Deloitte.

NO. H-241069
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

DESJARDINS FINANCIAL SECURITY LIFE ASSURANCE COMPANY

PETITIONER

AND:

1556335 B.C. LTD., HASTINGS STREET LIMITED PARTNERSHIP, I4 PROPERTY GROUP INC., MYRON CALOF, TRAVELERS INSURANCE COMPANY OF CANADA, LONGTHORN HOLDINGS LTD., LANE CONSTRUCTION SERVICES LTD., ELKH SHOTCRETE INC., ATRYSTEN PLUMBING & HEATING LTD., GREER CONTRACTING LTD., PDQ CONSTRUCTION LTD., LMS LIMITED PARTNERSHIP, RED SEAL ELECTRIC LTD., KERKHOFF CONSTRUCTION (2022) LTD. LIONS GATE WATER TREATMENT LTD., PEAKHILL CAPITAL INC., KOFFMAN KALEF LLP AND CAMERON STEPHENS MORTGAGE CAPITAL LTD.

RESPONDENTS

SECOND REPORT OF THE COURT-APPOINTED RECEIVER OF 1556335 B.C. LTD., HASTINGS STREET LIMITED PARTNERSHIP AND I4 PROPERTY GROUP INC.

DATED SEPTEMBER 2, 2026

PREPARED BY DELOITTE RESTRUCTURING INC.

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INTRODUCTION

1) Pursuant to an Order (the "**Receivership Order**") of the Supreme Court of British Columbia (the "**Court**") dated December 19, 2024 and effective February 14, 2025 (the "**Date of Receivership**"), Deloitte Restructuring Inc. was appointed as receiver and manager, without security (in such capacity, the "**Receiver**") of the lands located at 4437/4451 Hastings Street, Burnaby, British Columbia ("**BC**") with a PID of 031-340-741 (the "**Lands**") and all personal property of I4PG Hastings Street Inc. ("**I4PG Inc.**"), Hastings Street Limited Partnership ("**HSLP**"), and I4 Property Group Inc. ("**PGI**", and collectively with I4PG Inc. and HSLP, the "**Debtors**") located at, related to, or derived from the Lands, and the share of I4PG Inc. (collectively with the Lands, the "**Property**"). The Court proceedings in which the Receiver was appointed are referred to herein as the "**Receivership Proceedings**".

2) The Receivership Order was granted pursuant to an application to the Court made by Desjardins Financial Security Life Assurance Company ("**Desjardins**"). Desjardins is the primary secured creditor of I4PG Inc. and HSLP (together, the "**Developer Entities**") and holds a first-ranking mortgage and assignment of rents on the Lands.

3) As of March 20, 2025, Desjardins was owed a total of $16.6 million with interest continuing to accrue. The facilities provided by Desjardins to the Developer Entities include a construction loan drawn in the amount of $15.0 million, an overdraft of $0.4 million and letters of credit totalling $1.2 million (collectively, the "**Desjardins Facilities**"). Following distributions made by the Receiver to Desjardins, as further described in this Report, Desjardins is still owed approximately $5.0 million plus accrued interest.

4) Following the issuance of the Receivership Order, the Receiver issued a statutory Notice and Statement of the Receiver for the Debtors (the "**Notice to Creditors**") pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**").

5) On August 21, 2025, the Receiver issued its first report to Court (the "**First Report**"). The First Report was filed to, among other things, provide the Court with an update on the Receiver's sale process and to support the Receiver's application filed on August 22, 2025 (the "**Sale Approval Application**") for an order approving the transaction (the "**Transaction**") contemplated in the purchase and sale agreement dated June 30, 2025 (as amended August 1, 2025 and August 8, 2025, the "**PSA**"), between the Receiver and Landa Global Acquisitions Ltd. (the "**Purchaser**").

6) A confidential supplement to the First Report dated August 28, 2025 (the "**Confidential Supplement**") was filed in support of the Sale Approval Application and was sealed in the Court file until the closing of the Transaction. The Confidential Supplement provided further information to the Court on offers received in the sale process and negotiations with interested parties.

7) On September 4, 2025, the Court granted an Approval and Reverse Vesting Order (the "**RVO**") approving the Transaction. On the same day, the Court also granted an Order (the "**Distribution Order**") approving the activities of the Receiver as described in the First Report, and approving and authorizing the Receiver to make one or more distributions from the proceeds of the Transaction to Desjardins by way of repayment of the indebtedness owing under the Desjardins Facilities.

8) This is the Receiver's second report to Court (the "**Second Report**" or "**this Report**"). Unless otherwise provided, all capitalized terms not defined in this Report have the meanings as defined in the Receivership Order.

9) The Receivership Order, together with the Notice to Creditors and other documents pertaining to the Receivership Proceedings are posted on the Receiver's website at www.insolvencies.deloitte.ca/I4PGHastingsStreet (the "**Receiver's Website**").

Purpose of the Second Report

10) The purpose of this Second Report is to:

a) Report on the closing of the Transaction;

b) Provide the Court with an overview of the Receiver's activities since the date of the First Report and the Receiver's statement of receipts and disbursements from the Date of Receivership to August 20, 2026 (the "**Receiver's R&D**");

c) Report on the Construction Holdback Funds (as that term is hereinafter defined) held by the Receiver and request the direction of the Court in relation to their disposition; and

d) Support the Receiver's application (to be filed) for orders:

i) Approving the activities of the Receiver as described in this Report;

ii) Approving the Receiver's R&D;

iii) Approving and authorizing payment of the Receiver's fees and disbursements;

iv) Approving and authorizing the payment of the fees and disbursements of the Receiver's legal counsel, Cassels Brock & Blackwell LLP ("**Cassels**");

v) Authorizing the payment into Court of the Construction Holdback Funds, or such other order as the Court may deem appropriate;

vi) Approving and authorizing the Receiver to make payment of the WorkSafeBC Distribution (as that term is hereinafter defined);

vii) Authorizing the Receiver to make an in-kind distribution to Desjardins by way of the assignment of Residual Co.'s (as that term is hereinafter defined) right, title, and interest in certain contamination claims (the "**Assignment Order**"), as further discussed in this Report; and

viii) Subject to the Receiver filing a certificate with the Court confirming that it has discharged its obligations pursuant to the Receivership Order (the "**Discharge Certificate**"), discharging the Receiver from its obligations under the Receivership Order and releasing Deloitte from any and all liability that Deloitte may have by reason of the acts or omissions of Deloitte while acting in its capacity as Receiver, save and except any claim or liability arising out of fraud, wilful misconduct or gross negligence on the part of Deloitte.

Terms of reference

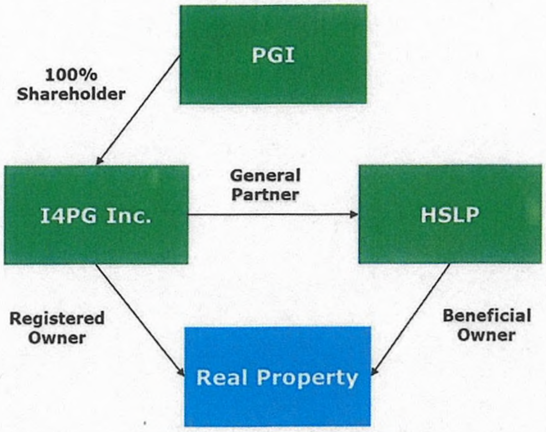
11) In preparing this Second Report, the Receiver has relied upon unaudited financial and other information prepared and provided by the Debtors' bookkeeper and Mr. Myron Calof ("**Mr. Calof**"), the principal of the Debtors.

12) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards pursuant to the *Chartered Professional Accountants of Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance on this information.

13) All dollar amounts in this Second Report are in Canadian dollars, unless otherwise indicated.

BACKGROUND

14) The Developer Entities' principal asset was the Lands and a partially constructed development project that was located on the Lands (the "**Project**" and together with the Lands, the "**Real Property**"). PGI owned 100% of the common shares of I4PG Inc., which was the registered owner of the Real Property and the general partner of HSLP. HSLP was the beneficial owner of the Real Property. A corporate chart is shown below.



15) Prior to the Date of Receivership the Developer Entities had marketed for sale the units of the Project, with 27 of the 38 residential units and all six commercial units having been pre-sold to purchasers (each a "**Pre-Sale Purchaser**", and collectively, the "**Pre-Sale Purchasers**") pursuant to contracts of purchase and sale (the "**Pre-Sale Contracts**").

16) HSLP maintained a $5,000,000 Deposit Protection Insurance Policy (the "**DPI Policy**") with Travelers Insurance Company of Canada ("**Travelers**"). Additionally, counsel to HSLP, Koffman Kalef LLP, was holding $341,844 of Pre-Sale Purchaser deposits in trust as of the Date of Receivership.

17) As further described in the First Report, the Receiver wrote to the Pre-Sale Purchasers on June 27, 2025, indicating that it would consent to the termination of the Pre-Sale Contracts. The Receiver understands that all of the 33 Pre-Sale Contracts have been terminated, enabling the Pre-Sale Purchasers to pursue a claim under the DPI Policy and/or recover amounts held in trust with the Debtors' counsel, Koffman Kalef LLP.

18) The Receiver understands that the Developer Entities did not have any employees, as the Project was managed by employees of PGI, which itself has an interest in other real estate development projects that are not subject to these Receivership Proceedings.

CLOSING OF THE TRANSACTION

19) As set out in the First Report, pursuant to the PSA, the Purchaser agreed to purchase and the Receiver agreed to sell, the shares in I4PG Inc. and certain other assets relating to the Project for an aggregate purchase price of $12,000,000 (the "**Purchase Price**"), payable in cash on closing.

20) The Transaction closed on September 15, 2025. Net proceeds amounted to $11,788,923 representing the Purchase Price net of $107,100 in realtor commissions (inclusive of goods and services tax ("**GST**")) and $103,977 in municipal taxes owing.

21) Pursuant to the PSA and RVO, upon closing of the Transaction, I4PG Inc. is no longer subject to the Receivership Proceedings. In addition, the Purchase Price, all Excluded Assets (as defined in the PSA), and all claims and encumbrances in respect of I4PG Inc. were vested in 1556335 B.C.

Ltd. ("**Residual Co.**") and all creditor claims which previously attached to assets of I4PG Inc. attached to Residual Co.'s assets with the same nature and priority as before the Transaction.

ACTIVITIES OF THE RECEIVER

22) In addition to closing the Transaction, the Receiver has undertaken the following activities since the date of the First Report:

   a) Arranged for the cancellation of insurance coverage on the closing date of the Transaction and the return of the remaining policy premium;

   b) Liaised with the Pre-Sale Purchasers and various other creditors and lienholders relating to the Project, the Developer Entities' outstanding liabilities, and the Receivership Proceedings;

   c) Corresponded with Mr. Calof and Fraser Litigation Group ("**Fraser Litigation**") to advance the Contamination Claim (as that term is hereinafter defined), as further described later in this Report;

   d) Participated in telephone calls with various stakeholders including Desjardins and its legal counsel;

   e) Made interim distributions to Desjardins, as further described in this Report;

   f) Drafted this Second Report; and

   g) Attended to various statutory matters, including filing GST returns and WorkSafeBC reports.

REMAINING ASSETS OF THE COMPANY

Contamination Claim

23) On September 13, 2017, I4PG Inc. filed a notice of civil claim against certain neighbouring property owners relating to contamination of the Lands. The claim was subsequently amended on July 24, 2019, June 3, 2021, and June 19, 2023 (as amended, the "**Contamination Claim**"). The Contamination Claim was excluded from the Transaction and is an asset of Residual Co.

24) Prior to the commencement of the Receivership Proceedings, the Contamination Claim was being litigated by Fraser Litigation on behalf of I4PG Inc. Based on correspondence with Fraser Litigation, the Receiver understands that a mediation was held in 2023 and a settlement offer was advanced by one of the defendants, which was rejected by I4PG Inc.

25) The Receiver retained Fraser Litigation to advance the Contamination Claim, including by obtaining information and drafting affidavit materials to further substantiate the cost of remediating the Lands, which the Receiver understands exceeded $1.6 million.

26) Given the current status of the Contamination Claim, and following discussions with counsel to Desjardins, the Receiver believes it is appropriate at this time to seek the proposed Assignment Order to assign Residual Co.'s right, title, and interest in the Contamination Claim to Desjardins, as an in-kind distribution. The Receiver notes:

   a) **Primary economic stakeholder / no prejudice to other creditors**. Desjardins is the senior secured creditor of HSLP and Residual Co., and is still owed in excess of $5.0 million, in addition to interest that continues to accrue. Based on the Receiver's current estimate of the anticipated shortfall on Desjardins' secured indebtedness, the Receiver does not expect any recovery to be available to any subsequent ranking creditors, even if the Contamination Claim is successful and the judgment amount is paid in full. Accordingly, the Receiver considers Desjardins to be the only economic stakeholder in the Contamination Claim and expects that the proposed distribution in-kind will not prejudice other stakeholders. Further, the proposed assignment appropriately aligns carriage and control of the Contamination Claim with the party bearing the economic risk.

b) **Efficiency and proportionality of the Receivership process**. The Contamination Claim may require further quantification of loss before it can be advanced. Continuing to have the Receiver advance and manage the Contamination Claim would require the Receiver to incur ongoing professional fees, disbursements, and oversight costs, potentially over an extended period, in circumstances expected to be exclusively for the benefit of Desjardins. Desjardins has retained litigation counsel and is better positioned to direct litigation strategy and resource allocation in a cost-effective manner. The assignment therefore promotes efficiency and proportionality by reducing estate-level administrative costs and allowing the Receiver to focus on the remaining matters to be dealt with in the Receivership Proceedings.

c) **Risk allocation and funding**. The Contamination Claim may require future expenditures including expert work, counsel time, and litigation disbursements. Assigning the claim to Desjardins places the obligation to fund those efforts with the party that stands to benefit from any recovery, rather than continuing to allocate those costs through the Receivership estate.

d) **Orderly transition reflecting current posture**. To the extent the Receiver has taken steps to compile documentation or advance aspects of the Contamination Claim to date, the assignment will facilitate an orderly transition of conduct and carriage to Desjardins, without interruption to ongoing discussions, litigation, or quantification workstreams.

27) The Receiver understands that Desjardins supports seeking the Assignment Order.

CREDITORS AND SECURED CHARGES

28) The security of the secured lenders (as further described herein) is subject to certain prior-ranking Court-ordered charges and statutory interests, which include:

a) The Receiver's Charge;

b) The Receiver's Borrowings Charge (as that term is defined in the Receivership Order); and

c) Certain deemed trust and priority claims, if any.

CRA claims

29) The Developer Entities did not have any employees and, accordingly, there are no known payroll source deductions or other employee-related amounts owing to Canada Revenue Agency ("**CRA**") by the Developer Entities.

30) CRA conducted a GST audit of HSLP and issued a reassessment notice in the amount of $73,928 (the "**CRA Claim**") in respect of unremitted GST for the period of February 1 to February 14, 2025. Pursuant to the RVO, the shares in I4PG Inc. (the registered owner of the Real Property) and other assets related to the Project were sold and the proceeds of the Transaction were vested in Residual Co.

31) Based on legal advice received, the Receiver's position is that the CRA Claim is subordinate in priority to the mortgage in favour of Desjardins registered on title to the Lands on April 12, 2022 (the "**Desjardins Mortgage**"). While subsections 222(1) and 222(3) of the *Excise Tax Act* (the "**ETA**") create a deemed trust in favour of the Crown for unremitted GST that generally ranks in priority to security interests, subsection 222(4) excludes a "prescribed security interest" from that priority. Section 2 of the *Security Interest (GST/HST) Regulations* defines a prescribed security interest, in relation to an amount deemed under subsection 222(1) of the ETA to be held in trust, as the part of a mortgage or hypothec encumbering land or a building that is registered in the appropriate land registration system before the time the amount is deemed to be held in trust.

The Desjardins mortgage was granted by I4PG Inc. (in its capacity as registered owner of the Real Property and general partner of HSLP) and was registered against the Lands prior to the GST amounts giving rise to the CRA Claim becoming deemed under subsection 222(1) of the ETA to be held in trust.

Wage claims

32) As noted above, the Developer Entities did not have any employees. The Receiver is not aware of any priority claims that may relate to outstanding wage arrears and no procedures were taken or required under the *Wage Earner Protection Program Act*.

WorkSafeBC claim

33) The Receiver understands that WorkSafeBC is owed $659 (the "**WorkSafeBC Claim**") in respect of outstanding pre-receivership premiums and penalties. This amount is lower than originally anticipated, as WorkSafeBC's initial figure was based on estimated premiums for the 2025 period. The Receiver has since filed the return for the 2025 period, and the WorkSafeBC Claim has now been finalized. WorkSafeBC may claim a statutory lien on all property or proceeds of property used or produced by I4PG Inc. pursuant to section 265 of the *Workers' Compensation Act*.

34) Subject to the approval of the Court, the Receiver intends to make payment of the WorkSafeBC Claim as part of the Final Distribution (as that term is hereinafter defined).

Receiver's Charge and borrowings

35) Pursuant to paragraph 20 of the Receivership Order, the Receiver and Cassels, as its legal counsel, are the beneficiaries of the Receiver's Charge (as defined in the Receivership Order) to secure payment of their fees and disbursements incurred in the Receivership Proceedings. The Receiver's Charge is a first-ranking charge over the Property but subordinate to the charges, if any, created pursuant to subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

36) Pursuant to paragraph 23 of the Receivership Order, the Receiver is authorized to borrow up to $200,000 without further approval of the Court for the purpose of carrying out its duties and powers (the "**Borrowing Facility**").

37) The Receiver borrowed a total of $200,001 under the Borrowing Facility, and this principal amount plus accrued interest of $6,185 was fully repaid on September 15, 2025 as part of a total distribution to Desjardins in the amount of $10,588,923 (the "**First Desjardins Distribution**") made pursuant to the Distribution Order.

Secured creditors

38) There are three (3) secured creditors with claims registered on title to the Lands, as summarized in the table below:

Secured Creditor	Priority	Amount C$	Date
Desjardins Financial Security Assurance Company	1st	16,605,733	As of March 20, 2025
Travelers Insurance Company of Canada	2nd	5,000,000	As of July 31, 2026
Longthorn Holdings Ltd.	3rd	700,000	As of February 14, 2025
Total		**22,305,733**	

39) As security for the Desjardins Facilities, Desjardins holds various security, including, among other things, the Desjardins Mortgage and a general security agreement dated April 6, 2022 granting a security interest in favour of Desjardins over all the personal property held by the Debtors which

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arises from, pertains to, is located on, or is used in the operation and maintenance of the Lands and any proceeds therefrom (collectively, the "**Desjardins Security**").

40) The Receiver's independent legal counsel, Cassels, performed an independent review of the validity and enforceability of the Desjardins Security and advised that, subject to standard assumptions and qualifications, it is valid and enforceable and ranks in first priority to the other secured and unsecured creditors of the Debtors.

41) The Receiver understands that Travelers holds a second-ranking mortgage and assignment of rents on the Lands securing HSLP's obligations to Travelers of approximately $5,000,000 in connection with the DPI Policy.

42) The Receiver understands that Longthorn Holdings Ltd. ("**Longthorn**") holds a third-ranking mortgage on the Lands. As of February 14, 2025, the principal owing to Longthorn pursuant to a loan agreement with HSLP amounted to $700,000 and interest continues to accrue.

43) Pursuant to the Distribution Order, the Receiver made the First Desjardins Distribution on September 15, 2025 and a further distribution of $650,000 on October 28, 2025 (the "**Second Desjardins Distribution**"). There remains approximately $5.0 million plus accrued interest owing to Desjardins. Desjardins, as first mortgage holder, is expected to suffer a shortfall (even if the Contamination Claim is successful) and no amounts are expected to be payable to Travelers or Longthorn.

Holdback account and Builders' lien claims

44) The Receiver understands that the Developer Entities entered into a fixed-price construction contract with Kerkhoff Construction (2022) Ltd. ("**Kerkhoff**") dated February 18, 2022 for the construction of the Project (the "**Kerkhoff Construction Contract**").

45) The Project experienced various delays and cost overruns, in part due to additional environmental remediation work that was required on the Lands. The cost overruns led to a dispute between the Developer Entities and Kerkhoff and the Receiver understands that construction of the Project ceased in or around August 2023. In addition, a number of construction liens were filed against the Project by Kerkhoff and various subcontractors to Kerkhoff (collectively, the "**Lien Claimants**").

46) HSLP maintained a segregated builders' lien account (the "**Holdback Account**") for holding and administering construction holdback monies pursuant to the *Builders Lien Act* and the Kerkhoff Construction Contract. The Holdback Account held a balance of $282,267 (the "**Construction Holdback Funds**") which the Receiver arranged to have transferred to a separate trust account maintained by the Receiver. The Receiver understands that the Construction Holdback Funds represent approximately 10% of invoices issued by Kerkhoff.

47) The Lien Claimants have filed builders' lien claims on title to the Lands, with claims totalling approximately $2.5 million. The Receiver understands that all amounts secured by the Desjardins Security were advanced prior to registration of the lien claims on title to the Lands by the Lien Claimants.

48) The Receiver has not received the underlying documentation or subcontractor-level breakdowns necessary to independently verify the specific entitlements of the Lien Claimants. Verifying individual claims would be time-consuming, costly, and of no material benefit to the Debtors' estate. The Receiver understands that some or all of the Lien Claimants are attempting to come to an agreement as to the appropriate distribution of the Construction Holdback Funds as among the Lien Claimants, but is not party to those discussions.

49) The Receiver is seeking an order of the Court authorizing it to pay the Construction Holdback Funds into Court, with entitlement to the Construction Holdback Funds to be determined either by

agreement or (if no agreement can be reached) upon application to the Court by an interested party.

Unsecured creditors

50) Based on the available books and records of the Developer Entities and correspondence received from creditors, the Receiver estimates total unsecured creditor claims of approximately $1.6 million as of the Date of Receivership.

51) Given that Desjardins, the primary secured creditor, is expected to suffer a shortfall, the Receiver has not reviewed the claims of the unsecured creditors. The Receiver has, however, provided ad-hoc updates on the status of the Receivership Proceedings to certain unsecured creditors as and when the Receiver was contacted.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

52) The Receiver's R&D reflects the administration of the Receivership Proceedings from the Date of Receivership to August 20, 2026 and is attached hereto as **Appendix "A"**.

53) As of August 20, 2026, the Receiver's gross receipts amounted to $12,499,359, primarily relating to the Purchase Price of $12,000,000, Receiver borrowings of $200,001, the Construction Holdback Funds of $282,267, realtor commission claw backs of $5,000, and other miscellaneous receipts.

54) During the same period, the Receiver has made disbursements totalling $11,866,285 including, among other items, the First and Second Desjardins Distributions totalling $11,032,737, repayment of the Receiver borrowings and interest thereon of $206,186, Receiver's fees and costs of $164,420, Cassels' fees and disbursements of $158,449, realtor commission fees of $102,000, municipal taxes of $103,977, and other amounts for insurance, maintenance, hold costs, water evacuation and crane safety.

55) The net cash balance held by the Receiver, excluding the Construction Holdback Funds, is $350,825 as of August 20, 2026.

56) The Receiver has invoiced $164,420 in fees and costs (excluding taxes) from the Date of Receivership to June 30, 2026. These costs are more fully described in Affidavit #1 of Paul Chambers, to be sworn and filed in these Receivership Proceedings.

57) Cassels has invoiced $158,449 in fees and costs (excluding taxes) from the Date of Receivership to June 30, 2026. These costs are more fully described in Affidavit #1 of Vicki Tickle, to be sworn and filed in these Receivership Proceedings.

58) The Receiver and Cassels estimate they will incur further fees and disbursements of up to a total of $30,000 excluding taxes (the "**Completion Costs**") to the completion of this matter, assuming the Receiver's application for discharge is not opposed.

59) The Receiver is of the view that the work performed by the Receiver and its legal counsel was necessary and appropriate in the circumstances of the Receivership Proceedings, and that the rates charged are reasonable and in keeping with the rates charged by other Licensed Insolvency Trustees and lawyers in the market performing similar work.

FINAL CASH DISTRIBUTIONS

60) Subject to the Court granting the relief sought by the Receiver, the Receiver proposes to pay out the funds it currently holds in its accounts as follows:

    a) Payment of the Construction Holdback Funds and accrued interest thereon into Court;

b) Payment of any unpaid invoices of the Receiver and/or Cassels, the Completion Costs and any other remaining costs incidental to the Receiver concluding its administration of these Receivership Proceedings;

c) Payment to WorkSafeBC of the WorkSafeBC Claim (the "**WorkSafeBC Distribution**"); and

d) Payment to Desjardins of the residual funds held by the Receiver after making the payments above and completing its administration of the estate (the "**Final Desjardins Distribution**").

61) The Final Desjardins Distribution is estimated to be between $295,000 and $315,000, resulting in a shortfall on the Desjardins indebtedness of approximately $4.7 million.

REMAINING MATTERS TO BE COMPLETED IN THE RECEIVERSHIP PROCEEDINGS

62) Subject to the Court granting the relief sought by the Receiver, and the Receiver making the in-kind distribution by assigning the Contamination Claim to Desjardins and making the payments described in paragraph 60 above, the Receiver will have completed its duties and obligations under the Receivership Order, save and except for other administrative matters incidental to the Receivership Proceedings, including filing of the Receiver's report pursuant to section 246(3) of the BIA.

63) The remaining matters are administrative in nature and the Receiver is of the view that it is appropriate to seek an order of the Court discharging the Receiver with the discharge to be effective upon filing of the Discharge Certificate.

64) The Receiver also seeks an order releasing Deloitte from any liability that might arise in relation to its role as Receiver. In the Receiver's view, this relief is appropriate in the circumstances and is consistent with the model receiver's discharge order currently being used in the Province of BC.

CONCLUSIONS AND RECOMMENDATIONS

65) Based on the foregoing, the Receiver respectfully recommends that the Court grant the orders described at paragraph 10(d) of this Report.

All of which is respectfully submitted at Vancouver, BC this 2nd day of September, 2026.

DELOITTE RESTRUCTURING INC.
In its Capacity as Court-appointed Receiver of
Hastings Street Limited Partnership et al.
and not in its personal capacity

Paul Chambers

Per: Paul Chambers, FCA(UK), CIRP, LIT
Senior Vice-President

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Appendix "A"

Receiver's Statement of Receipts and Disbursements

In the Matter of the Receivership of
Hastings Street Limited Partnership et al.
Receiver's Interim Statement of Receipts and Disbursements
From February 14, 2024 to August 20, 2026

Receipts		
Land and buildings	$	12,000,000
Insurance refunds		4,451
Realtor commission clawback		5,000
Bank interest		3,487
Receiver Borrowings		200,001
Cash in bank		4,153
Holdback Funds		282,267
Total Receipts	$	12,499,359
Disbursements		
Receivers fees and costs	$	164,420
Legal fees and costs		158,449
Realtor commissions		102,000
Municipal taxes		103,977
Hold costs (fencing, scaffolding, security etc.)		7,711
Water evacuation and crane safety (Geotech, water disposal)		36,233
Insurance		19,850
GST and PST		34,573
Miscellaneous other costs		149
Repayment of Receiver borrowings plus interest		206,186
Distribution to secured creditor (Desjardins)		11,032,737
Total Disbursements	$	11,866,285
Excess of Receipts over Disbursements	**$**	**633,075**
Represented by:		
Receivership Account	$	350,825
Holdback Funds		282,250
	$	**633,075**