420
Total Receipts	1,487,612
Disbursements	
Professional Fees - Restructuring	815,595
King Bond Property Taxes	156,015
HST/GST Paid on Disbursements	120,654
King Bond Site Costs	100,470
Insurance	23,073
General Expenses	269
Total Disbursements	1,216,076
Ending Cash Balance	271,536

82. As at the Date of Appointment, GC King Bond had a consolidated bank balance of approximately \$83 across all of the Debtors' bank accounts.
83. As at April 30, 2026, the Receiver had cash on hand of approximately \$271,500, excluding the Transaction Deposit.

84. As noted above, the Receiver had total receipts of approximately \$1,487,600 during the Period, consisting almost entirely of (i) funds advanced by Desjardins under the Receiver's Borrowing Charge, or (ii) GST/HST refunds from CRA.
85. Total disbursements during the Period were approximately \$1,216,100, primarily consisting of:
- (a) professional fees and disbursements of approximately \$815,600
 - (b) property taxes of approximately \$156,000;
 - (c) costs associated with overseeing and managing the King Bond Site of approximately \$100,500; and
 - (d) insurance costs of approximately \$23,100.
86. The Interim R&D does not include obligations that have been accrued but not yet paid as at the date of this Second Report.

PROPOSED INTERIM DISTRIBUTION TO DESJARDINS

87. Blaney has provided the Receiver with a legal opinion in respect of the Desjardins Security (the "**Desjardins Security Opinion**"). Subject to the assumptions, qualifications, and limitations set out therein, Blaney has opined that the Desjardins Security constitutes valid security interests or charges, as applicable, over the Property, and that such security has been properly registered against title to the Real Property perfected by registration under the *Personal Property Security Act (Ontario)*, as applicable. A copy of the Desjardins Security Opinion is attached hereto as **Appendix "L"**.
88. If the proposed Transaction is approved, the Receiver is seeking authorization and direction to distribute the Sale Proceeds to repay:
- (a) the amounts owing under the Receiver's Borrowings Charge (which are \$1,400,000 as at the date of this Second Report, although the Receiver notes that it may need to borrow

additional funds under the Receiver's Borrowing Charge to fund certain operating costs between the date of this Second Report and its discharge); and

(b) a portion of the Desjardins Indebtedness.

89. Desjardins is the principal secured creditor of the Debtors. The Purchase Price under the Transaction provides for a cash portion of the Purchase Price, which the Receiver is proposing to use a portion to repay the amount of the Desjardins Indebtedness. As aforementioned, the Desjardins Indebtedness is not anticipated to be repaid in full. Accordingly, the Receiver is seeking the Distribution Order permitting it to make distributions up to the full value of the Desjardins Indebtedness, subject to the full repayment of any valid priority claims and/or holdback of funds in respect of same (as set out further below), without the need for a further distribution order.

Priority Claims & Holdbacks

90. Since the Date of Appointment, the Receiver has not received any supplier demands for repossession of goods. Accordingly, the Receiver is not aware of any claims that could be owing pursuant to section 81.1 of the BIA.

91. The Receiver is advised by Management that the Debtors did not have any employees. Accordingly, the Receiver is not aware of any amounts that could be owing pursuant to section 81.4 or section 81.6 of the BIA.

92. On November 17, 2025, the Receiver received correspondence from CRA indicating that the Debtors may owe GST/HST in the amount of approximately \$97,394 (exclusive of interest and penalties) (the "**CRA Assessment**"). As of the date of this Second Report, the Receiver has not undertaken an independent determination as to the validity of the CRA Assessment.

93. Based on searches of title to the Real Property conducted and reviewed by Blaney, the Receiver understands that, as at the date of this Second Report, one construction lien has been registered against the Property by OGO Excavation Corp. in the amount of approximately \$55,766 (inclusive of HST) (the "**OGO Lien**") in respect of construction services and materials. The OGO Lien has not been perfected and, accordingly, may not give rise to a

priority claim; however, to the extent it is preserved or subsequently perfected, it may impact distributions from the Sale Proceeds.

94. Pending a determination of the validity of the CRA Assessment, the OGO Lien, and other amounts to administer the Receivership to discharge, the Receiver proposes to withhold such amounts as it requires, in consultation with Desjardins (the “**Holdback Reserve**”).

APPROVAL OF PROFESSIONAL FEES & DISBURSEMENTS

95. The Receiver, and its legal counsel, Blaney, have maintained detailed records of their professional time and costs since the Date of Appointment.
96. The Receiver is seeking approval of its fees and disbursements for the period from April 28, 2025, to February 28, 2026, (the “**Deloitte Fee Period**”) and those of its legal counsel, of Blaney from May 12, 2025, to February 28, 2026, (the “**Blaney Fee Period**”), in connection with the performance of their duties pursuant to the Receivership Proceedings.
97. The total fees and disbursements of Deloitte during the Deloitte Fee Period amount to \$611,466 and \$17,376, respectively, each excluding sales tax (collectively, the “**Receiver’s Accounts**”). These amounts represent professional fees and disbursements not yet approved by the Court. The affidavit of Mr Jordan Sleeth sworn on May 7, 2026, and attached hereto as **Appendix “M”** (the “**Sleeth Affidavit**”) includes details of the Receiver’s Accounts.
98. The total fees and disbursements of Blaney during the Blaney Fee Period amount to \$233,324 and \$1,940 respectively, each excluding sales tax (collectively, the “**Blaney Accounts**”). These amounts represent professional fees and disbursements not yet approved by the Court. The affidavit of Mr Stephen Gaudreau sworn on May 7, 2026, and attached hereto as **Appendix “N”** (the “**Gaudreau Affidavit**”) includes details of the Blaney Accounts.
99. The Receiver has reviewed the Blaney Accounts and confirms it authorized the work performed. The Receiver believes that both the Receiver’s Accounts and the Blaney Accounts are reasonable in the circumstances and respectfully requests that the Court approve these accounts as set out in the Sleeth Affidavit and the Gaudreau Affidavit (together, the “**Fee**”).

Affidavits”). Desjardins has been provided with these invoices and does not have any opposition to their approval by the Court.

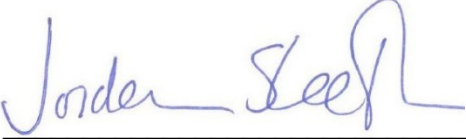
RECEIVER’S RECOMMENDATIONS

100. For the reasons set out above, the Receiver recommends that the Court make orders:

- (a) granting the Approval and Vesting Order, *inter alia*:
 - (i) approving the Transaction;
 - (ii) vesting title in and to the Purchased Assets in the Purchaser, free and clear of all liens, claims, charges and encumbrances, other than the permitted encumbrances (as defined in the APS), upon the closing of the Transaction, and the delivery of the Receiver’s Certificate;
 - (iii) authorizing the Receiver to assign the Assumed UPAs to the Purchaser; and
 - (iv) authorizing the Receiver to terminate and disclaim the Unassumed UPAs;
- (b) sealing the Confidential Appendices to the Second Report pending completion of the Transaction or further order of this Court; and
- (c) authorising the Distribution Order, *inter alia*:
 - (i) authorizing and directing the Receiver to repay amounts borrowed under the Receiver’s Borrowing Charge and, thereafter, to make certain payments and distributions to Desjardins in respect of the Desjardins Indebtedness, subject to the Holdback Reserve;
 - (ii) approving the Interim R&D;
 - (iii) approving the fees and disbursements of the Receiver and Blaney, as detailed in the Fee Affidavits; and
 - (iv) approving the Second Report and the Receiver’s activities described therein.

All of which is respectfully submitted at Toronto, Ontario this 7th day of May 2026.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as the Court-appointed
Receiver of GC King Bond Limited
Partnership, by its general partner, GC King
Bond GP Inc. and without personal or
corporate liability

Per: 

Jordan Sleeth, CPA, CA, CIRP, LIT
Senior Vice-President