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., ORILLIA INVESTMENTS LTD., 0726028 B.C. LTD., 0675816 B.C. LTD., AND BOSUN'S HOLDINGS LTD.

SIXTH REPORT OF ERNST & YOUNG INC.
IN ITS CAPACITY JOINTLY AS MONITOR AND RECEIVER

November 12, 2009

ERNST & YOUNG
Quality In Everything We Do

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"). The Initial Order authorized debtor in possession financing in the amount of $1,000,000 and granted a priority charge in respect of such debtor in possession financing.

4. On October 8, 2009, the Applicants sought and obtained an Order (the "Receivership Order") appointing Ernst & Young Inc. as Receiver (the "Receiver") of all of the Applicants' current and future assets, undertakings and property of every nature and kind whatsoever, and wherever situate. In addition, on October 8, 2009 this Honourable Court added 0726028 B.C. Ltd., 0675816 B.C. Ltd. ("0675816"), and Bosun's Holdings Ltd. ("Bosun") as parties to these proceedings as a result of an

application by the Applicants. Finally, on October 8, 2009, this Honourable Court granted an Order approving an increase in the amount of the debtor in possession financing ("DIP Financing") to be obtained by the Applicants up to a maximum amount of $2,500,000 with the stipulation that the Receiver shall only be permitted to draw sufficient funds to repay the existing DIP and draws up to an additional $1,000,000 until further Order of this Court.

5. The purpose of this Sixth Report of Ernst & Young Inc. jointly in its capacity as Monitor and Receiver (the "Sixth Report") is to provide this Honourable Court with an update as to:

   a. The outcome of certain motions filed by Fisgard Capital Corporation to vacate the CCAA proceedings in their entirety or, alternatively, for an order removing the properties of Bosun and 0675816 from the CCAA proceedings (the "Fisgard Application"); and

   b. Proposed amendments to certain conditions precedent in the Echo Commitment Letter.

6. Capitalized terms not defined in this Sixth Report are as defined in the Initial Order or the previous reports of the Monitor. All references to dollars in this Sixth Report are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

7. In preparing this Sixth 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 Sixth Report.

BACKGROUND

8. 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.

FISGARD APPLICATION

9. On November 4, 2009, Fisgard Capital Corporation ("Fisgard") applied before the Honourable Mr. Justice Wilkins for an Order vacating the CCAA proceedings in their entirety or, alternatively, for an order removing properties over which Fisgard holds first charge mortgage security. Fisgard's application in this regard was argued and heard as a *de novo* application on the basis that Fisgard had commenced foreclosure proceedings in respect of its security and that counsel to Fisgard in the foreclosure proceedings had not been given notice of the October 8, 2009 application. The Monitor understands that Fisgard's Alberta counsel was served with the original material at the inception of the CCAA proceedings while Fisgard's British Columbia counsel was not served, therefore Fisgard was not notified in a timely manner in respect of these proceedings.

10. Justice Wilkins denied the application to vacate the CCAA proceedings in their entirety, however His Lordship granted the relief sought by Fisgard as it pertained to removing Bosun's Holdings Ltd. and 0675816 B.C. Ltd. from the scope of the CCAA proceedings, with the effect that the assets of these entities do not stand as security for the DIP Financing. The Receiver and Shire are considering seeking leave to appeal this ruling pending the outcome of current applications before this Honourable Court.

PROPOSED AMENDMENTS TO THE ECHO COMMITMENT LETTER

11. On October 8, 2009, the Applicants sought and obtained an Order of this Honourable Court (the "October 8th Order") approving the Commitment Letter (the "DIP Commitment Letter") dated as of October 7, 2009 from Echo Merchant Fund Ltd. (a true copy of which is attached to the Affidavit of Cleone Couch sworn in these proceedings on October 7, 2009 and is also attached to this Report as Appendix 1 for, *inter alia*, the following relief:

    a. Substitution of the DIP Lender from Kairos Funding Group Inc. to Echo Merchant Fund II Limited Group, by its general partner, Echo Merchant Fund Ltd. (the "Lender"), such substitution operating *nunc pro tunc* to the date of the granting of the Initial Order; and

    b. Amendment of the DIP Facility from $1,000,000 to $2,500,000, with the stipulation that the Receiver shall only be permitted to draw sufficient funds to repay the existing DIP and an additional $1,000,000 until further Order.

12. The Echo Commitment Letter contains conditions to the availability of the DIP Loan in paragraphs 12 and 13 therein (collectively, the "Conditions Precedent") including the condition contained in section 13(c) that all properties and companies subject to the Initial Order remain part of the CCAA Proceedings. The within proceedings have been structured in the somewhat unique fashion of there being a receivership order running concurrent with the CCAA Proceedings to preserve the option of a restructuring of some or all of the Shire entities, which avenues will be explored in the RFP Process. The Monitor notes that the DIP Commitment Letter is in substance more in line with a traditional CCAA, debtor in possession process. Accordingly, the borrowers are unable to comply with the conditions precedent.

13. The Echo Commitment Letter does not provide the Lender with the express ability to waive, in whole or in part, any of the Conditions Precedent.

14. An application is therefore being commenced to approve an amendment to the Echo Commitment Letter dated November 6, 2009 (a true copy of which is attached as Appendix 2) to provide that any Condition Precedent, in whole or in part, may be waived in writing by the DIP Lender in its sole and absolute discretion.

15. All other terms and conditions of the Echo Commitment Letter, including the pricing thereunder, is unamended, and remain in full force and effect.

16. Investit Financial Inc. ("Investit"), a secured lender, and Romspen Capital Corporation ("Romspen"), a participant in the Investit loan, have both sought leave to appeal and a stay of the October 8, 2009 Order. The stay application was originally returnable on November 5, 2009. The parties agreed to an interim stay, without prejudice, and the stay application will be heard by the Alberta Court of Appeal at 11:15 a.m. on November 13, 2009. The leave to appeal applications are scheduled to be heard on December 1, 2009. One of the terms of the interim stay was that Investit and Romspen would not oppose the application to approve the amendment to the Echo Commitment Letter on the understanding that the non-opposition would not be a bar to any application that either Investit or Romspen may bring to approve an alternate DIP loan.

RECOMMENDATIONS

17. The Receiver recommends that that this Court approve the amendments to the Echo Commitment Letter.

All of which is respectfully submitted this 12th day of November 2009.

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

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

APPENDIX 1

ECHO MERCHANT FUND LTD.

THIS IS EXHIBIT "A"
referred to in the Affidavit of
Cleone Couch.
Sworn before me this 7th
day of October 2009.

Barrister and Solicitor

COMMITMENT LETTER

This Commitment Letter dated as of October 7, 2009.

WHEREAS Echo Merchant Fund II Limited Partnership, by its general partner Echo Merchant Fund Ltd. ("Lender") has agreed to provide to Shire International Real Estate Investments Ltd., Shire Capital Ltd., Shire Asset Management Ltd., Orillia Investments Ltd., Chemainus Properties Ltd., Fort McMoney Properties Ltd., Fort McMoney Properties II Ltd., Skaha Lake Development Ltd., Bearspaw at 144th Avenue Ltd., Bearspaw at 144th Bonds Ltd., Bearspaw at 144th Equities Ltd., Halama Gardens LLC, Halama Gardens Ltd., Hawaii Fund, Shire Asset Management Ltd., Maples and White Sands Investment Ltd., Tsehum Harbour Ltd., Tsehum Harbour Place Ltd., Tsehum Harbour Place Holdings Ltd., Tsehum Harbour Bonds Ltd., Tsehum Harbour Equities Ltd., Bosun's Holdings Ltd., 0726028 B.C. Ltd., 0675816 B.C. Ltd. and Winn River Resort Ltd. (the "Debtor" or "Shire") funding in order to assist with certain anticipated capital and operating expenditures of Shire in the context of its proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA") and in accordance with the terms set out herein.

AND WHEREAS an Initial Order was granted by the Court of Queen's Bench of Alberta on August 10, 2009 and was amended by an Order dated August 27, 2009. A Stay Extension was granted on October 2, 2009 until October 8, 2009.

AND WHEREAS the Debtor would like to substitute the existing DIP Facility with a larger DIP Facility.

NOW THEREFORE the parties, in consideration of the foregoing and the mutual covenants herein contained, the receipt and sufficiency of which is hereby acknowledged, agree as follows:

1. **DIP Facility**

Lender shall make available to Shire a credit facility to a maximum amount of $2,500,000, to replace the existing DIP facility in the amount of $900,000 and to provide funds for the reorganization and sales strategy proposed by Shire (the "Funding Program") while under CCAA protection (the "DIP Facility"). Shire agrees that at no time shall the amount owing under the DIP Facility exceed $2,500,000 and that Lender shall have no obligation to honor any request for funds which would have the effect of making the amount owing exceed such limit. Upon meeting the conditions precedent herein, the DIP Facility shall be available in draws of a minimum of $500,000 upon three business days notice.

2. **Maturity Date**

The DIP Facility shall be due and payable on the earlier of:

i. February 15 ~~December 8~~, 2009;

ii. the date of the termination of the stay period as may be extended by subsequent Court Order in the CCAA Proceedings;

iii. such date upon which there occurs an Event of Default as that term is defined below; and

iv. such date upon which sufficient assets have been sold by Shire to repay the DIP Facility,

(such earlier date being the "Maturity Date").

The Maturity Date may be extended at the request of Shire with the consent of Lender for such period and on such terms as Shire and Lender may agree and as the Court in Shire's CCAA Proceedings may approve.

The commitment in respect of the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility shall be repaid in full no later than the Maturity Date without Lender being required to make demand upon Shire therefor or to give notice to Shire that the DIP Facility has expired and that the obligations are due and payable.

3. Cash Flow Projections

Prior to the granting of an Extension to the Initial Order, Shire shall provide to Lender cash flow projections in form and substance satisfactory to the Monitor appointed in Shire's CCAA Proceedings (the "Monitor") and to the Lender, reflecting the projected cash requirements of Shire for two months from the date of the granting of the Extension to the Initial Order (the "Cash Flow Projections"). The Cash Flow Projections may be amended by Shire from time to time, on the written consent of Lender. Notwithstanding any other provision of this Commitment Letter, Lender shall not be obligated to make any advance under the DIP Facility which does not comply with or adhere to the Cash Flow Projections and any subsequent cash flow projections that may be agreed to by Lender.

4. Interest

Shire agrees to pay interest ("Interest") on amounts drawn under the DIP Facility, both before and after the Maturity Date, at a nominal rate per annum of 18%.

Interest on amounts drawn under the DIP Facility shall be payable monthly in arrears on the last business day of each month. Such Interest shall constitute an advance under the DIP Facility, to the extent that a payment is not made. Interest shall be calculated and compounded monthly for the actual number of days elapsed in the period during which it accrues based on a year of 365 days. For the purposes of the *Interest Act*, (Canada) the yearly rate of interest to which the rate is equivalent is the rate multiplied by the number of days in the year for which the calculation is made and divided by 365.

M.

Notwithstanding paragraph 1 hereof, if at any time amounts advanced or outstanding under the DIP Facility exceed such limit, and such excess is permitted by Lender in its sole discretion, such excess shall bear Interest at a rate of interest equal to all other funds advanced.

5. **Use of Funds**

The DIP Facility shall be used solely for the purpose of carrying out operations while Shire is under CCAA protection and solely in accordance with the cash flow projections.

6. **Structuring Fees**

Shire shall pay to Lender coincidental with the granting of an Extension to the Initial Order, a placement fee in the amount of $75,000. The placement fee shall be fully earned upon the signing of this Commitment Letter and shall be payable from the first advance. In addition, on the last day of each month in which the DIP Facility remains outstanding, Shire shall pay to Lender an Administration Fee in the amount of $5,000 per month. Shire shall pay such fees when due, failing which such amount shall constitute an advance under the DIP Facility to the extent the entire DIP Facility is not drawn down.

7. **Monthly Standby Fee**

Shire shall pay to Lender an amount equal to 6% per annum of the undrawn portion of the DIP Facility determined on a daily basis, payable to Lender monthly in arrears on the third business day of each month of the term of the DIP Facility, with the final such payment to be calculated and paid on the Maturity Date, calculated from the date of the Initial Order.

8. **Costs**

Shire shall pay to Lender all reasonable fees, disbursements and out of pocket expenses of Lender and its legal and financial advisors (on a full indemnity basis) engaged by it in connection with the preparation, negotiation, execution, delivery, administration, interpretation or enforcement of this Commitment Letter and the DIP Priority Charge (as hereafter defined). Shire shall provide the Lender with a deposit in the amount of $15,000, which shall be deducted from the first advance and applied towards Lender's costs and / or fees.

9. **DIP Security and Documentation**

and a Receiver's Charge of $250,000

All obligations of Shire under or in connection with the Initial DIP Facility shall be secured by a Court-ordered first ranking charge (the "DIP Priority Charge") (subject only to an Administration Charge of $250,000) over all present and after acquired property, assets and undertakings of Shire on substantially the terms set out in the Initial Order attached hereto as Schedule "A" (the "Initial Order"). Any Extension or Amendment to the Initial Order shall be in form and substance satisfactory to the Lender. The liability and obligation herein and any future obligations of any nature and kind of Shire shall be

M.

evidenced, governed and secured, as the case may be, by the following documents (collectively, the "Security") completed in form and manner satisfactory to Lender and its counsel: a. Promissory Note; b. adequate insurance coverage with Lender listed as loss payee as its interests may appear; c. such other security, security documentations, and such other items as may be requested by the Lender or its counsel; and d. all supporting authorizations, certificates, acknowledgements and legal opinions as Lender may reasonably require including, without limitation, satisfactory legal opinions of the Lender or Shire's lawyers relating to any incorporation, organization and corporate powers of Shire, and to the enforceability and priority of the Initial Order and any Extension or Amdendment thereto (as hereafter defined). Without limiting the generality of the foregoing, Lender shall be entitled at its discretion to register a mortgage or caveat on any of the properties subject to the Initial Order and any amendment or extension thereto.

10. Assignment

Lender may assign, transfer, or grant one or more participating interests in its rights, benefits and obligations under this Commitment Letter with reasonable notice to Shire.

11. Repayments

All funds received by the Lender from the sale of assets shall be first applied towards the payment of amounts owing under the DIP Facility, in priority to any other creditors or stakeholders. Once funds are repaid under the DIP Facility, such amounts shall not be re-drawn unless specifically consented to by the Lender. All monies received by Lender in repayment of amounts owing under the DIP Facility, whether by way of debit as aforesaid or otherwise, may be applied and allocated by Lender to such parts of the outstanding DIP Facility, whether by principal, interest, fees or other costs, as Lender determines in its sole discretion.

12. Conditions Precedent

The DIP Facility shall be made available by Lender to Shire upon:

i. Shire extending its protection under the CCAA,

ii. the Court granting an Extenstion to the Initial Order upon substantially the terms set forth in Schedule "B" hereto,

iii. The proposed Receiver and Management Committee approving and agreeing to the DIP Facility.

Notwithstanding the foregoing, the DIP Facility shall not be made available to Shire or may be cancelled by Lender if previously made available to Shire, if:

i. the Initial Order or any Amendment or Extension thereto is vacated, stayed or otherwise caused to become ineffective or is amended in an manner not acceptable to Lender, or

11.

ii. an Event of Default has occurred and is continuing.

13. Additional Conditions Precedent

Prior to the making of any advance under the DIP Facility:

a. Lender shall be satisfied that Shire has complied with and is continuing to comply in all material respects with all applicable laws, regulations and policies in relation to its business;

b. Lender shall be satisfied that there are no liens, charges or encumbrances ranking in priority to the DIP Priority Charge, including any amounts that may be owing to CRA or other administrative bodies, unless expressly agreed to by Lender; and

c. All properties and companies that are currently subject to the Initial Order shall remain part of the CCAA proceedings.

14. Representations and Warranties

Shire represents and warrants to Lender that the transactions contemplated by this Commitment Letter and the DIP Facility, including the DIP Priority Charge:

a. Are within the powers and authority of Shire;

b. Have been duly authorized by all necessary corporate approval;

c. Have been duly executed and delivered by or on behalf of Shire;

d. Upon the granting of an Extenstion to the Initial Order, constitute legal, valid and binding obligations of Shire, enforceable in accordance with their terms; and

e. Upon the granting of an Extension to the Initial Order, do not require the consent or approval of, or registration or filing with, or any other action by, any governmental authority, other than filings which may be made to register or otherwise record the DIP Priority Charge.

15. Affirmative Covenants

Shire covenants and agrees to do the following:

a. Allow Lender full access to the books and records of Shire and cause management thereof to fully cooperate with Lender;

b. Keep Lender apprised on a timely basis of all material developments with respect to the business and affairs of Shire;

c. Deliver to Lender the reporting and other information from time to time reasonably requested by Lender, including cash flow projections, purchase offers, summaries of sales and accounts receivable and any information pertaining to the business and affairs of Shire reasonably requested by Lender;

d. Use the proceeds of the DIP Facility in a manner consistent with the restrictions set out herein and in the Cash Flow Projections;

e. Comply with the provisions of the Initial Order as may be subsequently amended or extended, provided that if any such order contravenes this Commitment Letter in a manner detrimental to Lender, the same shall be an Event of Default hereunder;

f. Preserve, renew and keep in full force its corporate existence with all material licenses and maintain systems of internal controls in respect of its businesses acceptable to Lender;

g. Maintain at all times adequate insurance coverage of such type, in such amounts and against such risks as is prudent for a business of an established reputation with financially sound and reputable insurers in coverage and scope acceptable to Lender;

h. Operate its business in the ordinary course subject always to the Cash Flow Projections and such subsequent cash flow projections to which Lender may agree, and within the credit limits established for the DIP Facility as set out herein;

i. Duly and punctually pay or cause to be paid to Lender all principal, interest, fees and other amounts payable by it under this Commitment Letter on the dates, at the places and in the amounts set forth herein;

j. Make arrangements satisfactory to Lender to satisfy Shire's obligations to make all payments that, if not paid, could result in statutory liens, trust and other Crown Claims, including, but not limited to the payment of employee source deductions, GST, HST, PST, EHT, Wage Earner Protection Plan Act ("WEPPA") and Workers' Compensation Premiums.

k. Forthwith notify Lender of the occurrence of any Event of Default or of any event or circumstance which may constitute a material adverse change to the Cash Flow Projections and such subsequent cash flow projections as to which Lender may agree;

l. Comply in all material respects with all applicable laws, rules and regulations applicable to its business, including environmental laws; and

m. Authorize and direct the Monitor to provide regular reports to Lender with respect to Shire's compliance with the foregoing affirmative covenants and the following negative covenants.

16. Negative Covenants

Shire covenants and agrees not to do the following:

a. Transfer, lease or otherwise dispose of all or any of its property, assets or undertakings except in compliance with the Initial Order as may be subsequently amended or extended;

b. Make any payment of principal or interest in respect of obligations owed by Shire to parties other than Lender as at the date of the Initial Order, except in accordance with the Initial Order, as amended and extended, and the Cash Flow Projections;

c. Create or permit to exist indebtedness for borrowed money secured by a charge upon any of its assets ranking or potentially ranking in priority to the DIP Priority Charge, without the prior approval of Lender;

d. Enter into any transaction with any affiliate (as that term is defined in the *Alberta Business Corporations Act*) or any of its senior officers or employees, except in the ordinary course of business and upon fair and reasonable terms comparable to arm's length transactions of a similar type;

e. Increase the compensation for any director, officer or employee of Shire or otherwise directly or indirectly provide additional compensation for any such person or his or her affiliates (as that term is defined in the *Alberta Business Corporations Act*) to a level materially higher than the level at which such persons were compensated prior to the date of filing;

f. Make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise where to do so would be inconsistent with the Cash Flow Projections and such subsequent cash flow projections as to which Lender may agree;

g. Make any payment outside of the ordinary course of business, subject always to the Cash Flow Projections and such subsequent cash flow projections as to which Lender may agree, and the maximum availability under the DIP Facility;

h. Make any payments on account of bonuses or retainers, other than reasonable retainers relating to Shire's legal counsel, Lender's counsel, the Monitor appointed pursuant to the Initial Order and the Monitor's counsel; or

i. Amalgamate, consolidate with or merge into or enter into any similar transaction with any other entity.

17. Indemnity and Release

Shire agrees to indemnify and hold harmless Lender and each of its directors, officers, employees, partners, agents, attorneys, advisors and affiliates (all of such persons and

TT

entities being referred to hereafter as "Indemnified Persons") from and against any and all actions, suits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or asserted against or involve any Indemnified Person as a result of or arising out of or in any way related to or resulting from any regulatory actions (including proceedings by the Alberta Securities Commission), any fraudulent or negligent actions of Shire (including those alleged in the investor actions), any bankruptcy or insolvency proceedings, the CCAA Proceedings or this Commitment Letter, and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal costs on a solicitor and his own client basis and other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim whether or not any Indemnified Person is a party to any action or proceeding out of which any such expenses arise; provided, however, Shire shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability to the extent it resulted from the gross negligence or willful misconduct of such Indemnified Person as finally determined by a court of competent jurisdiction.

The indemnities granted under this Commitment Letter shall survive any termination of the DIP Facility.

18. Events of Default

The occurrence of any one or more of the following events shall constitute an event of default ("Event of Default") under this Commitment Letter:

a. The entry of an order dismissing the CCAA Proceedings or lifting the stay in the CCAA Proceedings to permit the enforcement of any security against Shire or the appointment of a receiver, interim receiver or similar official or the making of a receiving order against Shire (other than the appointment of a Receiver as proposed in the draft Order attached hereto as Schedule "B");

b. The entry of an order granting any other claim super priority status or a lien equal or superior to the DIP Priority Charge, without Lender's prior consent;

c. The entry of an order staying, reversing, vacating or otherwise modifying the DIP Facility or the Initial Order or the entry of an order by the Court having the equivalent effect, without the prior written consent of Lender;

d. Failure of Shire to pay (A) interest or fees when due under the Commitment Letter, (B) principal when due under the DIP Facility, or (C) legal and advisor fees of Lender within five (5) business days of being invoiced therefor;

e. Failure of Shire to comply with any positive or negative covenants in this Commitment Letter; provided that where such failure is capable of being cured, such failure has continued for more than five (5) business days after written notice thereof from Lender to Shire;

TL.

f. Failure of Shire to operate within the Cash Flow Projections;

g. Failure of Shire to perform or comply with any term or covenant under this Commitment Letter (other than as set out in subparagraph (d) and (e) above) and such default shall continue unremedied for a period of five (5) days;

h. Shire ceases or threatens to cease to carry on business in the ordinary course, except where such cessation occurs in connection with a sale of all or substantially all of the assets of Shire consented to by Lender;

i. Lender determines in its sole discretion, that a material adverse change has occurred after the date hereof in respect of the business, affairs or financial condition of Shire;

j. Any representation or warranty by Shire is incorrect or misleading in any material respect when made and any information regarding the real property assets of Shire that has been provided to the Lender is determined by the Lender to be inaccurate in any material respect; and

k. The filing of any pleading by Shire seeking any of the matters set forth in paragraphs (a) through (c).

19. Remedies

Upon the occurrence of an Event of Default, Lender may:

i. declare the obligations in respect of the DIP Facility to be immediately due and payable,

ii. apply to a court for the appointment of an Interim Receiver or a Receiver and Manager of the undertaking, property and assets of Shire or for the appointment of a Trustee in Bankruptcy of Shire,

iii. exercise the powers and rights of a secured creditor under the *Personal Property Security Act* (Alta) or any legislation of similar effect applicable to the DIP Security, and

iv. exercise all such other rights and remedies under the DIP Facility and the CCAA court orders.

20. Governing Law

This Commitment Letter shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

71.

If these terms and conditions are acceptable, Shire must sign and return this Commitment Letter to Lender before 5 pm (MST) on October 7th, 2009 failing which this Commitment Letter is of no force and effect.

ECHO MERCHANT FUND II LIMITED PARTNERSHIP, by its general partner ECHO MERCHANT FUND LTD.

Per: ______________________

MYRON TETREAULT
DIRECTOR

The following parties hereby accept and agree to the terms and conditions of this Agreement as at the 7 day of October, 2009

SHIRE INTERNATIONAL REAL ESTATE INVESTMENTS LTD.

Per: ______________________

SHIRE CAPITAL LTD.

Per: ______________________

SHIRE ASSET MANAGEMENT LTD.

Per: ______________________

ORILLIA INVESTMENTS LTD.

Per: ______________________

CHEMAINUS PROPERTIES LTD.

Per: ______________________

FORT McMONEY PROPERTIES LTD.

Per: ______________________

FORT McMONEY PROPERTIES II LTD.

Per: ______________________

SKAHA LAKE DEVELOPMENT LTD.

Per: ______________________

BEARSPAW at 144TH AVENUE LTD.

Per: ______________________

BEARSPAW at 144TH BONDS LTD.

Per: ______________________

BEARSPAW at 144TH EQUITIES LTD.

Per: ______________________

HALAMA GARDENS LLC

Per: ______________________

HALAMA GARDENS LTD.

Per: ______________________

HAWAII FUND

Per: ______________________

SHIRE ASSET MANAGEMENT LTD.

Per: ______________________

MAPLES and WHITE SANDS INVESTMENT LTD.

Per: ______________________

TSEHUM HARBOUR LTD.

Per: ______________________

TSEHUM HARBOUR PLACE LTD.

Per: ______________________

TSEHUM HARBOUR PLACE HOLDINGS LTD.

Per: ______________________

TSEHUM HARBOUR BONDS LTD.

Per: ______________________

TSEHUM HARBOUR EQUITIES LTD.

Per: ______________________

BOSUN'S HOLDINGS LTD.

Per: ______________________

0726028 B.C. LTD.

Per: ______________________

0675816 B.C. LTD.

Per: ______________________

WINN RIVER RESORT LTD.

Per: ______________________

APPENDIX 2

ECHO MERCHANT FUND LTD.

November 6, 2009

Ernst & Young, in it's capacity as Receiver of the Shire Group (as herein defined)

We refer to the commitment letter dated as of October 7, 2009 (the "Commitment Letter") pursuant to which Echo Merchant Fund II Limited Partnership, by its general partner Echo Merchant Fund Ltd. as lender (the "Lender") agreed to provide to Shire International Real Estate Investments Ltd., Shire Capital Ltd., Shire Asset Management Ltd., Orillia Investments Ltd., Chemainus Properties Ltd., Fort McMoney Properties Ltd., Fort McMoney Properties II Ltd., Skaha Lake Development Ltd., Bearspaw at 144th Avenue Ltd., Bearspaw at 144th Bonds Ltd., Bearspaw at 144th Equities Ltd., Halama Gardens LLC, Halama Gardens Ltd., Hawaii Fund, Shire Asset Management Ltd., Maples and White Sands Investment Ltd., Tsehum Harbour Ltd., Tsehum Harbour Place Ltd., Tsehum Harbour Place Holdings Ltd., Tsehum Harbour Bonds Ltd., Bosun's Holdings Ltd., 0726028 B.C. Ltd., 0675816 B.C. Ltd. and Winn River Resort Ltd. (the "Shire Group") funding in order to assist with certain anticipated capital and operating expenditures of the Shire Group in the context of its proceedings under the Companies' Creditors Arrangement Act (the "CCAA Proceedings") and in accordance with the terms set out therein. The Commitment Letter was approved by, and forms part of, the order of the Court of Queen's Bench in the CCAA Proceedings made October 8, 2009.

Defined terms not otherwise set out herein have the meanings given in the Commitment Letter.

The Commitment Letter provides that the DIP Facility will not be available to Shire or may be cancelled by the Lender if certain events occur, and further, that certain additional conditions precedent must be met in order to permit the funding of the DIP Facility (collectively, the "Conditions Precedent"). The Commitment Letter does not provide the Lender with the ability to waive, in whole or in part, any of the Conditions Precedent.

The Commitment Letter shall be and is amended to provide that any Condition Precedent, in whole or in part, may be waived in writing by the Lender in its sole and absolute discretion. This amendment is subject to approval by the Court in the CCAA Proceedings.

All other terms and conditions of the Commitment Letter remain unamended, and in full force and effect.

Please acknowledge receipt of this Letter Amending Agreement and the terms thereof by signing where indicated below.

ECHO MERCHANT FUND II LIMITED PARTNERSHIP, by its general partner ECHO MERCHANT FUND LTD.

Per:

Lancaster Building, Suite 718, 304 – 8th Avenue SW Calgary, AB T2P 1C2 Tel: 403-261-4606 Fax: 403-294-1154

The following parties hereby accept and agree to the terms and conditions of this Letter Amending Agreement as at the 6th day of November, 2009

SHIRE INTERNATIONAL REAL ESTATE INVESTMENTS LTD., SHIRE CAPITAL LTD., SHIRE ASSET MANAGEMENT LTD., WINN RIVER RESORT LTD., FORT MCMONEY PROPERTIES LTD., FORT MCMONEY PROPERTIES II LTD., BEARSPAW AT 144TH AVENUE LTD., BEARSPAW AT 144TH EQUITIES LTD., BEARSPAW AT 144TH BONDS INC., HALAMA GARDENS LLC, HALAMA GARDENS LTD., MAPLES AND WHITE SANDS INVESTMENT LTD., CHEMAINUS PROPERTIES LTD., SKAHA LAKE DEVELOPMENTS LTD., TSEHUM HARBOUR BONDS LTD., TSEHUM HARBOUR LTD., ORILLIA INVESTMENTS LTD., 0726028 B.C. LTD., 0675816 B.C. LTD. AND BOSUN'S HOLDINGS LTD. by and through their court-appointed receiver and manager, Ernst & Young Inc., acting solely in its representative and not its personal capacity

Per:

Authorized Signing Officer

Action No. 0901-11866 A.D. 2009

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

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-35, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SHIRE INTERNATIONAL REAL ESTATE INVESTMENTS LTD., SHIRE CAPITAL LTD., HALAMA GARDENS LLC, SHIRE ASSET MANAGEMENT LTD., WINN RIVER RESORT LTD., FORT MCMONEY PROPERTIES II LTD., HALAMA GARDENS LTD, MAPLES AND WHITE SANDS 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., ORILLIA INVESTMENTS LTD., 0726028 B.C. LTD., 0675816 B.C. LTD. and BOSUN'S HOLDINGS LTD.

SIXTH REPORT OF THE MONITOR

McCARTHY TÉTRAULT LLP
Barristers & Solicitors
Suite 3300, 421 – 7th Avenue S.W.
Calgary, Alberta
T2P 4K9

Sean F. Collins
Phone: (403) 260-3531
Fax: (403) 260-3501
File No.: 125264-415942