

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.

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Affidavit of Kody Stokes

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Affidavit of Kody Stokes
Sworn September , 2010

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, Kody Stokes, of the City of Calgary in the Province of Alberta, MAKE OATH AND
SAY as follows:

1. That on December 13th, 2007, I advanced the sum of \$1,150,000.00 to Shire
International Real Estate Investments Limited (hereinafter 'Shire') in order for
Shire to acquire the Minaki Lodge property from Minaki Lodge Resort 2002 Inc.
This is the same property described as the "Winn River Resort Ltd." property in
Appendix 2 in The Monitor's Third Report to this Court dated October 7th, 2009,
and hereafter described as "Minaki Lodge".

2. That the said loan to Shire was secured by way of a first realty charge/mortgage on the Minaki Lodge property which charge/mortgage was registered against the title to the lands and premises as described therein on the 14th day of December 2007 in the Land Registry Office at Kenora, Ontario as Instrument No. KN16468. Attached hereto and marked as Exhibit 1 to this my affidavit is a true copy of the said Charge No. KN16468. Attached hereto and marked as Exhibit 2 to this my Affidavit is a true copy of Standard Charge terms No. 200033 which terms are incorporated by reference into the said Charge No. KN16468.
3. The said charge/mortgage KN16468 was due and payable on September 14th, 2008. The charge/mortgage was extended to March 14th, 2009 with the same rate of interest.
4. I received payments on account of principal totalling \$500,000.00 from Shire , and I received interest payments until March 20th, 2009. Default occurred on the charge on March 14th, 2009 when the charge was due and payable.
5. There is due and owing to me on charge no. KN16468 as follows:

Principal	\$650,000.00
Interest calculated and compounded monthly at the rate of 20% per annum from March 20, 2009 to September 30, 2010 (the projected closing date).	\$230,516.89
Appraisal cost	\$ 15,995.96
Legal (Hoffman-Dorchik)	\$ 3,381.00
Legal (Shewchuk, MacDonell et al)	\$ 26,364.39
Brokerage Fee	\$ 58,500.00
Interest on \$30,000.00 deposit paid to Shewchuk,	

MacDonell, Ormiston & Richardt LLP - July 24, 2009 to
September 30, 2010

\$ 7,000.00

TOTAL due and owing as of September 30th, 2010

\$991,758.24

In addition, there are unbilled legal costs which will be added to the account.

6. That on May 14th, 2009, I caused my solicitors to issue and serve Notice of Power of Sale pursuant to the provisions of the said charge no. KN16468. Attached hereto and marked as Exhibit 3 to this my affidavit is a true copy of the Notice of the Power of Sale. Attached hereto and marked as Exhibits 4 and 5 to this my affidavit are copies of the Affidavit of Service of the Notice of Power of Sale and the post office registration receipts.
7. On July 24, 2009, my solicitors, on my behalf, requested that Powell Appraisals Inc. undertake an appraisal of the mortgaged property on my behalf. Attached hereto and marked as Exhibit 6 to this my affidavit is a true copy of the Powell Appraisals Inc. appraisal dated November 6, 2009. The property was appraised at a fair market value of \$1,206,000.00 as at September 11, 2009.
8. On January 21, 2010, my solicitors, on my behalf, requested proposals from six of the real estate brokerage firms in Kenora, Ontario which is the closest larger community to the Minaki Lodge property.
9. Submissions for marketing and listing the Minaki Lodge property were ultimately received from four brokerage firms in Kenora. After careful consideration, I elected to list the property with Duncan Carmichael Real Estate. Attached hereto and marked as Exhibit 7 to this my affidavit is a true copy of the Listing Agreement dated April 21, 2010.

10. On May 15, 2010 I was presented with an Offer to Purchase by Robert Banman for a total purchase price of \$1.5 million with various conditions. Attached hereto and marked as Exhibit 8 to this my affidavit is a true copy of the said Offer which I signed with minor changes on May 15, 2010 and which was accepted by Mr. Banman on May 16, 2010.
11. In July of 2010, I was advised by Robert Banman and verily believe that following his due diligence, Mr. Banman had decided that he would not proceed with the transaction without a reduction in the purchase price. Attached hereto and marked as Exhibit 9 to this my affidavit is a copy of his letter dated July 5, 2010 setting out his concerns.
12. Robert Banman and I then agreed to reduce the purchase price to \$1.2 million. Attached hereto and marked as Exhibit 10 to this my affidavit is a true copy of the Amending Agreement dated July 29, 2010. A further Amending Agreement was executed on August 4, 2010 to correct some errors in the previous Amending Agreement which Amending Agreement is attached hereto as Exhibit 11 to this my Affidavit.
13. The agreement to sell to Robert Banman requires the approval of this Honourable Court. I believe that the Agreement for sale is reasonable and request that this Honourable Court approve it and authorize me to complete the sale.

Sworn before me at City of Calgary in
the Province of Alberta on the 3 day
of September, 2010

A handwritten signature in blue ink, appearing to read 'Patti Whitfield', written over a horizontal dotted line.

Commissioner for Taking Affidavits

PATTI WHITFIELD
A Commissioner for Oaths
in and for the Province of Alberta
My Commission Expires April 1, 2013

A handwritten signature in blue ink, appearing to read 'Kody Stokes', written over a horizontal dotted line.

(Signature of Deponent)

Kody Stokes

No. 0901-22866

2010

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INVESTMENTS LTD., SHIRE CAPITAL LTD., HALAMA
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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 OF KODY STOKES

SWORN: August , 2010

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