Action No. 0901-11866
Affidavit of Cleone Couch
Sworn: October 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.

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. (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. Attached to this Affidavit as Exhibit "A" is the DIP Commitment Letter from Echo Merchant Fund II Limited Partnership, by its general partner, Echo Merchant Fund Ltd.

("Echo"). It is proposed that Echo pay out and assume the position of the former DIP Lender and provide further financing on an ongoing basis.

3. Attached to this Affidavit as Exhibit "B" is a counteroffer on the Fort McMoney Properties II Ltd. Lands. This offer is in the process of negotiation and the name of the party has therefore been redacted. However, with respect to these lands, there is approximately $2,000,000 in value over and above amounts owing to the secured lenders. Should the application sought be granted, it is proposed that the decision on how to respond to this offer be put to the Receiver and Committee.

4. I make this Affidavit in support of an application for the relief as set out in the Notice of Motion.

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 7th day of October, 2009.	
A ~~COMMISSIONER FOR OATHS~~ Notary Public in and for the Province of Alberta	CLEONE COUCH

Ken Lenz
Barrister and Solicitor

ECHO MERCHANT FUND LTD.

THIS IS EXHIBIT "A"
referred to in the Affidavit of
Cleone Couch
Sworn before me this 7th
day of October 2009.
Barrister and Solicitor

COMMITMENT LETTER

This Commitment Letter dated as of October 7, 2009.

WHEREAS Echo Merchant Fund II Limited Partnership, by its general partner Echo Merchant Fund Ltd. ("Lender") has agreed to provide to Shire International Real Estate Investments Ltd., Shire Capital Ltd., Shire Asset Management 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 LLC, Halama Gardens Ltd., Hawaii Fund, Shire Asset Management Ltd., Maples and White Sands Investment Ltd., Tsehum Harbour Ltd., Tsehum Harbour Place Ltd., Tsehum Harbour Place Holdings Ltd., Tsehum Harbour Bonds Ltd., Tsehum Harbour Equities Ltd., Bosun's Holdings Ltd., 0726028 B.C. Ltd., 0675816 B.C. 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.

AND WHEREAS an Initial Order was granted by the Court of Queen's Bench of Alberta on August 10, 2009 and was amended by an Order dated August 27, 2009. A Stay Extension was granted on October 2, 2009 until October 8, 2009.

AND WHEREAS the Debtor would like to substitute the existing DIP Facility with a larger DIP Facility.

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 $2,500,000, to replace the existing DIP facility in the amount of $900,000 and to provide funds for the reorganization and sales strategy 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 $2,500,000 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. Upon meeting the conditions precedent herein, the DIP Facility shall be available in draws of a minimum of $500,000 upon three business days notice.

2. **Maturity Date**

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

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Lancaster Building, Suite 718, 304 – 8th Avenue SW Calgary, AB T2P 1C2 Tel: 403-261-4606 Fax: 403-294-1154

i. February 15 ~~December 8~~, 2009;

ii. the date of the termination of the stay period as may be extended by subsequent Court Order in the CCAA Proceedings;

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

iv. such date upon which sufficient assets have been sold by Shire to repay the DIP Facility,

(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 an Extension to the Initial Order, Shire shall provide to Lender cash flow projections in form and substance satisfactory to the Monitor appointed in Shire's CCAA Proceedings (the "Monitor") and to the Lender, reflecting the projected cash requirements of Shire for two months from the date of the granting of the Extension to the Initial Order (the "Cash Flow Projections"). The Cash Flow Projections may be amended by Shire from time to time, on the written consent of Lender. Notwithstanding any other provision of this Commitment Letter, Lender shall not be obligated to make any advance under the DIP Facility which does not comply with or adhere to the Cash Flow Projections and any subsequent cash flow projections that may be agreed to by 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 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.

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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 an Extension to the Initial Order, a placement fee in the amount of $75,000. The placement fee shall be fully earned upon the signing of this Commitment Letter and shall be payable from the first advance. In addition, 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 $5,000 per month. 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 Standby Fee**

Shire shall pay to Lender an amount equal to 6% 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, disbursements and out of pocket expenses of Lender and its legal and financial advisors (on a full indemnity basis) 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). Shire shall provide the Lender with a deposit in the amount of $15,000, which shall be deducted from the first advance and applied towards Lender's costs and / or fees.

9. **DIP Security and Documentation**

and a Receiver's Charge of $250,000

All obligations of Shire under or in connection with the Initial DIP Facility shall be secured by a Court-ordered first ranking charge (the "DIP Priority Charge") (subject only to an Administration Charge of $250,000) over all present and after acquired property, assets and undertakings of Shire on substantially the terms set out in the Initial Order attached hereto as Schedule "A" (the "Initial Order"). Any Extension or Amendment to the Initial Order shall be in form and substance satisfactory to the Lender. The liability and obligation herein and any future obligations of any nature and kind of Shire shall be

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evidenced, governed and secured, as the case may be, by the following documents (collectively, the "Security") completed in form and manner satisfactory to Lender and its counsel: a. Promissory Note; b. adequate insurance coverage with Lender listed as loss payee as its interests may appear; c. such other security, security documentations, and such other items as may be requested by the Lender or its counsel; and d. all supporting authorizations, certificates, acknowledgements and legal opinions as Lender may reasonably require including, without limitation, satisfactory legal opinions of the Lender or Shire's lawyers relating to any incorporation, organization and corporate powers of Shire, and to the enforceability and priority of the Initial Order and any Extension or Amdendment thereto (as hereafter defined). Without limiting the generality of the foregoing, Lender shall be entitled at its discretion to register a mortgage or caveat on any of the properties subject to the Initial Order and any amendment or extension thereto.

10. Assignment

Lender may assign, transfer, or grant one or more participating interests in its rights, benefits and obligations under this Commitment Letter with reasonable notice to Shire.

11. Repayments

All funds received by the Lender from the sale of assets shall be first applied towards the payment of amounts owing under the DIP Facility, in priority to any other creditors or stakeholders. Once funds are repaid under the DIP Facility, such amounts shall not be re-drawn unless specifically consented to by the Lender. 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.

12. Conditions Precedent

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

i. Shire extending its protection under the CCAA,

ii. the Court granting an Extenstion to the Initial Order upon substantially the terms set forth in Schedule "B" hereto,

iii. The proposed Receiver and Management Committee approving and agreeing to the DIP Facility.

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 or any Amendment or Extension thereto is vacated, stayed or otherwise caused to become ineffective or is amended in an manner not acceptable to Lender, or

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

13. 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;

b. Lender shall be satisfied that there are no liens, charges or encumbrances ranking in priority to the DIP Priority Charge, including any amounts that may be owing to CRA or other administrative bodies, unless expressly agreed to by Lender; and

c. All properties and companies that are currently subject to the Initial Order shall remain part of the CCAA proceedings.

14. Representations and Warranties

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

a. Are within the powers and authority 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 an Extenstion to the Initial Order, constitute legal, valid and binding obligations of Shire, enforceable in accordance with their terms; and

e. Upon the granting of an Extension to 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.

15. 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. 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, purchase offers, 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 Cash Flow Projections;

e. Comply with the provisions of the Initial Order as may be subsequently amended or extended, 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 and maintain systems of internal controls in respect of its businesses acceptable to Lender;

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 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. Make arrangements satisfactory to Lender to satisfy Shire's obligations to make all payments that, if not paid, could result in statutory liens, trust and other Crown Claims, including, but not limited to the payment of employee source deductions, GST, HST, PST, EHT, Wage Earner Protection Plan Act ("WEPPA") and Workers' Compensation Premiums.

k. 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 Cash Flow Projections and such subsequent cash flow projections as to which Lender may agree;

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

m. 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.

16. 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 or extended;

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, as amended and extended, and the 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 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 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.

17. Indemnity and Release

Shire agrees to indemnify and hold harmless Lender and each of its directors, officers, employees, partners, agents, attorneys, advisors and affiliates (all of such persons and

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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 regulatory actions (including proceedings by the Alberta Securities Commission), any fraudulent or negligent actions of Shire (including those alleged in the investor actions), any bankruptcy or insolvency proceedings, 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 and 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.

18. 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 (other than the appointment of a Receiver as proposed in the draft Order attached hereto as Schedule "B");

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;

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f. Failure of Shire to operate within the Cash Flow Projections;

g. 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;

h. 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;

i. Lender determines in its sole discretion, that a material adverse change has occurred after the date hereof in respect of the business, affairs or financial condition of Shire;

j. Any representation or warranty by Shire is incorrect or misleading in any material respect when made and any information regarding the real property assets of Shire that has been provided to the Lender is determined by the Lender to be inaccurate in any material respect; and

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

19. 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.

20. Governing Law

This Commitment Letter shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

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If these terms and conditions are acceptable, Shire must sign and return this Commitment Letter to Lender before 5 pm (MST) on October 7th, 2009 failing which this Commitment Letter is of no force and effect.

ECHO MERCHANT FUND II LIMITED PARTNERSHIP, by its general partner ECHO MERCHANT FUND LTD.

Per: ______________________

MYRON TETREAULT
DIRECTOR

The following parties hereby accept and agree to the terms and conditions of this Agreement as at the 7 day of October, 2009

SHIRE INTERNATIONAL REAL ESTATE INVESTMENTS LTD.

Per: ______________________

SHIRE CAPITAL LTD.

Per: ______________________

SHIRE ASSET MANAGEMENT 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 LLC

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 PLACE LTD.

Per: ____________________

TSEHUM HARBOUR PLACE HOLDINGS LTD.

Per: ____________________

TSEHUM HARBOUR BONDS LTD.

Per: ______________________

TSEHUM HARBOUR EQUITIES LTD.

Per: ______________________

BOSUN'S HOLDINGS LTD.

Per: ______________________

0726028 B.C. LTD.

Per: ______________________

0675816 B.C. LTD.

Per: ______________________

WINN RIVER RESORT LTD.

Per: ______________________

OFFER TO PURCHASE

Dated for Reference the 27th day of August, 2009

THIS IS EXHIBIT "B" referred to in the Affidavit of Cleone Couch
Sworn before me this 7th day of October 2009
Ken Lenz
Barrister & Solicitor

TO: Fort McMoney Properties II Ltd.
300-808 4Th Street S.W.
Calgary, Alberta. T2P 3E8
403 262 1222 phone 403 262 4222 fax

"Vendor"

C/O: Kenneth Shebib Associate Broker
Colliers International Inc
3555-10180 101 Street
Edmonton, Alberta. T5J 3S4
780-863-7355 cell 780-420 1585 phone 780-420-7830 fax
Ken.shebib@colliers.com

"Agent for the Vendor"

FROM:
[redacted]

"Purchaser"

C/O: Kenneth Shebib Associate Broker
Colliers International Inc
3555-10180 101 Street
Edmonton, Alberta. T5J 3S4
780-863-7355 cell 780-420 1585 phone 780-420-7830 fax
Ken.shebib@colliers.com

"Agent for the Purchaser"

1. DEFINITIONS

In this Offer, the following terms shall have the meanings hereunder set forth unless the context of subject matter is inconsistent therewith:

"Agreement" means the binding agreement of purchase and sale of the Purchased Assets constituted by the acceptance of this Offer by the Vendor;

"Business Day" means a day other than a Saturday or Sunday or a statutory or civic holiday in the City of Edmonton, Alberta;

"Closing" means the closing of the purchase and sale of the Purchased Assets at the time and in the manner provided for in Section 10 hereof;

"Closing Date" means ~~November 9, 2009;~~ ~~JAN. 25/2010~~ Dec 15/2009

"Deposits" means, collectively, the Initial Deposit and the Further Deposit;

"Further Deposit" means the deposit referred to in subsection 3(b) hereof;

"Initial Deposit" means the deposit referred to in subsection 3(a) hereof;

"Inspection Period" has the meaning indicated in Section 5 hereof;

"Land Titles Office" means the Land Titles Office for the Alberta Land Registration District;

"Lands" means the lands situated in the City of Fort McMurray, in the Province of Alberta and legally described on Schedule "A" hereto;

"Offer" means this offer to purchase made by the Purchaser to the Vendor;

"Permitted Encumbrances" means those encumbrances, liens or interests described on Schedule "B" hereto;

"Purchase Price" means the amount to be paid by the Purchaser to the Vendor for the Purchased Assets as provided for in Section 3 hereof;

"Purchased Assets" means all the right, title and interest of the Vendor in and to:

(a) the Lands;

"Purchaser" means [redacted]

"Purchaser's Solicitor" means David Jonathan Coombs, Witten LLP, 2500 10303 Jasper Avenue, Edmonton, Alberta, T5J 3N6
Phone 780-248-0501 Fax 780-429-2559

Vendor

Purchaser

"Vendor" means Fort McMoney Properties II Ltd.

"Vendor's condition" has the meaning referred to in Section 5A hereof;

"Vendor's Solicitors" means Bennett Jones LLP, 4500, 855 – 2nd Street SW, Calgary, Alberta T2P 4K7, Attention: Mr. Ronald M. Barron
Phone: (403) 298-3491 Fax: (403) 265-7219.

Vendor

Purchaser

2. **OFFER TO PURCHASE**

The Purchaser hereby offers to purchase from the Vendor the Purchased Assets, free and clear of any encumbrances, liens or interests except the Permitted Encumbrances, upon the terms and subject to the conditions hereinafter set forth, such sale to be effective on the Closing Date.

3. **PURCHASE PRICE**

The purchase price payable by the Purchaser to the Vendor for the Purchased Assets shall be the sum of **Nine Million Six Hundred Thousand Dollars**, ($9,600,000.00) DOLLARS of lawful money of Canada (the "Purchase Price"), to be paid (subject to the adjustments herein contained) as follows:

a) the sum of One hundred thousand ($100,000.00) DOLLARS (the Initial Deposit") to be paid by the Purchaser in trust to COLLIERS MACAULAY NICOLLS INC. on or before the 3rd Business Day following the day on which this Offer is accepted by the Vendor, to be held by the Purchaser's Agent in an interest-bearing trust account pending Closing or termination of this Agreement. The Initial Deposit (together with all interest earned thereon) shall be credited against the Purchase Price upon Closing or shall be returned to the Purchaser in the event of the termination of this Agreement in accordance with the provisions of Section 5 hereof or as a result of the default of the Vendor hereunder, or shall be forfeited to the Vendor in accordance with the provisions of Section 11 hereof in the circumstances set out herein;

b) the sum of Four hundred thousand ($400,000.00) DOLLARS (the "Further Deposit") to be paid by the Purchaser in trust to the COLLIERS MACAULAY NICOLLS INC. on satisfaction or waiver by the Purchaser of the condition set out in Section 5 hereof, to be held by the Purchaser's Agent in an interest- bearing trust account pending Closing or termination of this Agreement. The Further Deposit (together with all interest earned thereon) shall be credited against the Purchase Price upon Closing or shall be returned to the Purchaser in the Event of the termination of this Agreement as a result of the default of the Vendor hereunder, or shall be forfeited to the Vendor in accordance with the provisions of Section 11 hereof in the circumstances set out herein;

c) the sum of Nine million One hundred thousand ($9,100,000.00) DOLLARS, more or less, being the balance of the Purchase Price, subject to the adjustments herein contained, to be paid by the Purchaser to the Vendor's Solicitors by bank draft or solicitor's trust cheque on the Closing Date.

Vendor

Purchaser

4. **ADJUSTMENTS**

On the Closing Date, the Vendor and the Purchaser shall adjust, in respect of the Purchased Assets, all municipal property taxes and all other usual adjustments between a vendor and a purchaser of real property. Such adjustments shall be effected in accordance with the usual commercial real estate practice in the City of Edmonton, provided that any adjustment which cannot be accurately determined as at the Closing Date shall be adjusted at the Closing Date on the basis of the best information available to the Vendor and the Purchaser, and shall be readjusted subsequent to the Closing Date as soon as the amount in question has been finalized.

5. **CONDITIONS**

The Vendor acknowledges that this Offer is subject to, and conditional upon, the Purchaser having satisfied itself, in its sole discretion, on or before ~~October 9, 2009~~ (the "Inspection Period"), with respect to:
November ~~25~~ 15/2009 RR

i) all matters relating to the Purchased Assets including, without limitation, with respect to all documentation and information provided to the Purchaser by the Vendor in accordance with the provisions of subsection 9(a) hereof and with respect to the physical condition of the Purchased Assets.

ii) Obtaining such engineering studies as it deems necessary.

iii) An environmental report that is to be completed by an independent third party in accordance with the provisions of subsection 6 hereof. If a current Environmental report is available and supplied by the Vendor that is acceptable to the Purchaser and its lender, the Purchaser may at his sole discretion waive this condition.

vi) A geotechnical report that is to be completed by an independent third party to be commissioned by the Purchaser. All costs of this Report shall be borne by the Purchaser. The Vendor will provide copies of any existing reports of which they are aware of within five (5) Business Days of conditional acceptance of this Offer to Purchase.

vii) A traffic Study to be supplied by the Vendor to the Purchaser within five (5) Business Days of acceptance.

The conditions in this Section 5 are inserted for the sole benefit of the Purchaser and may be satisfied or waived, by notice in writing to the Vendor, in the sole, absolute, unfettered and unqualified discretion of the Purchaser at any time during the Inspection Period. This condition

Vendor

Purchaser RR

shall be conclusively deemed not to have been satisfied unless the Purchaser delivers to the Vendor, during the Inspection Period, notice in writing that such condition has been satisfied or waived. If the conditions set out in this Section 5 are not satisfied or waived as provided in this Section 5, then the Initial deposit and all interest thereon shall be returned to the Purchaser forthwith upon the expiry of the Inspection Period and this Agreement shall terminate and (subject to any provisions of this Agreement which are stated to survive the termination of this Agreement) neither party hereto shall have any claims against the other party hereto arising out of this Agreement.

5A VENDOR'S CLOSING CONDITIONS

The Purchaser acknowledges that the Vendor has made filings under and is subject to an order or orders of the Court of Queen's Bench of Alberta (the "Court") pursuant to the *Companies' Creditors Arrangement Act* (Canada) and that Ernst & Young, Inc. (the "Monitor") has been appointed by the Court to monitor the Vendor and its assets and the conduct of its business. The Purchaser and the Vendor further acknowledge and agree that this Offer and the obligations of the Vendor to complete the transactions herein are subject to, and conditional upon, the acceptance and approval of the terms and conditions of this Offer by both the Monitor and the Court (the "Vendor's Condition") on or before the Closing Date, failing which this Offer shall be null and void and of no force and effect and all Deposits and interest thereon shall be returned to the Purchaser and neither party hereto shall have any claim against the other arising out of this Agreement. The Purchaser and the Vendor acknowledge and agree that the Vendor's Condition is a true condition precedent and is not capable of waiver by the Vendor.

6. ENVIRONMENTAL REPORT

The Vendor and Purchaser acknowledge that an environmental audit (Phase I) and report on the Lands will be completed by an independent third party, and all costs will be borne by the Purchaser. The Vendor will provide copies of any existing reports of which they are aware of within five (5) Business Days of conditional acceptance of this Offer to Purchase.

It is understood and agreed that if the Lands are contaminated and/or a Phase II is recommended, the Purchaser at its option may:

a. terminate this Offer and all Deposits and accrued interest shall be returned to the Purchaser;

b. extend only the Environmental Clause of Section 5 iii) of this Offer for a further sixty (60) days to accommodate delivery and review of the Phase II report. The report will

Vendor

Purchaser

be;

i. commissioned by the Purchaser; and

ii. the reasonable cost of the Report shall be borne by the Vendor.

If the Phase II recommends remediation, then the Purchaser shall have the option to either waive conditions and proceed with the transaction or terminate this Offer. If the Purchaser terminates this Offer, then all deposits and accrued interest shall be refunded to the Purchaser.

It is understood and agreed that any report shall be kept confidential by the Purchaser and shall not be disclosed to any third party, in whole or in part, without the Vendor's prior written consent, save and except mortgagees and consultants.

7. VENDOR'S REPRESENTATIONS AND WARRANTIES

The Vendor represents and warrants to the Purchaser that, except as disclosed in writing to the Purchaser, as of the date hereof:

(a) That the Vendor is, or is entitled to become, the registered owner of the Lands and can deliver a registrable Transfer of the Lands on the Closing Date

(b) That the Vendor is in good standing subject to satisfaction of the Vendor's Condition under the laws of the Province of Alberta, is qualified to carry on business in the Province of Alberta and has the power and capacity to enter into this Agreement and to carry out the transactions contemplated hereby

(c) It has received no work order or other notice of deficiency from the ~~Sturgeon County~~ RMWB or of any agency thereof or from any other governmental authority whereunder the Vendor is required to cure, repair or rectify any branch or non-compliance of the Lands or any use thereof with any applicable statute, by-law, regulation, ordinance or order, which has not been cured, repaired, rectified or which will otherwise remain outstanding at Closing;

(d) It is a resident of Canada within the meaning of Section 116(5) of the Income Tax Act of Canada;

Vendor

Purchaser

(e) It has not received any notice of expropriation or intended expropriation relating to the Lands, or any notice of road closure affecting present access thereto;

(f) To the knowledge of the Vendor, the Lands have never previously been used as a gasoline station or for the storage of any gasoline, oil, toxic substances or hazardous waste, and does not contain any gasoline, oil, toxic substances or hazardous waste and the Lands are free of all such toxic or hazardous substances or wastes to the Vendor's knowledge.

8. PURCHASER'S REPRESENTATIONS AND WARRANTIES

The Purchaser represents and warrants to the Vendor that, as of the date hereof and as of the Closing Date:

(a) the Purchaser has full power and authority to execute and deliver any and all documents which the purchase of the Purchased Assets by the Purchaser required be executed by the Purchaser and to carry out the transactions and perform its obligations contemplated in and under this Agreement;

(b) the Purchaser is not a non-Canadian with the meaning of the *Investment Canada Act* (Canada);

(c) the Purchaser is a valid and subsisting corporation registered under the laws of Alberta.

9. COVENANTS

(a) Within five (5) Business Days after the Vendor's acceptance of this Offer, the Vendor shall deliver to the Purchaser for inspection and copying thereof (if in the possession of the Vendor) copies of any existing reports relating to the Lands of which the Vendor is aware of, specifically any environmental, geotechnical and structural reports relating to the Lands.

(b) If for any reason the purchase contemplated by this Agreement is not completed, the Purchaser shall return to the Vendor all documents and other information received by the Purchaser from the Vendor, including all copies thereof made by or on behalf of the Purchaser. The Purchaser shall keep in strict confidence all information obtained with respect to the Purchased Assets. Notwithstanding the foregoing, the Purchaser may disclose all information obtained with respect to the Purchased Assets to its directors, banker, consultants, shareholders, advisers, investor and potential investors as long as such parties agree to keep the information confidential until such time as the Closing is

Vendor

Purchaser RL.

completed. The provision of this Section 9(b) shall survive termination of this Agreement.

10. CLOSING

(a) The purchase and sale of the Lands shall be closed at the offices of the Vendor's Solicitors in Calgary, Alberta at 10:00 a.m. (Calgary time) on the Closing Date.

(b) Not later than five (5) Business Days before the Closing Date, the Vendor or Vendor's Solicitors shall deliver to the Purchaser's Solicitors the following documents in a form acceptable to the Purchaser's Solicitors, acting reasonably:

(i) Transfer of the Lands whereby title in fee simple thereto is conveyed to the Purchaser free and clear of all liens, interests, charges and encumbrances, save for the Permitted Encumbrances;

(ii) a statement of adjustments;

(iii) Register able discharges of all liens, interests, charges and encumbrances registered against the Lands and not comprising the Permitted Encumbrances, or an undertaking in writing by the Vendor's Solicitors to discharge the same within a reasonable period of time.

(c) On the Closing Date, the Vendor shall deliver to the Purchaser vacant possession of the Purchased Assets.

(d) On or before the Closing Date, the Purchaser shall tender or cause to be tendered to the Vendor's Solicitors a bank draft or solicitor's trust cheque in the amount of the balance of the Purchase Price payable pursuant to subsection 3(d) hereof.

(e) The documents and other instruments to be delivered by the Vendor to the Purchaser's Solicitors in accordance with subsection 10(b) hereof and to be delivered by the Purchaser to the Vendor's Solicitors in accordance with subsection 10(d) hereof (including, without limitation, the balance of the Purchase Price) and all other payments of the Purchase Price may be delivered in trust on such reasonable trust conditions as would customarily be imposed in a similar transaction in Sturgeon County and Greater Edmonton area of Alberta.

11. DEFAULT

Notwithstanding anything to the contrary herein set forth or implied:

Vendor [signature]

Purchaser [signature]

(a) If, after removal of the Purchaser's conditions set forth in Section 5, the Purchaser fails to complete the purchase of the Purchased Assets in accordance with the terms hereof, the Deposit(s) and any interest thereon shall be absolutely and unconditionally forfeited to the Vendor as liquidated damages and not as penalty and the Vendor shall have all further remedies available at law against the Purchaser and this Offer shall be null and void at the option of the Vendor.

(b) If, after removal of the Vendor's Condition, the Vendor fails to complete the Offer, the Deposit(s) paid and any interest thereon, shall be immediately paid to the Purchaser without deduction. The Purchaser shall have all remedies available at law against the Vendor in equity, including, without limitation, specific performance and damages.

12. NOTICE

Any demand, notice or other communication to be made or given hereunder shall being in writing and may be made or given by personal delivery or by transmittal by facsimile transmission or PDF electronic transmission addressed to the respective parties as follows:

(a) to the Vendor:
Fort McMoney Properties II Ltd.
300-808 4TH Street S.W.
Calgary, Alberta. T2P 3E8
403 262 1222 phone 403 262 4222 fax
Attn: Cleone Couch

with a copy to
COLLIERS INTERNATIONAL
Suite 3555 Manulife Place
10180 – 101 Street
Edmonton, Alberta
T5J 3S4
Attention: Mr. Kenneth Shebib
Phone: (780)-863-7355
Fax: (780) 424-7830

(b) to the Purchaser:
[redacted]

Vendor

Purchaser

With a copy to:
COLLIERS INTERNATIONAL
Suite 3555 Manulife Place
10180 – 101 Street
Edmonton, Alberta
T5J 3S4
Attention: Mr. Kenneth Shebib
Phone: (780)-863-7355
Fax: (780) 424-7830

or to such other address or facsimile number or e-mail address as any party may from time to time notify to the other party in accordance with this Section 13. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof and if made or given by facsimile transmission, shall be conclusively deemed to have been given on the first Business Day following the transmission thereof.

13. ADDITIONAL DOCUMENTATION

The Vendor and the Purchaser covenant to execute promptly such further documents or instruments and to provide such assurance as may be necessary to give effect to this Agreement and to conclude the transactions set out herein in accordance with the provisions of this Agreement.

14. REGISTRATION COSTS

The Vendor shall be responsible for the cost of preparing all conveyances necessary to convey the Purchased Assets to the Purchaser, and the Purchaser shall be responsible for the cost of registering all conveyances necessary to convey the Purchased Assets to the Purchaser. Each party shall pay its own legal fees with respect to this transaction.

15. ENTIRE AGREEMENT

This Agreement (including the Schedules hereto) embodies the entire agreement between the parties with respect to the Purchased Assets and there are no representations, warranties, guarantees, promises or collateral or past agreements existing between the Vendor and the Purchaser with respect to the Purchased Assets which are not expressly set forth herein.

16. GOODS AND SERVICES TAX

The Purchaser and Vendor warrant as follows:

Vendor [signature]

Purchaser [signature]

(a) The Purchaser shall be responsible for any retail sales tax and for any Goods and Services Tax (the "GST") payable with respect to the purchase of the Purchased Assets. If the Vendor is required to remit the GST with respect to the Purchased Assets by virtue of the fact that the Purchaser is not a registrant pursuant to Subdivision D of Division V of Part IX of The Excise Tax Act for GST purposes, the Purchaser will deliver to the Vendor on the Closing Date a certified cheque or banker's draft in the amount of GST payable in respect of the purchase by the Purchaser of the Property.

(b) If requested, the Purchaser shall provide the Vendor, at closing, with a statutory declaration of an officer of the Purchaser confirming such registration, including the Purchasers registration number.

17. JURISDICTION

This Agreement shall be governed by, and construed and interpreted in accordance with the provisions of, the laws of the Province of Alberta.

18. DATES

If the date for the making of any payment hereunder or the date for the doing of any act hereunder shall fall on a day other than a Business Day, such day shall be extended to the first Business Day following such date.

19. TIME

Time shall be of the essence of this Agreement.

20. ENUREMENT

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

21. AGREEMENT

This Offer, when accepted, shall constitute a binding agreement for the purchase and sale of the Purchased Assets in accordance with the terms hereof.

22. COUNTERPART

Vendor

Purchaser

This Agreement and any of the closing documents to be delivered and tendered pursuant to the terms hereof (save and except to the extent that original signed documents are required for registration purposes) may be executed in counterparts, each of which shall be deemed to be an original and all of which when taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed and delivered in original or faxed form or by email in pdf format and each of the parties hereto adopt any signatures received by fax machine or email in pdf format as original signatures.

23. AGENCY

Colliers Macaulay Nicolls Inc. o/a Colliers International ("Colliers") is required to disclose their Agency role and obtain the informed acknowledgement of both the Purchaser, and the Vendor to Colliers acting in a Dual Agency capacity.

Colliers is acting in a Dual Agency role in this transaction as defined by the *Alberta Real Estate Act*.

By signing this Agreement, Purchaser and Vendor provide such informed consent and notwithstanding any other agreements or understandings that either party may have, it is agreed to that Colliers has disclosed the fact that they are acting as Dual Agents during this transaction.

24. Commission acknowledgement.

Both the Vendor and the purchaser acknowledge that there is a Brokerage Listing Contract between Colliers International Inc and the Vendor.

Vendor

Purchaser

25. ACCEPTANCE

IN WITNESS WHEREOF this Offer has been executed this 25 day of September, 2009, by the Purchaser under the hands of its proper signing officer duly authorized in that behalf. This Offer to Purchase is open for acceptance by the Vendor until 4:00 p.m. September 25, 2009.

[redacted]

IN WITNESS WHEREOF this acceptance of this Offer has been executed this 25 day of Sept, 2009 by the Vendor under the hands of its proper signing officers duly authorized in that behalf.

Fort McMoney Properties II Ltd.

Per: Cleone Couch

Vendor

Purchaser

SCHEDULE "A"

LANDS

10109 – 10119 Manning Avenue, Fort McMurray, Alberta

PLAN	1268NY
BLOCK	1
LOTS	4 through 8

PLAN	2274NY
BLOCK	1
LOT	3A

Vendor

Purchaser

SCHEDULE "B"

PERMITTED ENCUMBRANCES

"Permitted Encumbrances" means:

1. Registered instruments listed below;

Registration #	Date	Particulars

Vendor

Purchaser

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

Action No: 0901-11866

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

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

Applicants

A F F I D A V I T

CLERK OF THE COURT
OCT 08 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.: 64597-1