

Form 27

[Rules 6.3 and 10.52(1)]

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

Clerk's Stamp

ACTION

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

**APPLICATION BY ROMSPEN INVESTMENT
CORPORATION**

**ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT**

Owen Bird Law Corporation
2900-595 Burrard Street
Vancouver, BC V7X 1J5
Attention: Scott H. Stephens

NOTICE TO RESPONDENT(S)

This application will be heard as shown below:

Date April 20, 2011
Time 9:00 a.m.
Where Calgary Courts Centre, 601 - 5th Street S.W., Calgary, Alberta
Before Whom Madam Justice Kent

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. An order:

- a. Abridging the time for service of this notice of motion and its supporting materials to the date of actual service and declaring that the service, including the manner of service, be approved and validated, together with a declaration that the application is properly returnable on its return and, further, dispensation of the requirement for service (if any) of the notice of motion on any party not served.
- b. As set out in the attached Schedule "A".

Grounds for making this application:

2. Court approval is the only remaining condition of the offer of Mr. Derrick Davies (or nominee) for the sale of the "Sorrento Property". The offer is the highest and best offer received to date and is the result of reasonable and appropriate marketing efforts.

Material or evidence to be relied on:

3. Affidavit of L. Grillandini sworn March 28, 2011.

Applicable rules:

4. Rule 1.4 and Parts 6 and 9 of the Alberta *Rules of Court*.

Applicable Acts and regulations:

5. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36.

How the application is proposed to be heard or considered:

6. In person, in chambers, before Madam Justice Kent.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

COURT FILE NUMBER 0901-11866

COURT Court of Queen's Bench of Alberta

JUDICIAL CENTRE Calgary

ACTION 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.**

Clerk's Stamp

DOCUMENT

Order

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Owen Bird Law Corporation
2900-595 Burrard Street
Vancouver, BC V7X 1J5
Attention: Scott H. Stephens

DATE ON WHICH ORDER WAS PRONOUNCED: **April 20, 2011**

NAME OF MASTER/JUDGE WHO MADE THIS ORDER: **Madam Justice C.A. Kent**

LOCATION OF HEARING: **Calgary, Alberta**

UPON THE APPLICATION of the Applicant, Romspen Investment Corporation ("**Romspen**") for an order approving the sale transaction (the "**Transaction**") contemplated by the agreement of purchase and sale between Romspen and Derrick Davies (the "**Purchaser**") dated April 29, 2010 (the "**Purchase and Sale Agreement**") and vesting in the Purchaser all of 0726028 B.C. Ltd.'s right, title

and interest in and to the real property described in the Purchase and Sale Agreement; AND UPON having read the Notice of Motion and the Affidavit of L. Grillandini, sworn March 28, 2011; AND UPON hearing counsel for the applicant and others appearing;

IT IS HEREBY ORDERED THAT:

1. Service of notice of this application and supporting materials for this Order is hereby abridged and declared to be good and sufficient, and no other person is required to have been served with notice of this application.

Sale of Sorrento

2. The sale of the real property located at 1277 Trans Canada Highway and Lot 6 Corriano Road, B.C., and legally described in Schedule "A" (the "**Property**") in accordance with the terms and conditions set forth in the Purchase and Sale Agreement is hereby approved.
3. Romspen is authorized to execute all deeds and documents, and to take all such steps as may be necessary or advisable in order to give effect to the Transaction and the terms of the Purchase and Sale Agreement.
4. Upon the registration in the Land Title Office for the applicable Land Title District identified in Schedule "A" of a certified copy this order, the Registrar of Land Titles for such Land Title District (the "**Registrar**") is hereby directed to convey to and vest in the Purchaser, as the registered owner in fee simple of the Property (as defined in paragraph 2 of this order), together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restricted covenants, commons, ways, profits, privileges, easements and appurtenances to the said hereditaments belonging, or with the same or any part

thereof, held or enjoyed or appurtenant thereto, without further instrument of transfer or discharge, free and clear of the charges to be discharged in accordance with paragraph 5 of this order.

5. The Registrar is hereby directed that, upon being presented with a certified copy of this Order, to discharge, cancel and release from title to the Property the registration of all builders' liens, certificates of pending litigation, charges, mortgages, assignments of rent, encumbrances and any other charge, including those listed on Schedule "B", rendering such lands free and clear of all estate, right, title, interest, royalty, rental and equity of redemption of 0726028 B.C. Ltd. and any persons claiming through or against 0726028 B.C. Ltd., other than the reservations, provisos, exceptions and conditions expressed in the original grant(s) from the Crown (the "**Permitted Encumbrances**").
6. Presentment of a certified copy of this Order shall be the Registrar's sole and sufficient authority to make and register the said transfers and cancel the registrations of encumbrances thereon as aforesaid.
7. The net purchase price after adjustments shall be paid to Owen Bird Law Corporation, in trust, and shall be paid out in accordance with the following priorities without further order:
 - a. to Her Majesty the Queen in right of the Province of British Columbia (the "**Province**"), \$27,474.22 for unpaid property taxes (plus interest and/or penalties accrued prior to completion of the Transaction);
 - b. in payment of real estate commission and taxes;
 - c. HST, if payable; and

- d. to Romspen Investment Corporation to be applied towards the outstanding balance of the DIP Facility in accordance with paragraphs 5 and 6 (as amended by order pronounced September 23, 2010) of the order entered in these proceedings on March 2, 2010.
8. Upon the closing of the Transaction, all of the right, title and interest of 0726028 B.C. Ltd. in and to the Property shall, subject to the Permitted Encumbrances, be vested in and to the Purchaser, absolutely and forever, free and clear of and from any and all estate, right, title, interest, claims, demands, actions, lawsuits, proceedings, arbitrations, investigations (in any case whether asserted, threatened, pending or existing) hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, pledges, levies, taxes, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, royalties, overriding royalties, profit interest, production payments or similar burdens on production, encumbrances, deferred purchase, title retention, sale and purchase or sale and leasehold arrangements, cull or put options, co-sale, tag along rights or other third party rights or other rights, limitations or restrictions of any nature whatsoever, including, without limitations, any rights or interests of any creditors of 0726028 B.C. Ltd., whether or not they have attached or been perfected, registered or filed, whether secured or unsecured or otherwise, whether liquidated, unliquidated or contingent, (collectively, the “**Claims**”), by or of all persons or entities of any kind whatsoever, including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, government and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in their capacity as principals or as agents, trustees,

executors, administrators or other legal representative (collectively, the “**Claimants**”) and for greater certainty, this Court orders that all of the Claims affecting or relating to 0726028 B.C. Ltd.’s right, title and interest in the Property, except the Permitted Encumbrances, are hereby expunged and discharged as against the Property.

9. The Purchaser shall, by virtue of the completion of the purchase of the Property pursuant to the Purchase and Sale Agreement, have no liability of any kind whatsoever to any Claimants in respect of any Claims they may have against 0726028 B.C. Ltd..

10. Notwithstanding:

- a. the pendency of these proceedings; and
- b. the provisions of any federal or provincial statute;

neither the Purchase and Sale Agreement and the Transaction contemplated thereby nor the vesting order provisions will be void or voidable at the instance of creditors and Claimants and do not constitute nor shall they be deemed to be settlements, fraudulent preferences, assignments, fraudulent conveyances or other reviewable transactions under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended, or any other applicable federal or provincial legislation, and they do not constitute conduct meriting an oppression remedy and shall be binding on 0726028 B.C. Ltd..

Miscellaneous

11. To the extent necessary for the carrying out of this Order, the Court of Queen’s Bench of Alberta hereby seeks the aid and recognition of any country, tribunal or administrative body of any Province of Canada or the United States of America, and in particular the

Province of British Columbia to give effect to and assist Romspen and its agents in carrying out the terms of this Order. Romspen shall be at liberty and is hereby authorized and empowered to apply as it may consider necessary or advisable, with or without notice, to any other courts or administrative bodies, whether in Canada or the United States of America, for orders in such jurisdictions recognizing this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to Romspen as they may deem necessary or appropriate for the purposes of giving effect to this Order.

12. The parties may apply for such further direction as may be necessary to carry out this Order.

Justice of the Court of Queen's Bench of Alberta

Schedule “A”

1. Parcel Identifier: 008-545-944
Lot 1 Section 16 Township 22 Range 11 West of the 6th Meridian Kamloops
Division Yale District Plan 16715
2. Parcel Identifier: 003-654-770
Lot 6 Section 16 Township 22 Range 11 West of the 6th Meridian Kamloops
Division Yale District Plan 31558

Schedule "B"

1. Lease
KT107849 2002-10-01 11:57
Registered Owner of Charge: 652853 B.C. Ltd.
Incorporation No.: 652853
KT107849
Remarks: Part of the basement and part of the first floor of a two story building shown on Plan KAP71953
Modified by KX73323
2. Modification
KX73323 2005-06-09 11:08
Remarks: Modification of KT107849
3. Mortgage
LB222554 2008-07-22 09:31
Registered Owner of Charge: Olympia Trust Company
Incorporation No.: A0050545
LB222646
Remarks: Inter alia
4. Assignment of Rents
LB222555 2008-07-22 09:31
Registered Owner of Charge: Olympia Trust Company
Incorporation No.: A0050545
LB222647
5. Taxation (Rural Area) Act Lien
LB414127 2010-10-19 11:51
Registered Owner of Charge: The Crown in Right of British Columbia
LB414127
6. Taxation *(Rural Area) Act Lien
LB414128 2010-10-19 11:51
Registered Owner of Charge: The Crown in Right of British Columbia
LB414128