Fiat: Let this Affidavit be filed, notwithstanding the handwritten amendment to the style of cause.

"C. A. Kent"

J.C.Q.B.A.

Action No. 0901- 11866
Deponent: Cleone Couch
Sworn August 7, 2009

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 INVESTMENT LTD., FORT MCMONEY PROPERTIES LTD., CHEMAINUS PROPERTIES LTD., SKAHA LAKE DEVELOPMENT LTD., TSEHUM HARBOUR LTD., BEARSPAW AT 144TH AVENUE LTD., BEARSPAW AT 144TH EQUITIES LTD., BEARSPAW AT 144TH BONDS INC., TSEHUM HARBOUR EQUITIES LTD., TSEHUM HARBOUR BONDS LTD., and ORILLIA INVESTMENTS LTD. ~~and HAWAII FUND~~

APPLICANTS

AFFIDAVIT

I, Cleone Couch, of the City of Calgary, Businesswoman, MAKE OATH AND SAY:

1. I am the President and in most cases the Sole Director of the Applicants, Shire International Real Estate Investments Ltd. ("Shire"), Shire Capital Ltd., Shire Asset Management Ltd., Winn River Resort Ltd., Fort McMoney Properties II Ltd., Halama Gardens LLC, Halama Gardens Ltd., Maples and White Sands Investment Ltd., Fort McMoney Properties Ltd., Chemainus Properties Ltd., Skaha Lake Development Ltd., Tsehum Harbour Ltd., Bearspaw at 144th Avenue Ltd., Bearspaw at 144th Equities Ltd., Bearspaw at 144th Bonds Inc., Tsehum Harbour Equities Ltd., Tsehum Harbour Bonds Ltd. and Orillia Investments Ltd., and Shire is the Trustee of the Hawaii Fund (collectively, the "Applicants" or the "Shire Group") and as such I have personal knowledge of the matters to which I depose in this Affidavit, except where such matters are stated to be based on information and belief, in which case I verily believe such information to be true.

2. All of the Applicants are Alberta corporations carrying on business in Calgary, Alberta, with the exception of Orillia Investments Ltd., which is an Ontario corporation, Hawaii Fund, which is an Alberta mutual fund trust and Halama Gardens LLC, which is a U.S. corporation. Chemainus Properties Ltd., Skaha Lake Development Ltd. and Tsehum Harbour Ltd. are Alberta corporations registered interprovincially in British Columbia, where they own property. Each of the Applicants either maintains a bank account or has other assets within Alberta. Bosun's Holdings Ltd. is another corporation in the Shire Group, but is not included in these proceedings because though it owns property, I am not an officer, and there are two other directors. A further application may be required to include it in these proceedings.

B. Introduction

3. This Affidavit is made in support of an application by the Applicants for an Order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("CCAA") granting certain relief, including the following:

(a) a declaration that the Applicants are corporations to which the CCAA applies;

(b) a stay of all proceedings and remedies taken or that might be taken with respect to the Applicants, their property and undertaking, without leave of the court;

(c) authorizing the Applicants to carry on business in a manner consistent with the preservation of its property and to make certain payments in connection with their businesses in the proceedings herein;

(d) appointing Ernst & Young Inc. as Monitor of the Applicants in these proceedings;

(e) permitting the Applicants to file with the court a plan or plans of compromise or arrangement; and

(f) authorizing the Applicants to apply to the Courts of the United States, Belize and Mexico for recognition of these proceedings as a foreign proceeding.

C. Overview of the Shire Group

4. The primary operations of the Shire Group are conducted out of the offices of Shire located in Calgary, Alberta. The business of the Shire Group has been the financing, purchase

and contracting for development of commercial, recreational and residential real estate in Alberta, British Columbia, Ontario, and more recently in Hawaii, Belize and Mexico.

5. Shire began when I purchased Berkshire International Real Estate Trust Ltd. in 2005 with two partners. In 2006 I became the sole shareholder, and in September 2006, the name was changed to Shire International Real Estate Investments Ltd. At the end of last year, Shire had approximately 25 staff and 22 real estate development projects which at that time were worth in excess of $100,000,000.

6. At present, Shire either owns or has rights to own properties listed in the table appended to this Affidavit as Exhibit "A". This Exhibit shows the owner, the purchase price, the mortgage amount, if any, estimates of the additional costs expended on the property by Shire, the total cost, the amount invested by bondholders, the total investment, and an estimate of fair market value. Some of these properties are owned solely by Shire but they are included in these proceedings because they are all part of a business group, within which overhead was collected, transfers of funds occurred and profits were reinvested. With respect to parcels 13 and 15-17, Shire is not the titled owner but has rights in respect of these properties. Attached as Exhibit "B" are summaries of these properties.

7. The general business model of Shire was that it would locate a property suitable for development purposes. That property would typically be secured by Shire by virtue of a deposit. Funds to purchase the property would then be raised through Shire from private investors pursuant to Information Circulars, usually by way of Units comprised of a non-voting share and a bond at a fixed rate of interest redeemable or payable upon completion of the development, or in some cases by way of mortgage units with a fixed rate of interest payable quarterly, with the Mortgage held by Olympia Trust. Over the past three years Shire has raised in excess of $65,000,000 million from approximately 2,800 investors.

8. An example of an Information Circular for the purchase of bonds is appended to this Affidavit as Exhibit "C". An example of an Information Circular for the purchase of Mortgage Units is appended to this Affidavit as Exhibit "D".

9. Generally speaking, the shares in the companies through which Shire purchased properties, financed by investors were 40% owned by Shire and 60% owned by Eyelogic Systems Ltd. ("Eyelogic"), a public company. Eyelogic was used as a vehicle to sell bonds and

mortgage units because Canadian legislation allows people to invest RRSP funds in subsidiaries of publicly listed companies. Apart from management fees, neither Eyelogic nor Shire has any economic interest in the properties purchased until the investors are repaid under the terms of their investments. However, they typically own the only voting shares. In some cases, there were insufficient funds raised to finance the purchase of a particular property and in that case third party mortgage financing was obtained.

10. With respect to a number of these properties, Shire entered into development agreements, some of which provided that a percentage of the profits would be given to the developer. With respect to the majority of the properties, Shire has completed substantial work on the development of the projects including building permits, concept plans, architectural work, and other matters preparatory to the development. With respect to three of the major properties, Shire had made significant progress in obtaining development financing earlier this year, which was cancelled as a result of the events described below.

D. Events Leading to Filing of CCAA

11. There are a number of events that led to the Shire Group's current liquidity crisis including the following:

(a) the decline in general market and financing conditions making many of the proposed projects difficult to finance and requiring revisions to plans, costs and revenue assumptions;

(b) an investigation into Shire's business and affairs by the Alberta Securities Commission, which is ongoing, and has resulted in a temporary Cease Trade Order being issued;

(c) a class action suit launched by what I believe to be a small group of investors; and

(d) failure of the developers to: (i) Secure in advance pre-sales to support construction loans; (ii) Obtain construction loans; (iii) In cases where construction financing was available, advance project development and construction on a timely basis.

12. Beginning in the fall of 2008 and continuing to the present, the ability of developers to access capital to fund construction of recreational or commercial projects has declined substantially. In the two years leading up to this period, Shire was very successful in acquiring the properties and advancing the projects to the stage where building would commence. It had lined up developers in a number of cases. The contraction in available liquidity for this type of project caused Shire serious difficulty in implementation. Shire was very successful at raising money to purchase properties but it has not yet been successful in finding qualified developers to complete those properties. The developers that were ready to begin refused to proceed partly as a result of the events set out herein. I note that this was disclosed as a risk in the Information Circulars under which investments were made; Shire is not and has never represented itself to be a developer and it was always understood that it would be relying on third parties (and third party financing) to carry out and complete the developments.

13. Shire was unable to pay the rent on its main office premises in Calgary. The landlord seized possession on the evening of July 31, 2009. Prior to that event, Shire ensured it had copies of its critical documents. Given the substantial reduction in staff, Shire did not require that amount of space and has secured new office space. To date, the landlord has been cooperative in allowing books and records to be removed.

14. Shire has been unable to pay certain investors in mortgage units whose terms demanded periodic payment of interest on their investments. Similarly, Shire does not have the funds to pay the primary mortgages with respect to the properties, and they have fallen into arrears. In all cases, the mortgage unitholders and mortgage holders were aware that Shire did not have cash flow to make interest payments and that these periodic payments would be made from future sales of units or in the case of mortgages, from cash reserves. Some have commenced foreclosure proceedings and Shire is in imminent danger of losing those properties to foreclosure.

15. Shire's liquidity problems were compounded in the spring of 2009 by the launch of an investigation by the Alberta Securities Commission into Shire's handling of the investments in Maples and White Sands Investment Ltd. and the Hawaii Fund. These investigations resulted in an interim Cease Trade Order being filed against Shire on June 4, 2009. A copy of the Notice of Hearing and Interim Cease Trade Order has appended to this Affidavit as Exhibit "E".

16. These events alone would have led Shire to seek some kind of court sanctioned protection, however, in addition, a class action suit was filed by investors against the Shire Group on June 6, 2009, which action essentially duplicates the allegations in the Alberta Securities Commission. A copy of the Statement of Claim is appended to this Affidavit as Exhibit "F". No Statement of Defence has yet been filed.

17. I unequivocally deny that I or any member of the Shire Group engaged in any sort of deceit, or fraud on investors. However, the presence of these allegations has made it impossible to carry on business. Funding for the development of properties was withdrawn. Caveats have been filed by the class action litigants on even unencumbered properties, making financing or sales impossible.

18. A final development is an application served August 4, 2009 by Eyelogic Systems Inc. to replace me as the sole director and officer of the companies listed as 1-8 on Exhibit "A". These materials are shown to me as Exhibit "G" but not appended to this Affidavit because they are duplicative and available to the Court in any event as Alberta Court of Queen's Bench Action No. 0901-11510. This application has been withdrawn by consent on the basis of information presented at a meeting on August 6, 2009 and provided the Shire Group proceeds with this application. Although I am fully prepared to relinquish my sole director and officer position with these companies should the Court so direct, I do not believe that is in the best interest of stakeholders for a number of reasons:

(a) The Shire Group was treated as one business entity, and only by having all members in a single proceeding is it possible to trace the expenditure of funds;

(b) The procedure contemplated herein provides that <u>all</u> expenditures or sales of redundant assets over $50,000 or $100,000 in the aggregate be approved by the Monitor and for supervision by the Court;

(c) The properties owned by these companies are in distress and a stay is required to ensure an orderly and value-maximizing process;

(d) It is Shire that is at the centre of these companies, with all relevant records and knowledge of their affairs – ultimately it is Shire on whom investors rely and depend; and

(e) The only real involvement of Eyelogic Systems Inc. in the affairs of Shire was providing a mechanism to allow investors to invest through their RRSPs and to obtain legal and other support; this company has no financial interest in the success of the group. I believe that this process should be managed either by myself, with appropriate roles for the stakeholder groups, or by a committee of a stakeholder group including myself.

19. In the almost 3 years in which the Shire Group has been in operation, I have not personally drawn a salary, and have not directly or indirectly taken any money out of the Shire Group. My salary of $100,000 per year, along with that of my husband, Robert Couch, has been accrued. While I admit that money has been transferred between companies within the Shire Group, this has always been to the best of my knowledge for the purpose of repaying deposits or other amounts disclosed in Information Circulars, completing the purchase of new properties or paying general and administrative costs. In other words, apart from operating costs, all money that has been invested remains within the group of companies filed in these proceedings. I note that I have personally invested in each property on the same terms as the other investors.

20. In summary, in the past six to nine months, Shire has completely exhausted its financial resources, and events have made it difficult or impossible to raise any new funds. In this period, attempts have been made to sell property or raise funds through alternate sources, but these attempts have been unsuccessful. The allegations by the Alberta Securities Commission and investors make it necessary that Shire enter into a process whereby an independent third party, the Monitor, is able to oversee its operation and complete a proper investigation into its economic affairs. I remain committed to the repayment of investors and maintain the belief that if the developments proceed, there will be sufficient funds to repay all investors and lenders in full.

E. Indebtedness of the Applicants

21. As of August 1, 2009, members of the Shire Group have received approximately $48,402,000 from bondholders. Approximately $16,500,000 was received from holders of mortgage units through Olympia Trust. An additional $23,500,000 of regular mortgages are on the properties owned by members of the group. Shire has expended about $70,465,707 purchasing property and approximately $15,000,000 - $20,000,000 developing that property.

22. The Olympia Trust mortgages for Unitholders include the following:

(a) $10,000,000 Mortgage (for Unitholders) over property in Sorrento, British Columbia, owned by Maples and White Sands Investment Ltd. (referred to in Exhibit "A" as Tab 10); and

(b) $6,500,000 Mortgage (for Unitholders) over property in Fort McMurray, Alberta, owned by Fort McMoney Properties II Ltd. (referred to as Tab 9).

23. In addition, there are specific mortgage creditors of the Shire Group, which include the following:

(a) Charles and Meridel Graves: Vendor take back Mortgage in the amount of $1,850,000 against property owned by Fort McMoney Properties Ltd., in foreclosure and listed for sale (purchase price $3,800,000);

(b) Fisgard Capital Corporation: Mortgage in the principal amount of $2,400,000 over property owned by Tsehum Harbour Ltd.; and Tim Melville: Mortgage over same property for approximately $500,000 (purchase price $3,500,000);

(c) Investit Mortgage: Mortgage in the outstanding amount of $7,000,000 at the Bearspaw at 144th Avenue Ltd. property; also, 1206354 for $700,000 over same property (purchase price $14,100,000)

(d) 1533021 Ontario Inc.: Mortgage in the principal amount of $1,600,000 ($1,400,000 outstanding) against property owned by Orillia Investments Ltd. (purchase price $3,300,000) in foreclosure;

(e) 831224 BC Ltd.: Mortgage in the principal amount of $5,000,000 over property owned by Maples and White Sands Investment Ltd., located in Sorrento, B.C. (purchase price $14,100,000);

(f) Kody Stokes: Mortgage in the outstanding amount of $600,000 over Ontario property owned by Winn River Ltd. (purchase price $3,000,000); and

(g) Tejinder Kohli: Joan Popowich and 1196189 Ontario Inc. in the principal amount of $500,000 against Ontario property owned by 1697500 Ontario Inc.

Many of these properties are presently in foreclosure. All of these mortgages are over property that was purchased in the last two to three years at a value substantially in excess of the outstanding mortgages.

24. Several properties on Exhibit "A" require further explanation as they are included only to show where funds were expended. Number 15, being 4628 – 4630 16 Avenue NW, Calgary, Alberta, is owned by a numbered company not included in these proceedings; Shire has an option to repurchase it at fair market value. Items 15, 16 and 17 are properties in the name of a company owned by my daughter, Luree Williamson. Shire owns 50% of these properties and has paid its proportionate share of the purchase price. However, they have nil value to Shire, given that their fair market value approximately equals the mortgages on them.

25. Properties 18-21 on Exhibit "A" are properties on which Shire has placed substantial deposits and has options to purchase. They are all waterfront in foreign countries, and the development plans are financially sound. However, funds are required to close these transactions.

26. Property 22 on Exhibit "A" has a $300,000 mortgage granted to my counsel to secure fees of professionals retained πριορ to this filing. This mortgage will be discharged if the Initial Order is granted, the initial fees are paid and retainers advanced.

27. The Shire Group has trade payables of approximately $900,000. In addition, I am personally owed approximately $927,000, some of which is from the accrual of my salary of $100,000 per year for the last two and a half years, but approximately $150,000 of which has been incurred by me on my personal credit cards, line of credit and by cashing in RRSPs to keep the Shire Group afloat for the past two months. I am proposing that I be paid my salary for August and on an ongoing basis to help me repay these expenses.

28. The Shire Group has debt well in excess of $5,000,000. It is therefore submitted that the group qualifies for protection under the CCAA.

F. Insolvency of the Applicants

29. The Shire Group has insufficient liquid assets to meet its current obligations as they come due. Although I believe there may be sufficient assets to pay all creditors if there is a

refinancing, restructuring or orderly sale of the Shire Group's assets and undertaking, if a stay of proceedings is not granted, current obligations will not be met and the company will face disordered, and in my opinion less lucrative, liquidation. As shown on the Schedule appended as Exhibit "A", the Shire Group has substantial assets compared to a relatively small amount of secured debt.

30. One of the issues confronting the Shire Group is getting its financial statements completed. The statements for 2006 and 2007 have been virtually complete for some time, but the accountant has not yet completed them. I have been promised them repeatedly and I believe that these financial statements can be completed in the next 30 days and provided to the Court and all stakeholders. In addition, I have the material for the most recent year of financial statements prepared for submission to an accounting firm.

G. The Monitor

31. Ernst & Young Inc. has agreed to be appointed Monitor for the Shire Group and has assisted management with the preparation of cash flow forecasts for the next six weeks, copies of which are appended hereto as Exhibit "H".

H. Carrying on Business and Selling Assets

32. The Shire Group believes that its ability to carry on business will add value to the enterprise, benefiting all stakeholders. Time is required to stabilize operations, assess the projects that remain viable for financing and development, sell redundant unencumbered assets and develop a plan that ensures the ongoing success of the Shire Group and the maximum recovery to stakeholders.

33. Equally as important given the recent events, the Shire Group requires the assistance of the Monitor to investigate and prepare a report to investors with respect to the movement of funds between the entities within the Shire Group. The Shire Group is unable to continue to carry on business without such a report to clear its name. I am prepared to allow the Monitor full access and complete cooperation in preparation of such a report.

34. A critical aspect of moving forward in the CCAA process will be communication with stakeholder groups. Short Notice of this Application has been given to Eyelogic Systems Inc.,

which is related to Olympia, the 60% shareholder of some members of the Shire Group and the trustee for the mortgage unit holders. An attempt will be made to notify the other secured creditors. However, there is a risk that notice of these proceedings to any other group prior to a stay being granted could jeopardize the operations of the Shire Group, it is respectfully requested that these efforts be deemed sufficient. In my opinion, this distressed state of the Shire Group makes it appropriate that this Application be granted without notice, provided that all stakeholders have the opportunity to return in 30 days as provided by the CCAA, or earlier as provided by the Initial Order.

35. As Shire is operating with only a few staff, in addition to counsel and Ernst & Young Inc., it has retained NEX Advisory Group to assist in its reorganization. It is anticipated that members of this group will assist with communications, strategy and the development and execution of the restructuring plan.

36. The Shire Group has been advised that it may be necessary to seek the assistance of the courts in the United States, Belize, and Mexico to request that these proceedings be endorsed in those countries. The Shire Group may retain counsel and anticipates the copies of the material initiating any proposed proceedings will be provided to this Honourable Court.

I. Debtor in Possession Financing

37. The Shire Group has no funds to continue its operations. It is seeking debtor in possession ("DIP") financing in the amount of $900,000 (limited in the fact 30 days to the amount in the cash flow statements, approximately $600,000) to allow it to begin and continue with these proceedings. A number of potential financers have been contacted. A process was put in place whereby Commitment Letters from a short list of four were solicited. On the basis of this process, Shire has selected Kairos Funding Group Inc. to provide the DIP funding, who provided the best terms. A copy of the Commitment Letter is appended to this Affidavit as Exhibit "I".

38. The $900,000 DIP financing should be sufficient to fund Shire's operations for about eight weeks. I note that there are substantial initial costs in retaining professionals and anticipate that the level of funding required on a month to month basis will decline after the first month. The Initial Order submitted for approval requires Monitor approval of all spending and leave of the Court to exceed the amounts specified in the cash flow statements in the first 30 days.

Further funds will be required thereafter, but then all stakeholders will have the appropriate notice.

39. On the basis that Shire, within the last year, paid approximately $70,000,000 for property on which there is approximately $40,000,000 of secured debt, I do not believe that granting super-priority DIP funding in the amount required will prejudice the secured creditors. To the extent that there is such prejudice, I believe that prejudice is adequately addressed by allowing those creditors the opportunity to appear in court to argue their particular circumstances.

J. Administrative and Directors' and Officers' Charges

40. The proposed Order contains a charge against property of the Applicants for the professional fees and disbursements incurred by the Shire Group, the Monitor and counsel to the Monitor both prior to and after making this Order. Given the liquidity crisis of the Shire Group, I believe these measures are appropriate and necessary to complete a restructuring. The proposal also contains a charge for any indemnity claims of directors and officers arising after the date of the Initial Order.

K. Conclusion

41. I make this Affidavit in support of an application by the Shire Group under the provisions of the CCAA for an Order substantially in the form of the Draft Order which is appended to the Petition.

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, Friday, August 7, 2009	)	
A NOTARY PUBLIC In and for the Province of Alberta Kenneth T. Lenz Barrister and Solicitor	)	CLEONE COUCH

THIS IS EXHIBIT " A "
referred to in the Affidavit of
Cleone Couch
Sworn before me this 7th
day of August 20 09

KENNETH T. LENZ
BARRISTER AND SOLICITOR

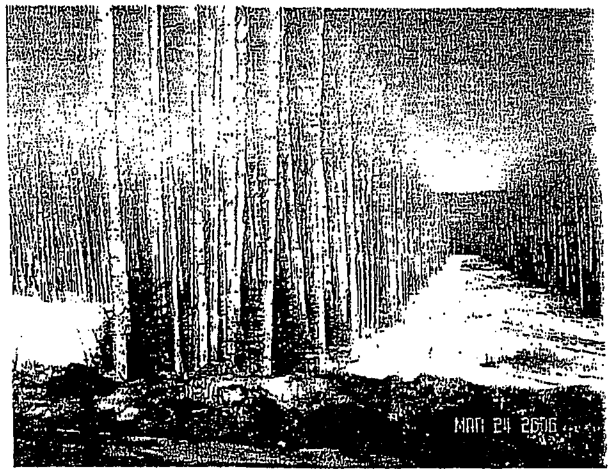
Shire International Real Estate Investments Ltd.
Projects Summary

Tab	Year	Purchase Price	Mortgage	Paid Costs	Total Cost Incl. Commissions	Bond Holders	Shire % Profits	July 2009 Est. FMV	Description	
1 Fort McMoney Properties Ltd.	2006	3,800,000	1,850,000	3,000,000	6,800,000	6,500,000	50	3,650,000	102 acres, Ft. McMurray, AB	
2 Bearspaw At 144 Ave Ltd.	2007	14,100,000	7,700,000	6,300,000	20,400,000	18,000,000	50	14,100,000	118 acres, Bearspaw, Calgary	
3 Skaha Lake Development Ltd.	2006	4,000,000		4,200,000	8,200,000	8,200,000	30	5,000,000	4 lakefront lots, Okanagan Falls, BC	
4 Chemainus Properties Ltd.	2006	3,000,000		3,000,000	6,000,000	6,000,000	30	3,000,000	1.584 acres, water lease, harbour, Chemainus, BC	
5 Tsehum Harbour Ltd.	2008	3,500,000	2,400,000 500,000	1,900,000	5,400,000	5,900,000	30	3,000,000	54 waterfront acres, Sidney, BC	
6 Halama Gardens LLP	2006	2,400,000		1,000,000	3,400,000	2,400,000	50	1,600,000	2 large lots, Maui, Hawaii	
7 Paradise Ridge	2008	4,410,000		1,300,000	5,710,000	1,000,000	50	Unknown	2.3 acres, Maui, Hawaii (sale not completed)	
8 Orillia Investments Ltd.	2006	3,300,000	1,600,000	500,000	3,800,000	402,000	30	2,800,000	4.2 acres, waterfront, Orillia, Ont.	
9 Fort McMoney Properties II Ltd.	2006	6,500,000	6,500,000		6,500,000		100	15,900,000	1.01 acres, Ft. McMurray, AB	
10 Maples & White Sands Ltd.	2008	14,100,000	10,000,000 5,000,000	3,600,000	17,700,000		100	14,500,000	2 commercial lots, waterfront, Sorrento, BC	
		59,110,000	35,550,000	24,800,000	83,910,000	48,402,000		63,550,000		
Shire Only										
11 Winn River Resort Ltd.	2007	3,000,000	600,000		-		100	3,000,000	85 acres, waterfront, Minaki, Ont.	
12 Kincardine (1697500)	2006	1,260,000	500,000		-		100	1,000,000	5.54 acres, Kincadine, Ont.	
13 4628-4630 - 16th Ave NW	2008	820,000			-		100	910,000	2 connected buildings, Calgary, AB - nil value to Shire	
14 Mexico Office	2008	367,107			-		100	400,000	Green Canals Condo, Nueva Vallarta	
15 Killarney Infills (50%)	2008	435,000	997,000		-		50	1,000,000	2 completed infills, Calgary, AB - nil value to Shire	
16 Marda Loop Lots (50%)	2008	2,600,000	1,650,000		-		50	1,600,000	4 lots, Marda Loop, Calgary, AB - nil value to Shire	
17 Marquis Ranche Lot (50%)	2008	450,000	400,000		-		50	429,000	7.6 acres, Priddis, AB - nil value to Shire	
Options on Property		Deposit								
18 Mexico		600,000			-		100	Unknown	all deposits paid on	Waterfront at Guayabitos
19		600,000			-		100	Unknown	waterfront property	Waterfront at La Cruz
20 Belize		431,000			-		100	Unknown	and require cash	Waterfront at Corazal
21 Sooke		50,000			-		100	Unknown	to close	2 lots, waterfront at Sooke
Shire Capital										
22 OK Falls RV Park		742,600	300,000		-		100	850,000	RV park and small hotel in Okanagan Falls, BC	
		70,465,707	39,997,000	24,800,000	83,910,000	48,402,000	Total	72,739,000		

Saline Creek
Fort McMurray, Alberta

PROPERTY DESCRIPTION

Address	Draper Road
Legal Description	E1/2 Sec 32, Twp 88, Rge 8, W4M
Land Use Classification	SH, Small Holdings District
Site Description	102.39 acres
Highest and Best Use	Future residential development.
Listed Value	$3.65 M



PROPERTY SUMMARY:

- Located 7 kilometers east of Fort McMurray, between Draper Road and the Clearwater River in the Regional Municipality of Wood Buffalo, Alberta.
- Located 1 km from the airport.
- Between Fort McMurray and the property there are pockets of country residential developments, primarily on the south side of Draper Road. The town of Fort McMurray is growing toward this property.
- Located opposite the subject land, on the south side of Draper Road, is a country residential subdivision.
- Fort McMurray is considered the heart of one of Alberta's (and Canada's) major oil production hubs, located near the Athabasca Oil Sands. Besides the oil sands, which dominate, the economy also relies on natural gas and oil pipelines, forestry and tourism . The two largest oil sands mining companies are Syncrude and Suncor.

THIS IS EXHIBIT "B"
referred to in the Affidavit of
Cleone Couch
sworn before me this 7th
of August 2009

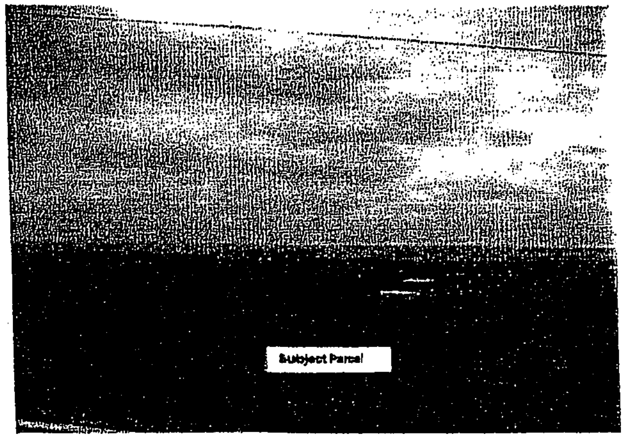
KENNETH T. LENZ
BARRISTER AND SOLICITOR

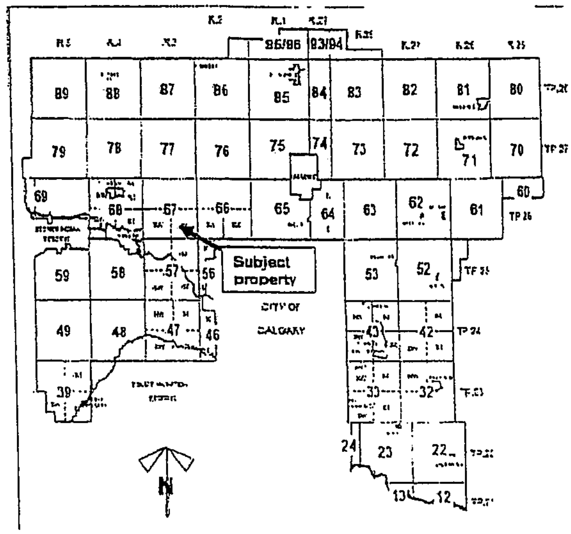
SHIRE
INTERNATIONAL REAL ESTATE INVESTMENTS LTD

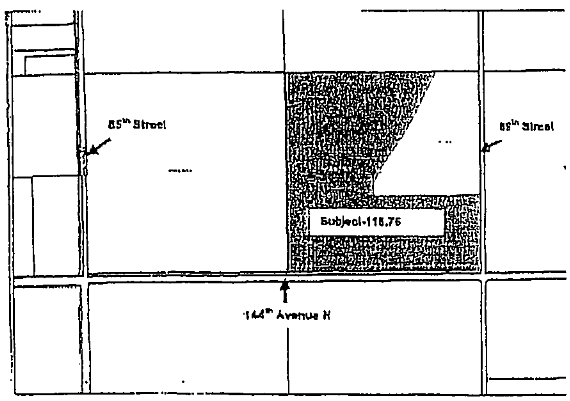
Bearspaw at 144th Avenue
Calgary, Alberta

PROPERTY DESCRIPTION

Address	M.D. of Rockyview, Alberta
Legal Description	W5M—2—26—3SE
Land Use Classification	Annexed to City of Calgary, urban reserve.
Site Description	± 118.76 acres
Highest and Best Use	Future urban development.
Appraised Value	$14.1 M





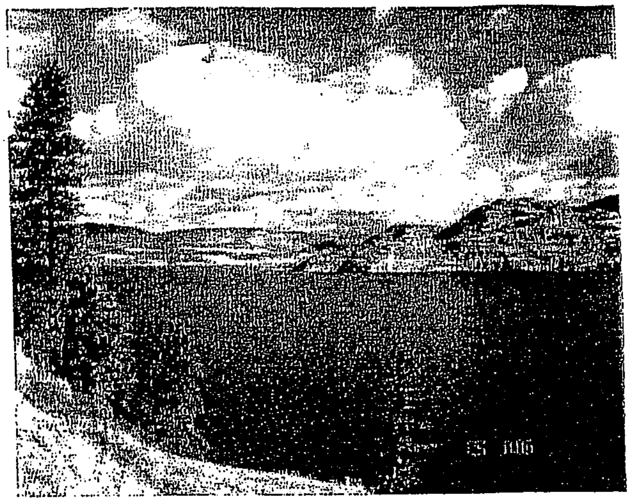


PROPERTY SUMMARY:

- Located along 144th Avenue NW, at the northwest corner of 69th Street NW and 144th Avenue NW.
- Annexed into City of Calgary city limits in 2008.
- Close proximity to Towns of Cochrane, Beisker, Crossfield, and Balzac.
- Major transportation corridors include Highway 1 (Trans Canada) which connects the country from coast to coast and Highway 2 (Queen Elizabeth) which connects Alberta north to south.
- Prime location of future residential site.

SHIRE INTERNATIONAL REAL ESTATE INVESTMENTS LTD

Skaha Shores
Okanagan Falls, British Columbia

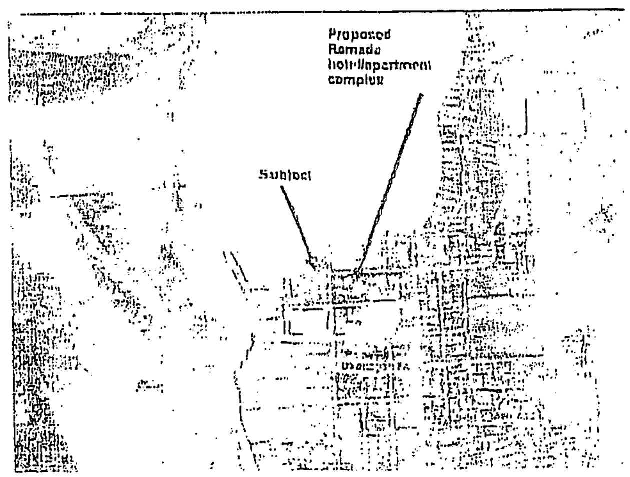


PROPERTY DESCRIPTION

Address	101, 4058 Lakeshore Road
Legal Description	Lots 1, 2, and 3, District Lot 2883S Similkameen Division Yale District Plan KAP83935
Land Use Classification	Tourist Commercial Zone (CT-1) Hotel or High Density Condominiums
Site Description	The site has a long narrow shape—80 feet wide and +400 feet long, extending out to Skaha Lake.
Highest and Best Use	Condominium Development
Market Value	$7 M

PROPERTY SUMMARY:

- The site is fully serviced, has +80 feet of frontage onto Skaha Lake with a municipal boat launch and provincial park/beach adjacent, east, of the site.
- Located at the south end of Skaha Lake in Okanagan Falls of British Columbia.
- Steps away from beautiful beaches, boating, sailing, fishing , hiking, golf courses and wineries.
- Skaha Shores is home to the stunning Cascade mountain range, warm clear water and open sunny skies.
- Renowned as one of the most pleasant areas in Canada to live.
- Approximately 20 minutes south of Penticton and 20 minutes north of Oliver.
- United States border lies 40 minutes south of Okanagan Falls on Highway 97.
- Building permit is in place.



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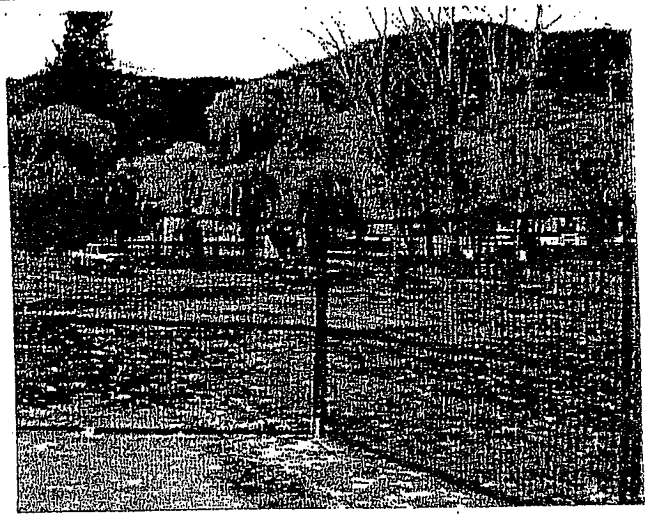
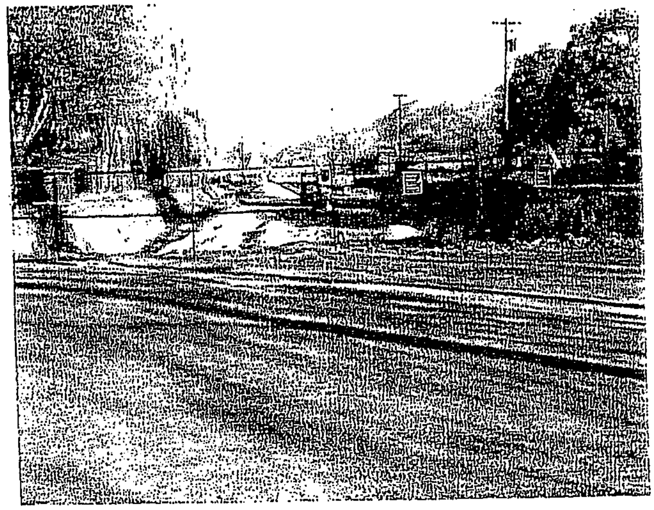
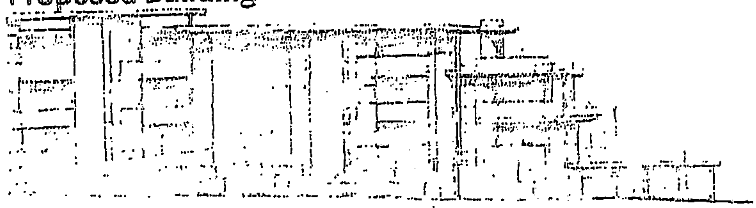
Skaha Shores continued



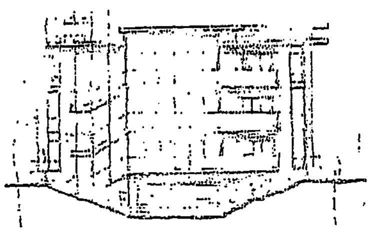


Skaha Shores continued

Proposed Building

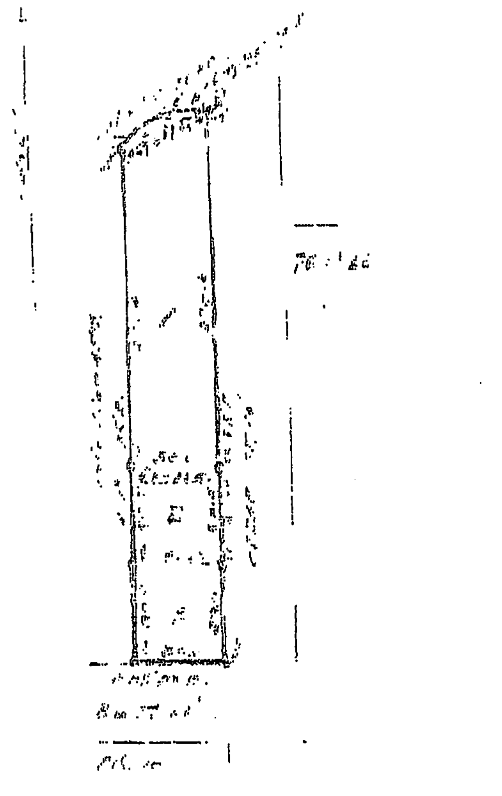


EAST ELEVATION SKETCH

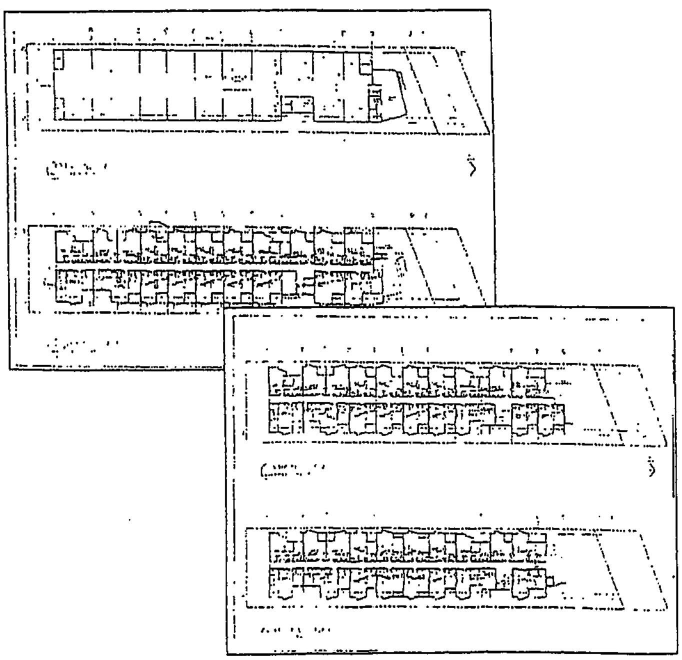


SOUTH ELEVATION SKETCH

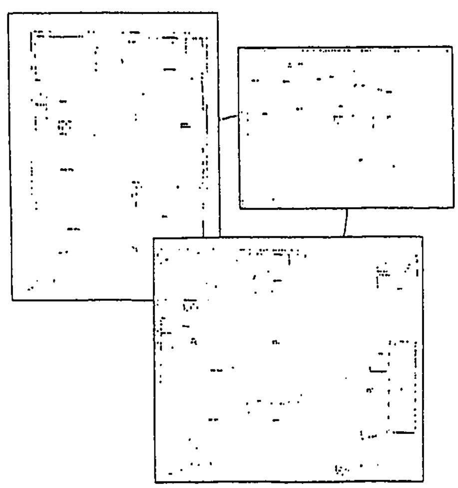
Survey of the Land



Proposed Floor Plans



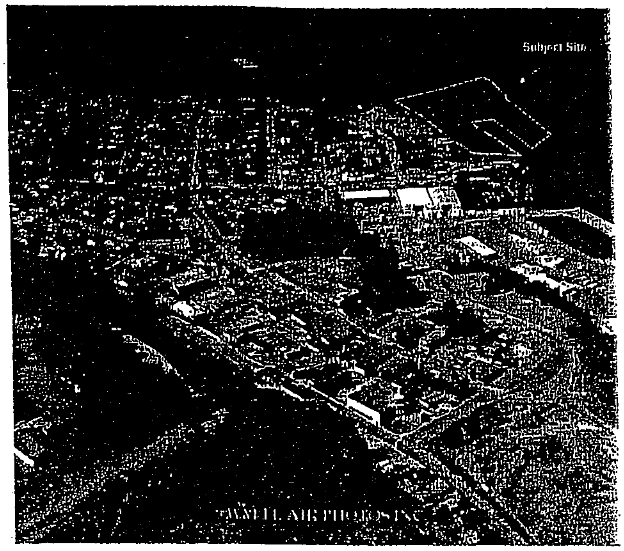
Proposed Floor Plans



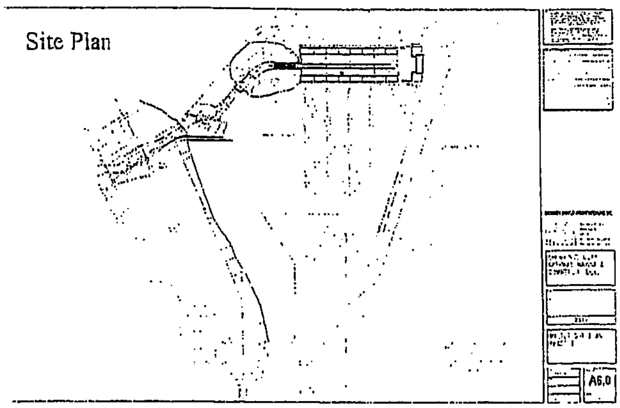
Chemainus Properties
Chemainus, British Columbia

PROPERTY DESCRIPTION

Address	9933 Esplanade Street
Legal Description	Lot A Section 18 Range 5 Chemainus Plan 29495 Part of District Lot 2013, Cowichan District and comprising part of the Bed of Chemainus Bay
Land Use Classification	Special Zoning c/w water lease
Site Description	1.584 Acres
Highest and Best Use	Waterfront condominium development/ commercial / Floating barge condominiums.
Market Value	$3.0 M

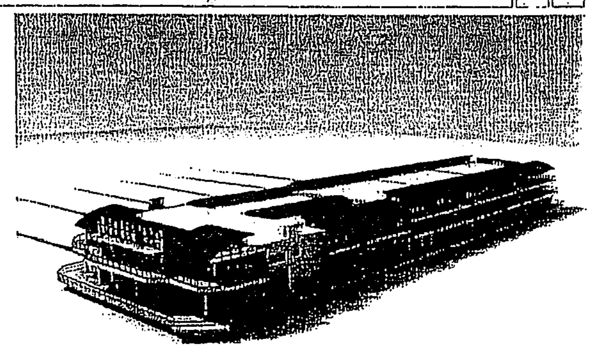


Site Plan



PROPERTY SUMMARY:

- The site is in Chemainus Bay and will become part of the downtown core.
- Located at the end of Pine Street, the project includes approx. 790 feet of oceanfront.
- Projected to develop 45 first class waterfront fee simple condominiums, parking and a roadway to the water.
- One hour north of Victoria, BC and 1/2 hour south of Nanaimo, BC.
- This area is considered to be the most popular boating destination in British Columbia.
- Chemainus receives over 450,000 tourists to it internationally acclaimed "Festival of Murals" yearly.
- Development permits in place.
- Excavation has started.



Concept Drawing

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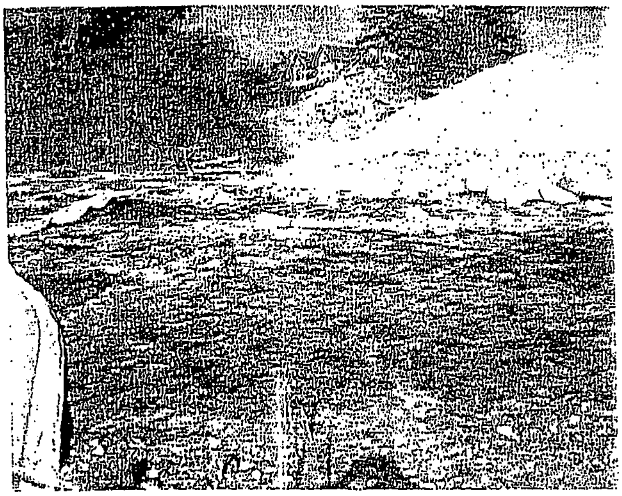
Chemainus Properties
continued



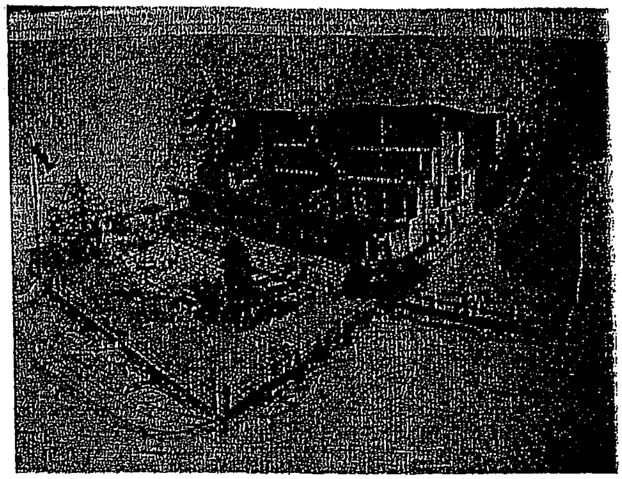
Currently Excavating

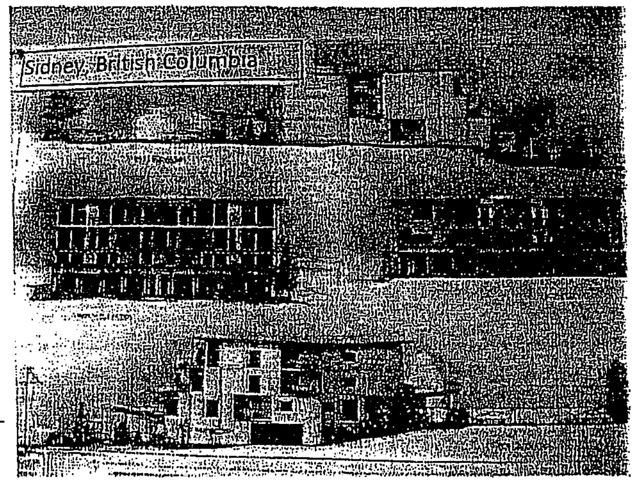
Concept Design

Tsehum Harbour Place
Sidney, British Columbia

PROPERTY DESCRIPTION

Address	2238 & 2240 Harbour Road
Legal Description	PI 45998; Lot A; DL12; LD40; S15; Range 3E
Land Use Classification	Zoned Marine Industrial W1 c/w water lease
Site Description	0.5401 Acres
Highest and Best Use	Condos / Commercial Development, Boat Moorage
Market Value	$ 3.0 M





Concept Drawings

PROPERTY SUMMARY:

- Rectangular in shape fronting Harbour Road to the South, Tsehum Road to the east, Tsehum Harbour to the north and an existing marine shipyard to the east.
- The property is 239.0 feet long and 100 feet wide. The land is relatively flat for 200 feet then gently slopping approximately 10feet to a flat area on the oceanfront.
- Has existing moorage for approximately ten to twelve, fifty foot pleasure crafts.
- Located on Harbour Road in the township of Sidney-by-the-Sea, British Columbia.
- Sidney is located on the southern tip of Vancouver Island on the Saanich Peninsula and is the gateway to the Gulf and San Juan Islands.
- Small town atmosphere yet enjoys the advantages of the big city.
- 20 minutes to Victoria; 10 minutes to Victoria Airport and 2 minutes to Schwartz Bay BC Ferries.
- Close to many attractions including the world famous Butchart Gardens.
- Development Permit is in place .
- Building Permit approved.

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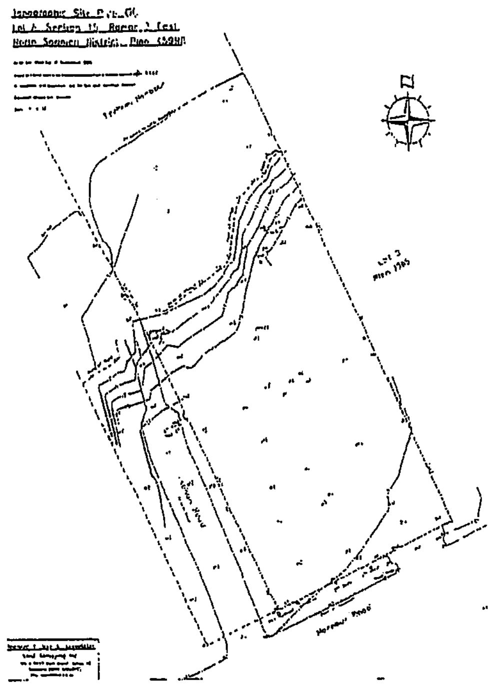
Tsehum Harbour Place
continued



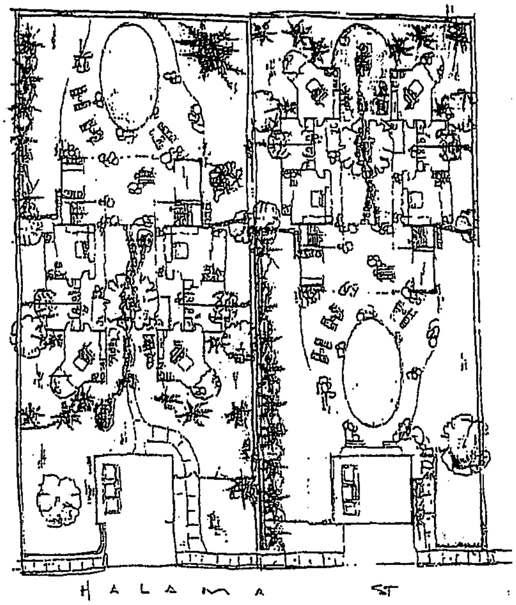
Land Survey

INTERNATIONAL REAL ESTATE INVESTMENTS LTD.

Halama Gardens
Maui, Hawaii

PROPERTY DESCRIPTION

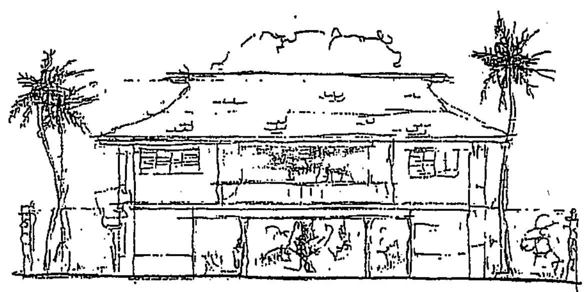
Address	1455 & 1463 Halama Street
Legal Description	Parcel 2-3-9-9-19, Central Kihei Parcel 2-3-9-9-18, Central Kihei
Land Use Classification	Zone C1—Urban Apartment District
Site Description	2 large lots
Highest and Best Use	High End Houses
Market Value	$1.6 M US

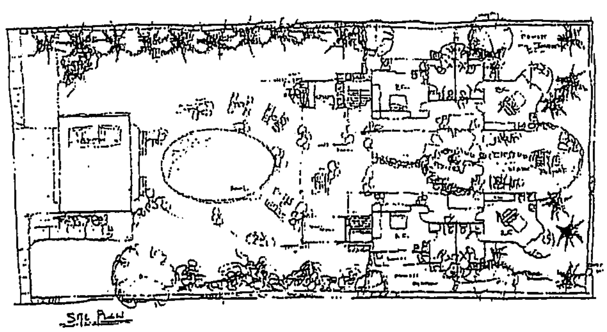


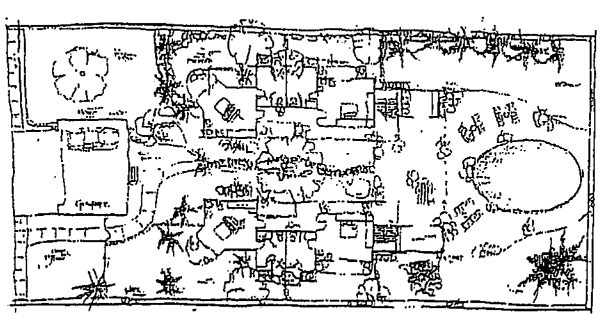
Concept Drawings

PROPERTY SUMMARY:

- Next to the beach
- High quality residential area
- Water rights included
- Drawings ready for submission







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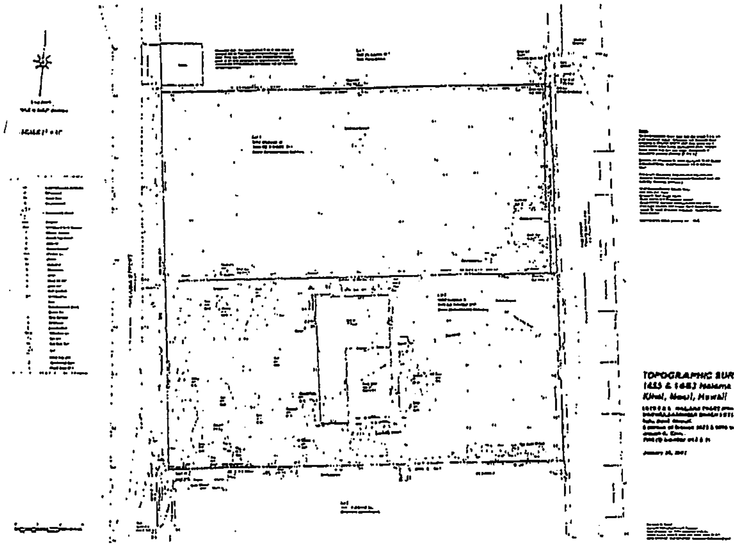
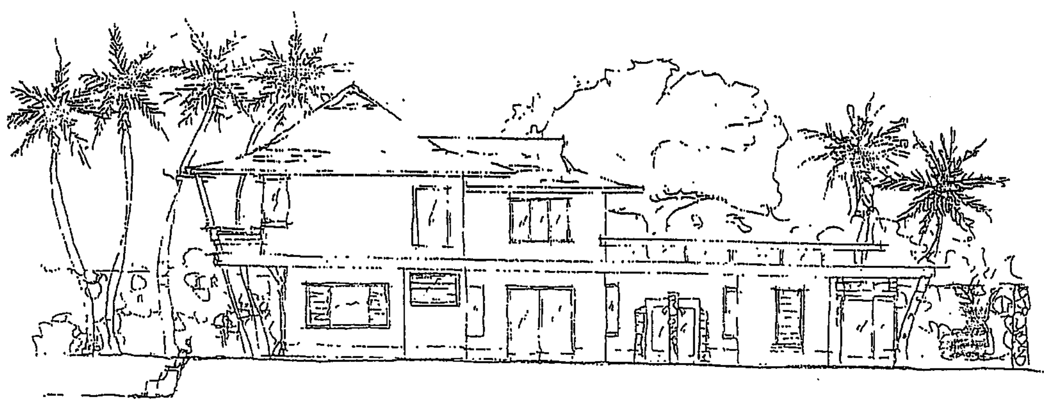
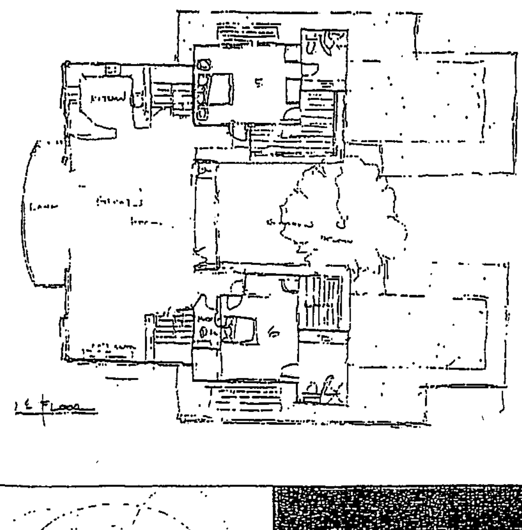
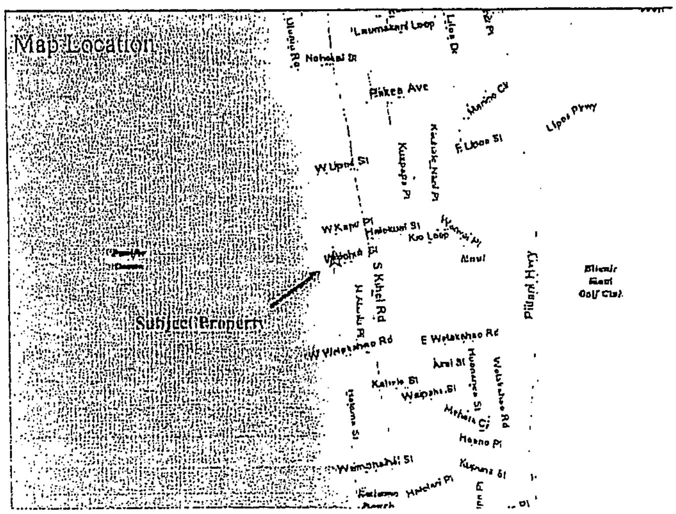
Halama Gardens
continued

Concept Drawings





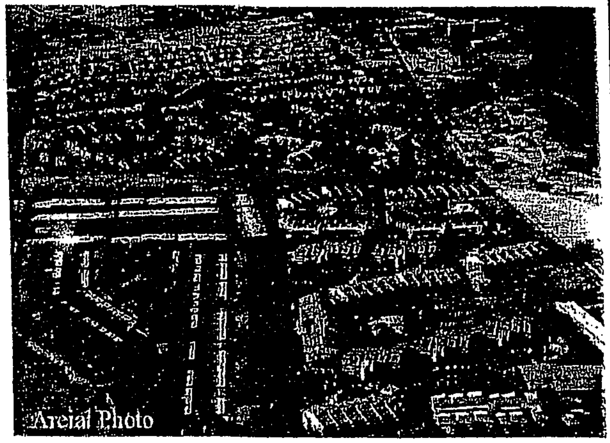




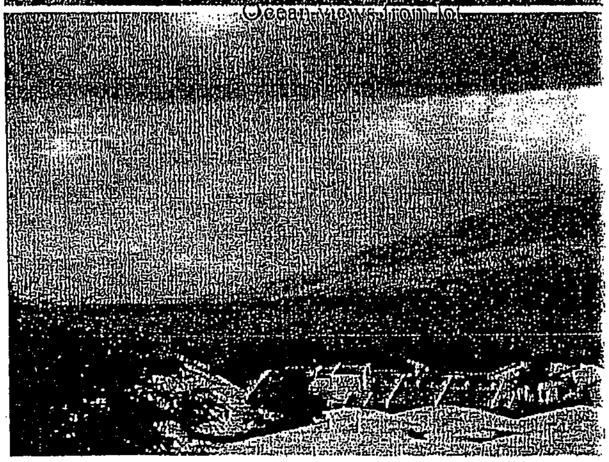
Paradise Ridge
Maui, Hawaii

PROPERTY DESCRIPTION

Address	2757 South Kihei Road, Kihei, Maui, Hawaii
Legal Description	TMK: (2) 3-9-004:132 (SM12001/0010)
Land Use Classification	Condominiums
Site Description	2.3 acres
Highest and Best Use	32 unit Condominium Development
Market Value	$4.5 M US


Areial Photo


Ocean views from lot



PROPERTY SUMMARY:

- Development and building permits included
- Ready for construction
- Approved for 8 four unit buildings
- 300 meter from the ocean
- Full ocean view
- Middle of the most desirable area in Maui
- Very popular area for Japan, China, Singapore, Canada & United States Mainland tourism & retirement destination.

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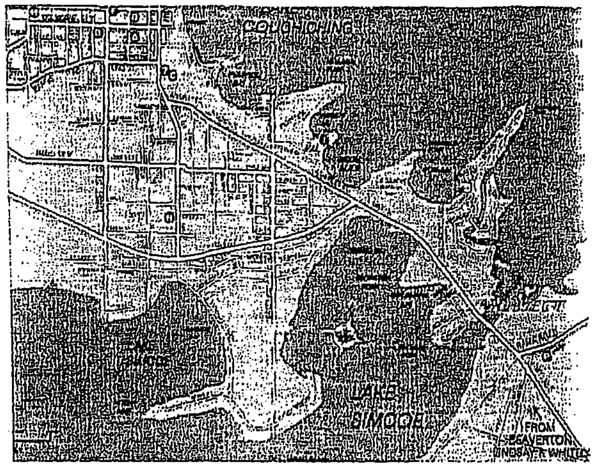
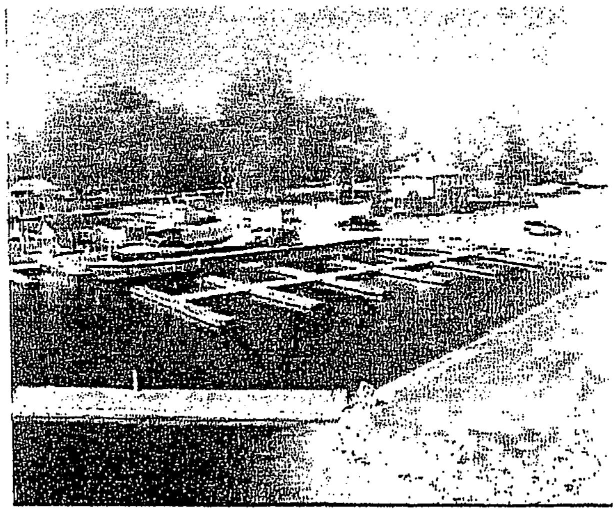
The Narrows
Orillia, Ontario

PROPERTY DESCRIPTION

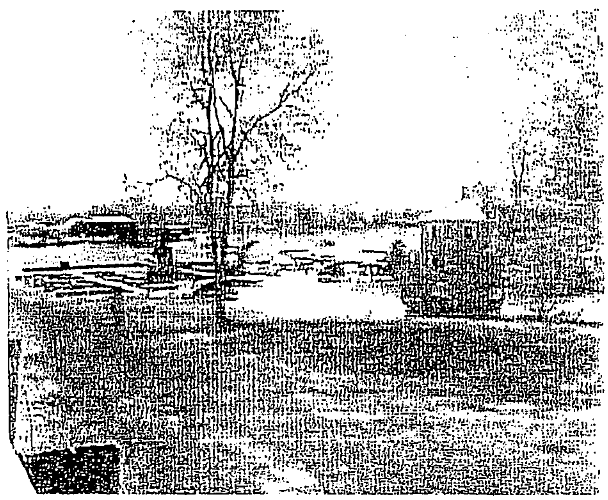


Address	679 Atherley Road, Orillia, Ontario
Legal Description	Plan 292, Lots 1-4 & 68 S/S Atherley Rd, Lots 62-67 N/S Driftwood Rd & Water lot, City of Orillia, County of Simcoe
Land Use Classification	RM2-9
Site Description	4.2 Acres
Highest and Best Use	106 condo units plus private marina
Market Value	$3.2M

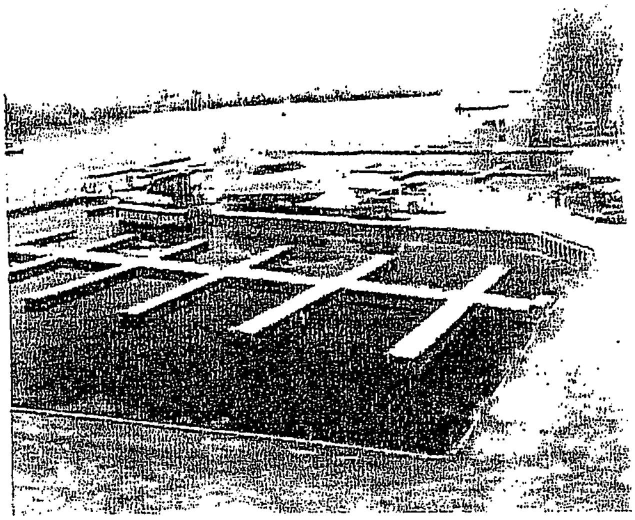


PROPERTY SUMMARY:

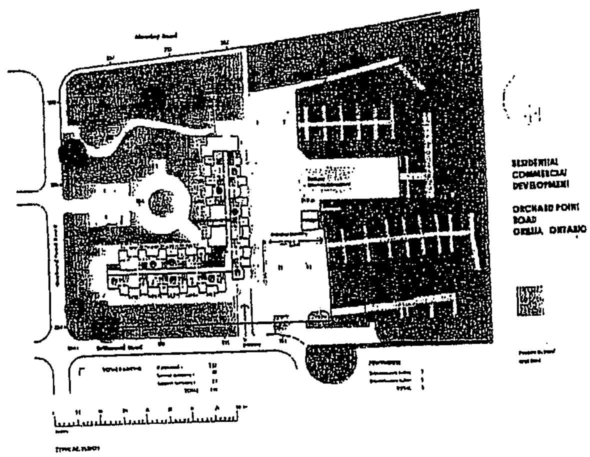
- Located at Atherley Road (Highway 12) and Orchard Point Road
- Located 2 minutes from city's central Harbour
- Located approximately 1 hour from Greater Toronto using Highway #400
- The City of Orillia is located on the shores of two lakes: Lake Simcoe and Lake Couchiching.
- Close proximity to world renowned entertainment facilities, hotel and theatre.
- Orillia is a popular tourist area for temporary docking of both sail and power boats.
- 106 extra-wide residential units of high quality design with large exterior balconies.
- Architectural & Engineering complete.

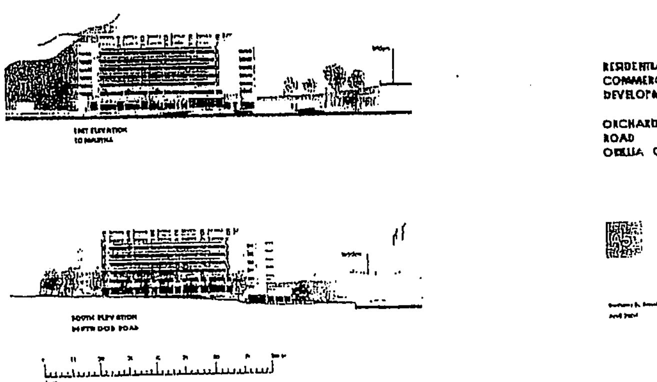


The Narrows
continued



Concept Drawings

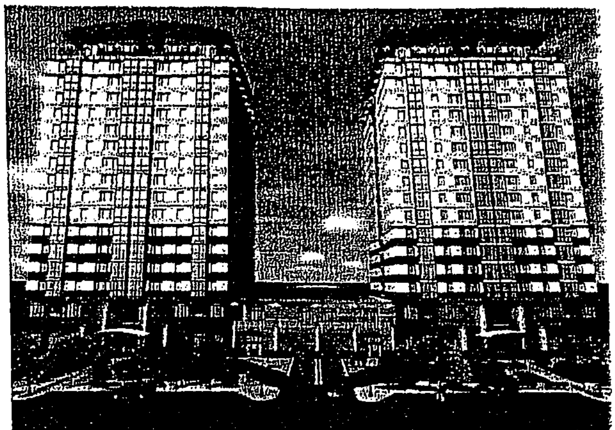




Shire Towers
Fort McMurray, Alberta

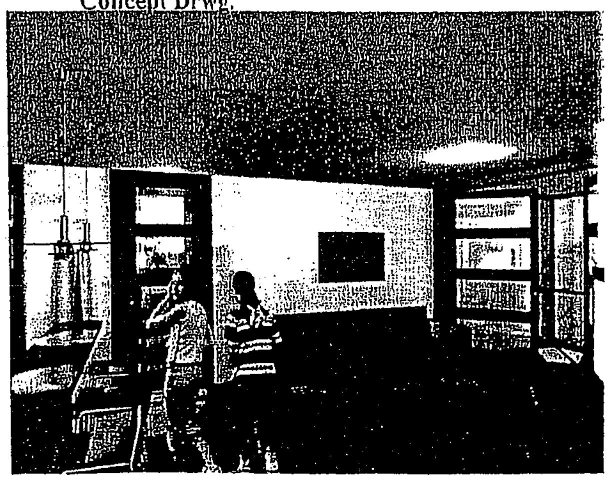
PROPERTY DESCRIPTION

Address	10109—10119 Manning Avenue 10113 & 10115 Manning Avenue
Legal Description	Plan 1268NY Block 1 Lot 4, 5 , 6 , 7 & 8 Plan 2274NY Bock 1 Lot 3A
Land Use Classification	R4 High Density—Residential District
Site Description	± 1.101 Acres
Highest and Best Use	Residential Towers c/w Commercial component.
Listed Value	$15.9 M



Concept Drwg.

Concept Drwg.



PROPERTY SUMMARY:

- The property has 349 feet of frontage, 137 feet of depth and an area of 47,947 square feet.
- Located one block off the main downtown corridor.
- Preliminary studies completed.
- Development permit approved June 2009.
- Building permit submission Sept 2009.

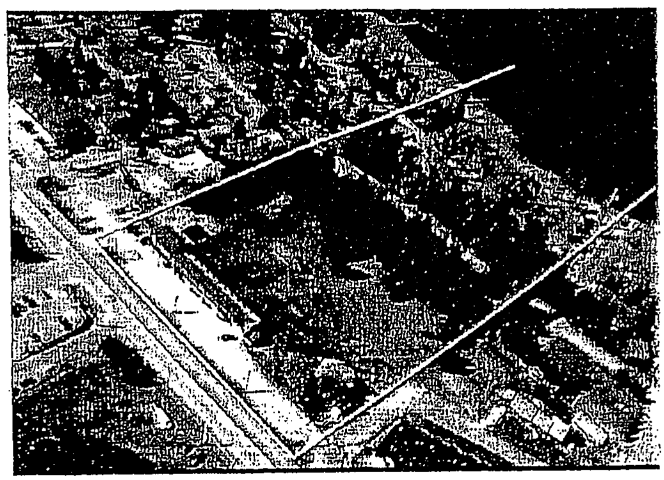
Maples & White Sands
Sorrento, British Columbia

PROPERTY DESCRIPTION

Address	1283 & 1295 Dieppe Road and 1277 Trans Canada Highway, Sorrento, British Columbia
Legal Description	Lot 1,2 &3 Section 16, Township 22, Rang 11, West of the 6th Meridian, Kamloops Division Yale District, Plan 2142; Lot 1 & 2, Section16, Township 22, Range 11, West of the 6th Meridian, Kamloops Division Yale District, Plan 16715; Lot 6, Section 16, Township 22, Range 11, West of the 6th Meridian, Kamloops Division Yale District, Plan 31558
Land Use Classification	Zoning C6 (for the lands to the north of Ortona Road) & C1 (for the lands to the south of Ortona Road)
Site Description	Cabins, RV lots, Motel, Mini Golf, Ice-cream Parlor, Bed & Breakfast & Executive home.
Highest and Best Use	Condominium Development / Commercial along Highway #1
Market Value	$14.5 M

PROPERTY SUMMARY:

- Located 31 km west of Salmon Arm and 80 km east of Kamloops on the TransCanada Hwy 1
- Tappan, Balmoral, Blind Bay and Squilax make up a few smaller communities around Sorrento
- Lakeside vacation community surrounded by snow-capped mountains, alpine meadows, forest and rivers on the shores of the Shuswap Lake.
- Shuswap Lake Provincial Marine Park is among some of the most popular boating and canoeing locations in the Southern interior. Other recreational activities include swimming, fishing, hiking and bird watching.
- One section has an existing motel on the land.
- Subdivision & amalgamation in progress.
- Preliminary plans complete.



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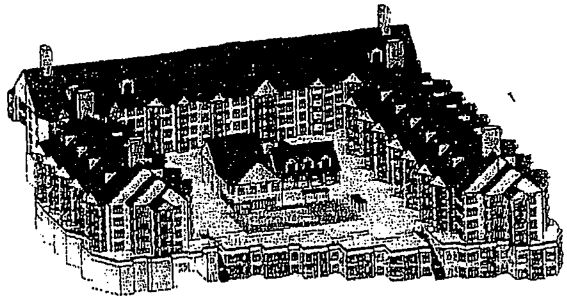
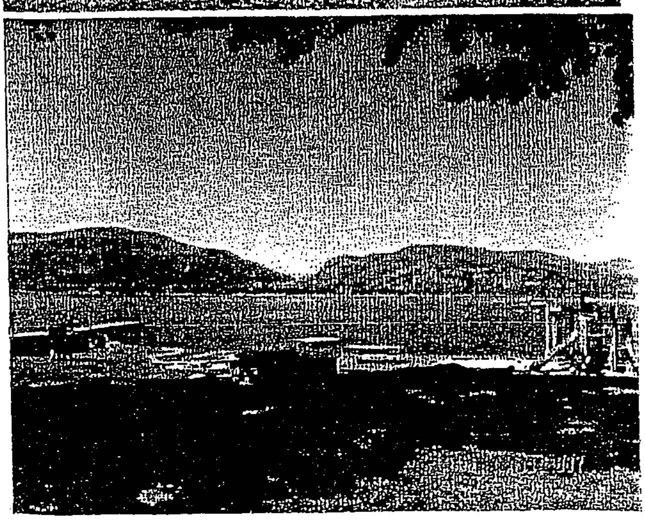
Maples & White Sands continued

Concept Drawing

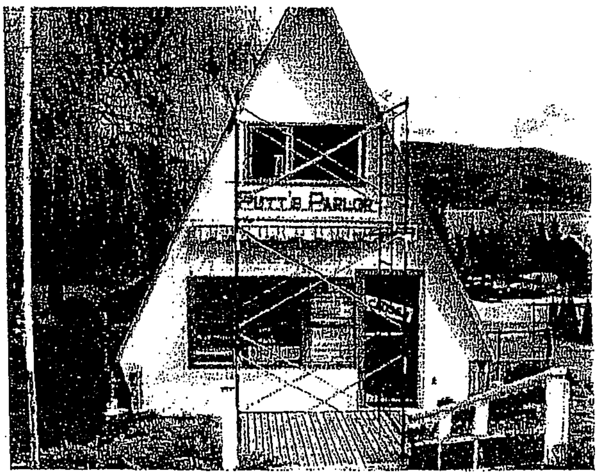


Existing Buildings



Maples & White Sands continued

Existing Motel

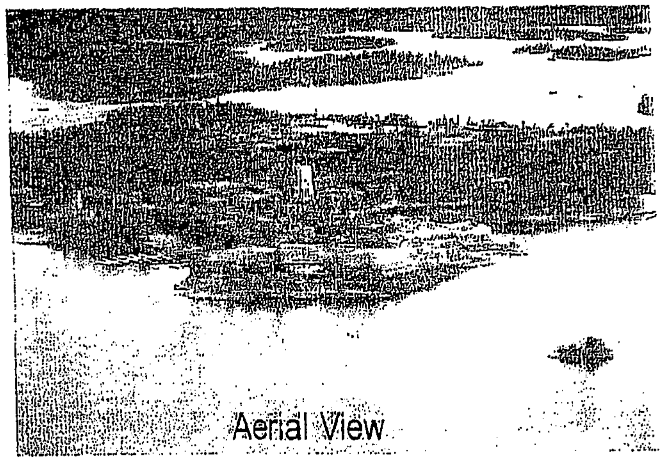


Existing Buildings

Winn River
Minaki, Ontario

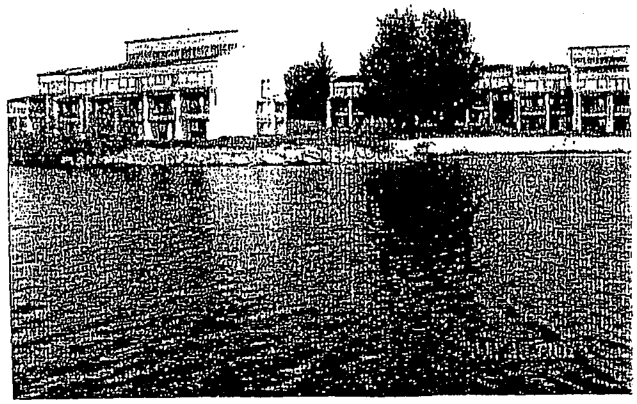
PROPERTY DESCRIPTION

Address	Minaki, Ontario
Legal Description	Parcels 41859, 38557, 36864, 42682: Remainder of Parcels 26436 and 37025; and Lots 134—138
Land Use Classification	Open for any development.
Site Description	85 Acres
Highest and Best Use	Condos / R.V. Lots / Villas / Commercial
Market Value	$11.325 M



Aerial View

Existing Buildings

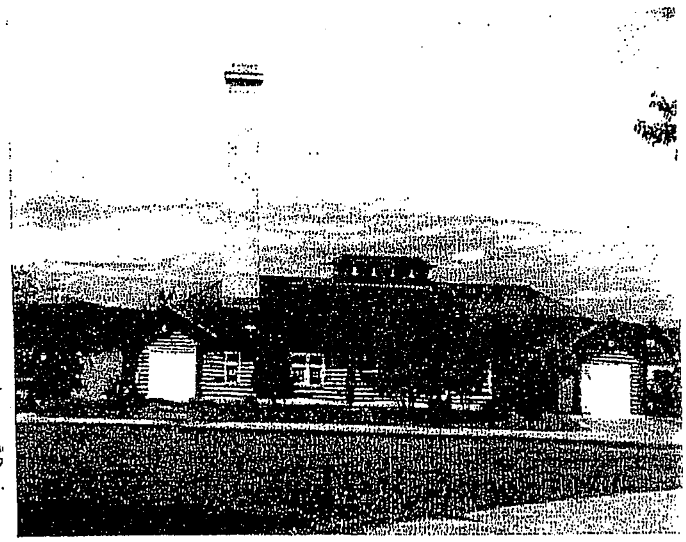


PROPERTY SUMMARY:

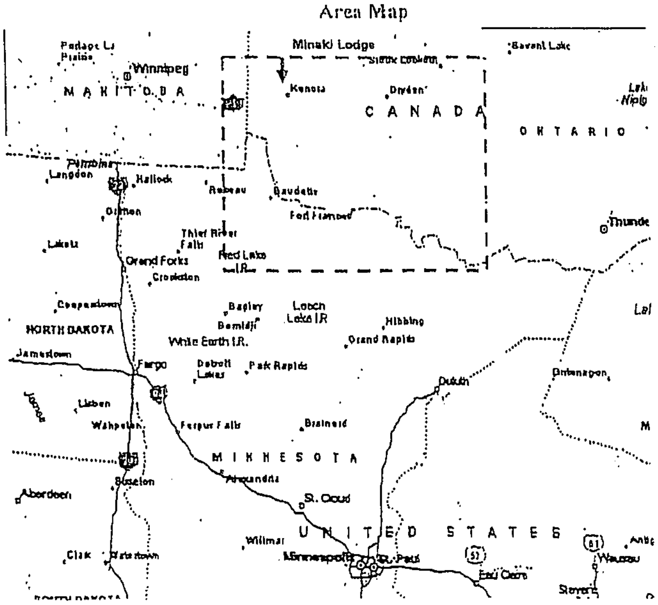
- Summer & winter recreation / resort property located in the Lake of the Woods recreational area in the District of Kenora, Ontario. Located 45 mins north of Kenora.
- The site is irregular in shape with extensive frontage onto Winnipeg River and Sand Lake and the site is essentially level.
- The site is fully serviced with on-site water treatment plant, sewage treatment plant and propane storage tanks. Ontario Hydro provides electrical power.
- Area lakes and rivers, including the mighty Winnipeg and English River Systems, offer tremendous fishing .
- Hunting opportunities are some of the best in Ontario with large populations of deer, black bear and moose.
- Plans are in the preliminary stage for refurbishment of existing apartment style clusters into condominiums & a 100 lot development.

Winn River continued

Existing Buildings



Area Map



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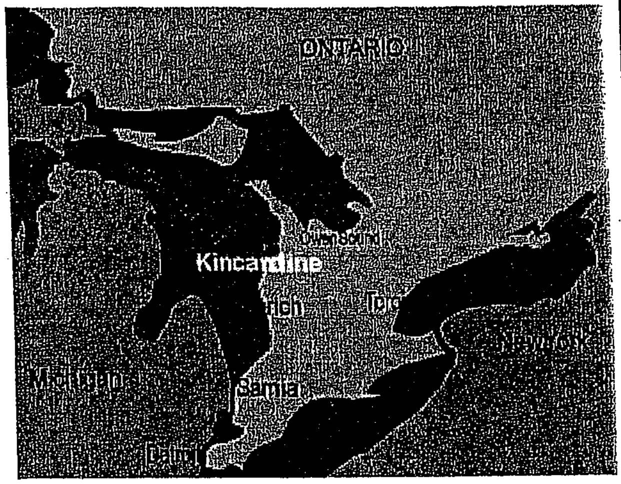
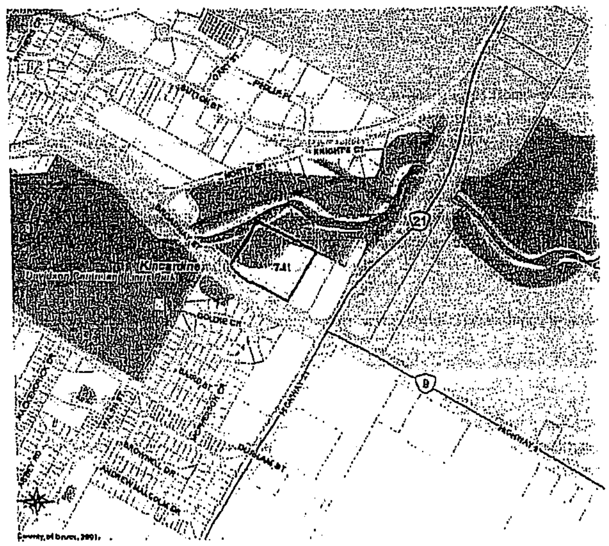
Kincardine, Ontario

PROPERTY DESCRIPTION

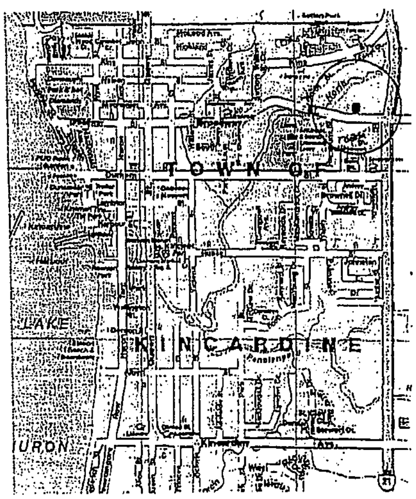
Address	741 Broadway Street, Kincardine, Ontario
Legal Description	Part of Loc C, Part of Lot D and Part of Lot E, Plan 61 Kincardine PIN 33303-0769
Land Use Classification	Residential Four Special (R4-4), Environmental Protection (EP)
Site Description	5.54 Acres
Highest and Best Use	195 luxury condominium units.
Market Value	$1M





PROPERTY SUMMARY:

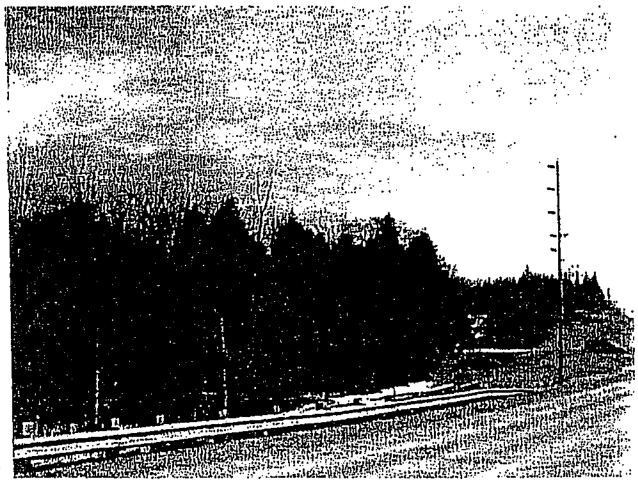
- 520.67 feet by 492.54 feet (irregular) lot
- Kincardine is located approximately 130 miles Northwest of Toronto.

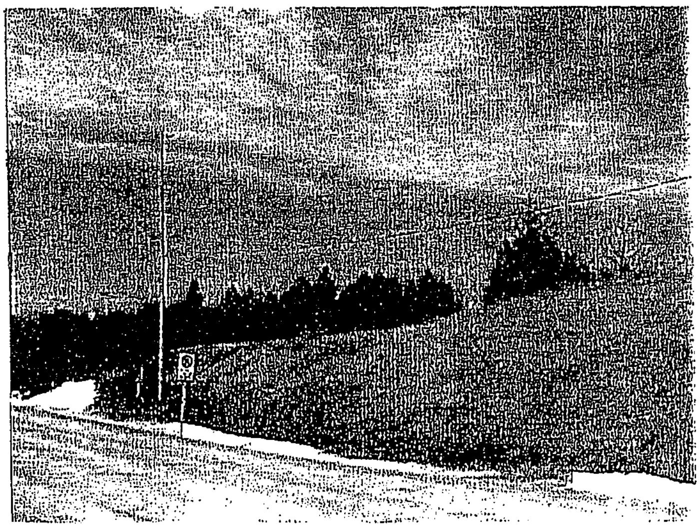


Maps of Area

INTERNATIONAL REAL ESTATE INVESTMENTS LTD

Kincardine, Ontario
continued





Kincardine, Ontario
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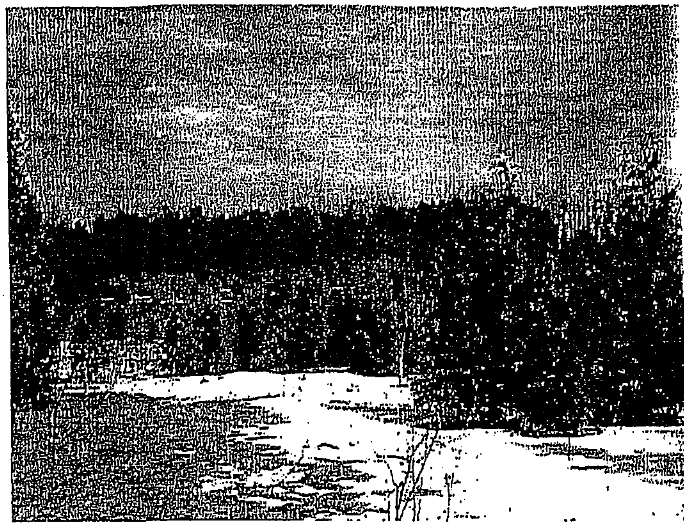
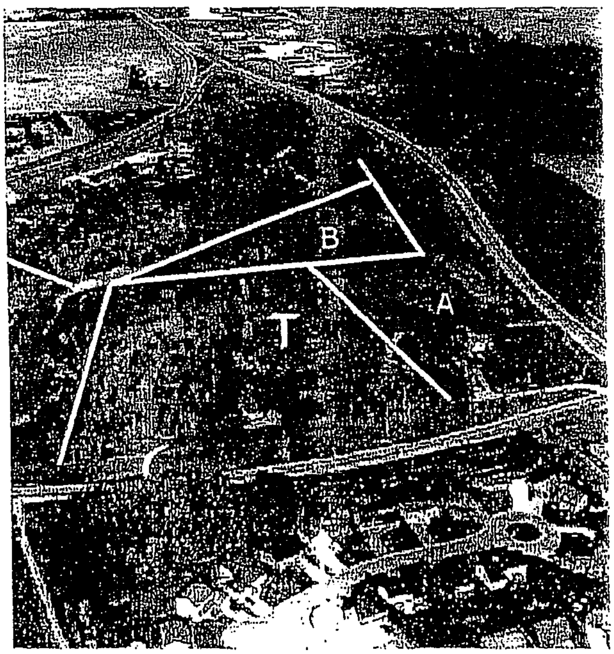
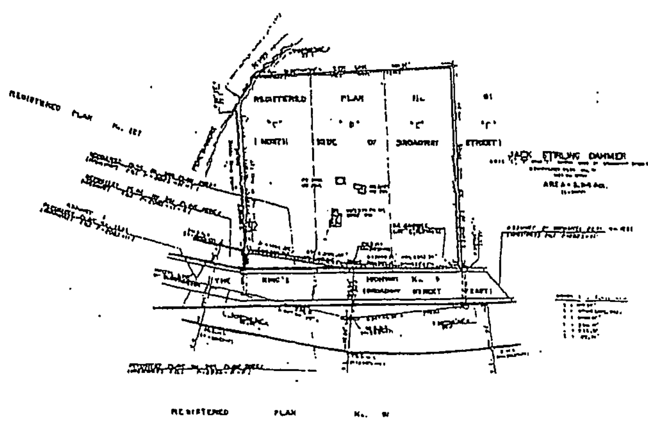




Ariel Map of Area

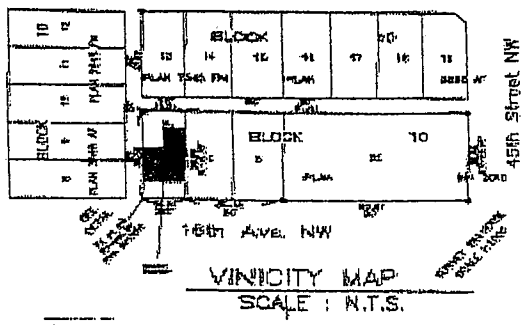


SCALE: 1 inch = 260 feet

Concept Drawing:

16th Ave. N.W.
Calgary, Alberta

PROPERTY DESCRIPTION



Address	4628 & 4630 16 Ave. N.W., Calgary, Alberta
Legal Description	Plan 7545FN, Block 10, the south easterly half & the north west half of lot 7
Land Use Classification	Highway Commercial District
Site Description	± 5,995 sq.ft.
Highest and Best Use	Commercial Development
Listed Price	$910,000

Existing Buildings

PROPERTY SUMMARY:

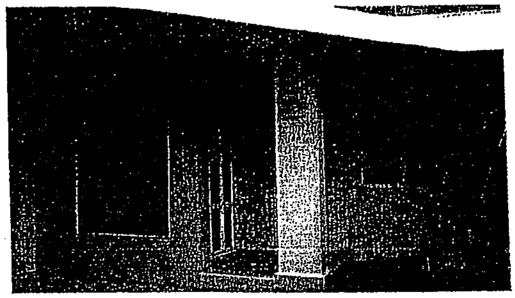
- Located along the north side of 16th Avenue N.W. & west of 45th Street N.W.
- Ideally located for commercial development.
- Application for Development Permit & lot amalgamation have been submitted to the City of Calgary.

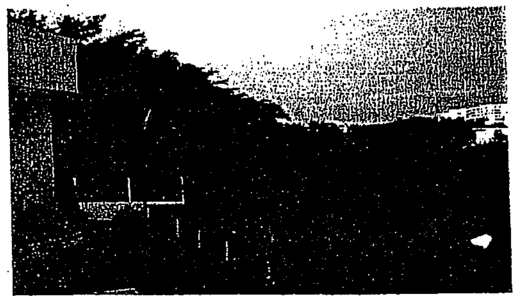
SHIRE
INTERNATIONAL REAL ESTATE INVESTMENTS LTD

Green Canals
Nuevo Vallarta, Mexico

PROPERTY DESCRIPTION

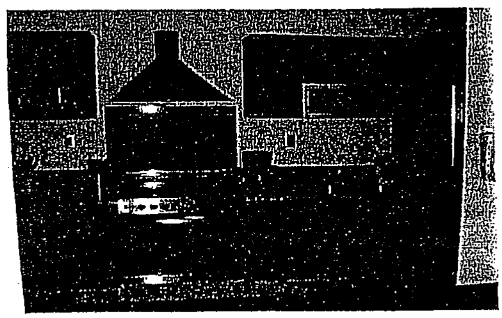
Address	Green Canals Villa #13,
Legal Description	Paseo Do Las Gaviotas #16, Casa #13, Manzana #4, Nuevo Vallarta, municipality of Bahia de Banderas, Nayarit
Land Use Classification	Existing Condominium Unit
Highest and Best Use	Condominium
Market Value	$.400 M

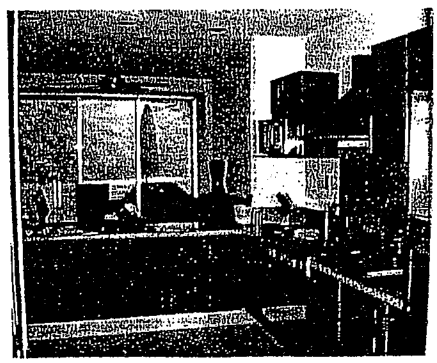




PROPERTY SUMMARY:

- Located approximately 10 minutes north of the Puerto Vallarta Airport.
- Situated approx. 2 blocks off the Pacific Ocean's Bahia de Banderas.
- C/w year round boat moorage.
- Many activities available nearby such as whale watching, jet skiing, wind surfing, snorkeling, kayaking and fishing.





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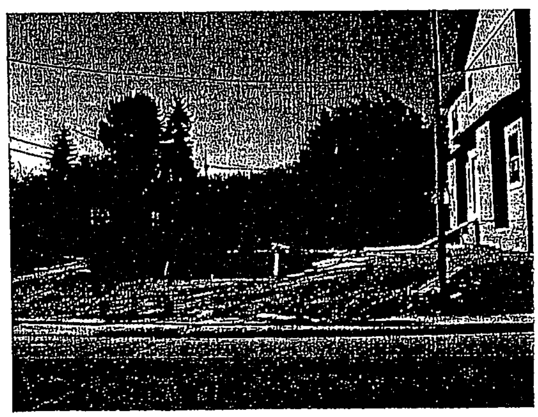
INTERNATIONAL REAL ESTATE INVESTMENTS LTD

Killarney
Calgary, Alberta

PROPERTY DESCRIPTION

Address	2804—36th Street S.W. Calgary, Alberta
Legal Description	Plan 732GN, Block 12, Lot 10
Land Use Classification	Residential Development
Site Description	6,044.78 sq.ft.
Highest and Best Use	Infill Development
Listed	$1.2M



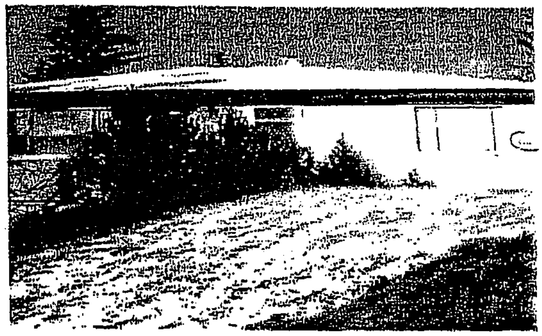
PROPERTY SUMMARY:

- Sold—one side

Marda Loop
Calgary, Alberta

PROPERTY DESCRIPTION

Address	2220,2228, 2232 & 2236 - 28th Ave. S.W. Calgary, Alberta
Legal Description	Plan 4479P, Block 17, Lots 9&10, 13&14, 15&16, 17&18
Land Use Classification	Residential Development
Site Description	aprox 25000 sq.ft.
Highest and Best Use	Infill Development, 2—units per lot
Market Value	$1.6 M



PROPERTY SUMMARY:

- Demolition permit can be applied for, all utilities have been disconnected and sign off sheet completed.
- Development permit to be applied for c/w four sets of drawings

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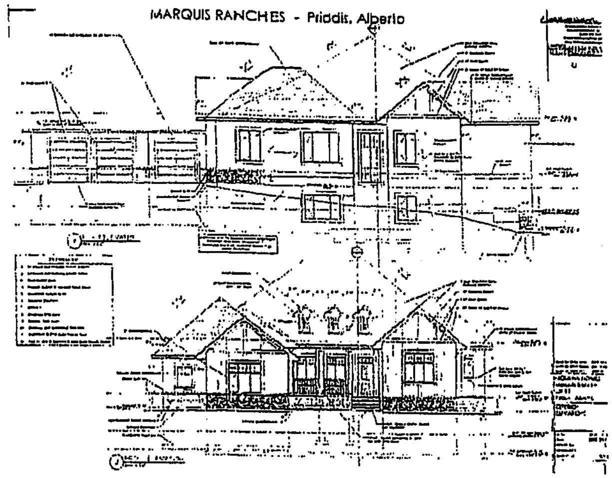
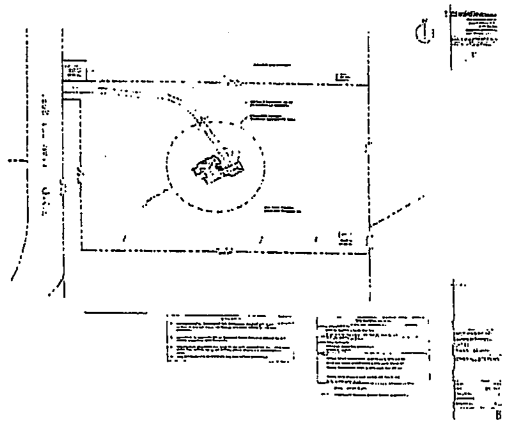
Marquis Ranches
Priddis, Alberta

PROPERTY DESCRIPTION

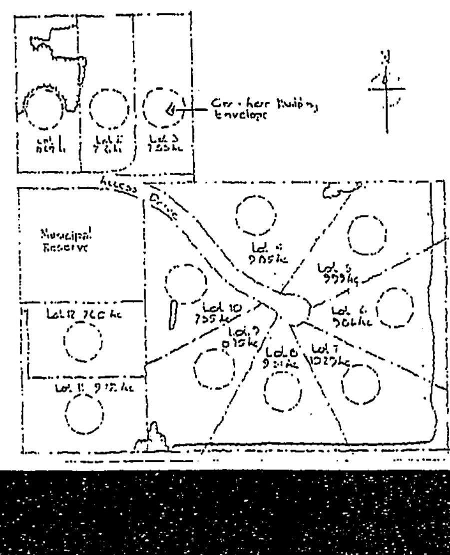
Address	Lot 12 Marquis Ranches
Legal Description	Lot 12, Block 2, Plan 0711951 Portion of SE 1/4 Sec, 32, Twp 22, Rge 3, W5M
Land Use Classification	R-1 Residential
Site Description	7.60 Acres
Highest and Best Use	Residential Housing
Listed Lot Value	$429,000





PROPERTY SUMMARY:

- Located near Highway 22X, and is five kilometers west of the hamlet of Priddis, Alberta.
- Close proximity to Calgary.
- Southwest facing meadow offering panoramic views of the Rockies.
- Directly south of the highway is Priddis Greens Golf Club.
- Thirteen kilometers west is Bragg Creek and the route to Kananaskis Country.
- Paved roads, community water system and architectural guidelines for this community.
- Development permit in place.



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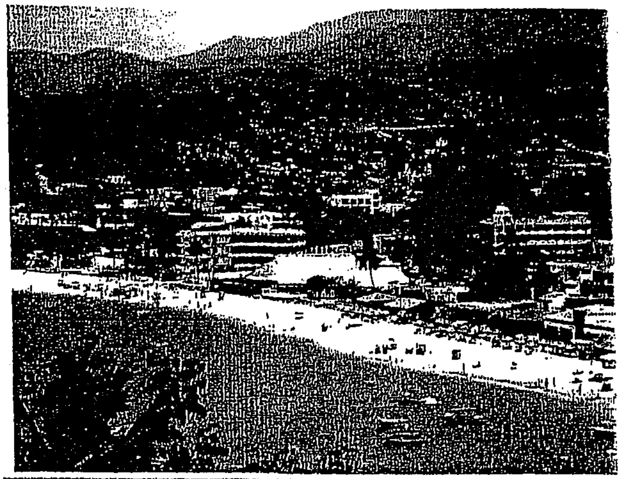
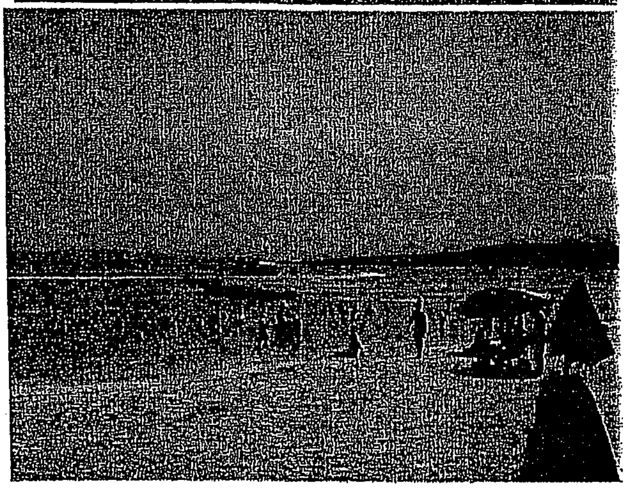
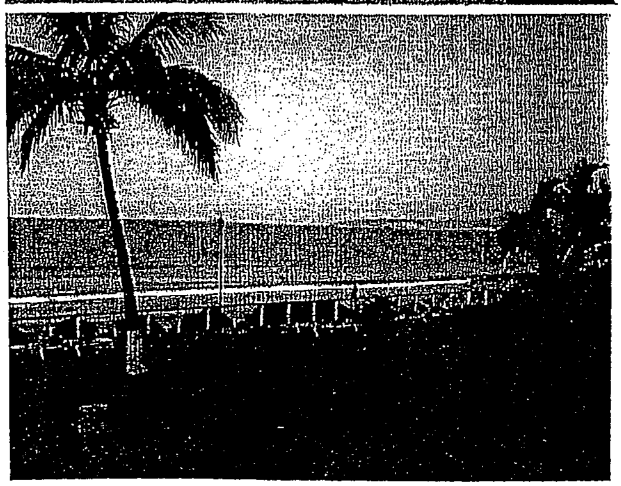
Rincon de Guayabitos
Nayarit, Mexico

PROPERTY DESCRIPTION

Address	Compestels, Nayarit, Mexico
Legal Description	
Land Use Classification	
Site Description	3263m2 + 965m2 federal zone (54.6m x 20m). Ocean frontage is 54.6m
Highest and Best Use	Condominium
Market Value	$3.9 M







PROPERTY SUMMARY:

- Located in the lovely bay of Rincon de Guayabitos
- Has 180 feet of beachfront
- Located 45 minutes North of Puerto Vallarta Airport
- New highway and airport are being built for this rapidly growing area.
- Championship golf course being developed approximately 1 kilometer south
- Many activities available nearby such as whale watching, jet skiing, wind surfing, snorkeling, kayaking and fishing.
- Preliminary concept plans in progress.

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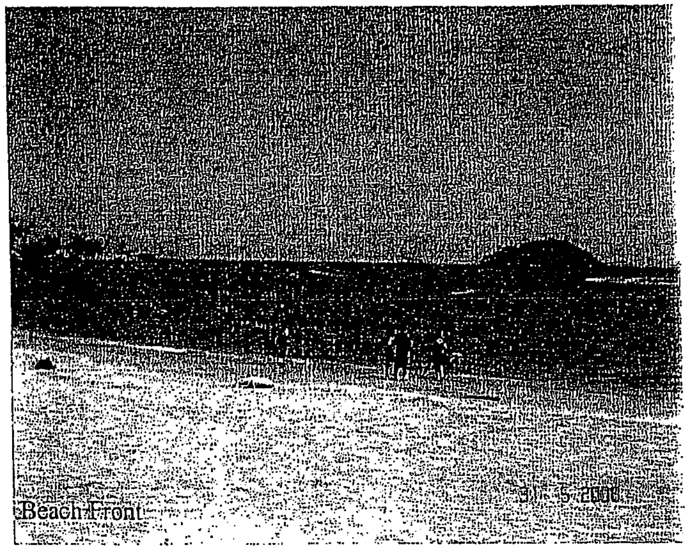
Rincon de Guayabitos continued



Casa Chuparrosa (Hummingbird)
La Cruz, Mexico

PROPERTY DESCRIPTION

Address	37 Calle Pescador, La Cruz de Huanacaxtle
Legal Description	Lot 3, Block 38, Zone 1 in the Village of La Cruz de Huanacaxtle
Land Use Classification	CUC (Costal Urban Corridor)
Site Description	13,271.9 sq.ft. c/w 20,000 sq.ft. additional usable beach (Federal Maritime Terrestrial Zone)
Highest and Best Use	Condominium development
Market Value	$1.5 M

PROPERTY SUMMARY:

- Located approximately 20 minutes north of the Puerto Vallarta Airport.
- Situated on the Pacific Ocean's Bahia de Banderas.
- The town was founded in 1930
- A colorful Mexican town with cobblestone streets, a number of small interesting shops and access to beautiful beaches such as Punta Mita.
- Many activities available nearby such as whale watching, jet skiing, wind surfing, snorkeling, kayaking and fishing.

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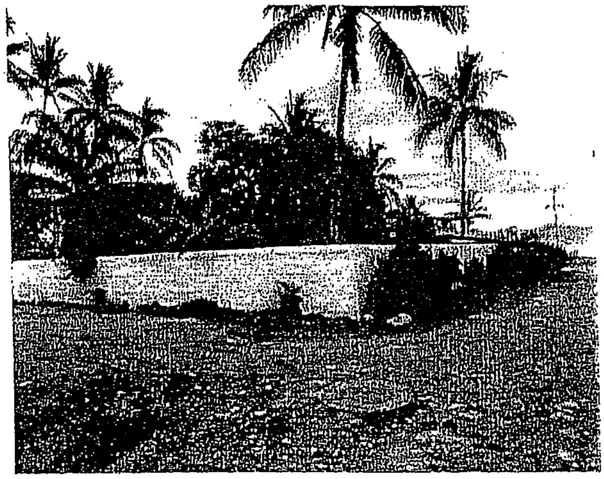
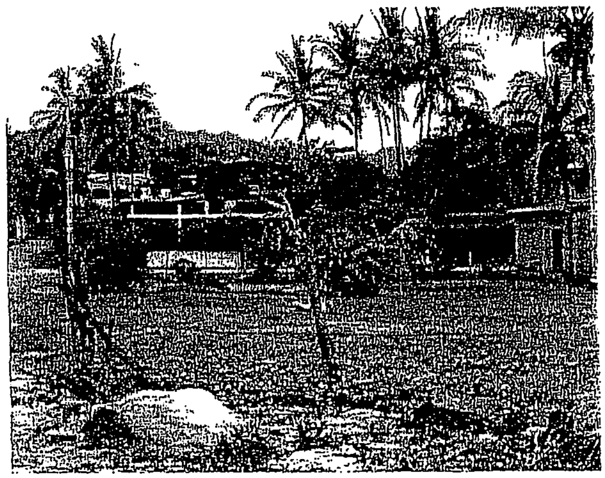
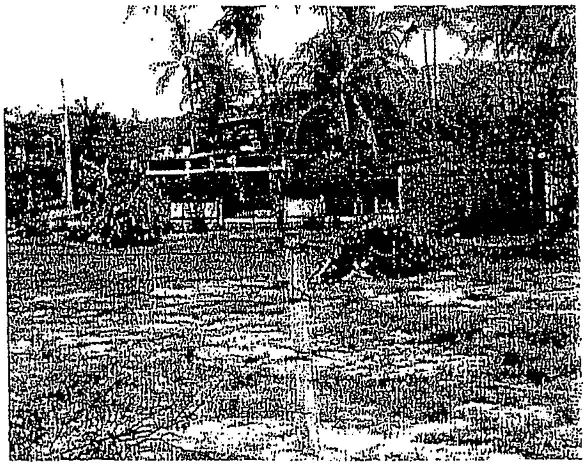
Casa Chuparrosa (Hummingbird) continued





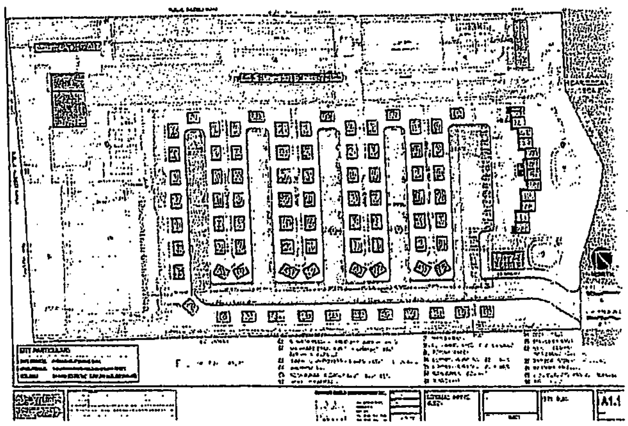


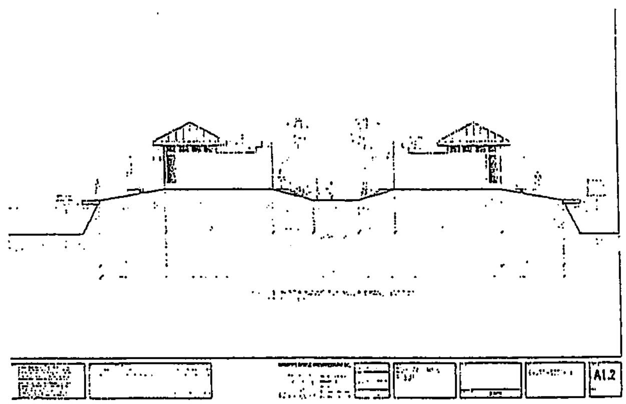
Corozal Marine Resort
Belize

PROPERTY DESCRIPTION

Concept Drawings

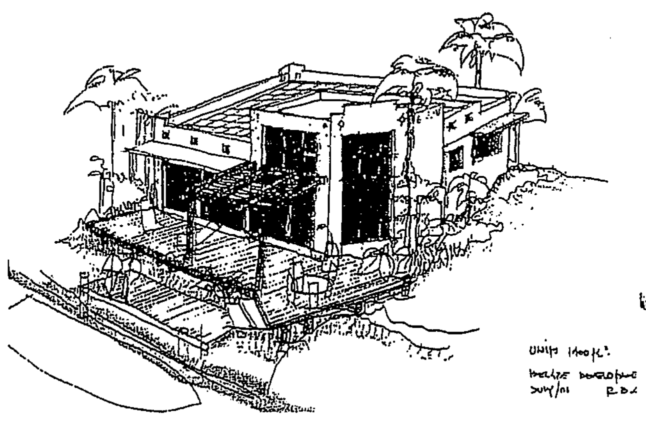
Address	
Legal Description	Block 1, Parcel 156, Consejo Road SE, Corozal District & Block 1, Parcel 157 Consejo Road, Corzal District
Land Use Classification	open
Site Description	34 Acres
Highest and Best Use	Gated resort complex
Market Value	$1.1 M

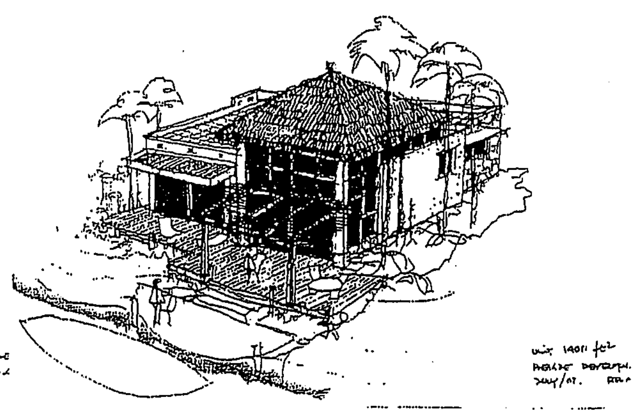




PROPERTY SUMMARY:

- Located on the Northern coast of Belize facing the Atlantic Caribbean.
- Each strata unit will come with dock for boats and access to ocean
- Located south of Cancun, Mexico
-





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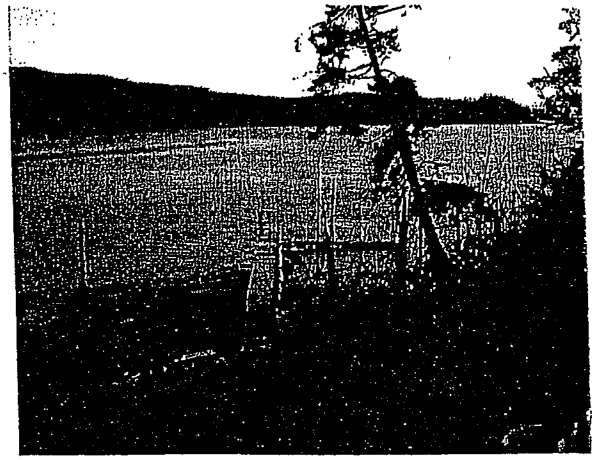
Sooke, British Columbia

PROPERTY DESCRIPTION

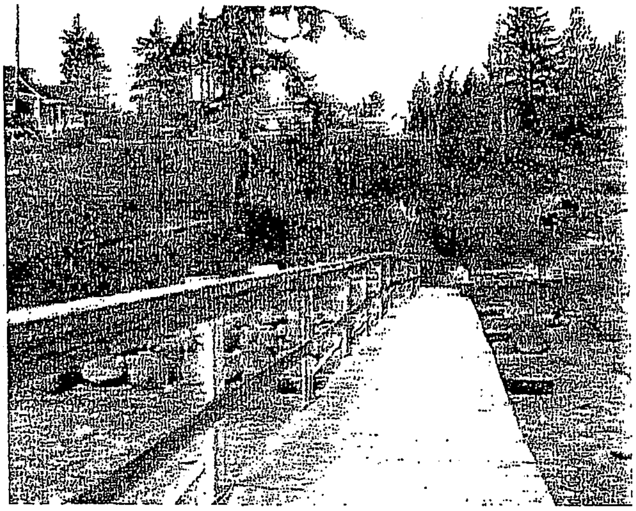
Address	6615 & 6617 Sooke Road
Land Use Classification	R1 Residential to be rezoned to CD (comprehensive design)
Highest and Best Use	Condominium Development / Waterfront Restaurant / Boat Moorage.
Market Value	$3 M



PROPERTY SUMMARY:

- Water lot leases included.
- Located on the south western tip of Vancouver Island, British Columbia.
- Approximately 40 minutes from Victoria, British Columbia via the Trans Canada Highway.
- Known to have one of the most mildest climates in Canada.
- The Sooke area is world famous for its marine ecology including fishing, sailing and whale watching.
- Sooke offers small town hospitality and spectacular scenery, with a rich history and numerous recreational opportunities such as hiking, biking, horseback riding and kayaking.
- Architectural drawings & plans in progress.

Sooke, British Columbia
continued

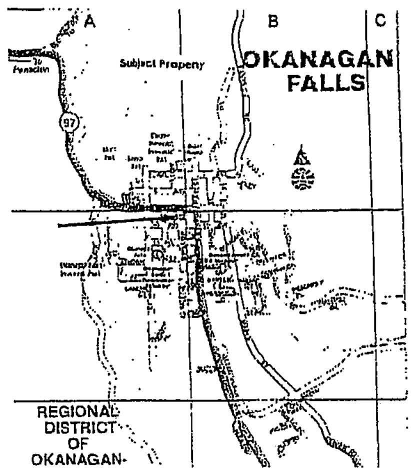


Okanagan Falls, British Columbia

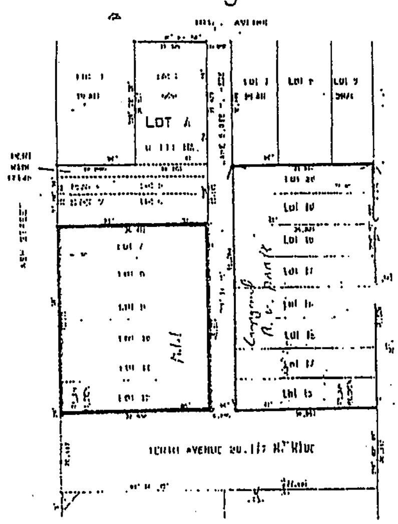
PROPERTY DESCRIPTION

Address	923 Ash Street, Okanagan Falls, British Columbia
Legal Description	Lots 7 to 20 Block 9, District Lot 374 Similkameen Division Yale District Plan 4
Land Use Classification	Highway Commercial Zone (C1)
Site Description	Parcel 1 = 18,000 sq ft. Parcel 2 = 24,000 sq ft Total = 42,000 sq ft
Highest and Best Use	Any commercial use allowed by the C1 zoning guidelines
Market Value	$.85m

Map of the Area

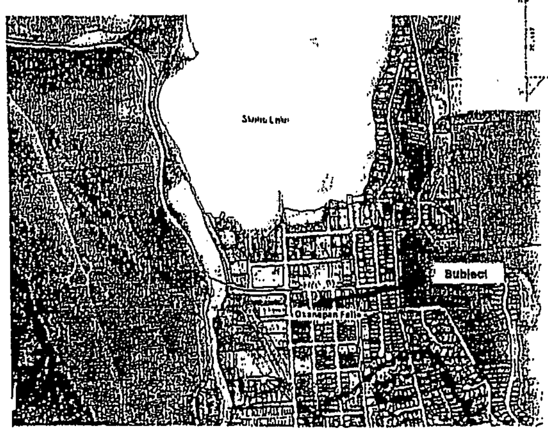


Architectural Design



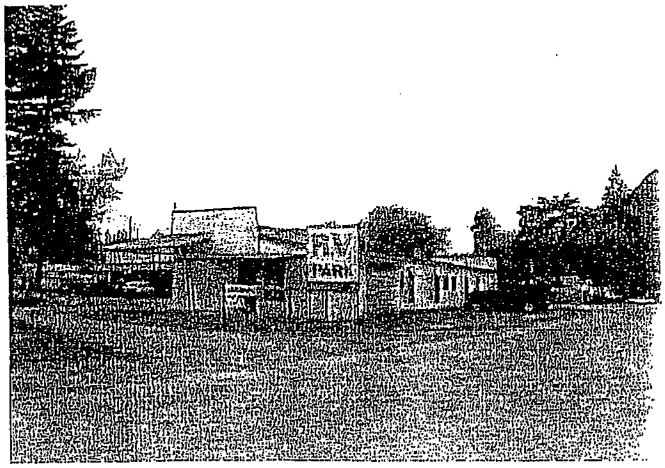
PROPERTY SUMMARY:

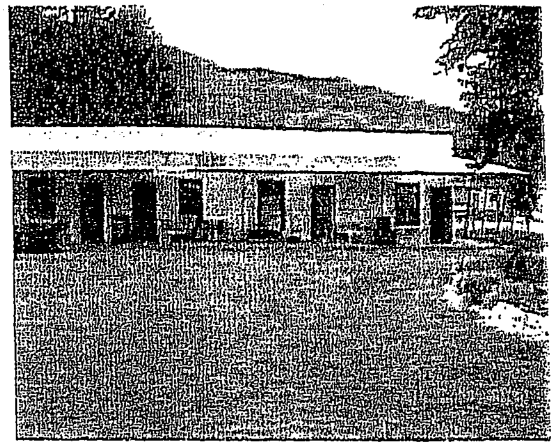
- The property consists of two, rectangular shaped land parcels separated by an undeveloped service lane. The dimensions of each lot are 25 feet wide by 120 feet deep.
- The land is essentially level.
- Okanagan Falls is located approximately 20 minutes south of the City of Penticton, at the south end of Skaha Lake.
- Highway 97 is the main road accessing Okanagan Falls.
- Currently a cash flow property

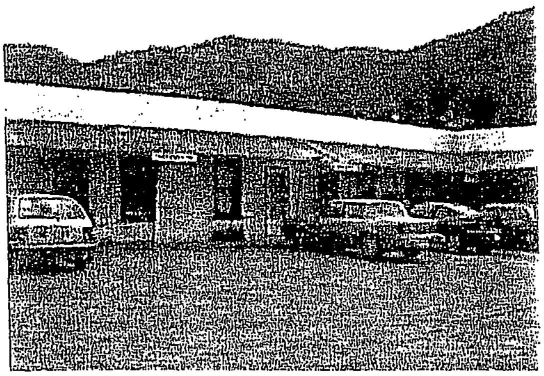


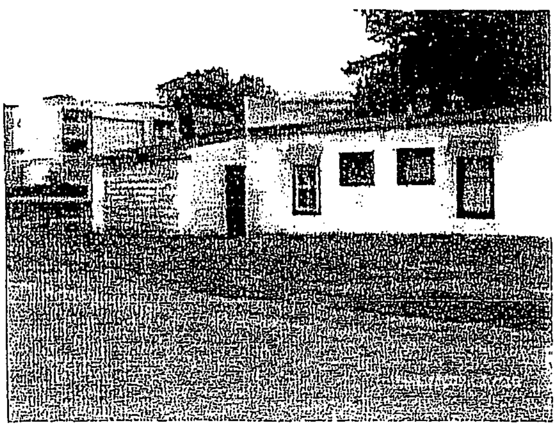
SHIRE INTERNATIONAL REAL ESTATE INVESTMENTS LTD

Okanagan Falls
continued









Okanagan Falls
continued

Month-end for Sept 2008

Shire International Real Estate Investments Ltd

LAKEVIEW MOTEL RENTALS

	NAME	RENT ~~[illegible]~~	August	OWING	TOTAL
UNIT#1	Steve Olafson	$425.00			$425.00
UNIT#2	Amanda Paquette		$425.00		$425.00
UNIT#3	Brad Brooks	$325.00			$325.00
UNIT#4	Sherry Body	$425.00			$425.00
UNIT#5	Wiley Woods	$425.00			$425.00
UNIT#6	Ted Land/Eino Kannelin	$425.00			$425.00
UNIT#7	Mike Mooney	$425.00			$425.00
UNIT#8	Joyce Barker	$425.00			$425.00
UNIT#9	Richard Fletcher	$425.00			$425.00
UNIT#10	Dorothy Brawn	$425.00			$425.00
UNIT#11	Wayne & Doris Anderson				
TOTAL		$3,725.00	$425.00		$4,150.00

LAKEVIEW RV PARK RENTALS

	NAME	RENT ~~[illegible]~~	August	hydro	owing	TOTAL
SITE#1	Shawn Andersen	$310.00	$73.70	$71.50		$455.20
SITE#2	Walter Panko	$310.00		$29.70		$339.70
SITE#3	Ray Vallee	$310.00		$14.60		$324.60
SITE#4	Ian Ferrier	$310.00		$73.90		$383.90
SITE#5	James Murray	$310.00		$21.00		$331.00
SITE#6	Andy Tassi	$310.00		$31.50		$341.50
SITE#7	Martin Deeg	$310.00		$17.90		$327.90
SITE#8	Wayne Anderson			$40.90		$40.90
SITE#9	John Stuart	$310.00		$23.30		$333.30
SITE#10	Stan & Gabriela Zelmer	$310.00		$37.40		$347.40
SITE#11	Bruce Duthie	$310.00		$50.00		$360.00
SITE#12	Greg Congdon	$310.00		$34.30		$344.30
SITE#13	Mike Shaughnessy	$335.00				$335.00
TOTAL		$3,745.00	$73.70	$446.00		$4,264.70

MOTEL TOTAL	$4,150.00		
RV PARK TOTAL	$4,264.70		
LAUNDRY TOTAL	$160.00		
Sub Total	$8,574.70		
Less Expenses	$1,954.32		
Float			
Management	$828.00		
TOTAL	$5,792.38	$5,081.40	$710.98

Offering Memorandum

No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any misrepresentation to the contrary is an offence. The information disclosed on this page is a summary only. Purchasers should read the entire Offering Memorandum for full details about the offering. This is a risky investment. You could lose all the money you invest. See **Item 8 - Risk Factors.**

This Offering Memorandum constitutes a private offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell these securities and to those persons to whom they may be lawfully sold. This Memorandum is not, and under no circumstances is to be construed as a prospectus or advertisement or a public offering of these securities. This Memorandum is confidential. By their acceptance hereof, prospective investors agree that they will not transmit, reproduce or make available to anyone this Memorandum or any information contained herein.

Date: **October 1, 2006**

The Issuer: **Chemainus Properties Ltd. (the "Corporation" or the "Issuer")**
300, 808 – 4th Avenue SW
Calgary, AB T2P 3E8

Phone: (403) 262 - 1222
Fax: (403) 262 - 4222
Email: cleonec@ shireinvestments.com

Currently listed or quoted? No. These Securities do not trade on any exchange or market.

Reporting Issuer? No.

SEDAR filer? No.

The Offering

Securities Offered	Units, each Unit comprised of one (1) Class B Non-Voting Common Share (referred to herein as the "Class B Shares" or the "Shares") and one (1) 8% fixed rate cumulative, redeemable, retractable, renewable bond (referred to herein as the "Bonds"). The Bonds and the Shares may be referred to collectively as the "Securities" or the "Units".
Price Per Security	$100.00 per Unit; the Corporation has allocated a value of $0.10 per Share and $99.90 per Bond
Minimum Offering	$250,000 (2,500 Units)
Maximum Offering	$6,000,000 (60,000 Units)
Minimum Subscription	$10,000 (100 Units)
Payment Terms	Payment by cheque or bank draft on Closing.
Proposed Closing Date(s)	Closings will take place periodically at the Corporation's discretion with the final closing occurring on or before April 30, 2007.

Tax Consequences: There are important tax consequences to these Securities. **See Item 6 – Income Tax Consequences and RRSP Eligibility.**

Purchaser's rights: You have 2 business days to cancel your agreement to purchase these Securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. **See Item 11 - Purchasers' Rights.**

Resale restrictions: You will not be able to sell these Securities except in very limited circumstances. You may never be able to resell these Securities. **See Item 10 - Resale Restrictions.**

Selling Agents: No Securities dealers, or other persons, have been engaged by the Corporation to assist in the Offering and sale of the Units. The Corporation reserves the right, as allowed by applicable securities legislation, to retain agents to help affect sales of the Units. If an agent is retained, the agent will be paid aggregate fees and commissions of up to 10% of the gross proceeds realized on the Units sold by such agent. The Corporation may compensate its employees and consultants up to 10% of the gross proceeds realized on the sale of the Units for soliciting subscriptions for the Units with respect to the Units not sold by an agent. The Corporation may compensate its directors up to 10% of the gross proceeds realized on the sale of the Units for soliciting subscriptions from Accredited Investors as such term is defined in National Instrument 45 - 106 Prospectus and Registration Exemptions ("NI 45 – 106") with respect to the Units not sold by an agent.

THIS IS EXHIBIT " C "
referred to in the Affidavit of
Cleone Couch
Sworn before me this 7th
day of August 20 09

KENNETH T LENZ

TABLE OF CONTENTS

ITEM 1 - USE OF NET PROCEEDS

1.1 Net Proceeds

The net proceeds of this Offering of Units (the "Offering") and the funds that will be available to the Corporation after this Offering are as follows:

		Assuming Minimum Offering	Assuming Maximum Offering
A	Amount to be raised by issuance of this Offering	$250,000	$6,000,000
B	Selling commissions (10%)[1]	$25,000	$600,000
C	Estimated offering costs [2]	$20,000	$20,000
D	Net proceeds: D = A – (B + C)	$205,000	$5,380,000

Notes:

(1) Assuming 10% of the gross proceeds of this Offering will be paid for selling commissions based upon minimum and maximum subscription.

(2) Offering costs includes legal fees, accounting fees, printing expenses, and other third party costs.

1.2 Use of Net Proceeds

The available funds will be used as follows:

Description of intended use of available funds listed in order or priority	Assuming Minimum Offering	Assuming Maximum Offering
Payment of the Project Costs. **See Item 2.2.1 - The Project.**	$197,500	$4,452,500
Repayment for the Esplanade Purchase Price. **See Item 2.2.1 - The Project.**	Nil	$780,000
To pay for all management, administration and operating expenses incurred by the Issuer in the conduct of its business. **See Item 2.9 - Material Corporate Agreements.**	$7,500	$147,500
Total	$205,000	$5,380,000

1.3 Reallocation

The Corporation intends to use the Net Proceeds as stated. The Board of Directors of the Corporation will reallocate the Proceeds only for sound business reasons.

1.4 Working Capital Deficiency

The Issuer has a working capital deficiency of $16,796 which deficiency shall be repaid by the Corporation to Shire Real Estate Investments Inc. (formerly Berkshire Real Estate Investments) from the proceeds of this Offering.

ITEM 2 - BUSINESS OF THE CORPORATION

2.1 Business Structure

The Corporation was incorporated under the Business Corporations Act (Alberta) (ABCA) on April 3, 2006. The Corporation's head and registered office is at 300, 808 - 4th Avenue SW, Calgary, AB T2P 3E8. The Corporation is controlled by Eyelogic Systems Inc. ("Eyelogic"), a public Corporation listed on the TSX Venture Exchange and trades under the symbol Eye.A. For information about Eyelogic go to www.sedar.com.

2.2 Our Business

The Corporation is in a start-up phase of development and has not carried out business prior to this Offering and has no financial or development history. Since the date of incorporation the Corporation has been engaged in the preparation for this Offering, which has included, among other things, putting in place a management team and Board of Directors and retaining legal counsel.

The Corporation intends on proceeding with the development of a residential and commercial complex located in the town of Chemainus on Vancouver Island, British Columbia together with Chemainus Quay & Marina Complex Ltd. ("CQM").

2.2.1 The Project

The Corporation presently owns a residential property in Chemainus at 9933 Esplanade Street (the "Esplanade Property"). The Esplanade Property was acquired on June 30, 2006 for the purchase price of $780,000 (the "Esplanade Purchase Price"). The Purchase Price for the Property was advanced by Shire to the benefit of the Corporation and the Corporation has agreed to repay the Purchase Price to Shire from funds raised pursuant to this Offering or from debt financing obtained by the Corporation.

Shire has assigned to the Corporation its rights pursuant to a Memorandum of Understanding between Shire and CQM dated December 12, 2005 (the "MOU"). The MOU sets out the terms under which CQM and the Corporation will proceed with respect to the development of the "Project". **See Item 2.2.4 - The MOU.**

CQM is the lessee pursuant to a lease dated November 30, 2001, with the Province of British Columbia as lessor, with respect to those lands described therein as District Lot 213 Cowichan District which comprise 4.29 hectares of bed of Chemainus Bay (the "Leased Lands"). CQM has negotiated an agreement with the Province of British Columbia to purchase a portion of the lands comprising the Leased Lands comprising .06411 hectares. **See Item 2.2.2 - The Crown Lands.**

The purchase price of the Crown Lands is still being negotiated with the Province of British Columbia. The Corporation expects that the purchase price will be determined by November 1, 2006 based on an existing agreement with the Province, the purchase price will not exceed $750,000 (the "Crown Lands Purchase Price"). While the above terms have been agreed to between CQM and the Province of British Columbia, a formal agreement has not yet been executed between the parties.

CQM is also presently the owner of 5 decommissioned graving docks presently located on Chemainus Bay (the "Dry Docks").

Pursuant to the terms of the MOU, the Corporation and CQM have agreed to commit the Esplanade Property, the Crown Lands and the Dry Docks to the development of a residential and commercial complex located on a portion of the Crown Lands comprising what is presently a portion of Chemainus Bay and upon a breakwater to be formed from the assembly of the Dry Docks as one contiguous structure.

The Corporation and CQM intend for the Corporation to acquire the Crown Lands from the Province, through the assignment of the Crown Lands Purchase Agreement from CQM to the Corporation. The Corporation will also acquire the Dry Docks from CQM for the purchase price of $350,000.

It is intended that the development, comprised of the Esplanade Property, the Crown Lands and the Dry Docks will consist of 40 fee simple condominiums (the "Fee Simple Condominiums"), approximately 60 condominiums to be sold on a quarter share fractional basis (the "Fractional Condominiums"), a boat moorage facility and a retail development to consist of a restaurant/lounge and other stores or businesses as are deemed to fit within the scope of the complex (collectively the "Project").

The Project, if developed, would become part of the downtown core of Chemainus.

In order to proceed with development of the Project, the Corporation, upon acquisition of the Crown Lands intends to proceed to "fill in" Crown Lands to engineered standards pursuant to an estimate provided by Onsite Systems Inc. so as to allow for development on the Crown Lands. The Corporation intends to consolidate the Crown Lands with a 1 meter wide riparian strip of land comprising 0.047 acres (which is also to be filled in) which lands are presently owned by the Vancouver Island Health Authority (the "Riparian Lands"). The Corporation and CQM have agreed as part of the development costs of the Project to construct a viewing deck to be attached to the Chemainus Hospital, which sits above the Crown Lands. In return for the construction of the viewing deck, the Health Authority will transfer the Riparian Lands to the Corporation. In the alternative, the Corporation and CQM may pay the Health Authority the cash equivalent of the cost of the construction for the viewing deck as consideration for the Riparian Lands.

The estimated costs to fill in the Crown and Riparian Lands is $1,972,000 which would include the creation of a man made island in Chemainus Bay, which will act as compensation for the loss of natural environmental habitat as a result of the development of the Project. The island will also act as solid breakwater for the Project.

The Corporation intends to combine the Dry Docks into a single structure capable of supporting the retail and Fractional Condominium portions of the proposed Project. The Dry Docks, once linked together, will form a breakwater that is 400 feet long and 114 feet wide. The Corporation intends to construct moorage facilities as part of the Breakwater which will consist of 5 moorage stringers of 375 feet creating 3,750 linear feet of fully serviced boat moorage. Some of the slips comprising the moorage facility will be leased to owners of the Fee Simple Condominiums, with another portion of the slips being made available as temporary rental moorage facilities for third party boat owners.

The Fee Simple Condominiums would be located on the filled portion of the Crown Lands with the Fractional Condominiums and the retail portion of the project being located on the Breakwater.

Significant development issues that the project will face include installation of a sewage lift pump station to service the Project and a massive cut in the Pine Street grade for access purposes to the Project as the Project will sit at sea level, with Pine Street, being the access thoroughfare to the Project sitting approximately 35 feet above the Project. Creation of an access point from Pine Street will require retaining walls and alternative arrangements for access to adjoining properties.

The Corporation and CQM have prepared a preliminary budget with respect to the development costs of the Project. These costs include acquisition of the Esplanade Property, the Crown Lands and the Dry Docks together with all hard and soft construction costs associated with the Project (collectively the "Project Costs"). These estimates are preliminary only and are subject to change as a result of external factors beyond the Corporation's control.

The Corporation intends to fund the shortfall between funds raised pursuant to this Offering and the Project Costs from private or institutional lenders.

The current status of the Project is as follows: Permit for landfill has been acquired, the Project has been reviewed by the Ministry of Transport Marine Safety Navigable Waters; the Project has been reviewed by the Department of Fisheries and Oceans and has received CD Zoning approval from the town of Chemainus; the first and second reading of the Corporation's rezoning application will be heard by the Municipality of North Cowichan on October 18, 2006 and the Corporation has supplied clarification on a number of items; The Corporation believes all written approvals necessary for the Project should be obtained by October 31, 2006.

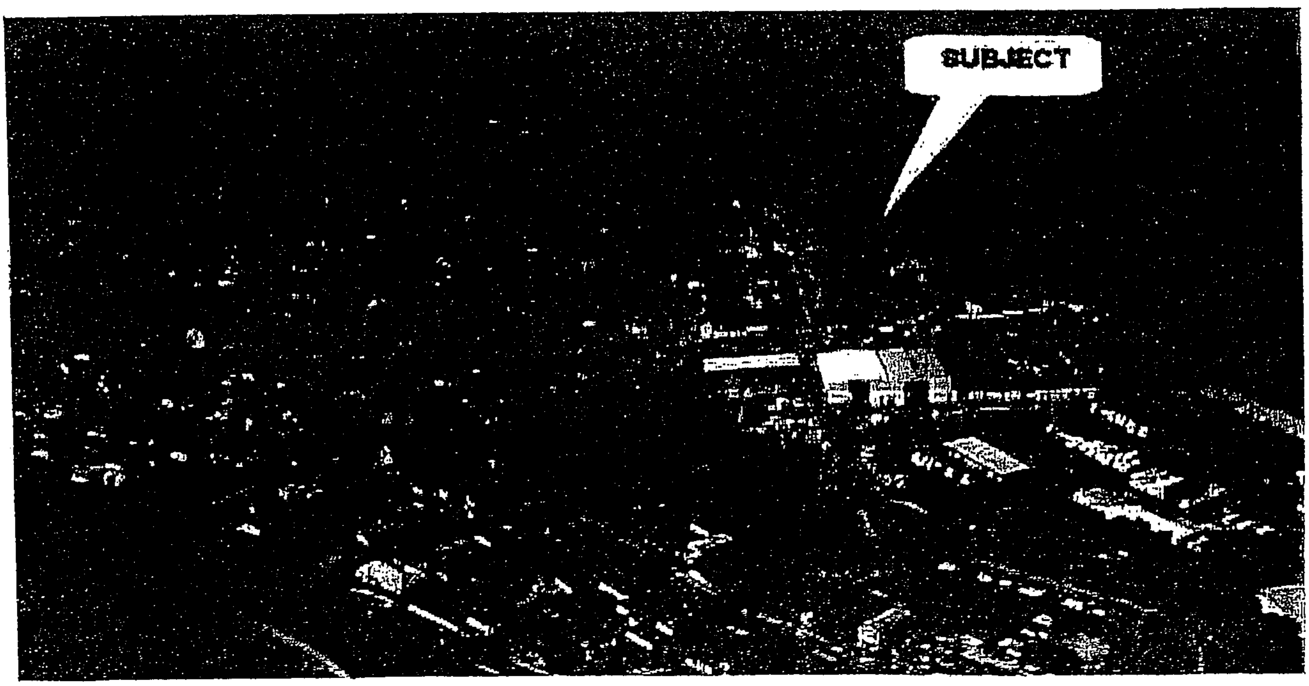
Construction of the Project beginning with the filling of the Crown Lands is expected to begin November 1, 2006 and expected to be completed 4 months thereafter. Completion of the construction of the Fee Simple Condominiums is expected to be 1 year from the start of this portion of the Project, with the entire Project to be complete by November 1, 2008.

2.2.2 The Crown Lands

The following is a description of the Crown Lands:

Property Location:	East of Pine Street, Chemainus, BC
Legal Description:	Part of District Lot 2013, Cowichan District and comprising part of the Bed of Chemainus Bay
Size:	0.6411 Hectares (1.584 Acres)

Aerial Photograph:



The Crown Lands are designated MA1, Upland Tourist Commercial Marine Zone; This zoning permits the following uses: Accessory Dwelling Unit, Accessory Convenience Store, Aquarium, Bed and Breakfast, Boat Building and Repair Facility, Boat Hoist, Boat Launch, Boat Launching Ramp, Boat Rentals/Sales, Boat Shelter, Boat Storage, Dry Dock, Hotel, Laundromat, Marine Museum, Marine-fuelling Facility, Marine-related Office, Parking Use, Pub, Recreational Equipment Rentals, Restaurant, Sale of Marine-related Equipment, Seafood Market, Shower Facility, Tourist Accommodation, Water Taxi, Way, Yacht Club.

Full municipal services are available to the Project from nearby road allowances.

2.2.3 The Appraisal

An appraisal of the Crown Lands, dated effective April 19, 2006 was prepared by Glenn O. Balderston, AACI, P. App. of D.R. Coell & Associates Inc. The appraised value of the Crown Lands as provided by the appraisal is $1,465,000 and is based on the assumption that the Lands have been filled and are available for development as discussed in **Item 2.2.1 – The Project.**

The stated value of the Lands in the Appraisal is an estimate only and is based on the conditions and assumptions provided for in the Appraisal. The amount that a party might actually receive if the Lands were sold may vary materially from this value because the value of real estate is inherently volatile and is subject to numerous market conditions.

Subscribers are entitled to receive, on request to the Corporation and without charge, a copy of the Appraisal.

2.2.4 The MOU

Pursuant to the terms of the MOU, the Corporation, as assignee of Shire, will be responsible for raising the Project Costs through funds raised pursuant to this Offering and from third party lenders. On the assumption that all terms and conditions of the MOU are met by the Corporation, it will be entitled to a 60% interest in the Project with CQM retaining the remaining 40%.

The MOU contemplates that the Corporation and CQM will enter into a Joint Venture Agreement which will incorporate the terms of the MOU and other legal and business terms necessary to give effect to the relationship between the Corporation and CQM with respect to the Project. To date a Joint Venture Agreement has not been entered into between the Corporation and CQM.

The Corporation and CQM have agreed to revise certain terms of the MOU on a commercially reasonable basis with respect to completion of certain matters with completion dates that have already lapsed due to the passage of time.

The Corporation and CQM have entered into a Management Agreement dated May 18, 2006 (the "Project Management Agreement") pursuant to which CQM will act as the Manager on behalf of itself and the Corporation with respect to the Project. CQM will be paid the sum of $10,000 per month in fees and another $5,000 a month in administrative expenses during the term of the Project pursuant to the terms of the Management Agreement.

As of the date of this Memorandum, Shire has expended the sum of $319,000 toward Project Costs in addition to the Esplanade Purchase Price. The Corporation has agreed to repay Shire that sum from the proceeds of this Offering.

2.3 Long-Term Objectives

The long-term objective of the Corporation is to raise $6,000,000 to pursue the development of the Project as outlined in **Item 2.2 – Our Business.**

2.4 Short-Term Objectives

The objectives of the Corporation for the next 7 months are as follows:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Attempt to raise $6,000,000 by issuing the Units;	7 months	$620,000

2.5 Reallocation

The Corporation intends to spend the available funds as stated and will reallocate funds only for sound business reasons.

2.6 Future Cash Calls

The investor in these Securities is not required to make any additional funds available to the issuer in addition to the subscription amount.

2.7 Insufficient Proceeds and Cash Reserves

The majority of monies raised pursuant to this Offering will be committed to the Project. The Issuer does not intend to hold any significant cash reserves other than amounts necessary to pay for all management, administration and operating expenses incurred by the Issuer in the conduct of its business.

The net proceeds of this Offering may be insufficient to meet all of the proposed short-term objectives and there is no assurance that additional financing will be available.

The Issuer intends to fund the proposed short-term objectives from the proceeds of this Offering and through traditional bank financing or other financing alternatives, if necessary.

2.8 Voting Control

Voting control of the Corporation by Eyelogic is to ensure that the Bonds issued pursuant to this Offering are a qualified RRSP investment.

Eyelogic's control and interest in the company is to earn administration fees and not to participate in the profits of the Corporation pursuant to the terms of an agreement between the Corporation (**See Item 2.9 - Material Corporate Agreements**). Specifically;

(a) Eyelogic's shares are non-participating [not entitled to dividends].

(b) The Eyelogic Agreement states that Eyelogic cannot acquire any additional shares without the approval of the majority of the minority of shareholders of the Corporation.

(c) Eyelogic cannot increase the fees as per the Eyelogic Agreement without the approval of the majority of the minority shareholders of the Corporation.

(d) An investor in these Securities should understand that Eyelogic assets and management are not in any way committed to the activities of the Corporation other than organizing the annual shareholder meeting and voting its shares at shareholder meetings. Eyelogic does not encourage or discourage an investment in the Corporation.

(e) Eyelogic will not sell its shares of the Corporation while the Eyelogic Agreement is in force and will, at the termination of the Agreement, return all of its shares to treasury of the Corporation for ten dollars.

(f) Eyelogic will not benefit from its position as controlling shareholder except as described in the Eyelogic Agreement and should it receive any benefit in addition to the administration fee that the benefit will be returned to the Corporation for ten dollars.

2.9 Material Corporate Agreements

The following are the key terms of all Material Agreements, which the Corporation has entered into and which can reasonably be regarded as presently being material to the Corporation or a prospective purchaser of the Securities being offered pursuant to this Offering:

(a) The MOU - **See Item 2.2.4 – The MOU** for the material terms of the MOU.

(b) The Project Management Agreement - **See Item 2.2.4 – The MOU** for the material terms of the MOU.

(c) The Corporation has entered into an agreement with Eyelogic dated August 1, 2006 (the "Eyelogic Agreement")* to pay Eyelogic an annual administration fee equal to the greater of $2,500 or ½ of 1% of the issued paid up capital and Bonds issued by the Corporation to registered plans. Any capital raised from registered plans in excess of $5,000,000 will be subject to a reduced annual management fee which is ¼ of 1%. This contract is for a minimum period of 2 years. For its services, Eyelogic will organize the annual shareholder meeting of the Corporation.

(d) The Corporation has entered into a management agreement with Shire dated May 1, 2006 (the "Management Agreement")**. Shire will provide management services to the Issuer. For its efforts, Shire will be paid an annual fee of 2% of the raised capital. This annual fee will be payable in monthly instalments of 1/12 of the estimated annual fee.

(e) Shire is the Optionee under a Stock Option Agreement dated August 1, 2006 between itself and the Corporation which permits Shire to purchase 100 Class B Shares at $0.10 per share for each $10,000 raised through this Offering Memorandum, from treasury (the "Shire Option")**.

* As of the date of this Memorandum, Eyelogic owns 60% of the issued and outstanding Class A shares of the Corporation.

** As of the date of this Memorandum, Shire owns 40% of the issued and outstanding Class A shares of the Corporation. Cleone Couch, the sole Officer and Director of the Corporation is also the sole Officer, Director and Shareholder of Shire.

ITEM 3 - DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL SHAREHOLDERS

3.1 Compensation and Securities Held

The following table provides specified information about each director, officer and promoter of the Corporation and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Corporation (a "Principal Holder"). Where the Principal Holder is not an individual, the following table provides the name of any person that directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the Principal Holder. The Issuer has not completed its first financial year and no compensation has been paid since its inception:

Name and municipality of principal residence	Position held	Compensation paid by the Corporation since Inception and the compensation anticipated to be paid in current financial year	Number, type and percentage of Securities held after completion of the minimum offering	Number, type and percentage of Securities held after the completion of the maximum offering
Eyelogic Systems Inc.	Controlling Shareholder	$27,500[(1)]	60,000 Class A Shares (60%)	60,000 Class A Shares (60%)
Cleone Couch [(2)] Bragg Creek, AB	Director and President	Nil[(2)]	Nil[(2)]	Nil[(2)]
Shire International Real Estate Investments Ltd. Calgary, AB [(2)]	Manager	$120,000[(3)]	40,000 Class A Shares (40%) 2,500 Class B Shares (28.4%)[(4)]	40,000 Class A Shares (40%) 60,000 Class B Shares (47.5%)[(4)]

(1) Assuming the maximum payable pursuant to the Eyelogic Agreement. **See Item 2.9 – Material Corporate Agreements.**

(2) The Director and Officer of the Issuer will be compensated for her services by the Manager. Cleone Couch is the sole Officer and Director of the Corporation and Shire. Cleone Couch owns 100% of the shares of Shire.

(3) Assuming the maximum payable pursuant to the Management Agreement. **See Item 2.9 - Material Corporate Agreements.**

(4) Assumes maximum exercise of the Shire Option. **See Item 2.9 - Material Corporate Agreements.**

3.2 Management Experience

The following table discloses the principal occupations of the Officers and Directors of the Corporation over the past 5 years:

Name and Position	Principal Occupation and Related Experience
Cleone Couch Director and President	President and Director, Fort McMoney Properties Ltd., April 2006 – Present President and Director, Halama Gardens Ltd., March 2006 – Present Director, Shire Real Estate Investment Trust (Formerly Berkshire Real Estate Investment Trust), August 2003 – Present Controller, T.L.D.C. Ltd., January 2000 – August 2003 All of the aforementioned companies were/are actively involved in real estate acquisitions and development.

3.3 Penalties, Sanctions and Bankruptcy

(a) No penalties or sanctions have been in effect during the last 10 years against (i) a Senior Officer, Director or Control Person of the Corporation, or (ii) an issuer in which a person or company referred to in (i) was a Senior Officer, Director or Control Person at the time.

(b) No declarations of or voluntary assignments in bankruptcy, proposals under any bankruptcy or insolvency legislation, proceedings, arrangements or compromises with creditors or appointments of a receiver, receiver manager or trustee to hold assets, have been in effect during the last 10 years against (i) a Senior Officer, Director or Control Person of the Corporation, or (ii) an issuer in which a person or company referred to in (i) was a Senior Officer, Director or Control Person at the time.

ITEM 4 - CAPITAL STRUCTURE

4.1 Share Capital

The following table sets out information about the Corporation's outstanding Securities, including any options, warrants and other Securities convertible into Class A Shares and Class B Shares:

Description of Securities	Number authorized to be issued	Number outstanding as at August 1, 2006	Number outstanding after Minimum Offering	Number outstanding after Maximum Offering
Class A Shares	Unlimited	100,000	100,000	100,000
Class B Shares[1]	Unlimited	6,306	11,306[1]	126,306[1]
Class B Stock Options [1]	Unlimited	60,000	57,500[1]	0[1]

[1] Assumes maximum exercise of the Shire Option. **See Item 2.9 - Material Corporate Agreements.**

The Corporation is authorized to issue Class A and B Common Shares which have the following rights:

<u>Class A Shares</u>

There are special rights and restrictions attached to the Class A Shares of the Corporation. The following is a brief summary of certain of these rights and restrictions:

<u>Voting Rights</u>. The holders of the Class A Shares shall be entitled to receive notice of, to attend and to vote at all meetings of the shareholders of the Corporation. Each Class A Share shall confer on the holder thereof the right to one vote in person or by proxy at all meetings of shareholders of the Corporation.

<u>Dividend Entitlement</u>. The holders of Class A Shares are not entitled to participate in the profits of the Corporation and are not entitled to receive any dividends.

<u>Entitlement on Dissolution or Winding-Up</u>. Prior to the Class A shareholders receiving any consideration in the occurrence of a Winding-Up Event, any bondholders of the Corporation at the time of such Event shall be entitled to receive from the Corporation an amount equal to the face value of their bond together with any accrued interest thereon up to the date of payment (the "Redemption Amount") in priority to any distribution of any of the Corporation's assets or property to the Class A Shareholders. If the Corporation does not have sufficient property or assets to pay the aggregate of the Redemption Amount then each bondholder will be entitled to their pro rata share of the Corporation's property or assets in priority to the Class A shareholders.

The holders of the Class A Shares shall be entitled to receive an amount equal to the aggregate amount paid up capital on the Class A Shares held by them respectively after repayment of the aggregate Redemption Amount and in the event that there is not sufficient property or assets to return the entire amount of paid up capital thereon to all shareholders, the amount available for distribution shall be distributed to the shareholders on a pro rata basis according to the number of Class A Shares owned by each shareholder.

<u>Class B Shares</u>

There are special rights and restrictions attached to the Class B Shares of the Corporation. The following is a brief summary of certain of these rights and restrictions:

Voting Rights. The holders of the Class B Shares shall not be entitled to receive notice of, to attend and to vote at all meetings of the shareholders of the Corporation.

Dividend Entitlement. The right, subject to any preferential rights attaching to any other class or series of shares of the Corporation, to receive dividends as, when and if declared on the Class B Common shares by the Corporation. No dividend may be declared or paid on the Class B Common shares if payment of the dividend would cause the realizable value of the Corporation's assets to be less than the aggregate of its liabilities and the amount required to redeem any bonds issued by the Corporation then outstanding having attached thereto a right of redemption or retraction.

Entitlement on Dissolution or Winding-Up. The right, subject to any preferential rights attaching to any bonds issued by the Corporation, to share in the remaining property of the Corporation upon dissolution after all the Class A Shareholders have received payment of the aggregate amount of paid up capital held by each Class A shareholder.

4.2 Long-Term Debt

As of the date of this Memorandum, the Corporation has incurred a long term unsecured debt obligation through the issue of 8% fixed rate bonds of the Corporation to a number of private individuals as follows (the "Pre-Offering Bonds"):

Description of Security	**Number of Bonds Issued**	**Total Debt Obligation Represented by the Bonds**
8% fixed rate redeemable, bonds	6,306	$629,969.40

The Pre-Offering Bonds have the same terms and conditions with respect to interest, payments and redemption as the Bonds being offered by the Corporation pursuant to this Offering. They will mature on April 30, 2009 unless redeemed previously by the Corporation. **See Item 5.1 - Terms of Securities.**

If the Corporation is successful in raising funds pursuant to this Offering, it will have the following unsecured debt obligations to subscribers pursuant to the issue of Bonds offered by the Corporation pursuant to this Offering:

Description of Security	**Number authorized to be issued**	**Number outstanding as at August 1, 2006**	**Number outstanding assuming completion of Minimum Offering**	**Number outstanding assuming completion of Maximum Offering**
8% fixed rate redeemable, bonds	60,000	Nil	2500[1] Representing a debt obligation of $249,750 plus interest thereon at 8% to subscribers under this Offering	60,000[1] Representing a debt obligation of $5,994,000 plus interest thereon at 8% to subscribers under this Offering

[1] **See Item 5.1 – Terms of Securities** for the terms and conditions of the Bonds.

The debt obligation of the Corporation based on a combination of the Pre-Offering Bonds and Bonds issued pursuant to this Offering will be as follows:

Description of Security	**Number outstanding assuming completion of Minimum Offering**	**Number outstanding assuming completion of Maximum Offering**
8% fixed rate redeemable, bonds	8806[1] Representing a debt obligation of $879,619.50 plus interest thereon at 8%	66,306[1] Representing a debt obligation of $6,623,869.50 plus interest thereon at 8%

[1] **See Item 5.1 - Terms of Securities** for additional terms of the Corporation's obligations with respect to the bonds.

4.3 Prior Sales

Within the last 12 months, the Corporation has issued the following Securities (no Securities were issued for compensation other than cash):

Shares of the Corporation:

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total funds received
April 3, 2006	Class A Shares	40,000	$0.01	$400
April 4, 2006	Class A Shares	60,000	$0.01	$600
April 28, 2006	Class B Shares	800	$.10	$8.00
May 19, 2006	Class B Shares	5206	$.10	$520.60
May 30, 2006	Class B Shares	100	$.10	$10.00
June 28, 2006	Class B Shares	200	$.10	$20.00

Bonds of the Corporation:

Date of Issuance	Type of Security issued	Number of Securities Issued	Price per Security	Total funds received
April 28, 2006	8% Bonds	800	$99.90	$79,920
May 19, 2006	8% Bonds	5206	$99.90	$520,079.40
May 30, 2006	8% Bonds	100	$99.90	$9990
June 28, 2006	8% Bonds	200	$99.90	$19,980

ITEM 5 - SECURITIES OFFERED

5.1 Terms of Securities

The Corporation is offering Units for sale, each Unit comprised of one (1) Class B Non-Voting Common Share and one (1) 8% fixed rate cumulative, redeemable, retractable, renewable Bond.

<u>Class B Shares</u>

There are special rights and restrictions attached to the Class B Shares of the Corporation. A brief summary of certain of these rights and restrictions can be found under the heading "Class B Shares" in **Item 4 - Capital Structure.**

<u>8% Fixed Rate Bonds</u>

The Corporation will issue bonds with the following features:

- The Bonds will pay **simple interest** at a fixed rate of 8% per annum.
- Bond interest will only be paid during those years where the Corporation has sufficient cash flow to pay interest. Any interest not paid during 2006-2009 will accumulate, but not compound, and be paid no later than when the Corporation has sufficient cash flow to pay all outstanding interest, or April 30, 2009, whichever occurs first.
- The Bonds mature on April 30, 2009 (the "Maturity Date") and shall be automatically renewed until redeemed in accordance with the terms set for the below unless the bondholder advises the Corporation that it wishes to the Corporation to redeem the Bond on that date.
- Redemption after Maturity Date: The Corporation shall redeem renewed Bonds after the Maturity Date 90 days after receiving written request from a bondholder to do so.
- The Bonds are not transferable except in compliance with applicable securities laws.
- The Bonds may be redeemed by the Corporation at any time after April 30, 2008 by the Corporation by paying One Hundred percent (100%) of the purchase price of the Bond plus accrued interest thereon.

Funding of Redemption: Management of the Corporation shall have sole discretion in how the Corporation will fund or finance the redemption of the Bonds. Management may decide to use its existing cash on hand if any, raise additional capital or equity in the Corporation, or borrow money to accomplish the redemption of the Bonds or use a combination of the above methods. There is no assurance that any of the above methods of funding the redemption of the Bonds will be successful or if accomplished will raise enough funds to redeem all of the Bonds. It is possible that the Corporation may not have the financial ability to redeem all or any Bonds upon maturity. In that event the provisions contained in **Item 4.1 – Share Capital** upon the occurrence of a "Winding-Up Event" may apply.

Limited Recourse: Recourse under the Bonds will be limited to their face value. There is no additional recourse by the Bondholder for any deficiency in value of the Bonds in the event of non-payment or default by the Issuer of redemption of the Bonds at maturity. An investor in these Securities should understand that Eyelogic assets and management are not in any way committed to the activities of the Issuer and Eyelogic does not encourage or discourage participation in this Offering.

5.2 Subscription Procedure

You may subscribe for Units by completing the following and returning to Chemainus Properties Ltd. at 300, 808 – 4th Avenue SW Calgary, AB T2P 3E8:

Subscribers wishing to subscribe for Units will be required to enter into a Subscription Agreement with the Corporation which will contain, among other things, representations, warranties and covenants by the subscriber that it is duly authorized to purchase the Units, that it is purchasing the Units as principal and for investment and not with a view to resale and as to its corporate or other status to purchase the Units and that the Issuer is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell Securities through a person or company registered to sell Securities under the *Securities Act* (Alberta) and other applicable securities laws, and, as a consequence of acquiring the Securities pursuant to this exemption, certain protections, rights and remedies, provided by the *Securities Act* (Alberta) and other applicable securities laws, including statutory rights of rescission or damages, will not be available to the Subscriber.

Reference is made to the Subscription Agreement attached as Schedule "A" to this Offering Memorandum for the terms of these representations, warranties and covenants.

In order to subscribe for Units, a purchaser must complete, execute and deliver the following documentation to the Corporation at 300, 808 – 4th Avenue SW Calgary, AB T2P 3E8:

1. One (1) completed and signed copy of the Subscription Agreement (including any schedules attached thereto);
2. A cheque or bank draft in an amount equal to the Aggregate Subscription Amount (as set forth in the Subscription Agreement), payable to "Chemainus Properties Ltd.";
3. Completed and executed copies of the appropriate investor qualification form(s). The appropriate form(s) to be completed depend on your place of residence and on the amount of your investment:
4. If you are resident in British Columbia, Alberta or Saskatchewan, you must submit two (2) completed and signed copies of the Risk Acknowledgment Form attached to the Subscription Agreement as Schedule B;
5. If you are resident in Alberta or Saskatchewan and your investment is more than $10,000, one (1) completed and signed Certificate of Eligible Investor attached to the Subscription Agreement as Schedule C; and

Subject to applicable Securities laws, and the Purchaser's two-day cancellation right (See **Item 11 – Purchasers Rights**) a subscription for Units, evidenced by a duly completed Subscription Agreement, delivered to the Corporation, shall be irrevocable by the Subscriber.

Subscriptions for Units will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Corporation to close the subscription books at any time, without notice.

The Offering under this Offering Memorandum is expected to close periodically once the Minimum Offering has been met and the final closing will be on or about April 30, 2007. The Corporation may close the Offering on an earlier date as it may determine. As soon as practical after the closing of the Offering, and subject to acceptance by the Corporation of the Subscription Agreement, the Corporation will cause to be delivered to you certificates representing the Class B Shares, and the Bonds. If the minimum offering is not met prior to the final closing date of April 30, 2007, collected funds will be returned to the respective parties by May 15, 2007.

The subscription funds will be held until midnight of the second business day subsequent to the date that each Subscription Agreement is signed and accepted by the Corporation.

Distribution

The offering is being conducted in the Provinces of British Columbia, Alberta and Saskatchewan pursuant to the exemptions from the prospectus requirements afforded by Section 2.9 of NI 45-106.

The exemption pursuant to Section 2.9 of NI 45-106 is available for distributions to investors in British Columbia, Alberta and Saskatchewan purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a Risk Acknowledgment Form attached to the Subscription Agreement as Schedule B. In addition, Alberta and Saskatchewan investors relying on the exemption set out in Section 2.9 of NI 45-106 and that purchase Units with an acquisition cost of more than $10,000 must also sign the Certificate of Eligible Investor attached to the Subscription Agreement as Schedule C.

The foregoing exemptions relieve the Corporation from the provisions of the applicable securities laws of each of the Provinces of British Columbia, Alberta and Saskatchewan which otherwise would require the Corporation to file and obtain a receipt for a prospectus. Accordingly, prospective investors for Units will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

The exemptions from the registration requirements contained in the applicable securities laws of each of the Provinces of British Columbia, Alberta and Saskatchewan allow the Corporation to offer the Units for sale directly to the investors.

ITEM 6 - INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

6.1 Summary of Principal Federal Income Tax Consequences

Qualified Investments for RRSP and RRIF

The Income Tax Act (Canada) [the "Tax Act"] and Regulations provide generally that a bond or similar obligation of a Canadian corporation (as defined in the Tax Act) which is controlled directly or indirectly by one or more corporations whose shares are listed on a prescribed stock exchange in Canada will constitute a "qualified investment" for an RRSP or RRIF (each, a "Registered Plan").

The Corporation is a Canadian corporation. As a result, <u>THE BONDS WILL CONSTITUTE A QUALIFIED INVESTMENT FOR REGISTERED PLANS</u> provided the shares of Eyelogic are listed on a stock exchange referred to in section 3200 of the Regulations and as long as Eyelogic controls the Corporation. There is no agreement which restricts the ability of Eyelogic to vote its shares of the Corporation or appoint a majority of the board of Directors of the Corporation. As such, Eyelogic should be considered to control the Corporation. The shares of Eyelogic are listed on Tier 2 of the TSX Venture Exchange.

THE CLASS B SHARES ARE NOT QUALIFIED INVESTMENTS FOR AN RRSP OR RRIF.

The income tax information herein was provided by Collins Barrow Calgary LLP, Chartered Accountants, and it is based on the current provisions of the Income Tax Act, the Regulations thereunder and known administrative practices of the Canada Revenue Agency.

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

No Securities dealers, or other persons, have been engaged by the Corporation to assist in the offering and sale of the Units. The Corporation reserves the right, as allowed by applicable Securities legislation, to retain agents to help affect sales of the Units. If an agent is retained, the agent will be paid aggregate fees and commissions of up to 10% of the gross proceeds realized on the Units sold by such agent. The Corporation may compensate its employees and consultants up to 10% of the gross proceeds realized on the sale of the Units for soliciting subscriptions for the Units with respect to the Units not sold by an agent. The Corporation may compensate its directors up to 10% of the gross proceeds realized on the sale of the Units for soliciting subscriptions from Accredited Investors as such term is defined in NI 45 – 106 for the Units with respect to the Units not sold by an agent.

ITEM 8 - RISK FACTORS

The purchase of Units pursuant to this Offering should only be made after consulting with independent and qualified sources of investment and tax advice. Investment in the Units at this time is highly speculative due to the stage of the Corporation's development and requirement to raise financing to carry out the long-term business plan of the Corporation. Investors must rely on management of the Corporation. Any investment in the Corporation at this stage involves a high degree of risk.

Among the risks of purchasing Units in the Corporation are the following:

Investment Risk

1. An investment in Securities is appropriate only for investors who are prepared to invest money for a long period of time and who have the capacity to absorb a loss of some or all of their investment.

2. The Corporation will have a limited amount of working capital, as the majority of the proceeds from this Offering will be invested pursuant to the Issuers business objectives.

3. **Future Capital Needs** – there can be no assurance that any additional funding, if needed, will be available on terms attractive to the Corporation, or at all.

4. An investment in the Securities of the Corporation is an illiquid investment. **There is currently no market through which the Securities may be sold.** The Corporation is not a "reporting issuer" in any jurisdiction, and a prospectus has not qualified the issuance of the Securities. Accordingly, investors will be unable to sell the Securities of the Corporation, subject to some exceptions. **See Item 10 - Resale Restrictions.**

5. The Subscription Price for the Securities was determined arbitrarily by the Director of the Corporation.

6. Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any regulatory authorities.

Issuer Risk

1. The Corporation has no operational history and no history of earnings. Accordingly, there is a limited operating history upon which to base an evaluation of the Corporation and its business and prospects. The Corporation is in the early stages of its business and therefore is subject to the risks associated with early stage companies, including start-up losses, uncertainty of revenues, markets and profitability, the need to raise additional funding, the evolving and unpredictable nature of the Corporation's business and the ability to identify, attract and retain qualified personnel. The Corporation's business prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development. There can be no assurance that the Corporation will be successful in doing what it is required to do to overcome these risks. No assurance can be given that the Corporation's business activities will be successful.

2. The Corporation's business involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Purchasers of Units must rely on the ability, expertise, judgement, discretion, integrity and good faith of the management of the Corporation. This Offering is suitable for investors who are willing to rely solely upon the management of the Corporation and who could afford a total loss of their investment.

3. The success of the Corporation is dependent upon, among other things, the services of key personnel. The loss of any of these individuals, for any reason, could have a material adverse affect on the prospects of the Corporation. In addition, the future success of the Corporation will depend in large part on its ability to attract and retain qualified and managerial personnel and there can be no assurance that such personnel can be attracted and retained. Failure to retain or to attract additional key employees with necessary skills could have a material adverse impact upon the Corporation's growth and profitability. The Corporation does not maintain key man insurance for any of its Directors, Officers or employees. The contributions of these individuals to the immediate future operations of the Corporation is likely to be of central importance and the loss of any one of these individuals could have a material affect on the business of the Corporation.

4. **Conflicts of Interest** - The Officers and Directors of the Corporation will not be devoting all of their time to the affairs of the Corporation, but will be devoting such time as required to effectively manage the Corporation. The Officers and Directors of the Corporation are engaged and will continue to be engaged in the search for business prospects on their own behalf and on behalf of others. There are potential conflicts of interest to which the Officers and Directors of the Corporation will be subject in connection with the operations of the Corporation. Situations may arise where the Officers and Directors will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the ABCA.

Industry Risk

1. **Risks of Real Property Development and Ownership** - Real estate developments and investments are generally subject to varying degrees of risk depending on the nature of the property. Such risks include changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as the supply of competing developments in the area), government regulation (such as taxation of property and environmental legislation) failure to obtain all necessary permits, licenses, consents, zoning and other like matters from the responsible municipalities and regional districts and the attractiveness of properties to potential purchasers. In addition, each segment in the real estate development industry is capital intensive and is typically sensitive to interest rates. Any income generated by the Project is dependent upon general economic conditions and, accordingly, the return to investors may be affected by changes in those conditions.

   The Corporation will be required to make certain significant expenditures in respect of its business including, but not limited to, the payment of property taxes, mortgage payments, insurance costs and related charges which must be made regardless of whether or not the Project is producing sufficient income to service such expenses. In addition, the lands comprising the Project may be used as security to obtain financing for the development of the Project. If the Corporation is unable or unwilling to meet the payment obligations on such loans, losses could be sustained as a result of the exercise by the lenders of their rights of foreclosure or sale.

2. **Investment Not Liquid** - Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for, and for the perceived desirability of, the investment. The costs of holding real estate are considerable and the Corporation, as a holder of real estate, during a recessionary period may be faced with ongoing expenditures with little prospect of incoming receipts. Such illiquidity may tend to limit the Corporation's ability to vary its asset base promptly in response to changing economic or investment conditions. If the Corporation were required to liquidate its real property investments, the proceeds to the Corporation might be significantly less than the total value of its investment on a going concern basis.

3. **Default on Indebtedness** - If the Corporation defaults in the repayment of any indebtedness, the creditors holding such indebtedness will be entitled to exercise available legal remedies against the Corporation including recourse against property of the Corporation pledged as collateral. There is no assurance that there will be assets available to recover any portion of a Subscriber's investment.

4. **Competition** - The Corporation competes with other investors, developers, and owners of properties for the development and sale of desirable real estate properties. Some of the residential properties of the competitors of the Corporation are newer, better located or better capitalized than the Project. Certain of these competitors have greater financial and other resources and greater operating flexibility than the Corporation. The existence of competing developers and owners could have a material adverse effect on the ability of the Corporation to develop or to market the Project and could adversely affect the revenues or profitability of the Corporation and its ability to meet its debt obligations.

5. **Environmental Matters** - Under various environmental laws, ordinances and regulations, the current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in such property. Such laws could impose liability whether or not the Corporation knew of, or was responsible for, the presence of such hazardous or toxic substances. The presence of hazardous or toxic substances, or the failure to remove or remediate such substances, if any, could adversely affect the Corporation's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against the Corporation. In order to obtain financing for the purchase of a property, the Corporation will arrange for an environmental audit to be conducted. Although such an audit provides both the Corporation and its lenders with some assurance, the Corporation may be subject to liability for undetected pollution or other environmental hazards on its properties against which it cannot insure, or against which it may elect not to insure where premium costs are disproportionate to the Corporation's perception of relative risk. The Corporation is not aware of any material non-compliance with environmental laws with respect to the Project. The Corporation is also not aware of any claims in connection with the breach of environmental laws involving the Project.

6. **Financing** - The Corporation may make substantial capital expenditures for the development, marketing and sale of the Project. Any funding required for such development, marketing and sale, in excess of the proceeds of the Offering, will be obtained through third party financing, which may or may not be provided by a party related to the Corporation. The Corporation's ability to access additional capital will depend on its success in its business and the status of the capital markets at the time such capital is sought. Accordingly, there can be no assurance that capital will be available to the Corporation from any source or that, if available, it will be at prices or on terms acceptable to the Corporation.

7. **General Real Estate Risks** - Various factors can affect the timing and profitability of real estate development and construction. While the Corporation has made certain plans for development of the Project there is no assurance that such plans will be met on a timely basis or at all. There is also no assurance that development of the Project if pursued by the Corporation, can be managed profitably. The market for property can be affected adversely by economic factors, which may be regional, national or international in scope.

8. **Market Risks** - The economic performance and value of the Corporation 's interest in the Project will be subject to all of the risks associated with investing in real estate, including, but not limited to:

- changes in the national, regional and local economic climate;
- local conditions, including an oversupply of properties like the Project, or a reduction in demand for properties like the Project;
- the attractiveness of all or parts of the Project to purchasers;
- competition from other available properties; and
- changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes.

9. **Major Asset** - The Project represents the major asset of the Corporation and therefore the Corporation's financial performance is directly tied to the performance of this particular asset. The Corporation does not have a large portfolio of diverse real estate assets, therefore, its success is dependent on the success of the sale or development of the Project.

10. **Debt Financing** - If the Corporation obtains debt financing it will be subject to the risks associated with debt financing, including the risk that mortgage indebtedness secured by the real property of the Corporation will not be able to be refinanced or that the terms of refinancing will not be as favourable as the terms of existing indebtedness.

11. **Interest Rate Fluctuations** - Financing by the Corporation may include indebtedness with interest rates which may fluctuate over time and which will result in fluctuations in the Corporation's cost of borrowing.

ITEM 9 - REPORTING OBLIGATIONS AND SUBSEQUENT INFORMATION

The Corporation will provide annual un-audited financial statements to subscribers.

Financial or other information relating to the real estate project provided to you in the future may not by itself be sufficient for your needs – for example, to enable you to prepare your income tax returns or to assess the performance of your investment.

ITEM 10 - RESALE RESTRICTIONS

These Securities are subject to resale restrictions under Securities legislation. You will not be able to trade the Securities unless you are eligible to rely on an exemption from the prospectus and registration requirements under applicable Securities legislation. For information about these resale restrictions you should consult a lawyer.

Unless permitted under Securities legislation, you cannot trade the Securities before the date that is four months and a day after the date the Corporation becomes a reporting issuer in any province or territory of Canada. The Corporation does not plan to become a reporting issuer.

ITEM 11 - Purchasers' Rights

If you purchase these Securities you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer.

1. **Two-Day Cancellation Right**

You can cancel your agreement to purchase these Securities. To do so, you must send a notice to the Corporation by midnight on the 2nd business day after you sign the agreement to buy the Securities.

2. **Statutory Rights of Action in the Event of a Misrepresentation**

Statutory Rights of Action of Purchasers in British Columbia, Alberta and Saskatchewan in the Event of a Misrepresentation.

In the event of a misrepresentation (as defined below), Securities Legislation in Alberta, British Columbia and Saskatchewan provides that every purchaser of Securities pursuant to this Offering Memorandum shall have, in addition to any other rights they may have at law, a right of action for damages against the issuer, every Director of the Issuer at the date of the Offering Memorandum or any person who signed the Offering Memorandum. The purchaser may also elect to exercise a right of rescission against the issuer, in which case the purchaser has no right of action for damages. Purchasers should refer to the applicable provisions of the Securities Legislation in their Offering Jurisdiction for particulars of those rights or consult with a lawyer. This right of action may be summarized as set forth below:

If there is a misrepresentation in this Offering Memorandum, purchasers have a statutory right to sue:

(i) The Corporation to cancel their agreement to buy the Units; or

(ii) For damages against the Corporation, its Directors and any person who signed the Offering Memorandum (collectively defined as the "**Insiders**")

This statutory right to sue is available to the purchaser whether or not the purchaser relied on the misrepresentation. However, there are various defences available to the persons or companies that the purchaser has the right to sue. In particular, the Corporation would have a defence if the purchaser knew of the misrepresentation when the subscriber purchased the Units.

If this Offering Memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact which is required to be stated or which is necessary in order to make any statement therein not misleading in light of the circumstances in which it was stated (herein called a "**misrepresentation**") and it was a misrepresentation on the date of investment, a purchaser to whom such Offering Memorandum was delivered and who purchases Securities shall have a right of action for rescission or alternatively for damages against the Corporation, while still the owner of any of the Securities offered hereunder provided that if the Offering Memorandum contains a misrepresentation, a purchaser who purchases a Security offered by the Offering Memorandum during the period of distribution shall be deemed to have relied on the representation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the Corporation:

(i) The purchaser may elect to exercise a right of rescission against the Corporation in which case the purchaser does not have a right of action for damages against the Insiders;

(ii) The Insiders are not liable under subsection (a) if the Corporation proves that the purchaser purchased the Securities with knowledge of the misrepresentation;

(iii) In an action for damages pursuant to subsection (a), the Insiders are not liable for all or any portion of the damages that the Insiders prove do not represent the depreciation in value of the Security as a result of the misrepresentation relied on;

(iv) In no case shall the amount recoverable by the purchaser exceed the price at which the Securities were sold to the purchaser;

(v) The right of action for damages or rescission will be in addition to any other right or remedy available to the purchaser at law.

Alberta and British Columbia

In these jurisdictions, no action shall be commenced to enforce a statutory right of action unless the right is exercised:

(a) In the case of rescission, on notice to the Corporation not later than 180 days; or

(b) In the case of damages, the earlier of:

(i) Three years after the date of the transaction that gave rise to the cause of action; and

(ii) 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action.

In Saskatchewan

No action shall be commenced for rescission or damages more than:

(a) In the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) In the case of action for damages, the earlier of:

  (i) Six years after the date of the transaction that gave rise to the cause of action; and

  (ii) One year after the purchaser first has knowledge of the facts giving rise to the cause of action.

Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them. The rights discussed above are in addition to and without derogation from any other rights or remedies, which subscribers may have at law.

ITEM 12 - FINANCIAL STATEMENTS

Chemainus Properties Ltd.

Interim un-audited Financial Statements

For the period from April 3, 2006 (date of incorporation) to October 1, 2006

Chemainus Properties Ltd.
Income Statement
For the period from April 3, 2006 (date of Incorporation) to October 1, 2006
Un-audited

Expenses	
Interest	$ 16,796
	$ 16,796
Loss and Deficit	($ 16,796)

APPROVED BY THE BOARD:

______________________ Director

Chemainus Properties Ltd.
Balance Sheet
For the period from April 3, 2006 (date of incorporation) to October 1, 2006
Un-audited

Assets		
Current		
Cash		$ 1,631
Prepaid expenses		$ 1,086,291
		$ 1,087,922
Liabilities and Shareholder's Equity		
Current		
Interest payable	$ 16,796	
Due to related party (note 3)	$ 456,421	$ 473,217
Long term liability		
Bonds payable		$ 629,870
		$ 1,103,087
Shareholder's Equity		
Deficit		($ 16,796)
Share Capital		
Class A	$ 1,000	
Class B	$ 631	$ 1,631
		$ 1,087,922

APPROVED BY THE BOARD:

_______________ Director

Chemainus Properties Ltd.
Statement of Changes in Financial Position
For the period from April 3, 2006 (date of incorporation) to October 1, 2006
Un-Audited

Operating Activities	
Net Income (loss)	($ 16,796)
Funds generated from (used by) operations	($ 16,796)
Net changes in non-cash working capital operating items	($ 1,069,495)
	($ 1,086,291)
Financing Activities	
Issuance of Bonds	$ 629,870
Loan Advances (repayments)	$ 456,421
Issuance of Shares	$ 1,631
	$ 1,087,822
Increase (Decrease) in cash position	$ 1,631
Cash, beginning of the year	-
Cash, end of year	$ 1,631

1. **Corporation Operations**

Chemainus Properties Ltd. (the "Corporation") was Incorporated on April 3, 2006 pursuant to the ABCA. To date, the company has not commenced operations of any kind other than for the purpose of the acquisition of the interest in aforementioned property.

2. **Significant Accounting Policies**

The financial statements of the Corporation have been prepared by management in accordance with generally accepted accounting principles in Canada. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. The financial statements have, in the opinion of management, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of significant policies described below.

The Corporation has not commenced commercial activities and has not identified accounting policies or practices except as listed below:

(a) **Measurement Uncertainty**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. **Due to Related Parties**

During the period, the Corporation received a loan of $1,086,291 from Shire International Real Estate Investments Ltd. To date $629,870 has been repaid. The outstanding balance of $456,421 on the loan is payable on demand once the corporation has reached its minimum Offering.

4. **Income Taxes**

At October 1, 2006, the Corporation has non-capital losses of $16,796 which can be carried forward to reduce future year's taxable income for Canadian tax purposes, the benefit of which has not been recognized in the financial statements. These losses expire commencing in 2013.

5. **Share Capital**

(a) **Authorized:**

Unlimited Class A Voting Shares, non-participating

Unlimited Class B Non-Voting Common shares

(b) **Issued:**

100,000 Class A Shares for $1,000.00

6,306 Class B Shares for $630.60

6. **Financial Instruments**

The Corporation's financial statements consist of a loan payable to a related party whose book values approximate their fair values due to their short-term nature. It is management's opinion that the Corporation is not exposed to significant interest or credit risk arising from those financial statements.

ITEM 13 - DATE AND CERTIFICATE

Dated: October 1, 2006

This Offering Memorandum does not contain a misrepresentation.

____

Cleone Couch, President

ON BEHALF OF THE BOARD OF DIRECTORS OF CHEMAINUS PROPERTIES LTD.

____

Cleone Couch, Director

ON BEHALF OF THE PROMOTERS OF CHEMAINUS PROPERTIES LTD.

____

Cleone Couch

APPENDIX A

OFFERING MEMORANDUM

For

CHEMAINUS PROPERTIES LTD.

RISK ACKNOWLEDGEMENT

FOR USE BY ALL SUBSCRIBERS

FORM 45-106F4 FOR DELIVERY TO
CHEMAINUS PROPERTIES LTD.

Risk Acknowledgment	
I acknowledge that this is a risky investment: • I am investing entirely at my own risk • No Securities commission has evaluated or endorsed the merits of these Securities or the disclosure in the Offering Memorandum. • The person selling me these Securities is not registered with a Securities commission and has no duty to tell me whether this investment is suitable for me. • I will not be able to sell these Securities except in very limited circumstances. • I may never be able to sell these Securities. • I could lose all the money I invest. I am investing $ ____________ in total; this includes any amount I am obliged to pay in the future. The Corporation reserves the right, as allowed by applicable securities legislation, to retain agents to help effect sales of the Securities. If an agent is retained, the agent will be paid aggregate fees and commissions of up to 10% of the gross proceeds realized on the Securities sold by such agent. The Corporation may compensate its employees and consultants up to 10% of the gross proceeds realized on the sale of the Securities for soliciting subscriptions for the Securities with respect to the Securities not sold by an agent. The Corporation may compensate its directors up to 10% of the gross proceeds realized on the sale of the Units for soliciting subscriptions from Accredited Investors as such term is defined in NI-45-106 for the Units with respect to the Units not sold by an agent. I acknowledge that this is a risky investment and that I could lose all the money I invest. ______________________ ______________________ Date Signature of Purchaser ______________________ Print name of Purchaser Sign 2 copies of this document. Keep one for your records.	WARNING

You have 2 business days to cancel your purchase.

To do so, send a written notice stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the Securities. You can send the notice by fax or e-mail or deliver it in person to Chemainus Properties Ltd. at its business address. Keep a copy of the notice for your records.

Issuer Name:	**Chemainus Properties Ltd.**
Address:	300, 808 – 4th Avenue SW Calgary, AB T2P 3E8
Attention:	Cleone Couch
Phone:	(403) 262-1222
Fax:	(403) 262-4222
E-mail:	cleonec@shireinvestments.com

You are buying *Exempt Market Securities*

They are called *Exempt Market Securities* because two parts of Securities law do not apply to them. If an issuer wants to sell *Exempt Market Securities* to you:

- The issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- The Securities do not have to be sold by an investment dealer registered with a Securities Regulatory Authority.

There are restrictions on your ability to resell *Exempt Market Securities*. *Exempt Market Securities* are more risky that other Securities.

You will receive an Offering Memorandum

Read the Offering Memorandum carefully because it has important information about the issuer and its Securities. Keep the Offering Memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or investment dealer. In Alberta, Manitoba, Newfoundland and Labrador, Northwest Territories, Nunavut, Prince Edward Island and Saskatchewan, to qualify as an Eligible Investor, you may be required to obtain that advice. Contact the Investment Dealers Association of Canada (website at www.ida.ca) for a list of registered investment dealers in your area.

The Securities you are buying are not listed

The Securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these Securities.

The issuer of your Securities is a non-reporting issuer

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local Securities Regulatory Authority.

Alberta Securities Commission
4th Floor, 300 - 5th Avenue S.W.
Calgary AB T2P 3C4
Phone: (403) 297-6454
Fax: (403) 297-6156
http://www.albertaSecurities.com

British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver BC V7Y 1L2
Phone (604) 899-6500
Fax: (604) 899-6506
http://www.bcsc.bc.ca

Saskatchewan Financial Services Commission
6th Floor, 1919 Saskatchewan Dr.
Regina, SK S4P 3V7
Phone: (306) 787-5645
Fax: (306) 787-5899
http://www.sfsc@gov.sk.ca/default.shtml

APPENDIX B

OFFERING MEMORANDUM

For

CHEMAINUS PROPERTIES LTD.

ELIGIBLE INVESTOR REPRESENTATION LETTER

FOR USE IN ALBERTA AND SASKATCHEWAN FOR SUBSCRIBERS OF MORE THAN $10,000

OFFERING MEMORANDUM EXEMPTION

REPRESENTATION LETTER - 45-106 ELIGIBLE INVESTOR

TO BE COMPLETED BY ALBERTA AND SASKATCHEWAN RESIDENTS WHO ARE SUBSCRIBING FOR MORE THAN $10,000 IN UNITS.

The undersigned (the "Subscriber") hereby confirms and certifies to Chemainus Properties Ltd. that the Subscriber is purchasing the Shares as principal, that the Subscriber is resident in the jurisdiction set out on the execution page hereof, and that the Subscriber is: **[check appropriate boxes]**

- ☐ an "Eligible Investor", being a person or company whose **[circle one or more]**
  - (i) net assets, alone or with a spouse, exceed CDN $400,000,
  - (ii) net income before taxes exceeded CDN $75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, or
  - (iii) net income before taxes combined with that of a spouse exceeded CDN $125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year,
- ☐ a person or company of which a majority of the voting Securities are beneficially owned by Eligible Investors or a majority of the Directors are Eligible Investors,
- ☐ a general partnership in which all of the partners are Eligible Investors,
- ☐ a limited partnership in which the majority of the general partners are Eligible Investors,
- ☐ a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are Eligible Investors,
- ☐ an accredited investor (as defined in National Instrument 45-106),
- ☐ a person who is a family member, close personal friend or close business associate as described in Section 2.5 of National Instrument 45-106; or
- ☐ person or company that has obtained advice regarding the suitability of the investment and if the person or company is in a jurisdiction of Canada that advice has been obtained from an eligibility adviser (as defined in National Instrument 45-106).

EXECUTED by the Subscriber this _____ day of____________________, 2006.

If a Corporation, Partnership or other entity:	**If an individual:**
______________________________	______________________________
Signature of Authorized Signatory	Signature
______________________________	______________________________
Name and Position of Signatory	Print Name
______________________________	______________________________
Name of Purchasing Entity	Jurisdiction of Residence
______________________________	
Jurisdiction of Residence	

APPENDIX C

OFFERING MEMORANDUM

For

CHEMAINUS PROPERTIES LTD.

SUBSCRIPTION AGREEMENT

FOR USE BY ALL SUBSCRIBERS

SUBSCRIPTION AGREEMENT FOR UNITS

TO: **Chemainus Properties Ltd. (the "Corporation")**

The undersigned (the "Subscriber") hereby irrevocably subscribes for and agrees to purchase units (the "Units") consisting of Class B Non-Voting Common Shares ("Class B Shares") and a redeemable, retractable, renewable bond (the "Bond") of the Corporation set forth below for aggregate subscription amount set forth below (the "Aggregate Subscription Amount") representing a subscription price of $0.10 per Class B Share and $99.90 per Bond upon and subject to the terms and conditions set forth herein.

Number of Class B Shares ______ at a price of $0.10 per share for an aggregate amount of $__________

Number of Fixed Rate Bonds______ at a price of $99.90 per bond for an aggregate amount of $__________

AGGREGATE SUBSCRIPTION AMOUNT $__________

Box A

____
(Name of Subscriber - please print)

By: ______________________________
(Authorized Signature)

____
(Official Capacity or Title – please print)

____
(Please print name of individual whose signature appears above if different than the name of the subscriber printed above.)

____
(Subscriber's Address)

(City) (Province) (P/C)

(Telephone Number) (Fax Number)

____
(E-mail Address)

Register and Deliver the Class B Shares as set forth in Box A ☐ or as set forth below:

____
(Name - please print)

____
Address (if different from subscriber's address)

(City) (Province) (P/C)

Register and Deliver the Bonds as set forth in Box A ☐ or as set forth below:

____
(Name - please print)

____
(Name – please print)

____
Address (if different from subscriber's address)

(City) (Province) (P/C)

Accepted by the Corporation this ________ day of ___________, 2006.

Chemainus Properties Ltd.

Per: ______________________________
Authorized Signature

TERMS AND CONDITIONS OF SUBSCRIPTION FOR "UNITS" OF CHEMAINUS PROPERTIES LTD.

Delivery of Documents and Funds

The Subscriber hereby delivers to Chemainus Properties Ltd. at 300, 808 – 4 Avenue SW, Calgary, Alberta, T2P 3E8:

(a) a duly completed and executed Subscription Agreement;

(b) completed and executed Form 45-106F4 Risk Acknowledgement Form set out in Appendix "A" to the Offering Memorandum;

(c) if the aggregate acquisition cost of the Units is greater than $10,000 and the subscriber is a resident in or is otherwise subject to the Securities legislation of Alberta or Saskatchewan, a completed Eligible Investor Representation Letter set out in Appendix "B" to the Offering Memorandum; and

(d) cheque or bank draft for the aggregate subscription price made payable to "Chemainus Properties Ltd.".

2. Closing

The Corporation contemplates multiple closings of this Offering (the "Closing(s)") which Closings will take place on such dates as may be determined by the Corporation.

Within ten business days of each closing, the Corporation will deliver a fully signed copy of this Agreement together with an original, or a certified copy, of the certificate(s) representing the Bonds and Class B Shares registered as specified on the execution page hereof.

3. Representations, Warranties and Covenants by Subscriber

The Subscriber represents, warrants and covenants to the Corporation and any agents (and acknowledges that the Corporation and its counsel are relying thereon) that:

(a) it has been advised and is fully aware that:

  (i) the "Units" offered hereunder have not been qualified for distribution in Canada by the filing of a prospectus with any Securities commission or other Securities Regulatory Authority; and

  (ii) the "Units" are being offered hereunder in reliance upon specific exemptions from the prospectus and registration requirements in British Columbia, Alberta and Saskatchewan in section 2 of National Instrument 45-106,and as a consequence,

  (iii) Unless permitted under Securities legislation, Subscribers must not trade the Units before the date that is four (4) months and a day after the later of (i) the distribution date, and (ii) the date the Corporation becomes a reporting issuer in a province or territory.

(b) if an individual, the Subscriber has attained the age of majority and has the legal capacity and competence to enter into and deliver this Subscription Agreement and to perform his or her obligations hereunder;

(c) if a corporation or other entity, the Subscriber has been duly incorporated or created, as the case may be, and is valid and subsisting under the laws of its jurisdiction of incorporation or creation and has good and sufficient power, authority and right to enter into and deliver this Subscription Agreement and to perform its obligations hereunder;

(d) it and any beneficial purchaser for whom it is acting are resident in the province set forth under the Subscriber's Address opposite its signature on page 1 hereof;

(e) it fully complies with the criteria set forth below:

  (i) if it is a resident in or the purchase by the Subscriber of Securities hereunder is otherwise subject to the Securities legislation of, Alberta, Saskatchewan or British Columbia:

    (1) it is, or is deemed to be pursuant to National Instrument 45-106 entitled "Prospectus and Registration Exemptions", purchasing the Units as principal for its own account, not for the benefit of any person, for investment only and not with a view to the resale or distribution of all or any of the Units;

    (2) it has received a copy of the Offering Memorandum;

    (3) it has delivered a copy of a Risk Acknowledgement (Form 45-103F4) in the form set out in Appendix "A" of the Offering Memorandum to the Corporation;

(4) it has complied fully with the instructions set out in the Offering Memorandum; and

(5) if the aggregate acquisition cost of the units is greater than $10,000 and it is a resident in or is otherwise subject to the Securities legislation of Alberta and Saskatchewan, it is an "Eligible Investor" as such term is defined in National Instrument 45-106 entitled "Prospectus and Registration Exemptions" promulgated under the applicable Securities Acts ("NI 45-106") and concurrently completed the representations in Appendix "B" to the Offering Memorandum;

(f) it acknowledges that:

(i) no Securities commission or similar Regulatory Authority has reviewed or passed on the merits of the Units;

(ii) there is no government or other insurance covering the Units;

(iii) there are risks associated with the purchase of the Units;

(iv) there are restrictions on the Subscriber's ability to resell the Units and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Units;

(v) the Corporation has advised the Subscriber that the Corporation is relying on an exemption from the requirements to provide the subscriber with a prospectus and to sell Units through a person or company registered to sell Securities under the applicable Securities Acts and other applicable Securities laws, and, as a consequence of acquiring Units issuable pursuant to this exemption, certain protections, rights and remedies provided by the applicable Securities Acts and other applicable Securities laws, including statutory rights of rescission or damages, will not be available to the Subscriber; and

(vi) the certificates representing the Bonds and the Class B Shares will be endorsed by a legend stating that the Bonds and the Class B Shares will be subject to restrictions on resale in accordance with applicable Securities legislation; and

(g) this Subscription Agreement has been duly and validly authorized, executed and delivered by, and constitutes a legal, valid, binding and enforceable obligation of the Subscriber;

(h) the Subscriber or beneficial purchaser, as the case may be, has not received nor does the Subscriber expect to receive any financial assistance from the Corporation directly or indirectly, in respect of the Subscriber's purchase of the Units;

(i) The Subscriber or beneficial purchaser acknowledges that the certificates representing the Bonds and the Class B Shares shall bear a legend prohibiting their transfer and indicating such indefinite hold period, as prescribed by the applicable Securities legislation.

(j) it is aware that the Units have not been and will not be registered under the United States Securities Act of 1933 (the "U.S. Securities Act") and may not be offered or sold in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable laws of all applicable states and acknowledges that the Corporation has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Units;

(k) it is not a "U.S. Person" (as that term is defined by Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not acquiring the Units for the account or benefit of a U.S. Person or a person in the United States;

(l) The Units have not been offered to the Subscriber in the United States and the individuals making the order to purchase the Units are executing and delivering this Subscription Agreement on behalf of the Subscriber were not in the United States when the order was placed and this Subscription Agreement was executed and delivered;

(m) it undertakes and agrees that it will not offer or sell the Units in the Unites States unless such Securities are registered under the U.S. Securities Act and the Securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and further that it will not resell the Units except in accordance with the provisions of applicable Securities legislation, regulations, rules, policies and orders and stock exchange rules;

(n) if required by applicable Securities legislation, regulations, rules, policies or orders or by any Securities commission, stock exchange or other Regulatory Authority, the Subscriber will execute, deliver, file and otherwise assist the Corporation in filing, such reports, undertakings and other documents with respect to the issue of the Units (including the Form 45-106F4 included herewith, which the Subscriber acknowledges having executed prior to the execution of the Subscription Agreements);

(o) it or the beneficial purchaser, as the case may be, is not a non-resident of Canada or a "public corporation" or a corporation controlled by a "non-resident" or by a "public corporation" or by any combination thereof within the meaning of the Income Tax Act (Canada) as amended from time to time (the "Tax Act"); and

(p) it does not act jointly or in concert with any other Subscriber for Units for the purposes of the acquisition of the Units;

(q) the Subscriber is capable of assessing the proposed investment as a result of the Subscriber's financial experience or as a result of advice received from a registered person other than the Corporation or any affiliates thereof;

(r) the Subscriber acknowledges that it has been encouraged to and should obtain independent legal, income tax and investment advice with respect to its subscription for Units;

(s) in the case of a subscription by it for Units acting as agent for a principal/beneficial purchaser, it is duly authorized to execute and deliver this agreement and all other necessary documentation in connection with such subscription on behalf of such principal and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid and binding agreement of, such principal;

(t) it will not resell the Units, except in accordance with the provisions of applicable Securities legislation;

(u) the Subscriber acknowledges that the Corporation makes no representations and warranties with respect to tax matters of any kind except as expressly set forth in this Subscription Agreement;

(v) none of the funds the Subscriber is using to purchase the Units are, to the knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities;

(w) it understands that the Units are being offered for sale only on a "private placement" basis and that the sale and delivery of the Units is conditional upon such sale being exempt from the requirements as to the filing of a prospectus or delivery of an Offering Memorandum, except for the Offering Memorandum, or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or delivering an Offering Memorandum, except for the Offering Memorandum;

(x) the Subscriber has a bona fide purpose that pre-existed the offering of the Units and was not created solely or primarily to purchase Securities under exemptions.

The Subscriber agrees that the above representations, warranties and covenants will be true and correct both as of the execution of this subscription and will survive the completion of the issuance of the Units.

4. General

The representations, warranties and covenants of the Subscriber herein are made with the intent that they may be relied upon in determining the suitability of a purchaser of the Units and the Subscriber agrees to indemnify the Corporation against all losses, claims, costs, expenses and damages or liabilities which any of them may suffer or incur caused or arising from reliance thereon. The Subscriber undertakes to immediately notify Chemainus Properties Ltd. at 300, 808 – 4 Avenue SW, Calgary, AB, T2P 3E8 Attention: Cleone Couch, President, at facsimile: (403) 262-4222 or by e-mail at cleonec@ shireinvestments.com, of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the Closing.

All capitalized terms which are not otherwise defined in this Subscription Agreement have the meanings ascribed thereto in the Offering Memorandum.

Each Subscriber is entitled to receive and does hereby contractually receive the benefit of the statutory or contractual rights of action described in the Offering Memorandum under the heading "Purchasers' Rights".

The contract arising out of this Subscription Agreement and all documents relating thereto will be governed by and construed in accordance with the laws of the province of Alberta and the laws of Canada applicable therein, and the Subscriber and the Corporation each irrevocably attorn to the jurisdiction of the Courts of the Province of Alberta. Time will be of the essence hereof.

The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale of the Units to the Subscriber shall be borne by the Subscriber.

The terms and provisions of this Subscription Agreement shall be binding upon and inure to the benefit of the Subscriber and the Corporation and their respective heirs, executors, administrators, successors and assigns; provided that, except for the assignment by a Subscriber who is acting as nominee or agent to the beneficial owner and as otherwise herein provided, this Subscription Agreement shall not be assignable by any party without prior written consent of the other parties.

The Corporation will have the right to accept or reject the Subscriber's offer to purchase at any time at or prior to the Closing Date. The Subscriber acknowledges and agrees that the acceptance of this Subscription Agreement will be conditional among, other things upon, the sale of the Units to the Subscriber being exempt from, except for the requirement to provide the Subscriber with the Offering Memorandum, any prospectus and Offering Memorandum requirements of all applicable Securities laws. The Corporation will be deemed to have accepted this Subscription Agreement upon the delivery at closing of the certificates representing the Units to or upon the direction of the Subscriber in accordance with the provisions hereof.

The Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder, agrees that this offer is made for valuable consideration and, except as set out in the Offering Memorandum, may not be withdrawn, cancelled, terminated or revoked by the Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder.

This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.

The subscriber (on its own behalf and, if applicable, on behalf of any person for whose benefit the Subscriber is subscribing) acknowledges and consents to the fact that the Corporation and any agents obtained by it are collecting the Subscriber's (and my beneficial purchaser's) personal information for the purposes of completing the Subscriber's subscription. The Subscriber (on its own behalf and, if applicable, on behalf of any person for whose benefit the Subscriber is subscribing) acknowledges and consents to the Corporation and any agents obtain by it retaining the personal information for as long as permitted or required by applicable Securities laws, stock exchange rules and IDA rules to provide regulatory authorities any personal information provided by the Subscriber respecting itself (and any beneficial purchaser). The Subscriber represents and warrants that is has the authority to provide the consents and acknowledgements set out in this paragraph and on behalf of all beneficial purchasers.

The covenants, representations and warranties contained herein will survive the closing of the transactions contemplated hereby.

OFFERING MEMORANDUM

FORT MCMONEY PROPERTIES II LTD.

March 24, 2008

This Offering Memorandum describes an offering of Mortgage Units of Fort McMoney Properties II Ltd. (the "Corporation"). The Corporation's address is #300, 808 4th Ave. S. W. Calgary, Alberta. The Corporation is not a reporting issuer in any jurisdiction, nor is it a SEDAR filer or listed on any stock exchange. These securities do not trade on any exchange or market.

The Offering

Securities offered:	$6,500,000 principal amount of Mortgage Units (the "Units" or "Mortgage Units")
Price per security:	Mortgage Units are issued at a price equal to their Original Principal Amount.
Interest Rate and Term:	15% per annum, due September 30, 2009
Maximum Offering:	$ 6,500,000
Minimum Offering:	None. You may be the only purchaser.
Minimum Individual Subscription	$10,000
Security:	Mortgage Units represent an undivided interest in a mortgage on property of the Corporation (the "Property") in Fort McMurray, Alberta.
Payment terms:	Payment in full prior to closing.
Proposed closing date(s):	Dates as may be determined by the Corporation from time to time.
Eligibility:	Mortgage Units will be eligible investments for RRSPs.
Selling Agent:	The Units are offered by Shire International Real Estate Investments Ltd. and sub- agents. See item 7.

Resale Restrictions

You will be restricted from selling your securities for an indefinite period. See Item 10.

Purchaser's Rights

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11.

NO SECURITIES REGULATORY AUTHORITY HAS ASSESSED THE MERITS OF THESE SECURITIES OR REVIEWED THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THIS IS A RISKY INVESTMENT. SEE ITEM 8.

THIS IS EXHIBIT " D "
referred to in the Affidavit of
Cleone Couch
Sworn before me this 7th
day of August 2009

Item 1 - Use of Net Proceeds

1.1 Net Proceeds

The following table provides the net proceeds of this Offering.

		Maximum Offering
A	Amount to be raised by this Offering [1]	$6,500,000
B	Selling commissions (up to 10%) [1]	650,000
C	Estimated Offering costs (e.g., legal, accounting, etc.) [1]	250,000
D	Net proceeds:	$5,600,000

1.2 Use of Net Proceeds

The following table sets forth the Corporation's intended use of the net proceeds of this Offering, in order of priority.

Description of intended use of net proceeds	Maximum Offering
Repayment of First Mortgage	$3,440,000
Development of Property	2,160,000
Total	$5,600,000

The proceeds of this Offering will not be sufficient to accomplish the objectives of the Corporation. See item 2.6.

1.3 Reallocation

The Corporation intends to spend the available funds as stated. The Corporation will reallocate the funds only for sound business purposes.

1.4 Working Capital Deficiency

The existing mortgage on the Property is due July 1, 2008, and the Corporation has no current assets, so the Corporation has a working capital deficiency. If the proceeds of this offering are not sufficient to pay out the existing mortgage the Corporation intends to obtain funds to do so from its shareholder, Shire International Real Estate Investments Ltd., or from other sources.

Item 2 - Business of the Corporation

2.1 Structure

The Corporation was incorporated on May 18, 2007 under the provisions of the *Business Corporations Act* (Alberta).

2.2 Business

The Corporation holds the Property and intends to develop it. The Property is located at 10109 to 10119 Manning Avenue, Fort McMurray, Alberta. The Property has 349 feet of frontage, 137 feet of depth and an area of 47,947 square feet, or 1.1 acres. The Corporation assembled the land from December 2006 to January 2008.

The Property currently consists of single family residences. The Corporation intends to redevelop it into commercial property, consisting of two high rise apartment buildings with ground floor commercial space and a multilevel underground parkade.

The site is zoned R-4, for high density residential. The Corporation has applied for a relaxation to allow greater density and height than normally allowed under R-4 zoning.

2.3 Development of Business

The Corporation was recently incorporated and has no business history. The Corporation is a wholly-owned subsidiary of Shire International Real Estate Investments Ltd. ("Shire") For a description of the history of Shire, see item 3.2, Management Experience.

2.4 Long Term Objectives

The Corporation intends to develop the Property.

2.5 Short Term Objectives and How We Intend to Achieve Them

What we must do and how we will do it	Target Completion Date	Our Cost to Complete
Repay first Mortgage	July 1, 2008	$3,440,000

(1) All expenses of this offering will be paid by the Corporation.

2.6 Insufficient Proceeds

The proceeds of this Offering will not be sufficient to accomplish the objectives of the Corporation. Additional debt financing will be required to develop the Property, and there is no assurance that such additional financing will be available.

2.7 Material Agreements

The Corporation has no material agreements other than the Deed of Trust and Mortgage described in item 5.1 Terms of the Mortgage Units, and a Management Agreement to be entered into with Shire as described in item 3.1 Compensation and Securities Held.

Item 3 - Directors, Officers and Principal Holders

3.1 Compensation and Securities Held

The following table sets out information about each director, officer and promoter of the Corporation and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Corporation:

Name and Municipality of Residence	Position Presently Held and date of obtaining that position	Compensation paid since incorporation/ anticipated to be paid in current financial year	Number and Percentage of Common Shares beneficially owned or controlled
Cleone Couch Calgary, Alberta	President and Director August 7, 2007	$160,000	100 Class A Shares[(1)]

Notes:

(1) Cleone Couch is the sole director, officer and shareholder of Shire International Real Estate Investments Ltd., the Promoter of the Issuer. The 100 Class A Shares are held by Shire. The $160,000 is a management fee that will be paid to Shire.

3.2 Management Experience

Cleone Couch has been President of Shire International Real Estate Investments Ltd. since September, 2005 and prior thereto was employed by a Calgary based real estate development company for 10 years. She served as President of Shire, and President of the companies described below, at the time of each of the development projects indicated, and was involved in all aspects of the formation and management of the following issuers:

Name	Project
Halama Gardens Ltd.	Condominium project in Maui, Hawaii
Fort McMoney Properties Ltd.	Multi-family residential project in Fort McMurray, Alberta
Chemainus Properties Ltd.	Residential/commercial development in Chemainus, B.C.
Skaha Lake Development Ltd.	Hotel/apartment/condominium project in Okanagan Falls, B.C.
Bearspaw at 144th Avenue Ltd.	Ongoing development of land recently annexed to the City of Calgary

3.3 Penalties, Sanctions and Bankruptcy

During the last ten years, no director, executive officer or control person of the Corporation, and no issuer of which a director, executive officer or control person of the Corporation was a director, executive officer or control person at the time, has been subject to any penalty or sanction, nor any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets.

Item 4 - Capital Structure

4.1 Share Capital

The following table provides information about the outstanding common shares of the issuer.

Description of Security	Number Authorized to be Issued	Number Outstanding as at March 24, 2008	Number Outstanding After Maximum Offering
Class A	Unlimited	100	100

4.2 Long Term Debt

The following table provides information about the long term debt of the Corporation.

Description of Long Term Debt	Interest Rate	Repayment Terms	Amount Outstanding March 24, 2008	Amount Outstanding After Maximum Offering
Existing mortgage			$3,440,000	-
Mortgage Units			-	$6,500,000
Total			**$3,440,000**	**$6,500,000**

4.3 Prior Sales

There have been no prior sales of Mortgage Units.

Item 5 - Securities Offered

5.1 Terms of Mortgage Units

Issuer	Fort McMoney Properties II Ltd.
Offering:	A maximum of $6,500,000 Original Principal Amount of Mortgage Units, issuable pursuant to a Deed of Trust and Mortgage (the "Indenture") dated as of March 24, 2008 between the Corporation and

Olympia Trust Company (the "Trustee"). The Indenture creates the Mortgage described below and establishes the terms of the Mortgage Units.

Terms: The Units will be issued at a subscription price equal to the Original Principal Amount thereof, in amounts of not less than $10,000. Each Mortgage Unit represents an undivided interest proportionate to its Original Principal Amount in a Mortgage (the "Mortgage") to be placed on the Property in favour of the Trustee, for the benefit of the Unitholders. The Mortgage bears interest at the rate of 15% per annum and matures September 30, 2009.

Payment of Interest Interest on the Mortgage Units will be paid quarterly in cash in arrears on the last day of each March, June, September and December, the first payment being payable June 30, 2008. Interest payable in respect of each Unit will be adjusted for the number of days the Unit has been outstanding.

Repayment of Mortgage: The Corporation shall repay the Mortgage at its maturity, and may prepay the Mortgage at any time in whole or in part without notice, penalty or bonus.

Any partial prepayment shall be applied pro rata to the outstanding Mortgage Units in accordance with their Original Principal Amount.

Covenants The Corporation will covenant in the Trust Indenture to pay the principal and interest on the Mortgage when due and to insure the Property.

Security: The Mortgage is secured on the Property. The Mortgage shall be registered as a first financial charge subject only to Permitted Encumbrances. Permitted Encumbrances will include liens for property taxes not yet due, easements, utility rights-of-way, public ways, or similar grants which do not in the aggregate materially and adversely impair the Lands, and defects or irregularities of title affecting the Lands which are of a minor nature and, in the aggregate, do not materially impair the use of the Lands or materially impair the rights of the Corporation or which are not materially adversely prejudicial to the interests of the Corporation;

The Trust Indenture will provide that the Units shall rank rateably, *pari passu* with each other with respect to their rights of realization.

Events of Default The following are events of default under the Mortgage:

- default in the payment of principal or interest when due;

- failure to comply with other covenants in the Trust Indenture, upon receipt of notice of such default by the Corporation from the Trustee, unless such default is cured or waived within 30 days after receipt of such notice, or such longer period as the Trustee may allow;
- certain events of bankruptcy, insolvency or reorganization affecting the Corporation.

If an event of default shall have occurred and be continuing, either the Trustee or the holders of not less than 25% in aggregate principal amount of Units then outstanding may declare the principal amount of the Units plus accrued and unpaid interest, if any, on the Units accrued through the date of such declaration to be immediately due and payable. In the case of certain events of bankruptcy, insolvency or reorganization, the principal amount of the Units plus accrued and unpaid interest, if any, accrued thereon through the occurrence of such event shall automatically become and be immediately due and payable.

Unitholders Meetings

The Trustee may call a meeting of Unitholders at any time and shall call a meeting on request of the Corporation or of Unitholders holding 25% of the outstanding Original Principal Amount of Units.

Unitholders will have the power exercisable by extraordinary resolution, to authorise any amendment to the terms of the Trust Indenture, except that, other than in the event of a Default, the Unitholders may not authorise a reduction in the principal or interest payable under the Mortgage Units without the consent of all Unitholders.

Unitholders may also by extraordinary resolution remove the Trustee and appoint a new Trustee.

An extraordinary resolution is a resolution passed with the approval of the holders of 66 2/3% of the Original Principal Amount of the Units voted on the resolution, or the consent in writing of the holders of 66 2/3% of the Original Principal Amount of the outstanding Units.

5.2 Closing and How to Subscribe

Closings will occur from time to time on dates as may be determined by the Corporation. Definitive certificates for Mortgage Units offered hereby will be available at Closing.

In order to subscribe a subscriber must:

(a) complete the Subscription Agreement, Form 45-103F3 - Risk Acknowledgment and, if applicable, the Eligible Investor Questionnaire;

(b) deliver the foregoing to the Corporation c/o Shire International Real Estate Investments Ltd. at #300 808 4th Avenue S.W. Calgary ;

(c) arrange for payment by certified cheque delivered with the foregoing, or by an RRSP trustee upon receipt of documents.

Subscribers in Alberta, Manitoba or Saskatchewan who are subscribing for more than $10,000 of Units must complete the eligible investor questionnaire attached to the Subscription Agreement.

All subscription proceeds will be held in trust and not released until the expiry of the two business day period during which subscribers may cancel their agreement to purchase Units;

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the Corporation reserves the right to close the subscription books at any time without notice.

Item 6 - Income Tax Consequences

6.1 Income Tax Considerations

You should consult your own professional advisers to obtain advice on the tax consequences that apply to you.

6.2 RRSP Eligibility

In the opinion of Schinnour Matkin & Baxter and based upon it receiving certification from the Corporation concerning the fair market value of the Property, the Units offered herein will be qualified investments under the *Income Tax Act* (Canada) and the Regulations thereunder (collectively, the "Tax Act") for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans, provided that the subscriber or any persons related to the subscriber of the Unit are at "arm's length" to the Corporation as such term is defined by the Tax Act.

Item 7 - Compensation Paid to Sellers and Finders

Shire International Real Estate Investments Ltd. has been retained by the Corporation as selling agent and will be paid a fee of 10% of the gross proceeds from the sale of Units. Shire may retain subagents and pay commissions to such sub-agents, provided the commissions do not exceed 10% of the selling price. Only registered securities dealers will be paid a commission on Units sold in Saskatchewan.

The Units are being offered for sale in the Provinces of British Columbia, Alberta, Saskatchewan, and Manitoba in reliance upon exemptions from the registration and prospectus requirements of applicable securities legislation.

Except as disclosed herein, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with this offering.

Item 8 - Risk Factors

An investment in the Mortgage Units offered hereby should be considered speculative due to the stage of development of the Corporation and the nature of the Corporation's business. In particular, the following risk factors should be considered.

(a) **Management.** The success of the Corporation is dependent upon the efforts and abilities of the management team of Shire. The loss of any member of the management team could have material adverse effect upon the Corporation's business and prospects. In addition, Shire is involved in other development projects which will compete for management's time and attention, and which could create conflicts of interest.

(b) **No Market for Units.** There is no market for the Units and no market is expected to develop. You may not be able to liquidate your investment.

(c) **No Earnings History.** The Corporation has no history of earnings. Its ability to pay interest and principal on the Units depends on successful development of the Property. This cannot be assured.

(d) **Real Estate Risks.** Real estate assets are subject to many risks, including environmental liability for conditions on the property which pre-existed the Corporation's ownership and of which it is unaware, changes in general economic conditions, changes in local economic conditions, changes in the market for housing or for commercial space, and fire and other hazards. While the Corporation carry insurance on hazards commonly insured against in the industry, the Property may be damaged by uninsured risks or to an extent exceeding the limits of insurance policies.

(e) **Government Approvals.** The development of the Corporation's property will require zoning relaxation and other approvals from government agencies. The process of obtaining such approvals may take a significant time and there can be no assurance that the necessary approvals will ever be obtained. The failure to obtain such approvals may adversely affect the value of the Property.

(f) **Competition.** The existence of competing developers and projects could have a material adverse effect on the ability of the Corporation to develop and sell its property.

(g) **Illiquidity.** Real estate is relatively illiquid. Illiquidity may limit the ability of the Corporation to respond to changing economic conditions

Item 9 - Reporting Obligations

The Corporation is not a "reporting issuer" under applicable securities legislation and is therefore not subject to the continuous disclosure obligations imposed upon reporting Corporation under the applicable securities legislation including, without limitation, the prompt notification of material changes by way of press release and formal filings and the preparation of quarterly unaudited and annual audited financial statements.

Item 10 - Resale Restrictions

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

Alberta, British Columbia, Saskatchewan: Unless permitted under securities legislation, you cannot trade the Mortgage Units before the earlier of the date that is 4 months and one day after the date the Corporation becomes a reporting issuer in any province or territory in Canada.

Manitoba: Unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless

(a) the Corporation has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or

(b) you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

The Corporation does not intend to become a reporting issuer in any jurisdiction.

All subscribers acquiring the Mortgage Units under this Offering should consult with their legal advisors regarding resale restrictions.

Item 11 - Purchasers' Rights

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

Two Day Cancellation Right - You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the fifth business day after you sign the agreement to buy the securities.

Statutory Rights of Action in the Event of a Misrepresentation: If there is a misrepresentation in this Offering Memorandum and if you are resident in Alberta, British Columbia, Manitoba or Saskatchewan, you have a statutory right to sue:

(a) the Corporation to cancel your agreement to buy these securities, or

(b) for damages against the Corporation, its directors who signed the offering memorandum and Shire International Real Estate Investments Ltd.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days from the day of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of 180 days from the date you become aware of the misrepresentation and three years from the date of the transaction.

Item 12 - Financial Statements

FINANCIAL STATEMENTS

Fort McMoney Properties II Ltd.

Interim unaudited Financial Statements

For the period May 18, 2007 (date of incorporation) to February 29, 2008

Fort McMoney Properties II Ltd

Balance Sheet

As At February 29,2008

(unaudited)

Assets

Fixed			
	Land		6,100,000
	Acquisition costs		269,506
			6,369,506

Liabilities

Long term debt			
	Intercompany payable		2,904,196
	Quest Capital Corporation		3,440,000
			6,344,196
Equity			
	Share Capital		
	Issued	100 Class A	100
	Retained earnings		25,210
			25,310
			6,369,506

Fort McMoney Properties II Ltd

Statement of Income and Deficit

For the Nine Months Ending February 29,2008

(unaudited)

Income			
	Rental		25,630
Expenses			
	Utilities	420	420
Net profit for the period			25,210
Retained earnings, beginning of year			-
Retained earnings, end of period			25,210

Fort McMoney Properties II Ltd.
Notes to Financial Statements
For the period from May 18 2007 (date of incorporation) to February 29,2008
Unaudited

1 Company Operations

Fort McMoney Properties II Ltd. was incorporated on May 18, 2007 pursuant to the Alberta
Business Corporation Act.
The company has commenced operations, acquired the lands and incurred preliminary soft costs.
Homes on three of the properties have been rented on a month to month basis.

2 Intercompany Payable

Shire Investments has advanced monies to acquire the properties and commence preliminary studies and architect services.
There is no fixed repayment, no interest charged and no due date.

3 Long Term Debt

Quest Capital Corporation has a 12%, interest only, first mortgage on the properties
Due in full July 1, 2008 or earlier with a 30 day written notice.

Item 13 - Date and Certificate

Dated: March 24, 2008

This Offering Memorandum does not contain a misrepresentation.

(signed) Cleone Couch
Chief Executive Officer, Chief Financial Officer and sole Director

PROMOTER

Shire International Real Estate Investments Ltd.

By: (signed) Cleone Couch
President

ALBERTA SECURITIES COMMISSION

NOTICE OF HEARING

Citation: Shire International, Re, 2009 ABASC 276

Date: 20090605
Docket: E/04130

Securities Act, R.S.A. 2000, c. S-4 (*Act*)

To: **Jeanette Cleone Couch, Shire International Real Estate Investment Ltd., Shire Asset Management Ltd., Hawaii Fund, and Maples and White Sands Investment Ltd.**

Notice: The Alberta Securities Commission will convene on Tuesday, 16 June 2009, at 2 p.m., for a hearing to consider whether it is in the public interest to extend the interim cease trade order granted in this matter on 4 June 2009.

Location: Alberta Securities Commission, 6th Floor, 300 – 5th Avenue SW, Calgary, Alberta.

Procedure:

1. You may obtain disclosure and particulars of the allegations in this Notice from Liam Oddie, c/o Alberta Securities Commission, 4th Floor, 300 - 5 Avenue SW, Calgary, Alberta, T2P 3C4, telephone 403.297.4295.

2. You may be represented by legal counsel and you or your counsel may make representations and introduce relevant evidence at the hearing.

3. If you or your counsel fail to attend on the 16 June 2009 at 2 p.m., or as directed, the hearing may proceed in your absence and an order may be made against you without further notice.

See also section 29 of the Act and Rule 15-501 – Rules of Practice and Procedure for Commission Proceedings.

THIS IS EXHIBIT "E"
referred to in the Affidavit of
Cleone Couch
Sworn before me this 7th
day of August 2009

Allegations

Summary of Breaches

1. Staff of the Alberta Securities Commission (respectively **Staff** and **Commission**) alleges that Jeanette Cleone Couch (**Couch**), Shire International Real Estate Investment Ltd. (**Shire**), Shire Asset Management Ltd. (**Shire Asset**), Hawaii Fund, and Maples and White Sands Investment Ltd. (**Maples**) (collectively, the **Respondents**), have made materially misleading or untrue statements, both to potential investors and to Commission investigators, and have engaged in an act, practice, or course of conduct relating to a security that they knew or reasonably ought to have known would perpetrate a fraud on investors.

Parties

2. Hawaii Fund is a trust established to issue units for the stated purpose of obtaining funds to buy and develop three properties located in Maui, Hawaii, U.S.A..

3. Maples is an Alberta company established to issue mortgage units for the stated purpose of obtaining funds to buy and develop certain properties located in Sorrento, British Columbia.

4. Shire Asset is an Alberta company. It is the trustee and manager of Hawaii Fund, and one of its promoters.

5. Shire is an Alberta company that purports to carry on business as a real estate developer. It is Hawaii Fund's promoter and Maples' selling agent.

6. Couch is an Alberta resident, and the sole director and officer of Shire, Shire Asset, and Maples, as well as the directing mind of Hawaii Fund.

Circumstances

7. Until 4 June 2009, the Respondents were soliciting investors, including Alberta investors, to raise capital under an offering memorandum (**OM**) for each Hawaii Fund and Maples.

8. In the Hawaii Fund and Maples OMs, the Respondents made statements to investors they knew or ought reasonably have known were materially misleading or untrue, including:

   8.1. that Shire was buying two of the properties targeted by Hawaii Fund for development (**Target Properties**) for $2.5 million from a company controlled by Couch, which had purchased them for the same price from an unrelated party in 2006;

   8.2. that Shire was buying one of the Target Properties for $5.3 million from a numbered Alberta company, which had purchased it for the same price from an unrelated company in 2007;

   8.3. that Shire was in the process of making an application for a building permit for two of the Target Properties; and

   8.4. that Shire had a particular real estate development project portfolio, without accurately disclosing the status of the projects.

9. Staff alleges that the Respondents knew or ought to have known that the statements in paragraph 8 would reasonably be expected to have a significant effect on the market price or value of a security.

10. Staff alleges that the Respondents engaged in conduct relating to securities that they knew or reasonably ought to have known would perpetrate a fraud on investors, in that:

    10.1. the Respondents knowingly used raised capital for undisclosed, improper purposes and knowingly deceived investors with respect to the ownership status and acquisition of the Target Properties, the use of the funds raised, and the deceitful nature of the Respondents' business;

    10.2. the Respondents' deceitful conduct either caused actual loss to investors or placed investors' pecuniary interests at risk; and

    10.3. the Respondents knew that their deceitful conduct could have such a consequence.

11. In the course of an interview conducted by Commission investigators, the Respondents, under oath, made numerous misleading and untrue statements to investigators concerning Shire's capital raising and real estate development activities.

Breaches

12. As a result of the above, Staff alleges that the Respondents:

    12.1. breached s.92(4.1) of the *Act* by making statements that they knew or reasonably ought to have known were materially misleading or untrue and would reasonably be expected to have a significant effect on the market price or value of a security;

    12.2. breached s.93 of the *Act* by engaging or participating in an act, practice, or course of conduct relating to a security that they knew or reasonably ought to have known would perpetrate a fraud on a person or company; and

    12.3. breached s.221.1(2) of the *Act* by making materially misleading and untrue statements to Commission investigators.

13. Staff alleges that the Respondents' conduct, as described above, is contrary to the public interest.

	) ALBERTA SECURITIES COMMISSION
Calgary, Alberta, 5 June 2009.	)
	)
	) *"ORIGINAL SIGNED BY"*
	) David Linder
	) Executive Director, Alberta Securities Commission

ALBERTA SECURITIES COMMISSION

INTERIM CEASE TRADE ORDER

E/04130

Citation: Shire International, Re, 2009 ABASC 274 **Date: 20090604**

Jeanette Cleone Couch, Shire International Real Estate Investment Ltd., Shire Asset Management Ltd., Hawaii Fund, and Maples and White Sands Investment Ltd. (collectively, the **Respondents**)

Nature of Application

1. Staff (**Staff**) of the Alberta Securities Commission (the **Commission**) seek an interim order pursuant to sections 33(1) and 198(1) of the *Securities Act*, R.S.A. 2000, c. S-4, (the **Act**) directing that: all trading cease in respect of securities of Hawaii Fund and of Maples and White Sands Investment Ltd.; the Respondents cease trading in all securities; and the Respondents be denied the use of all exemptions contained in Alberta securities laws.

Background

2. Staff are investigating the propriety of capital-raising activities relating to the Respondents.

3. The Commission has received and considered documentary evidence and submissions by counsel for the parties.

4. Counsel for the Respondents expressed their consent to the orders sought by Staff, to continue for 15 days, with the exception of any orders against Couch, which they opposed.

Order

5. The Commission, considering that the length of time required to conduct a hearing and render a decision could be prejudicial to the public interest and that it is in the public interest to make this order, orders under sections 33(1) and 198(1) of the Act, that:

   (a) all trading cease in respect of securities of Hawaii Fund and of Maples and White Sands Investment Ltd.;

   (b) the Respondents cease trading in all securities; and

   (c) all exemptions contained in Alberta securities laws do not apply to the Respondents.

6. Pursuant to section 33(2) of the Act, this order takes effect immediately and expires in 15 days unless extended by the Commission.

4 June 2009

For the Commission

"Original Signed By"
Glenda A. Campbell, QC

"Original Signed By"
Stephen R. Murison

Action No. 0901-10090

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

BETWEEN:

HIS IS EXHIBIT " F "
referred to in the Affidavit of
Cleone Couch
worn before me this 7th
ay of August 2009

ENNETH T. LENZ
STER AND SOLICITOR

LUCIA de WET and JENNIFER LOFGREN,
as Representative Plaintiffs

Plaintiffs

- and -

JEANETTE CLEONE COUCH, SHIRE INTERNATIONAL REAL ESTATE INVESTMENTS LTD., SHIRE ASSET MANAGEMENT LTD., THICKWOOD REAL PROPERTY INC., MAPLES AND WHITE SAND INVESTMENT LTD., HALAMA GARDENS LTD., HALAMA GARDENS LLC, PHILIP ARCHER, CDN MAUI LLP, QUADRA PACIFIC PROPERTIES CORP. (formerly CHEMAINUS PROPERTIES LTD.), SKAHA LAKE DEVELOPMENT LTD., ORILLIA INVESTMENT LTD., BEARSPAW AT 144TH AVENUE LTD., FORT MCMONEY PROPERTIES LTD., FORT MCMONEY PROPERTIES II LTD., AC&C DEVELOPMENT GROUP LTD., TSEHUM HARBOUR LTD., BOSUN'S HOLDINGS LTD., TSEHUM HARBOUR PLACE HOLDINGS LTD., TSEHUM HARBOR BONDS LTD., EYELOGIC SYSTEMS INC., TARMAN INC., CC MANAGEMENT INC., KMC CAPITAL INC., WILLIAMSON & ASSOCIATES INC., LUREE WILLIAMSON, BOB COUCH, DENNIS BLAIN and ANDREW SIMON

Defendants

STATEMENT OF CLAIM

1. The Representative Plaintiffs are residents of Alberta. They bring this action on their own behalf and on behalf of all persons (the "Class Members") who invested in or with, or loaned money to any of the Defendants or who were defrauded, misled, harmed or not repaid by any of the Defendants, or with respect to, in the Investment Scheme described below.

2. The individual Defendants, referred to hereafter as "Couch, "Archer", "Blain", "Williamson" and "Simon" are all residents of Alberta to the best of the Plaintiffs' knowledge.

3. The corporate Defendants or entities (except Eyelogic Systems Inc.) were organized, incorporated and employed by the Defendants (or some combination of the Defendants) for the purpose of implementing and perpetrating the Investment Scheme described below.

4. The allegations in this Statement of Claim, and the generic references to "the Defendants" do not apply to Defendant Eyelogic Systems Inc. ("Eyelogic") or its related companies Tarman Inc., CC Management Inc. and KMC Capital Inc. The cause of action against Eyelogic and those other defendants is described in paragraphs 58 - 67 below.

THE INVESTMENT SCHEME - GENERALLY

5. Commencing in 2005, the Defendants conspired and acted jointly together to mislead the Plaintiffs and the Class Members and to defraud them of funds through means of an investment scheme (the "Investment Scheme"). In particular, the Defendants agreed that they would:

a. solicit and convert funds from investors by promoting land projects in various jurisdictions through misleading, illegal and improper means; and

b. use funds from one group of investors not for the stated purposes communicated to the investors, but rather to pay "returns" to other investors in pyramid or Ponzi scheme fashion to create a false impression of prosperity and validity;

c. convert the majority of the investors' funds to their own use.

6. As described below, the information communicated to the investors about how the Investment Scheme purported to work was untrue. Instead, the Investment Scheme was a fraudulent means designed and carried out by the Defendants to acquire and convert to their own benefit the Plaintiffs' and Class Members' money.

7. Further, the funds were solicited, raised and spent in a manner that contravened the *Securities Act* (Alberta) and equivalent legislation in other provinces.

8. During the period 2005-2009, the Defendants illegally solicited funds from hundreds or thousands of investors in connection with approximately 10 purported real estate development projects (the "Projects"), none of which was genuine or as represented. They carried on business

under the corporate umbrella of the Defendant Shire International Real Estate Investment Ltd. ("Shire"). In total, the Defendants raised approximately $75,000,000 in connection with the Projects, none of which ever came to fruition or produced any meaningful returns to investors.

9. The Defendants generally promoted the Projects through presentations, seminars, word of mouth, handouts and in most cases through an "Offering Memorandum" (the "OMs") describing the Projects. The OMs were conceived, created and employed in order to circumvent the capital-raising requirements that are included in securities legislation to protect the public. Invariably, the OMs, the other promotional material and the information communicated verbally to investors were rife with falsehoods and misrepresentations concerning the Projects.

10. The essence of the Investment Scheme was to create a separate company for each "project" ("the Project Companies"); raise funds in respect of that Project through the means described in paragraph 9; represent to investors that they would receive a "unit" comprised of a bond that would pay interest at 8% annually, plus a share entitling the holder to significant eventual profits; then, commingle and misappropriate the funds for their own benefit.

11. The individual Defendants conspired and worked together to perpetrate the Investment Scheme. They retained agents to help promote the Projects, in each case providing these agents with false information about the Projects with the intention that prospective investors would in turn be misled by the agents.

THE DEFENDANTS

12. The Plaintiffs do not yet know the exact role played by each of the individual defendants. Cleone Couch ("Couch") is the named officer and director of most or all of the Project Companies. In June 2009, she and many of the Project Companies were ordered by the Alberta Securities Commission ("ASC") to cease their activities. Couch personally moved the scheme forward, made misrepresentations to investors and received benefit from investors' funds.

13. Williamson, an Alberta resident, is Couch's daughter and the Vice-President of Marketing at Shire. She is also the registered director of Williamson & Associates Inc. which was created solely to advance and perpetrate the Investment Scheme. Bob Couch is related to Cleone Couch and is the acquisitions and development head of Shire. The defendant AC&C

Development Ltd. was incorporated by Couch to receive funds raised by investors and utilize them to the personal benefit of the other Defendants.

14. Philip Archer, an Alberta resident, also conceived, furthered and benefited from the Investment Scheme. Due to a lengthy regulatory history (including a 2001 finding by the ASC that he illegally distributed real estate securities, a 1991 cease trading ban imposed by the ASC for market manipulation and other wrongdoing and a 2005 conviction and further cease trade ban) Archer installed Couch, his former employee, as the "front man" in Archer's stead to conceal his own role and involvement in the Investment Scheme.

15. Andrew Simon and Dennis Blain are Alberta residents who knowingly participated in and benefited from the Investment Scheme. Simon acted as a promoter or investor relations representative for Shire and had considerable direct contact with investors. Blain was instrumental in depriving investors in respect of a project in Hawaii as will be described below.

16. The Projects and Project Companies created and promoted by the Defendants in furtherance of the Investment Scheme included:

a. Thickwood Real Property Inc. – this project purportedly involved the acquisition and development of property in Fort McMurray, Alberta, more particularly described in paragraph 21 below.

b. Fort McMoney Properties Ltd. and Fort McMoney II Properties Ltd. – these were later projects involving property in Fort McMurray (including the Thickwood property) in which the Defendants claimed to have an interest, including but not limited to lands legally described as SE ¼ Section 32, Township 88, Range 8, West of the 4th Meridian.

c. Halama Gardens Ltd. – this project concerned a property at Halama Street in Kihei, Maui (which is in fact owned or controlled by Canadian Maui LLP, Blain or Archer), in which the Defendants represented they had an interest. The Defendants raised approximately USD$2,400,000.00 to acquire the property, paid those funds to Blain or Archer or both, and received nothing in return;

d. Hawaii Fund – an unincorporated "trust" used to re-market the Halama Street property as well as a property known as "Paradise Ridge";

e. Chemainus Properties Ltd. (now, Quadra Pacific Properties Corp.) – a British Columbia company represented to own land and other interests in the town of Chemainus on Vancouver Island municipally described as 9933 Esplanade Street and legally described as Lot A, Plan 29495, Section 18, Range 5, Chemainus Land District.

f. Orillia Investments Ltd. – an Ontario company purporting to own land interests in or near Orillia, Ontario;

g. Skaha Lake Development Ltd. – a British Columbia company represented to have land interests in or near Okanagan Falls in Skaha Lake in British Columbia legally described as Lots 1-3, District Lot Similkaman Division, Columbia Yale District Plan 7632 (Parcel Identifier 027-083-756).

h. Bearspaw at 144th Avenue Ltd. – this is an Alberta company represented to have land interests in or near Calgary, Alberta, legally described as SE ¼ of Section 3, Township 26, Range 2, W5th;

i. Maples and White Sands Investment Ltd. – a British Columbia company represented to have land interests or prospects in or near Kamloops and Sorrento on Shushwap Lake in British Columbia, including interests in tourist accommodations known as the Sorrento Inn, White Sands Resort and The Maples Lodge; and

j. Tsehum Harbour Ltd. - a British Columbia company represented to have land interests or prospects in Sidney, British Columbia, with a legal description of Lot A, District Lot 12 and Section 15, Range 3 East, North Saanich District, Plan 45998.

17. In every case above, the Defendants misled investors about the Projects in order to induce them to invest by subscribing (generally in increments of $10,000 or $25,000) for units of the applicable Project Company pursuant to an OM. However, in no case has a Project proved genuine, been developed or generated any meaningful revenue, return or profit as promised.

18. Shire Asset Management Ltd. ("SAML") is an Alberta corporation established and operated to further the Investment Scheme and receive "fees" for "managing" the Projects. Couch is the sole director of SAML and Shire is the sole registered shareholder.

THE REPRESENTATIVE PLAINTIFF'S INVESTMENT (Lucia de Wet)

19. Pursuant to the Investment Scheme, de Wet was solicited by Couch and other individuals (hired and instructed by the Defendants) to invest $50,000.00 in property in Fort McMurray, Alberta, specifically through entities known as Berkshire Real Estate Investment Trust Ltd. and Thickwood Real Property Inc. De Wet invested $50,000.00 on or about April 25, 2005 in the expectation of receiving an interest in, and eventual profit from property in Fort McMurray, Alberta.

20. At the same time, the Defendants solicited numerous other individuals who are Class Members to make a similar investment. The Plaintiffs estimate that the Defendants raised approximately $8,000,000.00 in respect of the Thickwood project.

21. Couch and other representatives of the Defendants presented de Wet and other Class Members with assorted documentation purporting to be subscriptions for units in Thickwood Real Property Inc., which in turn was represented to have an interest in or ownership of properties in Fort McMurray, Alberta with the following legal descriptions:

Centennial	Lot 1-2, Block 2, Plan 5304NY
Manhattan	Lot 1, Block 77, Plan 7823135
Manning	Lot 20-22, Block 2, Plan 1268NY
Sheraton	Lot 22, Block 25, Plan 8122231
Windsor	Lot 3, Plan 9322041
Concord	Lot 3, Plan 9322041
Skylark	Lot 3, Plan 9322041

22. The Defendants, or some combination thereof, misappropriated the funds invested by de Wet and other Class Members, and did not use them to acquire an interest in or develop the properties in Fort McMurray as represented and promised.

23. The Thickwood properties were in fact neither acquired or developed. Therefore, in July 2008, in furtherance of the Investment Scheme and in order to avoid or delay detection and recrimination, the Defendants or some combination thereof, provided de Wet and some of the other Class Members with "Promissory Notes" in purported substitution for the Thickwood units, with a maturity date of June 1, 2009 with an annual interest rate of 8%. No payments have ever been made in respect of those notes, and, if the notes were validly issued in the first place, they remain a just debt improperly withheld (in de Wet's case, the amount due when the notes is $66,340.21).

24. In other instances, instead of being given promissory notes, Thickwood investors were told their interests had been "rolled over" into the Fort McMoney project described below.

25. On or about May 4, 2009, despite having just been interviewed in connection with an ASC investigation concerning the Investment Scheme, Couch, with the knowledge and the encouragement of the other Defendants, wrote de Wet and other Class Members advising that Shire would not be in a position to repay the promissory notes and offered an extension, stating that the reason for non-repayment thus far was due to world wide economic conditions.

THE REPRESENTATIVE PLAINTIFF'S INVESTMENT (**Jennifer Lofgren**)

26. Pursuant to the Investment Scheme, the Defendants or their representatives solicited Lofgren and other Class Members to invest in projects known as "Halama Gardens" and "Fort McMoney". Lofgren invested USD$50,000.00 with the Defendants in the Halama Gardens project and $25,000.00 in the Fort McMoney project. The Fort McMoney project, in that incarnation, included lots on Manning Street in Fort McMurray, Alberta and a property known as "Saline Creek" at East ½, Section 32, Township 88, Range 8, West of the 4th Merdian. None of her money has been repaid, produced a return or been used for the represented purpose. It has instead been converted by the Defendants, who are indebted to Lofgren in that amount.

27. The Defendants or their representatives advised Lofgren and other Class Members that, through subscriptions for units in Halama Garden Ltd., Fort McMoney Properties Ltd. or Fort McMoney II Properties Ltd., they would be acquiring an interest in and the prospect of eventual profits from real estate projects in Maui and Fort McMurray. As with Thickwood and all the other Projects, this was a complete misstatement of the facts.

28. Contrary to the Defendants' representations, none of the Defendants or any entities controlled by them own or control any or ever had any prospect of developing properties in Hawaii, Fort McMurray or elsewhere and at no point was there any realistic prospect that investors would see any return on their investments.

29. The properties in Hawaii that Shire and Couch purported to market through the Hawaii Fund and Halama Gardens are in fact owned directly or beneficially by Archer and Blain.

OTHER PROJECTS

30. The Defendants have implemented the Investment Scheme in similar fashion in respect of the several other projects described in paragraph 16, promoting projects located in British Columbia, Ontario, Alberta and Hawaii. In each case, and to each Class Member, the Defendants misrepresented the facts and converted the Class Members' funds to their own use. Generally, the Defendants employed official-looking OMs that contained falsehoods and misrepresentations and, as well, did not comply with the securities laws and regulations applicable to raising capital through the offering memorandum exemption. The purpose of the OMs was to create the appearance of complying with that legislation, to create an aura of legitimacy for the Investment Scheme and to avoid scrutiny and detection by regulatory authorities.

31. Alternatively, the Defendants have not complied with contractual and other duties in managing and operating the Projects.

32. Since commencing the Investment Scheme, the Defendants have raised capital from the Class Members for at least ten development projects, totalling approximately $75,000,000.00. In

each instance, the Defendants foster an air of legitimacy by creating promotional materials, brochures, subscription agreements, the OMs and monthly reports. Uniformly, these materials contain misrepresentations and are contrary to applicable securities legislation.

MISREPRESENTATION

33. Unbeknownst to the Plaintiffs and Class Members, the Investment Scheme and the resulting investments were not legitimate in any sense. Instead, the Projects were created and designed by the Defendants for the purpose of converting the Plaintiffs' and Class Members' funds to the Defendants' benefit. The precise mechanism and extent of the Investment Scheme is not yet fully known to the Plaintiffs and Class Members, but it is believed and alleged that a component of the Investment Scheme is using funds from one investor to make interest, dividend or other interim payments to earlier investors in the nature of a Ponzi or pyramid scheme. Funds from the various Projects are intermingled or distributed in a manner contrary to what was represented to the Plaintiffs and Class Members.

34. The representations made and authorized by the Defendants to the Plaintiffs and Class Members regarding the Investment Scheme were untruthful and inaccurate. Further, the Defendants knew that the representations were untrue and inaccurate or, alternatively, they were wilfully blind as to the truth or accuracy of such representations. Such representations were made by the Defendants or their authorized representatives to the Plaintiffs and Class Members for the purpose of having them participate in the Investment Scheme and no other.

35. Alternatively, the Defendants were negligent as to the truthfulness and accuracy of the representations they made or authorized to be made to the Plaintiffs and Class Members regarding the Investment Scheme, and they should have known of such untruths and inaccuracies.

36. The Plaintiffs and Class Members relied on the representations to their detriment and, had they known the representations were untrue and inaccurate, they would not have participated in the Investment Scheme or invested any funds. In the result, they have suffered loss consisting of the amounts of their respective investments and the opportunity to earn a return on those monies.

CONVERSION

37. By means of the Investment Scheme, the Defendants have converted the Plaintiffs' and Class Members' funds to their own use and thereby deprived the Plaintiffs and Class Members of the benefit of those funds.

38. The Plaintiffs and Class Members are entitled to restitution of the entire amount fraudulently converted.

BREACH OF TRUST AND BREACH OF FIDUCIARY DUTY

39. In receiving funds from the Plaintiffs and Class Members, the Defendants stood as trustees or, alternatively, constructive trustees, and fiduciaries with respect to those funds and owed duties to the Plaintiffs and Class Members in that regard.

40. The Defendants breached those duties by:

a. Converting the funds to their own use;

b. Failing to protect the funds from conversion or misuse by others;

c. Failing to fully inform the Plaintiffs and Class Members of the illegitimate nature of the Investment Scheme;

d. Such further and other particulars as may be proven at the trial of this action.

41. As a result of the Defendants' breaches of trust and breaches of fiduciary duties, the Plaintiffs and Class Members have suffered losses, including the loss of their investments.

42. All lands or interest in land obtained by any of the Defendants in connection with the Projects or using any funds received from any Plaintiff or Class Member are held in trust for the Plaintiffs and Class Members, and should be conveyed to the Plaintiffs, Class Members or their authorized agent or receiver forthwith. An interest is claimed in all such lands or interests.

UNJUST ENRICHMENT

43. The Defendants have received the benefit of the Plaintiffs' and Class Members' funds to the detriment of Plaintiffs and Class Members in the absence of any juristic reason and have thereby been unjustly enriched.

OPPRESSION

44. By reason of the aforesaid, the affairs of the corporate defendants in which the Plaintiffs or Class Members subscribed for or were issued units have been carried on or conducted in a manner that is oppressive and unfairly prejudicial to the Plaintiffs and Class Members.

45. The Plaintiffs and Class Members claim to be entitled to relief under s. 242 of the *Business Corporations Act*, R.S.A. 2000, c. B-9.

CONSPIRACY

46. In engaging in all of the foregoing conduct, the Defendants have acted jointly and unlawfully with the common purpose and malicious intent of injuring the Plaintiffs and Class Members. Alternatively, the Defendants have acted jointly, their conduct was directed at the Plaintiffs and Class Members and the Defendants knew or ought to have known that the Plaintiffs and Class Members would suffer harm as a result of the Defendants' actions.

47. By virtue of the Defendants' conspiracy, the Plaintiffs and Class Members have suffered losses. By conspiring as aforesaid, the Defendants are liable jointly and severally to the Plaintiffs and Class Members for the entirety of the Plaintiffs and Class Members' collective losses notwithstanding that a particular Defendant may not have conducted a particular act alleged above or even known of such an act.

KNOWING OR DISHONEST ASSISTANCE

48. Each of the actions taken by the Defendants as stated above was contrary to the normal acceptable standards of honest conduct. Each Defendant has participated in transactions involving conversion, breach of trust, breach of contract and breach of fiduciary duty in circumstances whereby they knew or ought to have known that they could not or ought not honestly participate, (or alternatively participated in such transactions when they were, or ought to have been, suspicious about the validity and propriety of the transactions), yet they made

conscious decisions not to inquire or reasonably satisfy themselves about the validity and propriety of such transactions in some instances.

49. By acting to assist, facilitate and allow the transactions at matters set out herein to proceed notwithstanding the knowledge and/or suspicions set out above, each of the Defendants facilitated and allowed the Plaintiffs' and Class Members' losses and are therefore liable to the Plaintiffs and Class Members for such dishonest assistance in the full amount of the claims.

TRACING, FREEZING ASSETS, ACCOUNTING AND DISGORGEMENT

50. As a result of the Defendants' wrongful conduct as set out above, the Plaintiffs and Class Members are entitled to trace all amounts received or disbursed by the Defendants or their agents as part of or as a result of the Investment Scheme and to recover same. The Plaintiffs and Class Members are also entitled to an accounting of the monies belonging to the Plaintiffs and Class Members that have come in to the possession of any of the Defendants or their agents and to an accounting of any benefit received by any of the Defendants as a result of the Investment Scheme.

51. The Plaintiffs and Class Members are entitled to interlocutory and permanent injunctions restraining the Defendants from disposing of any of their assets wheresoever located and an accounting of all of the Defendants' assets, effects or property, including any trust account or jointly held assets, any improper disposition thereof, and all money had or received by the Defendants or anyone on their behalf.

52. The Plaintiffs and Class Members require and seek the appointment of a Receiver or an Inspector over the business, undertaking and assets of the Defendants in order to trace, locate and freeze funds received from the Plaintiffs and Class Members.

53. The Plaintiffs and Class Members claim an interest in any lands in respect of which any of the Defendants actually have an interest, including not just project lands but any lands acquired or paid for (in whole or in part) with funds received directly or indirectly from the Plaintiff or Class Mambers. Any interest of the Defendants in such lands should be transferred to the Plaintiffs, Class Members, a Receiver or ordered sold by the Court, or another Court with appropriate jurisdiction. The Plaintiffs and Class Members are entitled to orders setting aside

any transfers or transactions made in respect of any of the Projects, and they claim an interest in any lands or interests therein acquired by the Defendants (or entities controlled by them) with the Plaintiffs and Class Members' money.

54. The Defendants are liable to make restitution to the Plaintiffs and Class Members and disgorge any benefits or amounts they have received from the Investment Scheme. Further, they are obliged to execute documents and conveyances, transfer shares and do whatever else is required to transfer lands or interests in land to the Plaintiffs or a Receiver.

55. The Plaintiffs and Class Members have incurred special damages in their detection, investigation and quantification of the fraud and the losses suffered and are entitled to recover these expenses and damages in an amount to be proven at the trial of this action

PUNITIVE DAMAGES AND COSTS

56. The Plaintiffs and Class Members state that they are entitled to recover punitive and exemplary damages in the amount of $1,000,000.00 as a result of the acts of the Defendants described above.

57. In the circumstances, the Defendants ought to pay costs of this action on a solicitor and client basis.

EYELOGIC

58. Eyelogic is a publicly traded entity that holds itself out as in the business of marketing testing products for the eye care profession. It is incorporated and headquartered in Calgary, Alberta.

59. However, Eyelogic also serves as the purported controlling shareholder of the Project Companies that are named as Defendants in these proceedings.

60. In each of the Offering Memoranda referred to above, the Defendants state that the reason Eyelogic has voting control of the issuer "is to ensure that the Bonds issued pursuant to this Offering are a qualified RRSP investment". They also refer to an "Eyelogic Agreement" pursuant to which Eyelogic will earn administration fees for fulfilling this role.

61. Eyelogic drafted or instructed the drafting of the form of Offering Memoranda provided to the other Defendants and circulated to the public, intending to benefit therefrom through administration fees. The amount of the Eyelogic fee in each Project is contingent on the amount of money raised from investors.

62. In addition to serving as the controlling shareholder for the defendant Project Companies, Eyelogic performs a similar role for approximately 170 other companies offering real estate based securities to the public through the use of Offering Memoranda. By virtue of Eyelogic being a publicly traded company, under applicable law, such securities may arguably be purchased by an investor's RRSP, RRIF or RESP, enhancing the marketability of these securities, and greatly increasing the pool of prospective investors for every Project.

63. Eyelogic is aware that the companies in which it is the controlling shareholder will be marketing securities to the public using Eyelogic's name and credibility. It receives a fee from the companies – and therefore indirectly from the investors – for acting as a controlling shareholder and the amount of its fee increases proportionately with the amount of investment.

64. Accordingly, Eyelogic stands in a fiduciary position or otherwise owes a duty of care to the investors (including in this case the Plaintiffs and Class Members) to act reasonably and exercise appropriate diligence, oversight and control to protect their investments. In particular, Eyelogic's duties include but are not limited to:

a. ensuring that any Offering Memoranda circulated by companies in which it has voting control are accurate, fulsome, truthful and in compliance with securities legislation;

b. ensuring that the companies themselves are operated legitimately, honestly in accordance with corporate and securities legislation and in the best interests of the investors;

c. doing reasonable diligence and ongoing oversight to ensure that securities of its companies are marketed and promoted honestly and in compliance with all applicable legislation; and

d. removing management and directors of Project companies when it is appropriate to do so.

65. Eyelogic breached its duties of care to the Plaintiffs and Class Members, and thereby caused or materially contributed to their losses. Further, or alternatively, Eyelogic was wilfully blind to the actions of the other Defendants. The allegations in paragraphs 43 and 48-49 above apply to Eyelogic and its affiliated entities.

66. In particular, Eyelogic made insufficient or no effort to ensure or determine that the companies and their principals were legitimate, that the Offering Memoranda were accurate and compliant with securities laws or that the Project were being properly managed. Further, it did not remove the personal Defendant from positions of control in the Project Companies despite becoming aware of reasons to do so.

67. The Defendants Tarman Inc., CC Management Inc. and KMC Capital Inc. are affiliated with Eyelogic through common ownership and direction. In some combination, they work with Eyelogic and receive fees from Eyelogic for recruiting, finding and dealing with companies such as Shirc and the Project Companies, which in turn they know will be soliciting funds from the public. They share Eyelogic's duties described herein and, in addition, have been unjustly enriched at the Plaintiffs' and Class Members expense.

STATUTES

68. The Plaintiffs and Class Members plead and rely upon the provisions of the *Securities Act*, R.S.A. 2000, c.S-4, applicable National and Multilateral Instruments approved by the Canadian Securities Administrators, the *Business Corporations Act*, R.S.A. 2000, c. B-9, the *Class Proceedings Act*, S.A. 2003, c. C-16.5 and the securities legislation of other provinces.

TRIAL OF THE ACTION

69. The Plaintiffs and Class Members propose that the trial of this action occur at the Calgary Courts Centre, in the City of Calgary, in the Province of Alberta. In the opinion of the Plaintiffs, Class Members and their counsel, this action will not likely take more than 25 days to try.

WHEREFORE THE PLAINTIFFS AND CLASS MEMBERS SEEK AN ORDER CERTIFYING THIS ACTION AS A CLASS PROCEEDING AND APPOINTING THE PLAINTIFFS AS REPRESENTATIVE PLAINTIFFS OF THE CLASS.

AND, WHEREFORE, THE PLAINTIFFS AND CLASS MEMBERS CLAIM AGAINST THE DEFENDANTS, JOINTLY AND SEVERALLY, AS FOLLOWS:

(a) Judgement or restitution in the amount of $75,000,000.00 representing the invested amounts or such other amounts as may represent the respective amounts invested by the Plaintiffs and Class Members;

(b) Further or in the alternative, damages for breach of contract, debt, misrepresentation, breach of trust, breach of fiduciary duty, unjust enrichment, conversion and/or conspiracy for of the amounts invested by the Plaintiffs and the Class Members;

(c) Special damages and out-of-pocket expenses arising out of the detection, investigation, quantification and recovery of the fraud, losses and consequential losses suffered by the Plaintiffs and Class Members, in an amount to be proven at the trial of this action;

(d) The appointment of an interim and permanent Receiver or Inspector over the business, undertaking and property of the Defendants;

(e) A declaration that any funds or benefits received by the Defendants from the Investment Scheme are held in trust for the Plaintiffs and the Class Members; and

(f) A declaration that the Plaintiffs and Class Members are entitled to trace the monies that the Defendants received or disbursed as part of or as a result of the Investment Scheme;

(g) A declaration that the Defendants must account to Plaintiffs and Class Members for all monies received by them or taken from the Plaintiffs and Class Members and for any benefits received by the Defendants;

(h) An order setting aside any fraudulent or reviewable conveyances perpetrated by the Defendants or those acting on their behalf;

(i) A declaration that any real property or interests therein owned in whole or in part by the Defendants or anyone acting under their direction in furtherance of or in connection with the Investment Scheme be sold with the proceeds delivered up to the Plaintiffs and Class Members;

(j) An Order that all the lands referred to in this pleading and others that may come to light hereafter are held in a constructive trust for the Plaintiffs and directing the Defendants to take such steps and execute such conveyances and documents as may be necessary to convey such property or interests wherever situate;

(k) In particular, the Plaintiffs claim an interest in and seek the sale or conveyance of the properties referred to in the pleading including but not necessarily limited to:

a. Saline Creek property,. Fort McMurray, Alberta; E ½, s.32, TWP 88, Range 8 W4M;

b. 1403 and 1455 Halama Street, Kihei, Maui, Hawaii;

c. Chemainus, B.C.; Lot A, Plan 29495, Section 18, Range 5, Chemainus Land District;

d. Bearspaw; SE ¼ of Section 3, TWP 26, Range 2, W5th;

e. Paradise Ridge Property at 2757 South Kihei Road, Maui, Hawaii;

f. Tsehum Harbor; Lot A, District Lot 12 and Section 15, Range 3 East, North Saanich Disstrict, Plan 45998; and

g. Skaha Lake; Lots 1-3, District Lot Similkamon Div., Columbia Yale District Plan 7632.

(l) Interlocutory and permanent injunctions attaching the Defendants' assets and restraining them from disposing of any of their assets, including those held by another person on their behalf wherever located;

(m) Punitive and/or exemplary damages in the amount of $1,000,000.00;

(n) Prejudgment and post judgement interest on all amounts awarded to the Plaintiffs and Class Members at such rate or rates that may be ordered by the Court or pursuant to the *Judgment Interest Act*;

(o) Relief under s. 242 of the Business Corporations Act as may be appropriate;

(p) Cost of this action on a solicitor and client basis; and

(q) Such further and other relief as may be just and proper.

DATED at the City of Calgary, in the Province of Alberta, this 6 day of July, 2009 AND DELIVERED by John D. Blair of BORDEN LADNER GERVAIS LLP, Barristers and Solicitors for the Plaintiff, whose address for service is in care of the said solicitors at 1000, 400 Third Avenue S.W., Calgary, Alberta T2P 4H2.

ISSUED out of the office of the Clerk of the Court of the Queen's Bench of Alberta, Judicial District of Calgary, this 6 day of July, 2009.

V.A. BRANDT COURT SEAL

CLERK OF THE COURT

Action No.: 0901-10090 2009

IN THE COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL DISTRICT OF CALGARY

BETWEEN:

LUCIA de WET and JENNIFER LOFGREN, as Representative Plaintiffs

Plaintiffs

- and -

JEANETTE CLEONE COUCH, SHIRE INTERNATIONAL REAL ESTATE INVESTMENTS LTD., SHIRE ASSET MANAGEMENT LTD., THICKWOOD REAL PROPERTY INC., MAPLES AND WHITE SAND INVESTMENT LTD., HALAMA GARDENS LTD., HALAMA GARDENS LLC, PHILIP ARCHER, 1335778 ALBERTA LTD., CDN MAUI LLP, QUADRA PACIFIC PROPERTIES CORP. (formerly CHEMAINUS PROPERTIES LTD.), SKAHA LAKE DEVELOPMENT LTD., ORILLIA INVESTMENT LTD., BEARSPAW AT 144TH AVENUE LTD., FORT MCMONEY PROPERTIES LTD., AC&C DEVELOPMENT GROUP LTD., TSEHUM HARBOUR LTD., BOSUN'S HOLDINGS LTD., TSEHUM HARBOUR PLACE HOLDINGS LTD., EYELOGIC SYSTEMS INC., CONSTRUCT REALTY INVESTMENT LTD., WILLIAMSON & ASSOCIATES INC., LUREE WILLIAMSON, DENNIS BLAIN and ANDREW SIMON

Defendants

STATEMENT OF CLAIM

This Statement of Claim is delivered by BORDEN LADNER GERVAIS LLP, solicitors for the Plaintiffs who reside in Calgary, Alberta; and whose address for service is in care of the said solicitors at 1000, 400 - 3rd Avenue S.W., Calgary, Alberta T2P 4H2, Attention: John D. Blair; and is addressed to the Defendants who insofar as is known to the Plaintiffs reside in Calgary, Alberta.

BORDEN LADNER GERVAIS LLP
Barristers and Solicitors
1000, 400 Third Avenue S.W.
Calgary, Alberta T2P 4H2
Attention: John D. Blair
Telephone: (403) 232-9723
Fax: (403) 266-1395

NOTICE TO THE DEFENDANTS:

TO: JEANETTE CLEONE COUCH, SHIRE INTERNATIONAL REAL ESTATE INVESTMENTS LTD., SHIRE ASSET MANAGEMENT LTD., THICKWOOD REAL PROPERTY INC., MAPLES AND WHITE SAND INVESTMENT LTD., HALAMA GARDENS LTD., HALAMA GARDENS LLC, PHILIP ARCHER, 1335778 ALBERTA LTD., CDN MAUI LLP, QUADRA PACIFIC PROPERTIES CORP. (formerly CHEMAINUS PROPERTIES LTD.), SKAHA LAKE DEVELOPMENT LTD., ORILLIA INVESTMENT LTD., BEARSPAW AT 144TH AVENUE LTD., FORT MCMONEY PROPERTIES LTD., AC&C DEVELOPMENT GROUP LTD., TSEHUM HARBOUR LTD., BOSUN'S HOLDINGS LTD., TSEHUM HARBOUR PLACE HOLDINGS LTD., EYELOGIC SYSTEMS INC., CONSTRUCT REALTY INVESTMENT LTD., WILLIAMSON & ASSOCIATES INC., LUREE WILLIAMSON, DENNIS BLAIN and ANDREW SIMON

You have been sued. You are the Defendants. You have only 15 days to file and serve a Statement of Defence or Demand of Notice. You or your lawyer must file your Statement of Defence or Demand of Notice in the office of the Clerk of the Court of Queen's Bench in Calgary, Alberta. You or your lawyer must also leave a copy of your Statement of Defence or Demand of Notice at the address for service for the Plaintiffs named in this Statement of Claim.

WARNING:

If you do not do both things within 15 days, you may automatically lose the lawsuit. The Plaintiffs may get a Court Judgment against you if you do not file, or do not give a copy to the Plaintiffs, or do either thing late.

CLERK OF THE COURT
JUL - 6 2009
CALGARY, ALBERTA

NTERNATIONAL ... ESTATE INVESTMENTS LTD.
AST 8 WEEK CASH FLOW

:COMPANYING NOTES

(Wk Ended)	Notes	Week 1 14-Aug-09	Week 2 21-Aug-09	Week 3 28-Aug-09	Week 4 04-Sep-09	Week 5 11-Sep-09	Week 6 18-Sep-09	Week 7 25-Sep-09	Week 8 02-Oct-09	CUMULATIVE TOTAL
EIPTS / DIP FINANCING										
DIP Financing	1	$ 900,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 900,000
Other receipts - Net receipts from Sorrento Inn	2	$ -	$ -	$ -	$ 2,000	$ -	$ -	$ -	$ 2,000	$ 4,000
Other receipts - Net receipts from OK Falls RV Park		$ -	$ -	$ -	$ 3,000	$ -	$ -	$ -	$ 3,000	$ 6,000
AL RECEIPTS		900,000	-	-	5,000	-	-	-	5,000	910,000
IURSEMENTS										
MORTGAGE PAYMENTS	3									
PROPERTY TAXES	4									
SALARY AND CONTRACTOR FEES										
- Salary and contractor amounts			31,250		31,250	-	17,250	-	17,250	$ 97,000
- Employee expense reimbursement			12,000		-	-	-	-	-	$ 12,000
- Source deduction arrears			18,000		-	-	-	-	-	$ 18,000
- Contract accountant fees			12,000		-	-	-	-	-	$ 12,000
SALARY AND CONTRACTOR FEES	5	$ -	$ 73,250	$ -	$ 31,250	-	17,250	-	17,250	$ 139,000
RENT	6	20,000	-	-	18,000	-	-	-	18,000	$ 56,000
OTHER	7	-	-	-	9,000	-	-	-	7,000	$ 16,000
DIP FINANCING EXPENSES	1	25,000	-	-	-	-	-	-	-	$ 25,000
CONTINGENCY		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	$ 40,000
RESTRUCTURING EXPENSES	8	107,506	107,506	107,506	107,506	40,575	40,575	40,575	40,575	$ 592,325
										$ -
AL DISBURSEMENTS		157,506	185,756	112,506	170,756	45,575	62,825	45,575	87,825	868,325
ESS (SHORTFALL)		$ 742,494	$ (185,756)	$ (112,506)	$ (165,756)	$ (45,575)	$ (62,825)	$ (45,575)	$ (82,825)	41,675
NGE IN CASH		$ 742,494	$ (185,756)	$ (112,506)	$ (165,756)	$ (45,575)	$ (62,825)	$ (45,575)	$ (82,825)	$ 41,675
NING CASH		-	742,494	556,738	444,231	278,475	232,900	170,075	124,500	-
SING CASH		$ 742,494	$ 556,738	$ 444,231	$ 278,475	$ 232,900	$ 170,075	$ 124,500	$ 41,675	$ 41,675

THIS IS EXHIBIT "H"
referred to in the Affidavit of
Cleone Couch
Sworn before me this 7th
day of August 2009

KENNETH T. LENZ
BARRISTER AND SOLICITOR

Shire International Real Estate Investments Ltd.
Forecast 8 Week Cash Flow Assumptions

Notes

1 DIP Financing of $900,000 is assumed to be received concurrent with the granting of of the Initial Order. Pursuant to the proposed DIP Financing Commitment, a DIP Financing / Administrative cost of $25,000 is estimated to be incurred at time of funding.

2 Other receipts relates to minimal cash inflows anticipated to be received related to operation of the Sorrento Inn and OK Falls RV Park.

3 Mortgage payments on properties are anticipated to be stayed pursuant to the Initial Order.

4 Outstanding property taxes for 2009, the majority of which were due on June 30, 2009 approximate $225,000 and are anticipated to be stayed pursuant to the Initial Order.

5 Salary and contractor amounts include the costs of ongoing office administration and management of the properties and includes the costs of three employees and four consultants of $42,500 for the initial month.

Disbursements in month one that are not anticipated to recur include outstanding source deductions of approximately $18,000, outstanding salary arrears of approximately $20,000, contractor accountant fees of $12,000 and reimbursement of fees to restructuring advisors personally paid by an employee of $12,000. Management has also anticipates reducing salary and contractor amounts by $8,000 to $34,500/month from month one until further stabilization of the business occurs.

6 Rent relates to office space in Calgary and Vancouver which the Applicants anticipate renegotiating through the CCAA Process, including estimated security deposits on new premises.

7 Other expenses relate to insurance and utilities on properties ($5,000 in month one, anticipated to decrease to $3,000 in month two), office expenses / information technology costs ($3,000) and vehicle costs of approximately $1,200 for a vehicle that has two remaining payments.

8 Restructuring expenses include the costs of the legal counsel, the proposed Monitor as well as other professional advisors to the firm. This amount includes both the costs of professional activities during the forecast period as well as approximately $150,000 in in funding of retainers.

THIS IS EXHIBIT "I"
referred to in the Affidavit of
Cleone Couch
Sworn before me this 7th
day of August 2009

KENNETH T. LENZ
BARRISTER AND SOLICITOR

COMMITMENT LETTER

This Commitment Letter dated as of July 28, 2009.

WHEREAS KAIROS FUNDING GROUP INC. ("Lender") has agreed to provide to Shire International Real Estate Investments Ltd., Shire Capital Ltd., Orillia Investments Ltd., Chemainus ~~Properties~~ Ltd., Fort McMoney Properties Ltd., Fort McMoney Properties II Ltd., Skaha Lake Development Ltd., Bearspaw at 144th Avenue Ltd., Bearspaw at 144th Bonds Ltd., Bearspaw at 144th Equities Ltd., Halama Gardens Ltd., Hawaii Fund, Shire Asset Management Ltd., Maples and White Sands Investment Ltd., Tsehum Harbour Ltd., Tsehum Harbour Bonds Ltd., ~~Bosun's Holdings Ltd.~~ and Winn River Resort Ltd. (the "Debtor" or "Shire") funding in order to assist with certain anticipated capital and operating expenditures of Shire in the context of its proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA") and in accordance with the terms set out herein.

NOW THEREFORE the parties, in consideration of the foregoing and the mutual covenants herein contained, the receipt and sufficiency of which is hereby acknowledged, agree as follows:

1. **DIP Facility**

Lender shall make available to Shire a credit facility to a maximum amount of $900,000, to provide funds for the capital and expenditure program proposed by Shire (the "Funding Program") while under CCAA protection (the "DIP Facility"). Shire agrees that at no time shall the amount owing under the DIP Facility exceed $900,000 and that Lender shall have no obligation to honor any request for funds which would have the effect of making the amount owing exceed such limit.

2. **Maturity Date**

The DIP Facility shall be due and payable on the earlier of:

i. October 29, 2009;

ii. the date of the termination of the Stay Period as that term is defined in the Initial Order (as those terms are hereafter defined) as may be extended by subsequent Court Order in the CCAA Proceedings; and

iii. such date upon which there occurs an Event of Default as that term is defined below,

(such earlier date being the "Maturity Date").

The Maturity Date may be extended at the request of Shire with the consent of Lender for such period and on such terms as Shire and Lender may agree and as the Court in Shire's CCAA Proceedings may approve.

The commitment in respect of the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility shall be repaid in full no later than the Maturity Date without Lender being required to make demand upon Shire therefor or to give notice to Shire that the DIP Facility has expired and that the obligations are due and payable.

3. **Cash Flow Projections**

Prior to the granting of the Initial Order, Shire shall provide to Lender cash flow projections in form and substance satisfactory the Monitor appointed in Shire's CCAA Proceedings (the "Monitor") reflecting the projected cash requirements of Shire for six weeks from the date of the granting of the Initial Order (the "Initial Cash Flow Projections"). The Initial Cash Flow Projections may be amended by Shire from time to time, on the written consent of Lender.

4. **Interest**

Shire agrees to pay interest ("Interest") on amounts drawn under the DIP Facility, both before and after the Maturity Date, at a variable nominal rate per annum of 18 %.

Interest on amounts drawn under the DIP Facility shall be payable monthly in arrears on the last business day of each month. Such Interest shall constitute an advance under the DIP Facility, to the extent that a payment is not made. Interest shall be calculated and compounded monthly for the actual number of days elapsed in the period during which it accrues based on a year of 365 days. For the purposes of the *Interest Act*, (Canada) the yearly rate of interest to which the rate is equivalent is the rate multiplied by the number of days in the year for which the calculation is made and divided by 365.

Notwithstanding paragraph 1 hereof, if at any time amounts advanced or outstanding under the DIP Facility exceed such limit, and such excess is permitted by Lender in its sole discretion, such excess shall bear Interest at a rate of interest equal to all other funds advanced.

5. **Use of Funds**

The DIP Facility shall be used solely for the purpose of carrying out operations while Shire is under CCAA protection and solely in accordance with the cash flow projections.

6. **Structuring Fees**

Shire shall pay to Lender coincidental with the granting of the Initial Order, a placement fee in the amount of $ 22,500 and on the last day of each month in which the DIP Facility remains outstanding, Shire shall pay to Lender an Administration Fee in the amount of $ -0- . Shire shall pay such fees when due, failing which such amount shall constitute an advance under the DIP Facility to the extent the entire DIP Facility is not drawn down.

7. **Monthly Commitment Fee**

Shire shall pay to Lender an amount equal to 18 % per annum of the undrawn portion of the DIP Facility determined on a daily basis, payable to Lender monthly in arrears on the third business day of each month of the term of the DIP Facility, with the final such payment to be calculated and paid on the Maturity Date, calculated from the date of the Initial Order.

8. Costs

Shire shall pay to Lender all reasonable fees and disbursements of Lender and its legal and financial advisors engaged by it in connection with the preparation, negotiation, execution, delivery, administration, interpretation or enforcement of this Commitment Letter and the DIP Priority Charge (as hereafter defined) and in the case of legal costs, such costs shall be charged by Lender to Shire on a solicitor and his own client basis, not to exceed $ 7500.00 .

9. **DIP Security**

All obligations of Shire under or in connection with the DIP Facility shall be secured by a Court-ordered fair charge (subject only to an Administration Charge of $300,000) over all present and after acquired property, assets and undertakings of Shire on substantially the terms set out in the draft of the Alberta Standard Form Initial Order (the "DIP Charge").

10. **Repayments**

All monies received by Lender in repayment of amounts owing under the DIP Facility, whether by way of debit as aforesaid or otherwise, may be applied and allocated by Lender to such parts of the outstanding DIP Facility, whether by principal, interest, fees or other costs, as Lender determines in its sole discretion.

11. **Conditions Precedent**

The DIP Facility shall be made available by Lender to Shire upon:

i. Shire filing for protection under the CCAA,

ii. the Court granting the Initial Order substantially on the terms attached hereto and marked as Schedule "A" (the "Initial Order").

Notwithstanding the foregoing, the DIP Facility shall not be made available to Shire or may be cancelled by Lender if previously made available to Shire, if:

i. the Initial Order is vacated, stayed or otherwise caused to become ineffective or is amended in an manner not acceptable to Lender, or

ii. an Event of Default has occurred and is continuing.

12. **Additional Conditions Precedent**

Prior to the making of any advance under the DIP Facility:

a. Lender shall be satisfied that Shire has complied with and is continuing to comply in all material respects with all applicable laws, regulations and policies in relation to its business; and

b. Lender shall be satisfied that there are no liens, charges or encumbrances ranking in priority to the Lender Charge, unless expressly agreed to by Lender.

13. **Representations and Warranties**

Shire represents and warrants to Lender that the transactions contemplated by this Commitment Letter and the DIP Facility, including the Lender Charge:

a. Are within the powers of Shire;

b. Have been duly authorized by all necessary corporate approval;

c. Have been duly executed and delivered by or on behalf of Shire;

d. Upon the granting of the Initial Order, constitute legal, valid and binding obligations of Shire, enforceable in accordance with their terms; and

e. Upon the granting of the Initial Order, do not require the consent or approval of, or registration or filing with, or any other action by, any governmental authority, other than filings which may be made to register or otherwise record the DIP Priority Charge.

14. **Affirmative Covenants**

Shire covenants and agrees to do the following:

a. Allow Lender full access to the books and records of Shire and cause management thereof to fully cooperate with Lender;

b. Use reasonable efforts to keep Lender apprised on a timely basis of all material developments with respect to the business and affairs of Shire;

c. Deliver to Lender the reporting and other information from time to time reasonably requested by Lender, including cash flow projections, summaries of sales and accounts receivable and any information pertaining to the business and affairs of Shire reasonably requested by Lender;

d. Use the proceeds of the DIP Facility in a manner consistent with the restrictions set out herein and in the Initial Cash Flow Projections;

e. Comply with the provisions of the Initial Order as may be subsequently amended, provided that if any such order contravenes this Commitment Letter in a manner detrimental to Lender, the same shall be an Event of Default hereunder;

f. Preserve, renew and keep in full force its corporate existence with all material licenses;

g. Maintain at all times adequate insurance coverage of such type, in such amounts and against such risks as is prudent for a business of an established reputation with financially sound and reputable insurers in coverage and scope acceptable to Lender;

h. Operate its business in the ordinary course subject always to the Initial Cash Flow Projections and such subsequent cash flow projections to which Lender may agree, and within the credit limits established for the DIP Facility as set out herein;

i. Duly and punctually pay or cause to be paid to Lender all principal, interest, fees and other amounts payable by it under this Commitment Letter on the dates, at the places and in the amounts set forth herein;

j. Forthwith notify Lender of the occurrence of any Event of Default or of any event or circumstance which may constitute a material adverse change to the Initial Cash Flow Projections and such subsequent cash flow projections as to which Lender may agree;

k. Comply in all material respects with all applicable laws, rules and regulations applicable to its business, including environmental laws; and

l. Authorize and direct the Monitor to provide regular reports to Lender with respect to Shire's compliance with the foregoing affirmative covenants and the following negative covenants.

15. Negative Covenants

Shire covenants and agrees not to do the following:

a. Transfer, lease or otherwise dispose of all or any of its property, assets or undertakings except in compliance with the Initial Order as may be subsequently amended;

b. Make any payment of principal or interest in respect of obligations owed by Shire to parties other than Lender as at the date of the Initial Order, except in accordance with the Initial Order and the Initial Cash Flow Projections;

c. Create or permit to exist indebtedness for borrowed money secured by a charge upon any of its assets ranking or potentially ranking in priority to the DIP Priority Charge, without the prior approval of Lender;

d. Enter into any transaction with any affiliate (as that term is defined in the *Alberta Business Corporations Act*) or any of its senior officers or employees, except in the ordinary course of business and upon fair and reasonable terms comparable to arm's length transactions of a similar type;

e. Increase the compensation for any director, officer or employee of Shire or otherwise directly or indirectly provide additional compensation for any such person or his or her affiliates (as that term is defined in the *Alberta Business Corporations Act*) to a level materially higher than the level at which such persons were compensated prior to the date of filing;

f. Make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise where to do so would be inconsistent with the Initial Cash Flow Projections and such subsequent cash flow projections as to which Lender may agree;

g. Make any payment outside of the ordinary course of business, subject always to the Initial Cash Flow Projections and such subsequent cash flow projections as to which Lender may agree, and the maximum availability under the DIP Facility;

h. Make any payments on account of bonuses or retainers, other than reasonable retainers relating to Shire's legal counsel, Lender's counsel, the Monitor appointed pursuant to the Initial Order and the Monitor's counsel; or

i. Amalgamate, consolidate with or merge into or enter into any similar transaction with any other entity.

16. **Indemnity and Release**

Shire agrees to indemnify and hold harmless Lender and each of its directors, officers, employees, agents, attorneys, advisors and affiliates (all of such persons and entities being referred to hereafter as "Indemnified Persons") from and against any and all actions, suits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or asserted against or involve any Indemnified Person as a result of or arising out of or in any way related to or resulting from any bankruptcy or insolvency proceedings or the CCAA Proceedings or this Commitment Letter, and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal costs on a solicitor and his own client basis or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim whether or not any Indemnified Person is a party to any action or proceeding out of which any such expenses arise; provided, however, Shire shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability to the extent it resulted from the gross negligence or willful misconduct of such Indemnified Person as finally determined by a court of competent jurisdiction.

The indemnities granted under this Commitment Letter shall survive any termination of the DIP Facility.

17. **Events of Default**

The occurrence of any one or more of the following events shall constitute an event of default ("Event of Default") under this Commitment Letter:

a. The entry of an order dismissing the CCAA Proceedings or lifting the stay in the CCAA Proceedings to permit the enforcement of any security against Shire or the appointment of a Receiver, Interim Receiver or similar official or the making of a receiving order against Shire;

b. The entry of an order granting any other claim super priority status or a lien equal or superior to the DIP Priority Charge, without Lender's prior consent;

c. The entry of an order staying, reversing, vacating or otherwise modifying the DIP Facility or the Initial Order or the entry of an order by the Court having the equivalent effect, without the prior written consent of Lender;

d. Failure of Shire to pay (A) interest or fees when due under the Commitment Letter, (B) principal when due under the DIP Facility, or (C) legal and advisor fees of Lender within five (5) business days of being invoiced therefor;

e. Failure of Shire to comply with any positive or negative covenants in this Commitment Letter; provided that where such failure is capable of being cured, such failure has continued for more than five (5) business days after written notice thereof from Lender to Shire;

f. Failure of Shire to perform or comply with any term or covenant under this Commitment Letter (other than as set out in subparagraph (d) and (e) above) and such default shall continue unremedied for a period of five (5) days;

g. Shire ceases or threatens to cease to carry on business in the ordinary course, except where such cessation occurs in connection with a sale of all or substantially all of the assets of Shire consented to by Lender;

h. Any representation or warranty by Shire is incorrect or misleading in any material respect when made; and

i. The filing of any pleading by Shire seeking any of the matters set forth in paragraphs (a) through (c).

18. Remedies

Upon the occurrence of an Event of Default, Lender may:

i. declare the obligations in respect of the DIP Facility to be immediately due and payable,

ii. apply to a court for the appointment of an Interim Receiver or a Receiver and Manager of the undertaking, property and assets of Shire or for the appointment of a Trustee in Bankruptcy of Shire,

iii. exercise the powers and rights of a secured creditor under the *Personal Property Security Act* (Alta) or any legislation of similar effect applicable to the DIP Security, and

iv. exercise all such other rights and remedies under the DIP Facility and the CCAA court orders.

IN WITNESS HEREOF, the parties hereby execute this Commitment Letter as of the date first above mentioned.

KAIROS FUNDING GROUP INC
LENDER

Per: ______________________
PRESIDENT.

SHIRE INTERNATIONAL REAL ESTATE INVESTMENTS LTD.

Per: ______________________

SHIRE CAPITAL LTD.

Per: ______________________

ORILLIA INVESTMENTS LTD.

Per: ______________________

CHEMAINUS PROPERTIES LTD.

Per: ______________________

FORT McMONEY PROPERTIES LTD.

Per: ______________________

FORT McMONEY PROPERTIES II LTD.

Per: ______________________

SKAHA LAKE DEVELOPMENT LTD.

Per: ______________________

BEARSPAW at 144TH AVENUE LTD.

Per: ______________________

BEARSPAW at 144TH BONDS LTD.

Per: ______________________

BEARSPAW at 144TH EQUITIES LTD.

Per: ______________________

HALAMA GARDENS LTD.

Per: ______________________

HAWAII FUND

Per: ______________________

SHIRE ASSET MANAGEMENT LTD.

Per: ______________________

MAPLES and WHITE SANDS INVESTMENT LTD.

Per: ______________________

TSEHUM HARBOUR LTD.

Per: ______________________

TSEHUM HARBOUR BONDS LTD.

Per: ______________________

~~BOSUN'S HOLDINGS LTD.~~

~~Per: ______________________~~

WINN RIVER RESORT LTD.

Per: ______________________

Name of Deponent: Cleone Couch
Affidavit sworn: August 7, 2009

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 INVESTMENT LTD., FORT MCMONEY PROPERTIES LTD., CHEMAINUS PROPERTIES LTD., SKAHA LAKE DEVELOPMENT LTD., TSEHUM HARBOUR LTD., BEARSPAW AT 144TH AVENUE LTD., BEARSPAW AT 144TH EQUITIES LTD., BEARSPAW AT 144TH BONDS INC., TSEHUM HARBOUR EQUITIES LTD., TSEHUM HARBOUR BONDS LTD.~~,~~ and ORILLIA INVESTMENTS LTD. ~~and HAWAII FUND~~

APPLICANTS

A F F I D A V I T

CLERK OF THE COURT
AUG 11 2009
CALGARY, ALBERTA

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street SW
Calgary, Alberta T2P 4K7

Ken Lenz
Telephone No.: 403-298-3317
Fax No.: 403-265-7219
Our File No.: 58307-7