Action No: 0901-11866

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

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF SHIRE INTERNATIONAL REAL ESTATE INVESTMENTS LTD., SHIRE CAPITAL LTD., HALAMA GARDENS LLC, SHIRE ASSET MANAGEMENT LTD., WINN RIVER RESORT LTD., FORT MCMONEY PROPERTIES II LTD., HALAMA GARDENS LTD, MAPLES AND WHITE SANDS INVESTMENTS LTD., FORT MCMONEY PROPERTIES LTD., CHEMAINUS PROPERTIES LTD., SKAHA LAKE DEVELOPMENT LTD., TSEHUM HARBOUR LTD., BEARSPAW AT 144TH AVENUE LTD., BEARSPAW AT 144TH EQUITIES LTD., BEARSPAW AT 144TH BONDS INC., TSEHUM HARBOUR EQUITIES LTD., TSEHUM HARBOUR BONDS LTD., AND ORILLIA INVESTMENTS LTD.

THIRD REPORT OF THE MONITOR

ERNST & YOUNG INC.

October 7, 2009

ERNST & YOUNG
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INTRODUCTION

1. On August 10, 2009, Shire International Real Estate Investments Ltd. ("Shire"), Shire Capital Ltd., Halama Gardens LLC, Shire Asset Management Ltd., Winn River Resort Ltd., Fort McMoney Properties II Ltd., Halama Gardens Ltd, Maples and White Sands Investments Ltd., Fort McMoney Properties Ltd., Chemainus Properties Ltd., Skaha Lake Development Ltd., Tsehum Harbour Ltd., Bearspaw at 144th Avenue Ltd., Bearspaw at 144th Equities Ltd., Bearspaw at 144th Bonds Inc., Tsehum Harbour Equities Ltd., Tsehum Harbour Bonds Ltd., and Orillia Investments Ltd. (collectively, "the Applicants" or "Shire Group") sought and obtained protection from their creditors under the Companies' Creditors Arrangement Act, R.S.C. 1985 c. C-36, as amended, (the "CCAA") pursuant to an order of this Honourable Court (the "Preliminary Initial Order").

2. Subsequent to the Preliminary Initial Order, the Alberta Securities Commission ("ASC") sought and obtained certain amendments to the Preliminary Initial Order clarifying terms relating to the actions commenced by the ASC with respect to the interim cease trade order extension dated June 15, 2009. For the purposes of this report, the Preliminary Initial Order, together with the ASC amendments thereon will be referred to as the Initial Order.

3. Pursuant to the Initial Order, Ernst & Young Inc. was appointed monitor of the Applicants during these CCAA proceedings (the "Monitor").

4. The purpose of this third report of the Monitor (the "Third Report") is to provide this Honourable Court with an update in respect of the following:

    a. An update on the Monitor's investigation into the financial affairs of the Applicants as mandated by the Initial Order;

    b. the Applicants operational and restructuring efforts since the Second Report of the Monitor dated October 2, 2009;

c. the intended, structure composition and responsibilities of the stakeholder committee;

d. details of the request for proposal process proposed by the Applicants' (the "RFP Process");

e. The Applicants' request for an increase in the DIP loan (the "DIP Facility");

f. the Applicants' forecast for the period October 3rd to December 8th, 2009;

g. the Applicants' request for an extension to the stay of proceedings; and

h. the Monitor's recommendations.

5. Capitalized terms not defined in this Third Report are as defined in the Initial Order. All references to dollars in this Third Report are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

6. In preparing this Third Report, the Monitor has relied upon unaudited financial information, the Applicants records and discussions with management of the Applicants. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this report. Some of the information referred to in this report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants ("CICA") Handbook has not been performed. Future oriented financial information relied upon in this report is based on management's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

BACKGROUND

7. The business of the Applicants has been the financing, purchase and contracting for development of commercial, recreational and residential real estate in Alberta, British Columbia, Ontario, Hawaii, Belize and Mexico. A detailed background with respect to the Applicants is provided in the affidavit of Cleone Couch dated August 7, 2009 with respect to these proceedings (the "August 7th Couch Affidavit") and the previous reports of the Monitor. These documents and other information regarding these CCAA proceedings, including the Initial Order, have been posted by the Monitor on its website at: www.ey.com/ca/Shire.

OVERVIEW OF THE INVESTIGATION OF THE APPLICANTS

Background to the Investigation

8. The Initial Order empowered and directed the Monitor to review and investigate the financial and business affairs of the Applicants (the "Investigation"), with the Investigation to report on the following:

   a. The funds raised and received by the individual Applicants (the "Project Companies" or "Project Company") in connection with the purchase, sale, development or financing of real estate investment projects;

   b. The identity of investors, for what purpose, investment or project they invested funds with the Applicants, the entity they invested with and at what rate of interest;

   c. The amount currently owing by the applicable Applicant to the investors, the identity of the debtor(s), the applicable interest rate accruing to the investors;

   d. Whether any of the investors funds are secured against any property, and if so, the particulars of the security and the collateral;

   e. The use of the investors funds by the Applicants; and

   f. Whether the investor funds were segregated and applied to specific investments or projects or were commingled.

Scope of the Investigation

9. The Investigation included a review of the available bank statements, bank statement supporting documentation such as cancelled cheques and deposit information, general accounting ledgers for the individual Applicants, investor documentation, project offering memoranda, other source information such as purchase and sale agreements and interviews with management of the Applicants.

10. The Investigation commenced with a review of the Applicants' books and records relating to the period from approximately January 2007 to current (the "Investigation Period"). The Monitor notes that the Investigation Period is an approximate time period as certain of the Applicants were in existence or commenced operations prior to the Investigation Period, however limited information is available for the period prior to the Investigation Period, as current management were not involved in the operations at that time.

11. In conjunction with the Monitor completing the Investigation, the Applicants' legal counsel completed an initial legal analysis (the "Legal Analysis") of each individual Project Company which summarized the following:

   a. The ownership structure of each Project Company;

   b. The structure as to how investors advanced funds to the individual Project Companies and the rate of return the investors received;

   c. Details on the actual acquisition of property by the Project Companies;

   d. A summary of any material agreements including known purchase and sale contracts, management agreements, assignment agreements, and

   e. Other legal issues as noted by counsel to the Applicants with respect to the individual Project Companies.

12. The Monitor advises that Shire's management assisted the Monitor in the completion of the Investigation including meeting with the Monitor to review this report and the underlying analysis, answering various questions raised during this process and searching for requested supporting information. As discussed in further detail, certain deficiencies were noted with respect to state of the books and records of the Shire Group that caused the completion of the Investigation and the Legal Analysis to require significantly more time than originally anticipated.

13. The Monitor cautions that the Investigation and Legal Analysis has been completed to provide certain financial and legal information designed to assist this Honourable

Court and the stakeholders in assessing and, where advisable and practicable, proceeding with the various restructuring efforts being considered. The Monitor has not audited or reviewed the Applicants' information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this report. As discussed in further detail below, there are limitations in the information or supporting documentation with respect to certain transactions. If such information becomes subsequently available, it may cause the analysis below to vary. The Monitor is continuing to follow up on certain of the unknown or unsupported transactions and will provide further updates with respect to its analysis as required.

Investigation Procedures

14. The following procedures were completed in carrying out the Investigation:

a. Bank statements for each Applicant were obtained from either Shire Group management or directly from the bank. The following table sets out the list of bank accounts by Project Company;

Legal Entity	Bank	Account Number	Account Opened	Account Closed
Bearspaw at 144th Avenue Ltd.	TD Canada Trust	Service plan 6-169 5225620	Aug-07	Current
Bearspaw at 144th Bonds Inc.	NA	No bank account identified	NA	NA
Bearspaw at 144th Equities Ltd.	NA	No bank account identified	NA	NA
Chemainus Properties Ltd.	CIBC	1078615	Jun-06	Mar-07
Chemainus Properties Ltd.	TD Canada Trust	Service plan 5-169 5223059	Dec-06	Current
Fort Mcmoney Properties II Ltd.	TD Canada Trust	Service plan 7-8076 5214335	Mar-08	Current
Fort Mcmoney Properties Ltd.	CIBC	10-83619	Jun-06	Mar-07
Fort Mcmoney Properties Ltd.	TD Canada Trust	Service plan 5-169 5223040	Dec-06	Current
Halama Gardens LLC	NA	No bank account identified	NA	NA
Halama Gardens Ltd.	CIBC	1074814	Mar-06	Mar-07
Halama Gardens Ltd.	TD Canada Trust	Service plan 5-169 5223032	Dec-06	Current
Hawaii Fund	TD Canada Trust	Service plan 6-8076 5214661	Jan-09	Current
Maples and White Sands Investment Ltd.	TD Canada Trust	Service plan 7-8076 5213800	May-08	Current
Orillia Investments Ltd.	CIBC	10-83511	Jun-06	Mar-07
Orillia Investments Ltd.	TD Canada Trust	Service plan 7-8076 5214548	Nov-08	Current
Shire Asset Management Ltd.	NA	No bank account identified	NA	NA
Shire Capital Ltd.	TD Canada Trust	Service plan 6-8076 5213894	Oct-08	Current
Shire International Real Estate Investment	HSBC	029-462886-001	Mar-07	Current
Shire International Real Estate Investment	Interior Savings	250-497-8204	Oct-07	Current
Shire International Real Estate Investment Ltd.	TD Canada Trust	Service plan 6-169 5222362	Oct-06	Current
Skaha Lake Development Ltd	TD Canada	5222494	Oct-06	Nov-08
Skaha Lake Development Ltd	TD Canada Trust	Service plan 4-8076 5214556	Nov-08	Current
Tsehum Harbour Bonds Ltd.	TD Canada Trust	Service plan 1-8076 5213908	Oct-08	Current
Tsehum Harbour Equities Ltd.	NA	No bank account identified	NA	NA
Tsehum Harbour Ltd.	NA	No bank account identified	NA	NA
Winn River Resort Ltd.	NA	No bank account identified	NA	NA

b. Bank information requests were sent to each of HSBC, CIBC, RBC, Scotiabank, and TD Canada Trust where the Monitor has sought to confirm that no additional bank accounts other than those identified above exist;

c. Supporting documents, such as cancelled cheques and documentation of deposits were obtained either from Shire Group management or directly from the bank, where available. The Monitor notes that deposit books were not used by the Applicants, therefore alternative source documentation such as investor correspondence or copies of cheques received was used;

d. Data from the bank statements was summarized and categorized based on source documentation where available (eg. cancelled cheque, deposit correspondence, etc.) to determine the source, purpose and use of the funds;

   i. Where information was not available from source documentation, the transactions were cross referenced with the financial records (general journals) compiled by management of the Applicants to identify the appropriate classification. In some instances, the Monitor has not yet been able to obtain source documentation nor do the financial records contain sufficient information (for example, entries recorded as "wire tsfer" or simply "tsfer") to allow the Monitor to analyze the transaction. In these instances, the Monitor has summarized the amounts based on the Applicants' coding of the disbursement to a specific inter-company project account as an "Other Disbursement" or "Other Transfer"; and

   ii. The Monitor is continuing to investigate certain of the unsubstantiated "wire tsfer" and "trsfer" amounts with the assistance of the Applicants, but cautions that determining all the ultimate source/recipient of the funds may not be determinable on a cost efficient basis.

Limitations of the Investigation

15. The Monitor has completed the majority of its analysis required to complete the Investigation and the results of which are discussed below. However, certain information remains outstanding including:

a. Certain bank statements and related documentation for certain Shire accounts for the periods May to December 2006 and the months of October 2007, March 2008 and June 2009;

b. Banking information for a Hong Kong financial institution was unavailable for review by the Monitor; however the Monitor believes that approximately $300,000 was disbursed through this account. Management of the Applicants has indicated that this account was funded for the required disbursements of a Hong Kong sales office managed by Mr. Edmund Au. Management have advised that that the Hong Kong sales office was closed and the Applicants never received any reporting of usage of these funds from Mr. Au, nor are they aware of the particular financial institution that this account was held with. Management has further represented that all funds from this account were used in their entirety to fund the Hong Kong sales office and that there are no funds remaining;

c. Detailed supporting information for certain transfers and payments was unavailable and therefore certain assumptions were made based on general ledger descriptions or from discussion with management. The Monitor is continuing to follow up support for these items; and

d. Certain credit card statements were not available; accordingly, details of the expenditures for the certain months could not be analyzed.

16. The Shire Group was in the process of completing financial statements for the fiscal years ended April 30, 2008 and April 30, 2009 for the relevant entities; however, the process involving the external accountant was temporarily suspended due to the availability of financing. If further funds become available, the Monitor understands that the Shire Group will consider the cost and benefit of completing the financial statements. The Monitor would note that the financial statements are notice to reader financial statements prepared on a compilation basis (no level of assurance provided by the preparer of the statement) and the benefit of finalizing such statements will have to be considered in this context.

KEY FINDINGS FROM THE INVESTIGATION

17. During the course of its Investigation and the completion of the Legal Analysis by the Applicants' legal counsel, the Monitor noted the following key findings.

Accounting records

a. The books and records of Shire and the Project Companies are deficient. No financial statements had been prepared at the date of Initial Order and certain material supporting information was either difficult to locate on a timely basis, had to be obtained from other sources or could not be located at the time of this Third Report.

b. While certain delays in obtaining information occurred due to the relocation of the Applicants business offices during the first month of these proceedings; after being settled into their new location, the Applicants continued to have difficulties in locating and providing to legal counsel and/or the Monitor certain requested books and records. The Shire Group did not appear to maintain complete and updated information relating to such items as final executed copies of transaction closing documents, statement of adjustments and associated material financial and legal documentation.

c. At the date of the Initial Order, the Applicants had not completed nor circulated financial statements with respect to any of the Project Companies. Certain financial statements were subsequently completed for the period ended April 30, 2007 and attached to the Affidavit of Cleone Couch, dated September 2, 2009. The majority of the Project Companies' offering memoranda required the completion of financial statements.

d. Support or detailed explanations for certain payments made by the individual Project Companies or Shire has not been obtained by the Monitor in certain circumstances. Significant payments were noted by the Monitor in its review of the respective bank statements and general ledger entries that have not yet been adequately supported or explained. The Monitor is continuing to analyze these transactions with management and certain aspects of the Investigation will need to be further updated to reflect further findings.

e. The Applicants have not completed statutory corporate income tax returns and associated tax filings. The Monitor understands that the Applicants have not filed their corporate income tax returns for the period since inception, although management advises that the Shire Group was in the process of completing these returns when these proceedings commenced.

Usage of credit cards

f. The Investigation has determined that the principals of the Applicants paid for a significant portion of the costs of Shire through the use of multiple credit cards, a substantial portion of these being personal credit cards in the name of the shareholders. Based on the sources and uses of cash examined in this Investigation, purchases of approximately $1.1 million were made by credit card during the Investigation Period.

g. From an initial review of the credit card statements, it is evident that the credit charges contain certain charges that appear personal in nature. Given the volume of transactions, the Monitor has not completed its analysis to determine the portion of the credit card expenses that were personal in nature and whether these expenses were reimbursed. Shire management have advised that any personal portion of the charges on credit cards was not charged to Shire or the Project Companies but was paid personally or allocated against shareholder loans.

h. The usage of personal credit cards to such an extent created significant administrative complexity to account for the operations as it was difficult to determine personal versus corporate expenses to ensure the payment was appropriately made and coded.

Consolidation of funds within Shire and Inter-company transactions between Shire and the Project Companies

i. Each Project Company is a separate legal entity and had its own bank account, however the majority of the transactions relating to a specific project were made by and through Shire as opposed to the Project Companies.

j. While the majority of the investors' funds were deposited into the intended Project Company's bank account, a significant portion of the funds initially deposited into the Project Companies bank account were subsequently transferred to Shire.

k. For example, as detailed further in this Third Report, of the approximately $67.4 million in cash receipts from investors received in the bank accounts of the individual Project Companies during the Investigation Period, approximately $51.3 million was subsequently transferred to Shire on an 'as needed' basis.

l. The Monitor is in the process of reconciling investor listings by Project Company as between the cash records and Shire's investor database resulting in an investor listing by project that details those investors who provide cash and those investors transferred from other projects. The Monitor has not attached the investor listing to this report due to its confidential nature (individual name and investment amount) but will seek further direction from the Court with respect to making the investor listings public.

m. Management advised that it believes that the consolidating of funds from the Project Companies into Shire's account was allowable and appropriate and consistent with industry standards and that doing so provided certain administrative efficiencies. The Monitor notes that the offering memoranda reviewed did not disclose that a significant portion of the funds would be consolidated into a Shire bank account.

n. The $51.3 million in funds received by Shire from the Project Companies was primarily used to:

    i. Reimburse Shire for the 10% selling commissions Shire earned on raising the funds;

    ii. Reimbursing Shire for certain payments made by Shire on behalf of the Project Company such as deposits made by Shire to acquire the property or other items;

    iii. Allow Shire to acquire assets in its own name. Shire acknowledges that there is an inter-company payable from Shire to certain Project Companies and that the assets held by Shire in its own name are held for the benefit of its creditors and investors; and

    iv. Pay Shire's overhead costs including advertising, salaries and wages, travel expenses, and other general and administrative expenses.

o. The process of the majority of the funds from the Project Companies being consolidated into Shire's bank account and Shire making the majority of the disbursements creates significant inter-company balances as all costs paid by Shire on behalf of the Project Companies need to be applied to the respective Project Company through an inter-company account. The analysis below indicates that Shire may owe the Project Companies in excess of $5.6 million due to the fact that certain Project Companies transferred more funds to Shire than was owed or owing to Shire. Such inter-company balances will need to be resolved and considered in any restructuring and/or recovery efforts.

p. Management advised that the policy of consolidating funds within Shire allowed certain operating efficiencies and that consolidating purchasing (and therefore payment) resulted in more favourable rates. However, each of the Project Companies was a separate legal entity with its distinct investors / creditors, which is not consistent with the methodology of consolidating the majority of funds in Shire's bank account.

Lack of approval / formal documentation of inter-company transactions

q. The inter-company transactions occurred between Project Companies and between the Project Companies and Shire without apparent investor approval or supporting documentation such as promissory notes or other information evidencing the advance. Furthermore the inter-company transactions between entities do not balance in the underlying general ledgers.

Allocation of costs

r. Shire paid for the majority of the overhead costs comprising advertising costs, salary and wages and other 'head office' expenses. These costs were then allocated by Shire to each of the Project Companies based on the funds raised by each individual Project Company. The allocation process was not documented in a formal agreement (as to the methodology or what expenses should be included or excluded) and was not specifically addressed in the various offering memoranda.

s. The costs allocated by Shire to the Project Companies has a material impact on the inter-company balances as the allocated costs were applied against the inter-company accounts.

Legal Due Diligence

t. Significant and material deficiencies were noted in the review of the Legal Analysis including:

    i. Missing or incomplete agreements (purchase and sale agreements, extension agreements, etc.);

    ii. In certain cases, the assets to be purchased as set out in the offering memoranda were acquired and held in different entities than disclosed in the offering memoranda and, in others, the properties were never ultimately acquired; and

iii. Certain Project Companies obtained mortgage financing to assist with the acquisition of the respective properties, when such financing was not disclosed in the offering memorandum and when it appears sufficient funds should have ultimately been raised from the funds received from investors to repay the mortgage.

u. Examples of the limitation of documentation of certain material related party transactions includes a transaction whereby Shire purportedly entered into a joint venture with Williamson & Associates Inc. ("Williamson") for the purchase and development of a property known as the Marda Loop Lots with the intent to develop and market this property for resale. The shareholder of Williamson is Ms. Luree Williamson, who the Monitor understands is the daughter of Mrs. Cleone Couch. The Monitor understands that the basis for the joint venture was that Shire was to contribute the initial cash deposit for the acquisition of this properties and that Williamson was to obtain the financing for the acquisition. The Monitor understands that the Legal Analysis prepared by the Applicants' legal counsel has determined that Williamson holds legal ownership to this property as evidenced by legal title. However, no joint venture agreement or loan documentation exists with respect to the amounts contributed by Shire towards the acquisition, maintenance or development of this property. The Monitor would note that this venture was ultimately unsuccessful.

v. Documentation relating to property acquisitions and structure

   i. For certain projects, the corporate structure set out in the offering memorandum was not followed. The Bearspaw project contemplated a series of entities and transactions, however, it appears that only one bank account and general ledger was maintained;

   ii. In certain circumstances the transactions contemplated in the offering memorandum were not completed however, funds were not returned to the investors;

iii. At times, the current owner of the project is not as contemplated or disclosed in the offering memorandum; and

iv. Certain Project Companies arranged for third party mortgages when it appears that sufficient funds should have existed from the investors to acquire the properties.

Assets held by the Project Companies and Shire

w. The value of assets currently held by the Project Companies and Shire is significantly less than the total value of funds raised with the difference comprising:

i. The commissions paid on the raising of funds;

ii. The funding of Shire's general and administrative expenses which were allocated back to the Project Companies;

iii. Costs incurred in attempting to acquire properties, forfeited deposits and other costs when the Shire Group was not successful in closing the acquisition of the properties; and

iv. Other higher than anticipated costs in acquiring certain properties.

Shareholder loan account

x. Although the Monitor continues its investigation, based on the information examined thus far, the Monitor has not found evidence of any significant funds being paid directly by Shire or the Project Companies to Mrs. Cleone Couch ("Mrs. Couch") other than repayments of shareholder loan accounts totalling approximately $590,000 during the Investigation Period. Mrs. Couch advised that the repayments relate to reimbursement of expenses incurred personally on behalf of the Applicants as well as other monies contributed into the Applicants. The Monitor is in the process of continuing to review the shareholder loan account and will provide a further update to this Court in due course.

y. The Monitor understands that the composition of the shareholder loan related to:

    i. Fees and/or salaries earned but not drawn by Mrs. Couch; and

    ii. Other amounts advanced by Mrs. Couch to Shire.

z. The shareholder loan account per Shire's books and records indicates that approximately $663,000 is owing to Mrs. Couch as at May 31, 2009 and Mrs. Couch has advised that she has incurred additional debts relating to the Applicants business since this time. Mrs. Couch also advised that any commissions that would accrue to her personally as a result of sales to her individual client contacts were retained by Shire and were not redeemed or credited to her shareholder loan.

aa. The Monitor is continuing to analyze the shareholder loan account and advises that certain transactions are continuing to be analyzed.

OVERVIEW OF SHIRE GROUP

18. The Shire Group was comprised of Shire and the following individual legal entities, collectively referred to as "Project Companies" or individually as the "Project Company":

    a. Shire Capital Ltd.
    b. Halama Gardens LLC;
    c. Shire Asset Management Ltd.;
    d. Fort McMoney Properties II Ltd.;
    e. Halama Gardens Ltd.;
    f. Maples and White Sands Investment Ltd.;
    g. Fort McMoney Properties Ltd.;
    h. Chemainus Properties Ltd.;
    i. Skaha Lake Development Ltd.;
    j. Tsehum Harbour Ltd.;
    k. Bearspaw at 144th Avenue Ltd.;
    l. Bearspaw at 144th Equities Ltd.;
    m. Bearspaw at 144th Bonds Inc.;
    n. Tsehum Harbour Equities Ltd.;
    o. Tsehum Harbour Bonds Ltd.; and
    p. Orillia Investments Ltd.

19. Shire's primary relationship with respect to the Project Companies was to facilitate the raising of the funds required by Project Companies from individual investors. At times, Shire initially acquired a property or entered into a purchase agreement for a property and placed the required deposit. The completion of the acquisition of the property was to be completed by the Project Company using the funds raised from the investors.

20. The Monitor understands that Shire's management maintained control of the books and records of each of the Project Companies as well as having signing authority on each bank account. In addition, the Monitor understand that Shire essentially acted as project manager for each Project Company with the exception of Orillia, Chemainus and Skaha Lake and controlled the funds and related disbursements.

21. In exchange for raising the required funds for the Project Companies, under the terms of the individual offering memorandum, Shire was generally entitled to;

   a. Receive a selling commission equal to 10% of the funds raised (a portion of which would be paid by Shire to selling agents, if any were involved);

   b. Receive an annual or one-time management fee to cover Shire's services for providing administrative services to the project; and

   c. Be reimbursed for offering costs from the Project Companies.

22. The Project Companies were to receive the funds raised by Shire from the various investors and use these funds to:

   a. Pay Shire its selling commissions and fees;

   b. Pay Shire any offering costs or management fees as set out in the respective offering memoranda; and

   c. Use the funds to acquire the respective property or proceed with development as set out in the respective offering memoranda.

23. Each Project Company was a separate legal entity and had its own bank account. The Monitor's understanding based on discussions with management and a review of the various offering memoranda, was that each Project Company was to raise funds which were then to be used to pay the expenses related to the respective project. Each Project Company had its own bank account, legal structure and books and records, however Project Companies associated with the same general project (i.e. Bearspaw at 144th Avenue Ltd., Bearspaw at 144th Equities Ltd. and Bearspaw at 144th Bonds Inc.) would generally only have one bank account.

24. The Monitor's understanding as to how the flow of funds was to work as between the Project Company and Shire is illustrated by the following example. Assuming Shire raised $10 million for a specific Project Company, the Monitor understands the following:

   a. that $10 million would be received by the Project Company and deposited into the Project Company's individual bank account;

   b. The Project Company would then pay Shire the established commission fee (10%) which in this example would equal $1 million;

   c. The Project Company would pay Shire any other selling and administrative costs allowed by the offering memorandum. In this example offering costs are assumed to be $500,000;

   d. The Project Company would reimburse Shire for any direct costs that had been paid by Shire on behalf of the Project Company (i.e. deposit placed on the purchase and sale contract). In this example, no direct costs have been assumed; and

   e. In summary, in the above example, it would be expected that the Project Company would hold approximately $8.5 million in its bank account representing the $10 million in investor funds raised, less the commissions payable to Shire ($1 million or 10% of the funds raised) and the offering costs (assumed in this example to be $500,000). The funds would then remain in the Project Companies' account to be used to complete the acquisition of the property or continue with the development of the project as set out in the offering memorandum.

25. However, the Shire Group did not operate precisely in this fashion. Based on the analysis below, it appears that while the funds raised by Shire on behalf of the Project Companies were originally deposited into the individual bank accounts maintained by the Project Companies, a significant portion of the investors funds were transferred from the Project Companies' bank accounts to the bank accounts of Shire creating inter-company accounts between the individual Project Companies and Shire. The inter-company balances would then further be adjusted to reflect the following:

   a. Payments made by Shire on behalf of the Project Companies for reimbursement of payments made in advance of the raising of the funds (i.e. purchase deposits relating to the properties to be acquired by the Project Company);

   b. Commissions that were owed by the Project Companies to Shire for the raising of the funds;

   c. Other selling costs incurred by Shire that were deemed by Shire to be chargeable to the Project Companies;

   d. Overhead costs incurred by Shire that were allocated to the Individual Project Companies (referred to the "Allocated Costs"); and

   e. Payments made by Shire on behalf of the Project Companies following the raising of the funds (eg. costs of engineering studies on a particular property).

26. Management advised that it believes the consolidating of funds held into Shire's account was allowable and that doing so provided certain administrative efficiencies. However, the Monitor notes that the offering memoranda that were reviewed did not indicate that Shire would hold the majority of the funds raised.

27. Shire did not invoice the Project Companies for costs incurred including commissions, managements fees, direct costs paid on behalf of the Project Companies or the Allocated Costs, but instead credited these payments against the amount of funds transferred from the individual Project Companies to Shire through the inter-company accounts. Depending on the amount of funds advanced by the individual Project Companies and the amount of payments and Allocated Costs applied by Shire against the inter-company account there would be an intercompany receivable or payable balance between each Project Company and Shire.

PROJECT COMPANIES – SOURCES AND USES OF FUNDS

28. Attached at Appendix 1 to this report is a schedule that summarizes the funds raised by individual Project Company and the use of the funds. The table below summarizes the total for all Project Companies:

Sources and uses of cash:	
	Total
Sources of cash:	
Net other intercompany transfers in	242,000
Funds raised from investors	67,375,722
Other sources of cash	1,963,005
Total sources of cash	**69,580,726**
Uses of cash:	
Net intercompany transfers to Shire	51,310,334
Purchase/deposits on property	14,114,643
Interest	2,244,093
Other uses of cash	1,876,850
Total uses of cash	**69,545,919**

29. The table above illustrates that in total the Project Companies received approximately $67 million of investor funds with these funds being deposited into the individual bank accounts of the Project Companies. Of this amount, the Project Companies made the following net disbursements over the Investigation Period:

a. Approximately $51.3 million was transferred to Shire;

b. $14.1 million was used directly by the Project Companies in an attempt to acquire properties or commence development; and

c. $4.1 million was used for the payment of interest and other expenses.

30. As outlined in the First Report of the Monitor, the investor database maintained by the Applicants include certain investors who had exercised a remedy provided to them known as a "Roll-over" whereby they were provided with an opportunity to effectively "transfer" their original investment for an investment in another Project Company, without a subsequent cash outlay. For purposes of the analysis within this Third Report with respect to the sources and uses of cash, the Monitor has considered only the cash amount of contribution made by investors and has disregarded the "roll-over" amounts.

31. The Applicants maintained an investor database outlining the amount of cash investments, RRSP investments and tax free savings account investments which the Monitor compared to the cash received from investors in the individual Project Company sections below. The Monitor continues to reconcile certain variances as discussed below.

32. Details of the sources and uses of the individual Project Companies is discussed in further detail below.

SHIRE – SOURCES AND USES OF FUNDS

33. As discussed above, Shire received approximately $51.3 million in net receipts from the Project Companies over the Investigation Period. It appears that, basically since inception, the Shire Group operated on a basis of consolidating the funds raised by the individual Project Companies to the account of Shire, with Shire using the funds to cover the related selling costs, overheads, general and administrative costs, as well as Shire being reimbursed for amounts paid by Shire behalf of the Project Companies (for amounts paid relating to the acquisition and/or development of the properties).

34. Management advised that the cash funds were consolidated within Shire's bank accounts primarily due administrative reasons and to allow for flexibility in cash flow management. Management advised that it was easier from an administrative aspect to have Shire hold the funds, as Shire paid for the majority of the costs and expenses and

in certain circumstances were the party who commenced the acquisition process of the respective properties. In addition, management advised given that the development process was staggered for the various individual projects, having Shire hold the funds provided flexibility from a cash flow management.

35. The table below provides an illustration as to the use of the funds Shire received from the Project Companies:

Shire	**Total**
Net receipts from Project Companies	**(51,310,333)**
Allocated Costs Incurred:	
Wages	533,474
Accounting and Legal	251,352
Advertising	2,685,344
Courier	35,478
Office Expenses	306,562
Rent	583,335
Repairs and Maintenance	5,747
Telephone	63,414
Travel	397,424
2006 Allocated Costs*	493,867
Total G&A*	**5,355,998**
Commissions paid to agents	5,318,218
Funds used to purchase Shire Assets	8,837,404
Funds transferred by Shire on Project Company behalf	9,240,657
Direct Costs incurred by Shire on Project Company behalf	22,970,784
Other sources of cash	(412,729)
Net cash	**-**
Allocated Costs of $5,355,999 includes $493,867 of amounts from 2006 for which allocation schedule have not been received.	

36. The table above is based on analysis of the general ledger account of Shire and a preliminary analysis of the Shire's bank statements. The Monitor is continuing its investigation with respect to these disbursements, but has provided the analysis above on a preliminary basis. The table indicates the following:

a. Shire received approximately $51.3 million of net funds from the Project Companies during the Investigation Period;

b. Of the funds received, Shire disbursed the following:

i. $5.4 million in general and administrative costs comprising advertising, salaries etc. As discussed in further detail below, the $5.4 million in general and administrative costs were allocated or charged back to the individual Project Companies reducing the inter-company balance as between Shire and the Project Companies;

ii. With respect to the above levels of general and administrative expenses, the Monitor would note that, although it cannot comment on the reasonableness of the level of expenses, it understands that during the period of active operations, the Shire Group was operating offices in Calgary, Vancouver, Hong Kong and Shanghai and had approximately 25 staff,

iii. $5.3 million in commissions paid by Shire to their sales' agents. This amount represents the amount paid by Shire as opposed to the amount entitled by Shire under the various offering memoranda. For example, Shire was entitled to a 10% selling commission from the Project Companies however, Shire did not always have to pay a corresponding amount to its selling agents;

iv. Shire used approximately $8.8 million to acquire various assets for its own account as discussed in further detail below; and

v. $9.2 million in funds transferred out by Shire on behalf of the individual Project Companies and $23.0 million in direct costs paid by Shire on behalf of the individual Project Companies. The details of these payments are discussed in further detail below on a project by project basis.

Analysis of Shareholder Loan Payable to Cleone Couch and payments to related parties

37. The most recent books and records of Shire indicate that there is a shareholder loan payable to Mrs. Cleone Couch in the amount of approximately $663,000 as at May 31, 2009. The Monitor has not yet analyzed this loan account in detail, but notes that it

appears that approximately $393,000 of the amount relates to monies owed by Shire in relation for services rendered by not paid by Mrs. Couch and her husband.

38. Mrs. Couch has advised that from the period May 31, 2009 to the filing of these proceedings this shareholder loan has increased to approximately $778,000 as a result a various earnings by Mrs. Couch that were not paid and from other payments made by Mrs. Couch on behalf of the Applicants.

39. The Monitor would note that although it has been unable to review all disbursements made by the Applicants, it has not yet found conclusive evidence of significant amounts of funds being disbursed to Mrs. Couch in her personal capacity, other than the repayments on the shareholder loans discussed above. However, as discussed below, certain payments made by Shire purportedly on behalf of the Project Companies are currently unsubstantiated and the Monitor continues its investigation..

ANALYSIS OF INTER-COMPANY ACCOUNTS BETWEEN SHIRE AND THE PROJECT COMPANIES

40. As discussed above, the Shire Group essentially operated its bank accounts on a consolidated basis with the majority of the funds being transferred to and disbursed from Shire's bank account. However, while approximately $51.3 million was transferred from the Project Companies to Shire, Shire would be entitled to a certain portion of these funds including:

    a. Commissions and management fees owing by the Project Company to Shire;

    b. Direct costs paid by Shire on behalf of the Project Companies;

    c. Other fees and expenses payable by the Project Companies to Shire as set out in the respective offering memoranda; and

    d. A portion of allowable Allocated Costs that could be charged back by Shire to the Project Companies.

41. The table below provides a summary of net funds advanced from all Project Companies to Shire and the various charge-backs or deductions that have been reflected based on Shire's methodology of allocating costs etc:

Shire	Total
Gross Payable to / (Receivable from) Shire	(51,310,333)
Commissions payable (at 10% of funds raised)	6,911,204
Management fee payable per Shire	1,195,922
Allocable Costs (not including commissions or mgt fee)	5,355,999
Funds transferred by Shire on Project Company behalf	9,240,657
Direct Costs incurred by Shire on Project Company behalf	22,970,784
Net Payable to / (Receivable) from Shire	**(5,635,767)**

42. The table above illustrates the follow:

a. Approximately $51.3 million was transferred from the Project Companies to Shire based on an analysis of the bank statements;

b. Approximately $6.9 million of commissions were earned by Shire relating to it earning a 10% commission on the funds raised by Shire on behalf of the Project Companies (as generally provided for in the offering memoranda);

c. Management fees of $1.2 million have been charged by Shire to the Project Companies representing approximately 2% of the funds raised;

d. $5.4 million in costs incurred and paid by Shire have been allocated to the Project Companies reducing the inter-company amount owed by Shire to the Project Companies. The methodology for the Allocated Costs is detailed below; and

e. $32.2 million in costs that have purportedly been paid by Shire on behalf of the Project Companies, which are discussed in further detail below on a project by project basis.

43. The end result is that, following Shire's methodology of accounting and allocated costs between Shire and the Project Companies, it appears that Shire may owe the Project Companies approximately $5.6 million from Shire. The Monitor notes that it expresses no adequacy or propriety on the method of allocating the Shire overhead costs as this would be subject to legal interpretation and opinion. If it is ultimately determined that the Allocated Costs should not have been charged back by Shire to the Project Companies or if certain of the direct costs purportedly paid by Shire on behalf of the Project Company (and credited to the inter-company account) are not valid or appropriate, the amount owed by Shire to the Project Companies would increase accordingly. However, it appears from the analysis completed by the Monitor that certain Project Companies transferred more funds to Shire than was owed or owing to Shire, resulting in inter-company balances. Such inter-company balances will need to be resolved and considered in any restructuring and/or recovery efforts.

44. The table below summarizes the composition of the inter-company balance between Shire the respective Project Company:

Shire Group - Summary of intercompany	**Total**
Bearspaw	(8,049,246)
Chemainus	(1,326,813)
Fort McMoney	589,539
Fort McMoney II	1,941,904
Halama Gardens	1,535,750
Hawaii Fund	(265,912)
Orillia	2,297,004
Skaha Lake	(1,857,073)
Tsehum Harbour	(1,943,049)
Maples and White Sands	1,442,129
Net Payable to / (Receivable) from Shire	**(5,635,767)**

45. There are considerable issues that are present with respect to the analysis of the Shire inter-company balances with the various individual Project Companies including:

a. The appropriateness of the direct charges paid by Shire on behalf of the Project Companies as deducted from the inter-company balances. The Monitor has commenced an analysis of these direct charges and has determined that certain of the amounts are currently unsupported or unknown at this time. We would note that there are a significant amount of transactions under the period of review and that these disbursements will require further analysis by the Monitor and this is discussed in further detail below. For the purpose of the analysis, the Monitor has included all amounts as set out in Shire's general ledger; however, further support or documentation is needed;

b. Management fees have been charged by Shire to the Project Companies which are at times unsupported by the offering memoranda or other agreements. For example, the 2007 allocation was made on the basis of 2% of funds raised for all the Project Companies which does not take into account the differing levels of management fees as provided for in the Offering Memoranda; and

c. The reasonableness and appropriateness of the process of charging back the Allocated Costs to each Project Company as discussed in further detail below.

46. The corresponding inter-company balance between the Project Companies and Shire would be materially increased if it was determined that it was not appropriate to charge back the Allocated Costs (which total approximately $5.4 million) or if certain of the direct expenses were not valid.

Allocated Costs

47. Management's view was that expenses considered overhead expenses were incurred by Shire on behalf of the Project Companies and such expenses included advertising and marketing, office expenditures, legal costs, etc. ("Shire Overhead"). Payments related to the Shire Overhead were paid by Shire from the Shire bank account on a regular basis. At year-end, management attempted to pro-rate the Shire Overhead to each Property Company for which it was raising funds during that fiscal year, based on the amount of financing raised during the year as the basis for allocation.

48. The Monitor understands that costs that were directly attributable to a specific project or Project Company (eg. engineering study at a particular property) were at times disbursed from the Shire bank account with a corresponding inter-company entry recorded by the relevant Project Company to which the expenditure relates (referred to above as a direct cost reimbursement).

49. Management advised that it transferred funds from the various Project Bank Accounts into the Shire Bank Account on an "as-needed" basis to fund the payments being made by Shire with the transfer being recorded as an inter-company transfer in the financial statements of the Project Company.

50. The process of transferring funds on an 'as needed' basis from certain Project Company accounts to Shire and allocating the expenses at year end will result in further inter-company balances unless the amount of funds transferred by the individual Project Companies equalled the year end allocation. For example, if Project Company 'A' advanced $100,000 to Shire which was used by Shire to pay for overhead expenses, and at year end only $40,000 was allocated to Project Company 'A' based on the allocation procedure, Shire or the other Project Companies would have an inter-company payable of $60,000 to Project Company 'A'. Presumably, Shire would have a corresponding inter-company receivable owing from other Project Companies who advanced less funds to Shire than the year end allocation calculation.

51. The total Allocated Costs charged to the individual Project Companies is provided in the table below (note that the following table only pertains to allocated overhead costs):

Summary of Shire Allocated Expenses	2006	2007	2008	2009	Total
Wages		37,844	126,903	368,727	533,474
Accounting and Legal		23,515	162,366	65,470	251,352
Advertising		440,757	1,001,733	1,242,854	2,685,344
Courier		10,031	11,848	13,599	35,478
Office		95,673	113,568	97,321	306,562
Rent		189,820	188,929	204,587	583,335
Repair and Maintenace			4,962	786	5,747
Telephone		20,152	22,575	20,688	63,414
Travel		113,750	184,735	98,940	397,424
	493,867	**931,541**	**1,817,618**	**2,112,972**	**5,355,999**

52. The table above was completed by the Monitor for 2008 and 2009 based on the methodology used in 2007 and based on discussions with management. The Monitor cautions that the table has been completed for illustrative purposes in order to calculate the various inter-company balances. As discussed above, the process of allocating costs from Shire to the Project Companies was not specifically documented and was not addressed definitively in the various offering memoranda.

53. Shire essentially charged the individual Project Companies for the allocated costs on an annual basis based on the following formula:

$$\frac{\text{Funds raised by Project Company *}}{\text{TOTAL FUNDS RAISED *}} \text{ X } \text{Total Allocated Cost *} = \text{Cost allocated to individual Project}$$

* - funds raised by Project Company, Total funds raised and allocated costs are on a per annum basis

54. The table above illustrates that of the $51.3 million in funds advanced from the Project Companies to Shire, after allocated costs based on Shire's methodology relating to the

Allocated Cost, a total of $5.6 million would be owing by Shire to the Project Companies.

55. The Monitor provides the following comments with respect to the above analysis:

a. The allocation methodology contemplates that Project Companies that did not raise money in a particular year or the Shire Assets would bear any portion of the Shire Overhead; and

b. The allocation methodology assumes that the terms of the individual offering memoranda allowed for such an allocation of the Shire Overhead and that the Project Companies were to be responsible for 100% of the general and administrative costs incurred by Shire.

Revised Inter-company Analysis

56. The Monitor has prepared an inter-company analysis based on the assumption that selling, general and administration costs to be borne by the Project Companies are based as set out in the individual offering memoranda. Each of the offering memoranda provide an estimate of the offering costs (which comprise legal, accounting etc.) in the net proceeds assuming the maximum allowable funds were obtained. The table below summarizes the resulting inter-company balances between the individual Project Companies and Shire assuming that no costs were allocated, but that Shire was only allowed to charge back to the Project Companies the maximum estimated offering cost amount including in the offering memorandums:

Shire	Total
Gross Payable to / (Receivable from) Shire	(51,310,333)
Commissions payable (at 10% of funds raised)	6,911,204
Management fee payable per OM	1,779,200
Estimated offering costs, management and administration charges per OM	2,445,137
Funds transferred by Shire on Project Company behalf	9,240,657
Direct Costs incurred by Shire on Project Company behalf	22,970,784
Net Payable to / (Receivable from) Shire	**(7,963,350)**

57. The table above indicates that the estimated offering costs included in the various offering memoranda totalled approximately $2.5 million, were as approximately $5.4 million in costs were allocated based on the above noted Allocated Cost methodology.

SUMMARY OF PROPERTIES ACQUIRED

58. The table below provides an illustration of the various projects of the individual Project Companies and Shire as compared to the third party secured mortgages and the funds raised from investors. The Monitor cautions that the properties have been disclosed at the purchase price paid or the recent appraised value (for the projects that have a recent appraisal), it is to provide an illustration of the estimated assets and corresponding liabilities and the values may not be indicative of the current market values.

Shire Group
Property Summary

	Project analysis				Investors		
Project	Purchase price/appraised value (note 1)	Third party mortgages	Mortgage Units	Purchase price less mortgages	Class B Preferred Bonds	Mortgage Units	Total
	a	b	c	a + b + c	d	e	d+e
Bearspaw	9,000,000	(8,100,000)	-	900,000	20,239,300	-	20,239,300
Chemainus	780,000	-	-	780,000	6,571,300	-	6,571,300
Ft McMoney	7,000,000	(1,900,000)	-	5,100,000	7,762,403	-	7,762,403
Ft McMoney II	9,600,000	-	(6,490,000)	3,110,000	-	6,490,000	6,490,000
Halama Gardens	-	-	-	-	2,216,644	-	2,216,644
Hawaii Fund	-	-	-	-	1,396,500	-	1,396,500
Orillia	2,900,000	(1,900,000)	-	1,000,000	390,100	-	390,100
Shire Capital	-	-	-	-	-	-	-
Skaha Lake	2,500,000		-	2,500,000	8,423,593	-	8,423,593
Tsehum Harbour	3,500,000	(2,900,000)	-	600,000	4,614,349	-	4,614,349
MWS	3,000,000	-	(11,024,900)	-	-	11,024,900	11,024,900
Project Companies	38,280,000	(14,800,000)	(17,514,900)	13,990,000	51,614,189	17,514,900	69,129,089
Shire	6,344,000	(3,635,000)	-	2,709,000			
Total	44,624,000	(18,435,000)	(17,514,900)	16,699,000	51,614,189	17,514,900	69,129,089

Note 1 - Bearspaw estimated value is the mid point in the estimated value as at September 15, 2009 determined by Tony Omura
- Fort McMoney market value as at September 9, 2008 determined by Tony Omura appraisal dated October 10, 2008.
- Fort McMoney II based on conditional purchase and sale agreement

59. The table above indicates that the total purchase price/appraised value of all the Project Companies is approximately $38.3 million. Approximately $14.8 million of third party mortgages exist against these properties. A further $17.5 million in mortgage units relating to investors who purchased a 'mortgage unit' that is secured against the underlying an asset. Approximately $51.6 million of investors would have unsecured claims against the various Project Companies. A further $2.7 million of

assets (purchase price less mortgage) is currently owned by Shire, resulting in a total amount of $16.7 million.

60. The Monitor cautions that the above information is based on the Applicants' books and records and is for illustrative purposes. Further analysis will be completed by the Monitor on the above schedule.

61. The table below summarizes the assets acquired by Shire personally:

Shire Assets
Property Summary

Project	**Project analysis** Purchase price/apprai sed value (note 1)	Third party mortgages	Mortgage Units	Purchase price less mortgages
		b	c	a + b + c
Winn River Resort	2,200,000	(600,000)	-	1,600,000
Kincardin (note 1)	-	-	-	-
16th Avenue NW Properties (Note 2)	-	-	-	-
Nuevo Vallarta (Mexico Office)	367,000	-	-	367,000
OK Falls	742,000	-	-	742,000
Killarney Infills (Note 2)	435,000	(435,000)	-	-
Marda Loop Lots (Note 2)	2,600,000	(2,600,000)	-	-
Marquis Ranche Lot (Note 2)	-	-	-	-
Options (Note 3)	-	-	-	-
Total	6,344,000	(3,635,000)	-	2,709,000

Note 1 - The Affidavit of Cleone Couch dated August 7th indicates that a project known as Kincardin was purchased in 2006 for approximately 2006, however based on the Legal Due Diligence attached as Appendices to this report, it is unclear whether this transaction closed, therefore it has not been included in this analysis.

Note 2 - The 16th Avenue NW Properties (4628 - 4630 - 16th Avenue NW) are not included in thi analysis as the Monitor understands that ownership of these properties has been transferred to 1292413 Alberta Ltd. in partial payment of an amount owing on Maples and White Sands.

Note 3 - The Infill properties (Killarney Infills, Marquis Ranche Lot are held by Williamson and Associates as outlined in the Third Report, therefore no value is assigned to them in this analysis as Williamson and Associates is not included in these proceedings. The Monitor understands that these three properties are currently in foreclosure proceedings and that there is a deficiency judgement being sought against both Williamson and Shire.

Note 4 - The value of options paid by Shire to purchase property have not been included in this analysis as the Monitor understands that legal counsel to the Applicant's have not yet fully obtained and reviewed the agreements.

62. A listing and brief description of the Shire Assets is as follows:

a. Winn River Resort – The Monitor understands that the Winn River resort is a resort property that is not currently operational, and is located in the Lake of the Woods district near Kenora, Ontario. The Monitor further understands from Shire that this property was acquired in June 2007 for approximately $2.2 million and that there is a mortgage of approximately $600,000 against this property as of the date of the commencement of these proceedings. The property's current registered owner is Shire.

b. Kincardin – The Monitor understands that Kincardin is a property encompassing approximately 5.5 Acres in Kincardin, ON which is approximately 130 miles northwest of Toronto. The Monitor further understands that this property was acquired in 2006 for approximately $1.26 million and that there is a mortgage of approximately $500,000 against this property as of the date of the commencement of these proceedings. The legal due diligence is inconclusive as to the ownership of this property.

c. 4628 / 4630 16th Avenue NW, Calgary (4628/4630) – The Monitor understands that 4628 / 4630 is a property located in the City of Calgary and that it was acquired for approximately $0.8 million and that there is no mortgage associated with this property. The Monitor understands that this property has been assigned to 1292413 Alberta Ltd. as partial payment of a debt related to the Maples and White Sands property.

d. Mexico Office – The Monitor understands that the Mexico office is essentially a condominium located in Nuevo Vallarto, Mexico and that it was acquired in 2008 for approximately $0.4 million and does not have a mortgage registered against it.

e. Infill Property –Relates to the joint venture arrangement(s) with Williamson as discussed above for three properties referred to as the Killarney Infills, Marda Loop Lots and Marquis Ranche Lots (the "Infills"). The legal due diligence report has indicated that title to these properties is registered in the name of Williamson and the Monitor understands that these three properties have been sold or are in the process of being sold under a foreclosure action and that there is a deficiency in the amounts owed to secured creditors. Williamson & Associates is not a party to these proceedings. The Monitor understands that these properties were acquired for approximately $3.5 million, with an associated mortgage of approximately $3 million as of the date of the commencement of these proceedings.

f. OK Falls RV Park – OK Falls RV Park is a recreational vehicle park located in Okanagan Falls, British Columbia and the Monitor understands that it was acquired for approximately $0.7 million.

g. Options on property – The Monitor understands that Shire placed deposits totalling approximately $1.7 million on options to acquire property in Mexico, Belize and Sooke, British Columbia. The Applicants' counsel is still reviewing the various options to determine if the underlying agreements remain in force and effect.

SUMMARY OF INVESTIGATION FINDINGS BY PROJECT COMPANY

63. The Monitor has reviewed the financial and business affairs of the Applicants by Project Company to the extent that information is available on a distinct basis and has supplemented the analysis with a review of the Shire bank accounts and general ledger account. As discussed above, a significant portion of the transactions relating to an individual Project Company would be initiated by Shire (i.e. cheque for the purchase of the property would be made from Shire's bank account) and would be applied to the specific Project Company through an inter-company journal entry. Accordingly, reviewing the bank statement of the specific Project Company does not provide a fulsome analysis. Below, the Monitor has provided an analysis of the sources and uses of cash for each individual Project Company (from a review of the Project Company's bank statements, general ledger and supporting documentation) and also an analysis of the costs paid by Shire on behalf of the Project Company or that were charged back to the Project Company.

Bearspaw at 144th Avenue Ltd. ("Bearspaw Ltd" or "Bearspaw Ave"), Bearspaw at 144th Equities Ltd ("Bearspaw Equities.") and Bearspaw at 144th Bonds Inc. ("Bearspaw Bonds"), collectively referred to as "Bearspaw")

Offering Memorandum

64. Each of Bearspaw Ltd., Bearspaw Equities and Bearspaw Bonds issued offering memoranda (collectively the "Bearspaw OMs") which indicated that a maximum of $3.8 million was to be raised from investors with the funds being used to acquire, subdivide, develop and sell certain property located at the south east quarter of section 3 in township 26, range 2 west of the fifth meridian, comprising approximately 54.7 hectares (the "Bearspaw Property"). The Monitor understands that while there were three individual offering memoranda, there was only one set of books and records, general ledger and bank account for Bearspaw.

65. Further information on Bearspaw, including the corporate structure, investments structure and information on the material agreements can be found in the Legal Analysis at Appendix 2.

66. The investment structure set out in the Bearspaw OMs is summarized below:

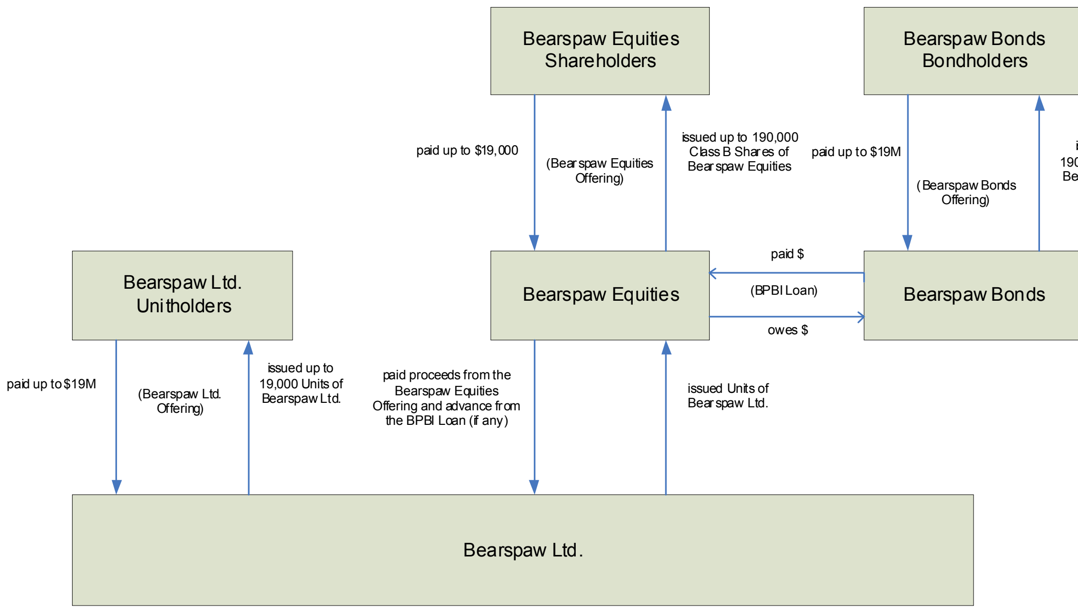
    a. Bearspaw Ltd. offering memorandum was dated October 11, 2007 and related to the issuance of units comprising one Class B Share and one 8% cumulative redeemable non-voting preferred share of Bearspaw Ltd. The offering memorandum indicates that the proceeds raised by Bearspaw Ltd. are to be used to purchase among other things, the Bearspaw Property.

    b. Bearspaw Bonds offering memorandum was dated October 18, 2007 and related to the issuance of 8% redeemable bonds of Bearspaw Equities. The offering memorandum states that the funds raised by Bearspaw Bonds shall be loaned to Bearspaw Equities who will use the funds to purchase units of Bearspaw Ltd.; and

    c. Bearspaw Equities offering memorandum was dated October 18, 2007 and related to the issuance of Class B shares of Bearspaw Equities.

67. The diagram below prepared from the Legal Analysis completed by the Applicants' counsel provides the structure contemplated by the Bearspaw OMs.

SCHEDULE A



68. The Bearspaw OM indicated that there was no development on the Bearspaw Property and that Bearspaw intended to obtain the necessary approvals to subdivide the land, complete servicing of the lots and sell the property as an entirety or by the sale of individual parcels. The proceeds from the ultimate sale of the lands were to repay all debts of Bearspaw and any remaining cash to the shareholders.

69. The Bearspaw OM indicated the following investment strategy:

a. In 2007, Bearspaw was to complete the purchase the Bearspaw Property for $14 million;

b. In 2009, Bearspaw was to obtain the necessary approvals to subdivide the property; and

c. In 2011, Bearspaw was to sell the Property and repay the investors;

70. The OM provided for the following material agreements and fee structures:

a. EyeLogic (as described in the First Report of the Monitor) was to receive a fee equal to 1/20th of 1% of the funds raised up to \$5 million and 1/40th of 1% of the funds raised in excess of \$5 million;

b. KMC Capital (an entity the Monitor understands to be related to Eyelogic) was to receive a fee equal to the greater of \$2,500 or 9/20th of 1% of the funds raised up to \$5 million and 9/40th of 1% of the funds raised in excess of \$5 million;

c. Shire was to provide management services to Bearspaw Ltd. and Shire was entitled to receive a one-time fee of \$380,000 and for reimbursement for its out-of-pocket expenses directly related to the property, excluding any of Shire's overhead expenses;

d. Shire was to assign its interest in the contract to purchase the Bearspaw Property to Bearspaw Ltd.

Acquisition of the Bearspaw Property

71. On March 28, 2007, Shire entered into a real estate purchase and sale agreement with 1206354 Alberta Ltd., based on corporate search, the shareholder of 1206354 Alberta Ltd. is Lillian Hong, to which Shire agreed to purchase the Bearspaw property for \$13.48 million (the "Bearspaw Purchase Agreement"). Subsequently, on September 26, 2007 Shire entered into an assignment and assumption agreement (the "Assignment and Assumption Agreement") with Bearspaw Ltd. with respect to the Bearspaw Purchase Agreement.

72. Shire remains the registered owner of the Bearspaw Property as Shire did not transfer the title to Bearspaw Ltd. as contemplated by the Bearspaw Assignment and Assumption Agreement; however, the Monitor understands from Mrs. Couch that this was an administrative oversight and that Bearspaw Ltd. is intended to own the Bearspaw Property.

73. The Bearspaw Property was acquired by Shire for $13.8 million which appeared to be initially financed primarily by:

a. A $9.0 million mortgage provided by Investit Financial Inc. ("Investit"); and

b. A vendor-take-back mortgage (the "Bearspaw VTB") provided by vendor in the amount of $4.6 million.

74. Subsequent to the investor funds being raised by Bearspaw, approximately $5.1 million in funds were used to pay interest and reduce the outstanding mortgages registered against the Bearspaw Property such that, the Monitor understands the following amounts remain outstanding:

a. $7.0 million to Investit; and

b. $700,000 owed on the Bearspaw VTB.

75. The Monitor is continuing to reconcile the above paydown with the assistance of the Applicants.

Sources and uses of funds related to Bearspaw

76. From a review of the books and records, the flow of funds relating to Bearpaw is set out in the table below:

Sources and uses of cash:	
	Bearspaw
Sources of cash:	
Net other intercompany transfers in	582,000
Funds raised from investors	20,188,913
Total sources of cash	**20,770,913**
Uses of cash:	
Net intercompany transfers to Shire	15,457,365
Purchase/deposits on property/payment of mortgages	5,096,164
Other uses of cash	215,540
Total uses of cash	**20,769,070**

77. The table above illustrates the sources and uses of cash specifically to Bearspaw and excludes any Shire transactions relating to Bearspaw. The Shire related transactions

are discussed below. The significant sources and uses of cash per the Bearspaw bank accounts include:

a. Approximately $20.2 million was raised from investors who invested in Bearspaw, which approximates details investors of approximately $20.2 million (excluding Roll-overs as described above) maintained by the Applicants.

b. $0.6 million was advanced from MWS (defined and discussed below);

c. $5.1 million was used to complete the acquisition of the Bearspaw Property; and

d. $15.5 million was transferred to Shire.

Inter-company analysis with Shire

78. The table below summarizes the inter-company balance between Shire and Bearspaw based on management's books and records and that estimated by analysis of the Monitor which is based on a review of the Bearspaw OMs:

Bearspaw at 144th Avenue **Inter-company with Shire International**	**Assuming Allocated Costs**	**Costs per Offering Memorandum**	**Notes**
Gross Payable to / (Receivable from) Shire International	(15,457,365)	(15,457,365)	1
Less:			
Commissions at 10% of Funds Raised	2,023,133	2,023,133	2
Project management fees earned by Shire	238,577	380,000	3
Other administrative expenses	1,028,607	1,232,000	4
Direct costs paid or transferred by Shire International	4,117,802	4,117,802	5
Net Payable to / (Receivable from) Shire International	(8,049,246)	(7,704,429)	

Notes
1 Amounts per detailed cash analysis performed by the Monitor as detailed in the Third Report.
2 Calculated as 10% of funds raised as generally provided for in the Offering Memorandums.
3 Project management fees earned by Shire are calculated by the Applicants using a base rate of 2% of all funds raised. However, the individual Project Companies Offering Memorandums detail varying amounts of management fee entitlements from 1 to 3% of amounts raised and in one instance, outlines a one-time fixed fee.
4 Other administrative charges refer to costs incurred by Shire International on behalf of the individual Project Companies. The Applicant's pro-rate total Shire costs deemed to be Allocable Costs using the funds raised by the Applicant's as a basis, whereas the Offering Memorandums appear to outline an expected usage of proceeds from each offering thus generating the variance illustrated by this analysis.
5 Amounts per detailed Shire International books and records reflecting charges paid by Shire International on behalf of individual Project Companies as well as funds transferred by Shire and allocated to individual Project Companies. Ultimate payee is indiscernible due to classification in the books and records and the Monitor has not yet been able to cross-reference payments to source documentation to validate amounts.

79. The table above estimates that Shire owes Bearspaw approximately $7.7 million to $8.0 million with the variance comprising the Allocated Costs as compared to the estimated costs contained in the Bearspaw OMs and is calculated as set out below:

a. Bearspaw transferred Shire $15.5 million from the funds Bearspaw raised from its investors;

b. From the cash transferred, the following amounts have been applied that reduce the inter-company payable:

i. $2.0 million in selling commissions earned by Shire as per Bearspaw OMs (10% x $20 million);

ii. $380,000 one time management fee as set out in the Bearspaw OMs;

iii. $4.1 million in direct costs purportedly paid by Shire on behalf of Bearspaw which, while not fully analyzed by the Monitor, based on discussions with management appear to relate to mortgage payments to Investit and the Bearspaw VTB through Parlee McLaws law firm and set out below; and

Bearspaw at 144th Avenue

Direct costs paid or transferred by Shire International	**Costs**	**Notes**
Parlee	2,069,986	
Realty Investments	1,515,715	
Olympia Trust	51,317	
Norrie	171,365	
Other disbursements	119,419	1
Other transfers	190,000	2
	4,117,802	

Notes

1 Relates to amounts to whom ultimate payee is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference payments to source documentation.

2 Relates to transfers to whom recipient is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference recipients to source documentation.

iv. $1.0 million of Allocated Costs or estimate of $1.2 million based on the net proceeds in the Bearspaw OMs.

Current status of Bearspaw

80. From the analysis above, it appears that Bearpaw's principal assets consist of the following:

   a. Beneficial ownership of the Bearpaw Property (currently in the name of Shire, subject to the mortgages discussed above); and

   b. An inter-company receivable from Shire.

81. The significant obligations of Bearpaw would include the amounts owed to its investors of $20.2 million (owners of Class B common shares, preferred shares and bonds). However, the Monitor is uncertain as to whether the corporate structure contemplated in the Bearspaw OMs was implemented (as between the various Bearspaw entities) as there was only one set of books and records.

82. The Bearspaw Property is subject to a foreclosure proceeding initiated by Investit (the "Bearspaw Foreclosure Proceedings") who the Monitor understands is seeking relief from this Honourable Court to proceed with the Bearspaw Foreclosure Proceedings. The Applicants have recently commission an appraisal that indicates a market value of $10.0 million and a forced sale value of $8.0 million.

Chemainus Properties Ltd. ("Chemainus")

Offering Memorandum

83. As set out in the Chemainus offering memorandum dated October 1, 2006 (the "Chemainus OM"), Chemainus was to raise a maximum of $6 million from investors with the proceeds being used to, among other things, purchase the property at 9933 Esplanade Street (the "Esplanade Property"), a portion of the crown lands located at Pine Street, Chemainus, B.C. (the "Crown Lands") and the dry docks located on Chemainus Bay (the "Dry Docks") and to develop a residential and commercial complex located in the town of Chemainus on Vancouver Island, British Columbia including the development of a dock with Chemainus Quay & Marina Complex Ltd. ("CQM") (collectively referred to as the "Chemainus Project").

84. Further information on Chemainus including the corporate structure, investments structure and information on the material agreements can be found in the Legal Analysis at Appendix 2.

85. Investors in Chemainus acquired one unit which comprised the following:

   a. One Class B non-voting common share of Chemainus; and

   b. One 8% fixed rate cumulative, redeemable bond with interest payable only if sufficient cash flow exists with all interest and principal to be repaid no later than April 30, 2009.

86. The OM provides that pursuant to a memorandum of understanding between Chemainus, Shire and CQM (the "Chemainus MOU"), the following was to occur:

   a. Chemainus and CQM would commit the Esplanade Property, the Crown Lands and the Dry Docks to the Chemaius Project;

   b. Chemainus would be responsible for raising the funds to pay for the costs relating to the Chemainus Project, including the costs to purchase the Esplanade Property, the Crown Lands and the Dry Docks;

c. CQM would be responsible for management of the Chemainus Project;

d. Shire would obtain a 60% interest in the Chemainus Project; and

e. CQM would obtain a 40% interest in the Chemainus Project.

87. The end goal of the Chemainus Project was to comprise of 40 fee simple condominiums, 60 condomiums to be sold on a quarter share basis, a boat moorage facility and a retail development.

88. Chemainus had the following material agreements and fee structures:

a. A real estate purchase agreement between Jean-George and Susan Tia Wah Wheeler (vendors) and Ron Wharram and Cleone Couch (purchasers) whereby the purchasers agreed to purchase the Esplanade Property for $780,000 (the "Esplanade P&S");

b. The Chemainus MOU, as discussed above;

c. A management agreement between Chemainus and CQM whereby CQM was to manage the development and construction of the Chemainus Project. Chemainus agreed to pay CQM 40% of the net profits of the of the project;

Acquisition of property

89. It appears that the only property acquired by Chemainus relating to the Chemainus Project was the Esplanade Property which was originally acquired by Ron Wharram and Cleone Couch for $780,000 in about February 2006. While the documentation is uncertain, it appears that the interest in the Esplanade Property was assigned/transferred to Chemainus as Chemainus is now registered on title.

90. The OM provides that CQM was to enter into a purchase agreement with the Province of British Columbia to purchase the Crown Lands, which purchase agreement was to be assigned to Chemainus. However, the Monitor understands that purchase of the Crown Lands was not completed.

91. The OM provides that Chemainus was to purchase the Dry Docks from Chemainus; however, the Monitor has not yet seen the documentation pursuant to which the Dry Docks were transferred.

92. It is the Monitor's understanding that the Chemainus Project did not proceed in any material fashion and the only remaining project related asset registered in the name of Chemainus is the Esplanade Property

Sources and uses of funds related to Chemainus

93. From a review of the books and records, the flow of funds relating to Chemainus is set out in the table below:

Sources and uses of cash:	
	Chemainus
Sources of cash:	
Funds raised from investors	6,596,590
Other sources of cash	822,324
Total sources of cash	**7,418,914**
Uses of cash:	
Net intercompany transfers to Shire	6,495,422
Purchase/deposits on property	800,000
Other uses of cash	121,946
Total uses of cash	**7,417,368**

94. The table above illustrates the sources and uses of cash per the Chemainus bank account and excludes any Shire transactions relating to Chemainus. The Shire related transactions are discussed below. The significant sources and uses of cash per the Chemainus bank accounts include:

a. Approximately $6.6 million was raised from investors which approximates the investor database maintained by Chemainus (excluding Roll-overs as described above).

b. $195,000 was advanced to Chemainus from Shire;

c. Other deposits of approximately $822,000, which have not been identified but to which the Monitor understands to be a return of funds from the Vancouver Island Health Authority ("VIHA");

d. $800,000 was paid by Chemainus relating in deposits to the VIHA which was subsequently returned (see comment above);

e. $122,000 in miscellaneous project costs; and

f. $6.7 million was transferred to Shire.

Intercompany analysis with Shire

95. The table below summarizes the intercompany balance between Shire and Chemainus based on management's books and records and that estimated by analysis of the Monitor which is based on a review of the Chemainus' OM:

Chemainus Properties Ltd. **Inter-company with Shire International**	**Assuming Allocated Costs**	**Costs per Offering Memorandum**	**Notes**
Gross Payable to / (Receivable from) Shire International	(6,495,422)	(6,495,422)	1
Less:			
Commissions at 10% of Funds Raised	657,130	657,130	2
Project management fees earned by Shire	130,348	305,950	3
Other administrative expenses	574,350	47,500	4
Direct costs paid by Shire International	3,806,781	3,806,781	5
Net Payable to / (Receivable from) Shire International	(1,326,813)	(1,678,061)	

Notes

1 Amounts per detailed cash analysis performed by the Monitor as detailed in the Third Report.

2 Calculated as 10% of funds raised as generally provided for in the Offering Memorandums.

3 Project management fees earned by Shire are calculated by the Applicants using a base rate of 2% of all funds raised. However, the individual Project Companies Offering Memorandums detail varying amounts of management fee entitlements from 1 to 3% of amounts raised and in one instance, outlines a one-time fixed fee.

4 Other administrative charges refer to costs incurred by Shire International on behalf of the individual Project Companies. The Applicant's pro-rate total Shire costs deemed to be Allocable Costs using the funds raised by the Applicant's as a basis, whereas the Offering Memorandums appear to outline an expected usage of proceeds from each offering thus generating the variance illustrated by this analysis.

5 Amounts per detailed Shire International books and records reflecting charges paid by Shire International on behalf of individual Project Companies as well as funds transferred by Shire and allocated to individual Project Companies. Ultimate payee is indiscernible due to classification in the books and records and the Monitor has not yet been able to cross-reference payments to source documentation to validate amounts.

96. The table above estimates that Shire owes Chemainus between $1.3 million and $1.7 million as set out below:

a. Chemainus advanced Shire approximately $6.5 million from the funds raised from investors pursuant to the Chemainus OM;

b. From the cash transferred from Chemainus to Shire, the following amounts have been applied to reduce the intercompany payable:

i. $0.7 million in selling commissions earned by Shire;

ii. $130,000 in management fees representing an annual fee of 2% of the funds raised under the Chemainus OM;

iii. Allocated Costs of $574,000 or an estimate of $47,500 based on the net use of proceeds in the Chemainus OM; and

iv. Approximately $3.8 million of payments made by Shire on behalf of Chemainus as summarized in the table below:

Chemainus Properties Ltd.

Direct costs paid or transferred by Shire International	**Costs**	**Notes**
Chemainus Quay	967,756	
VIHA journal entry	800,000	
Parlee	767,376	
Dayal refund	50,000	
Veito Insurance	49,950	
Other disbursements	481,163	1
Other transfers	690,537	2
	3,806,781	

Notes

1 Relates to amounts to whom ultimate payee is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference payments to source documentation.

2 Relates to transfers to whom recipient is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference recipients to source documentation.

97. The Monitor has the following comments with respect to the direct costs paid by Shire:

a. Per discussion with management, the payments of $968,000 to Chemanius Quay related to construction costs and management fees of the Chemainus Project;

b. VIHA – appears that this payment may be double counted as the payment was noted in the cash disbursements of Chemainus and per discussion with management, this entry should be reversed (discussed above);

c. The payment to Parlee Mclaws relates to the acquisition of the Esplanade Property;

d. Per discussion, the majority of the remaining payments included as direct expenses paid by Shire on behalf of Chemainus relate to construction costs paid to Chemainus Quay and the Monitor is continuing to analyze the documents provided by Shire in support of the payment of expenses.

98. Management of Shire advised that Shire was to receive a $1 million fee for arranging for the acquisition of the Chemainus Project, however, there was no documentation of such arrangement and therefore, while a journal entry was recorded in Shire's general ledger reflecting the fee, given the lack of documentation and the fact that it was not disclosed in the OM, the $1 million fee has been excluded in the above analysis.

Current status of Chemainus

99. From the analysis above, it appears that Chemainus' principal assets include ownership of the Esplanade Property along with an inter-company receivable from Shire. The Monitor understands that Chemainus currently owns the Esplande Property which was acquired for $780,000 and that there are no mortgages registered on title.

100. The significant obligations of Chemainus would include:

a. The approximately $6.6 million owed to the investors in Chemainus; and

b. Certain inter-company advances from M&WS.

Fort McMoney Properties Ltd. ("Fort McMoney")

Offering Memorandum

101. Fort McMoney is owned 60% by Eyelogic and 40% by Shire. The Fort McMoney offering memorandum dated May 25, 2006 (the "Fort McMoney OM") indicated that Fort McMoney intended to raise a maximum of $20 million in funds from investors which was to be used to acquire, subdivide and develop the following land located in Fort McMurray, Alberta (the "Fort McMoney Lands"):

    a. 102.83 acres located in the east end of Draper Road, in the Regional Municipality of Wood Buffalo, Alberta, Canada ("Saline Creek"); and

    b. Three lots located in Fort McMurray located at 10109, 10111 and 10115 Manning Avenue (the "Manning Avenue Lots").

102. Investors in Fort McMoney acquired one unit which comprised the following:

    a. One Class B non-voting common share of Fort McMoney; and

    b. One 8% fixed rate cumulative, redeemable bond with interest payable only if sufficient cash flow exists with all interest and principal to be repaid no later than December 31, 2011.

103. Further information on Fort McMoney including the corporate structure, investments structure and information on the material agreements can be found in the Legal Analysis at Appendix 2.

104. The Fort McMcMoney OM indicated the following investment strategy:

    a. the Saline Creek property was to be acquired for $3.5 million to be rezoned for construction of a multi or single family housing development. Saline Creek was to be purchased from Charles and Meridel Graves for $3.5 million, with Shire having placed a $100,000 deposit on the purchase and sale agreement. The Vendor was to provide finding of $1.85 million;

b. the Manning Avenue Lots were to be acquired for a total purchase price of approximately $2.154 million with the intended plans for a multi-family development. 10109 and 10111 Manning Avenue were to be purchased from 374496 Alberta Ltd. for $1,475,000 with Shire having placed a $190,000 deposit. Lot 10115 Manning Avenue was to be acquired from Donald Seeley for $679,000 with Shire having placed a $100,000 deposit on the purchase and sale; and

c. that the lot that separates 10109 and 101011 Manning Avenue may be acquired.

105. The Fort McMoney OM indicates that the short term objectives were to raise $20 million in funds from investors, acquire Saline Creek and Manning Avenue Lots, pursue develop of the properties as outlined above and acquire additional properties located in Fort McMurray.

106. The Monitor understands that purchase and sale agreements relating to Saline Creek and the Manning Avenue Lots were originally in the name of Shire and certain of its principals (Cleone Couch and Lureen Williamson) but that these agreements were assigned to Fort McMoney, however these assignments could not be located and therefore were unavailable for review by legal counsel to the Applicants or the Monitor.

107. The OM also sets out the following:

a. EyeLogic was to receive a fee equal to the greater of $2,500 or ½ of 1% of the funds raised;

b. Shire was to provide management services to Fort McMoney and was to receive an annual fee of 2% of the funds raised to a maximum amount of $120,000. The OM is unclear but it is assumed this amount is limited per year; and

c. All monies raised were to be committed to the purchase of Saline Creek and Manning Avenue Lots and for the use in predevelopment and planning and possibly to acquire future properties;

Sources and uses of funds related to Fort McMoney

108. From a review of the books and records, the flow of funds relating to Fort McMoney is set out in the table below:

Sources and uses of cash:	
	Ft McMoney
Sources of cash:	
Net other intercompany transfers in	335,500
Funds raised from investors	8,007,966
Other sources of cash	800
Total sources of cash	**8,344,266**
Uses of cash:	
Net intercompany transfers to Shire	7,487,785
Purchase/deposits on property	305,595
Other uses of cash	550,406
Total uses of cash	**8,343,786**

109. The table above illustrates the sources and uses of cash per the Fort McMoney bank account and excludes any Shire transactions relating to Fort McMoney. The Shire related transactions are discussed below. The significant sources and uses of cash per the Fort McMoney bank accounts include:

a. Approximately $8.0 million was raised from investors. The investor database maintained by Fort McMoney details investors of approximately $7.8 million (excluding Roll-overs as described above) and the Monitor is in the process of analyzing this variance.

b. $300,000 was used to complete the acquisition of Saline Creek; and

c. Net $7.5 million was transferred to Shire.

110. Saline Creek was acquired by Fort McMoney for $3.5 million comprising the $1.6 million paid (by a combination of Fort McMoney and Shire, as discussed below) and the vendor take back mortgage of $1.85 million.

111. The Monitor understands that Fort McMoney did not complete the acquisition of the Manning Avenue Lots but that the Manning Avenue Lots were ultimately acquired by Fort McMoney II (defined and discussed below). The Monitor continues to analyze this transaction to determine why the Manning Avenue Lots were ultimately purchased by Fort McMoney II and not Fort McMoney as was contemplated in the Fort McMoney Offering Memorandum.

112. The table below summarizes the intercompany balance between Shire and Fort McMoney based on management's books and records and that estimated by analysis of the Monitor which is based on a review of the Fort McMoney OM:

Fort McMoney Properties Ltd. Inter-company with Shire International	**Assuming Allocated Costs**	**Costs per Offering Memorandum**	**Notes**
Gross Payable to / (Receivable from) Shire International	(7,487,785)	(7,487,785)	1
Less:			
Commissions at 10% of Funds Raised	775,500	775,500	2
Project management fees earned by Shire	154,728	360,500	3
Other administrative expenses	867,337	10,000	4
Direct costs paid by Shire International	6,279,760	6,279,760	5
Net Payable to / (Receivable from) Shire International	589,539	(62,026)	

Notes

1 Amounts per detailed cash analysis performed by the Monitor as detailed in the Third Report.

2 Calculated as 10% of funds raised as generally provided for in the Offering Memorandums.

3 Project management fees earned by Shire are calculated by the Applicants using a base rate of 2% of all funds raised. However, the individual Project Companies Offering Memorandums detail varying amounts of management fee entitlements from 1 to 3% of amounts raised and in one instance, outlines a one-time fixed fee.

4 Other administrative charges refer to costs incurred by Shire International on behalf of the individual Project Companies. The Applicant's pro-rate total Shire costs deemed to be Allocable Costs using the funds raised by the Applicant's as a basis, whereas the Offering Memorandums appear to outline an expected usage of proceeds from each offering thus generating the variance illustrated by this analysis.

5 Amounts per detailed Shire International books and records reflecting charges paid by Shire International on behalf of individual Project Companies as well as funds transferred by Shire and allocated to individual Project Companies. Ultimate payee is indiscernible due to classification in the books and records and the Monitor has not yet been able to cross-reference payments to source documentation to validate amounts.

113. The table above estimates the inter-company balance between Fort McMoney and Shire:

a. Fort McMoney advanced Shire approximately $7.5 million from the funds raised from investors pursuant to the Fort McMoney OM;

b. From the cash transferred from Fort McMoney to Shire, the following amounts have been applied to reduce the intercompany payable:

i. $0.8 million in selling commissions earned by Shire;

ii. $155,000 in management fees representing an annual fee of 2% of the funds raised under the Fort McMoney OM;

iii. Allocated Costs of 867,000 or an estimate of $10,000 based on the net use of proceeds in the Fort McMoney OM; and

iv. Approximately $6.3 million of payments purportedly made by Shire on behalf of Fort McMoney as summarized in the table below:

Fort McMoney Properties Ltd.

Direct costs paid or transferred by Shire International	Costs	Notes
Parlee	2,752,586	
Wolfe Taitenger	400,756	
Warrier	388,493	
Remax	270,000	
Ledrew in trust	228,000	
JJ Barnickie	100,000	
Century 21	110,000	
Maxwell Realty	110,000	
Bhasin	50,500	
Other disbursements	1,326,415	1
Other transfers	543,010	2
	6,279,760	

Notes

1 Relates to amounts to whom ultimate payee is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference payments to source documentation.

2 Relates to transfers to whom recipient is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference recipients to source documentation.

114. The Monitor is currently in the process of reviewing the direct costs purportedly paid by Shire on behalf of Fort McMoney, including:

a. Determining the nature of the funds paid to Parlee McLaws which appear to relate to the acquisition of property however details of the transaction have not been received at the time of the report. The Monitor continues to follow up on this payment; and

b. The remaining payments included as direct expenses paid by Shire on behalf of Fort McMoney which are unsupported and not fully explained in the Fort McMoney OM.

Current status of Fort McMoney

115. From the analysis above, it appears that Fort McMoney's principal assets consist of the following:

a. Ownership of the Saline Creek Property; and

b. A potential receivable from Shire depending on the determination of the Allocated Costs and other disbursements charged by Shire to Fort McMoney.

116. The Monitor understands Fort McMoney currently owns Saline Creek which was acquired for $3.5 million and which currently has a vendor take back mortgage registered against it in the estimated amount of approximately $1.9 million as of the date of the filing of these proceedings.

117. The significant obligations of Fort McMoney consist of:

a. The amount owed to the investors totalling approximately $8.0 million; and

b. The mortgage balance owing of approximately $1.9 million.

118. The Monitor understands that the holder of the vendor take back mortgage, Charles and Meridel Graves, has commenced foreclosure proceedings.

Fort McMoney Properties II Ltd. ("Fort McMoney II")

Offering Memorandum

119. The Fort McMoney II offering memorandum dated March 24, 2008 (the "Fort Money II OM") indicated that Fort McMoney II intended to raise up to $6.5 million in mortgage units with the proceeds to be used to repay certain mortgages and fund the development of property located at 10109, 10111, 10113, 10115, 10117 and 10119 Manning Avenue, Fort McMurray, Alberta (collectively, the "Fort McMoney II Lands").

120. Further analysis of Fort McMoney II, including its ownership structure, investment structure and information on the material agreements can be found in the Legal Analysis contained at Appendix 2.

121. The Fort McMoney II OM indicated that Fort McMoney II owned the Fort McMoney II Lands and that $3.4 million of the proceeds from the offering would be used to repay a mortgage owing to Quest Capital Corporation ("Quest") with the remaining funds being used for development of the property.

122. Investors in the mortgage units offered by Fort McMoney II received mortgage units administered by Olympia Trust Company ("Olympia") with the mortgage bearing interest at 15% per annum, paid quarterly in arrears. Olympia registered a mortgage against the Fort McMoney II Lands on behalf of the mortgage investors.

123. Fort McMoney II's material agreements related to a series of purchase and sale agreements relating the Fort McMoney II Lands as more fully described below:

Date	Vendor	Purchaser	Amount
10109 and 10111 Manning Avenue (Note 1)			
15-May-06	374796 Alberta lTd.	R. Couch and C.Couch	1,475,000
10109 Manning Avenue			
01-Jun-07	Robert and Cleone Couch	Fort McMoney II	900,000
10111 Manning Avenue			
01-Jun-07	Robert and Cleone Couch	Fort McMoney II	900,000
10113 Manning Avenue			
29-Aug-07	844796 Alberta Ltd.	Fort McMoney II	800,000
10115 Manning Avenue			
25-Aug-07	Donald Gordon Seeley	Fort McMoney II	687,610
10117 Manning Avenue			
28-Aug-07	Michelle Dee Kruetzer	Fort McMoney II	687,610
10119 Manning Avenue			
29-Aug-07	John and Deme Brownlee	Fort McMoney II	800,000
		TOTAL PURCHASED	**4,775,220**

Note 1: This information is based upon a transfer of lands dated May 15, 2006. However, there are agreements that would suggest that this transaction onlyy closed in Dec06 and that Luree Williamson or her nominee originally agreed to purchase the property with C Couch.

124. The table above indicates that Luree Williamson or her nominee and Cleone Couch agreed to purchase 10109 and 10111 Manning Avenue for $1.475 million. As discussed above, these two lots were originally included in the Fort McMoney OM (defined as the Manning Avenue Lots in the Fort McMoney section above). The Monitor has not yet obtained an explanation as to why these properties were not purchased by Fort McMoney.

125. Ultimately, Robert and Cleone Couch became the owners of 10109 and 10111 Manning Avenue and sold these two lots to Fort McMoney II for $1.8 million, of which $725,272 of the proceeds were used to repay mortgages owing to the TD Bank. The remaining four properties were acquired for approximately $3.0 million, resulting in a total purchase price of $4.8 million for the Fort McMoney II Properties.

Acquisition of property

126. It appears that the Fort McMoney II Properties were originally acquired by Fort McMoney II through a combination of cash and $3.5 million in mortgage financing provided by Quest.

127. The purpose of the Fort McMoney II OM was to raise mortgage units which would be used to take out the existing mortgage owing to Quest which the Monitor understands was in the amount of approximately $3.5 million and to use the surplus funds for development purposes.

Sources and uses of funds related to Fort McMoney II

128. From a review of the books and records, the flow of funds relating to Fort McMoney II is set out in the table below:

Sources and uses of cash:	
	Ft McMoney II
Sources of cash:	
Net other intercompany transfers in	358,500
Funds raised from investors	4,712,507
Other sources of cash	909,898
Total sources of cash	**5,980,905**
Uses of cash:	
Net intercompany transfers to Shire	885,800
Purchase/deposits on property	3,893,000
Other uses of cash	1,199,267
Total uses of cash	**5,978,067**

129. The table above illustrates the sources and uses of cash per the Fort McMoney II bank account and excludes any Shire transactions relating Fort McMoney II. The Shire related transactions are discussed below. The significant sources and uses of cash per the Fort McMoney II bank accounts include:

a. Approximately $4.7 million was raised from investors of the mortgage units. The investor database maintained by Fort McMoney II details investors of approximately $6.5 million (excluding Roll-overs as described below) and the Monitor is in the process of analyzing this variance;

b. $909,898 from a legal counsel trust account, which the Monitor is still investigating;

c. $444,000 was advanced from MWS to Fort McMoney II;

d. $509,000 was advanced from Shire to Fort McMoney II;

e. Fort McMoney paid Schinnour Matkin & Baxter approximately $3.893 million which the Monitor understands was the repayment of the Quest mortgage;

f. $932,000 was returned to Olympia Trust; and

g. $1.4 million was transferred to Shire.

Intercompany analysis with Shire

130. The table below summarizes the intercompany balance between Shire and Fort McMoney II based on management's books and records and that estimated by analysis of the Monitor which is based on a review of the offering memorandum

Fort McMoney Properties II Ltd. **Inter-company with Shire International**	**Assuming Allocated Costs**	**Costs per Offering Memorandum**	**Notes**
Gross Payable to / (Receivable from) Shire International	(885,800)	(885,800)	1
Less:			
Commissions at 10% of Funds Raised	649,000	649,000	2
Project management fees earned by Shire	130,000	320,000	3
Other administrative expenses	580,758	250,000	4
Direct costs paid by Shire International	1,467,947	1,467,947	5
Net Payable to / (Receivable from) Shire International	1,941,904	1,801,147	

Notes

1 Amounts per detailed cash analysis performed by the Monitor as detailed in the Third Report.

2 Calculated as 10% of funds raised as generally provided for in the Offering Memorandums.

3 Project management fees earned by Shire are calculated by the Applicants using a base rate of 2% of all funds raised. However, the individual Project Companies Offering Memorandums detail varying amounts of management fee entitlements from 1 to 3% of amounts raised and in one instance, outlines a one-time fixed fee.

4 Other administrative charges refer to costs incurred by Shire International on behalf of the individual Project Companies. The Applicant's pro-rate total Shire costs deemed to be Allocable Costs using the funds raised by the Applicant's as a basis, whereas the Offering Memorandums appear to outline an expected usage of proceeds from each offering thus generating the variance illustrated by this analysis.

5 Amounts per detailed Shire International books and records reflecting charges paid by Shire International on behalf of individual Project Companies as well as funds transferred by Shire and allocated to individual Project Companies. Ultimate payee is indiscernible due to classification in the books and records and the Monitor has not yet been able to cross-reference payments to source documentation to validate amounts.

131. The table above estimates that Shire is owed approximately between $1.8 million and $1.9 million as set out below:

a. Fort McMoney II advanced Shire approximately $0.9 million from the funds raised from investors pursuant to the Fort McMoney II OM;

b. From the cash transferred to Shire, the following amounts have been applied to reduce the inter-company payable:

i. $0.6 million in selling commissions earned by Shire;

ii. $130,000 in management fees;

iii. Allocated Costs of $580,000 or estimate of $250,000 based on the net use of proceeds in the Fort McMoney II OM; and

iv. Approximately $1.5 million of payments purportedly made by Shire on behalf of Fort McMoney II as summarized in the table below:

Fort McMoney Properties II Ltd.

Direct costs paid or transferred by Shire International	**Costs**	**Notes**
Quest Capital	313,266	
Norlights	183,015	
Terracon	72,887	
Schinoor Matkin Baxter	26,293	
Other disbursements	363,285	1
Other transfers	509,200	2
	1,467,946	

Notes

1 Relates to amounts to whom ultimate payee is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference payments to source documentation.

2 Relates to transfers to whom recipient is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference recipients to source documentation.

132. Certain of the payments included as direct expenses paid by Shire on behalf of Fort McMoney are unsupported and not fully explained in the Fort McMoney OM and are being further analyzed by the Monitor. Per discussion with management, a majority

of the other transfers were made to Olympia Trust for payment of interest to investors. The Monitor is continuing to investigate these disbursements.

Current status of the Fort McMoney II Lands

133. From the analysis above, it appears that Fort McMoney II's principal asset consists of the ownership of the Fort McMoney II Properties which were acquired for approximately $4.8 million. The significant obligations of Fort McMoney II consist of:

a. The secured obligations owing to the mortgage unit investors; and

b. Inter-company payable to Shire, subject to confirmation of the allocation of costs and appropriateness and support of other direct costs paid by Shire on behalf of Fort McMoney II.

Halama Gardens Ltd. ("Halama")

Offering Memorandum

134. The Halama offering memorandum (the "Halama OM") indicated that a maximum of $7 million was to be raised from investors with the funds being used to acquire adjacent parcels of land (Parcels 2-3-9-9-18 and 2-3-9-9-19) located in Maui, Hawaii, and to build 21 condominium units to place for sale (the "Halama Property").

135. Further information on Halama including the corporate structure, investments structure and information on the material agreements can be found in the Legal Analysis at Appendix 2.

136. The investment structure set out in the Halama OM is summarized below:

   a. Halama Gardens Ltd. offering memorandum was dated March 8, 2006 and related to the issuance of units comprising one Class B non-voting common share and one 8% fixed rate cumulative, redeemable, retractable, renewable bond; and

   b. The offering memorandum indicates that the proceeds raised by Halama are for the acquisition of the Halama Property, pre-development and planning expenses.

137. The Halama OM indicated the following short term investment strategy:

   a. To raise $7 million in investment capital; and

   b. To use the funds to purchase the Halama Property.

138. The OM indicated that the net proceeds raised are insufficient to meet all of the proposed short-term objectives and there is no assurance that additional financing will be available. Halama intended to fund the proposed short term objectives from the proceeds of the OM and traditional bank financing, if necessary.

139. The OM provided for the following material agreements and fee structures:

a. Assignment Agreement with Shire's predecessor (Berkshire International Development Group Ltd.) to acquire the right to purchase the property from the Vendor;

b. An agreement with Eyelogic dated March 8, 2006 to pay Eyelogic an annual management fee equal to the greater of $2,500 of ½ of 1% of the issued paid up capital and bonds issued. Any capital raised in excess of $5 million will be subject to a reduced annual management fee which is ¼ of 1%; and

c. A management agreement with Shire dated March 8, 2006, for Shire to provide management services to Halama with an annual fee of 2% of the raised capital to a maximum of $120,000 (per annum).

Acquisition of the Halama Property

140. Pursuant to a deposit receipt offer and acceptance dated January 11, 2006 between Shire and Dennis Blain (the "Purchase Contract"), Shire agreed to purchase the Halama Property from Dennis Blain for US$2.5 million.

141. At the time of executing the Purchase Contract, a deposit in the amount of $25,000 was made and an additional deposit of $25,000 was to be paid to an escrow agent on or before January 20, 2006. Subsequently, Shire assigned its rights under the Purchase Agreement to Halama on March 7, 2006 by entering into an assignment agreement with Halama dated March 7, 2006. After the assignment, Shire on behalf of Halama and Dennis Blain agreed to various amendments to the Purchase Contract.

142. Pursuant to the amendments, 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 certain mortgages registered on the Halama Property. The Monitor understands that these two mortgages were registered on the Halama Property that was to be purchased by Halama.

143. A series of extensions were made with respect to the Halama Property, some of which are summarized below:

a. Summary of 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; and
- Assumption of Elite Mortgage from Seller.

b. Summary of extension of closing date to January 31, 2007:

- Additional $600,000 payment to an escrow agent 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; and
- If Elite Mortgage could not be assumed, it was agreed that the title would remain in the name of Dennis Blain until refinancing was arranged/or paid off.

c. Summary of extension of closing date to December 15, 2007:

- Additional $200,000 payment to an escrow agent 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; and
- Shire acknowledged that any and all payments made up to the date thereof were on account of liquidated damages.

144. Ms. Couch has advised that the transaction did not close on December 15, 2007.

145. From a review of the books and records of Shire, a total of approximately $3.2 million was paid by Shire on behalf of Halama relating to the Halama Property.

Sources and uses of funds related to Halama Gardens

146. From a review of the books and records, the flow of funds relating to Halama Gardens is set out in the table below.

Sources and uses of cash:	
	Halama Gardens
Sources of cash:	
Funds raised from investors	2,241,178
Other sources of cash	78
Total sources of cash	**2,241,256**
Uses of cash:	
Net intercompany transfers to Shire	2,046,575
Other uses of cash	193,079
Total uses of cash	**2,239,654**

147. The table above illustrates the sources and uses of cash per Halama's bank account and excludes any Shire transactions relating to Halama. The Shire related transactions are discussed below. The significant sources and uses of cash per the Halama bank accounts include:

a. Approximately $2.2 million was raised from investors who invested in approximately 22,400 units of Halama Gardens. The investor database maintained by Halama Gardens details investors of approximately $2.2 million (excluding Roll-overs as described above).

b. A net amount of $2.0 million was advanced to Shire; and

c. $193,000 was used to pay for soft costs incurred directly.

Intercompany analysis with Shire

148. The table below summarizes the inter-company balance between Shire and Halama Garden based on management's books and records and that estimated by analysis of the Monitor which is based on a review of the Halama OM:

Halama Gardens Inter-company with Shire International	Assuming Allocated Costs	Costs per Offering Memorandum	Notes
Gross Payable to / (Receivable from) Shire International	(2,046,575)	(2,046,575)	1
Less:			
Commissions at 10% of Funds Raised	221,438	221,438	2
Project management fees earned by Shire	40,818	90,006	3
Other administrative expenses	126,707	10,000	4
Direct costs paid by Shire International	3,193,361	3,193,361	5
Net Payable to / (Receivable from) Shire International	1,535,750	1,468,231	

Notes

1 Amounts per detailed cash analysis performed by the Monitor as detailed in the Third Report.

2 Calculated as 10% of funds raised as generally provided for in the Offering Memorandums.

3 Project management fees earned by Shire are calculated by the Applicants using a base rate of 2% of all funds raised. However, the individual Project Companies Offering Memorandums detail varying amounts of management fee entitlements from 1 to 3% of amounts raised and in one instance, outlines a one-time fixed fee.

4 Other administrative charges refer to costs incurred by Shire International on behalf of the individual Project Companies. The Applicant's pro-rate total Shire costs deemed to be Allocable Costs using the funds raised by the Applicant's as a basis, whereas the Offering Memorandums appear to outline an expected usage of proceeds from each offering thus generating the variance illustrated by this analysis.

5 Amounts per detailed Shire International books and records reflecting charges paid by Shire International on behalf of individual Project Companies as well as funds transferred by Shire and allocated to individual Project Companies. Ultimate payee is indiscernible due to classification in the books and records and the Monitor has not yet been able to cross-reference payments to source documentation to validate amounts.

149. The table above estimates that Shire owes Halama approximately $1.4 million to $1.5 million with the variance comprising the Allocated Costs as compared to the estimated costs contained in the Halama OM and is calculated as set out below:

a. Halama transferred Shire net $2 million from the funds Halama raised from its investors;

b. From the cash transferred, the following amounts have been applied that reduce the inter-company payable:

i. $0.2 million in selling commissions earned by Shire (10% x $2.2 million);

ii. $40,818 annual management fees as set out in the Halama OM; and

iii. $3.2 million in direct costs purportedly paid by Shire on behalf of Halama which, while not fully analyzed by the Monitor, appear to relate to deposits, mortgage and interest payments and soft costs as summarized in the table below.

Halama Gardens Direct costs paid or transferred by Shire International	Costs	Notes
Blain Homes	500,000	
Other disbursements	1,564,426	1
Other transfers	1,128,936	2
	3,193,362	

Notes

1 Relates to amounts to whom ultimate payee is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference payments to source documentation.

2 Relates to transfers to whom recipient is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference recipients to source documentation.

150. Certain of the payments included as direct expenses paid by Shire on behalf of Halama as set out in the table above have not yet been verified and are being further analyzed by the Monitor but per discussion with management, majority of funds were used to put deposits on the acquisition of the property. However, the Monitor has not reviewed documentation to support this claim and continues to review the cash disbursements in conjunction with the Legal Analysis.

151. The Monitor continues to analyze how direct expenses of approximately $3.2 million could be incurred on a property that was to be acquired for US$2.5 million.

Current status of Halama Property

152. It is the Monitor's understanding that Halama has never acquired nor ever held title to the Halama Property

Paradise Ridge/Hawaii Fund ("Hawaii Fund")

Offering Memorandum

153. The Hawaii Fund offering memorandum (the "Hawaii OM") indicated that a maximum of $10 million was to be raised from investors with the funds being used to purchase and develop the Halama Street and Paradise Ridge property located in Maui, Hawaii, and to build condominium units to place for sale (the "Paradise Ridge Properties"). The Monitor understands that the Halama Street property is the same property that was formerly attempted to be acquired by Halama (discussed above).

154. Further information on the Hawaii Fund including the corporate structure, investments structure and information on the material agreements can be found in the Legal Analysis at Appendix 2.

155. The Hawaii Fund offering memorandum dated January 26, 2009 and related to the issuance of Hawaii Fund Trust Units. The offering memorandum indicates that the proceeds raised by Hawaii Fund will be used to subscribe for securities of the Hawaii Development Trust. The Hawaii Development Trust was to contribute the proceeds of the offering as a capital contribution to a limited partnership or a loan to a limited partnership for the acquisition and development of Paradise Ridge Properties.

156. The Hawaii OM indicated the following short term investment strategy:

a. In 2009, Hawaii Fund is to raise up to $10 million and complete sale of Units and offering with estimated costs to completion of $1.5 million;

b. In 2009, complete land acquisition of the Paradise Ridge Properties with estimated costs to completion of $7.8 million; and

c. Through 2009 to 2011, to commence construction with estimated costs to completion of $3.1 million.

157. The OM indicated that the net proceeds raised are insufficient to meet all of the proposed short-term objectives and there is no assurance that additional financing will be available.

Attempted acquisition of the Paradise Ridge Properties

158. Shire entered into a purchase agreement with 1335778 Alberta Ltd. dated February 12, 2008, whereby Shire agreed to purchase the Paradise Ridge Properties for an aggregate purchase price of USD$4.4 million ($5.3 million) (the "Paradise Ridge Contract"). .

159. 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. It appears that Shire may have entered into a purchase contract for Paradise Ridge with 1335778 Alberta Ltd. in December 2007.

160. Shire entered into a purchase agreement with Halama dated October 1, 2008, whereby Shire agreed to purchase the Halama Property from Halama for an aggregate price of $2.5 million. However, based on the documents provided to date, Halama did not own the Halama Property at this time, or at anytime (as discussed above under Halama).

161. From a review of the books and records of Shire, Shire incurred costs of approximately $0.8 million on behalf of Hawaii Fund for the proposed acquisition of Hawaii Fund, including $535,000 in deposits to 1335778 Alberta Ltd.

Sources and uses of funds related to Hawaii Fund

162. From a review of the books and records, the flow of funds relating to Hawaii Fund is set out in the table below.

Sources and uses of cash:	
	Hawaii Fund
Sources of cash:	
Funds raised from investors	1,329,500
Total sources of cash	**1,329,500**
Uses of cash:	
Net intercompany transfers to Shire	1,303,000
Net other intercompany transfers out	20,000
Other uses of cash	2,404
Total uses of cash	**1,325,404**

163. The table above illustrates the sources and uses of cash per the Hawaii Fund's bank account and excludes any Shire transactions relating the Hawaii Fund. The Shire related transactions are discussed below. The significant sources and uses of cash per the Hawaii Fund bank accounts include:

a. Approximately $1.3 million was raised from investors who invested in approximately 2,600 units of Hawaii Fund. The investor database maintained by the Hawaii Fund details investors of approximately $1.4 million (excluding Roll-overs as described above);

b. A net amount of $1.3 million was advanced to Shire; and

c. $20,000 was transferred to MWS.

Intercompany analysis with Shire

164. The table below summarizes the inter-company balance between Shire and Hawaii Fund based on management's books and records and that estimated by analysis of the Monitor which is based on a review of the Hawaii OM:

Hawaii Fund Inter-company with Shire International	**Assuming Allocated Costs**	**Costs per Offering Memorandum**	**Notes**
Gross Payable to / (Receivable from) Shire International	(1,303,000)	(1,303,000)	1
Less:			
Commissions at 10% of Funds Raised	139,650	139,650	2
Project management fees earned by Shire	21,330	-	3
Other administrative expenses	95,289	500,000	4
Direct costs paid by Shire International	780,819	780,819	5
Net Payable to / (Receivable from) Shire International	(265,912)	117,469	

Notes

1 Amounts per detailed cash analysis performed by the Monitor as detailed in the Third Report.
2 Calculated as 10% of funds raised as generally provided for in the Offering Memorandums.
3 Project management fees earned by Shire are calculated by the Applicants using a base rate of 2% of all funds raised. However, the individual Project Companies Offering Memorandums detail varying amounts of management fee entitlements from 1 to 3% of amounts raised and in one instance, outlines a one-time fixed fee.
4 Other administrative charges refer to costs incurred by Shire International on behalf of the individual Project Companies. The Applicant's pro-rate total Shire costs deemed to be Allocable Costs using the funds raised by the Applicant's as a basis, whereas the Offering Memorandums appear to outline an expected usage of proceeds from each offering thus generating the variance illustrated by this analysis.
5 Amounts per detailed Shire International books and records reflecting charges paid by Shire International on behalf of individual Project Companies as well as funds transferred by Shire and allocated to individual Project Companies. Ultimate payee is indiscernible due to classification in the books and records and the Monitor has not yet been able to cross-reference payments to source documentation to validate amounts.

165. The table above estimates that Shire owes (owed by) Hawaii Fund approximately $0.3 million to $(0.1) million with the variance comprising the Allocated Costs as compared to the estimated costs contained in the Hawaii OM and is calculated as set out below:

a. Hawaii Fund transferred Shire $1.3 million from the funds Hawaii Fund raised from its investors;

b. From the cash transferred, the following amounts have been applied that reduce the inter-company payable:

    i. $0.1 million in selling commissions earned by Shire (10% x $1.3 million);

    ii. $21,330 annual management fees as set out in the Hawaii OM; and

c. $0.8 million in direct costs purportedly paid by Shire on behalf of Hawaii Fund which, while not fully analyzed by the Monitor, appear to include direct expenses paid by Shire on behalf of the Hawaii Fund relating to deposits placed on the attempted acquisition of the Paradise Ridge Properties.

Hawaii Fund **Direct costs paid or transferred by Shire International**	**Costs**	**Notes**
1335778 Alta Ltd	535,000	
Other disbursements	245,819	1
Other transfers	-	2
	780,819	

Notes

1 Relates to amounts to whom ultimate payee is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference payments to source documentation.

2 Relates to transfers to whom recipient is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference recipients to source documentation.

166. Management of Shire advised that Shire was to receive a $1 million fee for arranging for the acquisition of the Paradise Ridge Properties, however, there was no

documentation of such arrangement and the acquisition has not closed, therefore, given the lack of documentation and the fact that it was not disclosed in the OM, the $1 million fee has been excluded for purposes of the above analysis.

Current status of Hawaii Fund

167. From the analysis above, it appears that the Hawaii Fund has no assets other than the purported verbal agreement to purchase the Halama Property (see Halama discussion above) and a potential receivable from Shire.

Orillia Investments Ltd. (“Orillia”)

Offering Memorandum

168. The Orillia offering memorandum (the “Orillia OM”) indicated that a maximum of $8 million was to be raised from investors with the funds being used to acquire parcels of land located in Orillia, Ontario, (i.e. PINs 58684-0205, 58684-0327, 58684- 0328 and 58684- 0329), to build 106 condominium units to place for sale (the “Orillia Property”).

169. Further information on Orillia including the corporate structure, investments structure and information on the material agreements can be found in the Legal Analysis at Appendix 2.

170. The investment structure set out in the Orillia OM is summarized below:

    a. Orillia offering memorandum was dated September 1, 2006 and related to the issuance of units comprising one Class B non-voting common share and one 8% fixed rate cumulative, redeemable, retractable, renewable bond;

    b. The offering memorandum indicates that the proceeds raised by Orillia are for the acquisition of the Orillia Property, pre-development and planning expenses and management expenses.

171. The Orillia OM indicated the following short term investment strategy:

    a. To raise $8 million in investment capital;

    b. To use the funds to purchase the Orillia Property;

    c. Obtain development approval; and

    d. Begin marketing the development and complete project within 24 months.

172. The Orillia OM provided for the following material agreements and fee structures:

a. Orillia entered into an Assignment Agreement dated June 23, 2006 with Rene Bindi ("Bindi") and Douglas Freel ("Freel") pursuant to which Orillia has the rights to purchase the Orillia Property from By The Lakes Developments Ltd. (the "Vendor") pursuant to an Option to Purchase dated January 6, 2006 for the purchase price of $2.5 million. See below for details;

b. Orillia entered into an agreement with Eyelogic dated June 1, 2006 to pay Eyelogic an annual management fee equal to the greater of $2,500 of ½ of 1% of the issued paid up capital and bonds issued. Any capital raised in excess of $5 million was to be subject to a reduced annual management fee which is ¼ of 1%;

c. Orillia entered into Project Management agreement with Group North International Inc. ("GNII") dated February 1, 2006 to pay fees based on staged basis based on advancement of the development. The fees include professional fees contributed by Bindi and Freel in the advancement of the project prior to the Assignment of the Purchase Agreement in the amount of $447,556. Total fees payable to GNII, pursuant to the Project management agreement were estimated at $2.9 million which include architecture and design fees; and

d. Orillia entered into a management agreement with Shire dated July 4, 2006, for Shire to provide administrative services to Orillia with Shire to be paid an annual fee of 1% of the raised capital to a maximum of $40,000.

Acquisition of the Orillia Property per OM

173. As previously stated, the Orillia OM provides that Bindi and Freel entered into an option to purchase dated January 6, 2006 with By the Lakes Developments Ltd. (the "Purchase Agreement"), pursuant to which Bindi and Freel obtained the right to purchase the Orillia Property for $2,500,000. The purchase price was subsequently increased to $2,970,000 pursuant to certain amendments to the Purchase Agreement.

174. It appears that Bindi and Freel subsequently assigned their interest under the Purchase Agreement to Orillia pursuant to an assignment agreement as the transfer registered on title provides that Orillia purchased the property for $2,970,000.

175. Orillia granted Group North International Inc. ("GNII Inc."), a corporation controlled by Bindi and Freel, a promissory note pursuant to which Orillia promises to pay GNII Inc. $1,750,000, which became due and payable on July 7, 2008 unless other arrangements were made. This promissory note is silent on the value that Orillia received; however, the Orillia OM provides that it was entered into as consideration for entering into the assignment agreement referred to above.

176. The Orillia OM, states that an additional term of the Purchase Agreement provides that the Vendor is to assign to Orillia a lease with respect to certain portion of the lake bed between the Vendor and the Ministry of National Resources commencing January 1, 2005 and expiring December 31, 2024 (the "Foreshore Lease"). Based on the information to date, the Foreshore Lease may related to PIDS 58684-328 to 58684-329, which Orillia is the registered owner of.

177. The Orillia OM and amendments to the Purchase Agreement suggest that the Vendor has agreed to provide the Orillia with partial financing of the purchase price by providing a $1.0 to $1.2 million mortgage at an interest rate of TD Bank prime plus 2.5% calculated monthly, with interest only payments on a quarterly basis, for a term of one year from the closing of the Purchase Agreement (the "VTB").

178. As of the date of the offering, Shire had purportedly advanced the sum of $500,000 to the Vendor to be applied against the purchase price (the "Deposit") and Orillia was to repay Shire the Deposit from proceeds raised from this offering.

179. Based upon the Orillia OM and certain partially executed amendments to the Purchase Agreement, it appears that the closing date was extended to July 7, 2006 and subsequently to August 30, 2006, upon payment of additional deposits in the amount of $250,000 and $300,000, respectively, to the Vendor (plus $750 paid to Vendor in reimbursement of legal fees).

180. The Monitor understands that the original vendor take back mortgage was repaid and was replaced with a mortgage provided by 1533021 Ontario Inc. with the current balance owing of $1.9 million.

Sources and uses of funds related to Orillia

181. From a review of the books and records, the flow of funds relating to Orillia is set out in the table below.

Sources and uses of cash:	
	Orilllia
Sources of cash:	
Funds raised from investors	429,370
Other sources of cash	1,145
Total sources of cash	**430,515**
Uses of cash:	
Net intercompany transfers to Shire	423,883
Net other intercompany transfers out	3,000
Other uses of cash	1,434
Total uses of cash	**428,317**

182. The table above illustrates the sources and uses of cash per Orillia's bank account and excludes any Shire transactions relating to Orillia. The Shire related transactions are discussed below. The significant sources and uses of cash per the Orillia bank accounts include:

a. Approximately $0.4 million was raised from investors who invested in approximately 4,300 units of Orillia. The investor database maintained by Orillia details investors of approximately $0.4 million (excluding Roll-overs as described above).

b. An amount of $0.4 million was advanced to Shire; and

c. $3,000 transferred to MWS.

Intercompany analysis with Shire

183. The table below summarizes the inter-company balance between Shire and Orillia based on management's books and records and that estimated by analysis of the Monitor which is based on a review of the Orillia OM:

Orillia Investments Ltd. **Inter-company with Shire International**	**Assuming Allocated Costs**	**Costs per Offering Memorandum**	**Notes**
Gross Payable to / (Receivable from) Shire International	(423,883)	(423,883)	1
Less:			
Commissions at 10% of Funds Raised	38,971	38,971	2
Project management fees earned by Shire	8,042	11,691	3
Other administrative expenses	53,378	70,437	4
Direct costs paid by Shire International	2,620,496	2,620,496	5
Net Payable to / (Receivable from) Shire International	2,297,004	2,317,712	

Notes

1 Amounts per detailed cash analysis performed by the Monitor as detailed in the Third Report.

2 Calculated as 10% of funds raised as generally provided for in the Offering Memorandums.

3 Project management fees earned by Shire are calculated by the Applicants using a base rate of 2% of all funds raised. However, the individual Project Companies Offering Memorandums detail varying amounts of management fee entitlements from 1 to 3% of amounts raised and in one instance, outlines a one-time fixed fee.

4 Other administrative charges refer to costs incurred by Shire International on behalf of the individual Project Companies. The Applicant's pro-rate total Shire costs deemed to be Allocable Costs using the funds raised by the Applicant's as a basis, whereas the Offering Memorandums appear to outline an expected usage of proceeds from each offering thus generating the variance illustrated by this analysis.

5 Amounts per detailed Shire International books and records reflecting charges paid by Shire International on behalf of individual Project Companies as well as funds transferred by Shire and allocated to individual Project Companies. Ultimate payee is indiscernible due to classification in the books and records and the Monitor has not yet been able to cross-reference payments to source documentation to validate amounts.

184. The table above estimates that Shire is owed approximately $2.3 million by Orillia as set out below:

a. Orillia transferred Shire $0.4 million from the funds Orillia raised from its investors;

b. From the cash transferred, the following amounts have been applied that reduce the inter-company payable:

i. $40,000 in selling commissions earned by Shire (10% x $0.4 million);

ii. $8,000 annual management fees as set out in the Orillia OM;

iii. $53,000 of Allocated Costs or estimate of $70,000 based on the net use of proceeds in Orillia OM; and

iv. $2.6 million in direct costs purportedly paid by Shire on behalf of Orillia which, while not fully analyzed by the Monitor, appear to relate to deposits, mortgage and interest payments and soft costs.

Orillia Investments **Direct costs paid or transferred by Shire International**	**Costs**	**Notes**
Bindi	450,000	
By the Lakes	25,925	
Piccin Bottos	758,996	
Other disbursements	57,600	1
Other transfers	1,327,975	2
	2,620,496	

Notes

1 Relates to amounts to whom ultimate payee is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference payments to source documentation.

2 Relates to transfers to whom recipient is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference recipients to source documentation.

185. Certain of the payments included as direct expenses purportedly paid by Shire on behalf of Orillia as set out in the table above have not yet been verified and are being further analyzed by the Monitor but per discussion with management, the majority of the costs relate to the purchase of the land. The Monitor has not yet been able to substantiate this claim through source documentation.

Current status of Orillia

186. The Monitor understands that Orillia owns the Orillia Property which was acquired for $2.97 million.

187. The significant obligations of Orillia relate to the mortgage registered on the property by 1533021 Ontario Inc. in the amount of $1.4 million and the amounts owed by Orillia to its investors. Orillia may also have an inter-company payable to Shire.

188. The Monitor understands that the mortgage holder to Orillia, 1533021 Ontario Inc. has commenced foreclosure proceedings against this property.

Skaha Lake Development Ltd. ("Skaha")

Term Sheet

189. The Skaha term sheet dated November 8, 2006 (the "Skaha Term Sheet") indicated that Skaha intended to raise a maximum of $18 million from investors to acquire a 34,720 square foot parcel of land located along the shore of Skaha Lake, in the community of Okanagan Falls, British Columbia with a legal description of: Lots1, 2 and 3 District Lot 2883S Similkaman Division Yale District Plan 7632 (the "Skaha Lands"). Skaha intended to construct a land front 60-unit hotel/apartment condominium resort complex on the Skaha Lands.

190. Further information on Skaha including the corporate structure, investments structure and information on the material agreements can be found in the Legal Analysis at Appendix 2.

191. The Skaha Term Sheet indicates an offering of units comprising one Class B Non-Voting Common Share and One 8% fixed rate, cumulative, redeemable, renewable bond of Skaha. The Skaha offering was only provided to 'Accredited Investors'.

192. The Skaha Term Sheet indicated that Skaha had been assigned a purchase contract from Shire to purchase price of the Skaha Lands for $2.5 million and that $1.0 million of the purchase price has been paid by Shire and this amount was to be repaid from the proceeds of the Skaha placement. Upon acquiring the Skaha Lands, Skaha intended to contract a lake front 60 unit hotel/apartment condominium resort complex.

193. The Skaha Term Sheet indicated the investment strategy was to use the proceeds raised to:

a. acquire the Skaha Lands;

b. develop the property;

c. repay the Shire the $1 million deposit;

d. pay administrative fees to Eyelogic;

e. pay Shire the agreed upon selling commission of 10%; and

f. the management fee of 1% of the total funds raised per annum.

194. Skaha had the following material agreements and fee structures:

a. EyeLogic was to receive a fee equal to the greater of:

i. $2,500; or

ii. ½ of 1% of the funds raised up to $5 million and ¼ of 1% of the funds raised in excess of $5 million;

b. Shire was to receive commission of 10% of funds raised;

c. Shire was to provide management services to Skaha and Shire was entitled to receive an annual fee of 1% of capital raised pursuant to the Skaha Term Sheet;

d. A real estate purchase agreement between Tom Glendinning and Linda Carol Gautier and Remi Gautier (the "Skaha P&S"); and

e. A joint venture agreement between Skaha, Tom Glendinning, Shire and Total Energy Ltd. ("Total") (the "Skaha JV Agreement").

Acquisition of the Skaha Lands

195. It appears that Tom Glendinning acquired the Skaha Lands for approximately $1.9 million. Pursuant to the Skaha JV Agreement, Glendinning agreed to assign his interest in the Skaha Lands to Skaha. In addition, Glendinning was appointed to carry out the management of the Skaha project and Skaha agreed to pay Glendinning the following fees:

a. A $500,000 finder fee;

b. Normal real estate fees on the eventual disposition of the Skaha Lands;

c. A management fee equal to a certain percentage of the gross revenues from the project; and

d. Shire agreed to contribute all monies required for the acquisition of the Skaha Lands and other expenses of the project.

Sources and uses of funds related to Skaha

196. From a review of the books and records, the flow of funds relating to Skaha is set out in the table below:

Sources and uses of cash:	
	Skaha Lake
Sources of cash:	
Funds raised from investors	8,307,584
Other sources of cash	1,000
Total sources of cash	**8,308,584**
Uses of cash:	
Net intercompany transfers to Shire	5,442,850
Purchase/deposits on property	2,518,400
Other uses of cash	345,831
Total uses of cash	**8,307,081**

197. The table above illustrates the sources and uses of cash per Skaha's bank account and excludes any Shire transactions relating to Skaha. The Shire related transactions are discussed below. The significant sources and uses of cash per the Skaha bank accounts include:

a. Approximately \$8.3 million was raised from investors. The Skaha investor database maintained by Skaha details investors of approximately \$8.4 million (excluding Roll-overs as described above).

b. \$0.5 million was advanced to Skaha from Shire;

c. \$1.9 million was paid by Skaha to Total;

d. \$600,000 was paid by Skaha to reduce the vendor take back mortgage;

e. \$345,000 in miscellaneous project costs; and

f. $5.9 million was transferred to Shire (net of $5.4 million).

198. The Monitor understands that Skaha paid $1.9 million and that Shire paid Total an additional $900,000 which was applied by Shire against the Skaha inter-company account. In summary approximately, $2.8 million was paid to Total relating to:

a. Finders fee of $500,000;

b. Fees relating to the management of the project; and

c. For the settlement/termination of Total's interest in Skaha as proscribed by the Skaha JV Agreement.

199. The Monitor understands that Skaha and Total ended their relationship and as part of the dissolution of the business relationship, certain amounts were paid by Shaha to retract the shares held by Total and also to dissolve the JV Agreement.

Intercompany analysis with Shire

200. The table below summarizes the intercompany balance between Shire and Skaha based on management's books and records and that estimated by analysis of the Monitor which is based on a review of the Skaha's Term Sheet:

Skaha Lake Development Inter-company with Shire International	Assuming Allocated Costs	Costs per Offering Memorandum	Notes
Gross Payable to / (Receivable from) Shire International	(5,442,850)	(5,442,850)	1
Less:			
Commissions at 10% of Funds Raised	842,457	842,457	2
Project management fees earned by Shire	168,660	187,972	3
Other administrative expenses	674,093	-	4
Direct costs paid by Shire International	1,900,567	1,900,567	5
Net Payable to / (Receivable from) Shire International	(1,857,073)	(2,511,855)	

Notes

1 Amounts per detailed cash analysis performed by the Monitor as detailed in the Third Report.

2 Calculated as 10% of funds raised as generally provided for in the Offering Memorandums.

3 Project management fees earned by Shire are calculated by the Applicants using a base rate of 2% of all funds raised. However, the individual Project Companies Offering Memorandums detail varying amounts of management fee entitlements from 1 to 3% of amounts raised and in one instance, outlines a one-time fixed fee.

4 Other administrative charges refer to costs incurred by Shire International on behalf of the individual Project Companies. The Applicant's pro-rate total Shire costs deemed to be Allocable Costs using the funds raised by the Applicant's as a basis, whereas the Offering Memorandums appear to outline an expected usage of proceeds from each offering thus generating the variance illustrated by this analysis.

5 Amounts per detailed Shire International books and records reflecting charges paid by Shire International on behalf of individual Project Companies as well as funds transferred by Shire and allocated to individual Project Companies. Ultimate payee is indiscernible due to classification in the books and records and the Monitor has not yet been able to cross-reference payments to source documentation to validate amounts.

201. The table above estimates that Shire owes Skaha between $1.9 million and $2.5 million as set out below:

a. Skaha advanced Shire approximately $5.4 million from the funds raised Skaha raised from investors pursuant to the Skaha Term Sheet;

b. From the cash transferred to Shire, the following amounts have been applied to reduce the intercompany payable:

i. $0.8 million in selling commissions earned by Shire; and

ii. Approximately $1.9 million of payments made by Shire on behalf of Skaha representing certain deposits made on the Skaha P&S and other amounts paid to Total in respect of the Skaha JV Agreement and construction costs;

Skaha Lake Developments		
Direct costs paid or transferred by Shire International	**Costs**	**Notes**
Total Energy	894,066	
Meiklejohn	126,226	
Other disbursements	312,275	1
Other transfers	568,000	2
	1,900,567	

Notes

1 Relates to amounts to whom ultimate payee is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference payments to source documentation.

2 Relates to transfers to whom recipient is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference recipients to source documentation.

202. Certain of the payments included as direct expenses paid by Shire on behalf of Skaha as set out in the table above have not yet been verified and are being further analyzed by the Monitor.

Current status of the Skaha Lands

203. From the analysis above, it appears that Skaha's principal assets consist of the following:

a. Skaha's ownership of the Skaha Lands which was acquired for $2.5 million with no mortgages registered on title; and

b. An inter-company receivable from Shire.

204. The significant obligations of Skaha include the amounts owed to its investors of approximately $5.4 million.

Tsehum Harbour Ltd. ("Tsehum") and Tsehum Harbour Bounds Ltd. ("Tsehum Bonds")

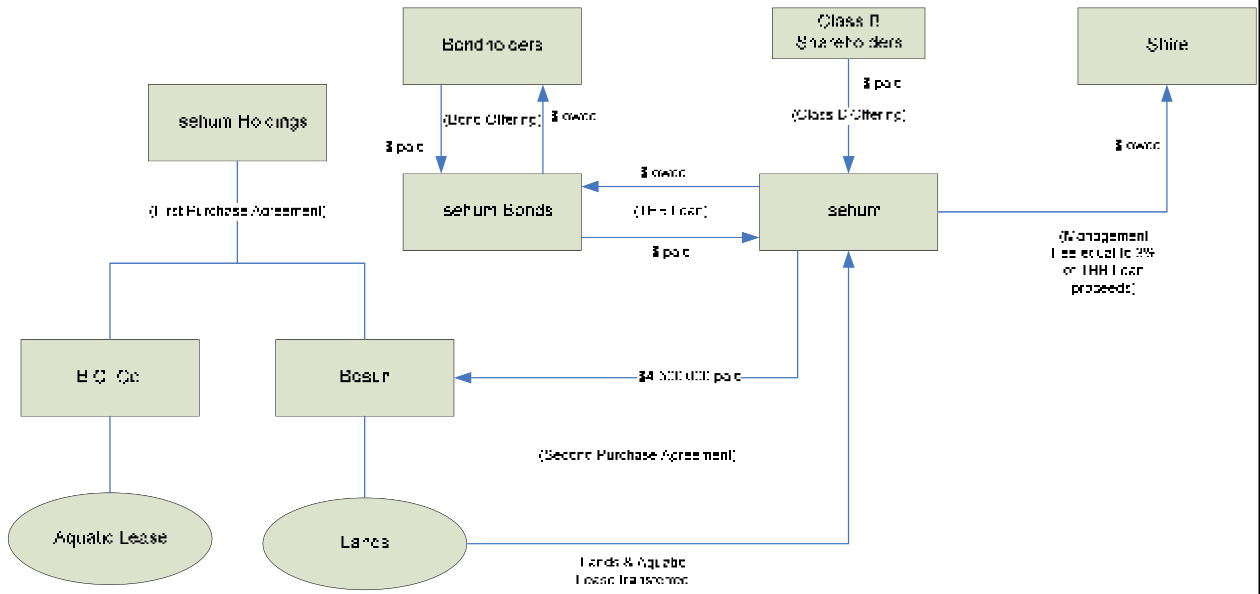
Offering Memorandums

205. Tsehum issued an offering memorandum dated October 15, 2008 which indicated that Tsehum was entitled to raise up to $5.5 million of Class B Common Shares of Tsehum. Tsehum Bonds issued an offering memorandum dated October 15, 2008 which indicated that Tsehum Bonds was entitled to raise up to $5.5 million of 8.0% redeemable bonds with the bonds being repaid in full on March 31, 2011. Interest was paid on the bonds at the sole discretion of the company but all unpaid interest to was to be repaid upon the expiry of the bonds. The offering memorandums issued by Tsehum and Tsehum Bonds are collectively referred to as the Tsehum OMs.

206. Further information on Tsehum and Tsehum Bonds including the corporate structure, investments structure and information on the material agreements can be found in the Legal Analysis at Appendix 2.

207. The diagram below was prepared by the Applicants' counsel and provides the structure contemplated by the Tsehum OMs.

SCHEDULE A



Lands Lot A, District Lot 12, Section 15, Range 3, East, North Saanich District, Plan 45998

Aquatic Lease aquatic lands lease no. 101 9[illegible] dated September 27, 1987 relating to Block A of Lot 653, Cowichan District.

208. The Tsehum OMs indicated that a maximum of $5.5 million was to be raised from investors with the funds being used acquire and develop certain property described as Lot A, District Lot 12 and Section 15, Range 3 East, North Saanich District, Plan 45998, with the municipal address of 2238/2240 Harbour Road, Sidney, British Columbia (the "Tsehum Lands"). The Tsehum Lands comprise approximately 0.54 acres of waterfront property.

209. Tsehum had the following material agreements and fee structures:

a. A share purchase agreement between Thomas Melville and Vicki Melville (vendors) and Tsehum Harbour Place Holdings Ltd. ("Tsehum Holdings") (the "Tsehum Share Purchase Agreement"). The Tsehum Share Purchase Agreement contemplated a purchase of all the issued and outstanding shares of Bosun's Holdings Ltd. ("Bosun") and 0675816 BC Ltd. ("BC Co.") for $3.5 million; and

b. Certain other agreements as more fully set out in the Legal Analysis at Appendix 2.

Acquisition of property

210. The Tsehum Share Purchase Agreement provided that Tsehum Holdings acquired Bosun and BC Co. whose assets included the Tsehum Lands (owned by Bosun) and an interest in an aquatic lease number 101900 (the "Aquatic Lease").

211. The $3.5 million acquisition price as set out in the Tsehum Share Purchase Agreement was to be funded by:

a. A $580,000 deposit paid in cash;

b. A $500,000 promissory note provided by Tsehum Holdings and Shire; and

c. $2.242 million payable upon closing.

212. The Monitor understands that Tsehum Holdings completed the acquisition and became the sole shareholder of Bosun (and indirectly the Tsehum Properties).

213. The Tsehum OM indicates that Tsehum entered into a purchase and sale agreement dated September 3, 2008 with Bosun pursuant to which Tsehum was to acquire the Tsehum Lands and assume the Aquatic Lease for $4.5 million, representing a $1.0 profit for Tsehum Holdings as set out in the Tsehum OM.

214. Currently, Bosun remains the registered owned of the Tsehum Lands and Tsheum Holdings is the sole shareholder. Tsehum Holdings is controlled by Cleone Couch. Accordingly, it appears that the transaction contemplated by the Tsehum OM was not completed as Tsehum Holdings continues to be the sole shareholder of Bosun who in turn owns the Tsehum Lands. Tsheum does not own Bosun or the Tsehum Lands as was contemplated by the Tsehum OM. It is uncertain if BC Co. has any interest in the Aquatic Lease.

215. Fisgard Capital Corporation ("Fisgard") has a mortgage over the Tsehum Lands in the amount of $2.45 million. In addition, the former owners Thomas and Vicki Melville

have a mortgage registered on title,which likely relates to the $500,000 promissory note.

Sources and uses of funds related to Tsehum

216. From a review of the books and records, the flow of funds relating to Tsehum is set out in the table below:

Sources and uses of cash:	
	Tsehum Harbour
Sources of cash:	
Funds raised from investors	4,501,715
Total sources of cash	**4,501,715**
Uses of cash:	
Net intercompany transfers to Shire	4,346,500
Net other intercompany transfers out	79,000
Other uses of cash	73,616
Total uses of cash	**4,499,116**

217. The table above illustrates the sources and uses of cash per Tsehum's bank account and excludes any Shire transactions relating to Tsehum. The Shire related transactions are discussed below. The significant sources and uses of cash per the Tsehum accounts include:

a. Approximately $4.5 million was raised from investors. The investor database maintained by Tsehum details investors of approximately $4.6 million (excluding Roll-overs as described above).

b. $79,000 was transferred to MWS;

c. $74,000 was paid by Tsehum relating to miscellaneous soft costs; and

d. $4.3 million was transferred to Shire.

Intercompany analysis with Shire

218. The table below summarizes the intercompany balance between Shire and Tsehum based on management's books and records and that estimated by analysis of the Monitor which is based on a review of the Tsehum OMs.

Tsehum Harbour **Inter-company with Shire International**	**Assuming Allocated Costs**	**Costs per Offering Memorandum**	**Notes**
Gross Payable to / (Receivable from) Shire International	(4,346,500)	(4,346,500)	1
Less:			
Commissions at 10% of Funds Raised	461,435	461,435	2
Project management fees earned by Shire	84,752	123,081	3
Other administrative expenses	378,616	25,200	4
Direct costs paid by Shire International	1,478,648	1,478,648	5
Net Payable to / (Receivable from) Shire International	(1,943,049)	(2,258,136)	

Notes

1 Amounts per detailed cash analysis performed by the Monitor as detailed in the Third Report.
2 Calculated as 10% of funds raised as generally provided for in the Offering Memorandums.
3 Project management fees earned by Shire are calculated by the Applicants using a base rate of 2% of all funds raised. However, the individual Project Companies Offering Memorandums detail varying amounts of management fee entitlements from 1 to 3% of amounts raised and in one instance, outlines a one-time fixed fee.
4 Other administrative charges refer to costs incurred by Shire International on behalf of the individual Project Companies. The Applicant's pro-rate total Shire costs deemed to be Allocable Costs using the funds raised by the Applicant's as a basis, whereas the Offering Memorandums appear to outline an expected usage of proceeds from each offering thus generating the variance illustrated by this analysis.
5 Amounts per detailed Shire International books and records reflecting charges paid by Shire International on behalf of individual Project Companies as well as funds transferred by Shire and allocated to individual Project Companies. Ultimate payee is indiscernible due to classification in the books and records and the Monitor has not yet been able to cross-reference payments to source documentation to validate amounts.

219. The table above estimates that Shire owes Tsehum between $1.9 million and $2.3 million as set out below:

a. Tsehum advanced Shire approximately $4.3 million from the funds raised from investors pursuant to the Tsehum OMs;

b. From the cash transferred from Tsehum to Shire, the following amounts have been applied to reduce the intercompany payable:

i. $0.4 million in selling commissions earned by Shire;

ii. $85,000 in management fees;

iii. Allocated Costs of $0.4 million or estimate of $25,200 based on the net use of proceeds in the Tsehum OMs; and

iv. Approximately $1.5 million of purportedly payments made by Shire on behalf of Tsehum as summarized in the table below below:

Tsehum Harbour Direct costs paid or transferred by Shire International	Costs	Notes
Other disbursements	945,648	1
Other transfers	533,000	2
	1,478,648	

Notes

1 Relates to amounts to whom ultimate payee is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference payments to source documentation.

2 Relates to transfers to whom recipient is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference recipients to source documentation.

220. Certain of the payments included as direct expenses paid by Shire on behalf of Tsehum as set out in the table above have not yet been verified and are being further analyzed by the Monitor but per discussion with management, the costs incurred were deposits made on the property. The Monitor has not yet been able to substantiate this claim through source documentation.

221. Furthermore, a $1.0 million profit was to be earned by Tsehum Holdings that has not been reflected in the above analysis.

Current status of the Tsehum Lands

222. The Monitor understands that Tsehum Holdings owns Bosun which in turn owns the Tsehum Lands which were acquired for $3.5 million. Ownership of the Aquatic Lease is unknown. Two mortgages totalling approximately $2.9 million are registered on title. In addition several liens have also been filed against the Tsehum Lands.

223. From the above analysis, it appears that Tsehum's main asset represents a receivable from Tsehum Holdings until the transaction is completed as contemplated by the OM (i.e. the property remains in the name of Bosun and not Tsehum). Tsehum may also have an inter-company receivable owing from Shire.

224. Tsehum's significant obligations would include the amounts owed to its investors totally approximately $4.5 million. However, the Monitor is uncertain as to whether the corporate structure contemplated in the Tsehum OMs (as set out above) was implemented as there were no separate books and records or bank accounts for Tsehum Bonds or Tsehum.

Maples and White Sands Investment Ltd. ("MWS")

Offering Memorandum

225. MWS is 100% owned by Shire. The MWS offering memorandum dated May 16, 2008 (the "Maple OM) indicated that MWS intended to raise a maximum of $14.1 million in funds from individuals acquiring mortgage units in a mortgage that was to be registered against certain property to be acquired by MWS.

226. Further information on MWS including the corporate structure, investments structure and information on the material agreements can be found in the Legal Analysis at Appendix 2.

227. The MWS OM indicates that the funds raised were to be used to acquire the following assets (collectively referred to as the "MWS Project"):

   a. All the issued and outstanding shares of Tidbury Ball Enterprises Ltd. (which changed its name to 0726028 BC Ltd.) ("Tidbury"). Tidbury owned the Sorrento Inn which is located Sorrento, British Columbia (the "Sorrento Inn");

   b. The Maples Resort which was situated on two acres of lakeshore land located on the Shuswap Lake ("Maples"). Maples' land was contiguous to the Sorrento Inn; and

   c. The White Sands Resort comprising 3 acres of waterfront property on the shore of the Shuswap ("White Sands").

   d. Investors in MWS acquired mortgage units that represented an undivided interest in a mortgage that was to be registered against the MSW Project. The mortgage units carried a 15% interest rate per annum and were due June 30, 2010.

228. The MWS OM indicated the following investment strategy:

a. MWS was to acquire Tidbury, Maples and White Sands from Shire; and Shire was to acquire the assets from unrelated parties;

b. MWS was to pay Shire $14.0 million for all the assets, in part by completing the purchase price payment obligations payable by Shire and assuming the obligations of 1292413 Alberta Ltd ("129 Alberta");

c. Shire had purportedly paid $5.25 million of the $14 million purchase price and was obligated to pay an additional $3.2 million to complete the acquisition of the Sorrento Inn; and

d. MWS did not intend to carry on the current operations of the Sorrento Inn, Maples or White Sands, but instead intended to develop the land.

229. The material agreements and fees relating to MSW include:

a. An agreement with Shire for the purchase of the MSW Project for $14.025 million;

b. A purchase and sale agreement where 129 Alberta was to acquire Maples from certain parties for a total purchase price of $3.85 million (the "Maples Purchase Agreement");

c. A purchase and sale agreement where 129 Alberta was to acquire White Sands from certain parties for $4.0 million (the "White Sands Purchase Agreement);

d. A purchase and sale agreement where 129 Alberta was to acquire all the issued and outstanding shares of Tidbury for $3.0 million (the "Tidbury Share Purchase Agreement");

e. An agreement to assign purchase contracts between 129 Alberta and Shire whereby 129 Alberta agreed to assign the Maples Purchase Agreement, the Tidbury Share Purchase Agreement and the White Sands Purchase Agreement to Shire for a payment of $2.85 million (the "129 Alberta Assignment Agreement"); and

f. An option agreement whereby MWS obtained an option from the owners of all the issued and outstanding shares of the company that owned White Sands (the "MWS Option").

Acquisition of property

230. The Monitor understands that the following transactions were completed by MWS;

a. MWS ultimately acquired the shares of Tidbury who owned the Sorrento Inn for a total purchase price of $3.0 million on or about May 2, 2008;

b. MWS paid 129 Alberta $2.85 million as set out in the 129 Alberta Assignment Agreement which appears to be a finder's fee for structuring the acquisition of the MWS Project;

c. MWS did not acquire Maples or White Sands as contemplated under the MWS OM and the respective purchase and sale agreements. $2.0 million in deposits were placed relating to the Maple Purchase Agreement and $1.05 million relating to the White Sands Purchase Agreement. Mrs. Cleone Couch advised that there are verbal agreements in place that would allow MWS to acquire both Maples and White Sands resorts.

Sources and uses of funds related to MWS

231. From a review of the books and records, the flow of funds relating to MWS is set out in the table below:

Sources and uses of cash:	
	Maples
Sources of cash:	
Funds raised from investors	11,060,399
Other sources of cash	227,159
Total sources of cash	**11,287,559**
Uses of cash:	
Net intercompany transfers to Shire	7,421,153
Net other intercompany transfers out	932,000
Purchase/deposits on property	1,501,483
Interest to investors	1,103,213
Other uses of cash	313,506
Total uses of cash	**11,271,354**

232. The table above illustrates the sources and uses of cash per the MWS bank account and excludes any Shire transactions relating to MWS. The Shire related transactions are discussed below. The significant sources and uses of cash per the MWS bank accounts include:

a. Approximately $11.0 million was raised from investors which is consistent with the investor database maintained by MWS (excluding Roll-overs as described above);

b. $1.5 million was used to attempt to complete the acquisitions contemplated by the MWS OM;

c. $7.4 million was transferred to Shire;

d. $0.6 million was transferred to Bearspaw;

e. $0.3 million was transferred to Ft McMoney II;

f. $0.3 million was incurred on various soft costs; and

g. $1.1 million of interest was paid to investors.

Intercompany analysis with Shire

233. The table below summarizes the intercompany balance between Shire and MWS based on management's books and records and that estimated by analysis of the Monitor which is based on a review of the MWS OM:

Maples and White Sands Inter-company with Shire International	Assuming Allocated Costs	Costs per Offering Memorandum	Notes
Gross Payable to / (Receivable from) Shire International	(7,421,153)	(7,421,153)	1
Less:			
Commissions at 10% of Funds Raised	1,102,490	1,102,490	2
Project management fees earned by Shire	218,667	-	3
Other administrative expenses	976,864	300,000	4
Direct costs paid by Shire International	6,565,261	6,565,261	5
Net Payable to / (Receivable from) Shire International	1,442,129	546,598	

Notes

1 Amounts per detailed cash analysis performed by the Monitor as detailed in the Third Report.

2 Calculated as 10% of funds raised as generally provided for in the Offering Memorandums.

3 Project management fees earned by Shire are calculated by the Applicants using a base rate of 2% of all funds raised. However, the individual Project Companies Offering Memorandums detail varying amounts of management fee entitlements from 1 to 3% of amounts raised and in one instance, outlines a one-time fixed fee.

4 Other administrative charges refer to costs incurred by Shire International on behalf of the individual Project Companies. The Applicant's pro-rate total Shire costs deemed to be Allocable Costs using the funds raised by the Applicant's as a basis, whereas the Offering Memorandums appear to outline an expected usage of proceeds from each offering thus generating the variance illustrated by this analysis.

5 Amounts per detailed Shire International books and records reflecting charges paid by Shire International on behalf of individual Project Companies as well as funds transferred by Shire and allocated to individual Project Companies. Ultimate payee is indiscernible due to classification in the books and records and the Monitor has not yet been able to cross-reference payments to source documentation to validate amounts.

234. The table above estimates that Shire is owed between $0.5 million and $1.4 million as set out below:

a. MWS advanced Shire approximately $7.4 million from the funds raised MWS raised from investors pursuant to the MWS OM;

b. From the cash transferred to Shire, the following amounts have been applied to reduce the intercompany payable:

i. $1.1 million in selling commissions earned by Shire;

ii. $0.2 million in management fees;

iii. Allocated Costs of $1.0 million or estimate of $0.3 million based on the net use of proceeds in the MWS OM; and

iv. Approximately $6.6 million of purportedly payments made by Shire on behalf of MWS as summarized in the table below.

Maples and White Sands Direct costs paid or transferred by Shire International	Costs	Notes
Schinoor Matkin Baxter	1,995,162	
1072133 AB Ltd	400,000	
Other disbursements	420,099	1
Other transfers	3,750,000	2
	6,565,261	

Notes

1 Relates to amounts to whom ultimate payee is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference payments to source documentation.

2 Relates to transfers to whom recipient is indiscernable due to the classification in the G/L. The Monitor has not yet been able to crossreference recipients to source documentation.

235. Certain of the payments included as direct expenses purportedly paid by Shire on behalf of MWS as set out in the table above have not yet been verified and are being further analyzed by the Monitor. However, it appears that considerable deposits classified in other transfers were placed by Shire on behalf of MWS relating to the Maples Purchase Agreement and White Sands Purchase Agreements and these acquisitions were not completed, but rather, management has indicated that amounts were paid to 1072133 AB Ltd. for a finder's fee.

Current status of the Maples and White Sands

236. The Monitor understands that MWS currently owns the Sorrento Inn which is a operation with marginal cashflow as well as management has indicated that it possesses a verbal option to acquire both the Maples and White Sands resorts. MWS also may have an inter-company receivable as against Shire.

237. The Monitor understands that an amendment to a security agreement may have been entered into which assigns all of the shares of Tidbury back to 129 Alberta Ltd. Based on minimal operational receipts and disbursements of the Sorrento Inn accruing to the benefit of MWS, it would appear that this amendment was of no effect, but the documentation in this respect remains unclear.

238. The significant obligations of MWS include its obligation to its mortgage investors in the amount of approximately $11.0 million.

OPERATIONAL AND RESTRUCTURING EFFORTS

239. Since the granting of the Initial Order, considerable effort has been expended by Shire and its advisors in assisting the Monitor in completing its Investigation and also in assisting the Applicants' counsel in completed the Legal Analysis.

240. While certain aspects of the Investigation and Legal Analysis continue, the Monitor believes that this analysis will provide certain clarity to the stakeholders including:

   a. The sources of uses of funds for the individual Project Companies and Shire;

   b. Identifying the potential stakeholders of each Applicant;

   c. The various inter-company balances that exist between the Project Companies and Shire; and

   d. The various assets owned by the Project Companies and Shire and related prior encumbrances.

Management Committee

241. Now that stakeholders have a better understanding of the assets and liabilities of the various Project Companies and Shire, the Monitor believes that key next steps in this restructuring include establishing a management committee (the "Management Committee"). Attached at Schedule B to the draft Receivership Order, is the proposed Management Committee charter which sets out the following:

   a. the purpose of the Management Committee is to provide advice and guidance to the Receiver;

   b. the Management Committee is to comprise five individuals:

      i. the Receiver;

      ii. one to be selected by the Applicants;

      iii. one to be selected by Eyelogic/Olympia Trust;

iv. one to be selected by Borden Ladner Gervais LLP; and

v. one to be selected from the bondholders not part of the class action proceedings.

c. The Management Committee responsibilities are to include:

i. To approve all material contracts of the Applicants;

ii. To approve all budgets and business plans of the Applicants;

iii. To give such direction as they deem appropriate.

242. The Monitor believes that the proposed Management Committee is beneficial as to provide input from the stakeholders group and would ensure that the restructuring efforts of the Applicants continue as efficiently as possible.

Request for Proposal Process

243. As outlined in the second report of the Monitor, the Monitor agrees that a request for proposal process (the "RFP Process") needs to be implemented in a timely manner and understands, assuming the approval of the Management Committee as discussed above, the first step would be to finalize the RFP Process and retain an appropriate advisor to assist in that process.

244. The Monitor anticipates that the RFP Process would seek and obtain request for proposals for each specific project company identifying proposals that may include the following:

a. An outright purchase of the specific property; or

b. A plan to develop the property, likely in conjunction with entering into a co-venturing agreement with a proven developer.

DIP Financing

245. The Monitor understands that the Shire Group expects to have additional DIP Financing secured in the amount of $2.5 million, which will serve to repay the original DIP Financing and permit this restructuring to continue, including the implementation and completion of the RFP Process.

246. The Applicants' believe that there appears to be sufficient equity in the assets owned by the Project Companies and Shire to support the debt without unduly prejudicing the secured creditors. However, the Monitor is aware of the concerns of the secured lenders relating to Bearspaw and Orillia as noted below.

247. The Monitor believes that the concerns of the existing secured lenders may be partially addressed by:

a. The timely implementation of the RFP Process which would see the various properties marketed;

b. Potential sale of properties could be used to reduce the future required borrowings under the DIP Facility. The Monitor understands that the Applicants have a conditional sale on the Fort McMoney II Property for $9.6 million (subject to certain conditions and Court approval) and the Fort McMoney Property has approximately $6.6 million in mortgage units registered on title; and

c. The fact that the purchase price/appraised value of the unencumbered land is sufficient to secured the additional DIP Financing.

248. The Monitor understands that a marketing of all the properties would be implemented under the RFP Process which would include the Bearspaw and Orillia properties. The RFP Process would result in proposals for both the acquisition and development of the properties and such proposals could be received over the course of the ensuing two months or so which would indicate the sale value of the property and whether any viable development ventures exist. If any development scenarios were to be pursued, the Monitor believes that the existing secured creditors cooperation would be required.

Accordingly, the Monitor believes that the implementation of the RFP Process may alleviate some of the concerns of the existing secured creditors.

249. With respect to the priority of the DIP Facility as against the various properties, the Monitor notes that currently approximately $1.0 million is secured against all the properties. As set out above, the initial purchase price/ current appraised value of the assets owned by the Shire Group total approximately $44.3 million with estimated equity after secured charges of $16.3 million.

250. The Monitor will further report to the Court on the terms of the new DIP Facility once they become finalized.

INVESTIT FINANCIAL INC. MORTGAGE AND 1533021 ONTARIO MORTGAGE

Investit Financial Inc.

251. Investit Financial Inc. ("Investit"), who the Monitor understands holds a mortgage against the property known as Bearspaw at 144th Avenue, filed an subsequent application in this proceeding to set aside the Stay of Proceeding to allow Investit to continue with their foreclosure action on the Bearspaw Property. Investit has already filed an initial application with regards to this remedy.

252. The Monitor understands from materials filed by Investit that the amount outstanding on the mortgage is approximately $7,495,911 as at October 8, 2009 and that Investit has referenced two appraisals showing values of the following;

   a. $6,525,000 fair market value / $5,900,000 forced sale value, effective July 31, 2009; and

   b. $7,365,000 fair market value / $5,900,000 forced sale value, effective September 15, 2009 (collectively the "Investit Values")

253. The Applicants have also filed an appraisal, effective September 15, 2009 showing a fair market value of $10,000,000 and a forced sale value of $8,000,000.

254. The Applicants believe that significant equity exists in the Bearspaw Property to fully repay the Investit mortgage.

1533021 Ontario Inc.

255. 1533021 Ontario Inc. has also commenced foreclosure proceedings against the Orillia Property. The Monitor understands that the property was originally acquired for approximately $2.9 million and the 1533021 Ontario Inc. mortgage is approximately $1.9 million.

256. The Monitor comments that implementing the RFP Process should clearly indicate the value of the property.

APPLICATION FOR THE APPOINTMENT OF RECEIVER AND MANAGER

257. As discussed in the Affidavit of Cleone Couch dated October 6, 2009, an application is being made in this Honourable Court for the appointment of Ernst & Young Inc. as Receiver and Manager (the "Receiver") over the Applicants as set out in the draft receivership Order.

258. The Applicants belief that the appointment of a Receiver would provide for an orderly process to administer the assets of the Applicants through the RFP Process as outlined above, in an effort to maximize the recoveries to all stakeholders of the Applicants is supported by the Monitor.

259. The Monitor and proposed Receiver is of the view that granting the appointment of a Receiver would not lead to significant duplicative costs to the estates of the Applicants for the following reasons:

a. Hearings will be held together and pleadings will be filed in a single location; and

b. The costs of the Monitor would essentially be replaced with those of the Receiver.

FINANCIAL FORECAST FOR THE PERIOD OCTOBER 2ND TO DECEMBER 25TH

260. A summarized financial forecast for the period October 2nd to December 25th is attached to this Third Report (the "Revised Forecast") at Appendix 3. The Receiver anticipates reviewing the Revised Forecast with the Management Committee to solicit their input.

261. Significant assumptions used in deriving the Revised Forecast are outlined below;

   a. Cash Receipts of $1.31 million are forecast based on the receipt of net DIP Financing and nominal net receipts related to the operation of the Sorrento Inn. No amounts for potential assets sales have been included.

   b. Cash disbursements of approximately $1.25 million, subject to the review and input of the proposed Management Committee, are forecast based on the following:

      i. $84,000 in payment of salaries and wages to be used for the continued assistance of Mrs. Cleone Couch do to her intimate knowledge of Shire properties and operations, as well as the proposed continued retention of certain staff for one month, subject to input from the Management Committee;

      ii. Approximately $164,000 in payment of DIP Financing Interest, and related fees based on estimated terms;

      iii. Approximately $130,000 in payment of fees to the Management Committee and real estate professionals; and

      iv. Approximately $745,000 in payment of professional fees to legal counsel and the receiver, including fees outstanding at the inception of this forecast period.

262. The Revised Forecast contemplates the approval of the Receivership Application, the Management Committee and implementation and substantial completion of the RFP Process.

APPLICANTS' REQUEST FOR AN EXTENSION TO THE STAY PERIOD

263. Pursuant to the Order granted by this Honourable Court, the Applicants' Stay Period continues until and including October 8, 2009. Shire is seeking an extension of the Stay Period until, and including, December 8, 2009.

264. An extension to the Stay Period is necessary to allow for the following:

a. The implementation of the Management Committee;

b. Implementing the RFP Process; and

c. Continuation of the Investigation and Legal Analysis, as required.

RECOMMENDATION AND SUMMARY OF NEXT STEPS

265. In the Monitor's view, the Applicants have since the inception of these proceedings acted in good faith and with due diligence. The Monitor is of the view that the extension of the Stay Period is appropriate in the circumstances and therefore recommends that the Applicant's request for an extension of the Stay Period be granted to, and including, October 8th, 2009.

266. The Monitor recommends the approval of the Applicant's application for the appointment of a Receiver and Manager.

All of which is respectfully submitted this 7th day of October 2009.

ERNST & YOUNG INC.
in its capacity as Court Appointed Monitor
of Shire International Real Estate Investments Ltd. et. al

Deryck Helkaa, CA·CIRP	Kevin Meyler, CA·CIRP
Senior Vice-President	Vice President

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	Orilllia	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 Transferee, 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.

<u>Mortgage</u>

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.

<u>Shareholders</u>

<u>Bearspaw at 144th Avenue Ltd</u>. 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.

<u>Bearspaw at 144th Equities Ltd</u>. 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.

<u>Bearspaw at 144th Bonds Inc</u>. 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.

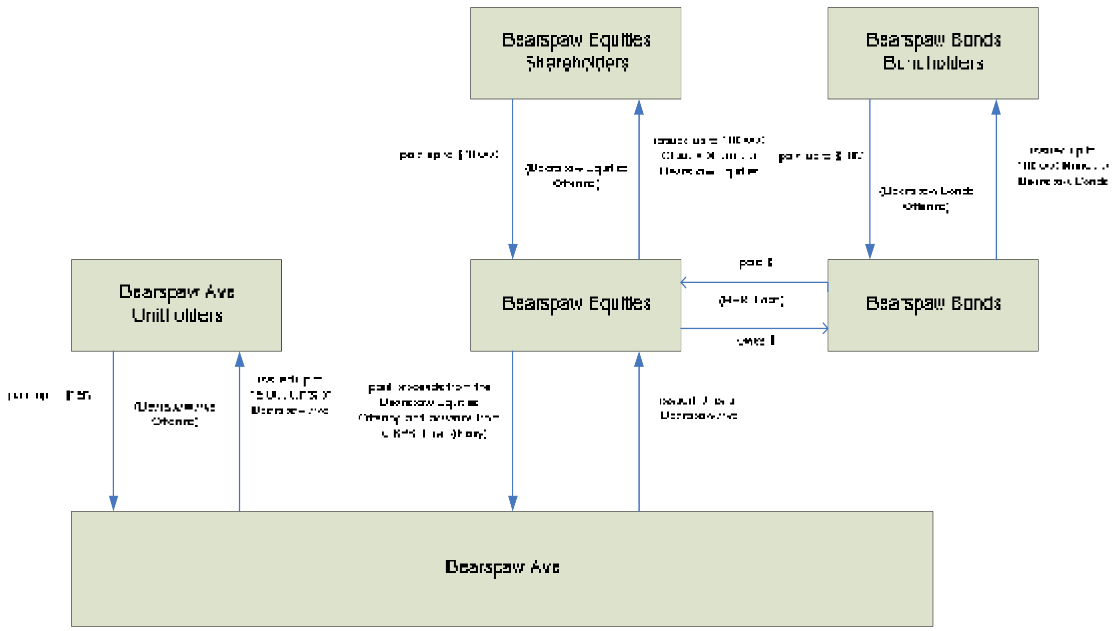
(d) Management Agreement dated August 8, 2007

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 Bondholders
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 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.

(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:	***Mr. 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:	***Mr. 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:	***Mr. 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:	Claude 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 $6,500,000
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:	Lauree 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: 844796 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.***

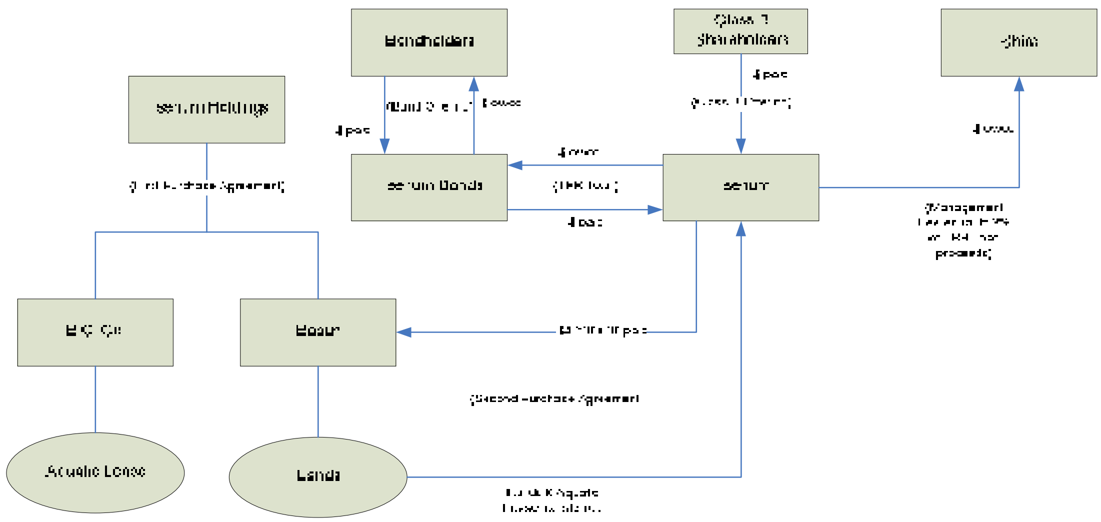
(b) Lease between Bosun's Holdings Ltd. and Power to be Adventure Therapy Society dated September 11, 2006

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, Section 15, Range 3, East, North Cowichan District, Plan 45933

Aquatic Lease: aquatic lands lease no. 101 9[illegible] dated September 27, 198[illegible] relating to Block A of Lot 953, Cowichan District

MAPLES AND WHITE SANDS INVESTMENT LTD.

SUMMARY

<u>Property</u>

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.

<u>The Maples</u>. 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.

<u>White Sands Resort</u>. 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.

<u>Sorrento Inn</u>. 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.

<u>Sorrento Inn</u>. 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 6^{th} 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 6^{th} Meridian, Kamloops Division, Yale District Plan 2142, Except Plan 7356
- 011-158-689; Lot 3 Section 16, Township 22 Range 11 West of the 6^{th} 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 6^{th} Meridian, Kamloops Division Yale District Plan 2142

008-545-961; Lot 2, Section 16, Township 22, Range 11, West of the 6^{th} 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