

COURT FILE NUMBER 0901-11866
COURT COURT OF QUEEN'S BENCH OF
 ALBERTA
JUDICIAL CENTRE Calgary

Clerk's Stamp

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.

DOCUMENT

AFFIDAVIT

ADDRESS FOR SERVICE
AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Owen Bird Law Corporation
2900-595 Burrard Street
Vancouver, B.C. V7X 1J5
Telephone: 604-691-7521
Fax: 604-632-4447
Attention: Scott H. Stephens

AFFIDAVIT #11 OF LYNETTE GRILLANDINI

Sworn on April 12, 2011

I, Lynette Grillandini, of Vancouver, British Columbia, legal assistant,

SWEAR AND SAY THAT:

1. I am a legal assistant with Owen Bird Law Corporation, solicitors for Romspen Mortgage Corporation and Romspen Investment 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 contract of purchase and sale amendment dated March 30, 2011 between Romspen Investment Corporation and Derrick Davies and/or Nominee for a property located at Lot 6 Corriano Road, Sorrento, B.C.
3. Attached as Exhibit "B" is a copy of a contract of purchase and sale amendment dated March 30, 2011 between Romspen Investment Corporation and Derrick Davies and/or Nominee for a property located at 1277 Trans Canada Hwy, Sorrento, B.C.
4. Attached as Exhibit "C" is a copy of a letter from Alexandra Rebagliati dated April 8, 2011.

SWORN BEFORE ME at the City of
Vancouver, in the Province of British
Columbia, this 12th day of April, 2011.

Scott H. Stephens
A Commissioner for taking
Affidavits for British Columbia

Lynette Grillandini
Lynette Grillandini



CONTRACT OF PURCHASE AND SALE AMENDMENT
Multiple Listing Service® Page 1 of 1 pages

MLS® No. 10016764

DATE: March 30, 2011

RE: ADDRESS 1277 Trans Canada Highway

VDE ZWD

FURTHER TO THE CONTRACT OF PURCHASE AND SALE DATED January 28, 2011MADE BETWEEN Rompage Investment Corporation

AS SELLER, AND

Derrick Davies and/or Nominee

AS BUYER AND COVERING

THE ABOVE MENTIONED PROPERTY, THE UNDERSIGNED HEREBY AGREE AS FOLLOWS:

"FOR GOOD AND VALUABLE CONSIDERATION"

The Buyer is aware that he is responsible for and agree to pay all outstanding property taxes on Lot 6 Corriano Road. As of April 1, 2011 the outstanding taxes will be \$4,221.47. On May 1st interest will be charged increasing the amount outstanding.

This is Exhibit "A" referred to in the
affidavit of C. Grilbondi

sworn before me at Vancouverthis 12 day of April, 2011

ALL OTHER TERMS AND CONDITIONS CONTAINED IN THE SAID AGREEMENT REMAIN THE SAME AND IN FULL FORCE AND EFFECT. TIME SHALL REMAIN OF THE ESSENCE.

(WITNESS TO SELLERS SIGNATURE)

(SELLERS SIGNATURE)

(WITNESS TO SELLERS SIGNATURE)

(SELLERS SIGNATURE)

(WITNESS TO BUYERS SIGNATURE)

(BUYERS SIGNATURE)

(WITNESS TO BUYERS SIGNATURE)

(BUYERS SIGNATURE)

15:50:54 LAND TAX INFORMATION SYSTEM 2011-03-23
-1- FI - Folio Information

Owner #: D 01
0726028 BC LTD
C/O CLEONE COUCH
300-808 4 AVE SW
CALGARY AB
T2P 3E8

File Code: LD: 25
Ten: 01 Plan:
LFN: DL:
Title #: Sec: 16
MH Reg #: Lot: 6
PID: 003654770 Blk:
Sub Dist: 500 Twp: 22
Act. Use: 201 R/M: 11 / 6

MAX. HOG FOR 2010 ~ 0.00 REGULAR & 0.00 ADDITIONAL

YR	Gross Taxes	Penalty	Interest	Debits	Credits	Balance	OW	Pr	R	Ext
11	0.00	0.00	0.00	0.00	0.00	0.00				
10	2079.79	213.18	34.10	2327.07	0.00	2327.07	N			
09	1539.24	157.77	122.39	1894.40	0.00	1894.40	N			
08	1530.62	0.00	0.00	1530.62	1530.62	0.00	N			
07	1260.93	0.00	0.00	1260.93	1260.93	0.00	N			
06	1326.52	0.00	0.00	1326.52	1326.52	0.00	N			
Folio Balance:						4221.47				

FI03 - WARNING - PROJECTIONS INCOMPLETE

TK: FI JUR: 789 FOLIO: 09746.012

CD: 23 CK: 8 PF3-Return

ST: 1 YR: 2009 VwDt: 20110401

PF11-Page 2 PF12-Quit

Lot 6 Corriano Rd.

* The BUYER is responsible for paying all outstanding property taxes.

* As of April 1st, 2011 = \$4,221.47

* Interest charged on the 1st of every month.



CONTRACT OF PURCHASE AND SALE AMENDMENT
Multiple Listing Service® Page 1 of 1 pages

MLS® No. 10016700

DATE: March 30, 2011

RE: ADDRESS 1277 Trans Canada Highway

V0E 2W0

FURTHER TO THE CONTRACT OF PURCHASE AND SALE DATED January 28, 2011MADE BETWEEN Romspen Investment Corporation

AS SELLER, AND

Derrick Davies and/or Nominee

AS BUYER AND COVERING

THE ABOVE MENTIONED PROPERTY, THE UNDERSIGNED HEREBY AGREE AS FOLLOWS:

"FOR GOOD AND VALUABLE CONSIDERATION"

The Buyer is aware that he is responsible for and agree to pay all outstanding property taxes on 1277 Trans Canada Highway. As of April 1, 2011 the outstanding taxes will be \$23,252.75. On May 1st interest will be charged increasing the amount outstanding.

This is Exhibit "B" referred to in the
affidavit of L. Grillandini
sworn before me at Vancouver
this 12 day of April, 2011

ALL OTHER TERMS AND CONDITIONS CONTAINED IN THE SAID AGREEMENT REMAIN THE SAME AND IN FULL FORCE AND EFFECT. TIME SHALL REMAIN OF THE ESSENCE.

(WITNESS TO SELLER'S SIGNATURE)

(SELLER'S SIGNATURE)

(WITNESS TO SELLER'S SIGNATURE)

(SELLER'S SIGNATURE)

(WITNESS TO BUYER'S SIGNATURE)

(BUYER'S SIGNATURE)

(WITNESS TO BUYER'S SIGNATURE)

(BUYER'S SIGNATURE)

15:51:29 LAND TAX INFORMATION SYSTEM 2011-03-23
 -1- FI - Folio Information

Owner #: D 01
 0726028 BC LTD
 C/O CLEONE COUCH
 300-808 4 AVE SW
 CALGARY AB
 T2P 3E8

File Code: LD: 25
 Ten: 01 Plan:
 LFN: DL:
 Title #: Sec: 16
 MH Reg #: Lot: 1
 PID: 008545944 Blk:
 Sub Dist: 500 Twp: 22
 Aot. Use: 232 R/M: 11 / 6

MAX. HOG FOR 2010 = 147.59 REGULAR & 397.59 ADDITIONAL

YR	Gross Taxes	Penalty	Interest	Debits	Credits	Balance	MEMO2011	HOG	Pr	R	Ext
11	0.00	0.00	0.00	0.00	0.00	0.00					
10	8438.86	864.98	153.35	12491.00	0.00	12491.00		Y	A		
09	9047.20	927.34	712.21	10761.75	0.00	10761.75		Y	A		
08	9062.35	0.00	0.00	9062.35	9062.35	0.00		Y	A		
07	8688.99	0.00	0.00	8688.99	8688.99	0.00		Y	A		
06	9643.33	0.00	0.00	9643.33	9643.33	0.00		Y	A		

Folio Balance: 23252.75

FI03 - WARNING - PROJECTIONS INCOMPLETE
 TX: FI JUR: 789 FOLIO: 09883.000
 CD: 23 CK: 6 PF3-Return

ST: 1 YR: 2010 VwDt: 20110401
 PF11-Page 2 PF12-Quit

1277 Trans Canada Hwy (Sorrento Inn)

* The BUYER is responsible for paying all outstanding property taxes.

* As of April 1st, 2011 = \$23,252.75

* Interest charged on 1st of every month.



(5)

This is Exhibit " C " referred to in the
affidavit of L. Grilbodin
sworn before me at Vancouver
this 12 day of April, 2011
[Signature]

April 8, 2011

RE: 1277 Trans Canada Highway and Lot 6 Corriano Road – Marketing Summary

To Whom It May Concern:

1277 Trans Canada Highway (the Sorrento Inn) and Lot 6 Corriano Road, Sorrento, BC were both listed on September 27, 2010 for \$1,140,000 and \$126,000 respectively. The list prices were slightly above assessed value. We received an offer on the Sorrento Inn on October 28, 2010 for \$450,000. The Seller countered at \$950,000. The Buyer did not counter back. On November 25, 2010 we received an offer of \$500,000 for the Sorrento Inn. The Seller countered at \$950,000. The Buyer did not counter back. We had several potential Buyers look at the property but all of them decided the motel need too much work. On January 28, 2011 we received an offer for \$650,000 for the Sorrento Inn and Lot 6 Corriano Road combined. The Seller again countered at \$950,000. The Buyer countered back, the Seller countered that offer. The Seller finally accepted an offer of \$750,000 for the Sorrento Inn and Lot 6 Corriano Road with the condition that the BUYER must pay the nearly \$28,000 owing in outstanding property taxes.

After we accepted the offer we reduced the list price of the Sorrento Inn down to \$950,000 and reduced the list price of Lot 6 Corriano Road down to \$119,000.

The current Buyer is from Manitoba. He flew out for an extended weekend to view the property. He estimates that he will need to do approx. \$200,000 in repairs on the motel. The Buyer has a \$200,000 line of credit in place to pay for these repairs.

I believe that the scope of needed repairs is what has scared most of the Buyers away. I have had several Buyers fly out to view the property only to determine that it is too big of a project for them to take on. The motel manager is having to bleed the heaters on a regular basis which means there are most likely air bubbles in the system. The motel will need a new heating system soon, one of the dryers is broke, the roof on the addition at the end needs to be replaced, carpets and furniture needs to be replaced, painting, etc.

The Pub has also been a concern for Buyers as the current tenants have not paid any rent since April 2010 and there is a question in respect to the ability of a Buyer to retain

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the liquor licence.

Another concern for potential Buyers is the lack of money the money is bringing in. According to the Receiver, the Sorrento Inn is currently operating at a loss.

The property has been advertised on MLS, realtor.ca, www.LakeOkanaganRealty.com, www.castanet.net, www.MacRealty.com, www.kijiji.ca, local newspapers, email blasts to commercial realtors in Vancouver, Okanagan, Calgary, Edmonton and Fort McMurray. Email blasts were also sent to all realtors in Sorrento, Salmon Arm, Vernon and Kelowna.

I have been receiving steady calls on this property. Of the three offers, one was local, one was from Alberta and one was from Manitoba. I have had calls from across Canada. I feel the property has been effectively marketed due to the number of inquiries I have received.

I have 3 Buyers who are currently looking at this property: a local gentleman, a developer from the area and a gentleman from Vancouver. I will continue to market the property up to the court date.

This sale will represent the highest sale price in Sorrento since the market crashed.

Sincerely,



Alexandra Rebagliati

Associate Broker

MacDonald Realty

Tel: 250.870.2792

Alex@LakeOkanaganRealty.com