APPENDIX 1

Shire Group
Summary of Aggregate Funds Raised and Used by Project Company

	Bearspaw	Chemainus	Ft McMoney	Ft McMoney II	Halama Gardens	Hawaii Fund	Orillia	Shire Capital	Skaha Lake	Tsehum Harbour	Maples	Total
Sources of cash:												
Net other intercompany transfers in (	582,000	-	335,500	358,500	-	(20,000)	(3,000)	-	-	(79,000)	(932,000)	242,000
Funds raised from investors	20,188,913	6,596,590	8,007,966	4,712,507	2,241,178	1,329,500	429,370	-	8,307,584	4,501,715	11,060,399	67,375,722
Other sources of cash	-	822,324	800	909,898	78	-	1,145	600	1,000	-	227,159	1,963,005
Total sources of cash	**20,770,913**	**7,418,914**	**8,344,266**	**5,980,905**	**2,241,256**	**1,309,500**	**427,515**	**600**	**8,308,584**	**4,422,715**	**10,355,559**	**69,580,726**
Uses of cash:												
Net intercompany transfers to Shire	15,457,365	6,495,422	7,487,785	885,800	2,046,575	1,303,000	423,883	-	5,442,850	4,346,500	7,421,153	51,310,334
Purchase/deposits on property	5,096,164	800,000	305,595	3,893,000	-	-	-	-	2,518,400	-	1,501,483	14,114,643
Interest	179,034	-	-	932,964	28,882	-	-	-	-	-	1,103,213	2,244,093
Other uses of cash	36,506	121,946	550,406	266,303	164,198	2,404	1,434	700	345,831	73,616	313,506	1,876,850
Total uses of cash	**20,769,070**	**7,417,368**	**8,343,786**	**5,978,067**	**2,239,654**	**1,305,404**	**425,317**	**700**	**8,307,081**	**4,420,116**	**10,339,354**	**69,545,919**

APPENDIX 2

WINN RIVER RESORT LTD.

SUMMARY

Property

Based upon a title search, Shire International Real Estate Investments Ltd. ("*Shire*") is the registered owner of the property legally described as PINs 42180-1007, 42180-1008, 42180-1015, 42180-1017, 42180-1066, 42180-1067, 42180-1068, 42180-1084, 42180-1085, 42180-1086, 42180-1087, 42180-1088, 42180-1089, 42180-1090, 42180-1091, 42180-1092, 42180-1093 (the "*Winn River Property*").

On June 5, 2007, Shire International Real Estate Investments Ltd. ("*Shire*") entered into a purchase and sale agreement with Grant Thornton LLP as receiver of Minaki Lodge Resort 2002 Inc. pursuant to which Shire agreed to purchase the Winn River Property and other assets for $2,200,000. This agreement is partially executed; however, based on a closing letter from David Gibson & Associates dated January 2, 2008 and the transfer registered on the title search dated December 14, 2007, it is reason to conclude that Shire purchased the WinnRiver Property for $2,300,000.

We have not yet seen any agreements assigning the Winn River Property to Winn River Resort Ltd.

Mortgage

Pursuant to a commitment letter dated December 5, 2007 and accepted December 9, 2007, Kody Stokes granted a loan in the amount of $1,150,000 to Shire. The term of this loan was extended to December 15, 2008 pursuant to a letter agreement dated September 17, 2008 and accepted September 18, 2008. For further details relating to the terms thereof, please see item 3 of this summary.

Shareholders

The articles attached to the corporate search indicate that Winn River Resort Ltd. is authorized to issue Class A Common Shares (voting), Class B Common Shares (non-voting) and 8% Cumulative Redeemable Preferred Shares (non-voting). Based upon the corporate search, Shire holds 100% of the voting share. The minute book is required to confirm this information.

1. Corporate Information

(a) Winn River Resort Ltd.

Date of Incorporation:	August 27, 2007
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	Not provided
Previous Names:	Not provided
Status:	Active
Registered Office:	3400, 150 – 6th Avenue S.W., Calgary, Alberta
Shareholders:	Shire International Real Estate Investments Ltd.
Share Capital:	Authorized to issue: ▪ Class A Common Shares (voting); ▪ Class B Common Shares (non-voting); ▪ 8% Cumulative Redeemable Preferred Shares (non-voting).
Directors:	Cleone Couch
Officers:	Not provided
Date of Search:	July 17, 2009

ISSUES: *Minute book is required to confirm shareholders.*

2. **Title Searches**

(a) **Lands with Charge and Construction Lien**

Legal Description:	PINs: ▪ 42180-1007 ▪ 42180-1015 ▪ 42180-1017 ▪ 42180-1066 ▪ 42180-1067 ▪ 42180-1068 ▪ 42180-1084 ▪ 42180-1085
Registered Owner(s):	Shire International Real Estate Investments Ltd.
Transfer of Land/Value:	December 14, 2007/$2,300,000
Legal Notations:	None
Charges, Liens and Interests:	Charge ▪ Kody Stokes ▪ $1,150,000 Construction Lien ▪ Lombard North Group (1984) Ltd. ▪ $59,012
Date of Searches:	July 23, 2009
ISSUES:	*For a comprehensive list of the registrations on each individual title, please refer to the title searches.*

(b) **Lands with Charge Only**

Legal Description:	PINs: ▪ 42180-1008 ▪ 42180-1086 ▪ 42180-1087 ▪ 42180-1088 ▪ 42180-1089 ▪ 42180-1090 ▪ 42180-1091 ▪ 42180-1092 ▪ 42180-1093
Registered Owner(s):	Shire International Real Estate Investments Ltd.
Transfer of Land/Value:	December 14, 2007/$2,300,000
Legal Notations:	None

Charges, Liens and Interests:	Charge ▪ Kody Stokes ▪ $1,150,000
Date of Searches:	July 23, 2009
ISSUES:	***For a comprehensive list of the registrations on each individual title, please refer to the title searches.***

3. **Mortgage**

(a) **Commitment Letter dated December 5, 2007 and accepted December 9, 2007**

Lender:	Kody Stokes
Borrower:	Shire International Real Estate Investments Ltd. or designated related company
Funding Date:	On or before December 15, 2007
Bonus:	$57,500 (paid to Kody Stokes)
Brokerage Fee:	$57,5000 (paid to Yorkfield Financial Corporation)
Term:	9 months (closed 6 months)
Principal Amount:	$1,150,000
Interest:	15% compounded monthly for first 6 months; 20% after 6 months of Funding Date
Security:	▪ First Mortgage ▪ GSA Agreement limited to assets under first mortgage ▪ Corporate Guarantee of Shire (if designated company is borrower) ▪ Personal guarantees of Robert and Cleone Couch ▪ Assignment of Insurance ▪ Assignment of Leases and Rents
Note:	This letter is addressed to Yorkfield Financial Corporation, who acted as the mortgage broker for Shire. A cheque in the amount of $5,000 was also payble to Gordon Hoffman upon signing.

(b) **Commitment Letter re loan extension dated September 17, 2008 and accepted September 18, 2008**

Summary:	Extension for a term of 3 months (September 15, 2008 – December 15, 2008) at 20% interest. Another bonus was payable in the amount of $15,000.
Note:	This letter is addressed to Yorkfield Financial Corporation, who acted as the mortgage broker for Shire.

4. **Material Agreements re purchase of the Winn River Property**

(a) **Sale Agreement dated June 5, 2007**

Vendor:	Grant Thornton LLP in its capacity as Receiver appointed under the

	Construction Lien Act
Purchaser:	Shire International Real Estate Investments Ltd.
Purchase Price:	$2,200,000 ($1,500,000 for the land; $600,000 for the buildings; $100,000 for equipment)
Deposit:	$220,000 to be delivered to a bank
Closing Date:	September 20, 2007
Summary:	Grant Thornton LLP, as Receiver, is selling the assets of Minaki Lodge Resort 2002 Inc. The land portion of the assets consists of: ▪ Lot 1: 42180-1015; 42180-1084; 42180-1085; 42180-1066; 42180-1067; 42180-1068; 42180-1017. ▪ Lot 2: 42180-1086; 42180-1087; 42180-1088; 42180-1089; 42180-1090; 42180-1091; 42180-1092; 42180-1093; 42180-1007; 42180-1008.
ISSUES:	***This agreement is partially executed. We have not seen any of the amendments thereto referred to in the closing letter set out in item 4(b) of this summary.***

(b) Closing Letter from David Gibson & Associates dated January 2, 2008

Completion Date:	December 14, 2007
Purchase Price:	$2,300,000
Note:	For further details on payment of the purchase price, please see the statement of adjustments and closing funds summary enclosed herewith.

1697500 ONTARIO INC.
(KINCARDINE)

SUMMARY

Property

Based upon a title search, 1697500 Ontario Inc. is the registered owner of the property legally described as PIN 33303-0769 and located at 741 Broadway Street (the "*Kincardine Property*").

On April 24, 2006, Rene Bindi, in trust for a development company to be incorporated, entered into a purchase and sale agreement with Timeless Homes Inc. pursuant to which she agreed to purchase the Kincardine Property for $1,200,000 (the "*Purchase Agreement*"). Based on a closing letter from Piccin, Bottos dated June 27, 2007 (the "*Closing Letter*"), the purchase contemplated by the Purchase Agreement, as amended from time to time, was completed on April 17, 2007. 1697500 Ontario Inc. became the registered owner of the Kincardine Property because it adopted the Purchase Agreement on the date of the closing.

Mortgage

Based upon the Closing Letter and the title search, there is a mortgage back in the amount of $500,000. We have not yet seen any other documents relating to this mortgage back.

Shareholders

The Closing Letter provides that at the time of closing Rene Bindi and Douglas Freel each held 60 common shares of 1697500 Ontario Inc. The Closing Letter further provides that Piccin, Bottos was instructed to change the corporate structure such that Cleone Couch would hold 50% of the common shares of 1697500 Ontario Inc. Documentation was prepared for the purpose of putting this corporate structure into effect; however, executed copies thereof were never returned. We have not yet been able to definitively determine whether the corporate structure changed since the time of closing.

1. Corporate Information

(a) 1697500 Ontario Inc.

Date of Incorporation:	May 2, 2006
Jurisdiction of Formation:	Ontario
Extra-Provincial Reg.:	Not provided
Previous Names:	Not provided
Status:	Active
Registered Office:	32 Hazelbury Dr. P.O. Box 1309, Nobleton, Ontario L0G 1N0
Shareholders:	Not provided
Share Capital:	Not provided
Directors:	Rene Bindi and Douglas Freel
Officers:	Rene Bindi – President Douglas Freel - Secretary
Date of Search:	July 28, 2009
ISSUES:	***Minute book is required to identify shareholders.***

2. Title Searches

Legal Description:	PIN: ▪ 33303-0769
Registered Owner(s):	1697500 Ontario Inc.
Transfer of Land/Value:	April 17, 2007/$1,200,000
Legal Notations:	None
Charges, Liens and Interests:	Charge ▪ Timeless Homes Inc. ▪ $500,000 Transfer of Charge ▪ Tejinder Kohli, Joan Popowich and 1196189 Ontario Inc.
Date of Searches:	July 23, 2009

3. Development

(a) Contractual Agreement

Parties:	Eyelogic Systems Inc. Shire International Group North International Inc.
Summary:	▪ Shire International and GNI to incorporate a company named Broadway Investments Limited (BIL) in order to jointly develop the Kincardine Property; ▪ Eyelogic to hold 60% of the Class A shares in BIL; ▪ Other documents under the Agreement are: Investment Commitment and Agreement, Assignment and Business Structure Agreement, Business Plan.
ISSUES:	***Agreement is not executed and therefore we have not yet determined whether it came into force and effect.***

4. Material Agreements

(a) Agreement of Purchase and Sale dated April 17, 2006 and accepted April 24, 2006

Vendor:	Timeless Homes Inc.
Purchaser:	Rene Bindi in trust for a development company to be incorporated
Summary:	Vendor agrees to sell and the Purchaser agrees to purchase the property located at 741 Broadway Street.
Purchase Price:	$1,200,000
ISSUES	***Agreement is illegible.***

(b) Closing Letter from Piccin, Bottos dated June 27, 2007

Completion Date:	April 17, 2007
Summary:	This summary provides that:

- Rene Bindi entered into the purchase agreement referred to above in trust for a development company to be incorporated and 1697500 Ontario Inc. adopted the purchase agreement on closing.
- Times Homes Inc. transferred the Kincardine Property to 1697500 Ontario Inc. on April 17, 2007.
- The purchase price was $1,200,0000
- Various extensions to the closing date were granted and as a result additional deposits and payments were made.
- The purchase agreement contemplated a Mortgage Back from Timeless Homes Inc. which was transferred to Tejinder Kohli, Joan Popowich and 1196189 Ontario Inc. on the closing date. The terms of the mortgage back are set out in this letter as follow:
  - Principal: $500,000
  - Interest Rate: 7.5% per annum calculated and payable quarterly
- As at the time of closing, Rene Bindi and Douglas Freel each held 60 common shares of 1697500 Ontario Inc. Piccin, Bottos was instructed that Cleone Couch was to hold 50% of the common shares of 1697500 Ontario Inc.; however, Piccin, Botts never received executed copies of the documentation that was prepared for the purpose of putting this arrangement into effect.

Note: For details relating to payment of the purchase price, please see the statement of adjustments appended to this letter.

16TH AVENUE NW

SUMMARY

Property

Based upon a title search, 1292413 Alberta Ltd. is the registered owner of the property legally described as Plan 7545FN Block 10 The North West Half of Lot 7 excepting thereout all mines and mineral and Plan 7545FN Block 10 The South Easterly Half of Lot 7 excepting thereout all mines and mineral (the "*16th Ave Property*").

On June 9, 2007, Shire International Real Estate Investments Ltd. ("*Shire*") entered into a purchase and sale agreement with Yu Hsieh and Choon Yee Hsieh to purchase the 16th Ave Property for $800,000. Pursuant to an Agreement dated September 12, 2008, Shire transferred this property to 1292413 Alberta Ltd. as partial payment of a debt.

1. Title Searches

(a) Historical Title

Legal Description:	Plan 7545FN Block 10 The North West Half of Lot 7 Excepting Thereout All Mines and Minerals
Registered Owner(s):	Shire International Real Estate Investments Ltd.
Transfer of Land/Value:	October 12, 2007/$325,000
Legal Notations:	None
Charges, Liens and Interests:	Party Wall Agreement Caveat ▪ Re: Encroachment Agreement
Date of Searches:	November 22, 2007

Legal Description:	Plan 7545FN Block 10 The South Easterly Half of Lot 7 Excepting Thereout All Mines and Minerals
Registered Owner(s):	Shire International Real Estate Investments Ltd.
Value:	$474,500
Legal Notations:	None
Charges, Liens and Interests:	Party Wall Agreement
Date of Searches:	October 18, 2007

(b) Current Title

Legal Description:	Plan 7545FN Block 10 The South Easterly Half of Lot 7 Excepting Thereout All Mines and Minerals
Registered Owner(s):	1292413 Alberta Ltd.
Transfer of Land/Value:	September 22, 2008/$450,000
Legal Notations:	None

Charges, Liens and Interests:	Party Wall Agreement
Date of Searches:	July 21, 2009

Legal Description:	Plan 7545FN Block 10 The North West Half of Lot 7 Excepting Thereout All Mines and Minerals
Registered Owner(s):	1292413 Alberta Ltd.
Transfer of Land/Value:	September 22, 2008/$300,000
Legal Notations:	None
Charges, Liens and Interests:	Party Wall Agreement Caveat ▪ Re: Encroachment Agreement
Date of Searches:	July 21, 2009

2. Material Agreements re purchase of the 16th Ave Property

(a) Real Estate Purchase Contract dated June 9, 2007

Vendors:	Yu Hsieh and Choon Yee Hsieh
Purchaser:	Shire International Real Estate Investments Ltd.
Summary:	Vendors agree to sell and the Purchaser agree to purchase property described as Plan 7545FN Block 10 Lot 7
Purchase Price:	$800,000

(b) Letter from Parlee McLaws LLP dated October 5, 2007

Summary:	This is the cover letter pursuant to which Parlee McLaws LLP provided Beaumont Church LLP with the cash to close.
Note:	For further details relating to the payment of the purchase price, please see the Statement of Adjustments and Authorization to Sign Affidavit of Transferce, which is included herewith.

(c) Agreement dated September 12, 2008

Parties:	1292413 Alberta Ltd. and Shire International Real Estate Investments Ltd.
Summary:	Shire agrees to transfer the property at 16th Avenue to 1292413 Alberta Ltd. to satisfy $750,000 of the $1,448,478 owed to 1292413 Alberta Ltd.

3. Development

(a) Development Permit and Letter from the City of Calgary

Summary:	Application for a development permit, on which a decision has not been rendered, given a change of the bylaws.

SOOKE/MEXICO OFFICE/MEXICO/BELIZE

SUMMARY

Sooke

Pursuant to a document entitled Sooke Properties Offer dated June 20, 2008, Shire indicates that it would like to purchase 6615 and 6617 Sooke Road for $5,000,000. Deposits in the aggregate amount of $100,000 may have been made in connection with this offer on June 23, 2008.

Mexico Office

There is a Promise of Sale Agreement or Transfer of Property into Domain Transferral Trust Agreement dated March 5, 2008 between Desarrolladora Privisa, Sociedad Anonima de Capital Variable and Jeanette Cleone Couch and Robert William Couch, pursuant to which Jeanette Cleone Couch and Robert William Couch promise and are bound to buy Villa number 13 pertaining to the condominio Green Canal for $326,000 USD. This agreement may have terminated.

Mexico

Guayabitos. There is an undated contract of promise of sale between Lydia Cristela Villanueva Salgado, designated as the vendor, and Shire International Real Estate Investments Mexico, designated as the buyer, regarding the purchase of "one lot of property identified with the number (003) cero, cero, three of the block (09) cero, nine of the zone K (letter K) of the urban division named Sol Nuevo – located in the village of Rincon de Guayabitos, Nayarit with a surface area of approximately 3,263 sq. m." for $3,900,000 USD. A deposit in the amount of $100,000 USD was paid in August. A second deposit of $500,000 USD was to be paid on January 15, 2009. Payment the balance of the purchase price was to be paid on April 24, 2009, at which time the property was to be handed over. We have not yet been able to definitively determine whether this agreement remains in force and effect.

La Cruz. There is an partially executed offer and contract to purchase between Burton Francis Sipple and Victoria Ellen Vogt, as sellers, and Shire International Real Estate Investment Ltd., as buyer, concerning the property located at "Cjn Pescador No 37 Lot 03, Block 38, Zone 1 in the city of La Cruz De Hunacaxtle, Nayarit". This offer was subsequently amended pursuant to a counteroffer from the sellers dated July 22, 2008. We have not yet been able to definitively determine whether any deposits were made in connection with this agreement, nor have we been able to definitively determine whether it remains in force and effect.

Belize

We have not yet seen a formal agreement relating to the property located in Belize.

WILLIAMSON & ASSOCIATES INC.
(Killarney Infills)

SUMMARY

Property

Based upon the title searches, Williamson & Associates Inc. is the registered owner of Plan 0815442 Block 12 Lot 21 and Kyla Lawson and Shane Gauthier are the registered owners of Plan 0815442 Block 12 Lot 22.

Based upon our review of a purchase contract dated August 2, 2007, it is our understanding that Shire Investments purchased Plan 732GN Block 12 Lot 10 from Apsara Homes. Subsequently, Plan 732GN Block 12 Lot 10 was transferred to Williamson & Associates Inc. based upon the historical title applicable thereto. Plan 732GN Block 12 Lot 10 was then subdivided into Plan 0815442 Block 12 Lots 21 and 22 (the "*Killarney Infills*"). Williamson & Associates Inc. continues to be the registered owner of Lot 21, while Lot 22 is owned by Kyla Lawson and Shane Gauthier as joint tenants. To identify the terms of the transfer of Lot 22 from Williamson & Associates Inc., we will need to obtain and review the closing documents relating thereto.

Financing/Mortgage

Carevest Capital Inc. has a mortgage over the Killarney Infills, which was established by a mortgage dated October 12, 2007 pursuant to which Carevest Capital Inc. loaned Williamson & Associates Inc. the principal amount of $1,040,000. This loan is personally guaranteed by Luree and Kent Williamson, Cleone and Robert Couch, Navin Maghera, Modena Homes Inc. and Allure Developments Inc. (the "*Guarantors*") and Williamson & Associates Inc. and each of the Guarantors entered into a security agreement with Carevest Capital Inc. as well. In connection with this mortgage, Williamson & Associates Inc. also entered into an assignment of construction documents, an assignment of insurance policies, an environmental indemnity agreement, general assignment of rents, and an assignment of leases. The maturity date is October 31, 2008.

Based upon the information reviewed to date, no offering of securities was conducted to raise funds for this project.

Development

Williamson & Associates Inc. entered into a property development agreement dated August 27, 2007 with Allure Developments Inc. (the "*Development Agreement*"). The Development Agreement fails to define certain terms such as "Lands" and "New Properties" such that we require further information to definitively determine whether it relates to the Killarney Infills. However, assuming that it does, we would note that pursuant to the Development Agreement Allure Developments Inc. agreed that they will develop the Lands and Williamson & Associates Inc. agreed that it will invest 25% of the total costs of the project budget, $130,000 to read lockup stage and purchase the Lands. The Development Agreement further provides that on final inspection, if the New Properties are not sold, Allure Developments Inc. will be responsible for 50% of the monthly mortgage payment and Williamson & Associates Inc. will be responsible for 50% of the monthly mortgage payment. (It is unclear which mortgage payment is being referred to.) In the event that either party to the Development Agreement terminated the agreement before the completion of the development or sale of the New Properties, the parties agreed that the Lands will be sold and Williamson & Associates Inc. will be reimbursed for their initial investment, the outstanding balance of the mortgage will be paid back and the outstanding balance of the construction loan will be paid back. The remaining proceeds, if any, will then be split 50/50 between Allure Developments Inc. and Williamson & Associates Inc.

Shareholders

Based upon the corporate search, Luree Williamson holds 100% voting shares of Williamson & Associates Inc.

1. Corporate Information

Date of Incorporation:	August 26, 1997
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	Not provided
Previous Names:	Not provided
Status:	Active
Registered Office:	1 White Avenue, Box 25 Bragg Creek, Alberta T0L 0K0
Shareholders:	Luree Williamson (100%)
Directors:	Luree Williamson
Officers:	Not provided
Date of Search:	July 27, 2009
ISSUES:	***Minute book required confirming shareholders.***

2. Land Title Searches

Legal Description:	Plan 0815442 Block 12 Lot 21 excepting there =out all mines and minerals
Registered Owner(s):	Williamson & Associates Inc.
Transfer of Land/Value:	August 19, 2009/$540,000
Legal Notations:	None
Charges, Liens and Interests:	Mortgage ▪ Mortgagee - Carevest Capital Inc. ▪ Original Principal Amount: $1,040,000 Caveat ▪ Re: Assignment of Rents and Leases ▪ Caveator - Carevest Capital Inc. Party Wall Agreement ▪ Re Lots 21 and 22 Caveat ▪ Re: Vendor's Lien ▪ Caveator - Williamson & Associates Inc. Mortgage ▪ Mortgagee - Royal Bank of Canada ▪ Original Principal Amount: $495,720
Date of Searches:	August 28, 2009
ISSUES:	***Plan 732GN Block 12 Lot 10 divided into Plan 0815442 Block 12 Lot 21 and Plan 0815442 Block 12 Lot 22, with the latter being owned by Kyla Lawson and Shane Gauthier.*** ***Caveat by Carevest registered twice.***

3. Mortgage

(a) Commitment Letter dated September 24, 2007 and accepted September 25, 2007

Lender:	Carevest Capital Inc.
Borrower:	Williamson & Associates Inc.
Guarantor:	Luree and Kent Williamson, Cleone and Robert Couch, Navin Maghera, Allure Developments Inc. and Modena Homes Inc.
Term:	12 months following the month end of date of first advance (but no later than November 30, 2008) Option to extend the term for 3 months at lender's discretion (fee: 0.75% of loan amount). Further extension on same terms.
Principal Amount:	Up to $1,040,000
Interest:	11.5% per annum, compounded monthly
Security:	▪ First mortgage of the Properties (*i.e.* currently Plan 0815442 Block 12 Lots 21/22) ▪ Guarantees, Postponement of Claim and General Security Agreement from the Guarantors ▪ General Security Agreement from the Borrower ▪ Assignment of rents and leases, insurance policies, construction contracts, and all purchase and sales contracts including deposits ▪ Other documents requested

(b) Mortgage dated October 12, 2007

Lender:	Carevest Capital Inc.
Borrower:	Williamson & Associates Inc.
Summary:	Williamson & Associates Inc. is required to pay Carevest Capital Inc.: (a) the Principal Sum on the Maturity Date; and (b) interest at the Interest Rate on the Principal Sum advanced from time to time on the last day each month until all monies secured by this mortgage are fully paid.
Maturity Date:	October 31, 2008
Principal Sum:	$1,040,000
Interest Rate:	11.5% per annum, calculated and payable monthly, not in advance
Security:	▪ First mortgage of the Properties (*i.e.* Plan 0815442 Block 12 Lots 21/22) ▪ Guarantees, Postponement of Claim and General Security Agreement from the Guarantors ▪ General Security Agreement from the Borrower ▪ Assignment of rents and leases, insurance policies, construction contracts, and all purchase and sales contracts including deposits

ISSUES:

(c) Security Agreement with Williamson & Associates Inc. dated October 12, 2007

Summary:	Williamson & Associates Inc. grants Carevest Capital Inc. a security interest in the Collateral (all present and after acquired personal property

of Williamson & Associates Inc.) to secure payment of the Indebtedness ($1,040,000 loan) and performance of any or all obligations. A purchase money security interest in the Collateral is granted to the extent that the monies are used for the purpose of enabling Williamson & Associates Inc. to acquire rights in the Collateral.

ISSUES:

(d) Security Agreements with Guarantors dated October 12, 15 and 16, 2007

Summary: Luree Williamson, Kent Williamson, Cleone Couch, Robert Couch, Navin Maghera, Modena Homes Inc. and Allure Developments Inc. each entered into a security agreement with Carevest Capital Inc. pursuant to which they each grant a security interest similar to the security interest granted by Williamson & Associates Inc., as set out above.

ISSUES:

(e) Guarantee and Postponement of Claim dated October 15 and 16, 2007

Summary: Luree Williamson, Kent Williamson, Cleone Couch, Robert Couch, Navin Maghera, Modena Homes Inc. and Allure Developments Inc. jointly and severally guarantee and postponement of claim pursuant to which they each guarantee:

- repayment of $1,040,000 loan including all interest, costs and charges, set out in the mortgage
- performance and observance all terms, conditions and covenants of the mortgage,
- payment of all costs incurred by Carevest Capital Inc. in exercising its rights under the guarantee.

ISSUES:

(f) Assignment of Construction Documents, Insurance Proceeds, Letters of Credit and Other Contractual Rights dated October 12, 2007

Summary: Williamson & Associates Inc. assign, among other things, the documents relating to the construction of the proposed development Plan 732GN Block 12 Lot 10 to Carevest Capital Inc.

(g) Assignment of Insurance Policies dated October 12, 2007

Summary: Williamson & Associates Inc. assigns to Carevest Capital Inc. the benefit of all insurance policies maintained in respect of the Plan 732GN Block 12 Lot 10.

(h) Environmental Indemnity Agreement dated October 12, 2007

Summary: Williamson & Associates Inc. agrees to indemnify Carevest Capital Inc. from any and all claims with respect to any release or threat of release of any substance governed by environmental laws affecting Plan 732GN Block 12 Lot 10, remedial action, etc.

(i) General Assignment of Rents dated October 12, 2007

Summary: Assignment by Williamson & Associates Inc. to Carevest Capital Inc. of all rents and monies obtained in connection with Plan 732 GN Block 12

Lot 10.

(j) **Assignment of Leases dated October 12, 2007**

Summary:	Assignment by Williamson & Associates Inc. to Carevest Capital Inc. of the benefit of all present and future leases, tenancy, agreement as to use or occupation and license in connection with Plan 732 GN Block 12 Lot 10. Written consent of Carevest Capital Inc. is needed for certain acts regarding leases; otherwise acts will be null and void.

(k) **Insurance – First Canadian Title and Aviva**

4. **Development**

(a) **Property Development Agreement dated August 27, 2007**

Parties:	Allure Developments Inc. and Williamson & Associates Inc.
Summary:	Allure Development Inc. agrees that they will develop the Lands and Williamson & Associates Inc. will invest the capital required to finance the construction project and the purchase of the Lands. On final inspection, if the New Properties are not sold, Allure Development Inc. will be responsible for 50% of the monthly mortgage payment and Williamson & Associates Inc. will be responsible for 50% of the monthly mortgage payment. In the event that either party to this development agreement terminates the agreement before the completion of development or sale of the New Properties, it is agreed that the Lands will be sold and Williamson & Associates Inc. will be reimbursed their initial investment and the outstanding balance of the mortgage will be paid back and the outstanding balance of the construction loan will be paid back. The remaining proceeds will then be split 50/50.
Expiry:	The agreement will no longer apply upon the final completion of sale of New Properties.
ISSUES:	***Certain provisions of this agreement are vague. For example, the terms "Lands" and "New Properties" are not defined, so we require further information to definitively determine to which lands this contract relates.*** ***Schedule "B", which set out the plans approved for development permit is not attached.***

5. **Appraisals**

(a) **Anadyr Property Appraisals (2007) Inc.**

Date:	September 14, 2007
Property:	Plan 0815442 Block 12 Lot 21 (originally south half Lot 10, Block 12, Plan 732GN)
Market Value:	$750,000

(b) **Anadyr Property Appraisals (2007) Inc.**

Date:	September 14, 2007

Property:	Plan 0815442 Block 12 Lot 22 (originally north half Lot 10, Block 12, Plan 732GN)
Market Value:	$750,000

6. Material Agreements relating to initial purchase of the lands

(a) Purchasing Contract for Plan 732GN Block 12 Lot 10

Parties:	Apsara Homes and Shire Investments and/or nominee
Date:	August 2, 2007
Purchase Price:	$570,000
Summary:	Purchase of property by Shire Investments and/or nominee from Apsara Homes.

BEARSPAW AT 144TH AVENUE LTD.
BEARSPAW AT 144TH EQUITIES LTD.
BEARSPAW AT 144TH BONDS INC.

SUMMARY

Property

Based upon a title search, Shire International Real Estate Investments Ltd. ("*Shire*") is the registered owner of the property legally described as the South East Quarter of Section Three, in Township Twenty Six, Range Two, West of the Fifth Meridian, Containing 64.7 Hectares (160 Acres) excepting Road Plan 7911162, Subdivision 9012020 and all mines and minerals and the right to work same (the "*Bearspaw Property*").

On March 28, 2007, Shire entered into a real estate purchase and sale agreement with 1206354 Alberta Ltd. pursuant to which Shire agreed to purchase the Bearspaw Property for $13,480,000 (the "*Purchase Agreement*"). Subsequently, Shire entered into an assignment and assumption agreement with Bearspaw at 144th Ave Ltd. ("*Bearspaw Ave*") on September 26, 2007 (the "*Assignment and Assumption Agreement*") pursuant to which Shire assigned its interest under the Purchase Agreement to Bearspaw Ave, subject to the performance by Bearspaw Ave of the terms, conditions and obligations set out therein. A trust declaration and trust deed dated November 1, 2007 and executed by Shire and acknowledged by Bearspaw Ave on November 5, 2007 (the "*Deed*") was entered into. The Deed provides that Shire will hold title of the Bearspaw Property solely as bare trustee for Bearspaw Ave and Shire will hold any and all proceeds received by Shire from the Bearspaw Propery for the benefit of Bearspaw Ave. If the Assignment and Assumption Agreement was in force and effect on November 5, 2007, Shire would have already assigned its interest in Bearspaw Property to Bearspaw Ave, so it may be arguable that Bearspaw should have become the registered owner instead of Shire. However, it appears that the Assignment and Assumption Agreement was not in force and effect as Shire and 1206354 Alberta Ltd. entered into an amending agreement dated November 8, 2007 and executed on November 14, 2007, pursuant to which the Purchase Agreement was revived and reinstated. (The terms, including the purchase price, deposits and manner of payment thereof are more fully described below under item 7(d) hereof.) The completion date contemplated by the Purchase Agreement, as amended, was November 15, 2007; however, the transfer agreement registered on title (the "*Transfer Agreement*") provides that 1206354 Alberta Ltd. transferred the Bearspaw Property to Shire on September 14, 2007. We have not yet been able to definitively determine why the Transfer Agreement predates the Purchase Agreement, as amended.

Financing

Pursuant to the offering memorandum of Bearspaw Ave dated October 11, 2007, Bearspaw Ave offered up to a maximum of $19,000,000 of Units, each Unit consisting of one 8% cumulative redeemable non-voting preferred share and one class B common share of Bearspaw Ave. The proceeds were intended to be used for: (a) the purchase the Bearspaw Property and related costs; (b) design and engineering, planning, taxes, insurance, legal etc; (c) project management fess; and (d) unallocated working capital.

Pursuant to the offering memorandum of Bearspaw at 144th Bonds Inc. ("*Bearspaw Bonds*") dated October 18, 2007, Bearspaw Bonds offered up a maximum of $19,000,000 of 8% redeemable bonds of Bearspaw Bonds. The majority of the proceeds were to be loaned to Bearspaw Equities (the "*BPBI Loan*") to allow Bearspaw Equities to purchase Units of Bearspaw Ave and to pay for all management, administration and operating expenses incurred by Bearspaw Bonds.

Pursuant to the offering memorandum of Bearspaw at 144th Equities Ltd. ("*Bearspaw Equities*") dated October 18, 2007, Bearspaw Equities offered up to a maximum of $1,900 of class B common shares of Bearspaw Equities. The majority of the proceeds, together with the funds advanced pursuant to the BPBI Loan, were to be used to purchase Units of Bearspaw Ave.

Attached hereto as Schedule A is a diagram of the structure set out in the offering memorandums referred to above.

Mortgage

There are two mortgages over the property.

Investit Financial Inc. is first in priority. Pursuant to both a commitment letter dated October 5, 2007 and accepted October 9, 2007 and the mortgage agreement dated November 13, 2007, Investit Financial Inc. granted a loan in the amount of $9,000,000 to Shire. The ancillary documents relating to this mortgage include an Assignment and Postponement of Shareholder Loans, Assignment of Rents, General Security Agreement, General Assignment of Contracts, Guarantee and Postponement, and Statutory Declaration.

The second mortgage is a vendor-take-back mortgage. Pursuant to a mortgage agreement dated November 15, 2007, 1206354 Alberta Ltd. granted a loan in the amount of $4,600,000 to Shire.

Shareholders

Bearspaw at 144th Avenue Ltd. The articles attached to the corporate searches indicate that Bearspaw Ave is authorized to issue Class A Common Shares (voting), Class B Common Shares (non-voting) and 8% Cumulative Redeemable Preferred Shares (non-voting). The offering memorandum of Bearspaw Ave dated October 11, 2007 provides that Shire holds 100 Class A Common Shares and a certificate of incumbency dated November 15, 2007, state that Shire holds 100 Class A Shares. The minute book is required to confirm shareholders.

Bearspaw at 144th Equities Ltd. The articles attached to the corporate searches indicate that Bearspaw Equities is authorized to issue Class A Common Shares (voting) and Class B Common Shares (non-voting). The offering memorandum of Bearspaw Equities dated October 18, 2007 provides that Shire holds 1 Class A Common Share. The minute book is required to confirm shareholders.

Bearspaw at 144th Bonds Inc. The articles attached to the corporate searches indicate that Bearspaw Bonds is authorized to issue Class A Preferred Shares (voting) and Class B Common Shares (non-voting). The offering memorandum of Bearspaw Bonds dated October 18, 2007 provides that Eyelogic Systems Inc. holds 60,000 Class A Preferred Shares and Shire holds 40, 000 Class A Preferred Shares. The minute book is required to confirm shareholders.

1. Corporate Information

(a) Bearspaw at 144th Avenue Ltd.

Date of Incorporation:	August 7, 2007
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	Not provided
Previous Names:	Not provided
Status:	Active
Registered Office:	3400, 150 – 6th Avenue S.W., Calgary, Alberta
Shareholders:	Shire holds 100 Class A Shares
Share Capital:	Authorized to issue: ▪ Class A Common Shares (voting); ▪ Class B Common Shares (non-voting); ▪ 8% Cumulative Redeemable Preferred Shares (non-voting).
Directors:	Cleone Couch
Officers:	Cleone Couch – President and Secretary
Date of Search:	July 17, 2009
ISSUES:	***The offering memorandum of Bearspaw Ave dated October 11, 2007 provides that Shire holds 100 Class A Common Shares as does a certificate***

of incumbency dated November 15, 2007.
Minute book required to confirm shareholder.

(b) Bearspaw at 144th Equities Ltd.

Date of Incorporation:	October 17, 2007
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	Not provided
Previous Names:	Not provided
Status:	Active
Registered Office:	3400, 150 – 6th Avenue S.W., Calgary, Alberta
Shareholders:	Shire holds 1 Class A Common Share
Share Capital:	Authorized to issue: ▪ Class A Common Shares (voting); ▪ Class B Common Shares (non-voting).
Directors:	Cleone Couch
Officers:	Shire holds 1 Class A Common Share
Date of Search:	July 17, 2009
ISSUES:	***The offering memorandum of Bearspaw Equities dated October 18, 2007 provides that Shire holds 1 Class A Common Share.*** ***Minute book required to confirm shareholders.***

(c) Bearspaw at 144th Bonds Inc.

Date of Incorporation:	October 17, 2007
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	Not provided
Previous Names:	Not provided
Status:	Active
Registered Office:	3400, 150 – 6th Avenue S.W., Calgary, Alberta
Shareholders:	Eyelogic Systems Inc. holds 60,000 Class A Preferred Shares and Shire holds 40,000 Class A Preferred Shares.
Share Capital:	Authorized to issue: ▪ Class A Preferred Shares (voting); ▪ Class B Common Shares (non-voting).
Directors:	Cleone Couch
Officers:	Not provided
Date of Search:	July 17, 2009
ISSUES:	***The offering memorandum of Bearspaw Bonds dated October 18, 2007 provides that Eyelogic Systems Inc. holds 60,000 Class A Preferred Shares and Shire holds 40, 000 Class A Preferred Shares.*** ***Minute book required to identify and confirm shareholders.***

2. **Financing**

(a) **Bearspaw at 144th Avenue Ltd.**

i **Amended and Restated Offering Memorandum dated October 11, 2007**

Issuer:	Bearspaw at 144th Avenue Ltd.
Securities Offered:	Units, each unit consisting of one 8% Cumulative Redeemable Non-Voting Preferred Share ("Preferred Share") and one Class B Share
Offering Size:	max of $19,000,000 (19,000 Units)
Price:	$1,000/Unit ($999.99 per Preferred Share and $0.01 per Class B Share)
Minimum subscription:	10 Units ($10,000)
Use of Net Proceeds:	Purchase of the Bearspaw Property; design and engineering, planning, taxes, insurance, legal, etc.; project management fees; unallocated working capital
ISSUES:	***It also refers to an assignment of the contract to purchase the property also dated August 8, 2007. We have seen the one dated September 26, 2007.***

(b) **Bearspaw at 144th Equities Ltd.**

i **Offering Memorandum dated October 18, 2007**

Issuer:	Bearspaw at 144th Equities Ltd.
Securities Offered:	Class B Common Shares
Offering Size:	a min of $100 to a max of $1,900
Price:	$0.10/Share
Minimum subscription:	100 Shares ($10)
Class B Shares:	Non-voting.
Use of Net Proceeds:	The majority of the proceeds, together with funds advanced pursuant to the BPBI Loan (defined below), will be used to purchase units of Bearspaw Avenue.
ISSUES:	***This offering memorandum provides that Bearspaw Equities was going to enter into a loan agreement with Bearspaw Bonds pursuant to which Bearspaw Bonds would advance a minimum of $78,314 to a maximum of $18,920,814 to Bearspaw Equities (the "BPBI Loan"). According to this offering memorandum, Bearspaw Equities intended to purchase units of Bearspaw Ave with all or a portion of the funds from the BPBI Loan. We have not yet seen a copy of the BPBI Loan.***

(c) **Bearspaw at 144th Bonds Inc.**

i **Offering Memorandum dated October 18, 2007**

Issuer:	Bearspaw at 144th Bonds Inc.
Securities Offered:	8% redeemable bonds ("Bonds")

Offering Size:	a min of $100,000 to a max of $19,000,000
Price:	$100/Bond
Minimum subscription:	100 Bonds ($10,000)
Maturity Date:	December 31, 2012
Eligibility:	RRSP eligible. Eyelogic Systems Inc. is the controlling shareholder.
Use of Net Proceeds:	The majority of the proceeds shall be loaned to Bearspaw Equities (described above as the BPBI Loan) to allow Bearspaw Equities to purchase units in Bearspaw Avenue and to pay for all management, administration and operating expenses incurred by Bearspaw Bonds.
ISSUES:	***The OM refers to the Administration Agreement with Eyelogic Systems Inc. and the Consulting Agreement with KMC Capital Inc., both dated October 12, 2007. The ones we have seen are dated October 18, 2007.***

3. **Title Searches**

Legal Description:	The South East Quarter of Section Three, in Township Twenty Six, Range Two, West of the Fifth Meridian, Containing 64.7 Hectares (160 Acres) more or less excepting: Road Plan 7911162, Subdivision Plan 9012020 and all mines and minerals
Registered Owner(s):	Shire International Real Estate Investments Ltd.
Transfer of Land/Value:	November 22, 2007/$13,840,000
Legal Notations:	None
Charges, Liens and Interests:	Caveat ▪ Re: Roadway ▪ The Municipal District of Rocky View No. 44 Utility Right of Way ▪ Canadian Western Natural Gas Company Limited ▪ Portion as described Mortgage ▪ Investit Financial Inc. ▪ Original Principal Amount: $9,000,000 Caveat ▪ Re: Assignment of Rents ▪ Investit Financial Inc. Mortgage ▪ 1206354 Alberta Ltd. ▪ Original Principal Amount: $4,600,000 Caveat ▪ Re: Participating Agreement ▪ Romspen Mortgage Corporation Caveat ▪ Re: Vendor's Lien ▪ 1206354 Alberta Ltd.

	Certificate of Lis Pendens ▪ Affects instrument: 091028110 Certificate of Lis Pendens ▪ Lucia De Wet and Jennifer Lofgren against Jeanette Cleone Couch and Shire International Real Estate Investments Ltd. ▪ See instrument Writ ▪ Creditors: Barry Boyd and Cathy Boyd, Brian Boyd Holdings Inc., Lonnie Williamson, Cathy Williamson, William Wharram and Margie Wharram ▪ Debtor: Shire International Real Estate Investments Ltd.
Date of Searches:	July 21, 2009

ISSUES:

4. **Mortgage**

(a) **Investit Financial Inc.**

i **Commitment Letter dated October 5, 2007 and accepted October 9, 2007**

Lender:	Realty Investments Corporation
Borrower:	Shire International Real Estate Investments Ltd.
Guarantors:	Cleone Couch, Robert Couch
Term:	▪ 12 months, to expire November 15, 2008 ▪ May have been extended for an additional 6 months if notice was given and certain conditions were met.
Principal Amount:	Up to $9,000,000
Interest:	▪ 13% per annum calculated and payable monthly; ▪ Any overdue interest, any expenses, charges not paid on November 15, 2008 will be at 24%, unless term was extended. ▪ If term extended, interest was 16% per annum during the extension period.
Security:	▪ First and specific demand mortgage and charge of the Bearspaw Property ▪ General Security Agreement ▪ Assignment of rents, leases or additional income ▪ Unlimited Guarantee to be provided to the Guarantor ▪ Assignment and Postponement of Claim ▪ Assignment of all plans, contracts and permits relating to project ▪ Liability insurance for not less than $2,000,000 ▪ Phase 1 ESA for the property, or an Indemnity Agreement ▪ Statutory Declaration from Cleone Couch stating that she has never been anything but an employee of Phil Archer or any company associated with him ▪ Other documents that may be required

ii Mortgage dated November 13, 2007

Lender:	Investit Financial Inc.
Borrower:	Shire
Maturity Date:	October 31, 2008
Principal Sum:	$9,000,000
Interest Rate:	13% per annum calculated monthly

iii Assignment and Postponement of Shareholder Loans dated November 13, 2007

Summary: Cleone Couch, as the shareholder, postpones, assigns, transfers and grants a security interest in the Debt by way of security for all and every indebtedness and liability of both Shire and Cleone Couch, or either of them, to Investit.

iv Assignment of Rents dated November 13, 2007

Summary: Shire assigns to Investit any lease or leases in connection with the Bearspaw Property, and the rents payable thereunder and all other benefits and advantage to be derived therefrom.

v General Security Agreement dated November 13, 2007

Summary: Shire grants Investit a security interest in the undertaking and in all Goods, Chattel Paper, Documents of Title, Instruments, Intangibles, Money, Securities and other property now or hereafter owned or acquired by Shire, and in all Proceeds, as such terms are defined in this agreement.
Certain Collateral shall not be dealt with unless written consent is given by Investit.

vi General Assignment of Contracts dated November 13, 2007

Summary: Shire grants to Investit a security interest in all of Shire's present and future rights, title and interest whatsoever in and to the Accessory Agreements, as defined in this assignment, and all amendments to the Accessory Agreements.

vii Guarantee and Postponement dated November 13, 2007

Summary: Cleone and Robert Couch jointly and severally guarantee payment to Investit of all present and future debts and liabilities owed by Shire to Investit

viii Statutory Declaration dated November 13, 2007

Summary: Cleone Couch confirms that she has never been anything except an employee of Phil Archer or any company in which he is a shareholder, and that neither he nor any company in which he has an interest is involved in the project.

ix **Certificate of Insurance – Perma Insurance Agency**

(b) **Vendor-Take-Back**

i **Mortgage dated November 15, 2007**

Lender:	1206354 Alberta Ltd.
Borrower:	Shire
Summary:	▪ Shire assigns all existing and future leases, all rents to 1206354 Alberta Ltd., subject to the provisions in the agreement. ▪ Shire indemnifies 1206354 Alberta Ltd. from and against any and all losses, liabilities, damages, etc. relating to any breach or non-compliance with environmental laws or any hazardous substances. ▪ A Receiver may be appointed upon default. ▪ Bearspaw at 144th Avenue Ltd., as beneficial owner, consents to the mortgage and confirms that its beneficial interest is similarly encumbered.
Maturity Date:	February 13, 2008 ($3,000,000 to be paid December 17, 2007)
Principal Sum:	$4,600,000
Interest Rate:	18% per annum calculated and compounded semi-annually (36% on overdue amount)

ii **Guarantee (Limited Liability) dated November 15, 2007**

Guarantor:	Cleone Couch
Summary:	▪ Cleone Couch ("Guarantor") guarantees repayment of the loan granted by 1206354 Alberta Ltd. in the amount of $4,600,000. ▪ Guarantor's liability is limited to the principal sum of $4,600,000 plus interest and costs and expenses. ▪ Guarantor assigns and grants to 1206354 Alberta Ltd. a security interest in all debts and liabilities of Shire to the Guarantor, all of which are assigned by Guarantor to 1206354 Alberta Ltd. and postponed to the present and future liabilities of Shire to 1206354 Alberta Ltd.

5. **Development**

(a) **Proposal for Preliminary Graphical Site Information, Preliminary Consultation, and Coordination Sub-Consultants Information dated August 15, 2007**

Parties: Synergy Planning Inc. and Cleone and Bob Couch

6. **Appraisals**

(a) **Wernick Omura Limited dated May 15, 2007 (File No. 2078)**

Effective Date:	May 2, 2007
Property:	W5M – 2 – 26 – 3SE

Market Value:	$14,200,000

(b) **Wernick Omura Limited dated May 15, 2007 (File No. 2078v2)**

Effective Date:	May 15, 2009
Property:	W5M – 2 – 26 – 3SE
Market Value:	$11,876,000 to $13,657,400
ISSUES:	***Is the Effective Date correct?***

7. **Material Agreements re purchase of the Bearspaw Property**

(a) **Real Estate Purchase Agreement dated March 28, 2007**

Vendor:	1206354 Alberta Ltd.
Purchaser:	Shire International Real Estate Investments Ltd.
Purchase Price:	$13,480,000
Summary:	Vendor agrees to sell and the Purchaser agrees to purchase the Bearspaw Property.
ISSUES	***Agreement is very difficult to read.***

(b) **Assignment and Assumption Agreement dated September 26, 2007**

Assignor:	Shire International Real Estate Investments Ltd.
Assignee:	Bearspaw at 144th Avenue Ltd.
Summary:	▪ Shire assigns all of its rights, titles, estate and interests under the purchase agreement between Shire and 1206354 Alberta Ltd. dated March 28, 2007 to Bearspaw Ave, subject to the performance by Bearspaw Ave of the terms, conditions and obligations in this assignment and assumption agreement. ▪ Bearspaw Ave agrees, among other things, to be responsible for the payment of the purchase price under said purchase agreement.
ISSUES	***If this assignment and assumption agreement was in force and effect on November 5, 2007, then Shire would not have owned the Bearspaw Property at the time of entering into the Trust Declaration and Trust Deed dated November 1, 2007 and executed on November 5, 2007. As such, it is arguable that Bearspaw Ave should be the registered owner instead of Shire.***

(c) **Trust Declaration and Trust Deed dated November 1, 2007 and executed November 5, 2007**

Parties:	Shire and Bearspaw at 144th Avenue Ltd.
Summary:	▪ Shire agrees to hold the title of the Bearspaw Property sosely as bare trustee for Bearspaw Ave and any and all proceeds received by the Shire from the Bearspaw Property shall be held by Shire for the benefit of Bearspaw Ave. ▪ Shire will maintain and operate the Bearspaw Property

ISSUES	***See item 7(b) above.***

(d) Amending Agreement dated November 8, 2007 and executed November 14, 2007

Vendor:	1206354 Alberta Ltd.
Purchaser	Shire International Real Estate Investments Ltd., as trustee for Bearspaw at 144th Avenue Ltd.
Summary:	Pursuant to this amending agreement, the Residential Real Estate Purchase Agreement dated March 28, 2007 between 1206354 Alberta Ltd. and Shire is revived and reinstated, subject to the following amendments: ▪ Completion Date is amended to November 15, 2007 ▪ Shire shall pay interest to 1206354 Alberta Ltd. on the balance of the Purchase Price: (a) from October 1, 2007 to November 1, 2007 at the ATB prime rate plus 3%; and (b) from November 2, 2007 to November 15, 2007 at the Bank of Canada prime rate plus 2% per annum. Payable to Burnet, Duckworth & Palmer LLP ("BDP"). ▪ The Purchase Price shall be paid as follows: (a) initial deposit of \$10,000, held in trust by BDP; (b) total additional deposits for \$1,090,000, received; (c) Vendor Take Back 2nd Mortgage for \$4,600,000; (d) balance of the Purchase Price for \$8,140,000 to be paid by new financing obtained by Shire; and (e) plus GST, if applicable.
ISSUES	***This amending agreement is made effective November 8, 2007 and indicates that the Completion Date is November 15, 2007; however, the transfer of lands registered on title indicates that the transfer occurred on September 14, 2007. We have not yet be able to definitively determine why the transfer was completed prior to the Completion Date.***

(e) Transfer Agreement dated September 14, 2007

Summary:	120654 Alberta Ltd. transfers Bearspaw Property to Shire in consideration for \$13,840,000.
ISSUES	***We have not yet be able to definitively determine why the transfer was completed prior to the Completion Date set out in the amending agreement referred to above.***

8. Other Agreements

(a) Letter of Intent dated September 13, 2007

Parties:	STRATHINK Solutions Corp. and Bearspaw at 144th Avenue Ltd.
Summary:	Parties are contemplating a Contract Agreement, whereby STRATHINK (specifically, the Consultant) is to provide Bearspaw with the following services: ▪ Develop and cultivate relationships with prospective clients via personal interviews, telephone and promotional programs ▪ Provide record keeping of the above activities. Parties also sign Confidentiality & Non-Circumvention Agreements.

(b) Administration Agreement dated October 18, 2007

Parties:	Eyelogic Systems Inc. and Bearspaw at 144th Bonds Inc.
Term:	The minimum term is 2 years.
Summary:	Bearspaw at 144th Bonds Inc. agrees to pay an annual fee to Eyelogic Systems Inc., subject to the terms and conditions of this agreement.

ISSUES

(c) Consulting Agreement dated October 18, 2007

Parties:	KMC Capital Inc. and Bearspaw at 144th Bonds Inc.
Term:	The minimum term is 2 years.
Summary:	Bearspaw at 144th Bonds Inc. agrees to pay an annual fee to KMC Capital Inc.

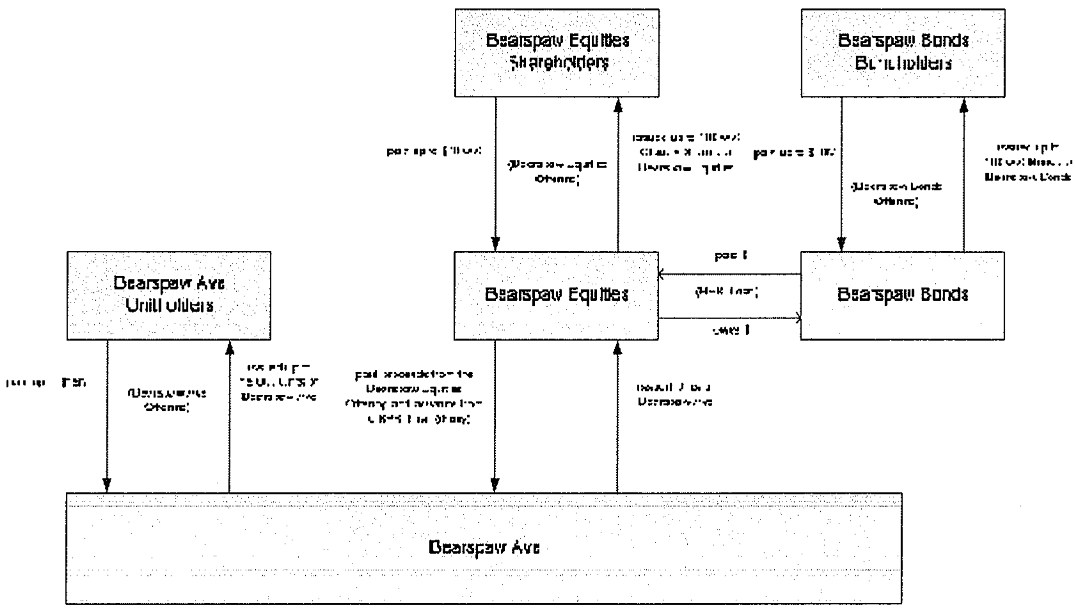
(d) Management Agreement dated August 8, 2007

Parties: Shire and Bearspaw at 144th Avenue Ltd.

Summary:

- Shire is to be the Manager of Bearspaw at 144th Avenue Ltd., and as such, manage, control, administer and operate the business for a one time fee of $380,000.
- Shire is indemnified from any and all costs, claims, demands, suits, etc. that may be incurred by Shire in the course of carrying out its duties, unless those arise from willful or negligent misconduct of Shire.

SCHEDULE A


Bearspaw Equities Shareholders
Bearspaw Bonds
Bearspaw Ave Unitholders
Bearspaw Equities
Bearspaw Bonds
Bearspaw Ave

CHEMAINUS PROPERTIES LTD.

SUMMARY

Property

Pursuant to the title searches, Chemainus Properties Ltd. is the owner of Lot A, Section 18, Range 5, Chemainus District, Plan 29495. According to the Real Estate Purchase Agreement dated February 17, 2006, this property was purchased from Jean-George Prins and Susan Tai Wah Wheeler by Ron Wharram and Cleone Couch. The Assignment Agreement of May 23, 2006 appears to transfer rights to the property from Berkshire International to Chemainus Properties Ltd.

In another Assignment Agreement between Berkshire and Chemainus Properties Ltd., there is mention of Memorandum Of Understanding dated December 12, 2005 between Berkshire and Chemainus Quay & Marina Complex Ltd. In it Berkshire agreed to purchase from Chemainus Quay & Marina lands legally described as lands created at Pine Street, Chemainus, BC, District Lot 2013, Cowichan District containing approximately 4.29 hectares, Provincial Crown Lands Waterfront Lease Lands located in Chemainus, BC, for a price of $5,000,000. A copy of the memorandum has not been seen.

Financing

Pursuant to an offering memorandum dated October 1, 2006, Chemainus Properties Ltd. issued units comprised of Class B Shares and Bonds (as defined below). The maturity date of the Bonds was April 30, 2007.

Based upon the review of documents received to date, a mortgage was not obtained for this project.

Shareholders

The corporate registry search names Shire International Real Estate Investments Ltd. as the voting shareholder. Offering Memorandum states that Eyelogic Systems Inc. is the controlling shareholder holding 60% of Class A Shares, with Shire International holding the remaining 40%. In order to know definitively, the minute book is required.

1. Corporate Information

Date of Incorporation:	April 3, 2006
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	July 4, 2006 (This information is based upon a registration statement.)
Previous Names:	Not provided
Status:	Active
Registered Office:	300, 808 4th Ave. SW, Calgary, AB
Shareholders:	Shire International Real Estate Investments Ltd.
Directors:	Cleone Couch
Officers:	Not provided
Date of Search:	July 17, 2009
ISSUES:	***Minute book is required to confirm shareholders. The Offering Memorandum provides that Eyelogic Systems Inc. is the controlling shareholder.***

2. Financing

(a) Offering Memorandum dated October 1, 2006

Issuer:	Chemainus Properties Ltd.
Securities Offered:	Units, each unit is comprised of one class B non-voting common share ("Class B Share") and one 8% fixed rate, cumulative, redeemable, renewable bond ("Bond")
Offering Size:	a min of $250,000 to a max of $6,000,000
Price:	$100/Unit ($0.10 per Class B Share and $99.90 per Bond)
Minimum subscription:	100 Units ($10,000)
Bonds:	Maturity Date – April 30, 2009
	Simple Interest - 8% per annum
Class B Shares:	Non-voting
Use of Net Proceeds:	Payment of Project Costs (which includes the acquisition of the Esplanade Property, the Crown Lands and the Dry Docks), Repayment for the Esplanade Purchase Price, payment for all management, administration and operating expenses incurred by the Issuer in the conduct of its business.
Eligibility:	Bonds constitute a qualified investment for registered plans, while Shares do not.
ISSUES:	***The agreement refers to the Memorandum Of Understanding dated December 12, 2005, between Chemainus Properties Ltd. and Chemainus Quay & Marina Complex Ltd., whereby Chemainus is entitled to a 60% interest in the Project and Chemainus Quay & Marina to 40%. This document has not been seen.***

3. Land Title Search

Legal Description:	Lot A, Section 18, Range 5, Chemainus District, Plan 29495
PID:	001-387-677
Registered Owner(s):	Chemainus Properties Ltd.
Legal Notations:	May be affected by a permit under Part 26 of the local government act
Charges, Liens and Interests:	Exceptions and Reservations ▪ Esquimalt and Nanaimo Railway Company ▪ Remarks: AFB 9.693.7434A Section 172(3) 56207G Statutory Right of Way ▪ The Corporation of the District of North Cowichan ▪ Remarks: Part in Plan VIP60814 Covenant ▪ Municipality of North Cowichan ▪ Remarks: S. 219, Land Title Act; includes indemnity Statutory Right of Way ▪ Chemainus Quay & Marina Complex B.C. Claim of Builders Lien ▪ McElhanney Consulting Services Ltd. Certificate of Pending Litigation

	▪ Chemainus Quay & Marina Complex Ltd. Claim of Builders Lien ▪ Urban Wood Waste Recyclers Ltd.
Date of Search:	July 22, 2009

4. **Appraisals**

D.R. Coell & Associates Inc.

Date:	April 24, 2006
Property:	Part of District Lot 2013, Cowichan District and Comprising Part of the Bed of Chemainus Bay
Gross Value of Proposed Filled Foreshore:	$1,465,000 (as at April 19, 2006)
Estimated Cost of Proposed Fill (done by Onsite Systems Inc.):	$1,972,700 (as at April 19, 2006)

5. **Development**

(a) **Development Permits**

Title:	Development Permit
File/Permit Number:	16326-000
Date:	July 18, 2008

(b) **Building Permits**

Title:	Permit to Demolish 1 Single Family Dwelling
File/Permit Number:	154-08
Date:	June 4, 2008

6. **Material Documents Re Purchase of Lands**

(a) **Esplanade Property**

i **Real Estate Purchase Agreement dated February 6, 2006, as amended on February 7, 2006**

Vendor:	Jean-George Prins and Susan Tai Wah Wheeler
Purchasers:	Ron Wharram and Cleone Couch
Summary:	Vendor agrees to sell and the Purchasers agree to purchase the property
Price:	$780,000
Closing Date:	May 31, 2006
ISSUES:	***The offering memorandum indicates that this purchase took place on June 30, 2006, it implies that Chemanius Properties Ltd. was the purchaser.***

The assignment agreement dated May 23, 2006 indicates that Berkshire International Development Group Ltd. was the purchaser. As such, I am not able to definitively determine which entity purchased the property or how the funds flowed to pay for it; however, Chemanius Properties Ltd. is the registered owner and there is a Form A which shows that Chemanius Properties Ltd. was the transferee.

ii Assignment Agreement dated May 23, 2006

Assignor: Berkshire International Development Group Ltd.

Assignee: Chemainus Properties Ltd.

Summary: The recitals provide that pursuant to a purchase and sale agreement dated February 6, 2006 between Berkshire International Development Group Ltd. and Jean-George Prins and Susan Tai Wah Wheeler, Berkshire International Development Group Ltd. (the "PA"). Reference is then made to an Option Agreement, which is not defined, and the rights there under are assigned by Berkshire International Development Group Ltd. to Chemainus Properties Ltd.

ISSUES: ***I believe it was the intention of the parties to assign the PA rather than the Option Agreement; however, this is not what the words say. Perhaps this was a clerical error.***

The vendors listed in the purchase contract dated February 6, 2006 (referred to above in this summary) are Ron Wharram and Cleone Couch; not Berkshire International Development Group Ltd. Therefore, Berkshire International Development Group Ltd. couldn't effect the assignment contemplated.

(b) Crown Lands

i Assignment Agreement dated May 23, 2006

Parties: Berkshire International Development Group Ltd. and Chemainus Properties Ltd.

Summary: The recitals provide that pursuant to a memorandum of understanding dated December 12, 2005 between Berkshire International Development Group Ltd. and Chemainus Quay & Marina Complex Ltd. (the "MOU"), Berkshire International Development Group Ltd. agreed to purchase from Chemainus Quay & Marina Complex Ltd. lands legally described as lands created at Pine Street, Chemainus, BC, District Lot 2013, Cowichan District containing approximately 4.29 hectares, Provincial Crown Lands Waterfront Lease Lands located in Chemainus, BC, for a purchase price of $5,000,000.

Reference is then made to an Option Agreement, which is not defined, and the rights there under are assigned by Berkshire International Development Group Ltd. to Chemainus Properties Ltd.

ISSUES ***I believe it was the intention of the parties to assign the MOU rather than the Option Agreement; however, this is not what the words say. Perhaps this was a clerical error.***

We have not seen the MOU.

(c) **Dry Docks**

i **No documentation received.**

(d) **2965 Elliot Street (That part of Lot 1 Section 19 Range 5 Chemainus District Plan 4655)**

i **Real Estate Purchase Agreement dated August 14, 2007**

Vendor:	Mike Ivan Povajnuk
Purchasers:	Terry Petras
Summary:	Vendor agrees to sell and the Purchasers agree to purchase the property
Price:	$398,000
Closing Date:	November 12, 2007
ISSUES:	***Confirm whether these lands are the Dry Docks. The Offering Memorandum provides that the Dry Docks are comprised of 5 decommissioned graving docks located on Chemanius Bay and are owned by CQM.***

7. **Material Documents Re Development of the Project**

(a) **Management Agreement dated May 18, 2006**

Parties: Chemainus Properties Ltd. and Chemainus Quay & Marina Complex Ltd.

Summary: Pursuant to this agreement Chemainus Quay & Marina Complex Ltd. is appointed as the Manager to represent Chemanius Quay & Marina Complex Ltd. in connection with the development and construction of the Project and perform certain services and carry out certain responsibilities relating to the Project. The Project is defined to mean "the development and sale of the property described in Schedule "C' as follows:

> "*Unsurveyed filled foreshore, being a portion of District Lot 2013, Cowichan District, and comprising part of the bed of Chemainus Bay, containing 0.6411 hectares.*
>
> *The subject filled foreshore is to be consolidated by legal survey with an adjacent unsurveyed 1 meter wide riparian strip, being part of Lot A, Section 18, Ranges 5 & 6, Chemainus District, Plan 45217 and part of Lot 2, Section 18, Range 6 Chemainus District, Plan 28738 and containing 0.0191 ha more or less.*"

The Manager agrees to indemnify Chemanius for any claims arising from the negligence or any willful act or omission of the Manager in connection with this Agreement.

Chemanius agrees to pay the Manager 40% of the net profits of the project (the "*Management Fee*").

ISSUES: ***There are two copies of the agreement: one is incomplete (half of it is missing), although initialed (by Terry Petras?); the other one is complete, but not executed.***

8. **Reports**

(a) **Geotechnical Report dated September 14, 2007**

Company:	Lewkowich Geotechnical Engineering Ltd.
Title:	Preliminary Geotechnical Assessment

(b) **Environmental Report dated September, 2007**

Company:	Johnston Gray Environmental
Title:	Environmental Site Assessment

FORT MCMONEY PROPERTIES LTD.

SUMMARY

Property

10109 & 10111 Manning Avenue The title searches for Plan 1268NY, Block 1, Lot 7, excepting thereout all mines and mineral and Plan 1268NY, Block 1, Lot 8, excepting thereout all mines and mineral ("*109 and 111 Manning*") show that Fort McMoney Properties II Ltd. ("*Fort McMoney II*") is the registered owner of these lands. The transfer of land registered May 3, 2007 on the historic title provides that Robert Couch and Cleone Couch purchased 109 and 111 Manning from 374496 Alberta Ltd. for $1,475,000.00 on May 15, 2006. We have not yet been able to definitively identify the purchase contract, and amendments thereto, pursuant to which Robert Couch and Cleone Couch agreed to purchase 109 an 111 Manning. The offering memorandum of Fort McMoney Properties Ltd. ("*Fort McMoney I*") dated May 25, 2006 (the "*OM*") indicates that an assignment agreement date May 19, 2006 was entered into pursuant to which the purchase contract was assigned to Fort Mc. Money I; however, we have not yet seen this agreement. Rather, according to the transfers of land registered on title on August 8, 2007 provides that Robert Couch and Cleone Couch transferred 109 and 111 Manning to Fort McMoney II in consideration for $1,800,000.

10115 Manning Avenue The title search for Plan 1268NY, Block 1, Lot 5, excepting thereout all mines and mineral ("*115 Manning*") shows that Fort McMoney Properties II Ltd. is the registered owner of such lands. The transfer of lands registered May 3, 2007 on the title provides that Fort McMoney Properties II Ltd. purchase the lands from Donald Seeley on May 28, 2007. We have also reviewed a residential real estate purchase contract entered into between Donald Seeley and Shire International Real Estate Investments Ltd. ("*Shire*"), as amended from time to time, pursuant to which Shire or its nominee agreed to purchase 115 Manning for $687,610. We have not yet definitively determined why 115 Manning was transferred to Fort McMoney II.

Saline Creek The title searches provide that Fort McMoney Properties Ltd. ("*Fort McMoney I*") is the registered owner of Meridian 4, Range 8, Township 88, Section 32; SE and Meridian 4, Range 8, Township 88, Section 32; NE ("*Saline Creek*"). Based upon a review of the documents provided to date, it appears that Shire (previously Berkshire International Development Group Ltd.) agreed to purchase Saline Creek from Charles H. Gravels and Meridel J. Graves (the "*Graves*") for $3,500,000 pursuant to an offer to purchase and interim agreement between and Shire and the Graves, as amended from time to time. However, we have not yet been able to definitively determine which such agreement and amendments thereto came into force and effect. According to the OM, the right to purchase Saline Creek was to be assigned to from Shire to Fort McMoney I pursuant to an assignment agreement; however, we have not yet seen this agreement.

Financing/Mortgage

Pursuant to the OM, Fort McMoney offered a minimum of $250,000 and up to a maximum of $20,000,000 of Units (more fully described below). The net proceeds from the offering were to be used: (a) to acquire the Saline Creek Property, 109 and 111 Manning and 115 Manning and pay for all management and administration fees incurred by Fort McMoney I in the conduct of its business; and (b) for pre-development and planning expenses including blueprint preparations, engineering and marketing of the Saline Creek Property, 109 and 111 Manning and 115 Manning.

Shareholders

A share certificate representing 60,000 class A common shares of Fort McMoney I ("*Class A Shares*") was issued to Eyelogic Systems Inc. and a share certificate representing 60,000 Class A Shares was issued to Shire. However, it is important to note that the subscription agreements of Eyelogic Systems Inc. and Shire relating to the subscription of suchClass A Shares and the resolutions relating thereto were not fully executed.

1. Corporate Information

Date of Incorporation:	April 17, 2006
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	Not provided
Previous Names:	Not provided
Status:	Active
Registered Office:	300, 808 4th Ave. SW, Calgary, AB
Shareholders:	Eyelogic Systems Inc. (60,000 Class A Common Shares)
	Shire International Real Estate Investments Ltd. (40,000 Class A Common Shares)
Directors:	Cleone Couch
Officers:	Cleone Couch – President
Date of Search:	July 17, 2009
ISSUES:	***The subscription agreements of Eyelogic Systems Inc. and Shire International Real Estate Investments Ltd. relating to the subscription of Class A Shares and the resolutions relating thereto were not fully executed; however, the share certificates were issued.***
	Originally Rod Wharram was also a director; however, he was removed as a director on May 10, 2006 pursuant to a resolution of all the shareholders. This resolution is only partially executed.

2. Financing

(a) Offering Memorandum dated May 25, 2006

Issuer:	Fort McMoney Properties Ltd.
Securities Offered:	a minimum of $250,000 up to a maximum of $20,000,000 Units, each unit comprised of one (1) Class B Non-Voting Common Share and one 8% fixed rate cumulative, redeemable bond
Price:	$100/Unit (as defined below)
Eligibility:	RRSP eligible
Use of Net Proceeds:	Acquire the Saline Creek, 109 and 111 Manning and 115 Manning and pay for all management and administration fees incurred by Fort McMoney I in the conduct of its business.
	Per-development and planning expenses including blueprint preparations, engineering and marketing of the Saline Creek, 109 and 111 Manning and 115 Manning.

3. Land Title Search

(a) 10109 Manning Avenue

Legal Description:	Plan 1268NY, Block 1, Lot 7, excepting thereout all mines and mineral
Registered Owner(s):	Fort McMoney Properties II Ltd.
Transfer of Land/Value:	August 8, 2007/$900,000
Encumbrances:	Mortgage

- Mortgagee - Olympia Trust Company
- Original Principal Amount: $6,500,000

Caveat

- Agreement Charging Land
- Caveator – Nexus Capital Corporation

Date of Search:	July 21, 2009
ISSUES:	***Fort McMoney II is the registered owner.***

(b) 10111 Manning Avenue

Legal Description:	Plan 1268NY, Block 1, Lot 8, excepting thereout all mines and mineral
Registered Owner(s):	Fort McMoney Properties II Ltd.
Transfer of Land/Value:	August 8, 2007/$900,000
Encumbrances:	Mortgage ▪ Mortgagee - Olympia Trust Company ▪ Original Principal Amount: $6,500,000 Caveat ▪ Agreement Charging Land ▪ Caveator – Nexus Capital Corporation
Date of Search:	July 21, 2009
ISSUES:	***Fort McMoney II is the registered owner.***

(c) 10115 Manning Avenue

Legal Description:	Plan 1268NY, Block 1, Lot 5, excepting thereout all mines and mineral
Registered Owner(s):	Fort McMoney Properties II Ltd.
Transfer of Land/Value:	August 8, 2007/$687,610
Encumbrances:	Mortgage ▪ Mortgagee - Olympia Trust Company ▪ Original Principal Amount: $6,500,000 Caveat ▪ Agreement Charging Land ▪ Caveator – Nexus Capital Corporation
Date of Search:	July 21, 2009
ISSUES:	***Fort McMoney II is the registered owner.***

(d) Saline Creek Property SE

Legal Description:	Meridian 4, Range 8, Township 88, Section 32; SE
Registered Owner(s):	Fort McMoney Properties Ltd.
Transfer of Land:	October 30, 2007
Encumbrances:	Zoning Regulations ▪ Her Majesty the Queen in the Right of Canada as represented by Department of Transport

	Caveat
	▪ Right of Way Agreement
	▪ Caveator – ATCO Electric Ltd.
	Caveat
	▪ Restrictive Covenant, etc.
	Mortgage
	▪ Mortgagee – Charles H Graves and Meridel J Graves
	▪ Original Principal Amount - $1,850,000
	Certificate of Lis Pendens
	▪ By – Lucia de Wet and Jennifer Lofgren
Date of Search:	July 21, 2009
ISSUES:	***We have not yet see a copy of the mortgage registered on title.***

(e) Saline Creek Property NE

Legal Description:	Meridian 4, Range 8, Township 88, Section 32; NE
Registered Owner(s):	Fort McMoney Properties Ltd.
Transfer of Land:	October 30, 2007
Encumbrances:	Zoning Regulations
	▪ Her Majesty the Queen in the Right of Canada as represented by Department of Transport
	Caveat
	▪ Restrictive Covenant, etc.
	Mortgage
	▪ Mortgagee – Charles H Graves and Meridel J Graves
	▪ Original Principal Amount 0 $1,850,000
Date of Search:	July 21, 2009
ISSUES:	***We have not yet see a copy of the mortgage registered on title.***

4. Mortgages

(a) TD Mortgage No. 5647045

i Annual Mortgage Statement from TD Canada Trust

Mortgagee:	The Toronto-Dominion Bank
Mortgagors:	Cleone and Robert Couch
Principal Amount:	$342,500
Interest Rate:	6% variable
Maturity Date:	January 1, 2012
Property:	10101 Manning Ave, Fort McMurray, Calgary, Alberta
Summary:	Payment of this mortgage was completed.

(b) **TD Mortgage No. 5647053**

i **Mortgage Discharge/Transfer Statement from TD Canada Trust dated July 13, 2007**

Mortgagee:	The Toronto-Dominion Bank
Mortgagors:	Cleone and Robert Couch
Proposed Settlement Date:	July 16, 2007
Total Payable/Per Dia Rate:	$382,967.56/$62.87
Interest Rate:	6% variable
Maturity Date:	January 1, 2012
Property:	10111 Manning Ave, Fort McMurray, Calgary, Alberta

ii **Letter dated July 30, 2007 from Parlee McLaws LLP to TD Canada Trust, Direction to Pay and TD Mortgage Statement**

Summary:	Payment of this mortgage was completed.

5. **Appraisals**

(a) **Wernick Omura Limited Appraisal dated April 10, 2006**

Effective Date:	March 24, 2006
Property:	10101, 10111 & 10115 Manning Ave, Fort McMurray, Calgary, Alberta
Market Value:	$2,300,000

(b) **Wernick Omura Limited Appraisal dated April 21, 2006**

Effective Date:	March 24, 2006
Property:	Lots 5, 7 and 8 of Plan 1268NY, Block 1
Market Value:	$3,400,000

6. **Material Documents Related to the Purchase of the Properties**

(a) **10109 and 10111 Manning**

i **Transfer of Land dated July 24, 2007**

Transferors:	Robert Couch and Cleone Couch
Transferee:	Fort McMoney Properties II Ltd.
Summary:	Transferors transfer Plan 1268NY, Block 1, Lot 7 excepting thereout all mines and minerals to the Transferee.
Price:	$900,000

ii **Transfer of Land dated July 24, 2007**

Transferors:	Robert Couch and Cleone Couch
Transferee:	Fort McMoney Properties II Ltd.
Summary:	Transferors transfer Plan 1268NY, Block 1, Lot 8 excepting thereout all mines and minerals to the Transferee.

Price:	$900,000

iii Transfer of Land dated May 15, 2006

Transferors:	374496 Alberta Ltd.
Transferees:	Robert Couch and Cleone Couch
Summary:	Transferors transfer Plan 1268NY, Block 1, Lot 7 & 8 excepting thereout all mines and minerals to the Transferees.
Price:	$1,475,000

iv Purchase Agreements and Amendments thereto

Purchasers:	Luree Williamson or Nomiee and Cleone Couch
Vendor:	374496 Alberta Ltd.
Summary:	Agreement to purchase Plan 1268NY, Block 1, Lot 7 & 8 excepting thereout all mines and minerals
Price:	$1,475,000
ISSUES:	***Based upon a partially executed amendment agreement we understand that the Purchasers failed to perform their obligations under the residential real estate purchase contract dated February 8, 2006. As such, the deposits paid by the Purchasers paid pursuant thereto were forfeited to the Vendor. A new real estate purchase contract was subsequently entered into; however, we have not yet been able to determine which agreement and amendments came into force and effect as the copies received to date are only partially executed.*** ***Based upon the transfer of lands, Robert Couch was selected as Luree Williamson's nominee.***

(b) 115 Manning

i Transfer of Land dated May 28, 2007

Transferor:	Donald Seeley
Transferee:	Fort McMoney Properties II Ltd.
Summary:	Transferor transfers Plan 1268NY, Block 1, Lot 5 excepting thereout all mines and minerals to the Transferee.
Price:	$687,610
ISSUES:	***The residential real estate purchase contract referred to in item 6(b)(ii) below was between Donald Seeley and Shire. We have not yet definitively determined why 115 Manning was transferred to Fort McMoney II.***

ii Residential Real Estate Purchase Contract accepted February 12, 2007

Purchaser:	Shire International Real Estate Investment Ltd.
Vendor:	Donald Seeley
Summary:	Shire agrees to purchase 115 Manning from Donald Seeley.

Price:	$687,610
Deposits:	Initial Deposit: $100,000
	Additional Deposits: $100,000 to $150,000
ISSUES:	***We have not yet definitively determined why the transfer of land referred to in item 6(b)(i) above provides that 115 Manning was transferred to Fort McMoney II.***

(c) Saline Creek

i Offer to Purchase and Interim Agreement dated December 2005, as amended from time to time.

Purchaser:	Shire (previously Berkshire International Development Group Ltd.)
Vendors:	Charles H. Gravels and Meridel J. Graves
Price:	$3,500,000
ISSUES:	***However, we have not yet been able to definitively determine which such amendments to this agreement came into force and effect. As a result, we have not been able to determine the amount of deposits paid.***

FORT MCMONEY PROPERTIES II LTD.

SUMMARY

Property

Based upon the title searches, Fort McMoney Properties II Ltd. is the registered owner of: 10109 Manning Ave, 10111 Manning Ave, 10113 Manning Ave., 10115 Manning Ave., 10117 Manning Ave. and 10119 Manning Ave, all in Fort McMurray. We have not yet seen any of the purchase contracts pursuant to which the transfers were made; however, there are letters on the file from Parlee McLaws LLP indicating that the above listed properties were purchased by Fort McMoney Properties II Ltd.

Nexus Capital Corporation has a registration on the titles of the above referenced properties, which Ms. Couch has advised relates to broker fees arising from construction financing that was arranged for Skaha Lake Development Ltd.

Financing/Mortgage

Pursuant to a Deed of Trust and Mortgage made as of March 24, 2008, Fort McMoney Properties II Ltd. was permitted to issue Mortgage Units. The total amount of Mortgage Units permitted to be issued was limited to a total of $5,500,000. The maturity date is September 30, 2009.

Prior thereto, a loan in the amount of $3,450,000 was provided by Quest Capital Corp. to Fort McMoney Properties pursuant to a commitment letter dated July 3, 2007. This loan was due and payable on July 1, 2008 and according to the Offering Memorandum, a portion of the proceeds raised by the offering was to be used to pay this loan. We believe this loan was paid, as indicated in the Offering Memorandum, based upon a letter from Philip Matkin dated May 28, 2008 confirming that a wire transfer in the amount of $3,472,198.64 was arranged in accordance with the payout letter from Quest Capital Corp. dated May 27, 2008. Moreover, Quest Capital Corp. does not currently have a registration on title.

Shareholders

Based upon the organizational resolution of the sole director dated May 18, 2007, Cleone Couch owns all of the issued and outstanding voting securities of Fort McMoney Properties II Ltd. To definitively determine who the current shareholders are, we have requested the minute books.

1. **Corporate Information**

Date of Incorporation:	May 18, 2007
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	Not provided
Previous Names:	Not provided
Status:	Active
Registered Office:	300, 808 4th Ave SW, Calgary, AB
Shareholders	Cleone Couch (100%) (*(This information is from the organizational resolution of the sole director dated May 18, 2007)*
Directors:	Cleone Couch
Officers:	Cleone Couch – President and Secretary Treasurer (*(This information is from the organizational resolution of the sole director dated May 18, 2007)*

Date of Search:	July 17, 2009
ISSUES:	*Minute books are required to confirm shareholders.*

2. **Financing**

(a) **Offering Memorandum dated March 24, 2008**

Issuer:	Fort McMoney Properties II Ltd.
Securities Offered:	$6,500,000 Mortgage Units (as defined below)
Price:	Issued at a price equal to their original principal amount
Interest Rate and Term:	15% per annum, due September 30, 2009
Security:	Mortgage Units represent an undivided interest in a mortgage on the property of the Fort McMoney Properties II Ltd. located at 10109 to 10119 Manning Ave, Fort McMurray
Eligibility:	RRSP eligible
Use of Net Proceeds:	Payment of first mortgage ($3,440,000) and development of the property ($2,160,000)
ISSUES:	*The Offering Memorandum refers to the following agreements that are not contained in the files:* ▪ *Management Agreement to be entered into with Shire International Real Estate Investments Ltd.* *Ms. Couch has advised that a written agreement may not have been prepared; however, she further advised that the terms of this agreement are those set out in the Offering Memorandum.* *The description of the property is not entirely accurate as we believe that Fort McMoney Properties II Ltd. only owns 10109 Manning Ave, 10111 Manning Ave, 10113 Manning Ave., 10115 Manning Ave., 10117 Manning Ave. and 10119 Manning Ave, all in Fort McMurray.*

3. **Land Title Search**

(a) **10109 Manning Avenue**

Legal Description:	Plan 1268NY, Block 1, Lot 7, excepting thereout all mines and minerals
Registered Owner(s):	Fort McMoney Properties II Ltd.
Transfer of Land/Value:	August 8, 2007/$900,000
Encumbrances:	Mortgage ▪ Mortgagee - Olympia Trust Company ▪ Original Principal Amount: $6,500,000 Caveat ▪ Agreement Charging Land ▪ Caveator – Nexus Capital Corporation
Date of Search:	July 21, 2009
ISSUES:	*Ms. Couch advised that the caveat registered by Nexus Capital Corporation relates to broker fees relating to construction financing*

arranged for Skaha Lake Development Ltd.

(b) 10111 Manning Avenue

Legal Description:	Plan 1268NY, Block 1, Lot 8, excepting thereout all mines and mineral
Registered Owner(s):	Fort McMoney Properties II Ltd.
Transfer of Land/Value:	August 8, 2007/$900,000
Encumbrances:	Mortgage ▪ Mortgagee - Olympia Trust Company ▪ Original Principal Amount: $6,500,000 Caveat ▪ Agreement Charging Land ▪ Caveator – Nexus Capital Corporation
Date of Search:	July 21, 2009
ISSUES:	*Ms. Couch advised that the caveat registered by Nexus Capital Corporation relates to broker fees relating to construction financing arranged for Skaha Lake Development Ltd.*

(c) **10113 Manning Avenue**

Legal Description:	Plan 1268NY, Block 1, Lot 6, excepting thereout all mines and mineral
Registered Owner(s):	Fort McMoney Properties II Ltd.
Transfer of Land/Value:	August 8, 2007/$800,000
Encumbrances:	Mortgage ▪ Mortgagee - Olympia Trust Company ▪ Original Principal Amount: $6,500,000 Caveat ▪ Agreement Charging Land ▪ Caveator – Nexus Capital Corporation
Date of Search:	July 21, 2009
ISSUES:	*Ms. Couch advised that the caveat registered by Nexus Capital Corporation relates to broker fees relating to construction financing arranged for Skaha Lake Development Ltd.*

(d) 10115 Manning Avenue

Legal Description:	Plan 1268NY, Block 1, Lot 5, excepting thereout all mines and mineral
Registered Owner(s):	Fort McMoney Properties II Ltd
Transfer of Land/Value:	August 8, 2007/$687,610
Encumbrances:	Mortgage ▪ Mortgagee – Olympia Trust Company ▪ Original Principal Amount: $6,500,000 Caveat ▪ Agreement Charging Land ▪ Caveator – Nexus Capital Corporation

Date of Search:	July 21, 2009
ISSUES:	***Ms. Couch advised that the caveat registered by Nexus Capital Corporation relates to broker fees relating to construction financing arranged for Skaha Lake Development Ltd.***

(e) **10117 Manning Avenue**

Legal Description:	Plan 1263NY, Block 1, Lot 4, excepting thereout all mines and mineral
Registered Owner(s):	Fort McMoney Properties II Ltd.
Transfer of Land/Value:	August 8, 2007/$687,610
Encumbrances:	Mortgage ▪ Mortgagee - Olympia Trust Company ▪ Original Principal Amount: $6,500,000 Caveat ▪ Agreement Charging Land ▪ Caveator – Nexus Capital Corporation
Date of Search:	July 21, 2009
ISSUES:	***Ms. Couch advised that the caveat registered by Nexus Capital Corporation relates to broker fees relating to construction financing arranged for Skaha Lake Development Ltd.***

(f) **10119 Manning Avenue**

Legal Description:	Plan 2274NY, Block 1, 3A excepting thereout all mines and minerals
Registered Owner(s):	Fort McMoney Properties II Ltd.
Transfer of Land/Value:	August 8, 2007/$687,610
Encumbrances:	Mortgage ▪ Mortgagee - Olympia Trust Company ▪ Original Principal Amount: $6,500,000 Caveat ▪ Agreement Charging Land ▪ Caveator – Nexus Capital Corporation
Date of Search:	August 20, 2009
ISSUES:	***Ms. Couch advised that the caveat registered by Nexus Capital Corporation relates to broker fees relating to construction financing arranged for Skaha Lake Development Ltd.***

4. **Financings/Mortgages**

(a) **Commitment Letter for $3,450,000 dated July 3, 2007**

Lender:	Quest Capital Corp.
Borrower:	Fort McMoney Properties II Ltd.
Covenantor:	Cleure Couch
Term:	due and payable on July 1, 2008
Principal Amount:	$3,450,000

Interest	12% per annum calculated and compounded monthly until June 1, 2008 and thereafter 25% per annum calculated and compounded monthly
Purpose:	Purpose of the loan it to provide first mortgage financing for the acquisition of the following property:

- Plan 1268NY Block 1, Lot 4 to 8 inclusive, excepting thereout all mines and minerals;
- Plan 2274NY, Block 1, Lot 3A, excepting thereout all mines and minerals

ISSUES: ***There is a letter on file from Philip Matkin dated May 28, 2008 confirming that a wire transfer in the amount of $3,472,189.64 was arranged in accordance with the payout letter from Quest Capital Corp. dated May 27, 2008. The requested discharge of the mortgage and assignable rents (Instrument Nos. 072-475-433 and 072-475-444) and the PPSA registration were to be provided within 30 days. We have not yet found the discharges set out above; however, it is not on title.***

(b) Deed of Trust and Mortgage dated as of March 14, 2008

Trustee:	Olympia Trust Company
Maturity Date:	September 30, 2009
Principal Amount:	The total amount of Mortgage Units permitted to be issued was limited to a total of $6,530,000
Interest:	15% per annum
Security:	▪ 10109 – 10111 Manning Ave, 10113 Manning Ave., 10115 Manning Ave., 10117 Manning Ave, and 10119 Manning Ave, all in Fort McMurray; and ▪ the rents payable pursuant to any leases to be held by the Trustee as applied to the benefit of the registered holder of Mortgage Units
ISSUES:	***This is partially executed. Is this the final copy? Is there an fully executed copy?***

5. **Appraisals**

(a) Wernick Omura Limited

Date:	October 10, 2008
Property:	Lots 3 to 8, Block 1, Plan 1268NY and Lot 3A, Block 1, Plan 2274 NY
Market Value:	$3,624,670 as at September 9, 2008

(b) Wernick Omura Limited

Date:	April 10, 2006
Property:	Lots 5, 7 and 8 of Plan 1268NY, Block 1
Value Estimate (Sales Comparison Approach):	$2,300,000
Updates:	This report was updated on June 4, 2007 and on March 5, 2008.

6. **Material Documents Related to the Purchase of the Properties**

(a) **10109 and 10111 Manning Avenue, Fort McMurray (Plan 1268NY, Block 1, Lots 7 and 8)**

i **Real Estate Purchase Agreement dated November 16, 2006**

Vendor:	374496 Alberta Ltd.
Purchasers:	Laurce Williamson and Cleone Couch
Summary:	Vendor agrees to sell and the Purchasers agree to purchase: • Plan 1268NY, Block 1, Lots 7 and 8, excepting thereout all mines and minerals
Price:	$1,475,000
Closing Date:	October 31, 2006
Conditions	Genroc Drywall Ltd., a tenant on the property, shall be entitled to remain in possession after the closing.
Amendments:	There are two addendums to this agreement dated: • November 27, 2006 • December 5, 2006 November 16, 2006 • This addendum is missing December 5, 2006 • Closing Date was changed to December 6, 2006
ISSUES:	***This agreement is not executed by the Vendor. The file contains two addendums that each refer to a Real Estate Contract between the Vendor and the Purchasers dated November 16, 2006; not October 6, 2006.***

ii **Closing Letter from Parlee McLaws LLP dated August 29, 2007**

Summary:	Robert Couch and Cleone Couch sold Fort McMoney Properties II Ltd 10109 Manning Ave. (Plan 1268NY, Block 1. Lot 8). The closing was June 1, 2007.

iii **Closing Letter from Parlee McLaws LLP dated August 29, 2007**

Summary:	Robert Couch and Cleone Couch sold Fort McMoney Properties II Ltd. 10111 Manning Ave. (Plan 1268NY, Block 1 Lot 7). The closing was June 1, 2007.

(b) **10113 Manning Avenue, Fort McMurray (Plan 1268NY, Block 1, Lot 6)**

i **Closing Letter from Parlee McLaws LLP dated August 29, 2007**

Summary:	844756 Alberta Ltd. sold Fort McMoney Properties II Ltd. the above referenced property. The closing was July 16, 2007.

(c) **10115 Manning Avenue, Fort McMurray (Plan 1268NY, Block 1. Lot 5)**

i **Letter from Parlee McLaws dated July 30, 2007**

Summary:	Donald Gordon Seeley sold Fort McMoney Properties II Ltd. the above referenced property. The closing was June 1, 2007.
ISSUES:	***A letter from Parlee McLaws LLP dated August 3, 2006 indicates that this transaction didn't close until August 25, 2006.***

(d) **10117 Manning Avenue, Fort McMurray (Plan 1268NY, Block 1, Lot 4)**

i **Closing Letter from Parlee McLaws LLP dated August 28, 2007**

Summary:	Michelle Dee Kruetzer sold Fort McMoney Properties II Ltd. the above referenced property. The closing date was June 1, 2007.

(e) **10119 Manning Avenue, Fort McMurray (Plan 2274NY, Block 1, Lot 3A)**

i **Closing Letter from Parlee McLaws LLP dated August 29, 2007**

Summary:	John Brownlee and Deme Brownlee sold Fort McMoney Properties II Ltd. the above referenced property. The closing date was July 20, 2007.
ISSUES:	***A letter from Cleone Couch indicates that Shire International Real Estate Investments Ltd. is the legal owner of the 10119 Manning Ave. and advises that permission to live in the house and make a fire inside was not granted.***

7. **Material Agreements referred to the Offering Memorandum**

(a) **Management Agreement**

Trustee	Olympia Trust Company
Company:	Fort McMoney Properies II Ltd.
ISSUES:	***We have not yet seen this agreement. Ms. Couch advised that a written agreement may not have been prepared; however, she further advised that the terms of this agreement are those set out in the Offering Memorandum.***

HALAMA GARDENS LTD.

SUMMARY

Property

1455 and 1463 Halama St. The property is described in the offering memorandum of Halama Gardens Ltd. dated March 8, 2006 (the "*OM*") as Waiohuli, Keokea Beach Homesteads, Maui, Parcels 2-3-9-9-18 and 2-3-9-9-19, Central Kihei (the "*Halama Property*"). Pursuant to a deposit receipt offer and acceptance dated January 11, 2006 between Shire International Real Estate Investments Ltd. (previously named Berkshire International Development Group Ltd.) ("*Shire*") and Dennis Blain (the "*Purchase Contract*"), Shire agreed to purchase the Halama Property from Dennis Blain for US$2,500,000. At the time of executing the Purchase Contract, a deposit in the amount of CND$25,000 was made and an additional deposit of CND$25,000 was to be paid to Escrow (*i.e.* Old Republic Title & Escrow) on or before January 20, 2006. Subsequently, Shire assigned its rights under the Purchase Agreement to Halama Gardens Ltd. on March 7, 2006 by entering into an assignment agreement with Halama Gardens Ltd. dated March 7, 2006. After the assignment, Shire and Dennis Blain agreed to various amendments to the Purchase Contract. Pursuant to the amendments that we have reviewed to date, the closing date was extended several times and Shire agreed to make various additional deposits and payments, including payments relating to the Acumar Mortgage and the assumption of the Elite Mortgage. On June 15, 2007, Mr. Blain and Shire entered into the final amendment to the Purchase Agreement, pursuant to which the closing date was extended to December 15, 2007 and Shire acknowledged that any and all payments made up to the date thereof were liquidated as late charges. Ms. Couch as advised that the transaction did not close on December 15, 2007.

Financing/Mortgage

Pursuant to the OM, Halama Gardens Ltd. offered up to a maximum of $7,000,000 of Units, each unit comprised of one Class B Non-Voting Common Share and one 8% fixed rate cumulative, redeemable, renewable bond. According to the OM said bonds will mature on March 31, 2008 and be automatically renewed unless the bondholder wishes to redeem the bond on that date.

Shareholders

The OM provides that Eyelogic Systems Inc. holds 60,000 Class A Common Shares and Shire holds 40,000 Class A Common Shares. The minute book are required to confirm shareholders.

1. Corporate Information

(a) Halama Gardens Ltd.

Date of Incorporation:	March 7, 2006
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	Not provided.
Previous Names:	Not provided.
Status:	Active
Registered Office:	300, 808 – 4th Avenue S.W., Calgary, Alberta
Shareholders:	Eyelogic Systems Inc. (60,000 Class A Common Shares) Shire (40,000 Class A Common Shares)
Share Capital:	Authorized to issue: ▪ Class A Common Shares (voting); and

- Class B Common Shares (non-voting).

Directors:	Cleone Couch
Officers:	Not provided
Date of Search:	July 17, 2009
ISSUES:	***The OM provides that Eyelogic Systems Inc. holds 60,000 Class A Common Shares and Shire holds 40,000 Class A Common Shares. Minute book required to confirm shareholders.***

(b) Halama Gardens LLC

Date of Incorporation:	October 3, 2006
Jurisdiction of Formation:	State of Hawaii
Extra-Provincial Reg.:	Not provided
Previous Names:	Not provided
Principal Office:	300, 808 – 4th Ave S.W.; 1136 Union Mall, Suite 301, Honolulu, HI
Share Capital:	Not provided
Manager:	Cleone Couch
Officers:	Not provided

2. Financing

(a) Offering Memorandum dated March 8, 2006

Issuer:	Halama Gardens Ltd.
Securities Offered:	Units, each unit is comprised of one Class B Non-voting Common Share ("Class B Share") and one 8% fixed rate, cumulative, redeemable, retractable, renewable bond ("Bond")
Offering Size:	a min of $250,000 to a max of $7,000,000
Price:	$100/Unit ($0.10 per Class B Share and $99.90 per Bond)
Minimum subscription:	250 Units ($25,000)
Bonds:	Mature on March 31, 2008 and are automatically renewed unless the bondholder wishes to redeem the bond on that date. Interest - 8% per annum
Eligibility:	Bonds RRSP eligible
Class B Shares:	Non-voting.
Use of Net Proceeds:	Acquisition of the Halama Property, pre-development and planning expenses.
ISSUES:	***The OM also refers to a management agreement and stock option agreement, which we have not yet seen.***

3. Appraisals

(a) Tom McCabe

i 1463 Halama St.

Date:	December 7, 2005
Property:	2-3-9-9-19
Market Value:	$927,000

ii 1455 Halama St.

Date:	December 7, 2005
Property:	2-3-9-9-18
Market Value:	Not provided.
ISSUES	***The bottoms of the pages are cut off, therefore unable to locate market value.***

4. Development

Title:	Preliminary Subdivision Approval
Property:	(2) 3-9-009:018 & 019
File/Permit Number:	3.2197
Date:	August 15, 2007

5. Material Agreements

(a) Deposit Receipt Offer and Acceptance dated January 11, 2006

Vendor:	Dennis Blain
Purchasers:	Berkshire International Development Group Ltd. or Nominee
Summary:	Vendor agrees to sell and the Purchasers agree to purchase: ▪ 1455 and 1463 Halama St. (Parcels: 2-3-9-9-18 and 2-3-9-9-19)
Price:	US$2,500,000
Deposit:	▪ $25,000 (or $20,000 US) received; ▪ $25,000 (or $20,000 US) additional deposit to be paid before January 20, 2006; ▪ $2,460,000 balance to be paid before closing.
Closing Date:	March 15, 2006 (Via a series of extensions (described below), the Closing Date was extended to December 15, 2007.)
Escrow:	Old Republic Title & Escrow

(i) Extension of Closing Dated dated March 7, 2006

Summary:	▪ Extension of Closing Date to April 16, 2006.

(ii) Extension of Closing Dated dated May 26, 2006

Summary:
- Extension of Closing Date to June 30, 2006.

ISSUES: *Not executed.*

(iii) Addendum dated July 4, 2006

Summary:
- Extension of Closing Date to August 15, 2006
- Additional $277,000 financing fee and $75,000 Interest for July 2006
- Deposit of $250,000 from Olympia to be wired by July 7, 2006
- Assumption of Elite Mortgage from Seller

ISSUES: ***We have not yet seen of a copy of the Elite Mortgage.***

(iv) Addendum dated November 20, 2006

Summary:
- Extension of Closing Date to January 31, 2007
- Additional $600,000 payment into Escrow no later than November 30, 2006, to be released to Acumar Mortgage Company
- From August 1, 2006 to January 31, 2006, Shire agreed to make mortgage payments of $5,813 per month plus Acumar mortgage of $75,000 interest per month.
- If Elite Mortgage cannot be assumed, it was agreed that the title would remain in the name of Dennis Blain until refinancing was arranged/or paid off.

ISSUES: ***We have not yet seen of a copy of the Elite Mortgage or the Acumar mortgage.***

(v) Addendum dated June 15, 2007

Summary:
- Extension of Closing Date to December 15, 2007
- Additional $200,000 payment into Escrow no later than July 15, 2007, to be released to CDN Maui LLP
- From May 15, 2007 to December 15, 2007, Shire agreed to make mortgage payments of $5,813 per month plus Acumar mortgage of $75,000 interest per month up to June 1, 2007. Starting July 1, 2007, interest payments on late funds will be reduced to $25,000
- This addendum states: "There have been numerous extensions to this DROA and this will be the last extension possible as time is of the essence. [Shire] hereby acknowledges that any and all payments to date are liquidated as late charges."

ISSUES: ***We have not yet seen of a copy of the Elite Mortgage or the Acumar mortgage.***

(b) Assignment Agreement dated March 7, 2006

Assignor:	Berkshire International Development Group Ltd. (now Shire)
Assignee:	Halama Gardens Ltd.
Summary:	▪ Shire assigns all of its rights, title, interest and estate under the Purchase Agreement to Halama Gardens Ltd. ▪ Halama Gardens Ltd. agrees to perform duties and obligations under the Purchase Agreement.

(f) Management Services Agreement dated March 8, 2006

Parties:	Eyelogic Systems Inc. and Halama Gardens Ltd.
Term:	The minimum term is 2 years.
Summary:	Halama Gardens Ltd. agrees to pay an annual fee to Eyelogic Systems Inc., subject to the terms and conditions of this agreement.

HAWAII FUND
HAWAII DEVELOPMENT TRUST

SUMMARY

Corporate Structure

The Hawaii Fund is an unincorporated open-ended, limited purpose mutual fund trust governed by the laws of Alberta and created by a master declaration of trust dated January 1, 2009 (the "*MDT*"). More specifically, pursuant to the MDT, the Shire Asset Management Ltd. ("*SAM*"), in its capacity as trustee, is granted the power to designate and create multiple mutual fund trusts pursuant to regulation. The name of the fund, its investment objectives and characteristics, any special terms and conditions, including variations from or supplements to the terms of the MDT, must be specified in the regulation pertaining to each particular fund. The Hawaii Fund is one such fund, created pursuant to a regulation dated January 1, 2009.

The Hawaii Development Trust (the "*Business Trust*") was also created on January 1, 2009 pursuant to a deed of trust dated January 1, 2009 (the "*Deed*").

SAM is the trustee and manager for both the Hawaii Fund and the Business Trust.

Financing

Pursuant to the offering memorandum of the Hawaii Fund dated January 26, 2009 (the "*OM*"), the Hawaii Fund offered up to a maximum of $10,000,000 of trust units of the Hawaii Fund. The net proceeds from this offering were to be used by the Hawaii Fund to purchase securities of the Business Trust and the Business Trust was to contribute these proceeds as a capital contribution or a loan to a limited partnership for purpose of acquiring and developing Paradise Ridge (defined below) and Halama Street (defined below). We have not yet determined if a limited partnership was formed.

Property

Paradise Ridge According to the OM, Paradise Ridge is located at 2757 South Kihei Road, Kihei and legally described as Division 2, Zone 3, Section 9, Plat 004, Parcel 132. Shire International Real Estate Investments Ltd. ("*Shire*") entered into a purchase contract dated February 12, 2008 to purchase the property from 1335778 Alberta Ltd. for USD$4,410,000 (the "*Paradise Ridge Contract*"). The Paradise Ridge Contract contemplates an initial deposit in the amount of USD$110,000 and an additional deposit in the amount of USD$100,000 to be paid on or before April 14, 2008 to Escrow. The Paradise Ridge Contract does not identify who the Escrow is and it provides that the initial deposit was received from 1335778 Alberta Ltd. rather than from Shire. This is likely a clerical error as Shire was the buyer. It appears that Shire may have also entered into a purchase contract for Paradise Ridge with 1335778 Alberta Ltd. in December 2007 as well pursuant to which a deposit of $105,000 may have been made.

Based upon our review of a purchase contract between 1335778 Alberta Ltd. and Paradise Ridge Limited Partnership, as amended from time to time, 1335778 Alberta Ltd. was purchasing the property from Paradise Ridge Limited Partnership in February of 2008 as well, although the OM states that this purchase took place in 2007.

Halama Street Based upon the OM, Halama Street is located at the Waiohuli Kaeokea Beach Homesteads in Kihei, Maui, Hawaii and is legally described as Parcels 2-3-9-9-19 and 2-3-9-9-18. The OM provides that Shire entered into a purchase agreement dated October 1, 2008 whereby Shire agreed to purchase Halama Street from Halama Gardens Ltd. for $2,500,000. We have not yet seen a copy of this agreement and have requested a title search to determine if Halama Gardens Ltd. completed the purchase of Halama Street.

1. **Corporate Structure**

(a) **Hawaii Fund**

(i) **Master Declaration of Trust dated January 1, 2009**

Trustee:	Shire Asset Management Ltd.
Initial Manager:	Shire Asset Management Ltd.
Units:	▪ Each fund established pursuant to the MDT may issue an unlimited number of units. ▪ Each unit shall be without nominal or par value, shall be redeemable, will entitle holder to one vote, and will entitle to participate rateably in the Distributable Income and Net Realized Capital Gains.
Summary:	▪ All mutual fund trusts will be governed by the MDT. ▪ Trustee may create a new fund by enacting a Regulation.

ii **Regulation dated January 1, 2009**

Summary:	▪ Hawaii Fund is established ▪ ~~Shire Asset Management Ltd. contributed $1000 to settle the Fund~~ and is issued 1 Unit of the Fund

(b) **Hawaii Development Trust**

(i) **Deed of Trust dated January 1, 2009**

Initial Trustee:	Shire Asset Management Ltd.
Settlor/Initial Unitholder:	Hawaii Fund
Initial Contribution:	$10
Head Office:	Head office of Shire International Real Estate Investments Ltd.

(c) **Shire Asset Management Ltd.**

(i) **Alberta Corporate Search**

Date of Incorporation:	November 24, 2008
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	Not provided
Previous Names:	Not provided
Status:	Active
Registered Office:	1200, 700 – 2nd Street SW, Calgary, Alberta
Shareholders:	Not provided
Share Capital:	Authorized to issue: ▪ Class A Common Shares (voting);

- Class B Common Shares (non-voting).

Directors:	Cleone Couch
Officers:	Not provide
Date of Search:	July 17, 2009
ISSUES:	***Minute books required to identify shareholders.***

2. **Financing**

(a) **Offering Memorandum dated January 26, 2009**

Issuer:	Hawaii Fund
Securities Offered:	Units
Offering Size:	a min of $500,000 to a max of $10,000,000
Price:	$500/Unit
Minimum subscription:	10 Units ($5,000)
Eligibility:	RRSP, RRIF, RESP, DPSP, RDSP and TFSA eligible
Use of Net Proceeds:	To acquire securities of Business Trust, which will, in turn, contribute proceeds to a limited partnership for the acquisition and development of the following properties:
	Paradise Ridge Property (2.269 Acres; Division 2, Zone 3, Section 9, Plat 004, Parcel 132);
	Halama Street Property (1 acre; Parcels 2-3-9-9-18 and 2-3-9-9-19).
ISSUES:	

3. **Appraisals**

(a) **Appraisal Services, Inc. (Krista Higashiguchi, CGA)**

Date:	November 29, 2007
Property:	Lot 4, Waiohuli-Keokea Beach Homesteads, (2) 3-9-1-7
Market Value:	$4,800,000 to $5,100,000

4. **Material Agreements**

(a) **Purchase Contract dated February 12, 2008**

Vendor:	1335778 Alberta Ltd.
Purchasers:	Shire Investments or Nominee
Summary:	Vendor agrees to sell and the Purchasers agree to purchase: ▪ 2757 South Kihei Road, Kihei, 96753 (Division 2, Zone 3, Section 9, Plat 004, Parcel 132).
Price:	USD$4,410,000
Deposit:	▪ USD$110,000 initial deposit received; ▪ USD$100,000 additional deposit to be paid before April 14, 2008; ▪ USD$4,200,000 balance of down payment paid into Escrow before

	closing.
Closing Date:	May 12, 2008
ISSUES	***The first page is missing.***
	The deposit receipt section names 1335778 Alberta Ltd. as entity that made the initial deposit and defines 1335778 Alberta Ltd. as the Buyer. This could be a clerical error as the 1335578 Alberta Ltd. ultimately signs the contract as the seller.
	There is an earlier Purchase Contract between Shire International Real Estate Investments Ltd. and 133578 Alberta Ltd. dated December 9, 2007, in which 1335778 Alberta Ltd. acknowledges receipt of $110,000 deposit. If this deposit was made, it may have been forfeited. However, the OM states that $210,000 deposit has been paid by Shire to 1335778 Alberta Ltd.

(b) Purchase Contract dated February 8, 2008, Counter Offer dated February 11, 2008

Vendor:	Paradise Ridge Limited Partnership
Purchasers:	1335778 Alberta Ltd.
Summary:	Vendor agrees to sell and the Purchasers agree to purchase: ▪ 2757 South Kihei Road, Kihei, HI 96753 (Division 2, Zone 3, Section 9, Plat 004, Parcel 132).
Price:	3,500,000 USD
Closing Date:	May 12, 2008
ISSUES	***In the purchase contract, the Seller is named Paradise Ridge Limited Partner – a typo.***
	The counter offer is partially executed.
	There are also two versions of the Amendment to the Purchase and Sale Agreement, both unexecuted. The second version is a blackline.

(c) Management Agreement dated January 26, 2009

Parties:	Hawaii Fund Ltd. and Shire Asset Management Ltd.
Summary:	▪ Hawaii Fund was created by Regulation dated January 26, 2009; ▪ Shire Asset Management Ltd. is the initial manager of the Fund, as stated in the Master Declaration of Trust; ▪ Duties of the Manager are set out, as well as causes for and termination procedure; ▪ Obligations of the Fund with respect to the Manager are set out; ▪ Manager exempt from liability, unless due to fraud, willful misconduct or gross negligence, or from failure to satisfy the required standard of care; ▪ Manager may terminate Agreement upon an event of default (one of which is the Fund becoming subject to proceedings with a view to postponing or rescheduling its debts).
ISSUES	***Hawaii Fund Ltd. – a typo.***
	Hawaii Fund was created by Regulation dated January 1, 2009, not January 26, 2009.

ORILLIA INVESTMENTS LTD.

SUMMARY

Property

Based upon a title search, Orillia Investments Ltd. ("*Orillia*") is the registered owner of the property legally described as PIN 58684-0205, Lt 62 N/S Creighton St, 63 N/S Creighton St, 64 N/S Creighton St, 65 N/S Creighton St, 66 N/S Creighton St, 67 N/S Creighton St, 68 S/S Victoria St, 1 S/S Victoria St, 2 S/S Victoria St, 3 S/S Victoria St, 4 S/S Victoria St Pl 292 Orillia, except 51Rd20 & 51R18 (the "*Freehold Lands*") and the transfer thereof was completed for $2,970,000. We have ordered a title search for the Foreshore Lease (defined below).

According to the revised offering memorandum of Orillia dated September 1, 2006 (the "*OM*"), on January 6, 2006 Rene Bindi and Douglas Freel ("*B&F*") entered into an option to purchase with By the Lakes Developments Ltd. (the "*Purchase Agreement*"), pursuant to which B&F obtained the right to purchase the Freehold Lands and part of location CL 13622 together with Parts 1, 2 and 3 on Plan 51-R-33405 located in the City of Orillia (the "*Foreshore Lease*" and collectively with the Freehold Lands, the "*Orillia Property*") for $2,500,000 together with GST thereon. We have not yet seen a copy of the Purchase Agreement; however, we have been provided with various amendments thereto. Based upon such amendments, various additional deposits were agreed to be made and it was agreed that the purchase price be increased to $2,970,000.

Based upon our review of a partially executed assignment agreement dated June 15, 2006 (the "*Assignment Agreement*") and the transfer registered on title dated August 31, 2006, it appears that B&F assigned their interest under the Purchase Agreement to Orillia and Orillia purchased the property for $2,970,000.

In conjunction with entering into the Assignment Agreement, Orillia granted Group North International Inc. ("*GNII Inc.*") a promissory note pursuant to which Orillia promises to pay GNII Inc. $1,750,000. Unless other arrangements were made, this amount became due and payable on July 7, 2008. It is important to note that the Promissory Note is silent on the value that Orillia; however, the OM provides it was entered into as consideration for entering into the Assignment Agreement as aforesaid.

Financing

Pursuant to the OM, Orillia offered up to a maximum of $8,000,000 of Units, each Unit consisting of one class B non-voting common share and one 8% fixed rate, cumulative, redeemable, retractable, renewable bond. The proceeds were intended to be used for: (a) acquisition of the Orillia Property; (b) development expenses; and (c) management, administration and operating expenses.

Mortgage

The OM indicates that By the Lakes Developments Ltd. provided the purchaser of the Orillia Property with partial financing in the amount of $1,000,000; however, we have not yet seen the documentation relating thereto other than a mortgage discharge statement.

Pursuant to a commitment letter dated August 23, 2007 and accepted afterwards, Bruno Bortolus, in trust for a company to be incorporated, granted a loan in the amount of $1,400,000 to Orillia. Based upon the title search, we assume that the number company incorporated was 1533021 Ontario Inc. Provided that our assumption is correct, the ancillary documents relating to this mortgage include a guarantee, an agreement to indemnify, and a notice of sale.

Development

B&F, in trust for Group North Inc., and Orillia Investment Ltd., c/o Shire International Real Estate Investments Ltd. (previously named Berkshire International Development Group Ltd.) ("*Shire*"), entered into an agreement dated

February 2006, pursuant to which they set out the arrangement under which the lands in Orillia were to be purchased and developed.

Subsequently, it appears that Orillia and GNII Inc. entered into a management agreement pursuant to which they set out their respective rights and obligations with respect to the development and construction of the Freehold Lands. To date have reviewed partially executed management agreement dated May 2006 between Orillia and GNII Inc. and therefore are not yet able to definitively determine the terms and conditions thereof.

Shareholders
The articles attached to the corporate search indicate that Orillia is authorized to issue Class A Common Shares (voting) and Class B Common Shares (non-voting).

Class A Shares. Based upon the subscription agreements contained in the minute books, Shire holds 10,000 Class A Shares, GNII Inc. holds 30,000 of same and Eyelogic Systems Inc. holds 60,000. Based upon the OM, Eyelogic Systems Inc. is required to hold a majority of the Class A Shares to control Orillia for the purpose of the bonds being constituted as a qualified investment for registered plans (*i.e.* RRSP eligible).

1. Corporate Information

(a) Alberta Corporate Search

Date of Incorporation:	May 2, 2006
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	Not provided
Previous Names:	Not provided
Status:	Active
Registered Office:	300, 808 – 4th Avenue S.W., Calgary, Alberta
Shareholders:	Eyelogic Systems Inc., GNII Inc. and Shire
Share Capital:	Authorized to issue: ▪ Class A Common Shares (voting); ▪ Class B Common Shares (non-voting).
Directors:	Cleone Couch
Officers:	Cleone Couch – President, Secretary and Treasurer
Date of Search:	July 17, 2009

(b) Documents re initial subscription of Shares by Eyelogic Systems Inc., Berkshire and GNII Inc.

i Subscription Agreements
ii Directors' Resolutions

Summary:	On May 2, 2006, Berkshire International Development Group Ltd. subscribed for 10,000 Class A Shares. On May 3, 2006, Eyelogic Systems Inc. subscribed for 60,000 Class A Shares. On June 12, 2006, GNII Inc. subscribed for 30,000 Class A Shares.
ISSUES	***For Eyelogic Systems Inc., the subscription agreement describes the shares as Class A Voting Preferred (which Orillia is not authorized to issue). However, the corresponding directors' resolution correctly describes them as Class A Common Shares. Certain resolutions are only***

partially executed.

2. **Financing**

(a) **Revised Offering Memorandum dated September 1, 2006**

Issuer:	Orillia Investments Ltd.
Securities Offered:	Units, each unit is comprised of one class B non-voting common share ("Class B Share") and one 8% fixed rate, cumulative, redeemable, retractable, renewable bond ("Bond")
Offering Size:	a min of $250,000 to a max of $8,000,000
Price:	$100/Unit ($0.10 per Class B Share and $99.90 per Bond)
Minimum subscription:	100 Units ($10,000)
Bonds:	Maturity Date – April 30, 2009;
	Interest – 8% per annum.
Eligibility:	Bonds RRSP eligible
Use of Net Proceeds:	Acquisition of the Orillia Property and the Crown Lease, development expenses, payment for management, administration and operating expenses.
ISSUES:	***The OM refers to the Purchase Agreement; however, to date we have only seen certain amendments thereto***
	The OM refers to an assignment agreement dated June 23, 2006, however, the one we have seen is dated June 15, 2006 and it is partially executed.
	The OM refers to a project management agreement dated effective February 1, 2006; however, the one we have seen is dated May 2006.
	The OM also refers to the management agreement with Shire and an agreement with Eyelogic, both of which we have not yet seen.

3. **Title Searches**

Legal Description:	58684-0205
	Lt 62 N/S Creighton St, 63 N/S Creighton St, 64 N/S Creighton St, 65 N/S Creighton St, 66 N/S Creighton St, 67 N/S Creighton St, 68 S/S Victoria St, 1 S/S Victoria St, 2 S/S Victoria St, 3 S/S Victoria St, 4 S/S Victoria St Pl 292 Orillia, except 51Rd20 & 51R18
Registered Owner(s):	Orillia Investments Ltd.
Transfer of Land/Value:	August 31, 2006/$2,970,000
Legal Notations:	None
Charges, Liens and Interests:	Charge ▪ 1533021 Ontario Inc. ▪ $1,400,000
	There are four other instruments registered on title, namely: rest cov apl annex; transfer easement; plan reference; and plan boundaries act.
Date of Searches:	July 23, 2009

4. **Mortgage**

(a) **Solicitors' Letter from Piccin, Bottos dated September 18, 2007**

Summary:	This letter pertains to the payout of the amounts owing to By the Lakes Development Inc.

(b) **$1,400,00 Loan**

(i) **Letter of Commitment dated August 23, 2007 and accepted**

Lender:	Bruno Bortolus, in trust for a company to be incorporated
Borrower:	Orillia Investments Ltd.
Guarantors:	Rene Bindi and Douglas Freel
Term:	1 year
Principal Amount:	$1,400,000
Interest:	10% repayable monthly
ISSUES	***This commitment letter refers to the Orillia Property as well as PID 58684 0330 LT. To definitively determine whether this property forms part of the Orlillia Property a land titles search will be ordered.***

(i) **Guarantee undated**

(ii) **Agreement to Indemnify dated September 4, 2007**

(iii) **Notice of Sale under Mortgage/Charge dated January 8, 2009**

5. **Appraisal**

(a) **Indicom Appraisal Associates Inc. dated May 24, 2007**

Effective Date:	May 11, 2007
Property:	Plan 292, Lots 1-4 & 68 S/S Atherley Rd, Lots 62-67 N/S Driftwood Rd + Water lot, City of Orillia, County of Simcoe
Equitable Market Value:	$3,200,000

6. **Material Agreements re purchase of the Orillia Property**

(a) **Letter from Tanzola & Sorbara LLP dated May 19, 2006 and accepted May 23, 2006**

Vendor:	By the Lakes Developments Inc.
Purchaser:	Orillia Investments Inc.
Summary:	With respect to the purchase of 679 Atherley Road (PINs: 58684-0205; - 0327; - 0328; - 0329): ▪ closing date is extended to June 23, 2006; and ▪ the enclosed release shall be executed and delivered.
ISSUES:	***We have not yet seen a copy of the Purchase Agreement.***

(b) Letter from Tanzola & Sorbara LLP dated and accepted August 16, 2006

Vendor:	By the Lakes Developments Inc.
Purchaser:	Orillia Investments Inc.
Summary:	With respect to the purchase of 679 Atherley Road (PINs: 58684-0205; -0327; - 0328; - 0329): ▪ closing date is extended to August 30, 2006 ▪ purchase price is increased by $100,000 to $2,970,000 and that increase shall be added to the unpaid balance of the purchase price to be secured by VTB, being the sum of $1,220,000 ▪ further non-refundable deposit of $300,000 to be paid before August 16, 2006 ▪ the maturity date of the VTB to be May 23, 2007
ISSUES:	***We have not yet seen a copy of the Purchase Agreement. This is partially executed.***

(c) Assignment Agreement dated June 15, 2006

Assignor:	Rene Bindi and Douglas Freel
Assignee:	Orillia Investments Ltd.
Summary:	▪ B&F provided By the Lakes Development Inc. a $250,000 deposit pursuant to the Purchase Agreement. ▪ B&F assign all of their rights, title, interest and estate in and to the Purchase Agreement to Orillia, including the deposit. ▪ Orillia agrees, from this date, to be bound by, observe and perform the duties and obligations previously observed by the B&F under the Purchase Agreement.
ISSUES:	***Property description appears to not be completely accurate – should be Lots 62 to 67. This is partially executed.***

(d) Promissory Note dated June 30, 2006

Parties:	Group North International Inc. and Orillia
Summary:	Orillia promises to pay GNII Inc. the sum of $1,750,000 at 0% interest, as follows: ▪ $16,509.43 shall be paid per unit, upon completion and registration of the sale of each individual unit at the Orillia project (located at 679 Atherley Road); ▪ If, upon the sale of the last unit, or on July 7, 2008 (whichever occurs sooner) there are still monies owing, then the outstanding balance shall be paid in full unless otherwise agreed. ▪ If the purchase of the project property is not completed on or before July 7, 2006, the amount outstanding shall be paid in full unless otherwise agreed.
ISSUES:	***The OM states that this promissory note is the consideration for entering into the Assignment Agreement; however, this is not set out in the promissory note itself.***

7. Other Agreements

(a) Agreement February 2006

Parties:	Rene Bindi and Douglas Freel in trust for Group North Inc., to be incorporated Orillia Investments Limited c/o of Shire International Real Estate Investments Ltd. (previously named Berkshire International Development Group Ltd.)
Summary:	Pursuant to this agreement, Shire and B&F set out the arrangement pursuant to which the lands in Orillia were to be purchased and developed.

(b) Management Agreement dated May 2006

Parties:	Orillia Investments Ltd. and Group North International Inc.
Summary:	it appears that Orillia and GNII Inc. entered into a management agreement pursuant to which they set out their respective rights and obligations with respect to the development and construction of the Freehold Lands.
ISSUES:	***The agreement is marked up and appears to be a draft. Paragraph numbers do not match internally. Property description appears to not be completely accurate – should be Lots 62 to 67. It is partially executed.***

SKAHA LAKE DEVELOPMENT LTD.

SUMMARY

Property

Based upon the title searches, Skaha Lake Development Ltd. ("*Skaha*") is the registered owner of Lot A District Lot 2883S Similkameen Division Yale District Plan Kap83935 (previously Lots 1, 2 and 3 of District Lot 2883S Similkameen Division Yale District Plan 7636) (the "*Skaha Property*").

Tom Glendinning entered into a purchase contract dated May 31, 2006 with Linda Carol Gauthier and Remi Gauthier to purchase the Skaha Property for $2,500,000. Tom Glendinning subsequently entered into a Joint Venture Agreement in 2006 with Total Energy Inc. ("*Total*"), Shire International Real Estate Investments Ltd. (previously Berkshire International Development Group Ltd.) ("*Shire*") and Skaha (the "*JV*"). Although the copy of the JV Agreement reviewed to date does not contain the completed schedules, it is our understanding that pursuant to the JV Agreement Skaha was appointed as a bare trustee of the Skaha Property and all of the assets of the joint venture formed to acquire the Skaha Property (the "*Project*"). Moreover, Glendinning agreed to assign his interest in the Skaha Property to the Company upon completion of the capital contributions in accordance with the JV Agreement. As the schedules are incomplete, we are unable to definitively determine the amount of capital contribution that each party was required contribute. See the information under the heading "Development" below for further details regarding the JV Agreement.

Development

Pursuant to the JV Agreement, Glendinning or, at Glendinning's election, a company selected by Glendinning, was appointed to carry out the management of the Project and Shire agreed to pay Glendinning the following fees: (a) $500,000 finder fee; (b) normal real estate commissions for the sales and eventual disposition of the Project; and (c) a management fee equal to a certain percentage of the gross revenue from the Project. Shire also agreed to contribute all monies required for the acquisition of the Project, the payment of liabilities and expenses relating to the Project, or otherwise for the purpose of the JV Agreement. The JV Agreement was terminated on October 31, 2008 concurrently with the buy back of the Class A Shares held by Total. For further details relating to this termination, we have requested a copy of the termination agreement referred to in the directors' resolution dated October 31, 2008.

Financing

Pursuant to a term sheet dated November 8, 2006 (the "*Term Sheet*"), Skaha Lake Development Ltd. issued units comprised of Class B Shares and Bonds (as defined below). The maturity date of the Bonds was December 31, 2008.

Based upon the review of documents received to date, a mortgage was not obtained for this project.

Shareholders

The articles attached to the corporate search indicate that Skaha Lake Development Ltd. is authorized to issue Class A Common Shares (voting) and Class B Common Shares (non-voting).

Class A Shares. Based upon the share certificates and subscription agreements contained in the minute books, as at the date hereof there are 200 Class A Shares issued and outstanding. Eyelogic Systems Inc. holds 150 Class A Shares and Berkshire International Development Group Ltd. holds 50 Class A Shares. Originally, Total Energy Inc. held 50 Class A Shares; however, Skaha Lake Development Ltd. bought back all of Class A Shares from Total Energy Inc. on or about October 31, 2008. Ms. Couch has advised that the purchase price for the buy back of Total's Class A Shares was $1.3M, which will confirm upon receipt of the share purchase agreement relating thereto.

Based upon the Term Sheet, Eyelogic Systems Inc. is required to hold a majority of the Class A Shares to control

Skaha Lake Development Ltd. for the purpose of the Bonds being constituted as a qualified investment for registered plans (*i.e.* RRPS eligible).

Class B Shares. Class B Shares were issued as part of each Unit sold to investors. Shire International currently holds 181,500 Shares, provided that the transfer of 1,500 Class B Shares from Douglas Resources Ltd. was completed. Originally, Total Energy Inc. held 180,000 Class B Shares, which were bought back by Skaha in connection with the buy back of Total's Class A Shares.

Directors/Officers

Cleone Couch is the only Director, President and Secretary/Treasurer. Previously, Thomas Glendinning held the positions of both Director and President, but relinquished them as of Oct. 31, 2008.

1. Corporate Information

(a) Alberta Corporate Search

Date of Incorporation:	July 5, 2006
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	September 22, 2006
Previous Names:	Not provided.
Status:	Active
Registered Office:	3300, 421 – 7th Avenue S.W.
Share Capital:	Authorized to issue: ▪ Class A Common Shares (voting); and ▪ Class B Common Shares (non-voting).
Directors:	Cleone Couch
Officers:	Cleone Couch – President and Secretary/Treasurer
Date of Search:	July 17, 2009

ISSUES:

(b) Documents re initial subscription of Class A Shares by Shire and Total

i Subscription Agreements
ii Directors' Resolution
iii Share Certificates

Summary: On July 5, 2006, each of Berkshire International Development Group Ltd. and Total subscribed for 50 Class A Shares.

(c) **Documents re subscription of Class A Shares by Eyelogic Systems Inc.**

i **Subscription Agreements**
ii **Directors' Resolution**
iii **Share Certificate**

Summary:	Eyelogic Systems Inc. subscribed for and holds 150 Class A Shares.
	Eyelogic Systems Inc. also subscribed for 60,000 Class A Voting Preferred Shares on September 22, 2006. (Subscription agreement dated September 22, 2006). However, Skaha is not authorized to issue Class A Voting Preferred Shares.

(d) **Documents re subscription of Class B Shares By Shire and Total**

i **Subscription Agreements**
ii **Directors' Resolutions**
iii **Share Certificates**

Summary:	Shire International Real Estate Investments Ltd. holds 181,500 Class B Shares (180,000 issued Nov. 6, 2006 and 1,500 shares transferred from Douglas Resources Ltd. on March 24, 2009). The transfer of 1,500 Class B Shares may not have been completed.

(e) **Shareholders' Resolution dated October 31, 2008, approving the buy back.**

2. **Financing**

(a) **Term Sheet dated November 8, 2006**

Issuer:	Skaha Lake Development Ltd.
Securities Offered:	Units, each unit is comprised of one class B non-voting common share ("Class B Share") and one 8% fixed rate, cumulative, redeemable, renewable bond ("Bond")
Offering Size:	a min of $250,000 to a max of $18,000,000
Price:	$100/Unit ($0.10 per Class B Share and $99.90 per Bond)
Minimum subscription:	1,500 Units ($150,000)
Bonds:	Maturity Date - December 31, 2008
	Interest - 8% per annum
Class B Shares:	Non-voting.
ISSUES:	***The Term Sheet indicates that a purchase contract to acquire Lots 1, 2 and 3, District Lot 28835 Similkaman Division Yale District Plan 7632 was assigned to Skaha Lake Development Ltd. This property is registered in the name of Skaha Lake Development Ltd.; however, we have not seen this assignment agreement to date.***
	The Term Sheet also provides that the Corporation has entered into a Management Agreement with Shire; however, we have not seen this agreement to date.

3. Title Searches

Legal Description:	Lot A District Lot 2883S Similkameen Division Yale District Plan Kap83935
Registered Owner(s):	Skaha Lake Development Ltd.
Legal Notations:	may be affected by permits under part 26 of the local government act
Charges, Liens and Interests:	Statutory Right of Way ▪ Registered Owner of Charge: Regional District of Okanagan-Similkameen R21196, R21195 ▪ Remarks: part on Plan A14875
Note:	This title encompasses Lots 1, 2 and 3, District Lot 2883S Similkameen Division Yale District Plan 7632.

4. Appraisals

(a) Wernick Omura Limited

Date:	July 18, 2006
Property:	Lots 1, 2 and 3, District Lot 2883S Similkameen Division Yale District Plan 7632
Net Present Value of Land:	$3,820,845 as at May 25, 2006

(b) Wernick Omura Limited

Date:	June 12, 2007
Property:	Lots 1, 2 and 3, District Lot 2883S Similkameen Division Yale District Plan 7632
Market Value of Proposed Skaha Shores, hotel/condominium:	Condominium Units: $28,500,000 Land: $7,000,000

5. Development

(a) Development Permits

Title:	Permit to Reduce Building Setback
File/Permit Number:	02-008-18117
Date:	May 20, 2008

Title:	Development Permit with Variances
File/Permit Number:	D-07-00956.005
Date:	March 20, 2008

6. Material Agreements

(a) Real Estate Purchase Agreement dated May 31, 2006, as amended on September 22, 2006

Vendor:	Linda Carol Gautier and Remi Gauthier
Purchasers:	Tom Glendinning or Nominee
Summary:	Vendor agrees to sell and the Purchasers agree to purchase: ▪ Lots 1, 2 and 3, District Lot 2883S Similkameen Division Yale District Plan 7632
Price:	$2,500,000
Deposit:	May 31, 2006 - $50,000 June 15, 2006 - $50,000 July 1, 2006 - $160,000 August 1, 2006 – $160,000 September 1, 2006 - $160,000 September 25, 2006 - $250,000 October 10, 2006 - $250,000 October 31, 2006 - $250,000 Interest at a rate of 6% may have been charged, but we are unable to provide details on this because the faxed copy of the Contract of Purchase and Sale Addendum is illegible.
Closing Date:	November 31, 2006
Conditions	Buyer is to apply for a Development Permit; Buyer is to indemnify the Seller against any loss, cost or damage by reason of a breach, inaccuracy or incompleteness of any of the warranties or representations in the Contract, and specifically with respect to the Application for a Development Permit.
Amendments:	Contract of Purchase and Sale Addendum dated September 22, 2006

(b) Joint Venture Agreement 2006

Parties:	Skaha Lake Development Ltd. Tom Glendinning of Total Energy Inc. Berkshire International Development Group Ltd. Total Energy Ltd. (the Investors)
Summary:	Although the copy of the JV Agreement reviewed to date does not contain the completed schedules, it is our understanding that pursuant to the JV Agreement Skaha was appointed as a bare trustee of the Skaha Property and all of the assets of the joint venture formed to acquire the Skaha Property (the "*Project*"). Glendinning agreed to assign his interest in the Skaha Property to the Company upon completion of the capital contributions in accordance with the JV Agreement. As the schedules are incomplete, we are unable to definitively determine the amount of capital contribution that each party was required contribute; however, the JV Agreement expressly states that Glendinning or nominee shall not contribute any funding to the project on

closing or to construction budget. It may be that Total was required to make a capital contribution.

Pursuant to the JV Agreement, Glendinning or, at Glendinning's election, a company selected by Glendinning, was appointed to carry out the management of the Project and Shire agreed to pay Glendinning the following fees: (a) $500,000 finder fee; (b) normal real estate commissions for the sales and eventual disposition of the Project; and (c) a management fee equal to a certain percentage of the gross revenue from the Project. Shire also agreed to contribute all monies required for the acquisition of the Project, the payment of liabilities and expenses relating to the Project, or otherwise for the purpose of the JV Agreement.

The JV Agreement was terminated on October 31, 2008 concurrently with the buy back of the Class A Shares held by Total. For further details relating to this termination, we have requested a copy of the termination agreement referred to in the directors' resolution dated October 31, 2008.

ISSUES:	***See discussion in the Summary above.*** ***Note: There is a Directors' Resolution dated November 29, 2006, where Skaha approves the purchase of Skaha property for $2,500,000 and states that Glendinning is executing the transfer documents on its behalf.***

(c) Administration Agreement dated November 8, 2006

Parties:	Eyelogic Systems Inc. Skaha Lake Development Ltd.
Term:	The minimum term is 2 years.
Summary:	Skaha agrees to pay an annual fee to Eyelogic Systems Inc., subject to the terms and conditions of this agreement.

7. Reports

(a) Geotechnical Assessment dated June 20, 2007

Company:	Rock Glen Consulting Ltd.
Title:	Geotechnical Investigations for the Skaha Shores Development

(b) Fixed Price Quote dated June 5, 2008

Company:	Tri-City Contracting Ltd.
Title:	Skaha Shores Fixed Price Quote to construct 49 unit Townhouse/Condominium Hotel at 735 Cedar Ave.

TSEHUM HARBOUR LTD.

TSEHUM HARBOUR BONDS LTD.

SUMMARY

Property

Pursuant to a share purchase and sale agreement (the "*First Purchase Agreement*") dated July 21, 2008 between Thomas and Vicki Melville, as vendors, and Tsehum Harbour Place Holdings Ltd. ("*Tsehum Holdings*"), as purchaser, Tsehum Holdings acquired all of the issued and outstanding shares of Bosun's Holdings Ltd. ("*Bosun*") and 0675816 B.C. Ltd. ("B.C. Co.") for $3,500,000, subject to certain adjustments contemplated by the First Purchase Agreement. The purchase price was to be paid as follows: (a) $580,000 by way of a deposit, which had already been paid to the vendors at the time of signing the First Purchase Agreement; (b) $500,000 by way of promissory note given by Tsehum Holdings and Shire International Real Estate Investments Ltd. ("*Shire*") in favour of the vendors; and (c) $2,242,000 payable by the purchaser to the vendors on the July 21, 2008 (the "*Closing Date*"), which was to be paid to the vendors' solicitor in trust. The promissory note was to be secured by: (a) a guarantee of Bosun; (b) a guarantee of B.C. Co.; (c) a mortgage and assignment of rents granted by Bosun over the lands and premises located at 2238 & 2240 Harbour Road, Sidney B.C. (*i.e.* Lot A, District Lot 12 and Section 15, Range 3 East, North Sannich District, Plan 45998) and all improvements and chattels located thereon; (d) a general security agreement over Bosun's assets; and (e) a general security agreement over B.C. Co.'s assets.

The recitals to the First Purchase Agreement provide that Bosun holds Lot A, District Lot 12 and Section 15, Range 3 East, North Sannich District, Plan 45998 (the "*Tsehum Lands*") and B.C. Co. holds an interest in aquatic lease no. 101900 (the "*Acquatic Lease*"). The title search of the Tsehum Lands shows that Bosun continues to be the registered owner of the Tsehum Lands; however, a copy of the aquatic lands lease no. 101900 dated September 27, 1987 from the Integrated Land Management Bureau shows that Resthaven Marine Ltd. leases Block A of Lot 653, Cowichan District (the "*Aquatic Lands*") from the Province of British Columbia, represented by the Minister of Forests and Lands, Parliament Buildings, Victoria, British Columbia. The First Purchase Agreement provides a representation regarding the good and marketable title to the Tsehum Lands and the Aquatic Lease; however, we have not yet identified the document pursuant to which B.C. Co. acquired it's interesting the Aquatic Lease.

It is also important to note that prior to entering into the First Purchase Agreement, Shire entered into a commercial contract of purchase and sale dated November 18, 2007 with Thomas Melville and Vicki Melville, as vendors, to purchase all of the issued and outstanding shares of Bosun and B.C. Co. for $3,500,000. It was amended from time to time and contemplates various payments in the form of deposits and penalties, which may have been made by Shire to the vendors, in whole or in part. The issued and outstanding shares of Bosun and B.C. Co., were, however, ultimately transferred to Tsehum Holdings pursuant to the First Purchase Agreement on July 22, 2008.

The offering memorandums dated October 15, 2008 indicate that Tsehum Harbour Ltd. ("*Tsehum*") entered into a purchase agreement dated September 4, 2008 with Bosun (the "*Second Purchase Agreement*") pursuant to which Tsehum was to acquire the Tsehum Lands and assume the Aquatic Lease for $4,500,000 plus GST. Pursuant to the Second Purchase Agreement, the closing was to be on the later of November 30, 2008 and such time as Tsehum obtained financing in the amount of $2,900,000 from Tsehum Harbour Bonds Ltd. ("*Tsehum Bonds*") pursuant to the THB Loan (as described below). In the event that Tsehum did not have sufficient funds to advance the balance in full to Bosun on the closing date, the Second Purchase Agreement provided that Tsehum would advance Bosun a minimum of $2,900,000 from funds obtained from the THB Loan (as described below) and Bosun would grant Tsehum a mortgage representing the balance of the purchase price in the amount of $1,600,000 at an interest rate of 5% (the "*Bosun Mortgage*"). We have not yet seen copies of the Second Purchase Agreement, the assignment of the Aquatic Lease, the THB Loan or the Bosun Mortgage (if it became necessary to complete the purchase and sale).

Financing/Mortgage

Pursuant to the offering memorandum dated October 15, 2008, Tsehum was entitled to issue up to $5,500.00 of class B common shares of Tsehum (the "*Class B Shares*") at a price of $10/Class B Share. Pursuant to an offering memorandum dated October 15, 2008, Tsehum Bonds was entitled to issue up to $5,500,000 of 8.0% redeemable bonds ("*Bonds*"). Upon completion of the offering by Tsehum Bonds, it was intended that Tsehum Bonds enter into a loan agreement with Tsehum to loan funds in the amount of $3,300,000 to $5,500,000 (the "*THB Loan*"). As set out above, we have not yet seen a copy of the THB Loan.

Attached hereto as Schedule "A" is a diagram of the structure described in the offering memorandums referred to above. It does not contemplate the Bosun Mortgage.

Fisgard Capital Corporation ("*Fiscard*") has a mortgage over the property, pursuant to a commitment letter dated April 30, 2008 and accepted May 2, 2008 (the "*Commitment Letter*"). Pursuant to the Commitment Letter, a loan in the amount of $2,450,000 was granted to Bosun and B.C. Co. Tsehum Harbour Holdings Ltd., Shire, Robert Couch, Cleone Couch, and B.C. Co. were all covenanters. It is unclear whether the reference to Tsehum Harbour Holdings Ltd. in the Commitment Letter and ancillary documents intended to refer to Tsehum Harbour or whether this is a separate entity. We have therefore ordered a corporate search to determine whether Tsehum Harbour Holdings Ltd. exists.

Thomas and Vicki Melville have a mortgage registered on title, which may relate to the promissory note referred to above.

There are several builder's liens also registered on title, which are set out in item 3 below.

Shareholders

Bosun's Holdings Ltd. As discussed above, pursuant to the First Purchase Agreement, Tsehum Holdings became the sole shareholder of Bosun. No minute book has been provided. It is important to note that Bosun is not in good standing.

0675816 B.C. Ltd. As discussed above, pursuant to the First Purchase Agreement, Tsehum Holdings became the sole shareholder of B.C. Co. No minute book has been provided.

Tsehum Harbour Place Holdings Ltd. Based on a resolution of members dated February 22, 2009, we understand that Shire, 0824707 B.C. Ltd. and 0840137 B.C. Ltd. are the shareholders of Tsehum Holdings. No minute book has been provided. It is important to note that Tsehum Holdings is not in good standing.

Tsehum Harbour Ltd. Based upon a review of the minute book, Cleone Couch holds 1 Class A Common Share. Class B Shares were issued to investors pursuant to the offering memorandum dated October 15, 2008.

Tsehum Harbour Bonds Ltd. Based upon a review of the minute books, Shire holds 40,000 Class A Preferred Shares. Bonds were issued to investors pursuant to the offering memorandum dated October 15, 2008.

1. Corporate Information

(a) Bosun's Holdings Ltd.

Date of Incorporation:	December 30, 1986
Jurisdiction of Formation:	British Columbia
Extra-Provincial Reg.:	Not provided.
Previous Names:	Bosun's Charters Ltd. (Name changed on October 14, 2003)
Status:	Active
Registered Office:	Mary Lynn Bancroft Law Corporation, P.O. Box 168, Chemainus, British Columbia., V0R 1K0

Share Capital:	Not provided.
Shareholders:	Not provided.
Directors:	Cleone Couch, Terry Petras, Steve Thorpe-Doubble
Officers:	Vicki Rachel Melville - Secretary
	Thomas William Melville - President
Date of Search:	July 20, 2009
Note:	The information above is based upon a Corporate Search dated July 20, 2009.
ISSUES:	***This company is not in good standing.***

(b) 0675816 B.C. Ltd.

Date of Incorporation:	August 22, 2003
Jurisdiction of Formation:	British Columbia
Extra-Provincial Reg.:	Not provided.
Previous Names:	Bosun's Charters Ltd. (Name changed on May 19, 2006)
	675816 B.C. Ltd. (Name changed on October 14, 2003)
Status:	Active
Registered Office:	Mary Lynn Bancroft Law Corporation, P.O. Box 168, Chemainus, British Columbia., V0R 1K0
Share Capital:	Not provided.
Shareholders:	Shire, 0824707 B.C. Ltd. and 0840137 B.C. Ltd.
Directors:	Cleone Couch, Terry Petras, Steve Thorpe-Doubble
Officers:	Cleone Couch - President
	Terry Petras – Secretary
	Steve Thorpe-Doubble – Vice President
Date of Search:	September 28, 2009
Note:	The information above is based upon a Corporate Search dated September 28, 2009.

(c) Tsehum Harbour Place Holdings Ltd.

Date of Incorporation:	February 22, 2008
Jurisdiction of Formation:	British Columbia
Extra-Provincial Reg.:	Not provided.
Previous Names:	Shire, 0824707 B.C. Ltd. and 0840137 B.C. Ltd.
Status:	Active.
Registered Office:	Box 168, 9834 Croft Street, Chemainus, British Columbia
Share Capital:	Not provided.
Shareholders:	Not provided.
Directors:	Cleone Couch, Terry Petras, Steve Thorpe-Doubble
Officers:	Cleone Couch - President
	Terry Petras – Vice-President

	Steve Thorpe-Doubble – Secretary
Date of Search:	September 28, 2009
Note:	The information above is based upon a Corporate Search dated September 28, 2009 and certain documents from the minute books that are partially executed.
ISSUES:	***This company is not in good standing.***

(d) Tsehum Harbour Ltd.

Date of Incorporation:	September 3, 2008
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	Not provided.
Previous Names:	Not provided.
Status:	Active
Registered Office:	300, 808 – 4th Avenue S.W., Calgary, Alberta
Share Capital:	Authorized to issue: ▪ Class A Common Shares (voting); and ▪ Class B Common Shares (non-voting).
Shareholders:	Cleone Couch holds 1 Class A Common Share.
Directors:	Cleone Couch
Officers:	Cleone Couch - President
Date of Search:	July 17, 2009
Note:	The information above is based upon a Corporate Search dated July 17, 2009 and a review of the minute books.

(e) Tsehum Harbour Bonds Ltd.

Date of Incorporation:	September 3, 2008
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	Not provided.
Previous Names:	Not provided.
Status:	Active
Registered Office:	300, 808 – 4th Avenue S.W., Calgary, Alberta
Share Capital:	Authorized to issue: ▪ Class A Preferred Shares (voting); and ▪ Class B Common Shares (non-voting).
Shareholders:	Shire International Real Estate Investments Ltd. holds 40,000 Class A Preferred Shares.
Directors:	Cleone Couch
Officers:	Cleone Couch - President
Date of Search:	July 17, 2009
Note:	The information above is based upon a Corporate Search dated July 17, 2009 and a review of the minute books.
ISSUES:	***The offering memorandum dated October 15, 2008 provides that an***

additional 60,000 Class A Preferred Shares were issued to Eyelogic Systems Inc.; however, we have not yet seen the documents evidencing the issuance thereof.

(f) Resthaven Marine Ltd.

Date of Incorporation:	April 9, 1975
Jurisdiction of Formation:	British Columbia
Extra-Provincial Reg.:	Not provided.
Previous Names:	Bob Whyte Marine Ltd.
Status:	Active
Registered Office:	1212 1175 Douglas Street, Victoria, British Columbia
Share Capital:	Not provided.
Shareholders:	Not provided.
Directors:	Robert Curtis Whyte, Marie Suzanne Whyte
Officers:	Marie Suzanne Whyte - Secretary
	Robert Curtis Whyte - President
Date of Search:	September 28, 2009

2. Financing

(a) Tsehum Harbour Ltd.

i Offering Memorandum dated October 15, 2008

Issuer:	Tsehum Harbour Ltd.
Securities Offered:	Class B Common Shares
Offering Size:	a min of $3,300 to a max of $5,500
Price:	$0.10/Share
Minimum subscription:	100 Shares ($10)
Class B Shares:	Non-voting
Use of Net Proceeds:	Together with proceeds received from the THB Loan (as defined above), it was THL's intention to acquire Lands and proceed with the development of the Lands.
ISSUES:	***This offering memorandum indicates that B.C. Co. has the rights to the Aquatic Lease; however, we have not yet identified the document pursuant to which B.C. Co. acquired this. The Aquatic Lease is in the name of Resthaven Marine Ltd.***
	This offering memorandum refers to the Second Purchase Agreement, the assignment of the Aquatic Lease, the THB Loan and the Bosun Mortgage; however, we have not yet seen copies of them.

(b) Tsehum Harbour Bonds Ltd.

i Offering Memorandum dated October 15, 2008

Issuer:	Tsehum Harbour Bonds Ltd.
Securities Offered:	8% Redeemable Bonds
Offering Size:	a min of $3,300,000 to a max of $5,500,000
Price:	$100/Bond
Minimum subscription:	100 Bonds ($10,000)
Maturity Date:	March 31, 2011
	Interest –fixed rate of 8% per annum
Eligibility:	RRSP eligible
Use of Net Proceeds:	The majority of the net proceeds are to be loaned to Tsehum Harbour Ltd. in order to acquire the said property and to pay for soft costs relative to property's development.
ISSUES:	***This offering memorandum states that Tsehum Bonds is controlled by Eyelogic Systems Inc.; however, we have not yet seen the documentation evidencing this.***
	Other agreements referred to in this offering memorandum are the administration agreement with Eyelogic Systems Inc. and consulting agreement with KMC Capital Inc., both dated October 15, 2008. We have not yet seen copies of these agreements.

3. Title Searches

Legal Description:	Lot A, District Lot 12 and Section 15, Range 3 East, North Saanich District, Plan 45998
Registered Owner(s):	Bosun's Holdings Ltd.
Legal Notations:	May be affected by a permit under Part 26 of the local government act
	Notice of Interest, Builders Lien Act (S. 3(2))
Charges, Liens and Interests:	Undersurface and Other Exc & Res ▪ Her Majesty the Queen in Right of the Province of British Columbia ▪ Remarks: Section 47, Land Act, DD S119983 As to Part formerly Block A, District Lot 12, North Saanich District Mortgage ▪ Fisgard Capital Corporation Assignment of Rents ▪ Fisgard Capital Corporation Mortgage ▪ Thomas William Melville and Vicki Rachel Melville Assignment of Rents ▪ Thomas William Melville and Vicki Rachel Melville Claim of Builders Lien

- J. Patrick Harrison (doing business as JPH Consultants Inc.)

Claim of Builders Lien

- Ecelhanney Consulting Services Ltd.

Claim of Builders Lien

- Lana Lounsbury Interiors

Claim of Builders Lien

- C. N. Ryzuk & Associates Ltd.

Claim of Builders Lien

- Robert Boyle Architecture Inc.

Claim of Builders Lien

- London Mah & Associates Ltd.

4. **Mortgage**

(a) **Commitment Letter dated April 30, 2008 and accepted May 2, 2008**

Lender:	Fisgard Capital Corporation
Borrower:	Bosun's Holdings Ltd. and 675816 B.C. Ltd.
Covenanters:	Tsehum Harbour Holdings Ltd., Shire International Real Estate Investments Ltd., Robert Couch, Cleone Couch and 675816 B.C. Ltd.
Purpose:	Commercial purchase.
Purpose Date:	May 31, 2009
Principal Amount:	$2,450,000
Interest:	13% calculated daily and compounded monthly, not in advance, with a 25 year amortization
Lender Fee:	▪ $122,500.00
Application Fee:	▪ $2,500.00
Security:	▪ First mortgage on Plan 45996, Lot A, District Lot 12, Land District 40, Section 15, Range 3E plus Aquatic Lease # 101900 ▪ Joint and several covenants Tsehum Harbour Holdings Ltd., Shire International Real Estate Investments Ltd., Robert Couch, Cleone Couch ▪ Assignment of adequate insurance ▪ Agreement not to allow pledge, sale, issuance, or transfer of any shares in the company, or any of the Borrower or Covenanters' companies without written consent of Lender ▪ Postponement of all shareholder, or inter-company loans to the Borrower or Covenanters ▪ Accountant prepared financial statements for Tsehum Harbour Holdings Ltd. and Shire International Real Estate Investments Ltd. to be provided to Lender within 90 days of the companies' year end. ▪ An Environmental Indemnity Agreement ▪ Covenanter Agreements ▪ General assignment of all rents and leases ▪ Title insurance

ISSUES:	***See tab 4(e) below.***

(b) Guarantee, Assignment and Postponement Agreement of 675816 B.C. Ltd. dated May 29, 2008

Summary:	B.C. Co. agrees to perform all obligations of Bosun and unconditionally guarantees payment to Fisgard. All present and future indebtedness and liability of Bosun to B.C. Co. is assigned to Fisgard and subordinated and postponed to the obligations of B.C. Co. here this guarantee, assignment and postponement agreement. Bosun acknowledges the above and agrees that as long as the debt is owing, no payments will be made to B.C. Co.
ISSUES:	***We have not seen such an agreement for Shire, but there is a resolution dated July 18, 2008 pursuant to which Shire authorizes to guarantee the payment of the sum of $2,2450,000, which Bosun owes or in the future may owe to Fisgard and authorizes and instructs Ms. Couch to execute the guarantee, assignment and postponement of claim relating thereto.***

(c) Postponement and Subordination Agreement dated May 29, 2008

Summary:	Pursuant to this agreement, Cleone Couch, Robert Couch, Tsehum Holdings, Shire and B.C. Co. (the "*Investors*") agree, among other things, that all present and future indebtedness and liability of Bosun to the Investors is postponed and subordinate to all indebtedness and liability of Bosun to Fisgard and all security held by the Investors to secure any such indebtedness and liability of Bosun to the Investors is postponed and subordinated to all security held by Fisgard to secure all indebtedness and liability of Bosun to Fisgard.

(d) Environmental Indemnity Agreement dated May 28, 2008

Summary:	Bosun, Cleone Couch, Robert Couch, Tsehum Holdings, Shire and B.C. Co. indemnify Fisgard from any and all losses, liabilities, damages, costs, etc. arising out of presence on or under, discharge, emission, spill or disposal from the Tsehum Lands of any hazardous material.

(e) Mortgage Renewal Letter dated May 21, 2009 and accepted May 31, 2009

Summary:	Mortgage renewed for 12 months, to expire May 31, 2010
ISSUES:	***This agreement has not been fully executed and is not in force and effect.***

5. Material Agreements Relating to the Acquisition of the Tsehum Lands and Aquatic Lease

(a) Share Purchase Agreement dated November 18, 2007

Vendor:	Thomas and Vicki Melville
Purchaser:	Shire International Real Estate Investments Ltd.
Summary:	Vendor agrees to sell and the Purchasers agree to purchase:

- issued and outstanding shares of Bosun's Holdings Ltd. & B.C. 0675816
- permitted encumbrances

- fixtures and chattels
- prepaid rents, security deposits and accrued interest thereon
- tenancy agreement(s) entered into by the vendor as landlord

Price:	$3,500,000
Deposit:	Original Agreement dated November 18, 2007 ▪ $50,000 has been paid ▪ $130,000 to be paid on or before 5 business days following the fulfillment or waiver of conditions precedent Amendment dated May 30, 2008 ▪ Shire to pay $23,500 for the first extension; then $1,000 per day starting June 1, 2008 up to the Revised Completion Date ($30,000 if completion has not occurred by June 30, 2008 and additional $31,000 if it has not occurred by July 31, 2008). ▪ If Shire fails to pay under this or the Original Agreement, Vendor may cancel the Original Agreement and any amounts already paid will be forfeited.
Closing Date:	April 15, 2008
Amendments:	Various amendments/addendums were entered into.
ISSUES:	***The amendment dated May 30, 2008 was only partially executed and may never have come into force and effect.*** ***Payments may have been made by Shire pursuant to this purchase contract, as amended, from time to time.***

(b) Share Purchase and Sale Agreement dated July 21, 2008

Vendor:	Thomas William Melville and Vicki Rachel Melville
Purchaser:	Tsehum Harbour Place Holdings Ltd.
Summary:	Vendor agrees to sell and the Purchasers agree to purchase: ▪ 267,000 Common Shares in Bosun's Holdings Ltd. ▪ 100 Class A and 100 Class B Common Shares in 0675816 B.C. Ltd. Purchase Price shall be paid as follows: ▪ $580,0000 by way of a deposit already paid; ▪ $500,00 by way of a Promissory Note; ▪ $2,242,000 on Closing Date. Security for the Promissory Note: ▪ Guarantees of Bosun's Holdings and #Co.; ▪ Mortgage and Assignment of Rents granted by Bosun's over the property (Lot A, District Lot 12 and Section 15, Range 3 East, North Saanich District, Plan 45998) plus interest in aquatic Lease #101900. ▪ General Security Agreements over assets of Bosun's and #Co. Vendors confirm their consent to the assignment of Shire International's rights under the Share Purchase Agreement dated November 18, 2007 to Tsehum Harbour Place Holdings Ltd.

Price:	$3,500,000 ($500,000 for the # Co. Shares and $3,000,000 for Bosun's)
Closing Date:	July 21, 2008 or such other date as may be mutually agreed upon by parties
Note:	There is a closing letter from Mary Lynn Bancroft dated July 25, 2008 confirming the transfer.
ISSUES:	***There is a share purchase and sale agreement addendum dated May 29, 2008, made between Thomas and Vicki Melville and Tsehum Holdings, which refers to the share purchase agreement of May 29, 2008. We have not yet seen this share purchase agreement and this addendum agreement is only partially executed and therefore may not be in force and effect.***

(c) Assignment of Agreement dated July 23, 2008

Parties:	Shire International Real Estate Developments Ltd. and Tsehum Harbour Place Holdings Ltd.
Summary:	Shire assigns its rights under the Purchase Agreement dated November 18, 2007 to Tsehum Harbour Place Holdings Ltd.
ISSUES:	***Shire is referred to as Shire International Real Estate Developments Ltd., Likely a typo. We have not yet determine why this agreement would be entered into after the acquisition of the issued and outstanding shares of Bosun and B.C. Co. by Tsehum Holdings was completed on July 22, 2008.***

(d) Lease Aquatic Lands No. 101900 dated September 27, 1987

Lessor:	Her Majesty the Queen in the Right of the Province of British Columbia, represented by the Minister of Forests and Lands, Parliament Buildings, Victoria, British Columbia
Lessee:	Resthaven Marine Ltd.
Term:	Thirty years commencing on September 27, 1987
Property:	Block A of Lot 653, Cowichan District
ISSUES:	***It is unclear how B.C. Co. obtained an interest in this lease.***

6. Leases

(a) Lease dated May 1, 2006

Landlord:	Bosun's Holdings Ltd.
Tenant:	Cooper Yacht Charters Ltd.
Guarantors:	Colin Jackson and Blair Luscombe
Property:	▪ 2238 Harbour Road – all main floor space including laundry area, basement and carport ▪ Ancillary buildings on lower parking lot – Annex/workshop and dock shed ▪ Washrooms and shower, as shared with other tenants ▪ Moorage for a total of 448 lineal feet and dinghy dock
Term:	Office and ancillary buildings: ▪ May 1, 2006 to March 31, 2009 Moorage:

- October 1, 2006 to March 31, 2007; April 1, 2007 to March 31, 2009

Amendment:	Sometime in July 2006 ▪ 0675816 B.C. Ltd. (Lease Holder) is added as a party to the Original Lease, granting the moorage over a portion of the area that is the subject of an Aquatic Lease #101900 ▪ The addition is to have a retroactive effect.
ISSUES:	***Neither the lease nor the amendment are executed.***

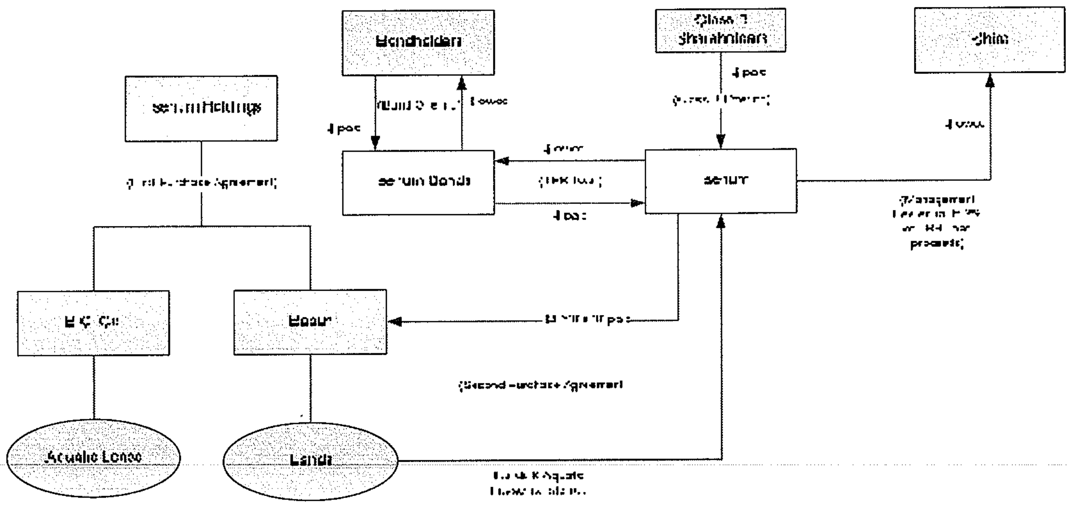
(b) Lease between Bosun's Holdings Ltd. and Power to be Adventure Therapy Society dated September 11, 2006

Landlord:	Bosun's Holdings Ltd.
Tenant:	Power to be Adventure Therapy Society
Property:	2240 Harbour Road – Upper floor
Term:	October 1, 2006 to December 31, 2007
ISSUES:	

(c) Lease between Bosun's Holdings Ltd. and Waypoint Marine Ltd. dated 2007

Landlord:	Bosun's Holdings Ltd.
Tenant:	Waypoint Marine Ltd.
Property:	▪ 2240 Harbour Road – main floor retail space ▪ 2238 Harbour Road – portable building in front
Term:	March 1, 2007 to February 28, 2009
ISSUES:	***The lease is partially executed.***

SCHEDULE A



Lands: Lot A, District Lot 12, [illegible] Range 3, East, North Saanich District, Plan [illegible]

Aquatic Lease: Aquatic lands lease no. 101 [illegible] dated September 27, 198[illegible] relating to Block A of Lot [illegible], Cowichan District

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MAPLES AND WHITE SANDS INVESTMENT LTD.

SUMMARY

Property

The property relating to Maples and White Sands Investment Ltd. includes The Maples (*i.e.* PID 011-158-662 and PID 011-158-689), the White Sands Resort (*i.e.* PID 011-158-697 and PID 008-545-961) and the Sorrento Inn (*i.e.* PID 008-545-944 and 003-654-770). Based upon the information received to date, which is summarized below, we currently understand the following. 0831224 B.C. Ltd. is the registered owner of The Maples and the White Sands Resort. Maples and White Sands Investments Ltd. had an option to purchase all of the issued and outstanding share of 0831224 B.C. Ltd. pursuant to an option agreement dated September 15, 2008; however, this option agreement has now expired. Ms. Couch has advised that Maples and White Sands Investments Ltd. has a verbal agreement pursuant to which it may purchase the property back. 0726028 B.C. Ltd. is the registered owner of the Sorrento Inn. All of the issued and outstanding shares of 0726028 B.C. Ltd. were transferred to Maples and White Sands Ltd.; however, we have not yet been able to definitively determine whether such shares were transferred to 1292413 Alberta Ltd. pursuant to a security agreement more specifically described below. However, Ms. Couch has advised that Maples and White Sands Ltd. is the owner of the Sorrento Inn. Further details are set out in the summary below.

The Maples. The Maples was owned by Eleanor Ruth Onsorge, Songja Heide and Herbert Heide. Pursuant to an offer to purchase dated and accepted on April 13, 2007, as amended from time to time, 1292413 Alberta Ltd. agreed to purchase the Maples.

White Sands Resort. The White Sands Resort was owned by Barry William Stokes and Margaret Denise Stokes. Pursuant to an offer to purchase dated May 17, 2007, as amended from time to time, 1292413 Alberta Ltd. agreed to purchase the White Sands Resort.

Sorrento Inn. The Sorrento Inn was owned by 0726028 B.C. Ltd. (previously named Tidbury-Ball Enterprises Ltd.) and Janice Ball and Thomas Ball held all of the issued and outstanding shares of 0726028 B.C. Ltd. Pursuant to a share purchase agreement dated August 30, 2007, as amended (the "*Tidbury-Purchase Agreement*"), 1292413 Alberta Ltd. agreed to purchase all of the issued and outstanding shares of 0726028 B.C. Ltd.

Pursuant to an agreement to assign purchase contracts (the "*First Assignment Agreement*") between 1292413 Alberta Ltd. and Shire International Real Estate Investments Ltd. dated August 30, 2007, as amended from time to time, 1292413 Alberta Ltd. agreed to assign its right, title and interest in and to the purchase contracts set out above and the property relating thereto to Shire International Real Estate Investments Ltd. provided that the payments required to be made by Shire International Real Estate Investments Ltd. were paid (including the payment of an assignment fee in the aggregate amount of $2,850,000 to 1292413 Alberta Ltd.) and the obligations of Shire International Real Estate Investments Ltd. set out in this agreement were satisfied.

The Offering Memorandum indicates that Maples and White Sands Investment Ltd. intended to purchase the lands from Shire International Real Estate Investments Ltd. next; however, we have not yet found the agreement to effect such a transfer. Based upon the title searches and information received to date, it is our understanding that the following events occurred.

Sorrento Inn. Pursuant to the First Assignment Agreement, Maples and White Sands Investment Ltd. acquired all of the issued and outstanding shares of 0726028 B.C. Ltd. on or about May 2, 2008. However, an amendment to a security agreement and agreement to assign purchase agreements dated May 29, 2008 between Shire International Real Estate Investments Ltd., Maples and White Sands Investment Ltd. and 1292413 Alberta Ltd. (the "*Security Agreement Amendment*"), indicates that a security agreement was entered into pursuant to which Maples and White Sands Investment Ltd. agreed to transfer all of the shares of 0726028 B.C. Ltd. to 1292413 Alberta Ltd. as security for money owing by Maples and White Sands Investment Ltd. and Shire International Real Estate Investments Ltd. to 1292413 Alberta Ltd. Based upon the Security Agreement Amendment, the transfer was to be final on June 30, 2008 unless certain conditions were met. We have not yet been able to determine whether 1292413 Alberta Ltd. ultimately acquired the shares of 0726028 B.C. Ltd. pursuant to the security agreement or whether Maples and White Sands Investment Ltd. was able to meet the requirements to keep the shares. However, Ms. Couch has advised that Maples and White Sands Investment Ltd. is the owner of the Sorrento Inn. To sell the Sorrento Inn, it would be important to definitively determine who owns the shares of 0726028 B.C. Ltd. as selling the lands would likely be a sale of substantially all of the assets of this company and therefore require shareholder approval.

The Maples and White Sands Resort. Based upon the title searches, 0831224 B.C. Ltd. is the registered owner of the Maples and White Sands Resort. It became the registered owner pursuant to the following events. On September 12, 2008, 1292413 Alberta Ltd., Shire International Real Estate Investments Ltd. and 0831224 B.C. Ltd. entered into an agreement to assign purchase contracts (the "*Second Assignment Agreement*"). Under the Second Assignment Agreement, 1292413 Alberta Ltd. and Shire International Real Estate Investments Ltd. agreed to assign their interest in the purchase contracts relating to the Maples and the White Sands Resort such that the properties acquired thereunder were to be transferred to 0831224 B.C. Ltd. upon the payment of $5,000,000 by 0831224 B.C. Ltd. (to be applied firstly in payment of the amount remaining owing under said purchase contracts). An additional agreement between 1292413 Alberta Ltd. and Shire International Real Estate Investments Ltd. dated September 12, 2008 was entered into in conjunction with the Second Assignment Agreement pursuant to which the parties agreed on the manner in which Shire International Real Estate Investments Ltd. would pay 1292413 Alberta Ltd. the amount owing under the First Assignment Agreement. Please note that this involved, among other things, the transfer of the property at 16th Avenue in Calgary. On September 15, 2008, Maples and White Sands Investment Ltd. was granted an option to purchase all of the issued and outstanding shares of 0831224 B.C. Ltd. from 1072133 Alberta Ltd. pursuant to an option agreement it entered into with 1072133 Alberta Ltd. and 08312242 B.C. Ltd. Maples and White Sands Investment Ltd. also entered into a lease and an agency agreement with 0831224 B.C. Ltd. to rent the Maples and the White Sands Resort and obtain development and building permits therefor. The expiry date of the option agreement, the lease and the agency agreement was March 15, 2009. Ms. Couch has advised us that these agreements have been extended to June 30, 2009 pursuant to amending agreements (which we have seen partially executed copies of). She has further advised that there is a verbal agreement currently in place that permits Maples and White Sands Investment Ltd. to purchase the property back.

Financing/Mortgage

Pursuant to a Deed of Trust and Mortgage made as of May 16, 2008, Maples and White Sands Investment Ltd. was permitted to issue Mortgage Units. The total amount of Mortgage Units permitted to be issued was limited to a total of $14,100,000. However, no Mortgage Units were permitted to be issued until the mortgaged property included the Sorrento Inn and during the time that the mortgaged property only included the Sorrento Inn (and not the Maples and the White Sands property) the total amount of Mortgage Units could not exceed $2,800,000.

Shareholders

Based upon a review of the minute books, Shire International Real Estate Investments Ltd. holds all of the issued and outstanding voting shares of Maples and White Sands Investment Ltd.

1. **Corporate Searches**

(a) **Maples and White Sands Investment Ltd.**

Date of Incorporation:	April 10, 2008
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	British Columbia (April 11, 2008)
Previous Names:	Not provided.
Status:	Active
Registered Office:	300, 808 4th Ave. SW, Calgary, AB
Shareholders:	Shire International Real Estate Investments Ltd.
Directors:	Cleone Couch
Officers:	Cleone Couch – President
Date of Search:	July 17, 2009
Note:	***This information is based upon a review of the minute book and a corporate search dated July 17, 2009.***

(b) **1292413 Alberta Ltd.**

Date of Incorporation:	January 10, 2007
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	Not provided.
Previous Names:	Not provided.
Status:	Active
Registered Office:	Suite A, 5799 3rd Street SE, Calgary, AB
Shareholders:	Phil Weening (50%)
	Janet Weening (50%)
Directors:	Phil Weening
	Janet Weening
Officers:	Not provided.
Date of Search:	July 28, 2009
ISSUES:	***Minute books are required to identify shareholders.***

(c) **0831224 B.C. Ltd.**

Date of Incorporation:	July 28, 2008
Jurisdiction of Formation:	British Columbia
Extra-Provincial Reg.:	Not provided.
Previous Names:	Not provided.
Status:	Active
Registered Office:	800, 1708 Dolphin Avenue, Kelowna BC
Shareholders:	1072133 Alberta Ltd. *(This information is based upon the Option Agreement dated September 15, 2008 referred to below.)*

Directors:	Clint Cassin (Edmonton)
	Stan Pappas (Okotoks)
Officers:	Not provided.
Date of Search:	July 28, 2009
ISSUES:	***Minute books are required to identify shareholders.***

(d) 0726028 B.C. Ltd.

Date of Incorporation:	May 31, 2005
Jurisdiction of Formation:	British Columbia
Extra-Provincial Reg.:	Not provided.
Previous Names:	Tidbury-Ball Enterprises Ltd. (The name change occurred on May 2, 2008.)
Status:	Active
Registered Office:	243, 7080 River Road, Richmond BC
Shareholders:	Not provided.
Directors:	Cleone Couch
Officers:	President and Secretary – Cleone Couch
Date of Search:	August 20, 2009
ISSUES:	***This company is not in good standing.***
	Minute books are required to identify shareholders.

(e) 1072133 Alberta Ltd.

Date of Incorporation:	October 20, 2003
Jurisdiction of Formation:	Alberta
Extra-Provincial Reg.:	Not provided.
Previous Names:	1072133 Alberta Inc. (Name changed on June 23, 2008)
Status:	Active
Registered Office:	7058B Farrell Rd. SE, Calgary, AB
Shareholders:	805251 Alberta Ltd. (50%)
	Kan-An Inc. (50%)
Directors:	Clint Cassin
	Stan Pappas
Officers:	Not provided.
Date of Search:	August 24, 2009
ISSUES:	***Minute books are required to identify shareholders.***

2. Financing

(a) Offering Memorandum dated May 16, 2008

Issuer:	Maples and White Sands Investment Ltd.

Securities Offered:	$14,100,000 Mortgage Units (as defined below)
Price:	Issued at a price equal to their original principal amount
Interest Rate and Term:	15% per annum, due June 30, 2010
Security:	Mortgage Units represent an undivided interest in a mortgage on the property that Maples and White Sands Investment Ltd. intends to purchase.
Business:	Maples and White Sands Investment Ltd. intends to acquire and develop the following property: Sorrento Inn ▪ 008-545-944 ▪ 003-654-770 The Maples ▪ 011-158-662 ▪ 011-158-689 White Sands Resort ▪ 011-158-697 ▪ 088-545-961
ISSUES:	***The OM indicates that Maples and White Sands Investment Ltd. was to purchase the foregoing property from Shire International Real Estate Investments Ltd., which was to purchase said property from 1292413 Alberta Ltd.***

3. Land Title Searches

(a) The Maples

i 011-158-662

Legal Description:	011-158-662; Lot 1, Section 16, Township 22 Range 11 West of the 6th Meridian, Kamloops Division, Yale District Plan 2142, Except Plan 7356
Registered Owner(s):	0831224 B.C. Ltd. (Clint Cassin & Stan Pappas)
Legal Notations:	Hereto is annexed easement B9170 over those portions of Lot 2, Plan 2142 shown as parcels A and B on Plan A3000
Search Date:	July 23, 2009

ii 011-158-689

Legal Description:	011-158-689; Lot 3, Section 16, Township 22, Range 11, West of the 6th Meridian, Kamloops Division, Yale District Plan 2142
Registered Owner(s):	0831224 B.C. Ltd. (Clint Cassin & Stan Pappas)
Legal Notations:	Hereto is annexed easement B9170 over those portions of Lot 2, Plan 2142 shown as parcels A and B on Plan A3000
Search Date:	July 23, 2009

(b) White Sands Resort

i 011-158-697

Legal Description:	011-158-697; Lot 2, Section 16, Township 22, Range 11, West of the 6th Meridian, Kamloops Division Yale District Plan 2142
Registered Owner(s):	0831224 B.C. Ltd. (Clint Cassin & Stan Pappas)
Charges/Liens/Interests:	Easement B9170
Search Date:	July 23, 2009

ii 008-545-961

Legal Description:	008-545-961; Lot 2, Section 16, Township 22, Range 11, West of the 6th Meridian, Kamloops Division Yale District Plan 16715
Registered Owner(s):	0831224 B.C. Ltd. (Clint Cassin & Stan Pappas)
Search Date:	July 23, 2009

(c) Sorrento Inn

i 008-545-944

Legal Description: 008-545-944; Lot 1, Section 16, Township 22, Range 11, West of the 6th Meridian Kamloops Division Yale District Plan 16715

Registered Owner(s): 0726028 B.C. Ltd. (Cleone Couch)

Charges/Liens/Interests:

Lease

- Registered: October 1, 2002
- Registered Owner of Charge: 652853 B.C. Ltd.
- Remarks: Part of the basement and part of the first floor of a two storey building shown on Plan KAP71953

Mortgage

- Registered: July 22, 2008
- Registered Owner of Charge: Olympia Trust Company

Assignment of Rents

- Registered: July 22, 2008
- Registered Owner of Charge: Olympia Trust Company

Date of Search: July 23, 2009

ii 003-654-770

Legal Description: 003-654-770; Lot 6, Section 16, Township 22, Range 11, West of the 6th Meridian Kamloops Division Yale District Plan 31558

Registered Owner(s): 0726028 B.C. Ltd. (Cleone Couch)

Charges/Liens/Interests:

Mortgage

- Registered: July 22, 2008
- Registered Owner of Charge: Olympia Trust Company

Assignment of Rents

- Registered: July 22, 2008

- Registered Owner of Charge: Olympia Trust Company

Date of Search:	July 22, 2009

4. **Mortgage**

(a) **Deed of Trust and Mortgage made as of May 16, 2008**

Trustee:	Olympia Trust Company
Maturity Date:	June 30, 2010
Principal Amount:	The total amount of Mortgage Units permitted to be issued was limited to a total of $14,100,000. However, no Mortgage Units were permitted to be issued until the mortgaged property included the Sorrento Inn and during the time that the mortgaged property only included the Sorrento Inn (and not the MWS Property) the total amount of Mortgage Units could not exceed $2,800,000.
Interest:	15% per annum
ISSUES:	***This is not executed. Is this the final copy? Is there an executed copy?***

5. **Appraisals**

(a) **Wernick Omura Limited**

Date: August 16, 2008

Property: Sorrento Inn

- 003-654-770; Lot 6, Section 16, Township 22, Range 11, West of the 6th Meridian Kamloops Division Yale District Plan 31558
- 005-545-944; Lot 1, Section 16, Township 22, Range 11, West of the 6th Meridian Kamloops Division Yale District Plan 16715

The Maples

- 011-158-689; Lot 3, Section 16, Township 22, Range 11, West of the 6th Meridian, Kamloops Division, Yale District Plan 2142
- 011-158-662; Lot 1, Section 16, Township 22 Range 11 West of the 6th Meridian, Kamloops Division, Yale District Plan 2142, Except Plan 7356

White Sands Resort

- 011-158-697; Lot 2, Section 16, Township 22, Range 11, West of the 6th Meridian, Kamloops Division Yale District Plan 2142
- 008-545-961; Lot 2, Section 16, Township 22, Range 11, West of the 6th Meridian, Kamloops Division Yale District Plan 16715

Market Value: $14,100,000 as at March 14, 2008

(b) **Corrie Appraisals Ltd.**

Date: April 16, 2007

Property: Sorrento Inn

- 003-654-770; Lot 6, Section 16, Township 22, Range 11, West of the 6th Meridian Kamloops Division Yale District Plan 31558

- 008-545-944; Lot 1, Section 16, Township 22, Range 11, West of the 6th Meridian Kamloops Division Yale District Plan 16715

Market Value: As at August 10, 2007:

- Value of Motel on Total Land as a "Going Concern": $1,750,000
- Value of Motel on +/- hectare of Land as if Subdivided: $1,300,000
- Value of +/- hectare of land as if Subdivded: $865,000
- Value of Total Land as if Vacant: $1,397,000

6. **Material Agreements**

(a) **The Maples: Offer to Purchase dated and accepted April 13, 2007**

Vendor: Eleanor Ruth Onsorge, Songja Heide and Herbert Heide

Purchaser: 1292413 Alberta Ltd.

Summary: Offer to purchase:

- 011-158-662; Lot 1 Section 16, Township 22 Range 11 West of the 6th Meridian, Kamloops Division, Yale District Plan 2142, Except Plan 7356
- 011-158-689; Lot 3 Section 16, Township 22 Range 11 West of the 6th Meridian, Kamloops Division, Yale District Plan 2142

Price: $3,850,000 (as amended)

Deposits: April 13, 2007 - $50,000

There were various increases to the deposit. Based upon the documents reviewed to date, it may have increased to $1,950,000.

Amendments: The agreement was amended on the following dates:

- July 20, 2007 (executed)
- August 24, 2007 (executed)
- August 31, 2007 **(missing)**
- misdated August 24, 2007 (signed in February 2008) (executed)
- May 29, 2008 **(missing)**
- June 30, 2008 **(NOT executed)**

ISSUES: ***Have not yet seen executed copies of all the amendments and some are missing.***
The amendment misdated August 24, 2007 indicates that after the closing date, the Purchaser was to lease back to the Vendor as per a letter dated December 15 from Cleone Couch. We have not yet seen this letter.

(b) **White Sands Resort: Offer to Purchase dated and accepted May 17, 2007**

Vendor: Barry William Stokes and Margaret Denise Stokes

Purchaser: 1292413 Alberta Ltd.

Summary: Offer to purchase:

011-158-697; Lot 2, Section 16, Township 22, Range 11, West of the 6th Meridian, Kamloops Division Yale District Plan 2142

008-545-961; Lot 2, Section 16, Township 22, Range 11, West of the 6th Meridian, Kamloops Division Yale District Plan 16715

Price:	$4,000,000 (as amended)
Deposits:	May 17, 2007 - $50,000 There were various increases to the deposit. Based upon the documents reviewed to date, it may have increased to over $1,000,000.
Amendments:	This agreement was amended on the following dates: ▪ July 20, 2007 (executed) ▪ August 27, 2007 **(missing)** ▪ August 30, 2007 **(partially executed – not referred to in June 30, 2008 amendment)** ▪ misdated August 24, 2007 and executed February 2008 (executed) ▪ May 29, 2008 **(missing)** ▪ June 30, 2008 (executed)
ISSUES:	***Have not yet seen copies of all the amendments and some are missing. The June 30, 2008 amendment refers to a lease back arrangement set out in a letter from Cleone Couch, but we have not yet seen this letter.***

(c) Sorrento Inn: Share Purchase Agreement dated August 30, 2007

Vendor:	Janice Ball and Thomas Ball
Purchaser:	1292413 Alberta Ltd.
Summary:	Vendor agrees to sell to the Purchaser all of the issued and outstanding shares in the capital of Tidbury-Ball Enterprises Ltd. ("Tidbury"), which owns: ▪ 008-545-944, Lot 1 Section 16 Township 22 Range 11 West of the 6th Meridian, Kamloops Division Yale District Plan 16715; ▪ 003-654-700, Lot 6 Section 16 township 22 Range 11 West of the 6th Meridian Kamloops Division Yale District Plan 31558; and ▪ the commercial building and all other improvements thereon.
Purchase Price:	$3,000,000 less indebtedness owing by Tidbury to Interior Savings Credit Union of ~$410,000. The purchase price must be allocated to repay the shareholder loan owed by Tidbury to the Vendor. If the Purchaser does not complete the purchase by November 30, 2007 and the closing date is extended to March 28, 2008, then the purchase price would increase by $125,000.
Deposits:	August 30, 2007 - $100,000 upon removal of conditions - $200,000
Terms of Interest:	There are leases on a portion of the lands.
Amendments:	This agreement was amended on the following dates: ▪ September 20, 2007 (executed)

(d) Agreement to Assign Purchase Contracts dated August 30, 2007

Assignor:	1292413 Alberta Ltd.
Assignee:	Shire International Real Estate Investments Ltd.
Summary:	The Assignor agrees to assign its right, title and interest in and to the purchase contracts (set out above) and lands relating thereto the Assignee provided that the payments required to be made by the Assignee are paid and

	the Assignee completes its obligations set out in this assignment agreement. In consideration of the assignment, the Assignee agreed to pay $2,850,000 as follows: ▪ September 19, 2007 - $175,000 ▪ October 9, 2007 - $175,000 ▪ on or before April 10, 2008 - $300,000 ▪ May 2, 2008 - $2,075,000
Amendments:	This Agreement was amended on the following dates: ▪ September 5, 2007 (executed) ▪ September 19, 2007 (executed) ▪ February 22, 2008 (executed) ▪ March 28, 2008 (executed)

(e) Instrument of Transfers

Parties:	Janice Ball and Thomas Ball
Summary:	The parties transfer the issued outstanding shares of 0726028 B.C. Ltd. to Maples and White Sands Investment Ltd.

(f) Amendment to Security Agreement and Agreement to Assign Purchase Agreements dated May 29, 2008

Parties:	Shire International Real Estate Investments Ltd. Maples and White Sands Investment Ltd. 1292413 Alberta Ltd.
Summary:	This agreement provides that pursuant to a security agreement dated May 2, 2008, Maples and White Sands Investment Ltd. transferred all of the shares of 0726028 Alberta Ltd. to 1292413 Alberta Ltd. as security for money owing by Maples and White Sands Ltd. and Shire International Real Estate Investments Ltd. to 1292413 Alberta Ltd. Pursuant to this amendment, the date of the transfer was changed from May 15, 2008 to June 30, 2008 provided that certain conditions were met.
ISSUES:	***Have not yet seen the security agreement dated May 2, 2008. Who currently holds all of the issued and outstanding shares of 0726028 Alberta Ltd.? Were the shares of 0726028 Alberta Ltd. transferred to 1292413 Alberta Ltd. or did Shire International Real Estate Investments Ltd. and/or Maples and White Sands Investment Ltd. satisfy the conditions required to keep the shares?***

(g) Agreement to Assign Purchase Contracts dated September 12, 2008

Assignor:	1292413 Alberta Ltd.
First Assignee:	Shire International Real Estate Investments Ltd.
Second Assignee:	0831224 B.C. Ltd.
Summary:	The Assignor and the First Assignee agree that upon payment by the Second Assignee of $5,000,000 (to be applied firstly in payment of the amounts owing under the purchase contracts relating to the Maples and the White Sands Resort), then the Assignor and the First Assignee shall assign and

transfer to the Second Assignee all of their right, title, benefit and interest in such contracts and the lands relating thereto.

(h) Agreement dated September 12, 2008

Assignor:	1292413 Alberta Ltd.
Assignee:	Shire International Real Estate Investments Ltd.
Summary:	Payment of the amount owing to the Assignor under the agreement to assign purchase contracts dated August 30, 2007 between 1292413 Alberta Ltd. is then set out in this agreement. Specifically, it is agreed that the amount owing to the Assignor in the amount of $1,448,478, will be paid as follows: ▪ by transfer of property at 16th Ave in Calgary the sum $750,000 ▪ by payment from 0831224 B.C. Ltd. the sum $113,372.72; and ▪ by payment from the Assignee on today's date of the balance.
ISSUES:	***Was the property at 16th Ave in Calgary transferred? Which entity owned this property?***

(i) Option Agreement dated September 15, 2008

Optionor:	1072133 Alberta Ltd.
Optionee:	Maples and White Sands Investment Ltd.
Company:	08312242 B.C. Ltd.
Summary:	The Optionor owns all of the issued and outstanding shares of 08312242 B.C. Ltd. and the Optionor grants the Optionee an option to purchase all of the issued and outstanding shares of 08312242 B.C. Ltd., which is the registered owner of the Maples and the White Sands Resort.
Option Price:	The option price is: ▪ if exercised on or before October 15, 2008, $5,200,000; and ▪ if exercised after October 15, 2008, the option price shall be increased in increments of $100,000 per month (i.e. October 16, 2008, November 16, 2008, December 16, 2008, January 16, 2009 and February 16, 2009); and ▪ any unpaid amounts due and owing to 08312242 B.C. Ltd. pursuant to the lease dated September 15, 2008 between the Optionee and 08312242 B.C. Ltd.
Expiry Date:	March 15, 2009.
Amendments:	This option agreement was amended on the following dates: ▪ March 13, 2009 **(partially executed)** ▪ May 15, 2009 **(partially executed)**
ISSUES:	***This expired March 15, 2009, but was extended to June 30, 2009 provided that the amending agreements were executed by all parties.***

(j) Lease dated September 15, 2008

Lessor:	0831224 B.C. Ltd.
Lessee:	Maples and White Sands Investment Ltd.

Summary:	The Lessor is the registered owner of the Maples and the White Sands Resort. The Lessor leases the lands to the Lessee pursuant to this lease.
Term	September 15, 2008 to March 14, 2009
Rent:	$1.00 for the term + any additional rents (*i.e.* all costs, charges, fees, taxes and premiums associated with the lands and the operation of the business of the Lessee thereon.)
Mortgage:	The Lessor undertakes and agrees not to place any mortgage, charge or encumbrance on the lands.
Amendments:	This lease agreement was amended on the following dates: ▪ March 13, 2009 **(partially executed)** ▪ May 15, 2009 **(partially executed)**
ISSUES:	***This expired March 14, 2009, but was extended to June 30, 2009 provided that the amending agreements were executed by all parties.***

(k) Agency Agreement

Agent:	Maples and White Sands Investment Ltd.
Principal:	0831224 B.C. Ltd.
Summary:	Principal appoints the Agent as agent to take the following actions: ▪ use its best efforts to obtain a development permit and building permit for the lands (described in 7(d) above), on terms and conditions approved by the Principal; and ▪ take all actions incidental to obtaining development and building permits for the lands. Agent agrees to supply biweekly reports concerning the development and building permit process. Agent cannot: ▪ represent the Principal in the sale of any interest in a future development on the lands to third parties w/o the written consent of the Principal; nor ▪ engage the Principal in any future financing commitments or encumber the lands.
Term	This agreement terminates upon the expiry of the option granted under the Option Agreement between the Agent, Principal and 1072133 Alberta Ltd.
ISSUES:	***Terminated March 15, 2009, but was extended to June 30, 2009 provided that the amending agreements to the option agreement were executed by all parties thereto.***

APPENDIX 3

SHIRE GROUP
FORECAST 12 WEEK CASH FLOW
($ CAD)

SEE ACCOMPANYING NOTES

(Wk Ended)	Notes	Week 9 09-Oct-09	Week 10 16-Oct-09	Week 11 23-Oct-09	Week 12 30-Oct-09	Week 13 06-Nov-09	Week 14 13-Nov-09	Week 15 20-Nov-09	Week 16 27-Nov-09	Week 17 04-Dec-09	Week 18 11-Dec-09	Week 19 18-Dec-09	Week 20 25-Dec-09	CUMULATIVE TOTAL
RECEIPTS / DIP FINANCING														
DIP Financing	1	$1,300,000		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,300,000
Other receipts - from Sorrento Inn	2	$ -	$ -	$ -	$ -	$ 2,000	$ -	$ -	$ -	$ 2,000	$ -	$ -	$ -	$ 4,000
Other receipts - from OK Falls RV Park	2	$ -	$ -	$ -	$ -	$ 3,000	$ -	$ -	$ -	$ 3,000	$ -	$ -	$ -	$ 6,000
TOTAL RECEIPTS		1,300,000	-	-	-	5,000	-	-	-	5,000	-	-	-	1,310,000
DISBURSEMENTS														
MORTGAGE PAYMENTS	3													
PROPERTY TAXES	3													
SALARY AND CONTRACTOR FEES	4	22,000	17,000	5,000	-	10,000	-	10,000	-	10,000	-	10,000	-	$ 84,000
EXTERNAL ACCOUNTANT FEES	5	29,625								-	-	-	-	$ 29,625
RENT	6	1,575	-	-	-	1,575			-	1,575	-	-	-	$ 4,725
OTHER	7	22,000	-	-		6,000	-	-		6,000	-	-		$ 34,000
DIP FINANCING AND INTEREST EXPENSES	1	54,000	-	-	-	37,000	-	-	-	36,000	-	-	37,000	$ 164,000
CONTINGENCY		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	$ 60,000
RESTRUCTURING EXPENSES	8	284,234	67,345	67,345	72,345	47,884	47,884	47,884	47,884	47,884	47,884	47,884	47,884	$ 874,342
														$ -
TOTAL DISBURSEMENTS		418,434	89,345	77,345	77,345	107,459	52,884	62,884	52,884	106,459	52,884	62,884	89,884	1,250,692
EXCESS (SHORTFALL)		$ 881,566	$ (89,345)	$ (77,345)	$ (77,345)	$ (102,459)	$ (52,884)	$ (62,884)	$ (52,884)	$ (101,459)	$ (52,884)	$ (62,884)	$ (89,884)	59,308
CHANGE IN CASH		$ 881,566	$ (89,345)	$ (77,345)	$ (77,345)	$ (102,459)	$ (52,884)	$ (62,884)	$ (52,884)	$ (101,459)	$ (52,884)	$ (62,884)	$ (89,884)	$ 59,308
OPENING CASH	9	164,098	1,045,664	956,319	878,973	801,628	699,169	646,285	583,401	530,517	429,058	376,174	313,290	-
CLOSING CASH		$1,045,664	$ 956,319	$ 878,973	$ 801,628	$ 699,169	$ 646,285	$ 583,401	$ 530,517	$ 429,058	$ 376,174	$ 313,290	$ 223,406	$ 59,308

Shire International Real Estate Investments Ltd.
Forecast 12 Week Cash Flow Assumptions

Notes

1 DIP Financing of $2,200,000 is assumed to be received concurrent with the granting of the Receivership Order at which time, $900,000 owing to the existing DIP lender will be made. Financing / Administrative cost of $20,000 is estimated to be incurred at time of funding and interest due for the Month of September is shown as a disbursement in the weekended October 9, 2009.

2 Other receipts relates to minimal cash inflows anticipated to be received related to operation of the Sorrento Inn and OK Falls RV Park.

3 Mortgage payments and property taxes are anticipated to continue to be stayed pursuant to the Initial Order.

4 Salary and contractor amounts are forecast to continue to include the cost of ongoing office administration and management of the properties and includes the cost of four employees and four consultants of $44,000. Variance from previous forecast relates to inclusion of salaries of employment of employees of Sorrento Inn and reduction in costs of management salaries.

The Monitor would note that staffing levels have been forecast on a status quo basis but are subject to review and consultation with the proposed Committee during the first Committee meeting which will be held as as soon as practicable.

5 External accountant fees relate to payments to be made to an external accountant for the completion of the financial statements for the period April 30, 2007 which were appended to the previous Affidavit of Cleone Couch.

6 Rent relates to a month to month office lease, pending consultation with the proposed Committee.

7 Non recurring expenses in week 9 will be made following consultation with the Committee as applicable and relate primarily to insurance on properties, insurance and maintenance on two vehicles which will be brought forward for consultation with the Committee. In addition, committed charges such as appraisal fees and costs incurred in requesting banking information are forecast to be paid.

Routine other expenses to be paid relate primarily to routine office and utility expenditures, storage unit rentals, etc.

8 Restructuring expenses include the costs of the legal counsel, the Monitor, the Monitor's legal counsel as well as other professional advisors to the firm, as well as the costs of the restructuring committee. The balances to be paid in the week ended October 9th relate to accrued amounts outstanding.

9 Variance in opening balance balance of in $164,098 in 3rd Report Forecast from closing cash balance in 2nd Report Forecast to actual analysis of $170, 674 is due primarily to refund of amount of $9,453 of a bank error, together with some minor office expenditures and payment of rental charges partially offset by receipt of revenue related to the Sorrento Inn of approximately $4,664