COURT FILE NUMBER	**0901-11866**	**Clerk's Stamp:**
COURT	**COURT OF QUEEN'S BENCH OF ALBERTA**	
JUDICIAL CENTRE	**CALGARY**	

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,

R.S.C. 1985, c. C-36, AS AMENDED, THE JUDICATURE ACT, R.S.A. 2000, c. J-2, AS AMENDED AND THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SHIRE INTERNATIONAL REAL ESTATE INVESTMENTS LTD., SHIRE CAPITAL LTD., HALAMA GARDENS LLC, SHIRE ASSET MANAGEMENT LTD., WINN RIVER RESORT LTD., FORT MCMONEY PROPERTIES II LTD., HALAMA GARDENS LTD., MAPLES AND WHITE SANDS INVESTMENT LTD., FORT MCMONEY PROPERTIES LTD., CHEMAINUS PROPERTIES LTD., SKAHA LAKE DEVELOPMENT LTD., TSEHUM HARBOUR LTD., BEARSPAW AT 144TH AVENUE LTD., BEARSPAW AT 144TH EQUITIES LTD., BEARSPAW AT 144TH BONDS INC., TSEHUM HARBOUR EQUITIES LTD., TSEHUM HARBOUR BONDS LTD., ORILLIA INVESTMENTS LTD., 0726028 B.C. LTD., 0675916 B.C. LTD. and BOSUN'S HOLDINGS LTD.

APRIL15, 2011

DOCUMENT	**FIFTH REPORT OF ERNST & YOUNG INC. AS THE COURT-APPOINTED RECEIVER (THE "RECEIVER")**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

RECEIVER

Ernst & Young Inc.
1000, 440 – 2nd Avenue SW
Calgary, Alberta T2P 5E9
Attn: Deryck Helkaa
Telephone: (403) 206-5381
Email: deryck.helkaa@ca.ey.com

RECEIVER'S COUNSEL

McCarthy Tetrault LLP
3300, 421- 7th Avenue S.W.
Calgary, AB, Canada T2P 4K9
Attn: Walker MacLeod
Telephone: (403) 260-3710
Email: wmacleod@mccarthy.ca

INTRODUCTION

1. On January 11, 2010, this Honourable Court issued an Order which was ultimately entered on March 2, 2010 (the "March 2, 2010 Order") which ordered and declared the following:

   a. Ernst & Young Inc. be appointed as receiver, without security, of all the Debtors' current and future interest in the Lands (as defined in the March 2, 2010 Order);

   b. The Receiver shall not enter into possession, management or control of the Lands;

   c. Romspen Investment Corporation ("Romspen") has the exclusive conduct of the sale of the following lands (the "Specified Lands") until further order of the Court or until the Specified Lands or a sufficient portion thereof are sold as to the retire the DIP financing and the costs of selling the Specified Lands:

      i. Chemainus (as legally defined in the March 2, 2010 Order) – property located at 9933 Esplanade Street located in the town of Chemainus on Vancouver Island, British Columbia (herein referred to as "Chemainus");

      ii. Fort McMoney II (as legally defined in the March 2, 2010 Order) – parcels of property having the civic addresses of 10109, 10111, 10113, 10115, 10117 and 10119 Manning Avenue in Fort McMoney, Alberta (herein referred to as "Fort McMoney II");

      iii. Skaha Lake (as legally defined in the March 2, 2010 Order) – a parcel of land located along the shore of Skaha Lake, in the community of Okanagan Falls, British Columbia (herein referred to as "Skaha Lake"); and

      iv. OK Falls (as legally defined in the March 2, 2010 Order) – a recreational vehicle park located in Okanagan Falls, British Columbia (herein referred to as "OK Falls").

d. The Lands not relating to the Specified Lands (the "Other Lands") were to be sold in accordance with the realization proceedings taken by the respective secured creditors entitled to take realization proceedings against these land. The Other Lands include:

v. The Bearspaw property with the legal description as per Appendix 2 of the Monitor's Third Report of 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 mine and minerals) – a parcel of land within the Bearspaw area, recently annexed into the City of Calgary, Alberta ("Bearspaw")

i. The Orillia property with the legal description as per Appendix 2 of the Monitor's Third Report of PIN's 58684-205, Lt's 62-67 N/S Creighton St, 1-4 S/S Victoria St. PL Orillia, except 51Rd20 and 51R18), which are parcels of land located in Orillia, Ontario ("Orillia");

ii. Maples and White Sands with the legal description as per Appendix 2 of the Monitor's Third Report of PID 008-545-944 and 003-654-770) which parcel of land also contains the operations of the Sorrento Inn, located in Sorrento, British Columbia ("MWS");

iii. The Winn River Resort with the legal description of PIN's 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 ("Winn River") and is located in the Lake of the Woods district near Kenora, Ontario; and

iv. Approximately 102 acres located in the east end of Draper Road, in the regional municipality of Wood Buffalo, Alberta, Canada, located south east of the Fort McMurray Urban Services Area (referred to as the "Fort McMoney I Property")

v. Other miscellaneous properties of the Shire Group.

e. The Receiver shall hold and deposit all funds, monies, cheques, instruments and other forms of payment received or collected by the Receiver from the sale, lease or other use of the Lands, until further order of this Court.

2. Further, on June 30, 2010, as a result of certain operational activities with respect to MWS and OK Falls, Romspen sought and obtained an Order from this Honourable Court appointing Ernst & Young Inc. as Receiver and Manager of Shire Capital Ltd. ("Shire Capital") and 0726028 B.C. Ltd. On June 30, 2010 0726028 B.C. Ltd's operations included an operating motel in Sorrento British Columbia known as the Sorrento Inn (the "Sorrento Inn").

3. The Receiver refers to the Fourth Report for further background with respect to the various previous applications relating to the Debtors.

4. Capitalized terms not defined in this Fifth Report are as defined in the March 2, 2010 Order or the previous reports of the Monitor and/or Receiver. All references to dollars in this Fifth Report are in Canadian currency unless otherwise noted.

PURPOSE OF THIS REPORT

5. The purpose of this fifth report of the Receiver (the "Fifth Report") is to provide this Honourable Court with:

a. an update of the Receiver's activities with respect the Closing of OK Falls sale and the ongoing operating activities of the Sorrento Inn (the "Sorrento Inn");

b. an update with respect to an offer to purchase the Sorrento Inn and Rompsen's application to this Honourable Court for approval of the sale; and

c. The Receiver's recommendation to be discharged as Receiver with respect to the operations of Sorrento Inn upon the closing of the proposed sale.

6. The Receiver intends to issue a further report to this Court in due course to provide an overview of the various sale efforts undertaken with respect to Lands and Other Lands.

RECEIVER'S ACTIVITES

Offer to Purchase the Sorrento Inn

7. The Receiver has reviewed the sales process undertaken with respect to the Sorrento Inn and adjacent Lot 6 Corriano Road (collectively the Sorrento Property") and has summarized the major aspects of the process below.

Marketing Activity and Potential Purchasers

8. Based on information provided by the real estate agent, the Receiver understands that the marketing program for this property was commenced September 27, 2010 and has included local advertising, web based advertising targeting commercial real estate agents. Ms. Rebagliati, the real estate agent engaged to market and sell the Sorrento Property, provided the Receiver with a detailed listing record sheet outlining various interested parties who requested additional information together with parties contacted by Ms. Rebagliati. The listing included approximately 40 parties who demonstrated an interest in the property by either performing a site visit or requesting additional information about the Sorrento Property.

9. The Receiver understands that the Sorrento Property was originally listed for a combined list price of $1,266,000 in September 2010. On October 28, 2010 an offer was received for the Sorrento Property with a purchase price of $450,000. This offer was determined to be unacceptable and a counter offer was made for $950,000. The potential purchaser was not willing to increase the purchase price and as such the negotiations terminated. On November 25, 2010 a second offer was received with a purchase price of $650,000 for the Sorrento Property. This offer was again determined to be unacceptable and a counter offer was made for $950,000. The potential purchaser was not willing to increase the purchase price and as such the negotiations terminated.

10. Due to the significant gap between the listing price and the offers received the listing price was reduced to $950,000 on December 3, 2010.

Offers to Purchase

11. After the marketing activities noted above, on January 28, 2011, an offer to purchase the Sorrento Property was received for $750,000 plus the buyer must pay the outstanding property taxes totalling $27,474 for total proceeds of $777,474. The offer was accepted and the purchaser removed the conditions on March 9, 2011 and the offer is now only subject to Court Approval.

Receiver's Comments with Respect to the Offer to Purchase the Sorrento Inn

12. The Receiver recommends the offer to purchase Sorrento Inn be approved as the sales process undertaken has adequately exposed the Sorrento Inn property to the marketplace, the Sorrento Inn has been listed for approximately 8 months and the purchase price contemplated is significantly higher than previous offers received.

13. The purchaser has paid total deposits of $37,500 relating to sale of the Sorrento Property. The Receiver understands that the offer is subject to Court Approval and is to close within 60 days of Court Approval.

Sorrento Inn – Operating Activities

14. As discussed above, the Receiver was appointed receiver over the operations of Sorrento Inn on June 30, 2010 pursuant to an Order from this Honourable Court. As discussed in the Receiver's Second Report, Sorrento Inn is a 24 unit motel located in Sorrento, British Columbia along the Trans Canada highway. The Sorrento Inn also includes an attached pub known as the Billabong Pub ("Billabong Pub") and a mini golf and ice cream stand known as Putts Parlour ("Putts Parlour"), both leased to third party tenants.

15. As noted in the Receiver's Second Report dated September 9, 2010, the Receiver attended the Sorrento Inn located in Sorrento, British Columbia on July 7th, 2010. The Receiver met with the site manager, toured the premises, and set up reporting and operating procedures with respect to the ongoing operations. At the time the Sorrento Inn employed 5 part-time staff in addition to the motel manager. In October 2010 staffing was reduced to two part time staff due to decreased operating activity in the winter months.

16. The Receiver advises that the Sorrento Inn employees will have to be given notice of termination upon approval of the sale; however, the new purchaser has advised that they may employee the former employees on a part time basis going forward.

17. The table below summarizes the Receiver's receipts and disbursements since its appointment to April 14, 2011.

Sorrento Inn - Final Statement of Receipts and Disbursements	**June 30, 2010 to April 14, 2011**
Receipts	
Misc refund - Skaha Development	20,815
Revenue collected	57,663
HST Collected	6,920
Remaining OK Falls funds and Other receipts	27,044
Total Receipts	**112,442**
Disbursements	
Wages	51,222
Source Deductions	13,069
Bank Charges	2,802
Insurance	23,362
Utilities/Telephone	27,230
PST/GST/HST/Hotel Tax	5,888
Repairs & Maintenance	6,910
Waste Disposal	2,132
Fees to Official Reciever	140
Security	
Office/Motel Supplies	1,897
Capital Expenditures	300
Worker's Compensation	262
Total Disbursements	**135,213**
Cash Opening	34,525
Change in Cash	(22,772)
Cash Ending	**11,753**

18. The Receiver provides the following comments with respect to the above noted statement of receipts and disbursements:

a. Cash on hand relates to opening cash on hand at June 30, 2010;

b. Revenue relates to funds received over the course of the receivership;

c. Miscellaneous refunds relate to the return of a development permit security deposit previously paid by the Shire Group to the Regional District of Okanagan Similameen for the Skaha lake development.

d. Other receipts include $26,298 of remaining funds from the OK Falls receivership which were used to fund the ongoing operations of the Sorrento Inn;

e. Rent collected relates to the rent received from the Billabong Pub and Putts Parlour ; and

f. Disbursements relate primarily to the operating costs associated with operating the Sorrento Inn from June 30, 2010 to April 14, 2011 in addition to some miscellaneous costs related other Shire Group properties including insurance costs incurred prior to the granting of the March 2, 2010 Order.

19. The Receiver has had significant issues with collecting rent owed by the current tenants of the Billabong Pub. The last rental payment paid by the Billabong Pub tenants was in March 2010. The monthly rent was approximately $4,100 and remains unpaid since this date. The Receiver estimates, that there is potentially $53,300 outstanding in unpaid rent for the Billabong Pub. The Receiver has made repeated attempts to collect the outstanding rent. The Receiver understands that the current Billabong Pub tenants claim the Shire Group had a verbal agreement with them to share proceeds of the Sorrento Inn's income in exchange for the Billabong Pub tenants providing management duties to the Sorrento Inn, and on the basis of such alleged agreement claim no amounts are owed for rent.

20. The Receiver does not have any evidence of this agreement. After consultation with Rompsen, the Receiver elected not to commence legal action against the Billabong Pub tenants to collect potentially outstanding rent in order to avoid any disruption to the

Sorrento Inn sales process. The Receiver will continue its efforts to advance and/or settle the possible claim of the shire Group as against the Billabong Pub tenants prior to the discharge of the Receiver.

Estimated Cash Flow to Closing of the Sorrento Inn

21. The table below summarizes the expected operating revenues and expenses, Receiver fees and Receiver’s counsel fees to complete the receivership up until closing.

Funds on hand April 14, 2011	11,753
Expected Revenues for March/April	5,000
Operating Costs	(32,000)
Receiver's Fees	(44,417)
Receiver's Counsel	(5,280)
Contingency	(10,000)
Funding required on or prior to closing	**(74,944)**

22. The Sorrento Inn sales agreement contemplates closing upon 60 days after Court Approval. The Receiver notes that the operating costs of the Sorrento Inn are expected to be approximately $16,000 per month and as such estimates that total operating costs to closing will be approximately $32,000. The Sorrento Inn in currently in its ‘shoulder season’ with lower than usual monthly revenues.

23. The Receiver will continue to operate the Sorrento Inn until closing of the agreement substantially described herein. The Receiver notes that borrowings may be required prior to closing to cover the operating costs depending on the timing of receipts and disbursements, the timing of closing and various uncertainties with the projected revenues and operating costs. Accordingly, the Receiver has included a contingency in its cash flow. Upon the closing of the agreement the receivership excess funds will be returned to Romspen by the Receiver and applied towards the DIP Facility.

APPROVAL OF RECEIVER'S FEES

24. The Receiver's total fees from June 30, 2010 to April 1, 2011 are $40,417.10 (inclusive of applicable taxes). The Receiver estimates fees to complete of this engagement will not exceed $4,000 (inclusive of applicable taxes). The Receiver's counsel fees as of April 10, 2011 are $3,780 (inclusive of applicable taxes). The Receiver's counsel estimates fees of $1,500 (inclusive of applicable taxes) to complete the Receivership.

25. The Receiver respectfully requests that this Honourable Court approve the Receiver and the Receiver's counsel fees and disbursements along with the estimate of fees to complete the receivership of the operations of Sorrento Inn.

DISCHARGE OF THE RECEIVER

26. Assuming approval of the sale of the Sorrento Inn, the Receiver's administration of the estate with respect to the operations of the Sorrento Inn would be essentially complete. The Receiver may have some miscellaneous administrative items to attend to post-discharge, but these items are immaterial and in the Receiver's opinion should not prevent this Honourable Court from granting an unconditional discharge upon closing.

27. The Receiver respectfully requests that this Honourable Court approve an Order absolutely and forever, unconditionally discharging the Receiver from any and all obligations with respect to the operations of the Sorrento Inn upon closing.

RECEIVER'S RECOMMENDATIONS

28. The Receiver recommends that this Honourable Court approve the following:

    a. the sale of the Sorrento Inn;

    b. the Receiver's Final Statement of Receipts and Disbursements and estimated costs to complete the receivership, as outlined above;

    c. the Receiver's and its counsel's fees and disbursements; and

    d. the discharge of the Receiver with respect to the operations of the Sorrento Inn upon closing.

All of which is respectfully submitted this 15th day of April, 2011.

ERNST & YOUNG INC.

in its capacity as Receiver
of Shire International Real Estate Investments Ltd. et. al

Deryck Helkaa, CA·CIRP
Senior Vice-President