This is Exhibit "E" referred to in the Affidavit of HALI STRANDLUND sworn before me at Victoria, BC, this 21 day of September, 2009.
A Commissioner for taking Affidavits within British Columbia

Rafer Strandlund
Commissioner for taking affidavits
for British Columbia
Commission 2009-0397
Expires June 20, 2012
3378 Douglas Street
Victoria BC V8Z 3L3

GUARANTEE, ASSIGNMENT and POSTPONEMENT AGREEMENT OF ROBERT COUCH

TO: FISGARD CAPITAL CORPORATION (the "Creditor")
3378 Douglas Street, Victoria, BC V8Z 3L3

In consideration of your dealing or continuing to deal with:

BOSUN'S HOLDINGS LTD.

(the "Debtor") continuously or intermittently so long as you may see fit and of any advances you may choose to make to the Debtor, the undersigned ROBERT COUCH (the "Guarantor") hereby agrees with you, the Creditor as follows:

1. GUARANTEE

The Guarantor hereby agrees to perform all the obligations of the Debtor and unconditionally guarantees payment to the Creditor, and its successors and assigns, of all of the Obligations (as hereinafter defined).

2. OBLIGATIONS

The Obligations shall include all debts, present or future, direct or indirect, absolute or contingent, matured or not, alone or jointly with others, as principal debtor or surety, now or at any time owned, and whether arising from any dealings between the Creditor and the Debtor or by any dealings between the Creditor and others whereby the Creditor becomes a creditor of the Debtor, and all interest, losses, costs, charges and expenses which may arise in respect of the Obligations.

3 GUARANTEE ABSOLUTE

The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited, or otherwise affected by anything done, suffered, or permitted by the Creditor in connection with the Debtor, the Obligations or any security held by or granted to the Creditor to secure payment or performance of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantor hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:

(a) any lack of validity or enforceability of any agreement between the Creditor and the Debtor relating to the Obligations or any other agreement or instrument relating thereto;

(b) any change in time, manner or place of payment or, amount of credit available to the Debtor under, or in any other term of, or any other amendment or waiver of or any consent to or departure from, any agreement between the Creditor and the Debtor

relating to the Obligations;

(c) any change in the name, objects, capital stock, constating documents or bylaws, ownership or control of the Debtor;

(d) any amalgamation, merger, consolidation, or other reorganization of the Debtor or of its business affairs;

(e) the dissolution, winding-up, liquidation, or other distribution of the assets of the Debtor, whether voluntary or otherwise;

(f) the Debtor becoming insolvent or bankrupt or subject to the provisions of any insolvency legislation;

(g) the Creditor enforcing or realizing upon any security granted to or held by the Creditor on or over the property of the Debtor, whether to secure payment or performance of the Obligations or otherwise;

(h) any right or alleged right of set-off, counter-claim, appropriation or application or any claim or demand that the Debtor or the Guarantor may have or may allege to have against any Creditor or any other person, which rights the Guarantor hereby waive to the fullest extent permitted by law;

(i) any agreement or decision made by the Debtor, whether it be to dispose of a part of, or all of or substantially all of its assets, or to change its form of business or otherwise; or

(j) any other circumstances which might otherwise constitute a legal or equitable defence available to the Debtor, or complete or partial discharge of the Debtor, in respect of the Obligations or of the Guarantor in respect of its guarantee hereunder.

4 DEALINGS WITH THE DEBTOR AND OTHERS

Without releasing, discharging, limiting, or otherwise affecting the whole or in part of the Guarantor's Obligations and liabilities hereunder and without the consent of or notice to the Guarantor, the Creditor may:

(a) grant time, renewals, extensions, indulgences, releases, and discharges to the Debtor;

(b) take or refrain from taking securities or collateral from the Debtor or from perfecting securities or collateral of the Debtor;

(c) release, discharge, compromise, realize, enforce, or otherwise deal with or do any act of thing in respect of (with or without consideration) any and all collateral, mortgages or other security given by the Debtor or any third party with respect to the Obligations;

(d) accept compromises or arrangements from the Debtor;

(e) exercise any right or remedy which it may have against the Debtor or with respect to any security for the Obligations, including judicial and non-judicial foreclosure;

(f) apply all monies at any time received from the Debtor or from securities upon such part of the Obligations as the Creditor may see fit or change any such application in while or in part from time to time as the Creditor may see fit; or

(g) otherwise deal with, or waive or modify its right to deal with, the Debtor and all other persons and securities as the Creditor may see fit;

5. DEALING WITH SECURITY

The loss of or failure to obtain, perfect, or maintain any security held by the Creditor, whether occasioned through the fault of the Creditor or otherwise, shall not discharge, limit, or lessen the liability of the Guarantor hereunder.

6. RECOURSE AGAINST DEBTOR

The Creditor shall not be bound to exhaust its recourse against the Debtor or others or under any security or take any other action or legal proceeding before entitled to payment from the Guarantor under this Guarantee.

7. ACCOUNTS SETTLED

Any account stated by the Creditor to be due to it by the Debtor shall be accepted by the Guarantor as conclusive evidence that the said amount is so due, in the absence of manifest error.

8. WAIVER

No delay on the part of the Creditor in exercising any of its options, powers, or rights, or any partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guarantee, shall be deemed to be made by the Creditor unless the same shall be in writing, duly signed by the Creditor and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Creditor or the liabilities of the Guarantor hereunder in any other respect at any other time.

9. CONTINUING GUARANTEE

This Guarantee shall be a continuing guarantee and shall cover the Obligations and this Guarantee shall apply to and secure any ultimate balance due or remaining unpaid to the Creditor.

10. ASSIGNMENT

The Creditor may from time to time and without notice to, or the consent of, the Guarantor assign or

transfer the Obligations due to it or any interest thereto to any person; and notwithstanding any such assignment or transfer of any subsequent assignment or transfer thereof, any such Obligations or part thereof so transferred or assigned shall be and shall remain part of the Obligations for the purposes of this Guarantee and any immediate and successive assignee or transferee of any Obligations or any interest therein shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of, and the right to enforce, this Guarantee to the same extent as if such person were the Creditor.

11. REVIVAL OF INDEBTEDNESS AND LIABILITY

If at any time all or any part of any payment previously applied by the Creditor to the Obligations is or must be rescinded or returned by the Creditor for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, or reorganization of the Debtor or the Guarantor), to the extent that such payment is or must be rescinded or returned such Obligations shall be deemed to have continued in existence notwithstanding such application by the Creditor, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application by the Creditor had not been made.

12. POSTPONEMENT AND SUBROGATION

All present and future indebtedness and liability of the Debtor to the Guarantor is hereby assigned to the Creditor and subordinated and postponed to the Obligations of the Guarantor hereunder, and all moneys received by the Guarantor in respect thereof shall be received in trust for and shall be paid over to the Creditor forthwith. If the Creditor receive(s) from the Guarantor a payment or payments in full or on account of the liability of the Guarantor hereunder, the Guarantor shall not be entitled to claim repayment against the Debtor unless and until all amounts owing by the Debtor to the Creditor have been paid in full and the Creditor has no further obligation to make credit available to the Debtor. In the case of any liquidation, winding-up, or bankruptcy of the Debtor (whether voluntary or involuntary) or in the event that the Debtor makes a bulk sale of any of its assets within the bulk transfer provisions of any applicable legislation or any composition, with the creditors or scheme or arrangement, the Creditor shall have the right to rank for its full claims and receive all dividends or other payments in respect thereof in priority to the Guarantor until it s claims have been paid in full, and the Guarantor shall continue to be liable hereunder for any balance which may be owing to the Creditor by the Debtor. In the event of the valuation by the Creditor of any of its security or the retention thereof, such valuation or retention shall not be considered as a purchase of such security, or as payment or satisfaction or reduction of the Obligations of the Guarantor hereunder or any part thereof. The foregoing provisions of this paragraph shall not in any way limit or lessen the liability of the Guarantor under any other paragraph of this Guarantee.

13. EXPENSES

The Guarantor shall from time to time forthwith upon demand pay to the Creditor all expenses (including legal expenses on a solicitor and own client basis) incurred by it in the preservation or enforcement of any of its rights hereunder.

14. INDEMNITY

In addition, as a separate and distinct obligation, the Guarantor, for valuable consideration, hereby

agrees to indemnify and save harmless the Creditor in respect of any loss or damage which the Creditor may suffer as a result of non-payment or non-fulfillment of any of the Obligations by the Debtor.

15. ADDITIONAL SECURITY

This Guarantee is in addition to and without prejudice to any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Creditor and any other rights or remedies that the Creditor might have.

16. SET-OFF

The Creditor may, to the full extent permitted by law, set-off and apply any and all deposits and other monies at any time held by the Creditor or its agents and any other indebtedness at any time owing by the Creditor to or for the credit or the account of the Guarantor against any and all of the Obligations of the Guarantor now or hereafter existing under this Guarantee irrespective of whether or not the Creditor has made any demand hereunder and although such Obligations may be contingent and unmatured.

17. NO SUIT UNTIL DEMAND

No suit based on this Guarantee shall be instituted until demand for payment has been made under this Guarantee by written notice to the Guarantor.

18. NO CONDITION PRECEDENT

The possession of this Agreement by the Creditor is conclusive evidence against all signatories hereto that it is fully executed and delivered by them and is not issued in escrow or subject to any provision, condition precedent or subsequent agreement or statement, representation, agreement or promise on the part of the Creditor or any officer, employee or agent thereof affecting the liability of the Guarantor unless the same is expressly set forth herein or set out in writing signed by an authorized officer, employee or agent of the Creditor receiving this Agreement on or before its receipt. The Guarantor hereby expressly renounce(s) any benefits of division or claim to discussion or to question any present or future dealing with the Debtor or any person or property now or at any time hereafter liable to the Creditor for the Obligations of the Debtor.

19. GOVERNING LAW

This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. Without prejudice to the right of the Creditor to commence any proceedings with respect to this Guarantee in any other proper jurisdiction, the Guarantor hereby irrevocably attorn(s) and submits to the jurisdiction of the courts of the Province of British Columbia.

20. SUCCESSORS AND ASSIGNS

This Guarantee shall extend and enure to the benefit of the Creditor and it successors and assigns and

shall be binding upon the Guarantor and the personal representatives, successors, and assigns of the Guarantor; "successors" includes any corporation resulting from the amalgamation of a corporation with any other corporation.

21. COPY OF AGREEMENT

The Guarantor hereby:

(a) acknowledges receiving a copy of this Agreement; and

(b) waives all rights to receive from the Creditor a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Agreement.

IN WITNESS WHEREOF this Guarantee has been signed, sealed and delivered by the Guarantor, this 15 day of ~~May~~ July, 2008.

Witness:

Signature

(seal)
ROBERT COUCH

Guarantor's Residential Address:

#300 - 804 - 4th Ave S.W.
Calgary AB T2P 3E8

This is Exhibit "F" referred to in the Affidavit of HALI STRANDLUND sworn before me at Victoria, BC, this 21 day of September, 2009.
A Commissioner for taking Affidavits within British Columbia

Rafer Strandlund
Commissioner for taking affidavits
for British Columbia
Commission 2009-0397
Expires June 20, 2012
3378 Douglas Street
Victoria BC V8Z 3L3

GUARANTEE, ASSIGNMENT and POSTPONEMENT AGREEMENT OF CLEONE COUCH

TO: FISGARD CAPITAL CORPORATION (the "Creditor")
3378 Douglas Street, Victoria, BC V8Z 3L3

In consideration of your dealing or continuing to deal with:

BOSUN'S HOLDINGS LTD.

(the "Debtor") continuously or intermittently so long as you may see fit and of any advances you may choose to make to the Debtor, the undersigned CLEONE COUCH (the "Guarantor") hereby agrees with you, the Creditor as follows:

1. GUARANTEE

The Guarantor hereby agrees to perform all the obligations of the Debtor and unconditionally guarantees payment to the Creditor, and its successors and assigns, of all of the Obligations (as hereinafter defined).

2. OBLIGATIONS

The Obligations shall include all debts, present or future, direct or indirect, absolute or contingent, matured or not, alone or jointly with others, as principal debtor or surety, now or at any time owned, and whether arising from any dealings between the Creditor and the Debtor or by any dealings between the Creditor and others whereby the Creditor becomes a creditor of the Debtor, and all interest, losses, costs, charges and expenses which may arise in respect of the Obligations.

3 GUARANTEE ABSOLUTE

The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited, or otherwise affected by anything done, suffered, or permitted by the Creditor in connection with the Debtor, the Obligations or any security held by or granted to the Creditor to secure payment or performance of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantor hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:

(a) any lack of validity or enforceability of any agreement between the Creditor and the Debtor relating to the Obligations or any other agreement or instrument relating thereto;

(b) any change in time, manner or place of payment or, amount of credit available to the Debtor under, or in any other term of, or any other amendment or waiver of or any consent to or departure from, any agreement between the Creditor and the Debtor

relating to the Obligations;

(c) any change in the name, objects, capital stock, constating documents or bylaws, ownership or control of the Debtor;

(d) any amalgamation, merger, consolidation, or other reorganization of the Debtor or of its business affairs;

(e) the dissolution, winding-up, liquidation, or other distribution of the assets of the Debtor, whether voluntary or otherwise;

(f) the Debtor becoming insolvent or bankrupt or subject to the provisions of any insolvency legislation;

(g) the Creditor enforcing or realizing upon any security granted to or held by the Creditor on or over the property of the Debtor, whether to secure payment or performance of the Obligations or otherwise;

(h) any right or alleged right of set-off, counter-claim, appropriation or application or any claim or demand that the Debtor or the Guarantor may have or may allege to have against any Creditor or any other person, which rights the Guarantor hereby waive to the fullest extent permitted by law;

(i) any agreement or decision made by the Debtor, whether it be to dispose of a part of, or all of or substantially all of its assets, or to change its form of business or otherwise; or

(j) any other circumstances which might otherwise constitute a legal or equitable defence available to the Debtor, or complete or partial discharge of the Debtor, in respect of the Obligations or of the Guarantor in respect of its guarantee hereunder.

4 DEALINGS WITH THE DEBTOR AND OTHERS

Without releasing, discharging, limiting, or otherwise affecting the whole or in part of the Guarantor's Obligations and liabilities hereunder and without the consent of or notice to the Guarantor, the Creditor may:

(a) grant time, renewals, extensions, indulgences, releases, and discharges to the Debtor;

(b) take or refrain from taking securities or collateral from the Debtor or from perfecting securities or collateral of the Debtor;

(c) release, discharge, compromise, realize, enforce, or otherwise deal with or do any act of thing in respect of (with or without consideration) any and all collateral, mortgages or other security given by the Debtor or any third party with respect to the Obligations;

(d) accept compromises or arrangements from the Debtor;

(e) exercise any right or remedy which it may have against the Debtor or with respect to any security for the Obligations, including judicial and non-judicial foreclosure;

(f) apply all monies at any time received from the Debtor or from securities upon such part of the Obligations as the Creditor may see fit or change any such application in while or in part from time to time as the Creditor may see fit; or

(g) otherwise deal with, or waive or modify its right to deal with, the Debtor and all other persons and securities as the Creditor may see fit;

5. DEALING WITH SECURITY

The loss of or failure to obtain, perfect, or maintain any security held by the Creditor, whether occasioned through the fault of the Creditor or otherwise, shall not discharge, limit, or lessen the liability of the Guarantor hereunder.

6. RECOURSE AGAINST DEBTOR

The Creditor shall not be bound to exhaust its recourse against the Debtor or others or under any security or take any other action or legal proceeding before entitled to payment from the Guarantor under this Guarantee.

7. ACCOUNTS SETTLED

Any account stated by the Creditor to be due to it by the Debtor shall be accepted by the Guarantor as conclusive evidence that the said amount is so due, in the absence of manifest error.

8. WAIVER

No delay on the part of the Creditor in exercising any of its options, powers, or rights, or any partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guarantee, shall be deemed to be made by the Creditor unless the same shall be in writing, duly signed by the Creditor and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Creditor or the liabilities of the Guarantor hereunder in any other respect at any other time.

9. CONTINUING GUARANTEE

This Guarantee shall be a continuing guarantee and shall cover the Obligations and this Guarantee shall apply to and secure any ultimate balance due or remaining unpaid to the Creditor.

10. ASSIGNMENT

The Creditor may from time to time and without notice to, or the consent of, the Guarantor assign or

transfer the Obligations due to it or any interest thereto to any person; and notwithstanding any such assignment or transfer of any subsequent assignment or transfer thereof, any such Obligations or part thereof so transferred or assigned shall be and shall remain part of the Obligations for the purposes of this Guarantee and any immediate and successive assignee or transferee of any Obligations or any interest therein shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of, and the right to enforce, this Guarantee to the same extent as if such person were the Creditor.

11. REVIVAL OF INDEBTEDNESS AND LIABILITY

If at any time all or any part of any payment previously applied by the Creditor to the Obligations is or must be rescinded or returned by the Creditor for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, or reorganization of the Debtor or the Guarantor), to the extent that such payment is or must be rescinded or returned such Obligations shall be deemed to have continued in existence notwithstanding such application by the Creditor, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application by the Creditor had not been made.

12. POSTPONEMENT AND SUBROGATION

All present and future indebtedness and liability of the Debtor to the Guarantor is hereby assigned to the Creditor and subordinated and postponed to the Obligations of the Guarantor hereunder, and all moneys received by the Guarantor in respect thereof shall be received in trust for and shall be paid over to the Creditor forthwith. If the Creditor receive(s) from the Guarantor a payment or payments in full or on account of the liability of the Guarantor hereunder, the Guarantor shall not be entitled to claim repayment against the Debtor unless and until all amounts owing by the Debtor to the Creditor have been paid in full and the Creditor has no further obligation to make credit available to the Debtor. In the case of any liquidation, winding-up, or bankruptcy of the Debtor (whether voluntary or involuntary) or in the event that the Debtor makes a bulk sale of any of its assets within the bulk transfer provisions of any applicable legislation or any composition, with the creditors or scheme or arrangement, the Creditor shall have the right to rank for its full claims and receive all dividends or other payments in respect thereof in priority to the Guarantor until it s claims have been paid in full, and the Guarantor shall continue to be liable hereunder for any balance which may be owing to the Creditor by the Debtor. In the event of the valuation by the Creditor of any of its security or the retention thereof, such valuation or retention shall not be considered as a purchase of such security, or as payment or satisfaction or reduction of the Obligations of the Guarantor hereunder or any part thereof. The foregoing provisions of this paragraph shall not in any way limit or lessen the liability of the Guarantor under any other paragraph of this Guarantee.

13. EXPENSES

The Guarantor shall from time to time forthwith upon demand pay to the Creditor all expenses (including legal expenses on a solicitor and own client basis) incurred by it in the preservation or enforcement of any of its rights hereunder.

14. INDEMNITY

In addition, as a separate and distinct obligation, the Guarantor, for valuable consideration, hereby

agrees to indemnify and save harmless the Creditor in respect of any loss or damage which the Creditor may suffer as a result of non-payment or non-fulfillment of any of the Obligations by the Debtor.

15. ADDITIONAL SECURITY

This Guarantee is in addition to and without prejudice to any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Creditor and any other rights or remedies that the Creditor might have.

16. SET-OFF

The Creditor may, to the full extent permitted by law, set-off and apply any and all deposits and other monies at any time held by the Creditor or its agents and any other indebtedness at any time owing by the Creditor to or for the credit or the account of the Guarantor against any and all of the Obligations of the Guarantor now or hereafter existing under this Guarantee irrespective of whether or not the Creditor has made any demand hereunder and although such Obligations may be contingent and unmatured.

17. NO SUIT UNTIL DEMAND

No suit based on this Guarantee shall be instituted until demand for payment has been made under this Guarantee by written notice to the Guarantor.

18. NO CONDITION PRECEDENT

The possession of this Agreement by the Creditor is conclusive evidence against all signatories hereto that it is fully executed and delivered by them and is not issued in escrow or subject to any provision, condition precedent or subsequent agreement or statement, representation, agreement or promise on the part of the Creditor or any officer, employee or agent thereof affecting the liability of the Guarantor unless the same is expressly set forth herein or set out in writing signed by an authorized officer, employee or agent of the Creditor receiving this Agreement on or before its receipt. The Guarantor hereby expressly renounce(s) any benefits of division or claim to discussion or to question any present or future dealing with the Debtor or any person or property now or at any time hereafter liable to the Creditor for the Obligations of the Debtor.

19. GOVERNING LAW

This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. Without prejudice to the right of the Creditor to commence any proceedings with respect to this Guarantee in any other proper jurisdiction, the Guarantor hereby irrevocably attorn(s) and submits to the jurisdiction of the courts of the Province of British Columbia.

20. SUCCESSORS AND ASSIGNS

This Guarantee shall extend and enure to the benefit of the Creditor and it successors and assigns and

shall be binding upon the Guarantor and the personal representatives, successors, and assigns of the Guarantor; "successors" includes any corporation resulting from the amalgamation of a corporation with any other corporation.

21. COPY OF AGREEMENT

The Guarantor hereby:

(a) acknowledges receiving a copy of this Agreement; and

(b) waives all rights to receive from the Creditor a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Agreement.

IN WITNESS WHEREOF this Guarantee has been signed, sealed and delivered by the Guarantor, this 18 day of ~~May~~ July, 2008.

Witness:

Signature

(seal)

CLEONE COUCH

Guarantor's Residential Address:

#300 - 808 - 4th Ave SW

Calgary AB T2P 3E8

This is Exhibit "G" referred to in the Affidavit of HALI STRANDLUND sworn before me at Victoria, BC, this 21 day of September, 2009.

A Commissioner for taking Affidavits within British Columbia

Rafer Strandlund
Commissioner for taking affidavits
for British Columbia
Commission 2009-0397
Expires June 20, 2012
3378 Douglas Street
Victoria BC V8Z 3L3

GUARANTEE, ASSIGNMENT and POSTPONEMENT AGREEMENT OF TSEHUM HARBOUR PLACE HOLDINGS LTD.

TO: FISGARD CAPITAL CORPORATION (the "Creditor")
3378 Douglas Street, Victoria, BC V8Z 3L3

In consideration of your dealing or continuing to deal with:

BOSUN'S HOLDINGS LTD.

(the "Debtor") continuously or intermittently so long as you may see fit and of any advances you may choose to make to the Debtor, the undersigned TSEHUM HARBOUR PLACE HOLDINGS LTD. (the "Guarantor") hereby agrees with you, the Creditor as follows:

1. GUARANTEE

The Guarantor hereby agrees to perform all the obligations of the Debtor and unconditionally guarantees payment to the Creditor, and its successors and assigns, of all of the Obligations (as hereinafter defined).

2. OBLIGATIONS

The Obligations shall include all debts, present or future, direct or indirect, absolute or contingent, matured or not, alone or jointly with others, as principal debtor or surety, now or at any time owned, and whether arising from any dealings between the Creditor and the Debtor or by any dealings between the Creditor and others whereby the Creditor becomes a creditor of the Debtor, and all interest, losses, costs, charges and expenses which may arise in respect of the Obligations.

3 GUARANTEE ABSOLUTE

The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited, or otherwise affected by anything done, suffered, or permitted by the Creditor in connection with the Debtor, the Obligations or any security held by or granted to the Creditor to secure payment or performance of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantor hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:

(a) any lack of validity or enforceability of any agreement between the Creditor and the Debtor relating to the Obligations or any other agreement or instrument relating thereto;

(b) any change in time, manner or place of payment or, amount of credit available to the Debtor under, or in any other term of, or any other amendment or waiver of or any consent to or departure from, any agreement between the Creditor and the Debtor

relating to the Obligations;

(c) any change in the name, objects, capital stock, constating documents or bylaws, ownership or control of the Debtor;

(d) any amalgamation, merger, consolidation, or other reorganization of the Debtor or of its business affairs;

(e) the dissolution, winding-up, liquidation, or other distribution of the assets of the Debtor, whether voluntary or otherwise;

(f) the Debtor becoming insolvent or bankrupt or subject to the provisions of any insolvency legislation;

(g) the Creditor enforcing or realizing upon any security granted to or held by the Creditor on or over the property of the Debtor, whether to secure payment or performance of the Obligations or otherwise;

(h) any right or alleged right of set-off, counter-claim, appropriation or application or any claim or demand that the Debtor or the Guarantor may have or may allege to have against any Creditor or any other person, which rights the Guarantor hereby waive to the fullest extent permitted by law;

(i) any agreement or decision made by the Debtor, whether it be to dispose of a part of, or all of or substantially all of its assets, or to change its form of business or otherwise; or

(j) any other circumstances which might otherwise constitute a legal or equitable defence available to the Debtor, or complete or partial discharge of the Debtor, in respect of the Obligations or of the Guarantor in respect of its guarantee hereunder.

4 DEALINGS WITH THE DEBTOR AND OTHERS

Without releasing, discharging, limiting, or otherwise affecting the whole or in part of the Guarantor's Obligations and liabilities hereunder and without the consent of or notice to the Guarantor, the Creditor may:

(a) grant time, renewals, extensions, indulgences, releases, and discharges to the Debtor;

(b) take or refrain from taking securities or collateral from the Debtor or from perfecting securities or collateral of the Debtor;

(c) release, discharge, compromise, realize, enforce, or otherwise deal with or do any act of thing in respect of (with or without consideration) any and all collateral, mortgages or other security given by the Debtor or any third party with respect to the Obligations;

(d) accept compromises or arrangements from the Debtor;

(e) exercise any right or remedy which it may have against the Debtor or with respect to any security for the Obligations, including judicial and non-judicial foreclosure;

(f) apply all monies at any time received from the Debtor or from securities upon such part of the Obligations as the Creditor may see fit or change any such application in while or in part from time to time as the Creditor may see fit; or

(g) otherwise deal with, or waive or modify its right to deal with, the Debtor and all other persons and securities as the Creditor may see fit;

5. DEALING WITH SECURITY

The loss of or failure to obtain, perfect, or maintain any security held by the Creditor, whether occasioned through the fault of the Creditor or otherwise, shall not discharge, limit, or lessen the liability of the Guarantor hereunder.

6. RECOURSE AGAINST DEBTOR

The Creditor shall not be bound to exhaust its recourse against the Debtor or others or under any security or take any other action or legal proceeding before entitled to payment from the Guarantor under this Guarantee.

7. ACCOUNTS SETTLED

Any account stated by the Creditor to be due to it by the Debtor shall be accepted by the Guarantor as conclusive evidence that the said amount is so due, in the absence of manifest error.

8. WAIVER

No delay on the part of the Creditor in exercising any of its options, powers, or rights, or any partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guarantee, shall be deemed to be made by the Creditor unless the same shall be in writing, duly signed by the Creditor and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Creditor or the liabilities of the Guarantor hereunder in any other respect at any other time.

9. CONTINUING GUARANTEE

This Guarantee shall be a continuing guarantee and shall cover the Obligations and this Guarantee shall apply to and secure any ultimate balance due or remaining unpaid to the Creditor.

10. ASSIGNMENT

The Creditor may from time to time and without notice to, or the consent of, the Guarantor assign or

transfer the Obligations due to it or any interest thereto to any person; and notwithstanding any such assignment or transfer of any subsequent assignment or transfer thereof, any such Obligations or part thereof so transferred or assigned shall be and shall remain part of the Obligations for the purposes of this Guarantee and any immediate and successive assignee or transferee of any Obligations or any interest therein shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of, and the right to enforce, this Guarantee to the same extent as if such person were the Creditor.

11. REVIVAL OF INDEBTEDNESS AND LIABILITY

If at any time all or any part of any payment previously applied by the Creditor to the Obligations is or must be rescinded or returned by the Creditor for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, or reorganization of the Debtor or the Guarantor), to the extent that such payment is or must be rescinded or returned such Obligations shall be deemed to have continued in existence notwithstanding such application by the Creditor, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application by the Creditor had not been made.

12. POSTPONEMENT AND SUBROGATION

All present and future indebtedness and liability of the Debtor to the Guarantor is hereby assigned to the Creditor and subordinated and postponed to the Obligations of the Guarantor hereunder, and all moneys received by the Guarantor in respect thereof shall be received in trust for and shall be paid over to the Creditor forthwith. If the Creditor receive(s) from the Guarantor a payment or payments in full or on account of the liability of the Guarantor hereunder, the Guarantor shall not be entitled to claim repayment against the Debtor unless and until all amounts owing by the Debtor to the Creditor have been paid in full and the Creditor has no further obligation to make credit available to the Debtor. In the case of any liquidation, winding-up, or bankruptcy of the Debtor (whether voluntary or involuntary) or in the event that the Debtor makes a bulk sale of any of its assets within the bulk transfer provisions of any applicable legislation or any composition, with the creditors or scheme or arrangement, the Creditor shall have the right to rank for its full claims and receive all dividends or other payments in respect thereof in priority to the Guarantor until it s claims have been paid in full, and the Guarantor shall continue to be liable hereunder for any balance which may be owing to the Creditor by the Debtor. In the event of the valuation by the Creditor of any of its security or the retention thereof, such valuation or retention shall not be considered as a purchase of such security, or as payment or satisfaction or reduction of the Obligations of the Guarantor hereunder or any part thereof. The foregoing provisions of this paragraph shall not in any way limit or lessen the liability of the Guarantor under any other paragraph of this Guarantee.

13. EXPENSES

The Guarantor shall from time to time forthwith upon demand pay to the Creditor all expenses (including legal expenses on a solicitor and own client basis) incurred by it in the preservation or enforcement of any of its rights hereunder.

14. INDEMNITY

In addition, as a separate and distinct obligation, the Guarantor, for valuable consideration, hereby

agrees to indemnify and save harmless the Creditor in respect of any loss or damage which the Creditor may suffer as a result of non-payment or non-fulfillment of any of the Obligations by the Debtor.

15. ADDITIONAL SECURITY

This Guarantee is in addition to and without prejudice to any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Creditor and any other rights or remedies that the Creditor might have.

16. SET-OFF

The Creditor may, to the full extent permitted by law, set-off and apply any and all deposits and other monies at any time held by the Creditor or its agents and any other indebtedness at any time owing by the Creditor to or for the credit or the account of the Guarantor against any and all of the Obligations of the Guarantor now or hereafter existing under this Guarantee irrespective of whether or not the Creditor has made any demand hereunder and although such Obligations may be contingent and unmatured.

17. NO SUIT UNTIL DEMAND

No suit based on this Guarantee shall be instituted until demand for payment has been made under this Guarantee by written notice to the Guarantor.

18. NO CONDITION PRECEDENT

The possession of this Agreement by the Creditor is conclusive evidence against all signatories hereto that it is fully executed and delivered by them and is not issued in escrow or subject to any provision, condition precedent or subsequent agreement or statement, representation, agreement or promise on the part of the Creditor or any officer, employee or agent thereof affecting the liability of the Guarantor unless the same is expressly set forth herein or set out in writing signed by an authorized officer, employee or agent of the Creditor receiving this Agreement on or before its receipt. The Guarantor hereby expressly renounce(s) any benefits of division or claim to discussion or to question any present or future dealing with the Debtor or any person or property now or at any time hereafter liable to the Creditor for the Obligations of the Debtor.

19. GOVERNING LAW

This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. Without prejudice to the right of the Creditor to commence any proceedings with respect to this Guarantee in any other proper jurisdiction, the Guarantor hereby irrevocably attorn(s) and submits to the jurisdiction of the courts of the Province of British Columbia.

20. SUCCESSORS AND ASSIGNS

This Guarantee shall extend and enure to the benefit of the Creditor and it successors and assigns and

shall be binding upon the Guarantor and the personal representatives, successors, and assigns of the Guarantor; "successors" includes any corporation resulting from the amalgamation of a corporation with any other corporation.

21. COPY OF AGREEMENT

The Guarantor hereby:

(a) acknowledges receiving a copy of this Agreement; and

(b) waives all rights to receive from the Creditor a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Agreement.

IN WITNESS WHEREOF this Guarantee has been signed, sealed and delivered by the Guarantor, this 16 day of May, 2008.

TSEHUM HARBOUR PLACE HOLDINGS LTD.
By its authorized signatories:

____
Director
Print Name: Steve Thorpe-Dobble

____
Director
Print Name: Terry Petras

Guarantor's Address:

____

____

This is Exhibit "H" referred to in the Affidavit of HALI STRANDLUND sworn before me at Victoria, BC, this 21 day of September, 2009.

A Commissioner for taking Affidavits within British Columbia

Rafer Strandlund
Commissioner for taking affidavits
for British Columbia
Commission 2009-0397
Expires June 20, 2012
3378 Douglas Street
Victoria BC V8Z 3L3

GUARANTEE, ASSIGNMENT and POSTPONEMENT AGREEMENT OF 675816 B.C. LTD.

TO: FISGARD CAPITAL CORPORATION (the "Creditor")
3378 Douglas Street, Victoria, BC V8Z 3L3

In consideration of your dealing or continuing to deal with:

BOSUN'S HOLDINGS LTD.

(the "Debtor") continuously or intermittently so long as you may see fit and of any advances you may choose to make to the Debtor, the undersigned 675816 B.C. LTD. (the "Guarantor") hereby agrees with you, the Creditor as follows:

1. GUARANTEE

The Guarantor hereby agrees to perform all the obligations of the Debtor and unconditionally guarantees payment to the Creditor, and its successors and assigns, of all of the Obligations (as hereinafter defined).

2. OBLIGATIONS

The Obligations shall include all debts, present or future, direct or indirect, absolute or contingent, matured or not, alone or jointly with others, as principal debtor or surety, now or at any time owned, and whether arising from any dealings between the Creditor and the Debtor or by any dealings between the Creditor and others whereby the Creditor becomes a creditor of the Debtor, and all interest, losses, costs, charges and expenses which may arise in respect of the Obligations.

3 GUARANTEE ABSOLUTE

The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited, or otherwise affected by anything done, suffered, or permitted by the Creditor in connection with the Debtor, the Obligations or any security held by or granted to the Creditor to secure payment or performance of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantor hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:

(a) any lack of validity or enforceability of any agreement between the Creditor and the Debtor relating to the Obligations or any other agreement or instrument relating thereto;

(b) any change in time, manner or place of payment or, amount of credit available to the Debtor under, or in any other term of, or any other amendment or waiver of or any consent to or departure from, any agreement between the Creditor and the Debtor

relating to the Obligations;

(c) any change in the name, objects, capital stock, constating documents or bylaws, ownership or control of the Debtor;

(d) any amalgamation, merger, consolidation, or other reorganization of the Debtor or of its business affairs;

(e) the dissolution, winding-up, liquidation, or other distribution of the assets of the Debtor, whether voluntary or otherwise;

(f) the Debtor becoming insolvent or bankrupt or subject to the provisions of any insolvency legislation;

(g) the Creditor enforcing or realizing upon any security granted to or held by the Creditor on or over the property of the Debtor, whether to secure payment or performance of the Obligations or otherwise;

(h) any right or alleged right of set-off, counter-claim, appropriation or application or any claim or demand that the Debtor or the Guarantor may have or may allege to have against any Creditor or any other person, which rights the Guarantor hereby waive to the fullest extent permitted by law;

(i) any agreement or decision made by the Debtor, whether it be to dispose of a part of, or all of or substantially all of its assets, or to change its form of business or otherwise; or

(j) any other circumstances which might otherwise constitute a legal or equitable defence available to the Debtor, or complete or partial discharge of the Debtor, in respect of the Obligations or of the Guarantor in respect of its guarantee hereunder.

4 DEALINGS WITH THE DEBTOR AND OTHERS

Without releasing, discharging, limiting, or otherwise affecting the whole or in part of the Guarantor's Obligations and liabilities hereunder and without the consent of or notice to the Guarantor, the Creditor may:

(a) grant time, renewals, extensions, indulgences, releases, and discharges to the Debtor;

(b) take or refrain from taking securities or collateral from the Debtor or from perfecting securities or collateral of the Debtor;

(c) release, discharge, compromise, realize, enforce, or otherwise deal with or do any act of thing in respect of (with or without consideration) any and all collateral, mortgages or other security given by the Debtor or any third party with respect to the Obligations;

(d) accept compromises or arrangements from the Debtor;

(e) exercise any right or remedy which it may have against the Debtor or with respect to any security for the Obligations, including judicial and non-judicial foreclosure;

(f) apply all monies at any time received from the Debtor or from securities upon such part of the Obligations as the Creditor may see fit or change any such application in while or in part from time to time as the Creditor may see fit; or

(g) otherwise deal with, or waive or modify its right to deal with, the Debtor and all other persons and securities as the Creditor may see fit;

5. DEALING WITH SECURITY

The loss of or failure to obtain, perfect, or maintain any security held by the Creditor, whether occasioned through the fault of the Creditor or otherwise, shall not discharge, limit, or lessen the liability of the Guarantor hereunder.

6. RECOURSE AGAINST DEBTOR

The Creditor shall not be bound to exhaust its recourse against the Debtor or others or under any security or take any other action or legal proceeding before entitled to payment from the Guarantor under this Guarantee.

7. ACCOUNTS SETTLED

Any account stated by the Creditor to be due to it by the Debtor shall be accepted by the Guarantor as conclusive evidence that the said amount is so due, in the absence of manifest error.

8. WAIVER

No delay on the part of the Creditor in exercising any of its options, powers, or rights, or any partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guarantee, shall be deemed to be made by the Creditor unless the same shall be in writing, duly signed by the Creditor and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Creditor or the liabilities of the Guarantor hereunder in any other respect at any other time.

9. CONTINUING GUARANTEE

This Guarantee shall be a continuing guarantee and shall cover the Obligations and this Guarantee shall apply to and secure any ultimate balance due or remaining unpaid to the Creditor.

10. ASSIGNMENT

The Creditor may from time to time and without notice to, or the consent of, the Guarantor assign or

transfer the Obligations due to it or any interest thereto to any person; and notwithstanding any such assignment or transfer of any subsequent assignment or transfer thereof, any such Obligations or part thereof so transferred or assigned shall be and shall remain part of the Obligations for the purposes of this Guarantee and any immediate and successive assignee or transferee of any Obligations or any interest therein shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of, and the right to enforce, this Guarantee to the same extent as if such person were the Creditor.

11. REVIVAL OF INDEBTEDNESS AND LIABILITY

If at any time all or any part of any payment previously applied by the Creditor to the Obligations is or must be rescinded or returned by the Creditor for any reason whatsoever (including, without limitation, the insolvency, bankruptcy, or reorganization of the Debtor or the Guarantor), to the extent that such payment is or must be rescinded or returned such Obligations shall be deemed to have continued in existence notwithstanding such application by the Creditor, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application by the Creditor had not been made.

12. POSTPONEMENT AND SUBROGATION

All present and future indebtedness and liability of the Debtor to the Guarantor is hereby assigned to the Creditor and subordinated and postponed to the Obligations of the Guarantor hereunder, and all moneys received by the Guarantor in respect thereof shall be received in trust for and shall be paid over to the Creditor forthwith. If the Creditor receive(s) from the Guarantor a payment or payments in full or on account of the liability of the Guarantor hereunder, the Guarantor shall not be entitled to claim repayment against the Debtor unless and until all amounts owing by the Debtor to the Creditor have been paid in full and the Creditor has no further obligation to make credit available to the Debtor. In the case of any liquidation, winding-up, or bankruptcy of the Debtor (whether voluntary or involuntary) or in the event that the Debtor makes a bulk sale of any of its assets within the bulk transfer provisions of any applicable legislation or any composition, with the creditors or scheme or arrangement, the Creditor shall have the right to rank for its full claims and receive all dividends or other payments in respect thereof in priority to the Guarantor until it s claims have been paid in full, and the Guarantor shall continue to be liable hereunder for any balance which may be owing to the Creditor by the Debtor. In the event of the valuation by the Creditor of any of its security or the retention thereof, such valuation or retention shall not be considered as a purchase of such security, or as payment or satisfaction or reduction of the Obligations of the Guarantor hereunder or any part thereof. The foregoing provisions of this paragraph shall not in any way limit or lessen the liability of the Guarantor under any other paragraph of this Guarantee.

13. EXPENSES

The Guarantor shall from time to time forthwith upon demand pay to the Creditor all expenses (including legal expenses on a solicitor and own client basis) incurred by it in the preservation or enforcement of any of its rights hereunder.

14. INDEMNITY

In addition, as a separate and distinct obligation, the Guarantor, for valuable consideration, hereby

agrees to indemnify and save harmless the Creditor in respect of any loss or damage which the Creditor may suffer as a result of non-payment or non-fulfillment of any of the Obligations by the Debtor.

15. ADDITIONAL SECURITY

This Guarantee is in addition to and without prejudice to any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Creditor and any other rights or remedies that the Creditor might have.

16. SET-OFF

The Creditor may, to the full extent permitted by law, set-off and apply any and all deposits and other monies at any time held by the Creditor or its agents and any other indebtedness at any time owing by the Creditor to or for the credit or the account of the Guarantor against any and all of the Obligations of the Guarantor now or hereafter existing under this Guarantee irrespective of whether or not the Creditor has made any demand hereunder and although such Obligations may be contingent and unmatured.

17. NO SUIT UNTIL DEMAND

No suit based on this Guarantee shall be instituted until demand for payment has been made under this Guarantee by written notice to the Guarantor.

18. NO CONDITION PRECEDENT

The possession of this Agreement by the Creditor is conclusive evidence against all signatories hereto that it is fully executed and delivered by them and is not issued in escrow or subject to any provision, condition precedent or subsequent agreement or statement, representation, agreement or promise on the part of the Creditor or any officer, employee or agent thereof affecting the liability of the Guarantor unless the same is expressly set forth herein or set out in writing signed by an authorized officer, employee or agent of the Creditor receiving this Agreement on or before its receipt. The Guarantor hereby expressly renounce(s) any benefits of division or claim to discussion or to question any present or future dealing with the Debtor or any person or property now or at any time hereafter liable to the Creditor for the Obligations of the Debtor.

19. GOVERNING LAW

This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. Without prejudice to the right of the Creditor to commence any proceedings with respect to this Guarantee in any other proper jurisdiction, the Guarantor hereby irrevocably attorn(s) and submits to the jurisdiction of the courts of the Province of British Columbia.

20. SUCCESSORS AND ASSIGNS

This Guarantee shall extend and enure to the benefit of the Creditor and it successors and assigns and

shall be binding upon the Guarantor and the personal representatives, successors, and assigns of the Guarantor; "successors" includes any corporation resulting from the amalgamation of a corporation with any other corporation.

21. COPY OF AGREEMENT

The Guarantor hereby:

(a) acknowledges receiving a copy of this Agreement; and

(b) waives all rights to receive from the Creditor a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Agreement.

IN WITNESS WHEREOF this Guarantee has been signed, sealed and delivered by the Guarantor, this 14 day of May, 2008.

675816 B.C. LTD.
By its authorized signatories:

____
Director

____
Director

Guarantor's Address:

____

____

This is Exhibit "I" referred to in the Affidavit of HALI STRANDLUND sworn before me at Victoria, BC, this 21 day of September, 2009.

A Commissioner for taking Affidavits within British Columbia

Rafer Strandlund
Commissioner for taking affidav
for British Columbia
Commission 2009-0397
Expires June 20, 2012
3378 Douglas Street
Victoria BC V8Z 3L3

Town of Sidney

Property Tax Certificate

2440 Sidney Avenue
Sidney, BC V8L 1Y7

Phone: 250-656-1184
Fax: 250-655-4508

Printed: Sep 09, 2009 | Number: 3899 | Reference: 28199-0070
Original search: PID 009-231-901.

Owner

BOSUN'S HOLDINGS LTD
PO BOX 246
CHEMAINUS BC V0R 1K0

Property

Folio: 141245.025 **LTO No.:** EW33833
Pid: 009-231-901 **MHR No.:**

Civic: 2238 HARBOUR RD
Legal: LOT A, DISTRICT LOT 12, SECTION 15, RANGE 3E, NORTH SAANICH DISTRICT, PLAN 45998 AND NORTH SAANICH DISTRICT BLK A OF LOT 653 AND BLK B OF LOT 12 LICENSE # 101900 CONTAINING .1407 HA COMMENCING SEPT 27/87 FOR A PERIOD OF 30 YRS .

2009 Assessments

Value Set	Assessment Class	Value Type	Land	Improvements	Total
GENERAL	MULTIPLE	NET	677,000	371,000	1,048,000

2009 Levies, Grants, Deferrals		**Property Taxes Owing As At Sep 09, 2009**		**2010 Instalments**	
Total Levy	13,508.57	Delinquent (2007)	0.00	Payments Made	0.00
Grant Available		Arrears (2008)	0.00	Interest Earned	0.00
65 and Over	845.00	Interest to Sep 09, 2009	0.00	Adjustments	0.00
Under 65	570.00	Current (2009)	13,508.57	**Balance as at**	
		Penalties	1,350.86	**Sep 09, 2009**	**0.00**
Grant Claimed	**0.00**				
Deferred	**0.00**	**Total Taxes Owing**	14,859.43		

Metered Utility Account 13237

Unpaid utilities will be rolled to taxes at year end statement of adjustments

Title Transfer? Please adjust for utilities on the

		Details of Last Bill			
Unpaid Arrears	0.00	Charges on Last Bill			67.50
Balance of Last Bill - Due **Aug 20, 2009**	0.00	Total Discount	0.00	Claimed	0.00
		Payments Applied			-67.50
Account Balance as at Sep 09, 2009	**0.00**	Penalties			0.00
		Adjustments			0.00

Account Type: RESIDENTIAL
Number of Units on Premises: 1
Billing Category: QUARTERLY

Service Charges For Last Billing Periods:

Description	Amount	Discount Avail	Covers		Days	Consumption
Apr 10, 2008 TO Jul 08, 2008						
METERED WATER	40.80	0.00	10-Apr-08	08-Jul-08	90	8,000. Gallons
SEWER	50.08	0.00	10-Apr-08	08-Jul-08	90	8,000. Gallons
SINGLE FAMILY GARBAGE	22.50	0.00	01-Apr-08	30-Jun-08	91	
Jul 09, 2008 TO Oct 02, 2008						
METERED WATER	45.90	0.00	09-Jul-08	02-Oct-08	86	9,000. Gallons
SEWER	56.34	0.00	09-Jul-08	02-Oct-08	86	9,000. Gallons
SINGLE FAMILY GARBAGE	22.50	0.00	01-Jul-08	30-Sep-08	92	
Oct 03, 2008 TO Jan 14, 2009						
METERED WATER	25.50	0.00	03-Oct-08	14-Jan-09	104	5,000. Gallons
SEWER	31.30	0.00	03-Oct-08	14-Jan-09	104	5,000. Gallons
SINGLE FAMILY GARBAGE	22.50	0.00	01-Oct-08	31-Dec-08	92	
Jan 15, 2009 TO Apr 03, 2009						
METERED WATER	26.55	0.00	15-Jan-09	03-Apr-09	79	5,000. Gallons
SEWER	33.00	0.00	15-Jan-09	03-Apr-09	79	5,000. Gallons
SINGLE FAMILY GARBAGE	22.50	0.00	01-Jan-09	31-Mar-09	90	
Apr 04, 2009 TO Jul 07, 2009						
METERED WATER	20.00	0.00	04-Apr-09	07-Jul-09	95	3,000. Gallons

SEWER	25.00	0.00	04-Apr-09 07-Jul-09	95	3,000. Gallons
SINGLE FAMILY GARBAGE	22.50	0.00	01-Apr-09 30-Jun-09	91	

Metered Utility Account 12641

Unpaid utilities will be rolled to taxes at year end statement of adjustments

Title Transfer? Please adjust for utilities on the

Details of Last Bill

Unpaid Arrears	0.00	Charges on Last Bill			286.36
Balance of Last Bill - Due **Aug 20, 2009**	0.00	Total Discount	0.00	Claimed	0.00
		Payments Applied			-286.36
Account Balance as at Sep 09, 2009	0.00	Penalties			0.00
		Adjustments			0.00

Account Type COMMERCIAL
Number of Units on Premises 236
Billing Category QUARTERLY

Service Charges For Last Billing Periods:

Description	Amount	Discount Avail	Covers	Days	Consumption
Apr 10, 2008 TO Jul 08, 2008					
COMMERCIAL GARBAGE	60.07	0.00	01-Apr-08 30-Jun-08	91	
METERED WATER	112.20	0.00	10-Apr-08 08-Jul-08	90	22,000. Gallons
SEWER	137.72	0.00	10-Apr-08 08-Jul-08	90	22,000. Gallons
Jul 09, 2008 TO Oct 03, 2008					
COMMERCIAL GARBAGE	60.07	0.00	01-Jul-08 30-Sep-08	92	
METERED WATER	163.20	0.00	09-Jul-08 03-Oct-08	87	32,000. Gallons
SEWER	200.32	0.00	09-Jul-08 03-Oct-08	87	32,000. Gallons
Oct 04, 2008 TO Jan 14, 2009					
COMMERCIAL GARBAGE	60.07	0.00	01-Oct-08 31-Dec-08	92	
METERED WATER	81.60	0.00	04-Oct-08 14-Jan-09	103	16,000. Gallons
SEWER	100.16	0.00	04-Oct-08 14-Jan-09	103	16,000. Gallons
Jan 15, 2009 TO Apr 03, 2009					
COMMERCIAL GARBAGE	60.07	0.00	01-Jan-09 31-Mar-09	90	
METERED WATER	84.96	0.00	15-Jan-09 03-Apr-09	79	16,000. Gallons
SEWER	105.60	0.00	15-Jan-09 03-Apr-09	79	16,000. Gallons
Apr 04, 2009 TO Jul 07, 2009					
COMMERCIAL GARBAGE	60.07	0.00	01-Apr-09 30-Jun-09	91	
METERED WATER	100.89	0.00	04-Apr-09 07-Jul-09	95	19,000. Gallons
SEWER	125.40	0.00	04-Apr-09 07-Jul-09	95	19,000. Gallons

Important Property Comments

GENERAL — Information on local improvements meter or other charges should not be overlooked by the real estate agents solicitors or purchasers. Those buying properties should be afforded all information which can be obtained on their behalf. ASK IF UNSURE!

PENALTY — This message will appear if the account has an penalty balance and the certificate date is between the start and stop date.

Title Transfer? Please adjust for utilities on the statement of adjustments

This is Exhibit "J" referred to in the Affidavit of HALI STRANDLUND sworn before me at Victoria, BC, this 21 day of September, 2009.

A Commissioner for taking Affidavits within British Columbia

Rafer Strandlund
Commissioner for taking affidavits
for British Columbia
Commission 2009-0397
Expires June 20, 2012
3378 Douglas Street
Victoria BC V8Z 3L3

LAND TITLE ACT

Form 17

(Sections 151, 152 (1), 220)

APPLICATION

Before submitting this application for registration of a leasehold interest, applicants should check and satisfy themselves as to the tax position, including taxes of the Crown Provincial, a municipality, and improvement, water and irrigation districts.

NATURE OF INTEREST: CHARGE
NATURE OF CHARGE: LEASE

TRUE VALUE:

Herewith Fees of $ ____________

Address of persons entitled to be registered as owner, if different than shown in instrument ____________

Full name, address, telephone number of person presenting application ____________

____
(Signature of applicant, solicitor or authorized agent)

Province of British Columbia — Ministry of Forests and Lands

LEASE AQUATIC LANDS

THIS LEASE executed in triplicate and dated for reference the 27th day of September, 1987.

IN PURSUANCE OF THE LAND ACT (section 35) and the LAND TRANSFER FORM ACT.

LEASE No. 101900

FILE No. 0258800

Between: HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the Minister of Forests and Lands, Parliament Buildings, Victoria, British Columbia;

(hereinafter called the "Lessor") OF THE FIRST PART

and RESTHAVEN MARINE LTD. (Incorporation No. 136,395)
of 110 - 2244 Harbour Road,
Sidney, British Columbia

(hereinafter called the "Lessee") OF THE SECOND PART

WITNESS THAT WHEREAS the Lessor has agreed to grant to the Lessee a lease over that parcel of land described in the schedule attached entitled Legal Description (hereinafter referred to as the "Land");

NOW, THEREFORE, in consideration of the rental to be paid by, and the covenants of, the Lessee, the parties agree as follows:

Article I—Grant of Lease

(1.01) The Lessor, on the terms set forth herein, hereby demises and leases to the Lessee the Land for the purpose described in the schedule attached entitled the Management Plan (hereinafter called the "Management Plan").

Article II—Term

(2.01) TO HAVE AND TO HOLD the Land unto the Lessee for a term of thirty years commencing on the 27th day of September, 1987 (hereinafter called the "Commencement Date").

Article III—Rent

(3.01) YIELDING AND PAYING THEREFORE for the term the rent as prescribed in the Rental Schedule attached.

Article IV—Covenants of the Lessee

(4.01) The Lessee covenants with the Lessor

(a) to pay rent when due at the address of the Lessor first above written or at such other place as the Lessor may specify by notice in writing;

(b) to pay and discharge when due all applicable taxes, levies, charges and assessments now or hereafter assessed, levied or charged which relate to the Land or any improvements thereon (herein called "Realty Taxes");

(c) to observe, abide by and comply with all applicable laws, bylaws, orders, directions, ordinances and regulations of any competent governmental authority in any way affecting the Land and improvements situate thereon, or their use and occupation;

(d) to keep the Land in a safe, clean and [illegible] condition satisfactory to the Lessor, and on written notice from the Lessor, to make safe, clean and sanitary any portion of the Land or any improvements that, in the opinion of the Lessor, contravenes the provisions of this covenant;

(e) not to commit or suffer any willful or voluntary waste, spoil or destruction on the Land or to do or suffer to be done thereon anything that may be or become a nuisance or annoyance to the owners or occupiers of adjoining land;

(f) to use and occupy the Land in accordance with the provisions of this lease and the Management Plan;

(g) to effect and keep in force during the term, insurance protecting the Lessor and the Lessee (without any rights of cross-claim or subrogation against the Lessor) against claims for personal injury, death, property damage or third party or public liability claims arising from any accident or occurrence on the Land or improvements up to an amount not less than $ 1,000,000.00 PROVIDED, however, that the Lessor may, in his sole discretion, waive the requirements of this subsection on the delivery to the Lessor of evidence that the Lessee is self insured;

(h) to deliver to the Lessor from time to time, upon demand, proof of insurance required to be maintained by the Lessee, receipts or other evidence of payment of Realty Taxes, insurance premiums, leasehold mortgage installments or other monetary obligations of the Lessee required to be observed by the Lessee pursuant to this lease;

(i) notwithstanding subsection (g) of section 4.01, the Lessor may from time to time notify the Lessee that the amount of insurance posted by the Lessee pursuant to that subsection be changed and the Lessee shall, within 60 days of receiving such notice, cause the amount of insurance posted pursuant to subsection (g) of section 4.01 to be changed to the amount specified in the notice and deliver to the Lessor written confirmation of the change;

(j) to indemnify and save the Lessor harmless against all loss, damage, costs and liabilities, including fees of solicitors and other professional advisors arising out of

  (i) any breach, violation or non-performance of any covenant, condition or agreement in this lease by the Lessee,

  (ii) any personal injury, death or property damage occurring on the Land or happening by virtue of the Lessee's use or occupation of the Land,

and the Lessor may add the amount of such losses, damages, costs and liabilities to the rent and the amount so added shall be payable to the Lessor immediately;

(k) to pay all accounts and expenses for labour performed on, or material supplied to, the Land, in accordance with the *Builders Lien Act*, and on behalf of the Lessor, to place written notices immediately after the commencement of any construction on the Land, on at least two conspicuous places, giving notice that the Lessor shall not be responsible for the cost of labour, services or materials performed on or supplied to the Land;

(l) on the expiration or earlier cancellation of this lease

  (i) to peaceably quit and deliver possession of the Land and any improvements thereon to the Lessor, in a safe and sanitary condition,

  (ii) to restore the surface of the Land to the satisfaction of the Lessor, AND

  (iii) notwithstanding section 4.01 (l) (i) to remove any improvements that the Lessor may, in writing, direct or permit to be removed,

and all right, interest and estate of the Lessee shall cease and vest in the Lessor, and to the extent necessary this covenant shall survive the expiration or earlier cancellation of this lease;

(m) to permit the Lessor, or his authorized representative, to enter upon the Land at anytime to inspect the Land and any improvements thereon;

(n) not to deposit on the Land or any part of it, any earth, fill or other material for the purpose of filling in or raising the level of the Land without the prior written consent of the Lessor;

(o) not to dredge or significantly displace beach materials on the Land without the prior written consent of the Lessor;

(p) not to place any improvements on the Land or carry on any activity on the Land or on the surface of the water covering the Land that may constitute an interference with the riparian rights of the owner or occupier of the land adjacent to or in the vicinity of the Land.

Article V—Assignment

(5.01) The Lessee shall not assign, mortgage, sublet or transfer this lease without the prior written consent of the Lessor.

Article VI—Covenants of the Lessor

(6.01) The Lessor covenants with the Lessee for quiet enjoyment.

Article VII—Provisos

(7.01) PROVIDED always and it is hereby agreed as follows:

(a) if, after the termination by the passage of time of this lease or any extension thereof, the Lessor permits the Lessee to remain in possession of the Land and accepts rent in respect thereof, a tenancy from year to year shall not be created by implication of law and the Lessee shall be deemed to be a monthly tenant only subject to all terms and conditions of this lease, except as to duration in the absence of a written agreement to the contrary;

(b) title to any ownership of all buildings, structures, and other improvements now or hereafter constructed on the Land shall be vested in the Lessor and the Lessee shall neither remove nor permit the removal of them from the Land except as expressly permitted or required by this lease;

(c) the Lessor [illegible] no obligation to provide access or services [illegible] and or to maintain or improve existing access roads;

(d) the Lessor hereby reserves the right to grant other dispositions of the Land, or any part of it, with the prior consent of the Lessee, which consent shall not be unreasonably withheld, by way of easement, right of way or statutory right of way to a Crown corporation or agency, a municipality, or regional district, or a person or corporation and, upon such consent being given, the Lessee shall forthwith execute and deliver to the Lessor such instrument as may be necessary to subordinate the Lessee's ri[illegible]d interest in the Land under this lease;

(e) for the purpose of subsection (d) of section 7.01, the Lessee shall be deemed to have withheld his consent reasonably if a grant of rights under that subsection would materially affect the exercise of the Lessee's rights hereunder;

(f) if a dispute should arise as to whether or not the exercise of the Lessee's rights hereunder would, in fact, be materially affected by a grant of rights under subsection (d) of section 7.01, then, the dispute shall be referred to a sole arbitrator appointed pursuant to the *Arbitration Act*;

(g) the Lessee hereby acknowledges and agrees that no claim for compensation shall be made, in any form, in respect of a grant of rights under subsection (d) of section 7.01, where such rights do not materially affect the exercise of the Lessee's rights hereunder;

(h) this lease and the term herein granted is subject to:

  (i) all subsisting grants to or rights of any person made or acquired under the *Coal Act*, *Forest Act*, *Mineral Act*, *Mining (Placer) Act*, *Petroleum and Natural Gas Act*, *Range Act*, *Wildlife Act*, or *Water Act*, or any extension or renewal of the same, whether or not the Lessee has actual notice of them, AND

  (ii) the exceptions and reservations of rights, interests, privileges and titles referred to in section 47 of the *Land Act*;

(i) the Lessee acknowledges and agrees with the Lessor that

  (i) any interference with the rights of the Lessee under this lease by virtue of the exercise or operation of the rights, privileges or interests described in subsections (d) and (h) of section 7.01 shall not constitute a breach of the Lessor's covenant of quiet enjoyment and the Lessee releases and discharges the Lessor from and against any claims for loss or damage arising directly or indirectly out of any such interference,

  (ii) all costs and expenses, direct or indirect, that arise out of any interference by the Lessee with the rights, privileges and interests described in subsections (d) and (h) of section 7.01 shall be borne solely by the Lessee,

  (iii) he shall not commence or maintain proceedings under section 60 of the *Land Act* in respect of any interference with his rights hereunder arising directly or indirectly out of the exercise or operation of the rights, privileges or interests described in subsections (d) and (h) of section 7.01, AND

  (iv) all schedules referred to in this lease form an integral part of this lease.

Article VIII—Events of Default

(8.01) PROVIDED ALSO that this lease and the term and estate hereby granted are subject to the limitation that

(a) if the Lessee shall default in the payment of any installment of rent, or the payment of any other sum payable hereunder, and such default shall continue for 60 days after the giving of written notice by the Lessor to the Lessee;

(b) if the Lessee shall fail to perform or observe any of the covenants, agreements, conditions or provisos contained in this lease on the part of the Lessee to be performed or observed (other than the payment of rent or other sums of money) and such failure shall continue for, or shall not be remedied within, the period of 60 days next after the giving of written notice by the Lessor to the Lessee of the nature of such failure;

(c) if the term hereby granted shall be taken in execution or attachment by any person or the Lessee commits an act of bankruptcy, becomes insolvent or is petitioned into bankruptcy or voluntarily enters into an arrangement with his creditors;

(d) if the Lessor discovers that the Lessee either in his application for this lease or otherwise has, in the opinion of the Lessor, misrepresented or withheld any fact material to the application; or

(e) if, in the opinion of the Lessor, the Lessee fails to make reasonable and diligent use of the Land for the purposes permitted herein, and such failure shall continue for a period of 60 days next after the Lessor gives written notice of the failure to the Lessee;

it shall then be lawful for the Lessor to enter upon the Land or any part thereof in the name of the whole, and this lease shall at the option of the Lessor, and with or without entry, terminate, and all the rights of the Lessee with respect to the Land shall be absolutely forfeited and shall lapse. If the condition complained of (other than the payment of rent or other sums of money) reasonably requires more time to cure than 60 days, the Lessee shall be deemed to have complied with the remedying thereof if the Lessee shall have commenced remedying or curing the condition within the 60 day period and diligently thereafter completes the same.

Article IX—Security

(9.01) The security in the sum of $ 2,000.00 and all rights, privileges, benefits and interests accruing thereto delivered by the Lessee to the Lessor (herein called the "Security") to guarantee the performance of the Lessee's obligations under this lease shall be maintained in effect until such time as the Lessor certifies in writing that such obligations have been fully performed.

(9.02) In the event the Lessee should default in the performance of any of his obligations hereunder, it shall be lawful for the Lessor, in his sole discretion, to sell, call in and convert the Security, or any part of it, and such Security shall be deemed to have been absolutely forfeited to the Lessor.

(9.03) The rights of the Lessor under this Article shall be deemed to continue in full force and effect notwithstanding the expiration or earlier cancellation of this lease

(9.04) Notwithstanding section 9.01, the Lessor may from time to time notify the Lessee that the amount of Security delivered by the Lessee to the Lessor be changed and specify the amount of Security required by the Lessor.

(9.05) The Lessee shall, within 60 days of receiving the notice referred to in section 9.04, cause the amount of Security delivered to the Lessor to be changed to the amount specified in the notice and provide the Lessor with written confirmation of the change.

Article X—Notice

(10.01) Where service of a notice or a document is required under this lease the notice or document shall be in writing and shall be deemed to have been delivered to, or if sent by prepaid registered mail addressed to, the Lessor and the Lessee at the addresses specified for each in this lease, and where service is by registered mail the notice or document shall be conclusively deemed to have been served on the eighth day after its deposit in a Canada Post office at any place in Canada.

(10.02) Either party may, by notice in writing to the other, specify another address for service of notices under this lease, and where another address is specified under this section, notices shall be mailed to that address in accordance with this Article.

(10.03) Notwithstanding section 10.01, any written notice to be served or given by the Lessor to the Lessee under this lease shall be effectively given or served by posting the same in a conspicuous place on the Land.

Article XI—Miscellaneous

(11.01) No term, condition, covenant or other provision herein shall be considered to have been waived by the Lessor unless such waiver is expressed in writing by the Lessor. Any such waiver of any term, condition, covenant or other provision herein shall not be construed as or constitute a waiver of any further or other breach of the same or any other term, condition, covenant, or other provision and the consent or approval of the Lessor to any act by the Lessee requiring the consent or approval of the Lessor shall not be considered to waive or render unnecessary such consents or approvals to any subsequent same or similar act by the Lessee.

(11.02) No remedy conferred upon or reserved to the Lessor is exclusive of any other remedy herein or provided by law, but such remedy shall be cumulative and shall be in addition to any other remedy herein or hereafter existing at law, in equity, or by statute.

(11.03) The terms and provisions of this lease shall extend to, be binding upon and enure to the benefit of the parties hereto and their successors and permitted assigns.

(11.04) Time is of the essence in this agreement.

Article XII—Interpretation

(12.01) In this lease, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and a corporation.

(12.02) The captions and headings contained in this lease are for convenience only and are not to be construed as defining or in any way limiting the scope or intent of the provisions hereof.

(12.03) Where this lease contains the forms of words contained in Column I of Schedule 4 of the *Land Transfer Form Act*, those words shall have the same effect and be construed as if the appropriate forms of words contained in Column II of that Schedule were contained herein in their place, unless the context requires another construction of those words.

(12.04) Where in this lease there is a reference to an enactment of the Province of British Columbia or of Canada, that reference shall include a reference to any subsequent enactment of like effect, and unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.

(12.05) If any section of this lease or any part of a section is found to be illegal or unenforceable, that part or section, as the case may be, shall be considered separate and severable and the remaining parts or sections, as the case may be, shall not be affected thereby and shall be enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties have executed this lease as of the day and year first above written.

SIGNED, SEALED AND DELIVERED on behalf of Her Majesty the Queen in Right of the Province of British Columbia by a duly authorized representative in the presence of: 851 Yates Street Victoria, B.C.	Authorized Representative
~~SIGNED, SEALED AND DELIVERED~~ by in the presence of:	Signature of Lessee

JGB

Initials

to 1 change

The Common Seal of RESTHAVEN MARINE LTD. was hereunto affixed in the presence of:

AUTHORIZED SIGNATORY

AUTHORIZED SIGNATORY

THIS AGREEMENT dated the 30th day of December, 1987.

BETWEEN:

HER MAJESTY THE QUEEN in Right of the Province of British Columbia, represented by the Minister of Forests and Lands, Parliament Buildings, Victoria, British Columbia;

(herein called the "Lessor")

OF THE FIRST PART

AND:

BOSUN'S CHARTERS LTD. (Incorporation number 319,640) of P.O. Box 2464, Sidney, British Columbia;

(herein called the "Assignee")

OF THE SECOND PART

WITNESSETH THAT:

A. WHEREAS by an agreement in writing, dated for reference the 27th day of September, 1987, the Lessor granted to RESTHAVEN MARINE LTD. a lease for a term of 30 yers (herein called the "Lease);

B. AND WHEREAS the said RESTHAVEN MARINE LTD. has assigned all right, interest and estate in the Lease and amendments thereto, unto BOSUN'S CHARTERS LTD. under an agreement dated for reference the 30th day of December, 1987; (herein called the "Assignment");

C. AND WHEREAS the Lessor consented to the Assignment (the "Consent");

NOW THEREFORE IN CONSIDERATION of the Consent, and other good and valuable consideration, the Assignee covnenants and agrees with the Lessor to pay the rents reserved in the Lease and to observe and perform the terms, conditions, provisions and covenants on the part of the Lessee to be performed under the Lease.

IN WITNESS WHEREOF the parties have executed this agreement as of the day and year first above written.

SIGNED by a duly authorized representative of the Minister of Forests and Lands on behalf of Her Majesty the Queen in Right of the Province of British Columbia in the presence of:

Authorized Representative

The Corporate Seal of BOSUN'S CHARTERS LTD. was hereunto affixed in the presence of:

Duly Authorized Signatory

Duly Authorized Signatory

C/S

Province of British Columbia | .try of Forests and Lands

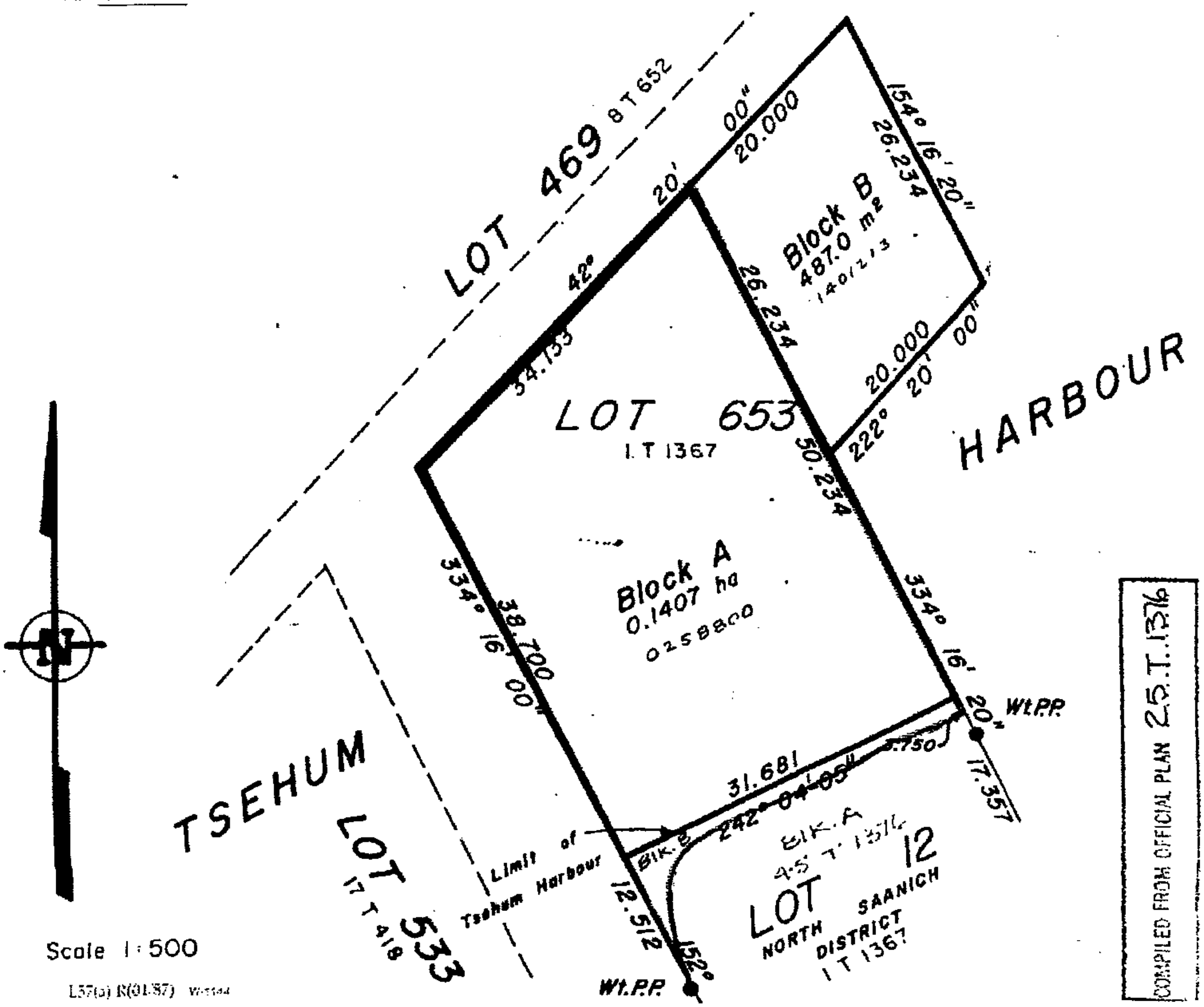
Legal Des...iption Schedule

LEASE No. 101900	FILE No. 0258800

1.1 Legal Description

Block A of Lot 653, Cowichan District ~~and Block B of Lot 12, North Saanich District~~, more particularly shown outlined in red on plan below.

1.2 Sketch Plan



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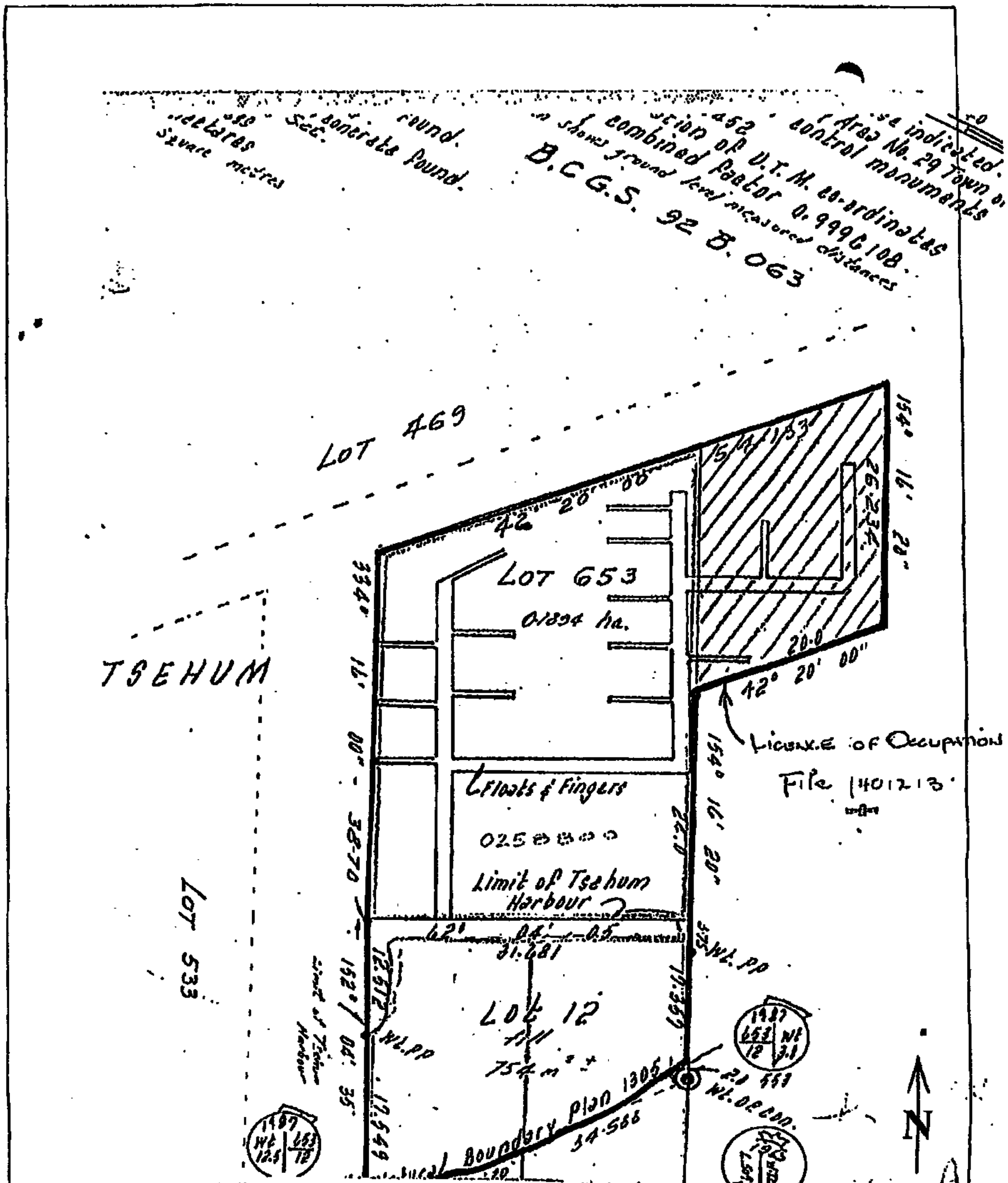

Scale =

L57a R(01/87)

Province of British Columbia

Ministry of Forests and Lands

Management Plan Schedule

LEASE No. 101900 | FILE No. 0258800

GENERAL COMMERCIAL/INDUSTRIAL (AQUATIC)
(Marina or Yacht Club)

1.1 Purpose

The Lessee shall use the Land for the purpose of commercial marina

1.2 Special Provisos

The Lessee shall

(a) not anchor or secure any buildings, structures or improvements on the Land except as shown in the schedule attached to this lease called the Legal Description Schedule;

(b) not interrupt the movement of beach sedimentary material by water along the shoreline;

(c) not construct a fence, bulkhead, groin, breakwater, floating boom or any structure by another name which acts in a like manner, on the Land, without the prior written consent of the Lessor;

(d) dispose of raw sewage and refuse only in accordance with the requirements and regulations of appropriate federal and provincial agencies;

(e) store bulk hazardous petroleum products and other toxic substances in accordance with the provisions of the *Waste Management Act;*

(f) not use construction materials containing toxic substances, except in marine waters where the use of preservative-treated wood may be necessary;

(g) in each and every year during the term of this lease within 60 days of an anniversary of the Commencement Date deliver to the Lessor a Statutory Declaration containing:

(i) the amount of lineal footage of moorage space developed on the Land,
(ii) the monthly moorage charge per lineal foot for open moorage space,
(iii) the number of months, or portion thereof, the operation is open for business,
(iv) the ancillary uses in the operation,
(v) the amount of business generated during the months of closure.

1.3 Additional Provisions

(a) Notwithstanding any provisions to the contrary in this lease, so long as

(i) the Lessee is not in default of any of the terms or conditions of the lease,
(ii) the Lessee has, by notice in writing, given to the Lessor not earlier than 120 days prior to the fifteenth anniversary of the term herein granted, advice to the Lessor of the Lessee's intention to apply for a further lease of the Lands, the Lessor may offer a further lease of the Land to the Lessee by notice in writing to the Lessee at the rent and on the terms specified in the notice,
(iii) the Lessee shall have a period of sixty (60) days from the date of receipt of the notice to accept a further lease of the Land by endorsing his acceptance on the notice and delivering it to the Lessor within the time limited in this section.

Province of British Columbia

Ministry of Forests and Lands

Rental Schedule

LEASE No. 102900 | FILE No. 0258800

1.1 RENT

The rent shall be

(a) for the first year of the term a rental of $ 665.00 payable in advance, on the Commencement Date; AND

(b) during the balance of the term the sum of each of the annual rentals determined under Sections 1.2 and 1.3 of this Schedule or $200, whichever is the greater, payable in advance, beginning on the first anniversary of the Commencement Date and thereafter on each anniversary of that date.

1.2 MOORAGE AND ANCILLARY USE

In this Schedule

"Potential Gross Income From Moorage" = (amount of lineal footage of moorage space on the Land) × (monthly moorage charge per lineal foot for open moorage space) × (number of months, or portion thereof, operation is open for business).

"Rate"

(i) during the first fifteen year period of the term shall mean 3.5%; and

(ii) during the second fifteen year period of the term shall mean 4.0%.

The annual rental payable under this section shall be an amount equivalent to the product of the Potential Gross Income From Moorage multiplied by the Rate, LESS the Moorage Rental Discounts as defined and calculated in section 1.8.

1.3 NON MOORAGE USES

In this Schedule

"Land Value" means for the first five years of the term the value for the Land established by the Lessor prior to the Commencement Date and thereafter shall be subject to review by the Lessor prior to the sixth anniversary of the Commencement Date and thereafter at five year intervals during the remainder of the term.

"Ratio" during each year of the term means the percentage fixed by the Lessor at his sole discretion.

The annual rental payable under this section shall be an amount equivalent to the product of the Land Value multiplied by the Ratio, LESS the Non-Moorage Rental Discounts as defined and calculated in section 1.9.

OTHER

1.4 In the event the Statutory Declaration is delivered by the Lessee to the Lessor before the 60 day period referred to in the Management Plan Schedule, the Lessor shall, not later than 15 days before the anniversary of the Commencement Date during each year of the term, give written notice to the Lessee specifying the annual rental payable under section 1.1 for the immediately succeeding year of the term.

1.5 If the Lessor does not give notice under section 1.4, the annual rental shall be equal to the annual rental calculated or in force during the immediately preceding year of the term.

1.6 If the Lessee fails to deliver the required Statutory Declaration to the Lessor before the 60 day period referred to in the Management Plan Schedule, the Lessor may:

(a) enter upon the Land and do such things as are necessary to determine that information required by subsection 1.2 (g) of the Management Plan Schedule; and

(b) based on the information determined under subsection (a) above, set the annual rental, retroactive to the last anniversary date of the Commencement Date.

1.7 The annual rental specified in a notice shall constitute conclusive evidence of the annual rental payable for the year of the term specified therein.

1.8 The moorage rental discounts (the "Moorage Rental Discounts") applicable during the term shall be as follows:

NOT APPLICABLE

1.9 The non-moorage rental discounts (the "Non-Moorage Rental Discounts") applicable during the term shall be as follows:

NOT APPLICABLE

NOTICE

RE: Lease No. 101900 dated September 27, 1987 from the Minister of Forests and Lands covering Block A of Lot 653, Cowichan District and Block B of Lot 12, North Saanich District.

TAKE NOTICE that a security bond payable under the above-mentioned lease is hereby established in the amount of $1,000.00.

AND FURTHER TAKE NOTICE that the provisions of this NOTICE shall, upon the execution hereof, be deemed to be incorporated in the above-mentioned lease to the intent that the security bond under the lease is $1,000.00.

DATED this 16th day of November, 1988 at Victoria, B.C.

Authorized Representative
Vancouver Island Region

NOTE: This forms an integral part of your lease and must be attached thereto.

(1b192c87-11-04)

Province of British Columbia

Ministry of Forests and Lands

ENDORSEMENTS

LEASE No. 101900 | FILE No. 0258800

ENDORSEMENT No. 1 | DATE OF ~~ENDORSEMENT~~ Consent: March 9, 1988

LEASE No. 101900 | FILE No. 0258800

1.1 Assigned unto Bosun's Charters Ltd. by Agreement dated December 30, 1987.

~~Regional Director~~ Authorized Representative

L137 M28-825

ENDORSEMENT No. 2 | DATE OF ~~ENDORSEMENT~~ Consent: March 9, 1988

LEASE No. 101900 | FILE No. 0258800

1.1 Assigned by way of Mortgage dated December 22, 1987 unto Canadian Imperial Bank of Commerce.

~~Regional Director~~ Authorized Representative

L137 M28-825

L 61(a) (2/83) W-275

Province of British Columbia

Ministry of Crown Lands

ENDORSEMENTS

No. 101900 | FILE No. 0258800

ENDORSEMENT No. 3 | CONSENT March 14, 1990

101900 | 0258800

Mortgage dated December 22, 1987 unto The Canadian Imperial Bank of Commerce Supplemented by First Supplemental Debenture unto The Canadian Imperial Bank of Commerce dated February 14, 1990.

D.W. Berry

Authorized Representative

L61 R(07/88)

BRITISH COLUMBIA

Ministry of
Sustainable Resource
Management

ENDORSEMENTS

Lease No.: 101900
Endorsement No.: 4

File No.: 0258800
Date: APR 27 2004

Lease recorded in the name of Bosun's Holdings Ltd. (Inc. No. 319640) pursuant to Certificate dated October 14, 2003 issued under the Authority of the Company Act.

Mortgage unto Canadian Imperial Bank of Commerce dated December 22, 1987 discharged pursuant to an Indenture dated March 24, 2004.

Assigned by way of mortgage dated March 23, 2004 unto Toronto-Dominion Bank

Authorized Representative

File: 0258800

TO WHOM IT MAY CONCERN

I, the undersigned, hereby give my license and authority to an Assignment by Supplemental Debenture dated February 14, 1990 by Bosun's Charters Ltd. of Sidney, British Columbia of all their estate in the premises demised by an Indenture of Lease No. 101900 dated the 27th day of September, 1987, covering Block A of Lot 653, Cowichan District and Block B of Lot 12, North Saanich District and made between Her Majesty the Queen (acting by the Minister of Forests and Lands of the Province of British Columbia), of the one part, and Resthaven Marine Ltd. of the other part unto The Canadian Imperial Bank of Commerce of 1175 Douglas Street, Victoria, British Columbia without prejudice to any rights which Her Majesty the Queen has or may have against the said Resthaven Marine Ltd. under the covenants, conditions and provisions in the said Indenture of lease contained, PROVIDED that this lease is restricted to the particular Assignment hereby authorized and save as aforesaid the covenant in the said lease contained against assignment or underletting shall remain in full force and effect.

DATED at Victoria, British Columbia this 14th day of March, 1990.

D W Berry

Authorized Representative

N.B. This consent forms an integral part of the lease and should be attached thereto.

lb155

BRITISH COLUMBIA

Ministry of
Agriculture and Lands

ENDORSEMENTS

Lease No.: 101900	File No.: 0258800
Endorsement No.: 5	Date: July 23, 2008

Mortgage dated April 26, 2004, discharged pursuant to an Indenture dated July 16, 2008.

Authorized Representative

CONSENT TO MORTGAGE OF LEASE

Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Sustainable Resource Management (the "province") leased the following described land to Resthaven Marine Ltd. (the "lessee") by way of a lease dated September 27, 1987, and further assigned to Bosun's Charters Ltd. on March 9, 1988 and Bosun's Holdings Ltd. on April 26, 2004 (the "lease") over the following land:

Block A of Lot 653, Cowichan District

In accordance with the tenure, the lessee has asked the province to consent to a mortgage of the lease to Toronto-Dominion Bank (the "mortgagee") made between the lessee, and the mortgagee and dated March 23, 2004 (the "mortgage").

In consideration of the payment to the province of the fees payable under the *Land Act Fees Regulation*, the province consents to the mortgage on the following terms and conditions:

1. the province's consent to the mortgage does not and will not be deemed to waive or modify the rights of the province under the lease; and
2. the provisions of the lease restricting the lessee from assigning, subletting, or transferring the lease without the prior written consent of the province remains in full force and effect.

The province's consent to the mortgage given April 26, 2004.

Duly Authorized Signatory of
Her Majesty the Queen in Right of
the Province of British Columbia

BRITISH COLUMBIA

Ministry of
Agriculture and Lands

ENDORSEMENTS

Lease No.: 101900	File No.: 0258800
Endorsement No.: 6	Date: July 25, 2008

Consent to Mortgage in favour of Fisgard Capital Corporation pursuant to an indenture dated May 28, 2008.

Authorized Representative

BRITISH COLUMBIA

Ministry of Agriculture and Lands

ENDORSEMENTS

Lease No.: 101900
Endorsement No.: 7

File No.: 0258800
Date: July 30, 2008

Consented to change in ownership of shares of BOSUN'S HOLDINGS LTD. Inc. No. BC0319640, pursuant to a letter dated July 23, 2008.

Lease No.: 101900
Endorsement No.: 8

File No.: 0258800
Date: July 30, 2008

Consent to mortgage in favour of THOMAS WILLIAM MELVILLE and VICKI RACHEL MELVILLE, pursuant to an indenture dated July 21, 2008, subject to a prior mortgage unto FISGARD CAPITAL CORPORATION dated May 28, 2008.

A Carlson
Authorized Representative

File: 0258800

CONSENT TO MORTGAGE OF LEASE

Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Agriculture and Lands (the "province") leased the following described land to Bosun's Holdings Ltd (Inc. BC0319640) (the "lessee") by way of a lease dated April 26, 2004, (the "lease") over the following land:

Block A, District Lot 653, Cowichan District

In accordance with the tenure, the lessee has asked the province to consent to a mortgage of the lease to Fisgard Capital Corporation (the "mortgagee") made between the lessee, and the mortgagee and dated May 28, 2008 (the "mortgage").

In consideration of the payment to the province of the fees payable under the *Land Act Fees Regulation*, the province consents to the mortgage on the following terms and conditions:

1. the province's consent to the mortgage does not and will not be deemed to waive or modify the rights of the province under the lease; and
2. the provisions of the lease restricting the lessee from assigning, subletting, or transferring the lease without the prior written consent of the province remains in full force and effect.

The province's consent to the mortgage given July 25, 2008.

Duly Authorized Signatory of
Her Majesty the Queen in Right of
the Province of British Columbia

CONSENT TO MORTGAGE OF LEASE

Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Agriculture and Lands (the "province") leased the following described land to BOSUN'S HOLDINGS LTD., Inc. No. BC0319640, (the "lessee") by way of a lease dated September 27, 1987 (the "lease") over the following land:

Block A, District Lot 653, Cowichan District

In accordance with the tenure, the lessee has asked the province to consent to a mortgage of the lease to THOMAS WILLIAM MELVILLE and VICKI RACHEL MELVILLE (the "mortgagee") made between the lessee, and the mortgagee and dated July 21, 2008 (the "mortgage").

In consideration of the payment to the province of the fees payable under the *Land Act Fees Regulation*, the province consents to the mortgage on the following terms and conditions:

1. the province's consent to the mortgage does not and will not be deemed to waive or modify the rights of the province under the lease; and
2. the provisions of the lease restricting the lessee from assigning, subletting, or transferring the lease without the prior written consent of the province remains in full force and effect.

The province's consent to the mortgage given July 30, 2008.

A Carlson

Duly Authorized Signatory of
Her Majesty the Queen in Right of
the Province of British Columbia

This is Exhibit "K" referred to in the Affidavit of HALI STRANDLUND sworn before me at Victoria, BC, this 21 day of September, 2009.

A Commissioner for taking Affidavits within British Columbia

Rafer Strandlund
Commissioner for taking affidavits
for British Columbia
Commission 2009-0397
Expires June 20, 2012
3378 Douglas Street
Victoria BC V8Z 3L3

File: 0258800

CONSENT TO MORTGAGE OF LEASE

Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Agriculture and Lands (the "province") leased the following described land to Bosun's Holdings Ltd (Inc. BC0319640) (the "lessee") by way of a lease dated April 26, 2004, (the "lease") over the following land:

Block A, District Lot 653, Cowichan District

In accordance with the tenure, the lessee has asked the province to consent to a mortgage of the lease to Fisgard Capital Corporation (the "mortgagee") made between the lessee, and the mortgagee and dated May 28, 2008 (the "mortgage").

In consideration of the payment to the province of the fees payable under the *Land Act Fees Regulation*, the province consents to the mortgage on the following terms and conditions:

1. the province's consent to the mortgage does not and will not be deemed to waive or modify the rights of the province under the lease; and
2. the provisions of the lease restricting the lessee from assigning, subletting, or transferring the lease without the prior written consent of the province remains in full force and effect.

The province's consent to the mortgage given July 25, 2008.

Duly Authorized Signatory of
Her Majesty the Queen in Right of
the Province of British Columbia

This is Exhibit "D" referred to in the Affidavit of HALI STRANDLUND sworn before me at Victoria, BC, this 26th day of October, 2009.

A Commissioner for taking Affidavits within British Columbia

Rafer Strandlund
Commissioner for taking affidavits
for British Columbia
Commission 2009-0397
Expires June 20, 2012
3378 Douglas Street
Victoria BC V8Z 3L3

STATE OF TITLE CERTIFICATE

000083

OWEN BIRD LAW CORPORATION
29TH FLOOR, 595 BURRARD STREET
PO BOX 49130, THREE BENTALL CENTRE
VANCOUVER BC V7X 1J5

LAND TITLE DISTRICT: VICTORIA, BRITISH COLUMBIA

CERTIFICATE NO: STC20457726 TITLE NO: EW33833

THIS IS TO CERTIFY THAT AT 06:56 ON 28 SEPTEMBER, 2209, THE STATE OF THE TITLE TO THE LAND DESCRIBED HEREIN IS AS STATED AND IS SUBJECT TO THE NOTATIONS APPEARING BELOW. THIS CERTIFICATE IS TO BE READ SUBJECT TO THE PROVISIONS OF SECTION 23(2) OF THE LAND TITLE ACT (R.S.B.C. 1996 CHAPTER 250) AND MAY BE AFFECTED BY SECTIONS 50 AND 55-58 OF THE LAND ACT (R.S.B.C. 1996 CHAPTER 245).

THE LAND TITLE & SURVEY AUTHORITY OF BRITISH COLUMBIA · THE LAND TITLE OFFICE · VICTORIA
bc Land Title & Survey

REGISTRAR

APPLICATION FOR REGISTRATION RECEIVED ON: 24 MARCH, 2204
ENTERED: 25 MARCH, 2204

REGISTERED OWNER IN FEE SIMPLE:
BOSUN'S HOLDINGS LTD., INC. NO. 319640
2240 HARBOUR ROAD,
SIDNEY, BC
V8L 3Y3

TAXATION AUTHORITY:
TOWN OF SIDNEY

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 209-231-901
LOT A, DISTRICT LOT 12 AND SECTION 15, RANGE 3 EAST, NORTH SAANICH DISTRICT, PLAN 45998

LEGAL NOTATIONS:
THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 26 OF THE LOCAL GOVERNMENT ACT, SEE EW103693

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE FA73261
FILED 2206-06-19

THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 26 OF THE LOCAL GOVERNMENT ACT, SEE FB183271

THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 26 OF THE LOCAL GOVERNMENT ACT, SEE FB183272

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

UNDERSURFACE AND OTHER EXC & RES
S130559 1987-11-16 09:20
REGISTERED OWNER OF CHARGE
HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA
S130559
REMARKS: SECTION 47, LAND ACT, DD S119983
AS TO PART FORMERLY BLOCK A, DISTRICT LOT 12,

CONTINUED ON PAGE 2

NORTH SAANICH DISTRICT

MORTGAGE
CA858656 2208-07-22 12:25
REGISTERED OWNER OF CHARGE
FISGARD CAPITAL CORPORATION
INCORPORATION NO. C603095
CA858656

ASSIGNMENT OF RENTS
CA858657 2208-07-22 12:25
REGISTERED OWNER OF CHARGE
FISGARD CAPITAL CORPORATION
INCORPORATION NO. C603095
CA858657

MORTGAGE
CA858698 2208-07-22 12:55
REGISTERED OWNER OF CHARGE
THOMAS WILLIAM MELVILLE
VICKI RACHEL MELVILLE
CA858698

ASSIGNMENT OF RENTS
CA858699 2208-07-22 12:55
REGISTERED OWNER OF CHARGE
THOMAS WILLIAM MELVILLE
VICKI RACHEL MELVILLE
CA858699

CLAIM OF BUILDERS LIEN
FB271231 2209-06-04 14:58
REGISTERED OWNER OF CHARGE
J. PATRICK HARRISON
(DOING BUSINESS AS JPH CONSULTANTS INC.)
FB271231

CLAIM OF BUILDERS LIEN
FB271793 2209-06-08 12:16
REGISTERED OWNER OF CHARGE
MCELHANNEY CONSULTING SERVICES LTD.
FB271793

CLAIM OF BUILDERS LIEN
FB271914 2209-06-09 09:45
REGISTERED OWNER OF CHARGE
LANA LOUNSBURY INTERIORS
FB271914

CLAIM OF BUILDERS LIEN
FB272928 2209-06-11 10:33
REGISTERED OWNER OF CHARGE
C.N. RYZUK & ASSOCIATES LTD.
FB272928

CLAIM OF BUILDERS LIEN
CA1148724 2209-06-16 11:04
REGISTERED OWNER OF CHARGE
ROBERT BOYLE ARCHITECTURE INC.
INCORPORATION NO. BC0152367
CA1148724

CLAIM OF BUILDERS LIEN
FB280346 2209-07-07 11:47
REGISTERED OWNER OF CHARGE
LONDON MAH & ASSOCIATES LTD.
FB280346

CERTIFICATE OF PENDING LITIGATION
FB301393 2209-09-25 11:45
REGISTERED OWNER OF CHARGE
FISGARD CAPITAL CORPORATION
FB301393

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

CONTINUED ON PAGE 3

STATE OF TITLE CERTIFICATE

TRANSFERS: NONE

PENDING APPLICATIONS: NONE

This is Exhibit "E" referred to in the Affidavit of HALI STRANDLUND sworn before me at Victoria, BC, this 26th day of October, 2009.

A Commissioner for taking Affidavits within British Columbia

Rafer Strandlund
Commissioner for taking affidavits
for British Columbia
Commission 2009-0397
Expires June 20, 2012
3378 Douglas Street
Victoria BC V8Z 3L3

25 SEP 2009 11 45 FB301393

LAND TITLE ACT
FORM 31
(Section 213(1))

NATURE OF INTEREST: CHARGE: CERTIFICATE OF PENDING LITIGATION
HEREWITH FEE OF ~~$27.50~~ $30.05
LEGAL DESCRIPTION AND PARCEL IDENTIFIER(S):

Town of Sidney, PID: 009-231-901, Lot A District Lot 12 and Section 15 Range 3 East North Saanich District Plan 45998

ADDRESS OF PERSON ENTITLED TO REGISTER THIS CERTIFICATE OF PENDING LITIGATION:

P.O. Box 49130
2900 – 595 Burrard Street
Vancouver, B.C.
V7X 1J5

FULL NAME, ADDRESS, TELEPHONE NUMBER OF PERSON PRESENTING APPLICATION:

Alan A. Frydenlund, OWEN BIRD LAW CORPORATION (Client #010996)
P.O. Box 49130
2900 - 595 Burrard Street
Vancouver, B.C. V7X 1J5 Tel. No.: 688-0401
DYE & DURHAM

Signature of Authorized Agent

No. 09 4327
Victoria Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

km 9/25/2009 11:44:54 AM 1 1
Pending Litigation 1 $30.05

BETWEEN:

FISGARD CAPITAL CORPORATION

Petitioner

AND:

BOSUN'S HOLDINGS LTD., ROBERT COUCH, CLEONE COUCH, TSEHUM HARBOUR PLACE HOLDINGS LTD., 0675816 B.C. LTD. (formerly known as 675816 B.C.LTD.), HER MAJESTY THE QUEEN IN RIGHT OF BRITISH COLUMBIA (as represented by THE ATTORNEY GENERAL OF BRITISH COLUMBIA, THOMAS WILLIAM MELVILLE, VICKI RACHEL MELVILLE, J. PATRICK HARRISON (doing business as JPH CONSULTANTS INC.), MCELHANNEY CONSULTING SERVICES LTD., LANA LOUNSBURY (doing business as LANA LOUNSBURY INTERIORS), C.N. RYZUK & ASSOCIATES LTD., ROBERT BOYLE ARCHITECTURE INC. AND LONDON MAH & ASSOCIATES LTD.

Respondents

SUPREME COURT OF BRITISH COLUMBIA
SEAL
VICTORIA REGISTRY
SEP 25 2009

CERTIFICATE OF PENDING LITIGATION

I CERTIFY that in a proceeding commenced in this Court a claim is made for an estate or interest in land or a right of action in respect of land is given by an enactment other than the *Land Title Act*. The particulars are set out in the attached copy of the documents by which claim is made.

Given under my hand and the seal of the Court at Victoria, British Columbia this 25 day of September, 2009.

D/ REGISTRAR

*Fee not applicable where certificate of pending litigation relates to proceedings under the *Builders Lien Act* or *Repairers Lien Act*.

09 4327

No. ____________
Victoria Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

RE: Town of Sidney
Parcel Identifier: 009-231-901
Lot A District Lot 12 and Section 15 Range 3 East North Saanich District Plan 45998

Block A of Lot 653 Cowichan District
and including all right, title and leasehold interest in and to the aquatic lands demised pursuant to aquatic lands lease number 101900

BETWEEN:

FISGARD CAPITAL CORPORATION

Petitioner

AND:

BOSUN'S HOLDINGS LTD., ROBERT COUCH, CLEONE COUCH, TSEHUM HARBOUR PLACE HOLDINGS LTD., 0675816 B.C. LTD. (formerly known as 675816 B.C. LTD.), HER MAJESTY THE QUEEN IN RIGHT OF BRITISH COLUMBIA (as represented by THE ATTORNEY GENERAL OF BRITISH COLUMBIA, THOMAS WILLIAM MELVILLE, VICKI RACHEL MELVILLE, J. PATRICK HARRISON (doing business as JPH CONSULTANTS INC.), MCELHANNEY CONSULTING SERVICES LTD., LANA LOUNSBURY (doing business as LANA LOUNSBURY INTERIORS), C.N. RYZUK & ASSOCIATES LTD., ROBERT BOYLE ARCHITECTURE INC. AND LONDON MAH & ASSOCIATES LTD.

Respondents

PETITION TO THE COURT

THIS IS THE PETITION OF:

FISGARD CAPITAL CORPORATION
P.O. Box 49130
2900 – 595 Burrard Street
Vancouver B.C V7X 1J5

ON NOTICE TO:

BOSUN'S HOLDINGS LTD.
Mailing Addr: P.O. Box 168, Chemainus, BC V0R 1K0
Delivery Addr: c/o Mary Lynn Bancroft Law Corporation, 9834 Croft Street, Chemainus, BC V0R 1K0

ROBERT COUCH
300 – 808 4th Avenue S.W.
Calgary, Alberta T2P 3E8

CLEONE COUCH
300 – 808 4th Avenue S.W.
Calgary, Alberta T2P 3E8

TSEHUM HARBOUR PLACE HOLDINGS LTD.
Box 168
9834 Croft Street
Chemainus, BC V0R 1K0

0675816 B.C. LTD. (formerly known as 675816 B.C. LTD.)
Mailing Addr: P.O. Box 168, Chemainus, BC V0R 1K0
Delivery Addr: c/o Mary Lynn Bancroft Law Corporation, 9834 Croft Street, Chemainus, BC V0R 1K0

HER MAJESTY THE QUEEN IN RIGHT OF BRITISH COLUMBIA (as represented by THE ATTORNEY GENERAL OF BRITISH COLUMBIA
c/o Integrated Land Management Bureau
West Coast Service Centre
142 – 2080 Labieux Road
Nanaimo, BC V9T 6J9

THOMAS WILLIAM MELVILLE
201 – 2377 Bevan Avenue
Sidney, BC V8L 4M9

VICKI RACHEL MELVILLE
201 – 2377 Bevan Avenue
Sidney, BC V8L 4M9

J. PATRICK HARRISON (doing business as JPH CONSULTANTS INC.)
434 Milton Street, Nanaimo, BC V9R 2L1
Registered and Records Address: 201 Selby Street, Nanaimo, BC V9R 2R2

MCELHANNEY CONSULTING SERVICES LTD.
Registered Office: 1500 Royal Centre, PO Box 11117, 1055 West Georgia Street, Vancouver, BC V6E 4N7
Records Office: 100 – 780 Beatty Street, Vancouver, BC V6B 2M1

LANA LOUNSBURY (doing business as LANA LOUNSBURY INTERIORS)
#103 – 1931 Mount Newton Cross Road
Saanichton, BC V8M 2A9

C.N. RYZUK & ASSOCIATES LTD.
Registered Office : 28 Crease Avenue, Victoria, BC V8Z 1S3
Records Office: 1212 – 1175 Douglas Street, Victoria, BC V8W 2E1

ROBERT BOYLE ARCHITECTURE INC.
#301 – 321 Wallace Street
Nanaimo, BC V9R 5B6

LONDON MAH & ASSOCIATES LTD.
7th Fl London Plaza
700 – 5951 No. 3 Road
Richmond, BC V6X 2E3

Respondents

LET ALL PERSONS whose interests may be affected by the Order sought TAKE NOTICE that the Petitioner applies to Court for the relief set out in this Petition.

APPEARANCE REQUIRED

IF YOU WISH TO BE HEARD at the Hearing of the Petition or wish to be notified of any further proceedings, YOU MUST GIVE NOTICE of your intention by filing a form entitled "Appearance" in the above Registry of this Court within the Time for Appearance and YOU MUST ALSO DELIVER a copy of the "Appearance" to the Petitioner's address for delivery, which is set out in this Petition.

YOU OR YOUR SOLICITOR may file the "Appearance". You may obtain a form of "Appearance" at the Registry.

IF YOU FAIL to file the "Appearance" within the proper Time for Appearance, the Petitioner may continue this application without further notice.

TIME FOR APPEARANCE

Where this Petition is served on a person in British Columbia, the time for appearance by that person is 7 days from the service (not including the day of service).

Where this Petition is served on a person outside British Columbia, the time for appearance by that person after service is 21 days in the case of a person residing anywhere within Canada, 28 days in the case of a person residing in the United States of America, and 42 days in the case of a person residing elsewhere.

TIME FOR RESPONSE

IF YOU WISH TO RESPOND to the application, you must, on or before the 8th day after you have entered an Appearance;

1. deliver to the Petitioner;
   (a) 2 copies of a Response in Form 124, and;
   (b) 2 copies of each Affidavit on which you intend to rely at the Hearing, and;
2. deliver to every other party of record;
   (a) 1 copy of a Response in Form 124, and;
   (b) 1 copy of each Affidavit on which you intend to rely at the Hearing.

(1) The ADDRESS OF THE REGISTRY is:

The Supreme Court of British Columbia
The Law Courts
850 Burdett Avenue
Victoria, BC V8W 1B4

MINISTRY OF ATTORNEY GENERAL
COURT REGISTRY
PO BOX 9248, STN PROV. GOVT.
2ND FLOOR, 850 BURDETT AVENUE
VICTORIA, BC V8W 9J2

(2) The ADDRESS FOR DELIVERY is:

OWEN BIRD LAW CORPORATION
P.O. Box 49130
2900 – 595 Burrard Street
Vancouver, BC V7X 1J5

Attention: ALAN A. FRYDENLUND

Fax number for delivery (if any):
(604) 632-4486

(3) The NAME AND OFFICE ADDRESS OF THE PETITIONER'S SOLICITOR is:

ALAN A. FRYDENLUND
OWEN BIRD LAW CORPORATION
P.O. Box 49130
2900 – 595 Burrard Street
Vancouver, BC V7X 1J5

THE PETITIONER APPLIES FOR:

A. A Declaration that the indenture of mortgage dated May 28, 2008 made between the Respondent, BOSUN'S HOLDINGS LTD., as Mortgagor and the Petitioner, FISGARD CAPITAL CORPORATION, as Mortgagee and registered in the Victoria Land Title Office, in the Province of British Columbia, on July 22, 2008 under Number CA858656 (the "Land Mortgage"), is a mortgage charging the following lands:

Town of Sidney
Parcel Identifier: 009-231-901
Lot A District Lot 12 and Section 15 Range 3 East North Saanich District Plan 45998

(the "Freehold Lands")

in priority to the interests therein or claims thereto of the Respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them;

B. A Declaration that the mortgage of lease dated May 28, 2008 made between the Respondent, BOSUN'S HOLDINGS LTD., as Mortgagor and the Petitioner, FISGARD CAPITAL CORPORATION, as Mortgagee, (the "Mortgage of Lease") (together with the Land Mortgage is collectively referred to as the "Mortgage"), is a mortgage charging the said Respondent's leasehold interest pursuant to Lease No. 101900 in the following lands:

Block A District Lot 653 Cowichan District

(the "Leased Lands")

(together with the Freehold Lands collectively referred to as the "Lands")

in priority to the interests therein or claims thereto of the Respondents (except the Respondent, HER MAJESTY THE QUEEN IN RIGHT OF BRITISH COLUMBIA as represented by THE ATTORNEY GENERAL OF BRITISH COLUMBIA as it relates to the Leased Lands) and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them;

C. A Declaration that the general security agreement dated May 28, 2008 made between the Respondent, BOSUN'S HOLDINGS LTD., as Debtor, and the Petitioner, FISGARD CAPITAL CORPORATION, as Secured Party, and registered in the Personal Property Registry, in the

Province of British Columbia, on July 21, 2008 under Base Registration Number 4895905E, (the "Bosun's GSA") is an agreement charging all of the said Respondent's present and after acquired personal property, accounts and inventory including, without limitation, all right, title and leasehold interest in and to the Leased Lands (hereinafter called the "Bosun's Property") to the Petitioner in priority to the interests therein or claims thereto of the Respondents (except the Respondent, HER MAJESTY THE QUEEN IN RIGHT OF BRITISH COLUMBIA as represented by THE ATTORNEY GENERAL OF BRITISH COLUMBIA as it relates to the Leased Lands) and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them;

D. A Declaration that the general security agreement dated May 28, 2008 made between the Respondent, 0675816 B.C. LTD. (formerly known as 675816 B.C.LTD.), as Debtor, and the Petitioner, FISGARD CAPITAL CORPORATION, as Secured Party, and registered in the Personal Property Registry, in the Province of British Columbia, on July 21, 2008 under Base Registration Number 489597E, (the "0675816 GSA") (collectively with the Bosun's GSA is referred to as the "GSA") is an agreement charging all of the said Respondent's present and after acquired personal property, accounts and inventory (hereinafter called the "0675816 Property") (collectively with the Bosun's Property is referred to as the "Property") to the Petitioner in priority to the interests therein or claims thereto of the Respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them;

E. A Declaration that the guarantee, assignment and postponement agreement dated July 18, 2008, made between the Respondent, ROBERT COUCH, as Guarantor, and the Petitioner, FISGARD CAPITAL CORPORATION, as the Creditor, is an unconditional guarantee of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the Respondent, BOSUN'S HOLDINGS LTD., to the Petitioner plus costs and interest from the date of demand for payment namely, August 11, 2009 (the " Robert Guarantee");

F. A Declaration that the guarantee, assignment and postponement agreement dated July 18, 2008, made between the Respondent, CLEONE COUCH, as Guarantor, and the Petitioner, FISGARD CAPITAL CORPORATION, as the Creditor, is an unconditional guarantee of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the

Respondent, BOSUN'S HOLDINGS LTD., to the Petitioner plus costs and interest from the date of demand for payment namely, August 11, 2009 (the "Cleone Guarantee");

G. A Declaration that the guarantee, assignment and postponement agreement dated May 28, 2008, made between the Respondent, TSEHUM HARBOUR PLACE HOLDINGS LTD., as Guarantor, and the Petitioner, FISGARD CAPITAL CORPORATION, as the Creditor, is an unconditional guarantee of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the Respondent, BOSUN'S HOLDINGS LTD., to the Petitioner plus costs and interest from the date of demand for payment namely, August 11, 2009 (the "Tsehum Guarantee");

H. A Declaration that the guarantee, assignment and postponement agreement dated May 28, 2008, made between the Respondent, 0675816 B.C. LTD. (formerly known as 675816 B.C.LTD.), as Guarantor, and the Petitioner, FISGARD CAPITAL CORPORATION, as the Creditor, is an unconditional guarantee of all present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the Respondent, BOSUN'S HOLDINGS LTD., to the Petitioner plus costs and interest from the date of demand for payment namely, August 11, 2009 (the "0675816 Guarantee");

I. A Declaration that the Respondent, BOSUN'S HOLDINGS LTD., and the Respondents, ROBERT COUCH, CLEONE COUCH, TSEHUM HARBOUR PLACE HOLDINGS LTD. and 0675816 B.C. LTD. (formerly known as 675816 B.C.LTD.), have made default under the Mortgage, the GSA, the Robert Guarantee, the Cleone Guarantee, the Tsehum Guarantee and the 0675816 Guarantee (collectively the "Security") and that as a result, the full balance due and owing thereunder is now due and payable to the Petitioner;

J. A Declaration that the amount of money due and owing under the Security and the amount of money required to redeem the Lands and Property is the sum of $2,564,339.52 as of September 3, 2009 plus per diem interest currently at the rate of $908.58 from and including September 4, 2009;

K. A Declaration that the rate of interest chargeable pursuant to the Security is 13.00% per annum, compounded monthly, not in advance;

L. An Order that the last date for redemption be one (1) day after the date of pronouncement of any Order made herein, or such other period of time as this Court may order;

M. An Order that the Petitioner do recover judgment against the Respondents, BOSUN'S HOLDINGS LTD., ROBERT COUCH, CLEONE COUCH, TSEHUM HARBOUR PLACE HOLDINGS LTD. and 0675816 B.C. LTD. (formerly known as 675816 B.C. LTD.), jointly and severally, or alternatively severally, in the sum of $2,564,339.52 as at September 3, 2009 plus per diem interest currently at the rate of $908.58 together with the Petitioner's costs of this proceeding on a special costs basis or, alternatively, a party and party costs basis pursuant to Scale C or such other scale as may be appropriate;

N. An Order that the Petitioner do recover its costs of this proceeding on a special costs basis or, alternatively, a party and party costs basis pursuant to Scale C or such other scale as may be appropriate and that such costs form a part of the amount required to redeem the Lands and Property;

O. An Order that upon the Respondents, or any of them, paying into Court to the credit of this proceeding at the Court Registry, Courthouse, 850 Burdett Avenue, in the City of Victoria, in the Province of British Columbia, or paying to the solicitor of record for the Petitioner or, if no such solicitor exists then paying to the Petitioner, the amount required to redeem the Lands and Property as aforesaid, together with the costs of this proceeding on a special costs basis or, alternatively, a party and party costs basis pursuant to Scale C or such other scale as may be appropriate, before pronouncement of either an Order Absolute of Foreclosure or an Order confirming the sale of the Lands and Property, the Petitioner shall reconvey the Lands and Property free and clear of all encumbrances in favour of it or any person claiming by, through or under it and shall deliver up, upon oath if required, all deeds, titles and documents in its custody, possession or power relating thereto to the Respondents so paying or to whom they shall appoint;

P. An Order that if the Lands and Property not be redeemed, the Petitioner shall be at liberty to apply for an Order Absolute of Foreclosure and upon pronouncement of the Order Absolute of Foreclosure the Respondents and all persons claiming by, through or under them shall henceforth stand absolutely debarred and foreclosed of and from all right, title, interest and equity of redemption in and to the Lands and Property and all monies paid under the Security shall become the property of the Petitioner free from any right of the Respondents and that thereupon the Petitioner shall recover vacant possession of the Lands and Property;

Q. An Order appointing a receiver of the rents and mesne profits in respect of the Lands and Property;

R. An Order for Sale of the Lands and Property subject to the approval of this Honourable Court and for the Petitioner to have exclusive conduct of such sale;

S. An Order that the Petitioner may apply to this Court for a further summary accounting of any amounts which become due to the Petitioner for interest, taxes, arrears of taxes, insurance premiums, costs, charges, expenses or otherwise since the date of pronouncement of this Order; and

T. A Certificate of Pending Litigation.

The Petitioner will rely on Rules 50 and 51 (A) of the Rules of the Court.

At the Hearing of this Petition will be read the Affidavits of HALI STRANDLUND and ALAN A. FRYDENLUND, copies of which are served herewith.

THE FACTS UPON WHICH THIS PETITION IS BASED ARE AS FOLLOWS:

1. The Petitioner, FISGARD CAPITAL CORPORATION, is a federal company duly continued in the Province of British Columbia, having an office at 3378 Douglas Street, in the City of Victoria, in the Province of British Columbia, V8Z 3L3.

2. By an indenture of mortgage dated May 28, 2008 made between the Respondent, BOSUN'S HOLDINGS LTD., as Mortgagor and the Petitioner, FISGARD CAPITAL CORPORATION, as Mortgagee and registered in the Victoria Land Title Office, in the Province of British Columbia, on July 22, 2008 under Number CA858656 (the "Land Mortgage"), the said Respondent charged the following lands:

Town of Sidney
Parcel Identifier: 009-231-901
Lot A District Lot 12 and Section 15 Range 3 East North Saanich District Plan 45998

(the "Freehold Lands")

in priority to the interests therein or claims thereto of the Respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.

3. By a mortgage of lease dated May 28, 2008 made between the Respondent, BOSUN'S HOLDINGS LTD., as Mortgagor and the Petitioner, FISGARD CAPITAL CORPORATION, as Mortgagee, (the "Mortgage of Lease") (together with the Land Mortgage is collectively referred to as the "Mortgage"), the mortgagor mortgaged its leasehold interest pursuant to Lease No. 101900 in the following lands:

Block A District Lot 653 Cowichan District

(the "Leased Lands")

(together with the Freehold Lands collectively referred to as the "Lands")

in priority to the interests therein or claims thereto of the Respondents (except the Respondent, HER MAJESTY THE QUEEN IN RIGHT OF BRITISH COLUMBIA as represented by THE ATTORNEY GENERAL OF BRITISH COLUMBIA as it relates to the Leased Lands) and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.

4. The Respondent, HER MAJESTY THE QUEEN IN RIGHT OF BRITISH COLUMBIA as represented by THE ATTORNEY GENERAL OF BRITISH COLUMBIA, consented in writing to the Petitioner's Mortgage of the Leased Lands.

5. By a general security agreement dated May 28, 2008 made between the Respondent, BOSUN'S HOLDINGS LTD., as Debtor, and the Petitioner, FISGARD CAPITAL CORPORATION, as Secured Party, and registered in the Personal Property Registry, in the Province of British Columbia, on July 21, 2008 under Base Registration Number 4895905E, (the "Bosun's GSA") the said Respondent charged all of it's present and after acquired personal property, accounts and inventory including, without limitation, all right, title and leasehold interest in and to the Leased Lands (hereinafter called the "Bosun's Property") to the Petitioner in priority to the interests therein or claims thereto of the Respondents (except the Respondent, HER MAJESTY THE QUEEN IN RIGHT OF BRITISH COLUMBIA as represented by THE ATTORNEY GENERAL OF BRITISH COLUMBIA as it relates to the Leased Lands) and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.

6. By a general security agreement dated May 28, 2008 made between the Respondent, 0675816 B.C. LTD. (formerly known as 675816 B.C.LTD.), as Debtor, and the Petitioner, FISGARD CAPITAL CORPORATION, as Secured Party, and registered in the Personal Property Registry, in the Province of British Columbia, on July 21, 2008 under Base Registration Number 489597E, (the "0675816 GSA") (collectively with the Bosun's GSA is referred to as the "GSA") the said Respondent charged all of it's present and after acquired personal property, accounts and inventory (hereinafter called the "0675816 Property") (collectively with the Bosun's Property is referred to as the "Property") to the Petitioner in priority to the interests therein or claims thereto of the Respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.

7. By a guarantee, assignment and postponement agreement dated July 18, 2008, made between the Respondent, ROBERT COUCH, as Guarantor, and the Petitioner, FISGARD

CAPITAL CORPORATION, as the Creditor, the said Respondent unconditionally guaranteed all of the present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the Respondent, BOSUN'S HOLDINGS LTD., to the Petitioner plus costs and interest from the date of demand for payment namely, August 11, 2009 (the " Robert Guarantee").

8. By a guarantee, assignment and postponement agreement dated July 18, 2008, made between the Respondent, CLEONE COUCH, as Guarantor, and the Petitioner, FISGARD CAPITAL CORPORATION, as the Creditor, the said Respondent unconditionally guaranteed all of the present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the Respondent, BOSUN'S HOLDINGS LTD., to the Petitioner plus costs and interest from the date of demand for payment namely, August 11, 2009 (the "Cleone Guarantee").

9. By a guarantee, assignment and postponement agreement dated May 28, 2008, made between the Respondent, TSEHUM HARBOUR PLACE HOLDINGS LTD., as Guarantor, and the Petitioner, FISGARD CAPITAL CORPORATION, as the Creditor, the said Respondent unconditionally guaranteed all of the present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the Respondent, BOSUN'S HOLDINGS LTD., to the Petitioner plus costs and interest from the date of demand for payment namely, August 11, 2009 (the "Tsehum Guarantee").

10. By a guarantee, assignment and postponement agreement dated May 28, 2008, made between the Respondent, 0675816 B.C. LTD. (formerly known as 675816 B.C.LTD.), as Guarantor, and the Petitioner, FISGARD CAPITAL CORPORATION, as the Creditor, the said Respondent unconditionally guaranteed all of the present and future indebtedness and liabilities, direct and indirect, absolute and contingent of the Respondent, BOSUN'S HOLDINGS LTD., to the Petitioner plus costs and interest from the date of demand for payment namely, August 11, 2009 (the "0675816 Guarantee").

11. The Respondent, BOSUN'S HOLDINGS LTD., is the registered owner of the Lands and the Bosun's Property and the person entitled to the equity of redemption contained in the Mortgage, the GSA, the Robert Guarantee, the Cleone Guarantee, the Tsehum Guarantee and the 0675816 Guarantee (collectively the "Security").

12. The rate of interest chargeable pursuant to the Security is 13.00% per annum, compounded monthly, not in advance, as well after as before any or all of maturity, default and judgment until paid or alternatively, per diem interest at the current rate of $908.58 from and including September 4, 2009.

13. The Mortgage matured and as a result, the full balance due pursuant to the Security is due and payable and the Respondents refused or neglected to pay the same notwithstanding that payment was demanded.

14. The principal sum advanced under the Security was $2,450,000.00 and the principal sum now due under the Security is $2,564,339.52 as of September 3, 2009. The said amount claimed does not include any penalty or bonus.

15. The per diem interest currently due on the said principal sum of $2,564,339.52 is $908.58 based on the interest rate of 13.00% per annum, compounded monthly, not in advance.

16. The following sets out the holders of charges, nature of charges and registration numbers of the charges registered in the Victoria Land Title Office against the title of the Lands, all of which charges rank in priority behind the interest of the Petitioner:

RESPONDENT	**NATURE OF INTEREST**	**REGISTRATION NUMBER**
THOMAS WILLIAM MELVILLE and VICKI RACHEL MELVILLE	Mortgage and Assignment of Rents	CA858698 and CA858699
J. PATRICK HARRISON (doing business as JPH CONSULTANTS INC.)	Claim of Builders Lien	FB271231
MCELHANNEY CONSULTING SERVICES LTD.	Claim of Builders Lien	FB271793
LANA LOUNSBURY (doing business as LANA LOUNSBURY INTERIORS)	Claim of Builders Lien	FB271914

C.N. RYZUK & ASSOCIATES LTD.	Claim of Builders Lien	FB272928
ROBERT BOYLE ARCHITECTURE INC.	Claim of Builders Lien	CA1148724
LONDON MAH & ASSOCIATES LTD.	Claim of Builders Lien	FB280346

17. The following sets out the holders of charges, nature of charges and registration numbers of the charges registered in the British Columbia Personal Property Registry against the Respondent, BOSUN'S HOLDINGS LTD., all of which charges rank in priority behind the interest of the Petitioner:

RESPONDENT	NATURE OF INTEREST	REGISTRATION NUMBER
THOMAS WILLIAM MELVILLE and VICKI RACHEL MELVILLE	PPSA Security Agreements	492874E and 493405E

18. The following sets out the holders of charges, nature of charges and registration numbers of the charges registered in the British Columbia Personal Property Registry against the Respondent, 0675816 B.C. LTD. (formerly known as 675816 B.C.LTD.), all of which charges rank in priority behind the interest of the Petitioner:

RESPONDENT	NATURE OF INTEREST	REGISTRATION NUMBER
THOMAS WILLIAM MELVILLE and VICKI RACHEL MELVILLE	PPSA Security Agreements	493290E and 493427E

19. There are no other persons having a registered interest in the Lands and Property with respect to which the Security of the Petitioner has priority.

20. The Petitioner has not entered into nor taken possession of the Lands and Property.

21. The Security is a first charge against the Lands and Property.

The Petitioner estimates that the application will take 5minutes.

Dated: September 23, 2009.

ALAN A. FRYDENLUND,
Solicitor for the Petitioner

FORM 6 (Rule 13(2))

ENDORSEMENT ON ORIGINATING PROCESS

FOR SERVICE EX JURIS

The Petitioner claims the right to serve this petition on the Respondents, BOSUN'S HOLDINGS LTD., ROBERT COUCH, CLEONE COUCH, TSEHUM HARBOUR PLACE HOLDINGS LTD., 0675816 B.C. LTD. (formerly known as 675816 B.C. LTD.), HER MAJESTY THE QUEEN IN RIGHT OF BRITISH COLUMBIA (as represented by THE ATTORNEY GENERAL OF BRITISH COLUMBIA, THOMAS WILLIAM MELVILLE, VICKI RACHEL MELVILLE, J. PATRICK HARRISON (doing business as JPH CONSULTANTS INC.), MCELHANNEY CONSULTING SERVICES LTD., LANA LOUNSBURY (doing business as LANA LOUNSBURY INTERIORS), C.N. RYZUK & ASSOCIATES LTD., ROBERT BOYLE ARCHITECTURE INC. AND LONDON MAH & ASSOCIATES LTD., outside British Columbia on the ground that, pursuant to Rule 13(1)(k), service of an originating process or other document on a person outside British Columbia may be effected without order if the proceeding is by a mortgagee in relation to a mortgage of property in British Columbia and seeks relief of the nature of sale, foreclosure, or delivery of possession by the mortgagor.

No.
Victoria Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

FISGARD CAPITAL CORPORATION

Petitioner

AND:

BOSUN'S HOLDINGS LTD., ROBERT COUCH, CLEONE COUCH, TSEHUM HARBOUR PLACE HOLDINGS LTD., 0675816 B.C. LTD. (formerly known as 675816 B.C.LTD.), HER MAJESTY THE QUEEN IN RIGHT OF BRITISH COLUMBIA (as represented by THE ATTORNEY GENERAL OF BRITISH COLUMBIA, THOMAS WILLIAM MELVILLE, VICKI RACHEL MELVILLE, J. PATRICK HARRISON (doing business as JPH CONSULTANTS INC.), MCELHANNEY CONSULTING SERVICES LTD., LANA LOUNSBURY (doing business as LANA LOUNSBURY INTERIORS), C.N. RYZUK & ASSOCIATES LTD., ROBERT BOYLE ARCHITECTURE INC. AND LONDON MAH & ASSOCIATES LTD.

PETITION TO THE COURT

OWEN BIRD LAW CORPORATION
P.O. Box 49130
Three Bentall Centre
2900-595 Burrard Street
Vancouver, B.C.
V7X 1J5
Tel: (604) 688-0401
Fax: (604) 632-4486

AAF/arl/28199-0070

This is Exhibit "F" referred to in the Affidavit of HALI STRANDLUND sworn before me at Victoria, BC, this 26th day of October, 2009.

A Commissioner for taking Affidavits within British Columbia

Rafer Strandlund
Commissioner for taking affidavits
for British Columbia
Commission 2009-0397
Expires June 20, 2012
3378 Douglas Street
Victoria BC V8Z 3L3

APPRAISAL OF
2238/40 HARBOUR ROAD
SIDNEY, BC

VALUATION DATE
September 22, 2009

PREPARED FOR
Fisgard Capital Corporation
Attn: Ms. Hali Strandlund

D.R. COELL & ASSOCIATES INC. Est. 1974
REAL ESTATE APPRAISERS & CONSULTANTS

SUITE 303-1001 CLOVERDALE AVENUE, VICTORIA, B.C. V8X 4C9 PHONE (250) 388-6242 FAX (250) 388-6290
EMAIL drc@drcoell.com WEB PAGE www.drcoell.com

Our File: 2738-M-SP199C

September 25, 2009

Fisgard Capital Corporation
3378 Douglas Street
Victoria, BC V8Z 3L3

Attention: Hali Strandlund

Dear Ms. Strandlund:

Re: 2238/40 Harbour Road, Sidney, BC
Lot A, District Lot 12 and Section 15, Range 3 East, North Saanich District, Plan 45998 and Foreshore Lease No. 101900 (Block A of Lot 653, Cowichan District)

As requested, we have completed a market value appraisal of the captioned property. The effective date of the value estimate is the date of inspection, September 22, 2009. It is our considered opinion that, subject to the critical assumptions, contingent and limiting conditions detailed in this report, the market value of the subject property is:

TWO MILLION, NINE HUNDRED AND TWENTY-FIVE THOUSAND DOLLARS

($2,925,000)

A detailed description, summary and analysis leading to the conclusion of value are included herein. Should you require further information with regard to this report or wish to discuss same, please do not hesitate to contact us.

Yours very truly,

D.R. COELL & ASSOCIATES INC.
Per:

Steffen A. Hagen
SAH/tms

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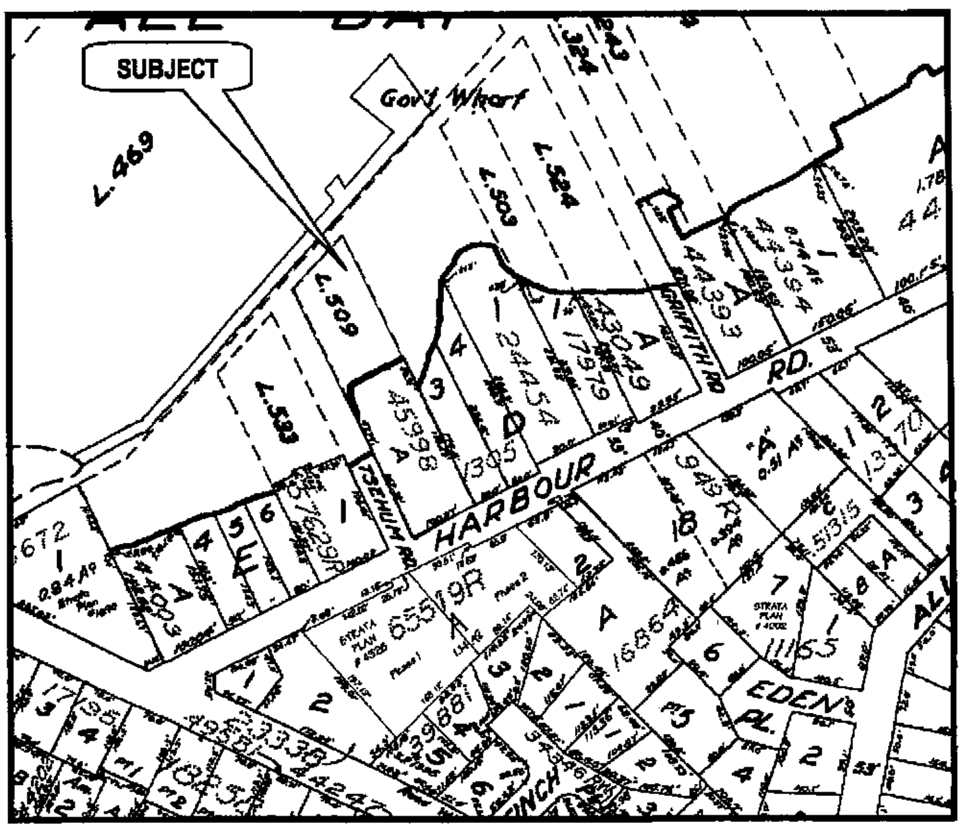
Addenda: Title Search Print
W1, Marine Industrial Zoning Extract

EXECUTIVE SUMMARY

Civic Address:	2238/40 Harbour Road, Sidney, BC
Legal Description:	Parcel Identifier No. 009-231-901 Lot A, District Lot 12 and Section 15, Range 3 East, North Saanich District, Plan 45998 and Foreshore Lease No. 101900 (Block A of Lot 653, Cowichan District).
Land Size:	23,385 sq. ft. fee simple and 15,144 sq. ft. waterlot
Zoning:	W-1, Marine-Industrial
Highest and Best Use:	Site redevelopment in accordance with the existing land use controls, which will permit a mixed-use commercial/ residential building on the upland parcel with a continuation of a marina on the adjoining foreshore.
Final Value Estimate:	**$2,925,000**
Effective Date:	September 22, 2009



PURPOSE AND INTENDED USE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the property described in this report as of September 22, 2009. This appraisal involves the real estate and foreshore lease exclusive of any business assets. The intended use of the appraisal is to assist the client with valuation guidance relative to foreclosure proceedings affecting the lands legally described herein.

DEFINITION OF MARKET VALUE

Market value is defined by the Appraisal Institute of Canada as follows:

> *"The most probable price which a property should bring in a competitive and open market as of the specified date under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus."*

Implicit in this definition is the consummation of a sale as of the specified date and the passing of title from seller to buyer under conditions whereby:

1) Buyer and seller are typically motivated;
2) Both parties are well informed or well advised and acting in what they consider their best interests;
3) A reasonable time is allowed for exposure in the open market;
4) Payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of the fee simple estate in the upland parcel and the lessee's interest in Foreshore Lease No. 101900.

RELEVANT DATES

Effective Date of Appraisal:	September 22, 2009
Date of Inspection:	September 22, 2009

SCOPE OF THE REPORT

This report is not limited in scope and constitutes a complete appraisal report prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada. Instructions concerning the purpose and intended use of this appraisal were received from Ms. Hali Strandlund on behalf of Fisgard Capital Corp. Principal steps taken in preparing this report include the following:

- Inspected the subject property on September 22, 2009, accompanied by the current on-site manager, Mr. Tim Melville. The inspection was limited to an assessment of the property's apparent characteristics, and it should not be construed as a comprehensive and/or technical inspection/review;
- Searched the property title as registered in Victoria's Land Titles Office;
- Interviewed Planning Officials with the Town of Sidney to confirm current land use controls and the status of a approved Development Permit application affecting the subject property;
- Observed neighbourhood and regional real estate and development activity;
- Valued the subject property by means of the Direct Comparison Approach. When compiling research material, the appraiser has considered all available relevant market data identified as impacting the value of the subject property. As part of the research, buyers, sellers, real estate agents, and property managers have been interviewed when possible. Sales and listings activity relied upon have been obtained from the Victoria Real Estate Board, BC Assessment records, contracted reporting services and the appraiser's own files.

We did not complete technical investigations such as:

- an environmental review of the property;
- investigations into the bearing qualities of the soils;
- audits of financial and legal arrangements.

SALES HISTORY OF THE PROPERTY

Fee simple ownership of the subject property is registered in favour of Bosun's Holdings Ltd. by a deed deposited on March 24, 2004 as Title No. EW33833.

Effective October 5, 2007, the shares of the company which held the upland fee simple and foreshore rights were listed for sale with Ian Heath of Queenswood Realty. The list price was $3,750,000. It is further noted that effective January 15, 2008, the property was pending a sale at $3,500,000, which is understood to have completed July 22, 2008. Finally, it is reported that the vendor took back a $500,000 second mortgage to assist with the completion of the sale. Prior to this share purchase, and despite the March 2004 registration noted above, it is otherwise understood that the vendor had initially purchased the property December 1987 for $515,000.

Encumbrances

No legal opinion as to the state of the subject property's title has been obtained, nor have any of the various charges on title been thoroughly investigated. Rather, the subject property has been appraised as though free and clear of all encumbrances, unless otherwise specified. Notably, it is assumed that there are no encumbrances to impair use and development of the subject property in accordance with its highest and best use.

A copy of the Title Search Print is included in the addendum.

CONTINGENT AND LIMITING CONDITIONS

The legal description of the subject property (upland parcel) as stated herein is that which is recorded at the Victoria Land Title Office and is assumed to be correct. The legal description of the foreshore is that recorded in Foreshore Lease No. 101900 and is also assumed to be correct.

It is assumed that there are no charges against the subject property which have a bearing on the market value, except for those, if any, noted in the report.

It is assumed that there are no latent defects in the subject site and that no objectionable materials such as P.C.B.'s or other toxic contaminants are present. No soil tests or geotechnical surveys have been provided and as such, unless noted separately within this report, the site is assumed to reflect no extraordinary conditions which would affect the value conclusion rendered.

This report involves the gathering, investigation and analysis of material inherent to the purpose of this report. As part of this investigation, it was found necessary to utilize both verbal and documented evidence. A concerted effort has been put forward to verify the accuracy of the information in this report. The information is believed to be reliable and correct and has been gathered according to generally accepted appraisal practices recognized by the Appraisal Institute of Canada.

This report has been prepared in confidence for Hali Strandlund of Fisgard Capital Corporation to provide valuation guidance relative to the anticipated foreclosure proceedings affecting the property described herein. It is not reasonable for any party other than those to whom this report is addressed to rely upon this appraisal without first obtaining written authorization from the author of this report. Liability to any other party relying on the report, without written permission of D.R. Coell & Associates Inc., is denied.

CRITICAL ASSUMPTIONS

The final estimate of value is based on the critical assumption that the property is ready to be redeveloped in accordance with its current land use controls, which will permit a mixed-use commercial/residential building on the upland site and a continuation of marina use on the foreshore. The existing on-site improvements are modest and deferred maintenance is noted. Moreover, it is recognized that the existing on-site improvements will not form part of any redevelopment plan, although until such time as the property is redeveloped they are capable of generating a certain level of income to offset some of the holding costs in the interim.

REGIONAL DATA

Victoria is the capital city of British Columbia. Metropolitan population, according to the 2006 census, was 330,000, an increase of 5.8% since the 2001 census.

The economy of Greater Victoria is heavily dependent on public administration, defense, post secondary education, health care, high-tech industries, tourism and the wholesale/retail trade. Primary industry and manufacturing account for less than 5% of the labour force. Victoria is the west coast base for the Canadian Navy, with 6,000 service and support personnel. There is also considerable ship repair work done in the area. The University of Victoria has an enrollment of approximately 20,000 students with Royal Roads University and Camosun College rounding out the structured post secondary educational community.

Victoria has twice the average Canadian per capita retired population; services to seniors are a significant and growing industry.

Mortgage rates are at near record lows but much stricter underwriting has made financing for many parties and properties more difficult to obtain. Particularly difficult to finance currently are development projects.

CONSTRUCTION DATA

After several strong years, construction is currently experiencing a slow-down, primarily in the residential sector. Over-inflated construction costs have declined in the past year by as much as 20%. Institutional and commercial construction is still relatively strong because of a continuation of initiated projects and starts of new projects that have been ready to go; however, there is an overall decline in new project starts, particularly in the multi-family category.

Value of All Building Permits in the Capital Regional District

Year	First Six Months	Second Six Months	Total
2004	$274,337,000	$293,211,677	$567,548,677
2005	$354,483,000	$368,421,000	$722,904,100
2006	$378,095,808	$480,350,315	$858,446,123
2007	$584,654,499	$356,071,553	$940,726,052
2008	$447,462,795	$427,140,119	$874,603,024
2009	$432,386,763		

VACANCY LEVELS

Vacancy levels in all sectors are very low; Victoria has a generally strong economy and a limited land base resulting in very limited speculative development activity. Almost all commercial and industrial development is largely pre-leased prior to construction. The vacancy levels over the past several years are summarized as follows.

	OFFICE	RETAIL	INDUSTRIAL	APARTMENT
2004	8.70%	2.60%	1.20%	0.60%
2005	5.87%	1.10%	0.40%	0.50%
2006	2.90%	1.20%	0.30%	0.50%
2007	2.90%	1.10%	0.20%	0.50%
2008	2.50%	1.10%	0.70%	0.50%
Average	4.57%	1.42%	0.56%	0.52%

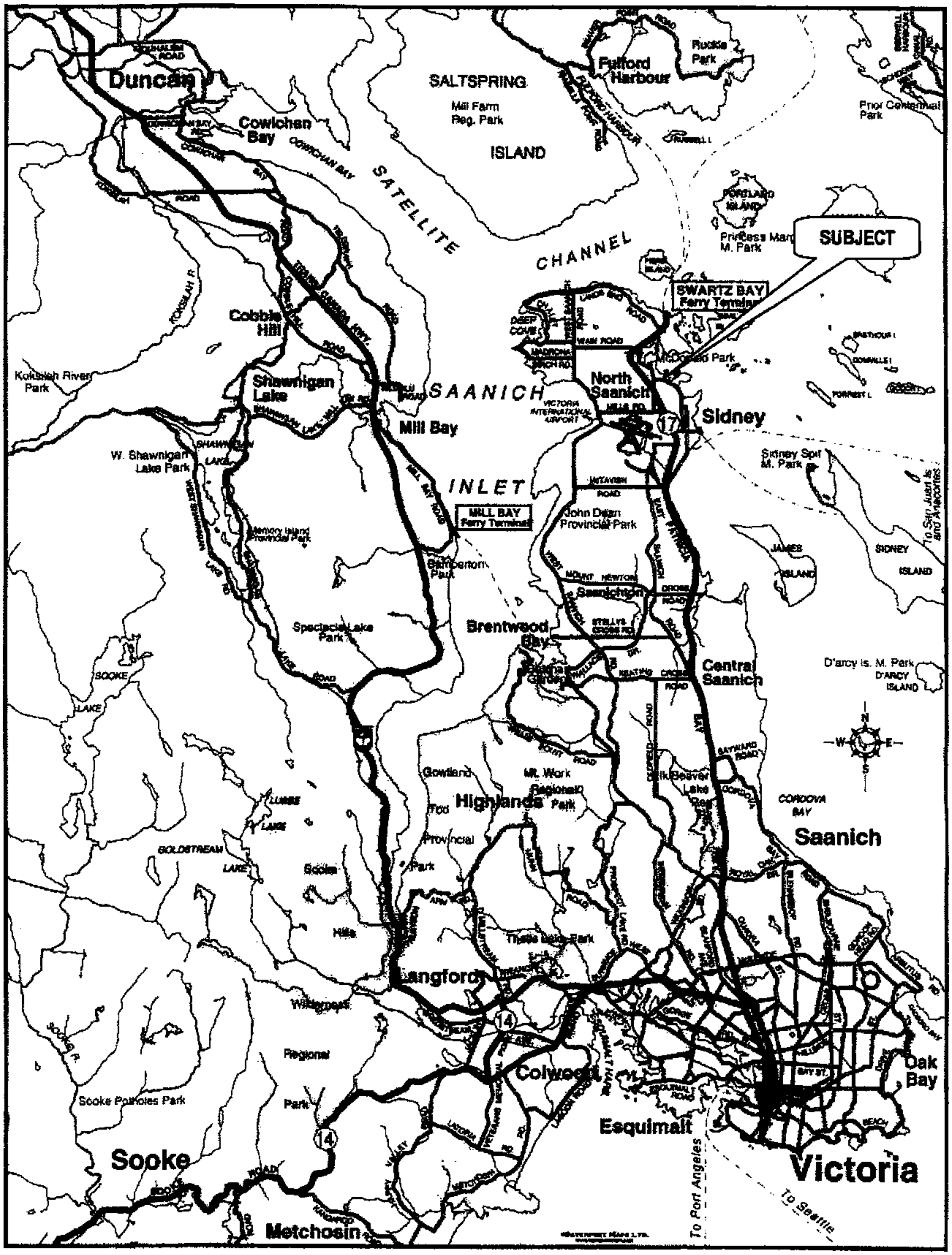
SINGLE FAMILY HOUSING MARKET

Housing prices increased substantially from 2002 to 2008. Monthly median prices in 2008 ranged from $495,000 to $558,000. House prices continued to increase through the spring of 2008 but then declined in excess of 10% before starting to increase moderately in recent months, together with improving sales volumes.

Median House Prices And Sales Volumes Through Multiple Listing Service

	Median Price	Sales		Annual Sales	Annual Median
August 2005	$433,250	350	2005	4,214	$414,950
August 2006	$462,900	328	2006	4,008	$446,225
August 2007	$515,000	399	2007	4,464	$498,250
August 2008	$512,000	244	2008	3,355	$529,963
August 2009	$540,000	366	Jan-Aug	2874	$517,500

REGIONAL MAP



MUNICIPAL DESCRIPTION

The Town of Sidney is one of the three municipalities which comprise the Saanich Peninsula of the Capital Regional District (CRD). Sidney is located 23 kilometres north of Victoria's Inner Harbour and is bordered by North Saanich to the south and west and Haro Strait to the north and east.

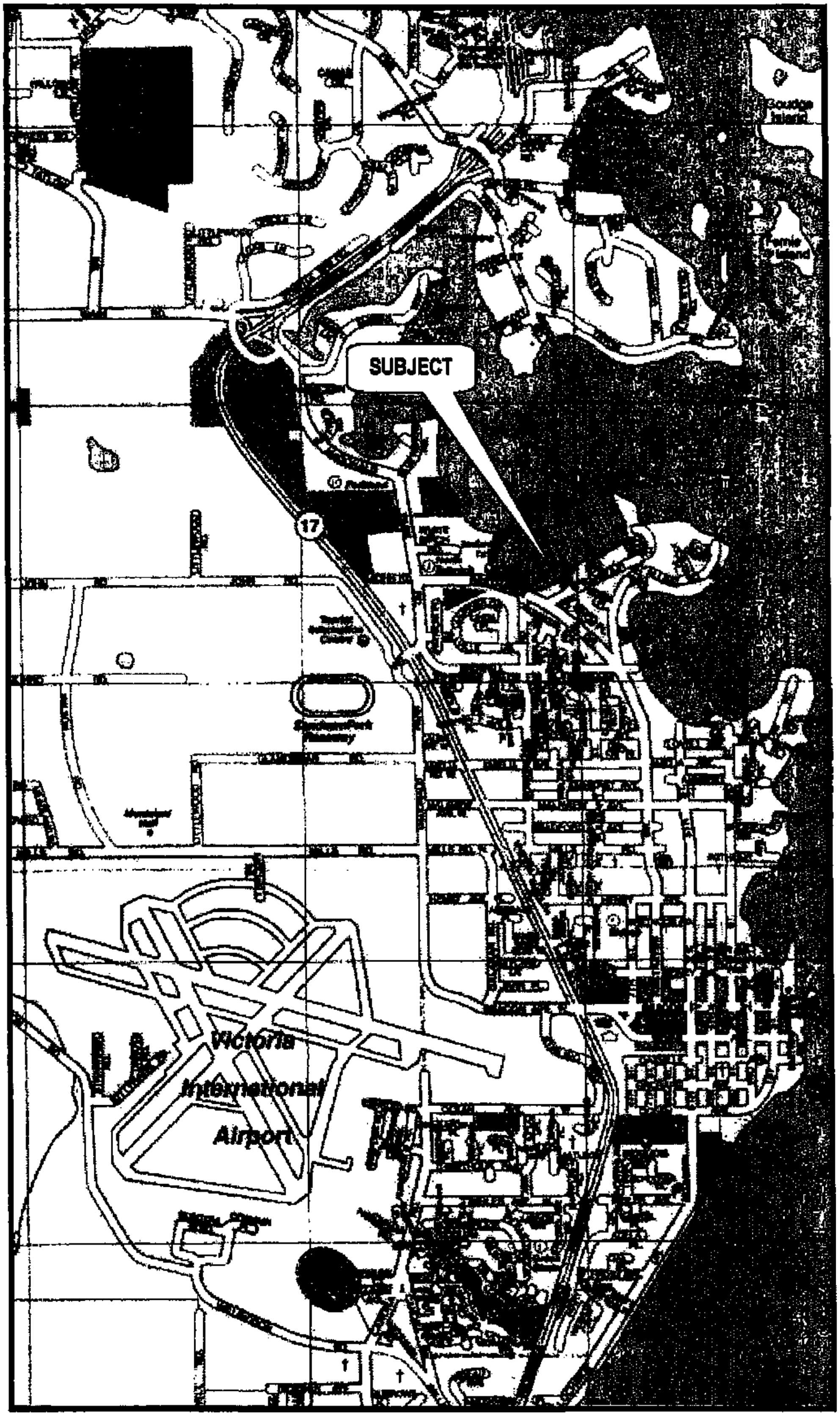
Sidney has a total area of seven square kilometres. It is bisected by the Pat Bay Highway, which runs north-south, from downtown Victoria to the ferry terminal at Swartz Bay. There is also a smaller ferry terminal in the southeast corner of the municipality that provides service across the Georgia Strait between Sidney and Anacortes in Washington State. Commercial and community facilities in the district are concentrated along Beacon Avenue, east of the highway. There are small industrial areas in the northwest part of the municipality on either side of the highway and adjacent to the airport in the southwest. The Victoria Airport Authority has recently completed a multi-million dollar terminal expansion and several other new developments on industrial leased land are either in progress or contemplated.

Sidney serves as the commercial centre for the northern half of the Saanich Peninsula. Sidney and North Saanich have both benefited from a large federal marine research institute located on Pat Bay, which has spawned the development of a number of high technology companies. These firms are engaged in research and development in such areas as robotics, remote sensing, aquaculture and marine craft design.

The 2006 Census indicated that the Town of Sidney had a population of 11,315, roughly 3.4% of the CRD's total population. From 2001 to 2006, the population of the area increased by 386 or 3.5%. Most of the population growth has been through development of condominium buildings near the downtown area.

Sidney and the other municipalities of the Saanich Peninsula have been attracting a high proportion of retired people. Seniors are attracted by the town's proximity to the major ferry terminal, the airport and urban Victoria, and the presence of recreational facilities, particularly golf courses and marinas.

MUNICIPAL MAP



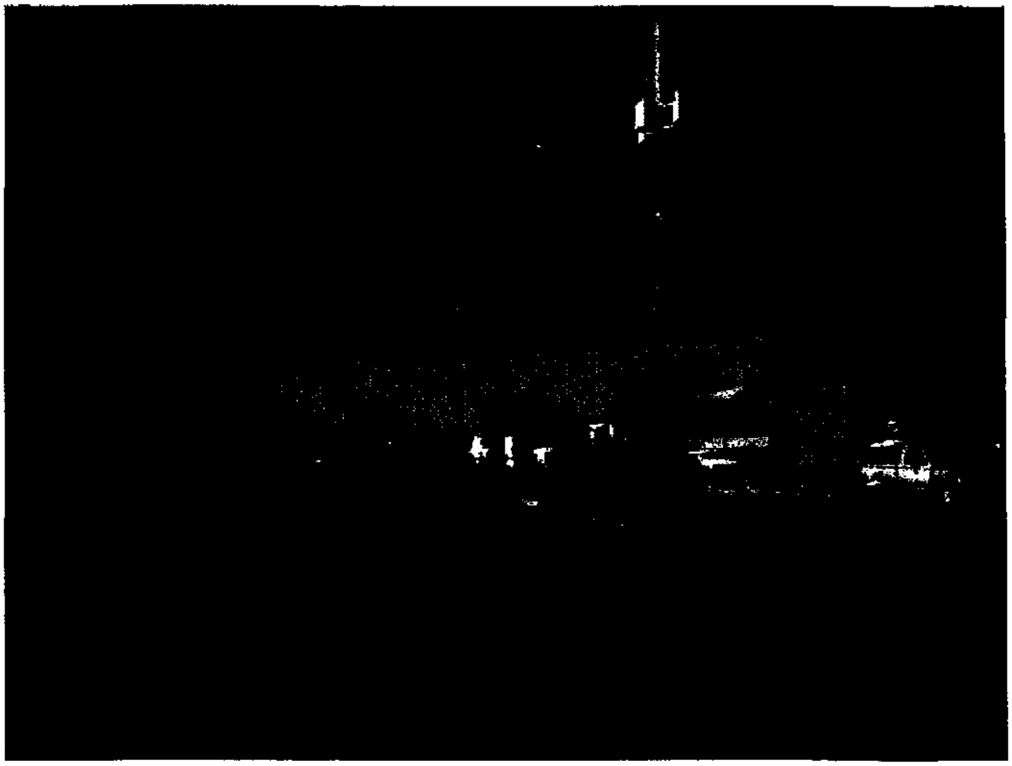
PROPERTY LOCATION

The subject property is located in the All Bay neighbourhood to the immediate east of Tsehum Road at Harbour Road near the southeast corner of Tsehum Harbour. This places the subject property within the northerly portion of the town on the north side of Harbour Road. The immediate area has traditionally been recognized as the Tsehum Harbour Marine Industrial Zone and considered a working harbour serving all boaters. With the introduction of multi-family residential land use over the past few years, the area is evolving to provide a favorable blend of marine and residential use. Recently, a 13-unit condominium building (Resthaven Residences) was completed at the corner of Resthaven Drive and Harbour Road. Land use in the area is otherwise stable.

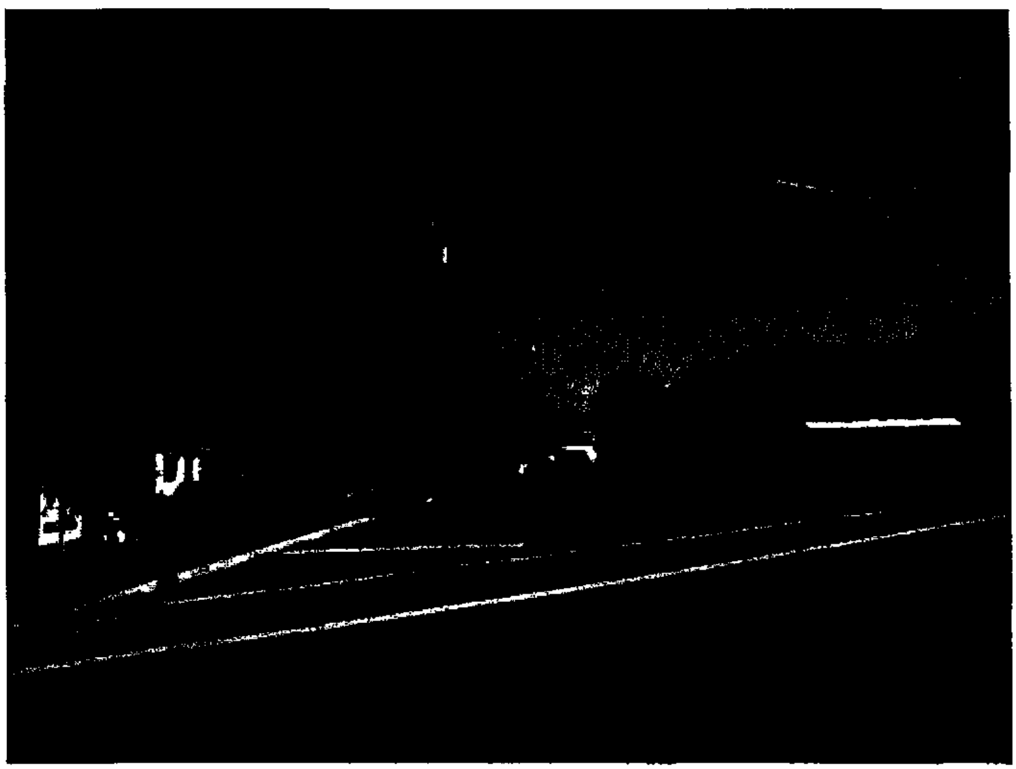
The Tsehum Harbour/Swartz Bay area to the east of the "Pat Bay Highway" includes a mix of housing with extremely well developed waterfront properties, many marine related services, yacht clubs and marinas. The southerly portion of All Bay includes the Government dock where most of the local fishing fleet is based. Along the Harbour Road waterfront are several marinas with Van Isle Marina at the east end being one of the largest in Greater Victoria. Several haul-out facilities, a chandlery, charter services, restaurants and a neighbourhood pub round out the waterfront development. The recently developed headquarter offices for the Federal Government's Gulf Island National Parks is located immediately west of the subject on the opposite side of Tsehum Road. The primary attributes of this location are its proximity to world class cruising near the San Juan and Gulf Island's and proximity and ease of access to/from the concentrated population base of the Capital Regional District. Located towards the east end of Harbour Road is the recently developed Miraloma on the Cove luxury resort. Each of the 28-units within this development were offered on a quarter-share basis, which achieved exceptional sales results at the time the property was introduced to the market, although the market for this type of real estate investment has since softened.

Harbour Road is a two way paved road with curbs and sidewalks on the north side of the street, piped water, overhead hydro, telephone and cablevision, sanitary sewers, storm drains and piped gas. Tsehum Road, on the west side of the subject, is a paved right-of-way which provides access to the waterfront portion of the subject and the Federal Government's Gulf Island National Park marina to the immediate west. To the south of the subject is a modern townhome project while further west at Resthaven Drive are various commercial facilities. East of the subject is the Boatyard marine haul-out facility, although like the subject, this property is currently being offered for sale and is promoted as a prime redevelopment site for mixed commercial/residential use with an adjoining marina.

2238/40 HARBOUR ROAD, SIDNEY, BC



LOOKING WEST ALONG HARBOUR ROAD



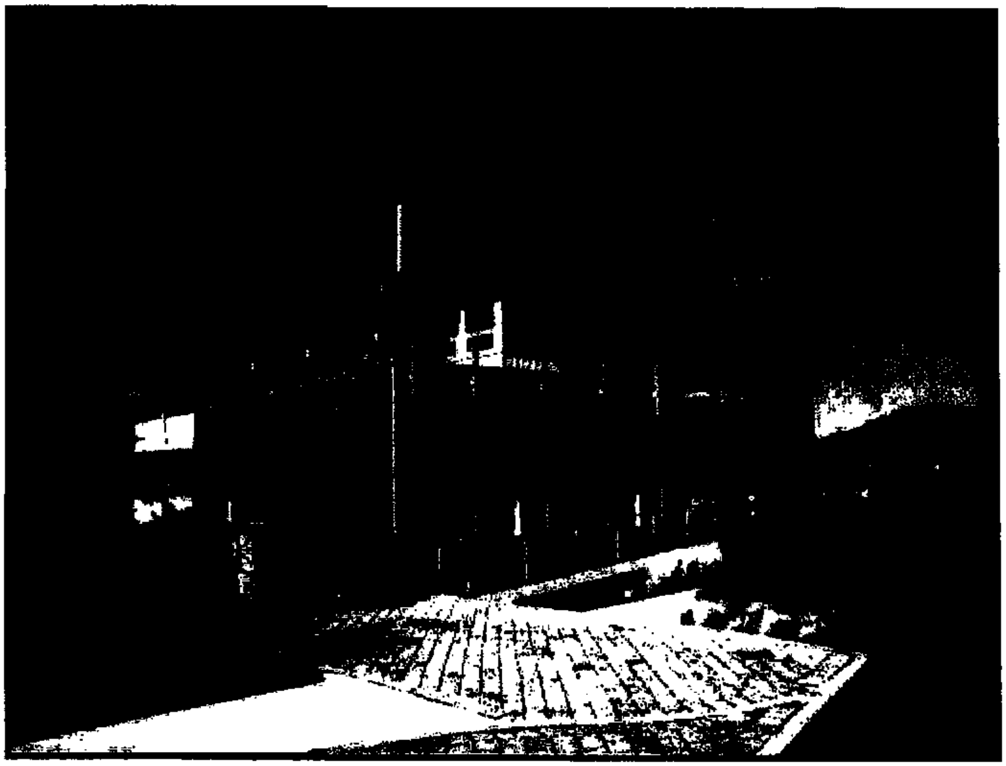
LOOKING EAST ALONG HARBOUR ROAD

2238/40 HARBOUR ROAD, SIDNEY, BC

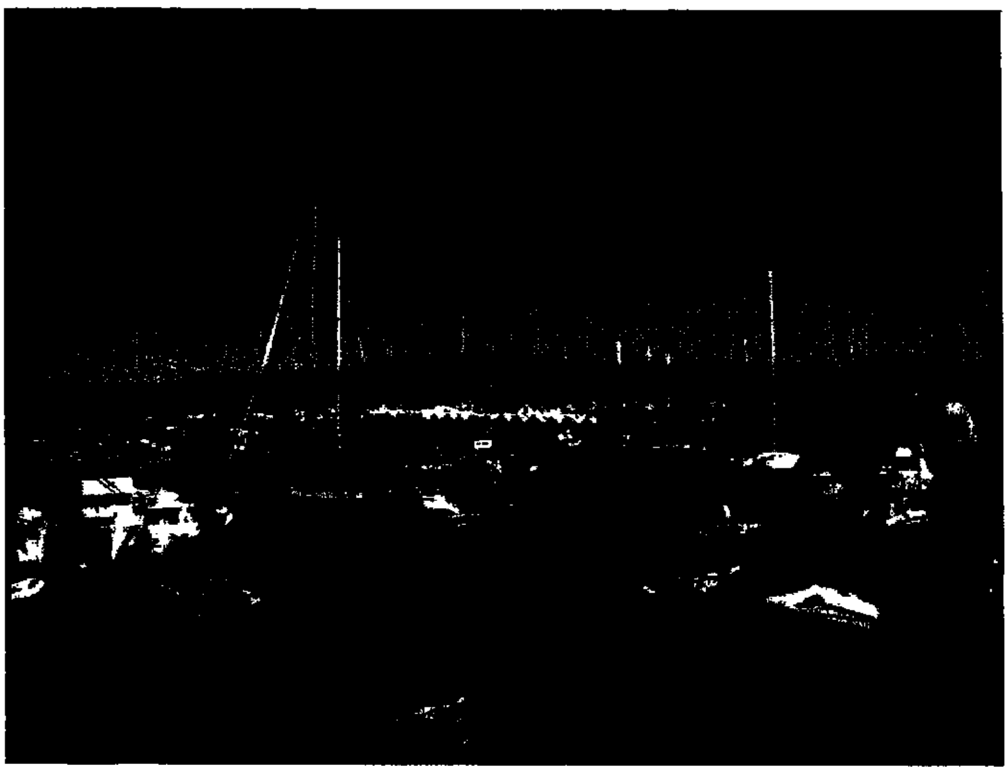
LOOKING NORTH ALONG TSEHUM ROAD

NEWLY DEVELOPED "RESTHAVEN RESIDENCES" CONSTRUCTED AT THE CORNER OF RESTHAVEN ROAD AND HARBOUR ROAD

2238/40 HARBOUR ROAD, SIDNEY, BC



FEDERAL GOVERNMENT'S GULF ISLAND NATIONAL PARK HEADQUARTERS BUILDING IMMEDIATELY WEST OF THE SUBJECT



MARINE HAUL-OUT FACILITY IMMEDIATELY EAST OF THE SUBJECT

SITE DESCRIPTION

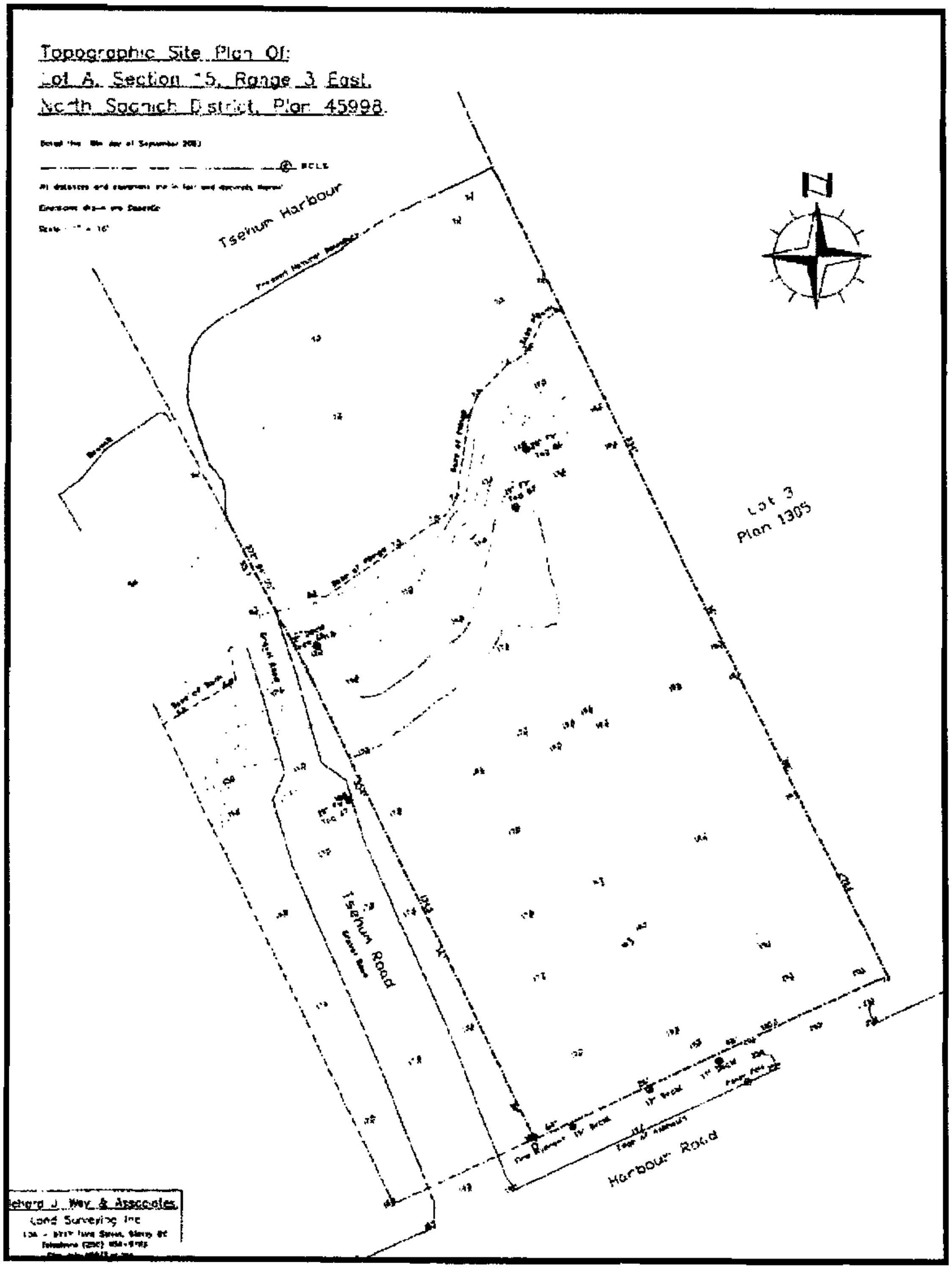
The subject property is presently improved with a commercial building and residence located on the fee simple upland and a marina located on the foreshore. These improvements are briefly described further in this report.

The fee simple lands are located at the northeast corner of Harbour Road and Tsehum Road. The site has 100.07 feet frontage onto Harbour Road and 190.20 feet frontage on Tsehum Road given that the latter does not extend down along the full extent of the property depth. The property depth on the north boundary is 239 feet and the total upland site area as identified on the architectural drawings accompanying the related development permit application is 23,385 sq. ft.

The lands are basically at grade to Harbour Road extending back roughly two thirds of the depth where the elevation then drops as shown on the following Topographic Site Plan a total of approximately 10 feet. The land then is level graveled parking area to the rear concrete retaining wall at the waterfront. A chain link fence interlaced with vinyl is located along the east boundary while a picket fence runs along a portion of the west boundary.

Harbour Road is paved, has one traffic lane in each direction and has a sidewalk on the subject side of the street and portions of the opposite side. Limited on-street parking is permitted. Full municipal services are available to the site including sanitary and storm sewers, piped water and natural gas, hydro, telephone and cablevision.

SITE PLAN

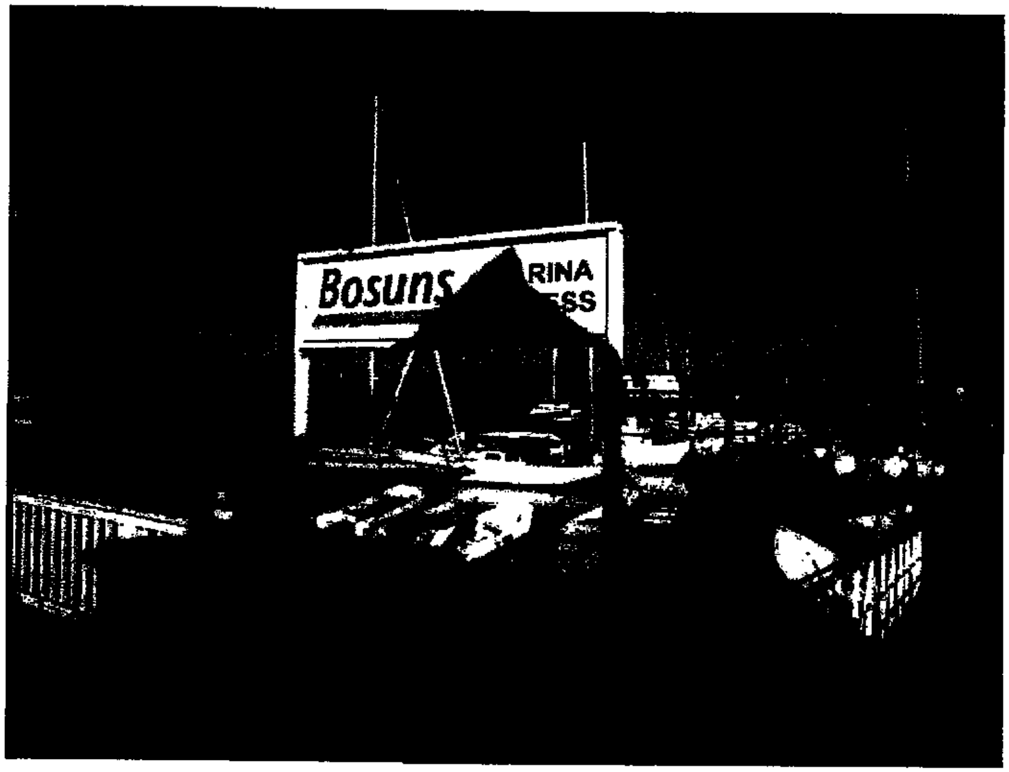

Topographic Site Plan Of:
Lot A, Section 15, Range 3 East,
North Saanich District, Plan 45998.
Tsehum Harbour
Lot 3
Plan 1305
Tsehum Road
Harbour Road
N

2238/40 HARBOUR ROAD, SIDNEY, BC

LOOKING NORTH TOWARDS PROPERTY FROM HARBOUR ROAD

LOOKING SOUTH TOWARDS PROPERTY FROM MARINA IMPROVEMENTS
ON ADJOINING WATER LOT

2238/40 HARBOUR ROAD, SIDNEY, BC



LOOKING NORTH TOWARDS MARINA IMPROVEMENTS ON ADJOINING WATER LOT FROM NORTH BOUNDARY OF UPLAND PARCEL

LOOKING SOUTH TOWARDS WATER LOT (FOREGROUND) AND UPLAND PARCEL (BACKGROUND) FROM ADJOINING PIER

DESCRIPTION OF IMPROVEMENTS

Former Residence

An older 1 ½ storey, eight room house, set back from Harbour Road with good harbour views. The building had been occupied as a residence by the previous owners for many years but was vacated and converted to offices a few years ago. The building is currently more or less unoccupied with considerable deferred maintenance noted. Basic building data is summarized as follows:

Age:	±1940's	
Size:	Main Floor	1,292 sq. ft.
	Second Floor	755 sq.ft
	Basement	915 sq. ft. (157 sq. ft. finished)
Foundation:	Concrete perimeter wall (deficiencies noted)	
Exterior:	Horizontal cedar siding	
Sash:	Single glaze wood sash – leaded windows at front	
Roof:	Gable, asphalt shingles – age unknown	
Interior:	Floor – wall-wall carpets, linoleum, oak hardwood on main and fir on upper floor. Plaster walls and ceiling.	
Insulation:	Unknown – apparently limited	
Heating:	Oil fired forced air and electric baseboard; half height brick fireplace	
Plumbing:	Four-piece on main and four-piece on upper	
Electrical:	100 amp capacity	
Basement:	Part basement – 6'6" clearance.	
Condition:	Generally poor. Considerable repairs and costs would be required to bring the building back to a state where it could be occupied for commercial or residential use. Renovation is not feasible given the significant value of the underlying land.	

Existing Commercial Building

A part one and part two storey commercial building with retail, office and a one bedroom residential suite.

Age:	±1969	
Size:	Main Floor	±2,051 sq. ft.
	Upper Floor	±1,147 sq. ft.
Foundation:	Concrete perimeter wall	
Exterior:	Stucco and horizontal wood siding	
Sash:	Single glaze aluminum	
Roof:	Flat – tar and gravel and/or rolled asphalt	
Interior:	Main: Concrete slab floor; wood frame partitions. Average office and display areas with average finishes. Second: Originated as a residential suite and then converted to offices but now reverted back to a one-bedroom suite.	
Heating:	Oil fired forced air and electric baseboard.	
Plumbing:	Two – 2 piece exterior entry washrooms and second floor 4 piece bathroom.	
Electrical:	200 amps	
Condition:	Average quality interior but the exterior needs redecoration and modernization. Renovation would not be feasible given the significant value of the underlying land.	

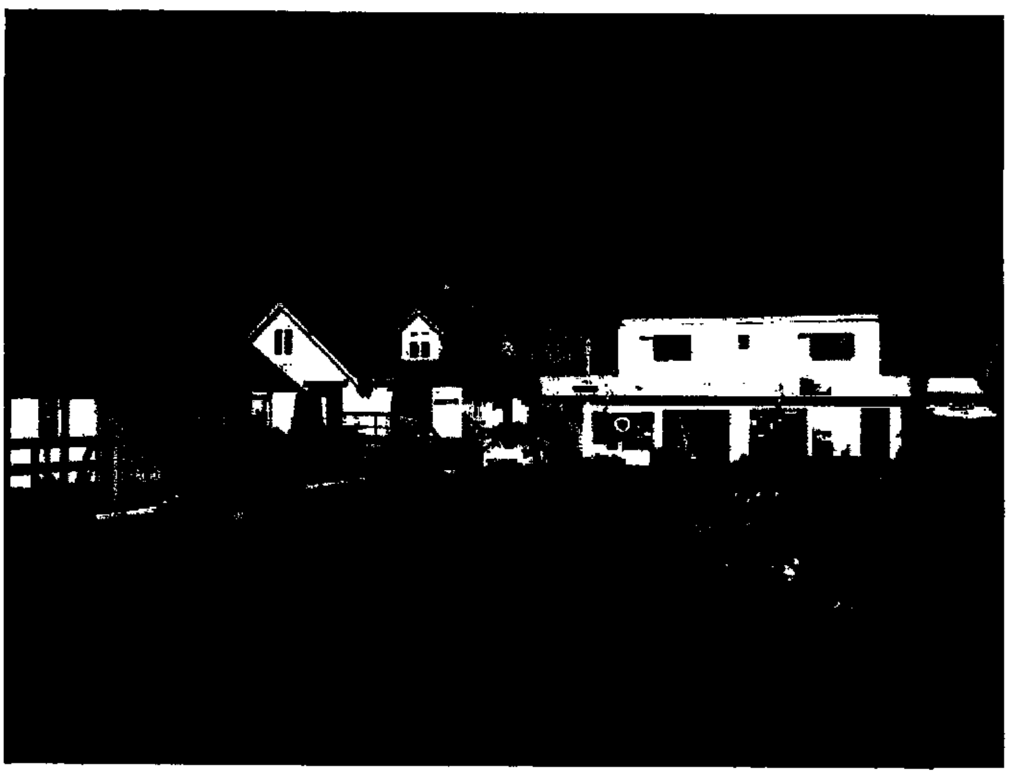
2238/40 HARBOUR ROAD, SIDNEY, BC

FRONT VIEW OF FORMER RESIDENCE BUILDING

REAR VIEW OF FORMER RESIDENCE BUILDING

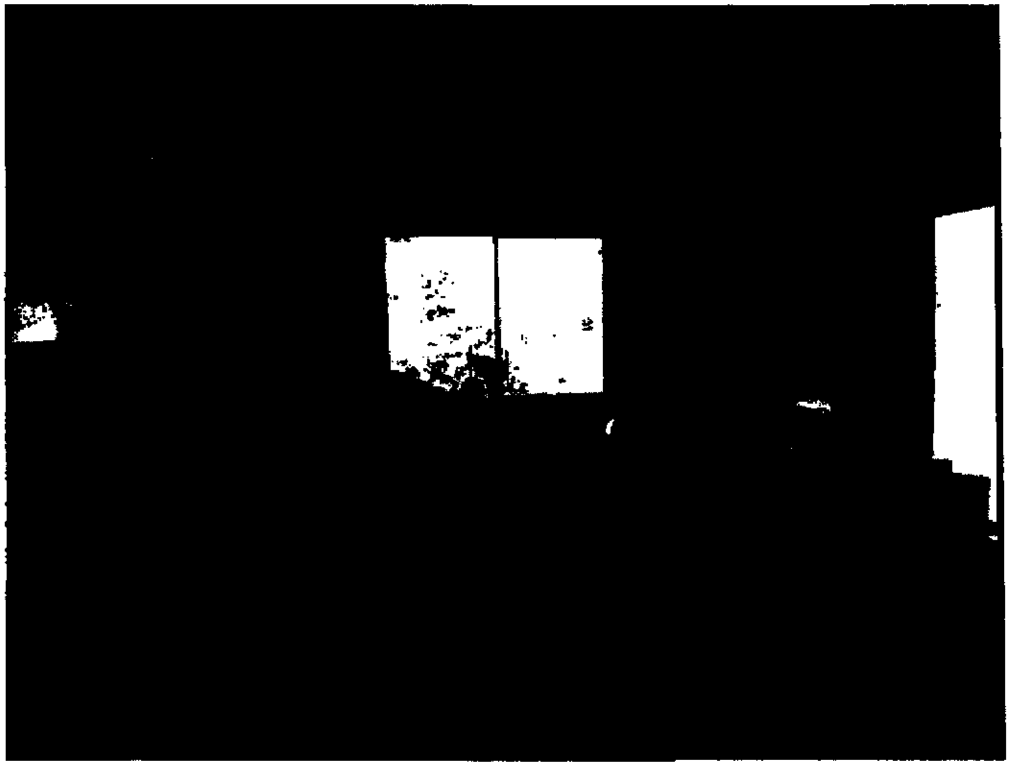
2238/40 HARBOUR ROAD, SIDNEY, BC

REAR VIEW OF COMMERCIAL BUILDING



ALL IMPROVEMENTS AS SEEN FROM HARBOUR ROAD

2238/40 HARBOUR ROAD, SIDNEY, BC



KITCHEN ON SECOND LEVEL OF COMMERCIAL BUILDING

LIVING ROOM ON SECOND LEVEL OF COMMERCIAL BUILDING

FORESHORE LEASE NO. 101900

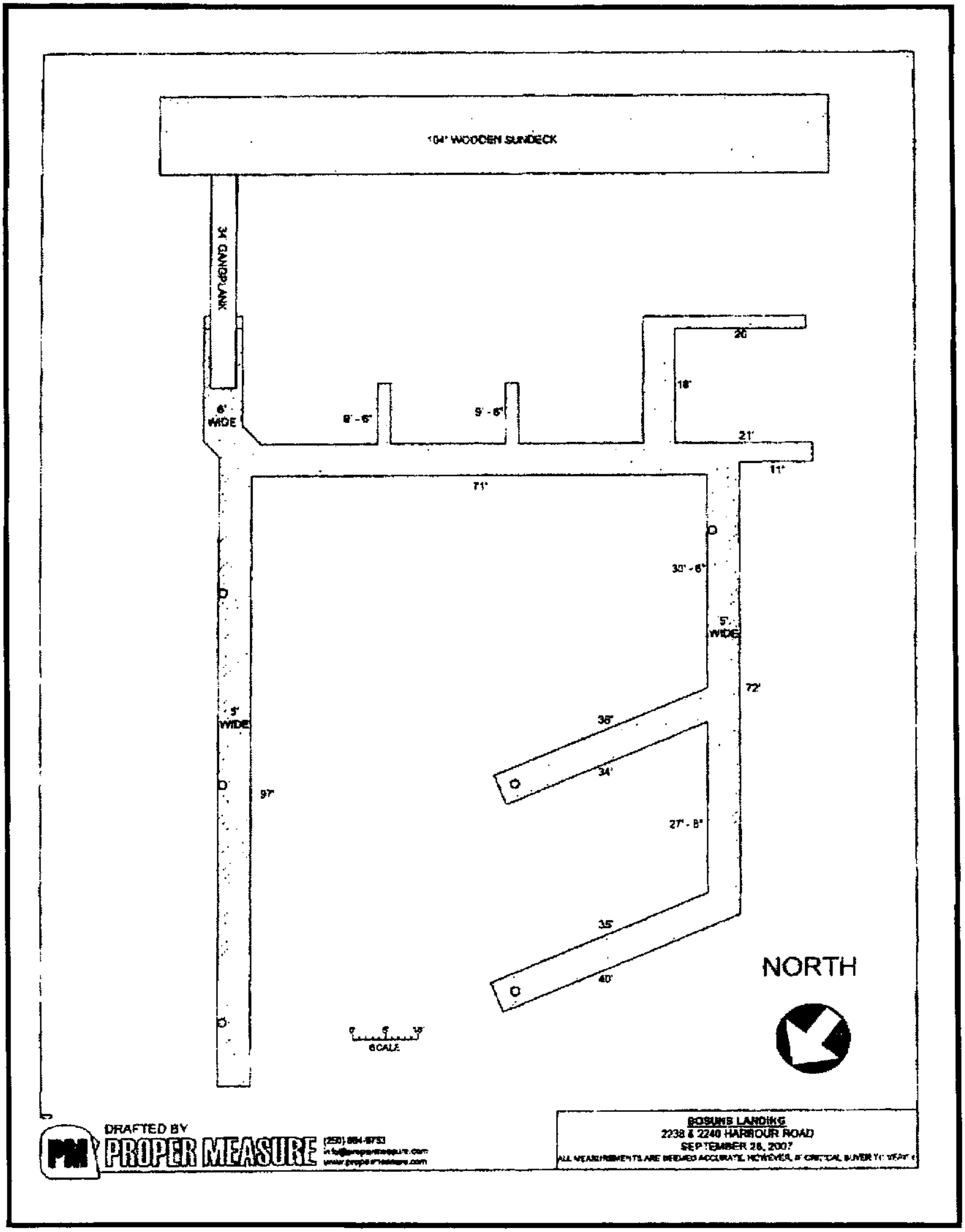
Lessor:	Province of British Columbia
Legal Description:	Block A, District Lot 653, Cowichan District
Size:	0.1407 ha or 15,144 sq. ft.
Tenure:	30 years; September 27, 1988 to September 26, 2017
Current Rent:	Not identified but understood to not be in excess of $1,600 per annum including GST
Status of Tenure:	Understood to be in good standing

MARINA IMPROVEMENTS

Deck: An L-shaped wooden deck on a mixture of concrete foundation and wood post on concrete piers. Size: ±1,500 sq. ft. Age: ±1984

Floats and Docks: U-shaped with ± 330 lineal feet of 5' wide docks and ±50 feet at 2 ft. wide fingers, a 6 ft. wide landing and a 34 foot long galvanized steel gangplank. An angled dingy dock is attached to the main east/west dock. Plank decking (2") – wood frame on foam billets – c/w galvanized finger support brackets and gangplank. Most of the decking is generally in good condition. Docks are serviced with cold water via a system of plastic piping and hydro (15 amp).

MOORAGE LAYOUT



ASSESSMENTS AND TAXATION

All properties in the province are valued by BC Assessment each year with an effective valuation date of July 1. Valuations are to be at "actual value", which is synonymous with market value. The taxable assessment for 2009 is the lower of the 2007 or 2008 valuations. The property is assessed for 2009 taxes, employing the 2007 valuation, as follows:

Roll No.:	141245.025
Land:	$ 677,000
Improvements:	$ 381,000
Total:	$1,058,000
2009 Taxes:	$13,509

LAND USE CONTROLS

Planning Officials with the Town of Sidney confirm that the subject property is zoned W1, Marine-Industrial; details of which are reproduced in the addenda. The intent of the W1 zone is to provide for a unique mix of industrial, commercial, residential and marine uses to complement the marine nature of the area. The wide range of permitted uses includes dwelling units, marinas, boathouses, maintenance facilities, manufacturing and repair of boats or marine equipment. Dwelling units are only permitted in buildings which contain another permitted use and must be located above the first storey. The maximum building height shall not exceed 30.84' and the maximum density is 15.38 units per acre (38 units per ha). For the subject upland parcel, this equates to 8.3 units.

The Official Community Plan (OCP) designates the area as Harbour Road Marine. The objectives of the Harbour Road Marine Development Permit area are as follows:

25.1.1 *To encourage a stimulating urban environment through the balance of architectural diversity and compatibility;*

25.1.2 *To promote and expand the unique marine industrial, commercial and residential character of the area;*

25.1.3 *To encourage the creation of an area on the south side of Harbour Road that is complementary to the marine industrial, commercial and residential uses on the north side of the road, while being sensitive to the surrounding residential development in the area as a whole;*

25.1.4 *To control and improve the interaction between marine industrial, marine commercial and residential uses in the area;*

25.1.5 *To maintain and encourage the pedestrian orientation of development in the area.*

HIGHEST AND BEST USE

Highest and best use is defined in ***The Appraisal of Real Estate*,** Second Canadian Edition (2002) as follows:

> *The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.*

The principle of highest and best use is fundamental to the concept of value in real estate. The decision made as to a property's highest and best use must be a legal one from the standpoint of zoning, health regulations and the like, and there must exist a demand for the use.

The subject upland parcel is sparsely developed given that the total building site coverage is only ± 15% of the fee simple site. Further, the floor space ratio (FSR) is well below average at only ± 0.23:1. Although the current use of the subject property confirms to land use controls, the property is under-utilized and site redevelopment is warranted given the considerable value of the underlying land. Also, the configuration and condition of the existing on-site improvements do not lend themselves well to expansion or renovation and contributory value is therefore negligible.

On June 17, 2008, the Town of Sidney issued a Development Permit (DP) for a mixed-use condominium building relative to the upland portion of the subject lands. The approved plan envisions a four-storey building containing three commercial strata units and eight residential strata units. The total gross building area is 26,399 sq. ft, thus the development density equates to an FSR of 1.13:1. A variance to permit two of the commercial strata units within the ground level (below natural grade) was issued but the DP was otherwise approved in accordance with existing land use controls. This DP expires on June 17, 2010.

The residential strata units envisioned on the plan are well above average in terms of size (± 2,000 sq. ft.) and it is understood that the current owner/developer had high expectations for the gross sales sell out. In the absence of a detailed development proforma outlining the costs and sales projections, an in-depth analysis into the feasibility of the proposed development proposal is beyond the scope of this assignment. Rather, the highest and best use of the subject property, on an "as-is" basis is considered to be site redevelopment in accordance with the existing land use controls. The existing on-site improvements are capable of generating a certain level of income to offset some of the holding costs and/or future demolition costs in the interim. Although, implicit in this assumption is that the property is well managed and it is further recognized that some costs will be incurred for immediate repairs. Finally, it is recognized that it will be more difficult to secure a tenant knowing that the term of the tenancy is at risk given the inherent redevelopment potential the property holds.

With respect to the foreshore area, the highest and best use is for a continued use as a marina. The marina improvements are in relatively good repair and can accommodate eight to ten fairly large pleasure crafts and demand for moorage is generally good given a relatively limited supply. Should the upland portion of the lands be redeveloped with high end residential condominium units as proposed in the DP, then redevelopment of the marina improvements may also be necessary to compliment the quality of the upland improvements.

VALUATION PROCEDURE

Generally appraisers rely upon three basic approaches to estimate value, which are the Direct Comparison Approach, the Cost Approach, and the Income Approach. The decision to apply any one or all of these approaches is determined by the type of property being appraised.

In this report, the Direct Comparison Approach to value has been relied upon to estimate the market value of the subject property on an "as-is" basis, and in accordance with current land use controls. Given that the existing on-site improvements are generally fully depreciated, valuation by the Cost Approach and Income Approach is meaningless.

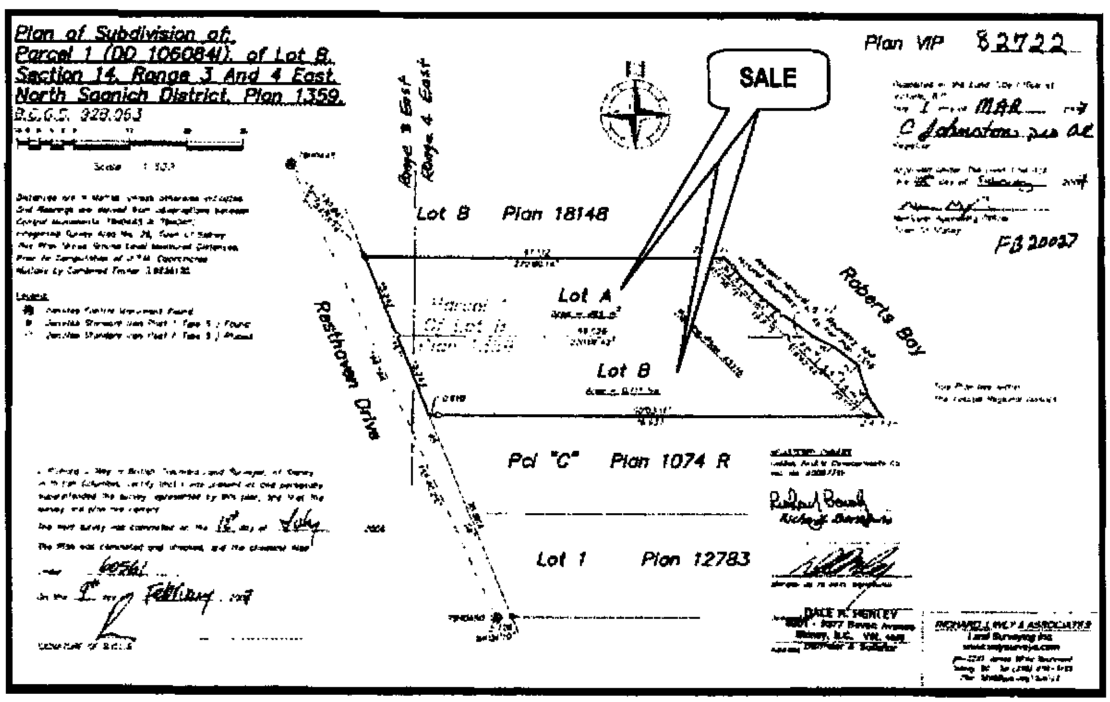
DIRECT COMPARISON APPROACH

The Direct Comparison Approach involves the gathering, analyzing and comparing of data on similar properties that have been sold, are listed for sale, or on which offers have been made. Inherent in this approach is the assumption that a prudent purchaser will not purchase a property at a higher price than similar properties with comparable location and characteristics. The approach is often good evidence of value as it represents the actions of the buyer in the marketplace.

Comparables considered most relevant to this analysis have been reduced to the following three sales and two listings outlined on the following pages.

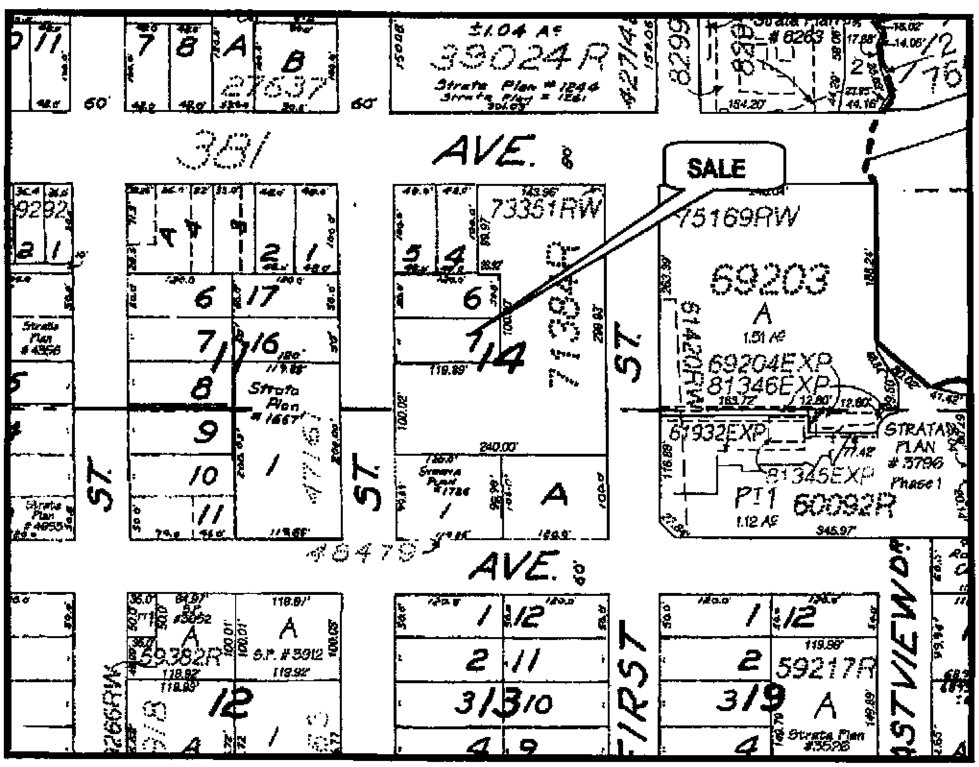
Sale No. 1

Location	:	10289 Resthaven Drive, Sidney
Parcel Identifier	:	026-998-548 and 026-998-530
Legal Description	:	Lots A and B, Section 14, Range 3 and 4 East, North Saanich District, Plan VIP82722
Vendor	:	Golden Anchor Developments Co.
Purchaser	:	Richard Lewanski
Sale Date/Title	:	March 2007 CA409731/2
Sale Price	:	$2,264,150 (combined)
Parcel Size	:	10,388 sq. ft. + 11,948 sq. ft. = 22,335 sq. ft. (0.51 acre combined)
Price PSF	:	$101.37
Comments	:	Two contiguous waterfront lots recently created by way of subdivision of former single parcel. The parent parcel was originally purchased May 2006 at $1,700,000. Property was then subdivided in accordance with existing zoning and sold as outlined above. Current zoning permits a duplex dwelling on each lot. Each parcel has ± 50' of frontage and exposure is generally east facing over Roberts Bay. Low bank beach access to sandy beach, although the property is tidal towards mud flats. No potential for moorage.



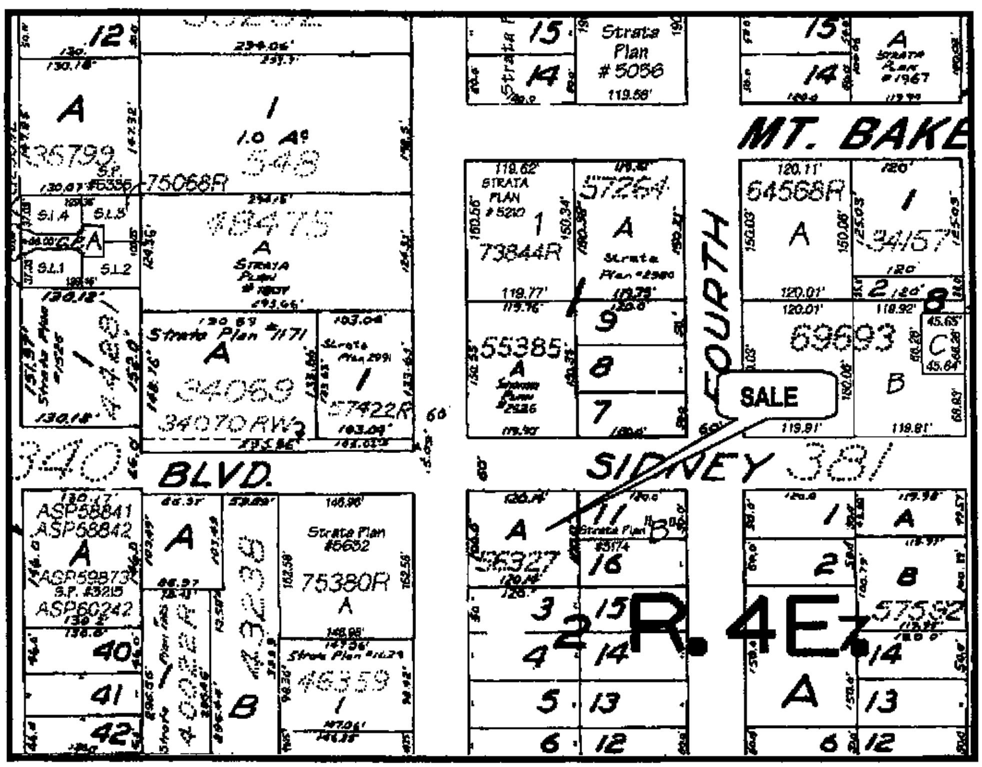
Sale No. 2

Location	:	9775 Second Street, Sidney
Parcel Identifier	:	009-110-381
Legal Description	:	Lot 7, Block 14, Section 11, Range 4 East, North Saanich District Plan 381
Sale Price	:	$673,000
Sale Date/Title	:	January 2008 CA686464
Vendor	:	Salvation Army
Purchaser	:	Lucky Strike Holdings Ltd.
Lot Size	:	6,000 sq. ft.
Zoning	:	C, Core Commercial
Site Description	:	Level, non-corner lot just off Beacon Avenue.
Price PSF	:	$112.17
Comments	:	Commercial lot with an old, wood-frame store building on site but the value is considered to be in the land.



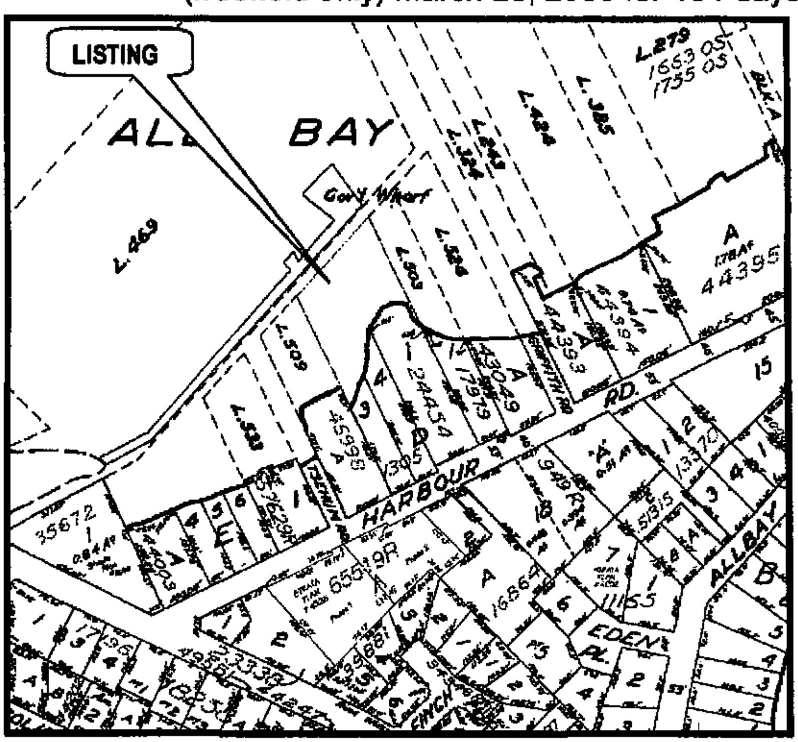
Sale No. 3

Location	:	9839 Fifth Street, Sidney
Parcel Identifier	:	018-246-389
Legal Description	:	Lot A, Section 11, Range 4 East, North Saanich District Plan VIP56327
Sale Price	:	$1,700,000 ($1,350,000 residual)
Sale Date/Title	:	February 2008 FB143140
Vendor	:	Yee and Yu Enterprises Ltd.
Purchaser	:	Roxana McKenzie Enterprises Ltd.
Lot Size	:	12,014 sq. ft.
Zoning	:	C, Core Commercial
Site Description	:	Level, corner lot one block north of Beacon Avenue.
Price PSF	:	$141.50 ($112.37 PSF based on residual)
Comments	:	Commercial lot improved with a unique mixed-use building located on a corner lot in the downtown core. Main level was formerly a restaurant but property was purchased for owner-occupancy retail (Monks Office Supply). The interior was basically gutted and redone and extensive exterior renovations were also required.



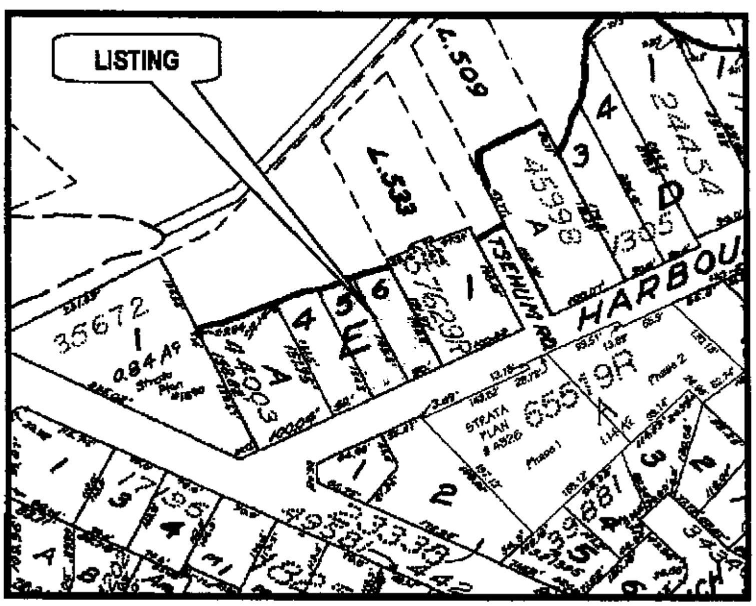
Listing A

Location	:	2244 Harbour Road, Sidney
Parcel Identifier	:	003-030-709, 001-093-797 and 001-093-801
Legal Description	:	Lot 1, Section 15, Range 3 East, Plan 24454. Lots 3 & 4, Block D, Section 15, Range 3 East, Plan 1305, all of North Saanich District; Foreshore Lease #102840 covering Block B of District Lots 653 and 660
List Price	:	$7,499,000
List Date	:	June 2009
Zoning	:	W1, Marine Industrial
Lot Size	:	Fee simple 53,281 sq. ft
		Filled foreshore (leasehold) 10,495 sq. ft.
		Waterlot (leasehold) 20,720 sq. ft.
List Price PSF	:	$140.74 (based on upland fee simple lands only)
Comments	:	Current listing of three contiguous parcels, which have been utilized collectively for numerous years as a boat yard. Property is represented as freehold with the existing business (Vector Yacht Services). Property is also being promoted as a redevelopment site. Existing on-site improvements have little to no contributory value. The property was previously listed as a redevelopment site (freehold only) March 20, 2008 for 184 days at $6,990,000.



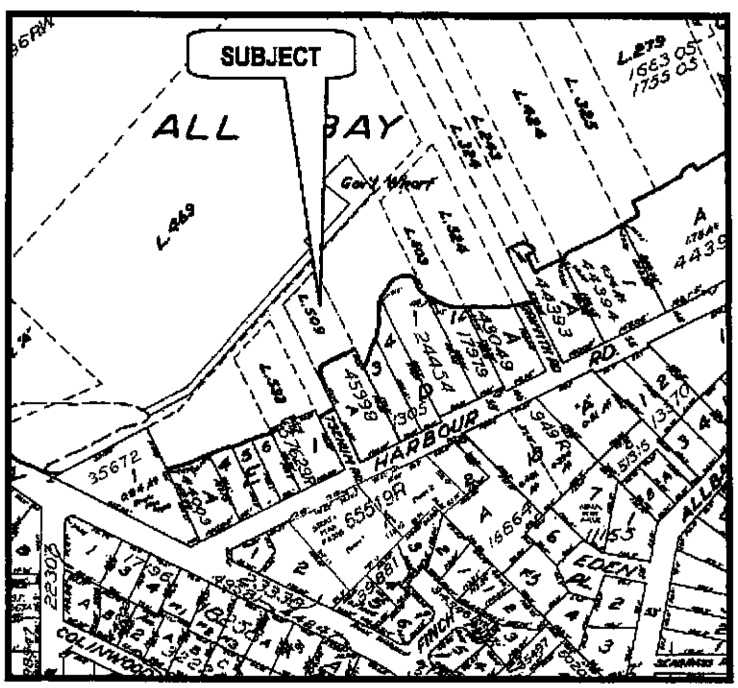
Listing B

Location	:	2212 Harbour Road, Sidney
Parcel Identifier	:	002-385-058 and 002-385-074
Legal Description	:	Lots 5 and 6, Block E, Section 15, Range 3 East, North Saanich District, Plan 1305
List Price	:	$1,800,000 (private offering; price reported as of Sept. 2009)
List Date	:	Private listing – exact date of listing not known for certain
Vendor	:	Patricia Lynn Henshaw
Zoning	:	W1, Marine Industrial
Lot Size	:	Fee simple 14,810 sq. ft
		Waterlot (leasehold) 18,147 sq. ft.
List Price PSF	:	$121.54 (based on upland fee simple lands only)
Comments	:	Private listing of a relatively small interior site with ± 100' of frontage on All Bay. Property is being promoted as a development site, and is inclusive of a foreshore lease with some marina infrastructure/docks. A development permit was also issued for a mixed-use building comprised of commercial space and five residential units, although it expired July 2009. Upland and foreshore are rented on a month-to-month basis with the foreshore/marina currently rented at $2,000 per month. Seller suggests that the upland has potential for $3,000 per month rent. Property was previously listed November 2007 through the MLS at $2,400,000 ($162.05 PSF) and subsequently reduced to $2,100,000 ($141.80 PSF) on May 8, 2008.



Subject Property:

Location	:	2238/40 Harbour Road, Sidney
Parcel Identifier No.	:	009-231-901
Legal Description	:	Lot A, District Lot 12 and Section 15, Range 3 East, North Saanich District, Plan 45998
Sale Price/Date	:	$3,500,000 January 2008
Zoning	:	W1, Marine Industrial
Lot Size	:	Fee simple 23,385 sq. ft Waterlot (leasehold) 15,144 sq. ft.
Sale Price PSF	:	$149.67 (based on upland fee simple lands only)
Comments	:	Share transfer sale of a rectangular-shaped site located at the northeast corner of Harbour Road and Tsehum Road, with frontage on All Bay. Property is improved with various smaller buildings and has been home to Bosun's Charters and other marine related businesses for numerous years. Property was purchased as a redevelopment site for a mixed-use commercial/residential building and is inclusive of a foreshore lease with some marina infrastructure/ docks Subsequent approved development proposal envisages eight high-end condominium units over ground level commercial space. Existing upland improvements will be demolished.



SALES SUMMARY AND ANALYSIS

Index	Location	Sale Price	Sale Date	Size (SF)	Price PSF
1	10289 Resthaven Dr.	$2,264,150	Mar-07	22,335	$101.37
2	9775 Second Street	$ 673,000	Jan-08	6,000	$112.17
3	9839 Fifth Street	$1,350,000**	Feb-08	12,014	$112.37**
Listing A	2248 Harbour Road	$7,499,000*	Listing	53,281	$140.74*
Listing B	2212 Harbour Road	$1,800,000*	Listing	14,810	$121.54*
Subject	2238/40 Harbour Rd.	$3,500,000	Jan-08	23,385	$149.67

*list price ** based on residual

In the absence of waterfront development site sales in the Sidney area, the analysis was expanded to include other non-waterfront commercial sites in the Sidney core, as well as other current listings in the subject area.

Index 1 at $101.37 PSF involves two contiguous waterfront parcels on Resthaven Drive, which front Roberts Bay and is located immediately south of the subject property. Each parcel is zoned for a duplex dwelling, thus the property will support four dwelling units on an "as-is" basis, which equates to a density of 7.84 units per acre. The aggregate parcel size is very similar to the subject property, although the subject permits a higher residential density (15.38 units per acre) plus a commercial component. The subject is also considerably superior in terms of its waterfront utility given the foreshore. The sale is also dated and market conditions had continued to improve until about the mid-point of 2008 but have otherwise since retreated. On an overall basis, this sale would reflect a slightly higher value when adjusted for time. For all of these reasons, the subject warrants a higher unit rate when expressed on the basis of a rate PSF.

Index 2 at $112.17 PSF is a relatively small commercially zoned site within the downtown Sidney core. The indicated unit rate is skewed up due to the small parcel size and above average development density. However, the property is not waterfront, nor does it even provide an ocean view and for these reasons alone, the subject warrants a higher unit value.

Index 3 at $112.37 PSF is the indicated unit rate based on the residual to land. It involves a corner site in the Sidney core that was purchased for owner-occupancy. Like Index 2, it is inferior overall as it is not a waterfront site and despite differences in parcel size, the subject warrants a higher unit value.

Listings A and B at $140.74 PSF and $121.54 PSF, respectively, concern two separate parcels within the immediate area of the subject that are currently offered for sale. Both are similar to the subject in terms of land use controls and with respect to having some form of foreshore improvements. Listing A is a much larger parcel adjacent to the subject. Despite its proximity to the subject, it is superior in terms of frontage but the subject is superior with respect to its corner lot configuration and more immediate development potential. The asking price of Listing A is otherwise skewed up as the offering includes an existing business. Listing B is a smaller non-corner parcel located towards the end of All Bay. Again, despite its proximity to the subject property, the subject is superior in terms of overall waterfront and site utility.

The subject property sold at $149.67 PSF, which reflects the upper end of the value range in this analysis. It is recognized that the property sold at a time when the market was extremely active, and to a non-local development group who felt confident that the market could withstand additional supply of high-end residential condominium units. However, market conditions for this type of real estate investment have since slowed considerably and as such revisions to the existing development plans may be necessary.

For reasons previously stated, the subject warrants a higher unit value than that indicated by the three sales referenced above, but should otherwise be less than that indicated by its own sale price based on a decline in market conditions alone. The two listings in this analysis provide additional support. Moreover, the price of Listing B has been adjusted downward by ± 14% to account for market conditions, which is reasonable. The asking price of Listing A has been adjusted upward, although it is further recognized that the asking price now includes a business, which may or may not add value, and it is otherwise further reported that some more recent site remediation has been completed. Regardless, these two listings are not sales and it is reasonable to assume that the eventual sale prices will be less than the asking prices and as such each of these comparables further reinforce the upper end of the unit price.

Considering the subject in relation to the foregoing, a unit value in excess of that indicated by the three sales, but only marginally in excess of that indicated by Listing B, say $125.00 PSF, is considered reasonable. This reflects an overall decrease in value of 16%, which is also consistent with market conditions. The market value of the subject site, as of September 22, 2009, is therefore estimated as follows:

23,385 sq. ft. X $125.00 PSF = $2,923,125

Rounded to $2,925,000

EXPOSURE TIME

Exposure time is the estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is always presumed to have preceded the effective date of the appraisal and is representative of a reasonable exposure time. The overall concept of a reasonable exposure time also assumes adequate, sufficient and reasonable marketing effort.

For the subject commercial property, a typical exposure period of four to twelve months has been utilized for the purposes of this analysis.

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief that:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favoring the client;
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice;
- I have the knowledge and experience to complete the assignment competently;
- No one provided significant professional assistance to the person signing this report;
- As of the date of this report the undersigned has fulfilled the requirements of the Appraisal Institute of Canada Continuing Professional Development Program for designated members;
- The undersigned personally inspected 2238/40 Harbour Road, Sidney, BC, as described more fully in the Executive Summary at page 1, on September 22, 2009;
- Based upon the data, analyses and conclusions contained herein, the market value of the interest in the property described, as at September 22, 2009, is estimated at **$2,925,000.**

Dated this 25th day of September, 2009

Steffen A. Hagen, AACI, P.App

ADDENDA

Title Search Print

W1, Marine – Industrial Zoning Extract

VICTORIA LAND TITLE OFFICE TITLE NO: EW33833
FROM TITLE NO: S135891

APPLICATION FOR REGISTRATION RECEIVED ON: 24 MARCH, 2004
ENTERED: 25 MARCH, 2004

REGISTERED OWNER IN FEE SIMPLE:
BOSUN'S HOLDINGS LTD., INC.NO. 319640
2240 HARBOUR ROAD,
SIDNEY, BC
V8L 3Y3

TAXATION AUTHORITY:
TOWN OF SIDNEY

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 009-231-901
LOT A, DISTRICT LOT 12 AND SECTION 15, RANGE 3 EAST, NORTH SAANICH DISTRICT, PLAN 45998

LEGAL NOTATIONS:

THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 26 OF THE LOCAL GOVERNMENT ACT, SEE EW103693

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE FA73261
FILED 2006-06-19

THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 26 OF THE LOCAL GOVERNMENT ACT, SEE FB183271

THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 26 OF THE LOCAL GOVERNMENT ACT, SEE FB183272

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

UNDERSURFACE AND OTHER EXC & RES
S130559 1987-11-16 09:20
REGISTERED OWNER OF CHARGE:
HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA
S130559
REMARKS: SECTION 47, LAND ACT, DD S119983
AS TO PART FORMERLY BLOCK A, DISTRICT LOT 12,
NORTH SAANICH DISTRICT

MORTGAGE
CA858656 2008-07-22 12:25
REGISTERED OWNER OF CHARGE:
FISGARD CAPITAL CORPORATION
INCORPORATION NO. C603095
CA858656

CONTINUES ON PAGE 002

ASSIGNMENT OF RENTS
CA858657 2008-07-22 12:25
REGISTERED OWNER OF CHARGE:
FISGARD CAPITAL CORPORATION
INCORPORATION NO. C603095
CA858657

MORTGAGE
CA858698 2008-07-22 12:55
REGISTERED OWNER OF CHARGE:
THOMAS WILLIAM MELVILLE
VICKI RACHEL MELVILLE
CA858698

ASSIGNMENT OF RENTS
CA858699 2008-07-22 12:55
REGISTERED OWNER OF CHARGE:
THOMAS WILLIAM MELVILLE
VICKI RACHEL MELVILLE
CA858699

CLAIM OF BUILDERS LIEN
FB271231 2009-06-04 14:58
REGISTERED OWNER OF CHARGE:
J. PATRICK HARRISON
(DOING BUSINESS AS JPH CONSULTANTS INC.)
FB271231

CLAIM OF BUILDERS LIEN
FB271793 2009-06-08 12:16
REGISTERED OWNER OF CHARGE:
MCELHANNEY CONSULTING SERVICES LTD.
FB271793

CLAIM OF BUILDERS LIEN
FB271914 2009-06-09 09:45
REGISTERED OWNER OF CHARGE:
LANA LOUNSBURY INTERIORS
FB271914

CLAIM OF BUILDERS LIEN
FB272928 2009-06-11 10:33
REGISTERED OWNER OF CHARGE:
C.N. RYZUK & ASSOCIATES LTD.
FB272928

CLAIM OF BUILDERS LIEN
CA1148724 2009-06-16 11:04
REGISTERED OWNER OF CHARGE:
ROBERT BOYLE ARCHITECTURE INC.

INCORPORATION NO. BC0152367
CA1148724

CLAIM OF BUILDERS LIEN

CONTINUES ON PAGE 003

FB280346 2009-07-07 11:47
REGISTERED OWNER OF CHARGE:
LONDON MAH & ASSOCIATES LTD.
FB280346

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28, L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE

PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

SCHEDULE V - MARINE

501.	MARINE – INDUSTRIAL (W1)	OCP: HRM

The intent of the W1 zone is to provide for a unique mix of industrial, commercial, residential and marine uses to complement the marine nature of the area.

501.1 Permitted Uses:

1. Accessory buildings, structures or uses
2. Artist studios
3. Boathouses
4. Boat launches
5. Breakwaters
6. Class I or Class II restaurants
7. Drydocks
8. Dwelling units
9. Home occupations
10. Liveaboards
11. Maintenance facilities for marine contractors
12. Manufacturing or repair of boats or marine equipment
13. Marina
14. Marine fuel stations
15. Marine fuel storage
16. Marine loading and unloading facilities
17. Marine moorage
18. Marine pubs or brew pubs
19. Marine related retail
20. Marine rental or charter operations
21. Navigation of boats
22. Offices, excluding medical offices, dental offices or denturists
23. Outside storage
24. Warehousing, closed storage or distribution

501.2 Conditions of Use:

1. Warehousing, closed storage or distribution shall be permitted only for boats or marine equipment and shall be in conjunction with the following uses:
   (a) manufacturing, sale or repair of boats or marine equipment; or
   (b) marine loading and unloading facilities.
2. Dwelling units shall be
   (a) permitted only in buildings which contain another permitted use;
   (b) located above the first storey;
   (c) subject to a Restrictive Covenant expressing knowledge of the existing marine industrial and commercial uses; and
   (d) permitted only on the landward side.
3. Fuel storage shall be underground and shall be utilized for the purpose of the distribution of boat fuel only.
4. Outside storage shall be (1) limited to boat storage or (2) permitted only as an accessory use to maintenance facilities for marine contractors.
5. Liveaboards shall be permitted only in marinas. No more than 15% of the moorage capacity of a marina may be occupied by liveaboards at any one time. Moorage capacity shall be the number of berths, as noted in the marina business license issued by the Town for the appropriate year.
6. Boathouses shall only be permitted on Water Lot 649.

501.3 Density:

The maximum number of units per hectare is 38.

501.4 Lot Area:

Lot area shall not be less than 1000 square metres.

501.5 Lot Coverage: n/a

501.6 Gross Floor Area:

Gross floor area of retail stores shall not exceed 230 square metres.

501.7 Floor Space Ratio: n/a

501.8 Height and Storeys:

Height shall not exceed 9.4 metres above the crown of Harbour Road, with the exception of the marina (water area) which shall not exceed a height of 9.4 metres above the natural boundary.

501.9 Required Setbacks:

With the exception of all water lots, the required setbacks shall be as follows:

1. <u>Front:</u>
   The top storey of any building shall be setback 1.5 metres.
2. <u>Rear:</u> n/a
3. <u>Side - Interior</u>
   Where an interior side lot line abuts a lot designated for residential use in Schedule "B" of the Town of Sidney, Official Community Plan Bylaw 1612, interior side setback shall be provided of not less than 1.5 metres.
4. <u>Side - Exterior</u>
   Exterior side setback shall be provided of not less than 1.5 metres.

501.10 Other Requirements:

Lots existing on the effective date of this Bylaw which do not conform with the minimum lot area requirement of this zone may be used for any of the permitted uses outlined in this zone provided that all other requirements of this Bylaw are met and provided that no other regulations are contravened.

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., ORILLIA INVESTMENTS LTD., 0726028 B.C. LTD., 0675816 B.C. LTD. and BOSUN'S HOLDINGS LTD.

Applicants

AFFIDAVIT

OWEN BIRD LAW CORPORATION
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