Form 60 (Rule 51(2) and (5))

L. Grillandini #1
Sworn December 2, 2009

Action No. 0901-11866

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

IN THE MATTER OF THE ***COMPANIES' CREDITORS ARRANGEMENT ACT***, R.S.C. 1985, c. C-36, AS AMENDED, ***THE JUDICATURE ACT***, R.S.A. 2000, c. J-2, AS AMENDED AND ***THE BUSINESS CORPORATIONS ACT***, R.S.A. 2000, C. B-9, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT 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.**

AFFIDAVIT

I, Lynette Grillandini, legal assistant, of 2900 – 595 Burrard Street, Vancouver, British Columbia, MAKE OATH AND SAY THAT:

1. I am a legal assistant with Owen Bird Law Corporation, solicitors for Romspen Mortgage Corporation, and as such have personal knowledge of the facts I deposed to, save and except where stated to be on information and belief and where so stated I verily believe them to be true.

2. Attached as Exhibit "A" is a copy of a participation agreement dated November 15, 2007 between Romspen Mortgage Corporation and Realty Investments Corporation c.o.b. in Alberta and British Columbia under the assumed name Investit Financial Inc.

3. Attached as Exhibit "B" is a copy of an email dated November 25, 2009 from 1533021 Ontario Ltd.'s counsel, Peter Leveque, to the Receiver/Monitor's counsel, Sean Collins and others.

SWORN BEFORE ME at the City of Vancouver, in the Province of British Columbia, this 2nd day of December, 2009.	)	
Scott H. Stephens A Commissioner for taking Affidavits for British Columbia	)	Lynette Grillandini

SCOTT H. STEPHENS
BARRISTER & SOLICITOR
2900 - 595 BURRARD STREET
VANCOUVER, B.C. V7X 1J5
604-688-0401

This is Exhibit " A " referred to in the
affidavit of L. Grillandini.....
sworn before me at Vancouver
this 2 day of December 2009

....

THIS **PARTICIPATION AGREEMENT** made as of the 15th day of November, 2007

BETWEEN:

Realty Investments Corporation, carrying on business in British Columbia and Alberta under the assumed name, INVESTIT FINANCIAL INC., having an office at 216, 3722 – 57 Ave., Red Deer, Alberta T4N 4R6

("Realty")

AND:

Romspen Mortgage Corporation of 162 Cumberland Street, Suite 300 Toronto, Ontario, M5R 3N5

("Romspen")

WHEREAS:

A. Shire International Real Estate Investments Ltd. (the "Mortgagor") is acquiring 118.76 acres of vacant land located at the NW corner of 144th Avenue NW and 69th Street NW, in the City of Calgary, Alberta, legally described as SE ¼ **of Section 3, Township 26, Range 2, West of the 5th**, PID W5M – 2 -26 – 3 SE. (the "Lands");

B. Pursuant to an agreement of purchase and sale dated February 4, 2007, as amended, (the "Offer"), the acquisition is scheduled to close on November 15, 2007. A copy of the Offer is attached as Schedule A hereto;

C. Pursuant to a letter agreement agreed dated October 5, 2007 (the "Letter Agreement"), a copy of which is attached as Schedule B hereto, Realty has agreed to provide a loan of up to a maximum of $9,000,000 (nine million dollars) bearing interest at 13% per annum and maturing November 15, 2008, ("the Loan") to assist in the acquisition of the Lands;

D. In order to secure repayment of the Loan (including, without limitation, interest thereon), the Mortgagor will grant to Realty a mortgage of the Lands in the principal sum of $9,000,000 (the "Mortgage") which will be registered in the Calgary Land Title Office plus other security including but not limited to a General Security Agreement, Guarantees and Assignments and Postponement of Claims (the "Other Security");

E. Realty has requested and Romspen has agreed to jointly participate in the Loan and acquire an assignment of an undivided two-thirds (66.66 %) interest in the Loan on the terms and conditions hereinafter set forth;

F. The Loan and all security granted in connection therewith will be assigned by Realty in favour of Realty and Romspen in the respective shares as above mentioned, and not on a joint account, with Romspen's interest in the Loan ranking in priority to Realty's interest in the Loan so that Realty and Romspen, or their respective successors and assigns, should or shall stand possessed of their respective shares as tenants in common but with Romspen's interest in the Loan ranking in priority to Realty's interest in the Loan;

G. Realty and Romspen (collectively the "Participants") wish to enter into this Agreement for the purposes of setting out the agreements between them relating to the joint participation in the Loan, the Mortgage and any additional security thereto (the "Other Security"); and

NOW THEREFORE in consideration of the premises and the mutual covenants herein contained, the parties hereto covenant and agree as follows:

1. **Participating Interests:** The "Participating Interests" of the Participants in the Mortgage and in the Other Security will be equal to 1/3 for Realty and 2/3 for Romspen. Romspen's Participating Interest will rank at all times in priority to Realty's Participating Interest. When used in this Agreement, the term "Pro Rata" means 1/3 with respect to Realty and 2/3 with respect to Romspen on the item with respect to which the term "Pro Rata" is used, provided that if at any time there is a change in the proportion of the principal amount of the Loan repayable to each Participant relative to the total principal amount of the Loan which is repayable to both Participants, then thereafter the Participating Interests of the Participants will be adjusted accordingly and "Pro Rata" will mean, with respect to Realty, the principal amount of the Loan repayable to Realty divided by the total principal amount of the Loan repayable to both Realty and Romspen and, with respect to Romspen, the principal amount of the Loan repayable to Romspen divided by the total principal amount of the Loan repayable to both Realty and Romspen. Any and all Other Security of any nature which either Participant now holds or may hereafter receive in connection with the Loan will be held by such Participant in trust for the Pro Rata benefit of both Participants. Each of the Participants will be registered as a holder of the Mortgage as to its initial undivided Pro Rata interest unless otherwise agreed by the Participants in writing. Each of the Participants will also be shown as a holder of the Other Security as to its undivided Pro Rata interest, except as otherwise contemplated herein. The Participants confirm their intention is set out in Recital F hereof.

2. **Additional Interests in Lands:** So long as this Agreement remains in effect, neither Participant will acquire any additional interest or estate in the Lands without the consent of the other Participant, such consent not to be unreasonably withheld, until such Participant has offered to the other Participant an opportunity, upon thirty (30) days' written notice, to acquire a Pro Rata share of such additional interest or estate at a price equal to the other Participant's Pro Rata share of the price at which such additional interest or estate is available to such Participant. Further encumbering of the Lands by the Borrower to a non-Participant shall require the mutual consent of the Participants, the respective consents not to be unreasonably withheld.

3. **Repayment to Romspen First:** Notwithstanding any term of the Offer, the Mortgage or the Other Security to the contrary, Romspen's interest in the Loan will rank in priority to Realty's interest in the Loan with the intent that Romspen will be entitled to be repaid the full amount of principal, interest, fees and costs (including Romspen's share of

any costs of realization except as contemplated in paragraph 23 of this Agreement) owing at any time to Romspen before Realty is repaid all or any portion of the principal, interest (except as provided in paragraph 4 of this Agreement), fees and costs owing at any time to Realty. When Romspen has been fully repaid and if Realty is not fully repaid at the same time, Romspen will execute and deliver an assignment of Romspen's interest in the Mortgage and the Other Security to Realty upon request by Realty.

4. **Interest and Monthly Payments:** Although the Loan bears interest (and the Mortgage will provide for interest) at a rate of 13% per annum, as between the Participants, Romspen will be entitled to receive interest at a rate of 11% per annum and Realty will be entitled to receive interest at a rate of 17% per annum both to the end of the term and thereafter if there is default under the Offer, the Letter Agreement, the Mortgage or Other Security. Accordingly, assuming that the Participating Interests continue to be 2/3 for Romspen and 1/3 for Realty, the monthly "interest only" payments to be made by the Mortgagor will be divided so that approximately $55,000.00 is received by Romspen and approximately $42,500.00 is received by Realty. Notwithstanding paragraph 3 of this Agreement, so long as the Mortgagor is not in default under the Mortgage or Other Security, Realty shall be entitled to receive and retain Realty's share of the "interest only" payments as contemplated in this paragraph.

The Letter Agreement also provides for the extension of the loan for an additional six (6) month period at a rate of 16% per annum and for interest at the rate of 24% if the loan is neither repaid nor formally renewed by November 15, 2008. Under these conditions the interest rate earned by Romspen will increase to 14% and 22% respectively.

5. **Entitlement to Payments after Default:** If there is a default under the Mortgage or Other Security, the allocation of interest as between the Participants as set forth in paragraph 4 of this Agreement shall continue but unless otherwise agreed by the Participants in writing any payments by or on behalf of the Mortgagor after default (whether on account of principal, interest or other monies) and any proceeds of realization of the Mortgage and Other Security shall be applied firstly towards repayment of the principal, interest (at the rate of 11% or 17% per annum, as the case may be, as contemplated in paragraph 4 of this Agreement) and, except as otherwise provided in paragraph 23 of this Agreement, other monies repayable to Romspen (and not to interest, principal or other monies repayable to Realty) until such time as all monies repayable to Romspen (whether for interest, principal or otherwise) are repaid in full. For purposes of this paragraph 5, the Mortgagor shall not be deemed to be in default under the Mortgage solely by reason of failing to make an interest only payment on its due date so long as such payment is made within seven (7) days of its due date (or such longer period as Romspen may agree in writing).

6. **No Partnership:** Neither the execution of this Agreement nor the sharing in the Loan nor the security for the Loan nor any agreement to share in profits or losses arising as a result of the Loan is intended to be nor shall it be construed to be the formation of a partnership or a joint venture between the Participants.

7. **Fees:** Simultaneously with the first advance under the Loan, Romspen and Realty

will each receive a commitment fee of four percent (4%) of the amount that each has invested in the Loan ($240,000 and $120,000 respectively). In addition, should the Loan be extended, each Participant will also be entitled to an Extension Fee of 1% on the amount that each has invested at the time the extension is granted.

8. **Other Brokerage Commissions:** Each Participant will hold the other Participant harmless from brokers' commissions or fees payable to a loan correspondent unless the services of such broker or loan correspondent and the fees therefor have been consented to in writing by such other Participant.

9. **Other Fees:** Each Participant represents and warrants to the other that it has not, directly or indirectly, charged or received, and it will not charge or receive, any bonus, fee, commission, cost or expense of any kind in connection with the negotiations and consummation of the Loan except for such charges and expenses which are authorized hereunder or are set forth in the Offer or the Letter Agreement.

10. **Participants' Law Firms:** Realty retained the law firm of Sully Chapman Beattie LLP (the "Lenders' Alberta Solicitors") as solicitors to investigate the title of the Lands and do the legal work and the investigations necessary to complete the Loan on behalf of Realty and has now received the consent of Lenders' Alberta Solicitors such that Romspen can rely on the investigations and opinions of Lenders' Alberta Solicitors as of the date of those investigations and opinions. In addition, Lenders' Alberta Solicitors has been retained to act for Realty with respect to the negotiation of this Agreement and Romspen has retained Witten LLP to act for Romspen with respect to the negotiation of this Agreement. The Participants intend that all legal fees incurred by each of them in connection with preparing this Agreement will be charged to the Borrower.

11. **Representations and Warranties of Realty:** Realty hereby represents and warrants to Romspen that:

(a) Realty has no reason to expect that the Mortgagor can not (as of the date of execution of this Agreement) or will not carry out its obligations under the:

a. Offer, the Mortgage and Other Security or
b. the Letter Agreement,

and repay the principal amount and all accrued interest under the Loan and all other amounts payable under the Loan; and

(b) The Letter Agreement contains the entire agreement between Realty and the Mortgagor and there have been no amendments, additions or deletions thereto.

12. **Mortgage Administrator:** Realty will act without compensation as between the Participants as administrator of the Mortgage account except that any disbursement costs reasonably and actually incurred by Realty will, to the extent they are not collectible from the Mortgagor be shared equally between the Participants, and Realty will in administering the Mortgage, exercise the same degree of care and skill that a reasonable and prudent

lender would exercise in the administration of similar loans for its own account. Without in any way limiting any of Romspen's rights under this Agreement or otherwise, Realty will hold any monies and other property received by it on behalf of Romspen in trust for Romspen and will deal with such monies and property only in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, but subject to other provisions of this Agreement (including, without limitation, paragraph 23 hereof), Realty's administration will include the following:

(a) keeping a loan account;

(b) collecting principal, interest and other monies required to be paid by the Mortgagor in connection with the Loan;

(c) reporting to Romspen any failure of the Mortgagor to maintain insurance of the nature normally required by prudent lenders:

(d) settling a loss and supervising the disposition of insurance proceeds in the event of damage or destruction to the Lands;

(e) taking all reasonable and necessary action to collect all monies due and payable under the Mortgage and to collect or ensure payment of all taxes, insurance premiums, and other monies payable by the Mortgagor, and to remit promptly to Romspen, Romspen's share of the net receipts; and

(f) arranging for the delivery of a discharge of the Mortgage and the Other Security upon repayment in full of the Loan.

If and when requested in writing by Romspen, Realty will notify the Mortgagor that any payments on account of principal which are to be made by the Mortgagor are to be made directly by the Mortgagor to Romspen until all monies owing to Romspen are repaid in full and in such event Romspen shall then carry out the obligations of Realty under this Agreement, including without limitation those obligations contained in this paragraph 12. Unless and until Romspen otherwise specifies in writing, all interest payments may be made to Realty in trust (and Realty will then forthwith remit to Romspen, Romspen's share of such interest payments).

13. __**Property Taxes:**__ If and when required by either of the Participants, monthly instalments on account of all real property taxes will be paid by the Mortgagor to Realty and forwarded to the appropriate taxing authority by Realty in accordance with the requirements of the Mortgage. Provided however that if there shall be default in respect of any payment of principal or interest as provided for in the Mortgage, either of the Participants may require that any unapplied tax monies in the hands of Realty will be applied in or towards the payment of the principal and/or interest in default and in such case so long as Romspen is owed any monies in connection with the Loan, such unapplied tax monies shall be forthwith remitted to Romspen by Realty.

14. __**Investigations:**__ Realty will make regular investigations to satisfy itself that all insurance premiums and any other charges which may become a charge on the Lands

ranking equal to or in priority to the Mortgage or on the Mortgage account are paid as they fall due.

15. **Renewals of Other Security:** Realty will, unless it is mutually agreed between the Participants otherwise, cause the registrations regarding any Other Security to be renewed from time to time if advisable or if required by the laws of the Province of Alberta at the expense of the Mortgagor and will supply Romspen with evidence of said renewals.

16. **Insurance:** All fire and other insurance policies will be held by Realty and it agrees to furnish to Romspen, at the request of Romspen, from time to time, statements of the policies held by it. All such policies will be satisfactory to both Participants and will be written with loss, if any, payable to the Participants as mortgagee of the insured property, as their respective interests may appear, and all monies paid or recovered under such policies shall be held in trust by the Participant receiving the same on behalf of itself and the other Participant and, unless otherwise agreed by the Participants in writing, shall be applied first towards repayment of the monies owing to Romspen and the balance, if any, towards repayment of the monies owing to Realty and the Participant receiving such monies will, upon request, remit to the other Participant hereto such Participant's share thereof. In the event of the Mortgagor's failure to furnish evidence of renewal of any policy at least three (3) days before the expiration thereof, or in the event that any new or additional insurance is required pursuant to the provisions of the Mortgage, Realty will, unless it is mutually agreed otherwise by the Participants, effect adequate new insurance for the mutual protection of the Participants hereto to replace the insurance which is about to expire or which will have expired, or effect such new or additional insurance as may be required pursuant to the provisions of the Mortgage, and the costs thereof shall be shared 50/50 by the Participants.

17. **Insurance and Expropriation Proceeds:** Neither Participant will have individual authority to adjust, compromise or settle hazard insurance or expropriation claims, but both Participants will co-operate in regard to such matters. If one Participant becomes aware of any damage to the Lands or of any actual or potential expropriation affecting the Lands, it will, promptly on learning of such damage or expropriation, notify the other Participant of the occurrence and nature thereof. The net proceeds, after fees, expenses and costs of collection, of any insurance or expropriation award will be held by Realty in trust and, unless otherwise jointly agreed by the Participants, will be disbursed by it first towards repayment of the monies owing to Romspen (including Romspen's Pro Rata share of any fees, expenses and costs incurred in connection with the insurance or expropriation award) and the balance, if any, towards repayment of the monies owing to Realty.

18. **Realty to keep Romspen Informed:** Realty will keep Romspen apprised of the status of the Loan and all matters materially affecting the Loan and, without limitation, will provide written statements monthly (not later than the 10th of each month) to Romspen reporting on the status of the Loan and obtain and forward to Romspen copies of any financial statements and any other information relating to or affecting the Loan which the Mortgagor has agreed in the Mortgage or the Other Security to provide or which the Mortgagor provides to Realty or which Realty otherwise receives or of which Realty becomes aware.

19. **Correspondence:** Each of the Participants will supply the other with copies of its correspondence with the Mortgagor and will keep the other advised of all negotiations which may arise from time to time between it and the Mortgagor with respect to the Mortgage or the Loan.

20. **Arrears not to be Pro Rata:** Subject to paragraph 7 above, in the event that the Loan is in default, Realty will remit to Romspen any amounts of principal and/or interest and/or other monies received from the Mortgagor thereafter until such time as all monies owing to Romspen (whether for principal, interest or otherwise) are repaid in full as contemplated in paragraph 5 of this Agreement.

21. **Extension for time of Payment:** In the event that the Mortgagor makes default in payment of any principal or interest payments or other monies stipulated for in the Mortgage or the Other Security, as amended by the Letter Agreement, Realty may, but will not be bound to, conduct any negotiations necessary with the Mortgagor and shall inform Romspen forthwith of all such negotiations and may extend the time for payment of the same for a period not exceeding one (1) week after the date when such principal or interest or other monies will have fallen due or such longer period as Romspen may agree in writing. Except as aforesaid, Realty shall not agree to any extensions, amendments, or renewals of the Loan or Mortgage, while any funds therefrom are due to Romspen, without Romspen's written consent.

22. **Notice of Overdue Payment:** Realty will notify Romspen if and when any payment due from the Mortgagor is seven (7) days overdue or if Realty becomes aware that the Mortgagor is otherwise in default of its obligations to the Participants. Romspen will notify Realty if and when Romspen becomes aware of any default by the Mortgagor if Romspen, acting reasonably, believes Realty is not already aware of such default. In the event of any default by the Mortgagor, then subject to paragraph 23 hereof, joint consideration will be given by the Participants as to what action is necessary or desirable in the circumstances.

23. **Protective Costs/Realization:** In the event that a default is made by the Mortgagor under any covenant, agreement, proviso or condition of the Mortgagor for a period of more than seven (7) days (or such longer period as may be provided for in the Mortgage), or if there is any other default under the Mortgage or the Other Security which lasts for a period of more than seven (7) days (or such longer period as may be provided for in the Other Security), either Participant will be at liberty to give to the other Participant seven (7) days' written notice of its intention to do either or both of the following (the "Seven Day Notice Period"):

(a) incur protective costs (such as obtaining adequate insurance or paying property taxes if the monies in the property tax account maintained by the Mortgage administrator are insufficient to pay property taxes then due);

(b) proceed to enforce the Mortgage and any Other Security.

23A. If both Participants agree in writing at that time to incur such protective costs or to

23A. If both Participants agree in writing at that time to incur such protective costs or to proceed to enforce the Mortgage and any Other Security, as the case may be, then unless otherwise agreed in writing by the Participants at that time, the costs incurred in connection with such proceedings (and any protective costs incurred to safeguard the Participants' interests in the Loan, the Mortgage and the Other Security) will be borne by the Participants in proportion to their respective Pro Rata interests in the Mortgage as hereinbefore set forth, and, notwithstanding paragraph 5 of this Agreement, each Participant will be entitled to be repaid its respective Pro Rata share of such costs (including such protective costs) before any monies received thereafter from or on behalf of the Mortgagor or by virtue of realization proceedings are applied towards repayment of any principal, interest, fees and other costs owing to either Participant.

23B. If the Participants do not agree to incur protective costs or to commence legal proceedings within the Seven Day Notice Period, the Participant so giving notice will be at liberty to do either or both of the following actions:

(a) incur protective costs (such as obtaining adequate insurance or paying property taxes if the monies in the property tax account maintained by the Mortgage administrator are insufficient to pay property taxes then due);

(b) commence such proceedings by way of exercise of power of sale, foreclosure or otherwise as it may deem, acting reasonably, in the best interests of the Participants, and any such proceedings may be taken in the name of both Participants,

but in such event, unless otherwise agreed by the Participants in writing at that time, the costs incurred in connection with such proceedings (and any protective costs incurred to safeguard either or both of the Participants' interests in the Loan, the Mortgage and the Other Security) will be borne by the Participant taking such action and not in proportion to the Participants' respective Pro Rata interests in the Mortgage and, for greater certainty, and except as provided in the following sentence, Romspen will be entitled to recover all its costs prior to repayment of any principal, interest, fees and costs owing to Realty but Realty will not be entitled to recover any of its costs until all principal, interest, fees and costs owing to Romspen are repaid in full. In such event, Romspen will not be entitled to be reimbursed for any legal costs incurred by Romspen in excess of taxable legal costs which may be awarded to it or both Participants in connection with legal proceedings commenced by Romspen pursuant to this paragraph 23B.

Notwithstanding the foregoing, if the Participants do not agree to incur protective costs or to commence legal proceedings within the Seven Day Notice Period, Realty will be entitled to incur protective costs and commence such proceedings as it may deem in its best interests provided that it unconditionally indemnifies Romspen and makes all payments due to Romspen in accordance with the provisions of this Agreement, the Mortgage and the Other Security, including but not limited to the repayment of principal, accrued interest and any fees to which Romspen maybe entitled.

23C. Regardless of whether paragraph 23A or 23B applies, each of the Participants will make reasonable efforts to co-operate with the other Participant in any way necessary or expedient for recovering the Loan or any part thereof, including the interest due thereon, and any legal proceedings will be taken in the name of both Participants.

24. **Prepayment:** Neither Participant will accept, receive or apply any prepayment upon all or any portion of the Loan in any form or manner other than as expressly permitted under the terms of the Mortgage or the Offer, except with the prior written consent of the other Participant. Subject to Romspen's priority to payments as set out in Section 5, any permitted prepayment received by a Participant will be received in trust and divided Pro Rata between the Participants unless Romspen within three (3) days of receipt of notice of such prepayment notifies Realty that Romspen wishes to receive the prepayment in which case such prepayment will be paid to Romspen and applied in reduction of the amount outstanding to Romspen.

25. **No Releases or Modifications without Joint Consent:** Except as expressly provided otherwise in this Agreement, neither Participant will, without identical concurrent action by the other Participant or unless required by the terms of the Mortgage or the Letter Agreement (i) release, or agree to the substitution of other security for, any portion of the security for the Loan, (ii) release the liability of any party liable for the payment of the Loan, (iii) grant any concession with regard to payment of the Loan or compliance with any obligations imposed by the Mortgage or any Other Security, (iv) agree to any amendment or modification of the Mortgage or any Other Security, (v) consent to or accept any cancellation or termination of the Mortgage or any Other Security or this Agreement or give any consent or waiver or approval under any of them (whether to a sale of the Lands, a change in control of the Mortgagor, or a further encumbering of the Lands or otherwise), and to the fullest extent permitted by law the taking of any action by one Participant only in violation of this paragraph will have no force or effect unless the other Participant waives the effect of this paragraph in writing. Without limiting the generality of the foregoing, each Participant will notify the other Participant if it is requested by the Mortgagor to consent to a sale of the Lands by the Mortgagor, to a further encumbrance of the Lands or to consent to any other matter relating to the Loan.

26. **Right of First Refusal:** If either Participant (the "Selling Participant") wishes to sell its interest in the Loan, it will first offer its interest to the other Participant by notice in writing addressed to the other Participant, stating that it desires to sell its interest. Such notice will specify the sum and terms the Selling Participant fixes as the price for its interest, and the other Participant to this Agreement will have a period of thirty (30) days within which to advise the Selling Participant that it is willing to purchase the interest of the Selling Participant at the specified price and terms, whereupon the Selling Participant will be bound to sell its interest and the other Participant will be bound to purchase the said interest at the specified price and terms, and such sale and purchase will be completed subject to adjustments of intervening payments on account of the Loan and any other changes in the state of account of the Loan within sixty (60) days after the giving of the notice in writing first mentioned. If the other Participant does not agree to purchase the interest of the Selling Participant at the aforesaid specified price and terms, and if the Selling Participant obtains the consent in writing of the other Participant, such consent not

to be unreasonably withheld, the Selling Participant will be free to sell its interest to another party but at a price not less than the aforesaid specified price and upon terms no more favourable to a purchaser than the aforesaid specified terms and provided that the purchaser agrees in writing with the other Participant to observe and perform the obligations of the Selling Participant under this Agreement. If the Selling Participant wishes to sell its interest at a price less than the aforesaid specified price, the other Participant will be given the first opportunity to purchase at the reduced price and terms in accordance with the terms of this paragraph. In the event of the interest of Realty being sold to a third party, Realty agrees to turn over forthwith to Romspen all title and Mortgage documents, insurance policies, Other Security documents, books of account and all other papers and documents which it holds pursuant to the provisions of this Agreement.

27. **No Charging Participants' Interest:** Except to its primary banking institution or other lender which as security holds a charge over all of the assets of Romspen or Realty, neither Participant will mortgage or otherwise charge its interest in the Loan without the written consent of the other Participant, such consent not to be unreasonably withheld.

28. **Investors:** Each of the Participants acknowledges that the other may hold its interest in the Loan, the Mortgage and the Other Security in trust for certain beneficiaries and that the Mortgage and Other Security secure, inter alia, advances made by each Participant as agent and trustee for such beneficiaries. Either Participant's investor group may change from time to time without the consent of the other Participant and without triggering the right of first refusal contained in paragraph 26 herein but on the understanding that such Participant's investor group, as it exists from time to time, remains bound by this Agreement along with such Participant.

29. **Termination of Agreement:** This Agreement will terminate (i) when the entire Loan is repaid (unless such payment has resulted from acquisition of title to the Lands by the Participants through foreclosure or the acceptance of a deed in lieu of foreclosure); or (ii) when the ownership of said indebtedness and the rights under this Participation Agreement will be held by one party; or (iii) when one party will have acquired title to the entire Lands subsequent to foreclosure or acquisition of title in lieu of foreclosure; or (iv) upon the written agreement of the Participants. Each Participant will execute and deliver all instruments, in registrable form, at the expense of the Mortgagor, as may be necessary and appropriate to reflect the satisfaction of their respective interests and/or the termination of this Agreement.

30. **Arbitration**: Specifically excepting the rights of the Participants hereto as set forth in paragraphs 23 and 26 hereof from the following arbitration provisions, if any question or difference arises between the Participants or their respective representatives touching this Agreement or the construction or interpretation thereof, or the rights, duties or obligations of the Participants or their respective representatives or as to any other matter in any way arising out of or connected with the subject matter of this Agreement, then the matter in dispute will be referred to the arbitration of three persons, one to be nominated by each of the Participants and the third to be appointed in writing by the two arbitrators so nominated before the reference is proceeded with and the decision of any two of the arbitrators will be binding. If one of the Participants refuses or neglects to appoint an arbitrator as herein provided within fourteen (14) days after the other Participant has appointed its arbitrator

and mailed written notice to the other Participant requiring it to appoint its arbitrator, then upon such failure, the Participant making the request and having itself appointed an arbitrator may appoint an arbitrator to act on behalf of the Participant so failing to appoint and the arbitrator so appointed may proceed and act in all respects, including the appointing of the third arbitrator, as if he had been appointed by the Participant failing to make such appointment. This Agreement will be deemed to be a submission to arbitration within the provisions of *The Commercial Arbitration Act*, R.S.B.C. 1996, as amended and in force from time to time, and the said arbitrators will have and may exercise all the powers conferred on arbitrators by the said Act.

31. **Governing Law:** This Agreement will be interpreted and construed in accordance with the laws of the Province of Alberta.

32. **Notices:** Any notice, demand, request or other communication required to be given pursuant to this Agreement will be in writing and delivered personally or mailed by prepaid registered post addressed to the proper party as follows:

(i) if to Realty, at the following address:
216, 3722 – 57 Ave., Red Deer, Alberta T4N 4R6

Attention: Patricia Pollit Fax: 403.347.9577

(ii) if to Romspen, at the following address:
162 Cumberland Street, Suite 300, Toronto, ON M5R 3N5

Attention: Wes Roitman Fax: 416.966.1161

or to any other address or other person, firm or corporation as the parties hereto may direct by written notice to the other. Any such notice as mailed aforesaid, will be deemed to have been received within forty-eight (48) hours following the posting of the same in any post office in the Province of Alberta provided that if there is between the time of mailing and the actual receipt of the notice, a mail strike, slowdown or other labour dispute which might affect the delivery of such notice by the mails, then such notice will only be effective if actually delivered.

33. **Enurement:** This Agreement will extend to and be binding upon and enure to the benefit of the successors and assigns of each of the parties hereto respectively, provided that any such assignee has first agreed in writing to be bound by the terms of this Agreement, whereupon the assignor shall, from the date of such assignment, be released from its obligations under this Agreement.

34. **Further Assurances:** Each of the parties hereto will execute and deliver such further and other documents and instruments and do such further and other things as may be necessary to implement and carry out the intent of this Agreement.

35. **Captions:** The captions appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision hereof.

or meaning of this Agreement or any provision hereof.

36. **Entire Agreement:** The provisions herein contained constitute the entire agreement between the parties and supersede all previous communications, representations and agreements whether verbal or written between the parties with respect to the subject matter hereof.

37. **Possible Loan Renewal:** Neither Participant will agree to any renewal of the Loan by both Participants without the written consent of the Other Participant.

38. **Severability:** Should any part of this Agreement be declared or held invalid for any reason, such invalidity will not affect the validity of the remainder which will continue in force and effect and be construed as if this Agreement had been executed without the invalid portion and it is hereby declared the intention of the parties hereto that this Agreement would have been executed without reference to any portion which may, for any reason, be hereafter declared or held invalid.

39. **Trust Declaration:** By its endorsement below, Investit Financial Inc. acknowledges that it holds the Mortgage in trust for the Participants pursuant to this Agreement and shall upon the request of either of them transfer its interest in the Mortgage to it or its permitted assign.

40. **Counterpart Execution**: This Agreement may be executed in two or more counterparts and transmitted by fax or e-mail.

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

Realty Investments Corporation

by: ______________________

by: ______________________

Romspen Mortgage Corporation

by: ______________________

by: ______________________

Investit Financial Inc.

by: ______________________

by: ______________________

This is Exhibit " B " referred to in the affidavit of L. Grillandini sworn before me at Vancouver this 2 day of December 2009

....

From: Leveque, Peter [mailto:pleveque@brownleelaw.com]
Sent: Wednesday, November 25, 2009 1:32 PM
To: Collins, Sean F.; Aaron Welch; Alan Frydenlund; Ben Aberant; Bud Steen; Dana Schindelka; David Mann; David McLellan; Deryck Helkaa; Jeff Lee; John Blair; John McLean; Ken Lenz; Kevin Meyler; Laim Oddie; Peter MacPherson; Robert Kennedy; Ryan Zahara; Scott Andersen; Scott H. Stephens; Stephanie Campbell
Subject: RE: Shire International

Two Things:

1. The proposed sale of the Orillia property for $1,700,000 has collapsed, so we will not be seeking directions from the Court tomorrow respecting that sale. I attach the mutual release executed by the parties concluding the transaction. I understand there may be another buyer out there who may be prepared to buy the property (and be clear, water lease, too). At or around $1,700,000. If that offer comes through, we will me making a new application for Court Approval.
2. I have received Mr Andersen's material. We are preparing our own parallel application seeking the same relief. We will provide you with our Notice of Motion and any supporting affidavit shortly.

P

Peter R. S. Leveque | | Brownlee LLP | Calgary | Litigation

Calgary Office: Suite 2000, Watermark Tower, 530 8th Ave. SW. Calgary, Alberta T2P 3S8	tel. 403 232-8300 | dir. 403-260-1469 | fax. 403-232-8408 pleveque@brownleelaw.com | www.brownleelaw.com	Edmonton Office: Suite 2200, Commerce Place, 10155 102nd St. Edmonton, Alberta T5J 4G8

From: Scarlett, Susan M. [mailto:sscarlett@MCCARTHY.CA] **On Behalf Of** Collins, Sean F.
Sent: November 25, 2009 10:47 AM
To: Aaron Welch; Alan Frydenlund; Ben Aberant; Bud Steen; Dana Schindelka; David Mann; David McLellan; Deryck Helkaa; Jeff Lee; John Blair; John McLean; Ken Lenz; Kevin Meyler; Laim Oddie; Leveque, Peter; Peter MacPherson; Robert Kennedy; Ryan Zahara; Scott Andersen; Scott Stephens; Stephanie Campbell
Subject: Shire International

Attached please find for service upon you an unfiled Supplement to the Monitor's Eighth Report. A copy of the filed backer will be forwarded to you shortly.

Regards,

Sean F. Collins
Bankruptcy & Restructuring /
Faillite et Restructuration
T:/Tél : 403-260-3531
F:/Téléc : 403-260-3501
E:/Courriel : scollins@mccarthy.ca
McCarthy Tétrault LLP / S.E.N.C.R.L., s.r.l.
Suite 3300, 421 - 7th Avenue SW
Calgary, Alberta
Canada T2P 4K9
www.mccarthy.ca

Affidavit #1 of L. Grillandini
Sworn December 2, 2009

Q.B. Action No. 0901-11866
Registry: Calgary

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

IN THE MATTER OF THE ***COMPANIES' CREDITORS ARRANGEMENT ACT***, R.S.C. 1985, c. C-36, AS AMENDED, ***THE JUDICATURE ACT***, R.S.A. 2000, c. J-2, AS AMENDED AND ***THE BUSINESS CORPORATIONS ACT***, R.S.A. 2000, C. B-9, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT 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.**

AFFIDAVIT

Owen Bird Law Corporation
2900-595 Burrard Street
Vancouver, BC V7X 1J5
Attention: Scott H. Stephens
Telephone: 1-604-691-7521
Fax: 1-604-632-4447
Solicitor's File No. 30200/0004