

Action No.:

Affidavit of Michael Wheatley
Sworn this 26th day of February, 2010

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

BETWEEN:

FIRST CALGARY SAVINGS & CREDIT UNION LTD.

Plaintiff

-and -

**PERERA SHAWNEE LTD., PERERA DEVELOPMENT CORPORATION,
DON L. PERERA AND SHIRANIE M. PERERA**

Defendants

AFFIDAVIT OF MICHAEL WHEATLEY

I, Michael Wheatley, of the City of Calgary, in the Province of Alberta, Banker,
MAKE OATH AND SAY AS FOLLOWS:

Background

1. I am the Assistant Vice President in the Commercial Credit Department at First Calgary Savings & Credit Union Ltd. ("First Calgary") and am presently involved in the administration of the accounts of Perera Shawnee Ltd. at First Calgary. As such, I have personal knowledge of the matters and facts hereinafter deposed to, except where stated to be based on information and belief and, where so stated, I verily believe the same to be true.
2. Perera Shawnee Ltd. ("PSL") is a corporation incorporated pursuant to the laws of the Province of Alberta and is engaged in the business of construction of a residential condominium project in the City of Calgary, Alberta (the "Project"). The Project consists of three phases ("Phase I", "Phase II" and "Phase III") and is known as the "Highbury".

3. Perera Development Corporation (“PDC”) is a corporation incorporated pursuant to the laws of the Province of Alberta.
4. Don L. Perera (“D. Perera”) is the sole director of PSL and PDC. He is the 100% shareholder of PSL and a 30% shareholder of PDC.
5. Shiranie M. Perera (“S. Perera”) is a 30% shareholder of PDC.

July 2007 Loans and Security

6. Pursuant to a commitment letter dated July 9, 2007 (the “July 2007 Commitment Letter”), a copy of which is attached hereto and marked as **Exhibit “A”**, First Calgary agreed to provide PSL with a \$24,339,255 construction loan. It was a term of the construction loan that funding was provided solely in respect of Phase I construction of the Project, which was comprised of 70 units. Funding was not provided for Phases II and III of the project. In addition to the construction loan, First Calgary provided PSL with a demand land loan in the amount of \$4,250,000 to provide equity for Phase I of the Project by refinancing the residual Phase II and Phase III lands. First Calgary also provided PSL with letters of credit for up to \$750,000, copies of which are attached collectively hereto and marked as **Exhibit “B”**, which approved limit was subsequently reduced to \$346,200. The construction loan, the demand loan and the letters of credit are collectively referred to as the “July 2007 Loan”. Pursuant to the terms of the July 2007 Commitment Letter, the July 2007 Loan was to be repaid to First Calgary on demand.
7. As security for the July 2007 Loan, PSL executed the following documents in favour of First Calgary, which include security granted by PSL to First Calgary pursuant to section 427 of *Bank Act*:
 - (a) General Security Agreement and charge of land dated August 15, 2007 granted by PSL to First Calgary, a copy of which is attached hereto and marked as **Exhibit “C”**;
 - (b) Mortgage in the amount of \$65,000,000 dated August 15, 2007 granted by PSL to First Calgary, a copy of which is attached hereto and marked as **Exhibit “D”**;

- (c) Promissory Note in the amount of \$24,339,255 dated August 15, 2007, a copy of which is attached hereto and marked as **Exhibit "E"**;
 - (d) Promissory Note in the amount of \$4,250,000 dated August 15, 2007, a copy of which is attached hereto and marked as **Exhibit "F"**;
 - (e) Promissory Note in the amount of \$75,000 dated August 27, 2007, a copy of which is attached hereto and marked as **Exhibit "G"**;
 - (f) Promissory Note in the amount \$271,200 dated September 4, 2007, a copy of which is attached hereto and marked as **Exhibit "H"**;
 - (g) Assignment of Rent and Leases dated August 15, 2007, granted by PSL to First Calgary, a copy of which is attached hereto and marked as **Exhibit "I"**;
 - (h) Account Set Off Agreement dated August 15, 2007 between PSL and First Calgary, a copy of which is attached hereto and marked as **Exhibit "J"**; and
 - (i) Indemnity Agreement dated August 8, 2007 between PSL, PDC, D. Perera, S. Perera and First Calgary, a copy of which is attached hereto and marked as **Exhibit "K"** (the "Indemnity Agreement");

(collectively, the "July 2007 Security")
8. Pursuant to a Guarantee and Postponement dated August 16, 2007, a copy of which is attached hereto and marked as **Exhibit "L"**, PDC guaranteed payment to First Calgary of all present and future debts and liabilities owing to First Calgary from or by PSL whether incurred by PSL alone or jointly with another corporation or person(s) (the "Indebtedness") to the limited sum of \$25,000,000 (the "PDC Guarantee Liability").
9. As security for the repayment of the PDC Guarantee Liability, PDC granted First Calgary, *inter alia*, the following security:

- (a) General Security Agreement and Charge on Land dated August 15, 2007 granted by PDC to First Calgary, a copy of which is attached hereto and marked as **Exhibit “M”**; and
 - (b) the Indemnity Agreement.
10. Pursuant to Guarantees and Postponements dated August 15, 2007 and August 16, 2007, copies of which are collectively attached hereto and marked as **Exhibit “N”**, D. Perera guaranteed the repayment of the Indebtedness to the limited sum of \$5,000,000 (the “D. Perera 2007 Guarantee Liability”);
11. As security for the repayment of the D. Perera 2007 Guarantee Liability, D. Perera granted First Calgary, *inter alia*, the following security:
- (a) Mortgage dated August 9, 2007 granted by D. Perera and S. Perera to First Calgary (the “Personal Mortgage”), a copy of which is attached hereto and marked as **Exhibit “O”**; and
 - (b) the Indemnity Agreement.
12. Pursuant to a Guarantee and Postponement dated August 16, 2007, attached above as Exhibit N, S. Perera guaranteed the repayment of the July 2007 Loan to the limited sum of \$3,000,000 (the “S. Perera Guarantee Liability”).
13. As security for the repayment of the S. Perera Guarantee Liability, S. Perera granted First Calgary, *inter alia*, the following security:
- (a) the Personal Mortgage; and
 - (b) the Indemnity Agreement.

Project Complications

14. In February of 2008, a wall collapsed at the Project site and a worker was killed (the “Accident”). PSL, through D. Perera, advised First Calgary that the budgeted costs for Phase I of the Project would not be affected by the Accident, but that the costs of

Phases II and III of the Project would be increased by approximately \$500,000 as a result of the Accident.

15. In March of 2009, and contrary to its previous advice, D. Perera advised First Calgary that \$1,800,000 had been expended on reconstructing the damage caused from the Accident, and that these costs had not been included in their original projections.

16. Approximately \$1,500,000 of these amounts were due immediately and neither PSL nor D. Perera had the resources to pay these accounts. As a result, First Calgary agreed to release a \$1,500,000 deposit being held as security in order to allow PSL to pay its creditors.

The June 2009 Loan and Security

17. In May of 2009, D. Perera advised First Calgary that PSL had expended approximately \$5,200,000 on the construction of a parking and entrance podium (the "Podium") which was integral to the development of all Phases of the Project. PSL had not disclosed these additional costs related to Phases II and III of the Project prior to the approval of the July 2007 Commitment Letter. First Calgary had been advised that these costs were included in budgets for Phases II and III of the Project, for which First Calgary had not provided any funding whatsoever.

18. D. Perera further advised First Calgary that costs for the construction of the Podium would be \$9,840,000, that PSL did not have the resources to pay for this construction, but that the Podium had to be completed as part of the completion of Phase I construction. As a result, First Calgary approved an additional construction loan in the amount of \$4,540,000 to PSL pursuant to a commitment letter dated June 12, 2009 (the "June 2009 Commitment Letter"), a copy of which is attached hereto and marked as **Exhibit "P"**. The principal amount advanced to PSL pursuant to the June 2009 Commitment Letter was \$4,145,695, which amount was to be repaid to First Calgary on demand (the "June 2009 Loan").

19. As security for the June 2009 Loan, PSL executed a Promissory Note in the amount of \$4,540,000 dated June 18, 2009 (the "June 2009 Security"), a copy of which is attached hereto and marked as **Exhibit "Q"**.

20. Pursuant to a Guarantee and Postponement dated July 2, 2009, a copy of which is attached hereto and marked as **Exhibit "R"**, D. Perera guaranteed the repayment of the June 2009 Loan to the limited sum of \$4,540,000 (the "D. Perera 2009 Guarantee Liability"). The D. Perera 2007 Guarantee Liability and the D. Perera 2009 Guarantee Liability shall be collectively referred to as the "D. Perera Guarantee Liability".

Cost Overruns

21. In November of 2009, D. Perera advised First Calgary that PSL had incurred significant cost overruns which included an outstanding amount of \$582,000 owed to the City of Calgary for a Municipal Reserve Allowance that had not been budgeted for and was required in order to obtain the necessary occupancy permits. PSL did not have the resources to pay for these cost overruns. As a result, D. Perera and S. Perera made arrangements with ATB Financial to refinance the first mortgage on their personal residence by up to \$2,800,000, and First Calgary agreed to postpone the Personal Mortgage accordingly. Net proceeds of the refinanced mortgage in the amount of approximately \$1,000,000 were injected into the Project to cover the cost overruns.

The December 2009 Loans and Security

22. One month later, in December of 2009, D. Perera advised First Calgary that PSL had further unreported cost overruns in the amount of \$2,807,571.89. D. Perera advised that PSL had arranged to pay these outstanding accounts payable in three instalments of approximately \$1,000,000 each, to be paid over the next three months commencing in December of 2009. However, PSL did not have the resources to meet these arrangements and required additional financing from First Calgary.

23. As a result, First Calgary approved a new loan to PSL in the amount of \$2,800,000 (the "December 2009 Loan") pursuant to a commitment letter dated December 21, 2009 (the "December 2009 Commitment Letter"), a copy of which is

attached hereto and marked as **Exhibit "S"**, which amount was due on demand. The July 2007 Loan, June 2009 Loan, and December 2009 Loan shall be collectively referred to as the "Loan".

24. As security for the December 2009 Loan, PSL executed a Promissory Note in the amount of \$2,800,000 dated December 22, 2009, a copy of which is attached hereto and marked as **Exhibit "T"**, and a Specific Security Agreement in respect of the proceeds from sales of the Project units, dated December 15, 2009, a copy of which is attached hereto and marked as **Exhibit "U"** (the "December 2009 Security"). The July 2007 Security, June 2009 Security, and December 2009 Security shall be collectively referred to as the "PSL Security".

25. In view of the deteriorating financial position of PSL, PDC, D. Perera and S. Perera, the December 2009 Loan was approved subject to the following conditions:

- (a) First Calgary would issue formal demands for repayment of all advances made under the Loans;
- (b) PSL, PDC, D. Perera and S. Perera would, as per a letter agreement from First Calgary's counsel dated December 21, 2009, and executed by PSL, PDC, and D. Perera on December 22, 2009, a copy of which is attached hereto and marked as **Exhibit "V"** (the "Agreement of Intent"), execute a Forbearance Agreement which would include, *inter alia*, the following:
 - (i) PSL would consent to the appointment of Deloitte & Touche Inc. ("Deloitte") acting as a monitor to review any and all aspects of the Project at PSL's cost;
 - (ii) D. Perera and S. Perera would execute statutory declarations respecting their net worth;
 - (iii) PDC, D. Perera and S. Perera would execute consent judgment for the amounts of the PDC Guarantee Liability, the D. Perera Guarantee Liability and the S. Perera Guarantee Liability, respectively; and

- (iv) PSL would execute a consent order for the appointment of a Receiver.

Defaults

26. By December of 2009, PSL had defaulted under the Loan and the PSL Security, which defaults included, *inter alia*:

- (i) failing to observe or perform its obligations under the PSL Security;
- (ii) furnishing certificates, statements, representations, warranties, and audits to First Calgary in connection with the PSL Security that contained errors or omissions which, in the opinion of First Calgary, were materially false;
- (iii) experiencing a material adverse change in PSL's financial condition;
- (iv) First Calgary considers that it is unsecure, considers that the prospect of repayment of the Indebtedness is or is about to be impaired, and considers that its collateral is or is about to be placed in jeopardy.

27. By January 2010, PSL had also defaulted by non payment when due and amounts owed pursuant to the PSL Security. Event listed in paragraphs 26 and 27 are collectively referred to as the "Defaults".

28. First Calgary issued demands dated January 21, 2010 (collectively the "Demands") to:

- (i) PSL for the repayment of all Indebtedness, which totalled principal and interest to January 4, 2010 equalling \$30,827,071, plus all costs in recovering such sum, including legal costs on a solicitor and own client basis. First Calgary also issued to PSL a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1095, c. B-3. A copy of this correspondence is attached hereto and marked as **Exhibit "W"**.

- (ii) PDC for the repayment of the PDC Guarantee Liability, which totalled \$25,000,000 as of January 21, 2010, plus all interest accruing from January 21, 2010, plus all costs in recovering such sum, including legal costs on a solicitor and own client basis. First Calgary also issued to PDC a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1095, c. B-3. A copy of this correspondence is attached hereto and marked as **Exhibit "X"**.
- (iii) D. Perera for the repayment of the D. Perera Guarantee Liability, which totalled \$9,540,000 as of January 21, 2010, plus all interest accruing from January 21, 2010, plus all costs in recovering such sum, including legal costs on a solicitor and own client basis. A copy of this correspondence is attached hereto and marked as **Exhibit "Y"**.
- (iv) S. Perera for the repayment of the S. Perera Guarantee Liability, which totalled \$3,000,000 as of January 21, 2010, plus all interest accruing from January 21, 2010, plus all costs in recovering such sum, including legal costs on a solicitor and own client basis. A copy of this correspondence is attached hereto and marked as **Exhibit "Z"**.
- (v) As of the filing of this claim, the outstanding amounts due under the July 2007 Loan, the June 2009 Loan and the December 2009 Loan (collectively, the "Loans"), which will be proven at trial, is estimated in the amount of \$25,554,275.71.

29. PSL, PDC and D. Perera subsequently executed an agreement and consent with Deloitte, dated January 18, 2010, which provides that Deloitte may act as a "review monitor" to review any and all aspects of the Project (the "Review Monitoring Agreement"), a copy of which is attached hereto and marked as **Exhibit "AA"**.

30. PSL, PDC, D. Perera and S. Perera have refused to execute the Forbearance Agreement, which was provided to them on or about January 21, 2010, or the related

statutory declarations, consent judgements, or consent order for a Receiver, as agreed to in the Agreement of Intent.

Current Status of the Debtor Companies

31. As of February 24, 2010, some sales of condominium units have closed and the Indebtedness has been reduced to \$25,233,267, broken down as follows:

Loan #	Principal Balance	Accrued Interest	Per Diem
800 (Phase I Construction)	\$15,828,542.96	\$223,107.83	\$2,059.88
801 (Land loan)	4,250,000.00	47,012.42	553.09
802 (Demand Loan)	991,488.99	10,640.20	196.94
504 (Podium Construction)	4,145,695.00	50,214.32	596.30
505 (Realization)	7,550.00	23.99	1.50
Totals	\$25,223,276.95	\$330,998.76	\$3,407.71

Interest and costs continue to accrue on these amounts.

32. On of February 25, 2010, a further \$306,892.49 in proceeds was received by First Calgary from PSL.

33. I have been advised by Victor Kroeger of Deloitte that PSL has failed to provide it with all the information it has requested and, as a result, Deloitte has been unable to finalize a report to First Calgary. However, from the limited information Deloitte has received from PSL, Deloitte understands that cost to complete Phase I of the Project and the Podium may be \$1,238,232.

34. D. Perera or his agents have also advised First Calgary that the \$2,800,000 in outstanding payables identified in December 2009 related only to Phase I of the Project, and that as of January 31, 2010, the total outstanding payables not including the amounts advanced under the December 2009 Loan are \$5,557,896.31, of which \$3,363,620.57 relate to Phase I and \$2,194,275.74 relate to Phases II and III of the Project. PSL has advised First Calgary that it does not have the resources to meet these outstanding payables.

35. As of February 1, 2010, PSL owed \$250,104.05 in interest payments on the Loans with further interest payments due March 1, 2010. PSL has advised First Calgary that it does not have the resources to make required monthly interest payments.
36. On February 24, 2010, First Calgary paid an Enmax bill on behalf of PSL in the amount of \$10,664.26, to prevent utilities from being disconnected. A receipt for payment of this account is attached hereto and marked as **Exhibit "BB"**.
37. D. Perera has advised that on closing of sales of condominium units to date, PSL has received approximately \$400,000 for G.S.T. withholdings. While we understand that payment of G.S.T. to Canada Revenue Agency is not yet due, PSL has advised us that it has utilized these funds to continue to operate. I believe that PSL will not have the resources to pay the G.S.T. withholdings when due.
38. At the time of approval of the July 2007 Commitment Letter, D. Perera advised First Calgary that 57 of the total 70 units in Phase 1 had been pre-sold for \$22,897,000. Subsequently, 2 additional units were pre-sold. As of the date of this affidavit, 21 unit sales have closed. The Company's listing of pre-sold units dated February 10, 2010, indicates that 36 of the 38 pre-sold units should close. The 36 pre-sold unit sales are related to unit numbers 104, 201, 202, 203, 204, 205, 207, 302, 303, 306, 307, 402, 403, 405, 407, 408, 501, 503, 504, 505, 506, 508, 601, 602, 603, 701, 702, 703, 704, 705, 801, 803, 14607, 14613, 14619, 14621 (the "Pending Sales").
39. Further, PSL has committed to providing 14 purchasers with vendor take-back financing of 10% of the purchase price for a two year term, with no interest the first year and an interest rate of 5% the second year (the "Vendor Take Back Mortgages"), in order to close on these 14 units.
40. On February 4, 2010, River Rock Lodge Corp. was granted default judgment against PSL in the amount of \$439,003, in Action No. 0901-01132.
41. Attached hereto and marked collectively as **Exhibit "CC"** are Alberta Personal Property Registry searches respecting PSL, PDC, D. Perera, and S. Perera.

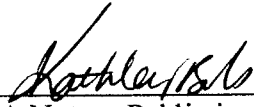
42. Based on the foregoing, I believe that PSL does not have the resources to complete Phases I, II or III of the Project, to provide the Vendor Take Back Mortgages, to make the required monthly interest payments on the Loans, to pay utilities and other accounts or to make its GST withholding payments. Additionally, I do not believe PDC has the resources to pay the default judgment amounts owed to River Rock Lodge Corp.

43. Having regard to current market conditions and in particular the downturn in the real estate sector, there are significant uncertainties as to the value of the assets of PSL, and in light of the foregoing, there is a serious risk that First Calgary will suffer significant losses if a capable party is not appointed to take control of, preserve and manage the Project, including to complete and or sell such portions of it as may be appropriate.

44. Deloitte has consented to be appointed as receiver and manager of assets, undertakings and properties of PSL and I believe Deloitte is qualified to act in such capacity.

45. I make this Affidavit in support of an application by First Calgary for a receivership order to be made in respect of the assets, undertakings and properties of PSL and PDC acquired for, or used in relation to PSL's business, including all proceeds therefore.

SWORN BEFORE ME at the City of)
Calgary, in the Province of Alberta,)
this 26th day of February, 2010)


_____)
A Notary Public in and for the Province)
of Alberta)

KATHLEEN BURKE
BARRISTER & SOLICITOR


_____)
MICHAEL WHEATLEY



THIS IS EXHIBIT - A -
 referred to in the affidavit of
Michael Wheat
 sworn before me this 26
 day of Feb A.D. 2007
[Signature]
 A Commissioner for Oaths in and for
 the Province of Alberta

Writer's Direct Line: (403) 503-4182
 E-Mail: tcammell@1stcalgary.com
 KATHLEEN BURK
 BARRISTER & SOLICITOR

July 9, 2007

Mr. Don Perera
 Perera Development Group
 425 - 78 Ave. SW
 Calgary, Alberta
 T2V 5K5

Attention: Don Perera

Dear Don:

RE: COMMITMENT LETTER

First Calgary Savings & Credit Union Ltd. ("First Calgary") is pleased to advise that the following Mortgage loan has been approved on the terms and conditions set forth below. If you agree with these terms and conditions please sign the duplicate copy of this letter in the space provided below and return same to the writer's attention.

Borrower: Perera Shawnee Ltd

Guarantors: Perera Development Corporation
 Don Perera
 Shiranie M. Perera

Credit Facilities:

1. Construction Loan
2. Land Loan
3. Letters of Credit

Amount:

1. The lesser of 24,339,255, or 75% of construction and land costs, or 75% of "as complete" appraised value of the property.

(Note: For land costs for Phase I, First Calgary will apply \$3,500,000 as noted on Page 34 of the April 2007 appraisal prepared by Colliers International Realty Advisors.)

2. \$4,250,000
3. \$750,000

Purpose:

1. Assist in the development of 70 unit residential Condominium 14619 Shawnee Gate SE, Calgary

	<u>Programme</u>		<u>Financing</u>
Land	\$3,500,000	Equity - Land	\$ 3,500,000
Construction Costs:		- Cash	\$ 4,613,085
Hard	\$23,080,000	Sub-total (Equity)	\$8,113,085
Soft	<u>\$ 5,872,340</u>	First Calgary Loan	<u>\$24,339,255</u>
TOTAL	\$32,452,340	TOTAL	\$32,452,340

2. Working capital injection.
3. Letter of Credit for City of Calgary relative to construction of Condominium Units

Rate of Interest:

1. First Calgary floating Prime lending rate plus 1.00% payable on the first of each month. First Calgary's Prime lending rate means the annual rate of interest announced from time to time by First Calgary.
2. First Calgary floating Prime lending rate plus 1.00% payable on the first of each month.
3. Should the Letter of Credit be drawn upon, the rate of interest will be as per Credit Facility #1 above.

Non-refundable Application Fee:

\$220,000 of which \$25,000 has been paid and the balance (\$195,000) is payable upon acceptance of this Proposal Letter.

Administration Fee:

\$50 per condominium unit released, payable at time of discharge.

Prepaid Legal Fees:

\$25,000 for estimated legal fees and \$1,500 for estimated disbursements (plus \$1,590 GST) is payable upon acceptance of this Commitment Letter.

(Note: The above estimated legal and disbursement fees cover the cost of First Calgary's solicitors for preparing security documentation. In addition to these fees you will be responsible for payment direct to your solicitor of legal fees/disbursements/G.S.T. of your own solicitors relative to the cost of execution and registration of these documents. Also, if you do not have a current Real Property Report there will be an additional cost for this.)

First Calgary Common Shares:

\$25 payable upon acceptance of this Letter

Term:

All) Demand, subject to review on July 31, 2008.

Repayment:

1.
 - a) Payable on demand, with interest only payable in arrears on the first day of each month.
 - b) On any sales of the condominium units 90% gross sales proceeds (G.S.T. excluded) less \$50,000 per condominium unit sold which will be applied against principal on Loan # 2. For units sold for less than the estimated market value, as stated in the April 2007 Colliers International Realty Advisor's appraisal – pages 39 – 41, then the payment amount required will be calculated using the estimated market value instead of selling price.
2.
 - a) Payable on demand, with interest only payable in arrears on the first day of each month.
 - b) On any sales of the condominium units, \$50,000 per condominium unit sold until loan Facility #1 is paid in full, then the amount as determined in "1. b." above will be applied on this facility until paid in full.
 - c) Should the Borrower request financing for Phase II, this loan will need to be reduced to \$2,125,000 or less prior to any advances being made for Phase II.
3. Payable on demand, if Letters of Credit drawn upon

Construction Completion Date: December 31, 2009

Pre-disbursement Conditions:

First Calgary's obligation to advance the Credit Facilities is conditional upon receipt by us of the following, all in form and substance satisfactory to us.

- a) Completion and, where applicable, registration of all security.
- b) A satisfactory appraisal of 14619 Shawnee Gate SE, Calgary, Alberta confirming;
 - i Land Value "as is" of \$3,500,000 for Phase I, and residual land value "as is" for Phase II and III of \$8,500,000
 - ii Phase I "as complete" value of \$32,500,000 minimum
(We understand Colliers International Realty Advisors has been requested to provide an update report for current market values for the Phase I "as complete." The appraisal and the update report will need to be supported with a transmittal letter from the appraiser authorizing First Calgary to rely on their report)
- c) Evidence of all required development permits and agreements.
- d) Fixed Price Contracts with sub-contractors on individual amounts over \$500,000.
- e) Evidence of Borrower's cash equity into project prior to first advance
- f) Evidence of pre-sales (arms-length from the Borrower and Guarantors) of 75% of the total number condominium units with a **minimum 5% non-refundable deposit.**
- g) Satisfactory Phase I Environmental Assessment and, if necessary, a Phase II Environmental Assessment on the property from a First Calgary approved environmental firm.
- h) Satisfactory appraisal, by a First Calgary approved appraiser, of 708 Hillcrest Ave. SW, Calgary, Alberta for a minimum of \$6,800,000. *(We understand Colliers International Realty Advisors has been requested to provide the appraisal and this firm will be satisfactory for First Calgary purposes. The appraisal will need to be supported with a transmittal letter from the appraiser authorizing First Calgary to rely on their report.)*

- i) Confirmation from Bank of Montreal that their mortgage over 708 Hillcrest Ave. SW, Calgary, Alberta does not exceed \$1,800,000.
- j) The Borrower will deposit \$1,500,000 in an account with First Calgary, which funds represent the purchasers deposits which under Alberta New Home Warranty Program may be used for construction costs. *(These funds will be available for use to cover cost overruns if required and at the sole discretion of First Calgary, except for up to \$500,000 that will be used to secure Letters of Credit for a like amount.)*
- k) Alberta New Home Warranty Program to confirm \$1,500,000 of purchasers deposits for this project may be applied towards project costs.
- l) Confirmation project is insured by Alberta New Home Warranty Program.
- m) Operating deposit account with First Calgary.
- n) **First Calgary shall require a sign or signs supplied by it to be erected and maintained by you on the Property in a location acceptable to First Calgary, which sign or signs shall indicate that First Calgary has provided financing for the Property.**

Disbursement:

1. Construction Loan

On a standard cost-to-complete basis after receiving the following:

- a) all requisitions for funding shall be accompanied by a certificate from a Quantity Surveyor firm (satisfactory to First Calgary) stating/evidencing:
 - i) detailed breakdown of original estimated cost, revised costs per change orders if any, completed construction to date, cost-to-complete and that the undisbursed loan portion will cover the cost to complete,
 - ii) all development work is done in accordance with approved plans and specifications, and
 - iii) development work is progressing within the original time schedule *(We understand Tech-Cost Consultants Ltd will be acting as Quantity Surveyor and their reports are to be addressed to First Calgary, notwithstanding the cost for same are for account of the Borrower.)*
- b) receipt of satisfactory Land Titles Searches

- c) all draws are to be supported by a signed Declaration of the Borrower, as it relates to the status of sub-trades and supplier accounts

2. Land Loan

Funds will be advanced in a single advance once all pre-disbursement conditions are met and the Borrower requests funds.

3. Letter(s) of Credit

Letter(s) of Credit ("L/C") up to \$500,000. All L/Cs will be subject to the following terms.

- a) Prior to utilizing Credit Facility #3 by obtaining an L/C, the Borrower shall deliver to First Calgary a written L/C application in form and substance satisfactory to First Calgary. Each application shall be executed by the authorized signing officer of the Borrower.
- b) The Borrower shall pay the L/C fee stipulated by First Calgary from time to time on the date of issue of the L/C, which fee will be based upon the amount of the L/C issued. The fee is currently 1% of the amount of the L/C.
- c) The Borrower shall immediately reimburse to First Calgary any amount(s), which First Calgary is obligated to pay pursuant to any such L/C.
- d) Notwithstanding the term of the L/C, First Calgary may at any time demand the immediate repayment of the face amounts of any outstanding L/C.
- e) **L/Cs issued and outstanding will be secured dollar for dollar by the Borrower's deposits at a First Calgary Branch.**

Other Conditions (All Credit Facilities):

- 1. Borrower is responsible for all legal, appraisal fees, including engineering inspections, sub-searches, etc.
- 2. Borrower is responsible for payment of all G.S.T.
- 3. All project cost overruns shall be funded by the Borrower with the source of funding clearly identified prior to further drawdowns.

Security and Other Documents:

The Borrower agrees to provide to First Calgary in form and substance satisfactory to it and its solicitors, all security and supporting agreements requested by First Calgary including the

following documentation (the "Security") which will be held by First Calgary as Security for the loan and all other direct and indirect liabilities of the Borrower and the Guarantors (or any of them) to First Calgary from time to time.

All Credit Facilities

1. An Operation of Account Agreement and Common Share Agreement with First Calgary
2. All corporate documents, including:
 - a) Borrowing Resolution,
 - b) Certified Copy of a Resolution of the Directors approving the Security granted,
 - c) Certificate of Incumbency,
 - d) Officer's Certificate, and
 - e) Certificate of Non-restriction
3. Accepted Commitment Letter
4. Opinions of counsel to the Borrower and Corporate Guarantor in such form as First Calgary shall require.
5. A \$65,000,000 Collateral Mortgage creating a First Mortgage charge of the property which is municipally and legally described as:
 14619 Shawnee Gate SE, Calgary
 (Plan 4845 JK, Block E (2.52 Acres)
 (hereinafter referred to as the "Property")
(Note: The amount of this mortgage is set higher than currently required to facilitate future requests for financing construction of Phase II and III, prior to complete pay down of financing for Phase I. This should not be construed as a commitment to provide additional financing in excess of what is provided for in this letter.)
6. A First Assignment of All Rents and Leases from the Property upon terms which will, until default hereunder or under the Security documents, permit you to continue to receive such rents and revenue
7. Assignment of Adequate Builders All Risk Insurance over subject noted Property showing First Calgary as first loss payee complete with Standard Mortgage Endorsement Clause
8. A General Security Agreement providing a floating charge over all assets currently owned and after acquired and a charge on land of the borrower, registered at Alberta Personal Property Registry
9. A \$25,000,000 Guarantee & Postponement of Claim from the Perera Development Corporation supported by:

- a. Corporate Resolution, other corporate documents as determined by First Calgary's Solicitors
 - b. a General Security Agreement providing a floating charge over all assets currently owned and after acquired and a charge on land of the borrower, registered at Alberta Personal Property Registry
10. A \$3,000,000 joint and several Guarantee & Postponement of Claim from the Don L. Perera and Shiranie M Perera supported by;
- a. \$3,000,000 Collateral Mortgage creating a First Mortgage charge of the property which is municipally and legally described as:
708 Hillcrest Ave. SW, Calgary, Alberta
(Lot 4, Lot 21A, Plan2112AC)
(hereinafter referred to as the "Property")
(allowable prior encumbrance, \$1,800,000 – Bank of Montreal # 061 238 697)
 - b. Independent Legal Advise for both Guarantors
11. A \$2,000,000 Guarantee & Postponement of Claim from the Don L. Perera, which is in addition to the Guarantee stated at "10." above.
12. Account Set Off Agreement covering \$1,500,000 First Calgary deposits of the Borrower
13. Environmental Indemnity Agreement from the Borrower and the Guarantors
14. Satisfactory Opinion from First Calgary's counsel.

Credit Facility #1

15. Demand Promissory Note for \$24,339,255

Credit Facility #2

16. Demand Promissory note for \$4,250,000

Credit Facility #3

17. Indemnity Agreement
18. Demand Promissory Note
19. Account Set Off Agreement

First Calgary's solicitors will prepare all the above documentation. First Calgary's solicitors in this transaction are:

Faber Bickman Leon
350, 603 - 7 Avenue S.W.
Calgary, Alberta
T2P 2T5

Attention: Mr. Lawrence D. Leon

Solicitors for the Borrower and Guarantors are:

McLeod + Co
Rosten Leckhorst
3rd Floor 14505 BANNISTER RD. SE
CALGARY AB.

Reporting Requirement: Annual Statements:

In each year during the term of the loan, Review Engagement Financial Statements of the Borrower and Corporate Guarantor shall be submitted to First Calgary within ninety (90) days after the Borrower's fiscal year end. An officer of the Borrower shall certify the truth and accuracy of such Operating Statements acceptable to First Calgary. In addition, the Guarantor will provide an updated Personal Financial Statement.

Proposal Expiry Date:

In the event this letter is not accepted by June 30, 2007, this Proposal Letter expires.

Additional Terms and Conditions:

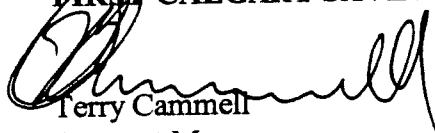
The attached Schedule "A" outlines additional terms and conditions that form part of this letter.

The terms of this letter are open for acceptance by you and all Guarantors executing the duplicate copy of this letter where indicated below and returning it together with the remaining portion of the application fee of \$195,000, estimated legal costs of \$28,090 and \$25. for Common Share deposit (total - \$223,115.) to our office at 1100, 333 - 7th Avenue SW Calgary Alberta T2P 2Z1, on or before 3:00 p.m. on July 23, 2007, after which date and time this offer shall lapse if it is not accepted.

We wish to thank you for allowing First Calgary the opportunity of being of assistance to you.

Yours truly,

FIRST CALGARY SAVINGS & CREDIT UNION LTD.



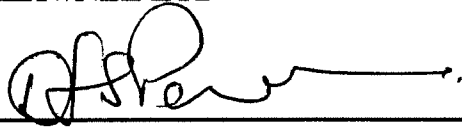
Terry Cammell
Account Manager
Commercial Banking



ACCEPTANCE


We hereby accept and agree to the Mortgage loan on the terms and conditions outlined by the Proposal Letter dated July 9, 2007 on this 16th day of July, 2007.

PERERA SHAWNEE LTD


Per:  (c/s)

Per: _____

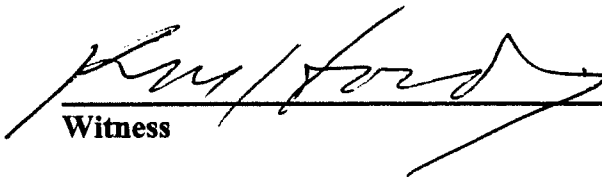
PERERA DEVELOPMENT CORPORATION

Per:  (c/s)

Per: _____


Witness


Don Perera, Guarantor


Witness

S. M. Perera
Shiranie M. Perera, Guarantor

SCHEDULE "A"
ADDITIONAL TERMS AND CONDITIONS

Taxes:

All realty taxes and local improvement assessments are to be paid by you or your tenants to the municipality when due and you shall provide First Calgary annually, if requested, with receipted copies of the realty tax bills for the Property. First Calgary may, at its sole option, require that you pay on the monthly payment date provided for herein one-twelfth of the annual realty taxes payable or estimated by First Calgary to be payable for the forthcoming year. Any deficiency between actual and estimated taxes shall be payable to First Calgary forthwith upon demand.

Insurance:

You will insure and keep fully insured the Property and all tangible personal property against the following perils:

- a. With respect to all buildings and other improvements now or hereafter situated on the Property and all insurable property included within the buildings, coverage against loss or damage by fire and other insurable hazards defined in an "All Risks" insurance policy for the full replacement cost with provision for permission to occupy and with automatic vacancy permit;
- b. Boiler and pressure vessel insurance, if applicable, for the full replacement cost of the Property and all improvements thereon or such lesser amount as shall be acceptable to First Calgary;
- c. Business interruption or rental loss insurance acceptable to First Calgary for an indemnity period of not less than 12 months and with coverage of not less than 100% of the resulting loss or rent or other revenue received from the operation of the building;
- d. Loss or damage of all personal property by fire or other insurable hazards, including theft, in an amount not less than the full replacement cost thereof, and
- e. Public liability insurance to an amount not less than \$2,000,000 on an occurrence basis.

The policies of insurance to be maintained shall not contain any co-insurance clauses less than 90% and shall be in form and with insurers satisfactory to First Calgary and shall include the agreement of the insurer that the policy will not be cancelled or permitted to expire on expiry date without at least thirty (30) days prior written notice of intended cancellation or non-renewal to First Calgary. First Calgary shall be named in all policies of insurance other than public liability insurance as the first loss payee and as first mortgagee upon the terms of the standard Insurance Bureau of Canada Mortgage Endorsement Clause.

You will furnish to First Calgary or its solicitors, at least ten (10) days prior to the advance of any funds a binder policy, with certified copies of the policies being provided within 45 days thereafter, providing the above coverages.

Title:

The Borrower will have, as the registered owner of the Property, good title in fee simple to the Property, and First Calgary's charge on the Property will be first in priority over all other encumbrances, leases, agreements for leases, restrictions, agreements, liens, assignments, easements mortgages and charges whatsoever to the full extent of the loan except as First Calgary may in writing consent.

The Property and all improvements thereon shall have been duly authorized and comply in all respects with all applicable laws, by-laws, government requirements, whether federal, provincial or municipal including, without restriction, those dealing with planning, zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped areas, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety and there shall be no outstanding work orders against the Property or the improvements or any part thereof.

The Borrower shall provide such certificates or other written confirmation as First Calgary's solicitors may reasonably require, certifying that no control orders, stop orders or prosecutions exist with respect to the Property or any activity or operation carried out thereon pursuant to any federal, provincial, municipal or local environmental, health and safety laws, statutes and regulations as may apply to the Property or the activities or operations carried out thereon.

Leases:

In the event the Property is leased, it shall be in accordance with the lease documents, and on the terms and for the rents set out in Schedule "B" to this letter. You will provide at First Calgary's request, executed copies of such leases for our review which must be in a form and upon terms acceptable to us. You will also provide to our solicitors an Estoppel Certificate with the written acknowledgement of each tenant as to the status of its tenancy at the time of advance of funds. At the time of advance of the funds each tenant must be in possession of the whole of its leased premises, carrying on business thereon and paying rent pursuant to the terms of the lease and the landlord and tenant shall otherwise have performed all their obligations contained in the lease.

First Calgary may at its option require that all present and future leases of the Property be postponed by way of a registered postponement agreement in favour of First Calgary's interest in the Property.

Costs and Fees:

Whether or not the transaction contemplated hereby is completed, you will pay all First Calgary's costs associated with this transaction, including the legal fees and disbursements of our solicitors (on a solicitor and his own client basis) and our agents in connection with this letter and the loan and the security documents resulting therefrom. Such fees, disbursements and costs may be deducted from the Mortgage proceeds or the Commitment Fee, if collected.

Right of Termination:

First Calgary shall have the right to terminate its agreement to provide the loan to you and be relieved of all obligations in connection therewith in the event any of the following events should occur:

- a. You fail or are unable or are unwilling for any reason whatsoever to comply with any of the terms and conditions set out in this letter within the time indicated for such compliance; or
- b. You fail or refuse to execute any documentation requested by our solicitors or to deliver such documentation to our solicitors; or
- c. The net proceeds of the loan have not been fully advanced on or before the commitment expiry date referred to herein; or
- d. You refuse to accept the funds when advanced; or
- e. You or any other person or corporation whose covenant is required shall become bankrupt, or subject to bankruptcy, receivership or insolvency proceedings; or
- f. There has been in the sole opinion of First Calgary a material adverse change in the condition of the Property or the Borrower or in the actual or anticipated revenues from the Property as set out in Schedule "B" hereto; or
- g. Urea formaldehyde foam insulation or any construction material containing asbestos or other substance considered harmful by First Calgary has been used or will be used in the Property; or there is in, or on about the Property any product or substance including, without restriction, PCBs contaminants or hazardous materials, equipment or anything which does, or is likely to, constitute an environmental hazard or contravenes any environmental law, regulation, order, decree or directive; or
- h. You have not complied with all the provisions of the *Builders' Lien Act* of Alberta and amendments thereto, to our satisfaction; or

- i. First Calgary or its solicitor, acting reasonably, is not satisfied with the matters set out under the heading "Title" above; or
- j. All legal matters and documentation relating to the transaction have not been completed to First Calgary's and its counsel's satisfaction.

If First Calgary elects to terminate its agreement to provide the loan to you prior to the advance of the entire amount of the loan, the amount advanced on the loan, if any, together with interest thereon at the rate set out herein shall become immediately due and payable and First Calgary shall, whether or not any proceeds have been advanced, be entitled to retain the Commitment Fee as compensation for all damages sustained by it, it being agreed that the amount of such Commitment Fee is a fair estimate of the damages which will be suffered by First Calgary in such event.

Environmental Representations:

As set out in the security documentation.

Amendment:

Any amendment to this commitment or Security documents must be in writing and signed by a duly authorized officer of First Calgary.

Assignment:

The undersigned understands and acknowledges that First Calgary may, at its sole discretion, assign this Mortgage to a third party of its choice. The undersigned consents to the disclosure by First Calgary to any such assignee and its agents of personal information of the undersigned relating to this Mortgage and consents to the collection and use of such personal information by such assignee and its agents. The undersigned also consents to the collection and use of said personal information by third parties involved in the assignment or sale of loans and the further disclosure of such information to the third parties' agents and assignees and those parties' subsequent collection and use of the information, in each case, for the purpose of the ongoing management of the loans.

However, this agreement of First Calgary may not be assigned nor transferred by the Borrower without the prior written consent of First Calgary.

Governing Law:

The agreement constituted by your acceptance of this letter shall be governed by the laws of the Province of Alberta.

Headings:

The headings contained in this letter are for reference only and shall not constitute any part of the terms and conditions contained herein.

Payments:

Unless otherwise directed and agreed to by First Calgary all amounts payable by the Borrower hereunder shall be paid to First Calgary at its Commercial Banking Branch, 1100 - 333 Seventh Avenue, S.W., Calgary, Alberta, T2P 2Z1, in Canadian dollars.

Successors and Assigns:

Subject to the provisions hereof, this agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Severability:

Each provision of this agreement is severable and any term or provisions hereby declared to the contrary to, prohibited by, or invalid under applicable laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining terms and provisions hereof.

Survival:

The terms and conditions of this letter shall, after acceptance by you, survive the execution and registration of all security documentation and there shall be no merger of these provisions or conditions in the Security and that in case of a conflict between the provisions hereof and any of the security documents, First Calgary may elect which provisions shall prevail.

Time:

Time shall in all respects be of the essence hereof.

Waiver:

No terms or requirement of this commitment or any security documents may be waived or varied orally or by any course of conduct or any officer, employee, or agent of the lender. Any failure by First Calgary to exercise any rights or remedies hereunder or under any of the Security shall not constitute a waiver thereof.



September 4, 2007

The City of Calgary
Urban Development (#8037)
PO Box 2100
Station M
Calgary Alberta T2P 2M5

Letter of Credit

No. 07-21

THIS IS EXHIBIT - B -
referred to in the Affidavit of
Michael Wheat
Sworn before me this 26
day of Feb A.D. 2010

KATHLEEN BURKE
BARRISTER & SOLICITOR
Commissioner for Oaths in and for
the Province of Alberta

Dear Sir/Madam:

Pursuant to the request of Perera Shawnee Ltd (the "Member"), First Calgary Savings & Credit Union Ltd. (the "Credit Union"), Commercial Banking Department, #1100, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, hereby establishes and gives to The City of Calgary (the "Beneficiary"), a continuing Irrevocable Letter of Credit in the Beneficiary's favour and authorizes the Beneficiary to draw on the Credit Union for the account of the Member up to an aggregate amount of Two hundred and Seventy-one thousand, two hundred - - .00/100 Dollars (\$271,200.00).

Partial drawings are permitted.

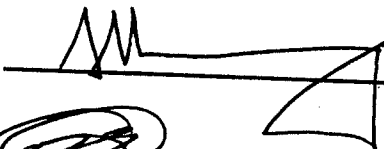

Drawings under this Letter of Credit shall be in the form of a written demand for payment delivered to the Credit Union at the above branch location, which demand the Credit Union shall honour without inquiring whether the Beneficiary has a right between the Beneficiary and the Member provided such demand shall be accompanied by the Beneficiary's certificate stating that the monies drawn represents a valid claim and entitlement of the Beneficiary as against the Member.

It is a condition of this Letter of Credit that it shall be deemed to be automatically extended without amendment from year to year from the present or any future expiration date hereof, unless at least 30 days prior to any such expiration date, we notify The City of Calgary in writing by registered mail, that we elect not to consider this Letter of Credit to be renewable for any additional period.

We engage with The City of Calgary that all drawings presented under, or in compliance with, the terms of this credit will be duly honoured on delivery of documents as specified, if present at the counters of the Credit Union, on or before September 30, 2008 or any automatically extended date as hereinbefore set forth.

This credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication Number 500.

FIRST CALGARY SAVINGS & CREDIT UNION LTD.

Per: 
Per: 

Ltr of Credit (Auto)
CB (10/03)

FIRST CALGARY SAVINGS & CREDIT UNION LTD.
1100 - 333 7th Avenue S.W., Calgary, Alberta T2P 2Z1
Tel: (403) 269-7970 Fax: (403) 269-5118

S-2
#530

August 31, 2007

The Alberta New Home Warranty Program
233 Mayland Place N.E.
Calgary, AB
T2E 7Z8

Dear Sir/Madam:

RE: Letter of Credit #07-26

By order of our Customer, Perera Shawnee Ltd., of Calgary, Alberta, we hereby open in your favour our clean irrevocable Letter of Credit for an amount not to exceed the aggregate of Seventy-five Thousand ---.00/100 (\$75,000) effective immediately and expiring as hereinafter provided for.

Full or partial drawings under this Letter of Credit are available to you against your sight draft on us referencing this Letter of Credit by its date and #07-26 accompanied by your signed statement to the effect that our Customer is in default of any of the following obligations:

- (a) Deposit coverage;
- (b) Obligations under Agreement with Builder/Customer, and
- (c) Warranty obligations

as they are defined in that certain agreement between you and our Customer dated n/a (the "Agreement").

Upon receipt of your sight draft and statement as provided for herein at the address below before the expiry of this Letter of Credit, we shall promptly honour the same free from any claims of our Customer and without inquiring whether you have a right as between you and our Customer to make the drawing.

Aug 30/07
ORIGINAL PICKED UP AT HQ
BY PERERA BEFORE A PHOTO
COPY WAS MADE ...12



Page 2

The Alberta New Home Warranty Program
August 31, 2007

This Letter of Credit shall be a continuing Letter of Credit and remain in full force and effect until such time as we notify you in writing by single registered mail addressed to you at the address noted above providing not less than 60 clear days before expiry. The notice shall reference this Letter of Credit by its date, August 24, 2007, Customer name and clearly set forth the expiry date. Upon the giving of notice to you in accordance with this paragraph, this Letter of Credit shall terminate and be of no force or effect from and after the expiry date set forth in the notice.

FIRST CALGARY SAVINGS & CREDIT UNION LTD.

PER: _____

PER: _____

LN 504
LN 802

**GENERAL
SECURITY AGREEMENT
AND CHARGE ON LAND**
FROM:

TO: First Calgary Savings & Credit Union Ltd.
(the "Credit Union")

1100, 333 - 7th Avenue S.W.
Calgary, Alberta **THIS IS EXHIBIT "C"** (Branch)
referred to in the Affidavit of

Borrower(s): PERERA SHAWNEE LTD.

Member No(s): Michael Wheatley

Sworn before me this 26

KATHLEEN BURKE
BARRISTER & SOLICITOR

day of Feb A.D. 20 10

[Signature]
A Commissioner for Oaths in and for
the Province of Alberta

1. DEFINITIONS

(a) All capitalized terms used in this agreement ("Agreement") including any schedules ("Schedules") annexed hereto shall, except where defined herein, be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Alberta in force at the date of this Agreement ("PPSA").

(b) In this Agreement:

- (i) "Account Debtor" means a debtor of the Debtor on an Intangible, Chattel Paper or Account, or any obligor of the Debtor on an Instrument;
- (ii) "Agreed Rate" means the rate of interest payable under the document(s) evidencing the Indebtedness and in the event such document(s) bear different rates of interest the "Agreed Rate" shall mean the highest of such interest rates;
- (iii) "Consumer Goods" means those goods that are used or acquired by the Debtor for use primarily for his personal, family or household purposes;
- (iv) "Debtor" means the "Borrower(s)";
- (v) "Encumbrances" means any Security Interests, mortgages, liens, claims, charges and other encumbrances affecting the Collateral including Permitted Encumbrances but excluding the Security Interest created hereby;
- (vi) "Permitted Encumbrances" means any Encumbrances which are described in Schedule "C" and any others approved in writing by the Credit Union prior to their creation or assumption;
- (vii) "Real Property" means any real, immoveable, and leasehold property, including fixtures; and
- (viii) "Receiver" includes a Receiver-Manager.

2. SECURITY INTEREST

a) PERSONAL PROPERTY:

For value received, the Debtor hereby grants to the Credit Union, by way of mortgage, charge and assignment, a Security Interest in the undertaking of the Debtor and in all Goods (including all parts, accessories, attachments, special tools, additions and Accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money, Securities and other property now or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all Proceeds thereof, (herein collectively called the "Collateral"), including, without limitation, all of the following property now or hereafter owned or acquired by or on behalf of the Debtor:

- (i) all property described in Schedule "A";
- (ii) all Inventory;
- (iii) all Equipment, including, without limitation, all machinery, tools, apparatus, plant, furniture, Fixtures and vehicles of whatsoever nature or kind;

- (iv) all Accounts, including, without limitation, all book accounts and book debts and generally all accounts, debts, dues, claims, choses In action, judgments and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing due to or owned by or which may hereafter become due, owing or accruing due to or owned by the Debtor;
- (v) all deeds, documents, writings, papers and books of account and other books relating to or being records of Accounts, Chattel Paper, Instruments or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (vi) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other intellectual property; and
- (vii) all crops and livestock including all crops that are or which hereafter become crops on any real property described in Schedule "B".

Any reference to "Collateral" shall, unless its context otherwise requires, be deemed a reference to "Collateral or any part thereof".

The Security Interest granted hereby shall not extend or apply to and the Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

* The Security Interest granted hereby shall not extend or apply to and the Collateral shall not include the Debtor's Consumer Goods except for any described in Schedule "A". (* Delete and initial if inapplicable.)

b) REAL PROPERTY:

For value received, the Debtor hereby grants to the Credit Union a fixed mortgage and charge against:

- (i) any interest the Debtor currently has in any Real Property; and
- (ii) any interest the Debtor may acquire in any Real Property in the future.

3. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment of any and all obligations, Indebtedness and liabilities of the Debtor to the Credit Union whether present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Debtor is bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness").

4. DEBTOR'S REPRESENTATIONS AND WARRANTIES

The Debtor represents and warrants and so long as this Agreement remains in effect continuously represents and warrants that:

- (a) the Collateral is genuine and owned by the Debtor free of all Encumbrances except Permitted Encumbrances;
- (b) each Account, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same and the amount represented by the Debtor to the Credit Union from time to time as owing by each Account Debtor is the correct amount actually and unconditionally owing by such Account Debtor;
- (c) there is no litigation, proceeding or dispute pending or to the knowledge of the Debtor threatened against or affecting the Debtor or the Collateral, the adverse determination of which might materially and adversely affect the Debtor's financial condition or impair the Debtor's ability to perform its obligations hereunder;

(d) the name(s) of the Debtor is(are) accurately and fully set out above, and the Debtor is not known by any other name(s); and

(e) there is no provision in any agreement to which the Debtor is a party, nor to the knowledge of the Debtor is there any statute, rule or regulation, or any judgment, decree or order of any court binding on the Debtor, which would be contravened by the execution and delivery of this Agreement.

5. DEBTOR'S COVENANTS

The Debtor covenants and agrees:

- (a) to defend the Collateral (except Collateral dealt with as permitted by clause 7 hereof) against the claims and demands of all other parties claiming the same or an interest therein;
- (b) to keep the Collateral free from all Encumbrances except Permitted Encumbrances;
- (c) subject to clause 7 hereof, not to sell, exchange, transfer, assign, lease, or otherwise dispose of Collateral or any interest therein without the prior written consent of the Credit Union;
- (d) to notify the Credit Union promptly of:
 - (i) any change in the information contained herein or in the Schedules relating to the Debtor, the Debtor's name, the Debtor's business or Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting the Debtor or Collateral;
 - (iv) any loss or damage to Collateral;
 - (v) any default by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and
 - (vi) the return to or repossession by the Debtor of Collateral;
- (e) to keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, bylaw, rule, regulation or ordinance;
- (f) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or Collateral as and when the same become due and payable;
- (g) to punctually make all payments and perform all obligations in any lease by the Debtor and under any agreement charging property of the Debtor;
- (h) to prevent Collateral from being or becoming a Fixture or an Accession to other property that is not Collateral;
- (i) to carry on and conduct the business of the Debtor in a proper and efficient manner so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral;
- (j) to deliver to the Credit Union from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents,

statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;

- (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to the Collateral; and
 - (v) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Credit Union may reasonably request;
- (k) not to remove any of the Collateral from the Province of Alberta without the prior written consent of the Credit Union;
- (l) in the event the value of the Collateral shall be materially reduced, to immediately reduce the amount of the Indebtedness by an amount determined by the Credit Union;
- (m) if the Collateral includes crops and livestock, in addition to the Debtor's other obligations regarding Collateral:
- (i) to do all acts which may be necessary to attend to, care for, raise and fatten the livestock and to grow, cultivate, spray, irrigate, cut, harvest, pick, clean, preserve and protect the crops, all according to the most approved methods of farming husbandry and to keep the farm(s) on which the Collateral is located free of noxious weeds and grasses, and maintain the present buildings and improvements on the said farm(s) in good condition and repair;
 - (ii) to provide suitable range, pasture and feed for all livestock and care for and protect them from disease, damage, injury, death, destruction by weather, wild animals, theft or other cause;
 - (iii) to pay, when due, all obligations incurred for labour or material or otherwise in the care or feeding or shearing of such livestock; and
 - (iv) at the request of the Credit Union, to deliver to the Credit Union the Debtor's Canadian Wheat Board producer's permit book and to assign to the Credit Union all of the Debtor's rights thereunder; and
- (n) to permit the Credit Union, by its officers or authorized agents, at any time, and from time to time, as often as the Credit Union in its sole discretion may determine, to enter the premises owned or occupied by the Debtor for the purpose of inspecting the Collateral and the operation of the Debtor's business.

6. INSURANCE

The Debtor shall insure and keep insured against loss or damage by fire or other insurable hazards the Collateral to the extent of its full insurable value, and shall maintain such other insurance as the Credit Union may reasonably require. The loss under the policies of insurance shall be made payable to the Credit Union as its interest may appear and the insurance shall be written by an insurance company approved by the Credit Union in terms satisfactory to the Credit Union and the Debtor shall provide the Credit Union with copies of the same. The Debtor shall pay all premiums and other sums of money necessary for such insurance as they become due and deliver to the Credit Union proof of said payment, and shall not allow anything to be done by which the policies may become vitiated. Upon the happening of any loss or damage the Debtor shall furnish at its expense all necessary proofs and shall do all necessary acts to enable the Credit Union to obtain payment of the insurance monies.

7. DEALING WITH COLLATERAL

The Debtor shall not sell, exchange, transfer, assign, lease or otherwise dispose of that Collateral described in Schedule "A" except with the prior written consent of the Credit Union which consent may be arbitrarily withheld. Until but not after Default the Debtor may deal with Collateral, other than that Collateral described in Schedule "A", in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions of this Agreement, provided that the Debtor may only sell, exchange, transfer, assign, lease or otherwise dispose of such Collateral for fair value on commercially reasonable terms and provided that all cash Proceeds therefrom are immediately deposited with the Credit Union.

8. COLLATERAL IN POSSESSION OF CREDIT UNION, RECEIVER OR SHERIFF

If Collateral is at any time in the possession of the Credit Union, a Receiver or Sheriff, the Credit Union, Receiver or Sheriff in possession, as the case may be:

- (a) shall not be required to take any steps to preserve any rights against other parties to any Chattel Paper, Security or Instrument constituting Collateral;
- (b) shall not be required to keep the Collateral identifiable; and
- (c) may use the Collateral in any manner and to any extent the Credit Union in its sole discretion, deems advisable.

9. SECURITIES

If the Collateral at any time includes Securities, the Debtor authorizes the Credit Union to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Credit Union or its nominee(s) may appear of record as the sole owner thereof; provided that, until Default, the Credit Union shall promptly deliver to the Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Debtor or its order a proxy to vote and take all action with respect to such Securities. After Default, the Debtor waives all rights to receive any notices or communications received by the Credit Union or its nominee(s) as such registered owner and agrees that no proxy issued by the Credit Union to the Debtor or its order as aforesaid shall thereafter be effective.

10. COLLECTION FROM ACCOUNT DEBTORS

Before or after Default, the Credit Union may notify any Account Debtor of this Security Interest and may direct such Account Debtor to make all payments to the Credit Union. The Debtor acknowledges that any payments on or other Proceeds of the Collateral received by the Debtor from any Account Debtor, whether before or after notice of this Security Interest is given to such Account Debtor and whether before or after Default, shall be received and held by the Debtor in trust for the Credit Union and shall be turned over to the Credit Union upon request. The Debtor agrees that it will not commingle any Proceeds of or payments on the Collateral with any of the Debtor's funds or property, but will hold them separate and apart.

11. OTHER TERMS

This Agreement includes the terms, if any, which are contained in Schedule "D".

12. APPLICATION OF MONIES

All Monies collected or received by the Credit Union pursuant to or in exercise of any right it possesses with respect to the Collateral shall be applied on account of the Indebtedness in such manner as the Credit Union may in its sole discretion determine or, at the option of the Credit Union, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Credit Union hereunder, and any surplus shall be accounted for as required by law.

13. DEFAULT

The happening of any of the following events shall constitute default ("Default") hereunder:

- (a) nonpayment when due, whether by acceleration, demand or otherwise, of any amount forming part of the Indebtedness;
- (b) failure of the Debtor to observe or perform any term contained in this Agreement or in any other agreement between the Debtor and the Credit Union;
- (c) declaration of incompetency by a court of competent jurisdiction or death of an individual Debtor or an individual partner of a partnership Debtor;

- (d) bankruptcy or insolvency of the Debtor; filing against the Debtor of a petition in bankruptcy; making of an assignment for the benefit of creditors by the Debtor; appointment of a Receiver or trustee for the Debtor or for any property of the Debtor or institution by or against the Debtor of any proposal, plan of arrangement or other type of insolvency proceeding under the Bankruptcy Act or otherwise;
- (e) institution by or against the Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against, or winding up of the affairs of the Debtor;
- (f) any of the Encumbrances becomes enforceable;
- (g) the Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets or commits or threatens to commit an act of bankruptcy;
- (h) any execution, sequestration, extent or other process of any court becomes enforceable against the Debtor or if a distress or analogous process is levied upon the property of the Debtor or any part thereof;
- (i) any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of the Debtor pursuant to or in connection with this Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to the Credit Union to extend any credit to or to enter into this or any other agreement with the Debtor, is false in any material respect at the time as of which the facts therein set forth were stated or certified, or omits any substantial contingent or unliquidated liability or claim against the Debtor; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to the Credit Union at or prior to the time of such execution;
- (j) any of the licenses, permits or approvals granted by any government or any governmental authority and essential to the business of the Debtor is withdrawn, cancelled or significantly altered;
- (k) at any time, there is a material adverse change in the financial condition of the Debtor; or
- (l) the Credit Union considers that it is insecure, or that the prospect of payment or performance by the Debtor of the Indebtedness is or is about to be impaired, or that the Collateral is or is about to be placed in jeopardy.

14. ACCELERATION

In the event of Default, the Credit Union, in its sole discretion, may without demand or notice of any kind, declare all or any of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable. This clause does not apply to or affect any of the Indebtedness payable on demand.

15. REMEDIES

On Default:

- (a) the Credit Union may enforce this Agreement by any method provided for in this Agreement, in the PPSA, in the *Law of Property Act*, or as otherwise permitted by law or in equity, and, without limitation, may dispose of Collateral by lease or deferred payment;
- (b) the Credit Union may seize or otherwise take possession of the Collateral and/or Real Property or any part thereof and sell the same by public or private sale at such price and upon such terms as the Credit Union in its sole discretion may determine and the proceeds of such sale less all costs, charges and expenses of the Credit Union (including costs as between a solicitor and his own client on a full indemnity basis) shall be applied on the Indebtedness and the surplus, if any, shall be disposed of according to law;
- (c) the Credit Union may take proceedings in any court of competent jurisdiction for the appointment of a Receiver;
- (d) the Credit Union may appoint by instrument any person or persons to be a Receiver of any Collateral and/or

Real Property, and may remove any person so appointed and appoint another in his stead;

- (e) unless otherwise restricted by his appointment, any Receiver shall have the power:
- (i) to take possession of any Collateral and/or Real Property and for that purpose to take any proceedings, in the name of the Debtor or otherwise;
 - (ii) to carry on or concur in carrying on the business of the Debtor;
 - (iii) to sell or lease any Collateral and/or Real Property;
 - (iv) to make any arrangement or compromise which he may think expedient in the interest of the Credit Union;
 - (v) to pay all liabilities and expenses connected with the Collateral and/or Real Property, including the cost of insurance and payment of taxes or other costs, charges or expenses incurred in obtaining, maintaining possession of and preserving the Collateral and/or Real Property, and the same shall be added to the Indebtedness.
 - (vi) to hold as additional security any increase or profits resulting from the Collateral;
 - (vii) to exercise all rights and remedies that the Credit Union may have under this Agreement, the PPSA, the *Law of Property Act* or otherwise at law or in equity;
 - (viii) with the written consent of the Credit Union, to borrow money for the purpose of carrying on the business of the Debtor or for maintenance of the Collateral and/or Real Property or any part thereof or for other purposes approved by the Credit Union, and any amount so borrowed together with interest thereon shall form a charge upon the Collateral in priority to the Security Interest created by this Agreement; and
 - (ix) to do any other act or thing as may be considered to be incidental or conducive to any of the matters and powers aforesaid;

(f) the Debtor hereby appoints each Receiver appointed by the Credit Union to be its attorney to effect a sale or lease of any Collateral and/or Real Property and any deed, lease, agreement or other document signed by a Receiver pursuant to this power of attorney shall have the same effect as if it had been executed by and under the seal of the Debtor;

(g) a Receiver appointed by the Credit Union shall be deemed to be the agent of the Debtor, and the Debtor shall be solely responsible for his acts or defaults and for his remuneration and expenses, and the Credit Union shall not be in any way responsible for any misconduct or negligence on the part of any Receiver;

(h) all monies received by the Receiver after providing for payment of all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver shall be paid to the Credit Union and applied on account of the Indebtedness;

(i) the Credit Union may enter upon, use and occupy all premises owned or occupied by the Debtor or wherein the Collateral may be situate;

(j) before, during or after realizing on the Collateral and/or the Real Property, the Credit Union may recover and enforce judgment against the Debtor for the Indebtedness and all costs, charges and expenses reasonably incurred by the Credit Union (including, without limitation, costs as between a solicitor and his own client on a full indemnity basis) in recovering or enforcing judgment against the Debtor; and

(k) the Credit Union may, but shall not be bound to, realize on the Collateral.

16. DEFICIENCY

If the Credit Union realizes on the Collateral and/or the Real Property and the realization is not sufficient to satisfy all the Indebtedness, the Debtor acknowledges and agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Credit Union shall be entitled to pursue full payment thereof.

17. COSTS AND EXPENSES

(a) Upon the Debtor's failure to perform any of its obligations under this Agreement then the Credit Union may, but shall not be obligated to perform the same and in the event of performance thereof by the Credit Union the Debtor shall pay to the Credit Union forthwith upon written demand therefor an amount equal to all costs, charges and expenses incurred by the Credit Union in performing the Debtor's obligations plus interest thereon at the Agreed Rate from the date such costs, charges and expenses are incurred by the Credit Union until paid by the Debtor.

(b) The Debtor shall pay all costs, charges and expenses reasonably incurred by the Credit Union or any Receiver appointed by it (including, but without restricting the generality of the foregoing, costs as between a solicitor and his own client on a full indemnity basis), in preparing, registering financing statements regarding or enforcing this Agreement, inspecting, taking custody of, preserving, repairing, maintaining, processing, preparing for disposition and disposing of Collateral and/or the Real Property and in enforcing or collecting the Indebtedness and all such costs, charges and expenses together with any monies owing as a result of any borrowing by any Receiver appointed by the Credit Union shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby. Such costs, charges and expenses shall bear interest at the Agreed Rate from the date the same were incurred to the date of payment by the Debtor.

(c) The Credit Union may pay or satisfy any Encumbrances or pay any sum necessary to clear title to any Collateral, and the Debtor agrees to repay the same on demand, plus interest thereon at the Agreed Rate.

(d) All amounts paid by the Credit Union pursuant to this clause together with interest thereon at the Agreed Rate shall form part of the Indebtedness and be secured hereby.

18. SET OFF

Without limiting any other right the Credit Union may have, the Credit Union may, in its sole discretion at any time and without notice, set off any and all amounts owed to the Debtor by the Credit Union in any capacity and, whether or not due, against any and all Indebtedness including any contingent or non-matured Indebtedness and Indebtedness as principal or guarantor.

19. FURTHER ASSURANCES

The Debtor agrees to execute and deliver to the Credit Union such further assurances, conveyances and supplemental deeds as may be necessary to properly carry out the intention of this Agreement, as determined by the Credit Union, or as may be required by the Credit Union from time to time.

20. NOTICE

Any notice or demand required or permitted to be made or given by the Credit Union to the Debtor may be validly served by leaving the same with, or by mailing the same by prepaid registered mail to, the Debtor at his address as set out herein (or at such other address as the Debtor may in writing notify the Credit Union of as the Debtor's address for service under this Agreement) or by leaving such notice with any officer or director of the Debtor as shown on the records of the Credit Union, and in the case of mailing such notice or demand shall be deemed to have been received by the Debtor on the third business day following the date of mailing.

21. GENERAL

(a) The Credit Union may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, Account Debtors, sureties and others and with Collateral and other security as the Credit Union may see fit without prejudice to the liability of the Debtor or the Credit Union's right to hold and realize upon the Security Interest. The Credit Union may demand,

collect and sue on Collateral in either the Debtor's or the Credit Union's name and may endorse the Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting Collateral. The Credit Union shall not be liable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to initiate any proceedings for such purposes.

(b) No delay or omission by the Credit Union in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. The Credit Union may remedy any Default by the Debtor hereunder in any manner without waiving the Default remedied and without waiving any other prior or subsequent Default by the Debtor. All rights and remedies of the Credit Union granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(c) The Debtor waives protest of any instrument constituting Collateral at any time held by the Credit Union in which the Debtor is in any way liable and notice of any other action taken by the Credit Union.

(d) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against the Credit Union.

(e) If more than one Debtor executes this Agreement the obligations of such Debtors hereunder shall be joint and several.

(f) No modification, variation or amendment of any term of this Agreement shall be binding or effective unless made by written agreement, executed by the parties hereto and no waiver of any term hereof shall be binding or effective unless in writing.

(g) This Agreement is in addition to and not in substitution for any other agreements, securities or Security Interests now or hereafter held by the Credit Union and all such other agreements, securities and Security Interests shall remain in full force and effect.

(h) The headings used in this Agreement are for convenience only and are not to be considered part of this Agreement and do not in any way limit, explain or amplify the terms of this Agreement.

(i) When the context so requires, the singular shall be read as if the plural were expressed and vice versa and the terms hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, partnership or corporation.

(j) In the event any terms of this Agreement, as amended from time to time, shall be deemed invalid, void or unenforceable, in whole or in part, by any court of competent jurisdiction, the remaining terms of this Agreement shall remain in full force and effect.

(k) Nothing herein contained shall in anyway obligate the Credit Union to grant, continue, renew or extend time for payment of the Indebtedness.

22. ATTACHMENT

(a) Subject to subclause (b), the Security Interest created hereby is intended to attach the Collateral when this Agreement is executed by the Debtor and delivered to the Credit Union,

(b) With respect to that Collateral acquired by the Debtor after the date this Agreement is executed and delivered to the Credit Union, the Security Interest created hereby in such Collateral is intended to attach at the same time as the Debtor acquires rights in such Collateral.

23. DISCLOSING INFORMATION

This Agreement and any information pertaining thereto or to the Indebtedness may be disclosed by the Credit Union

as required by the PPSA.

24. GOVERNING LAW AND JURISDICTION

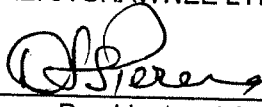
This Agreement shall be interpreted in accordance with the laws of the Province of Alberta, and the Debtor irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in the courts of the Province of Alberta or in any court of competent jurisdiction, as the Credit Union may elect, and the Debtor agrees to attorn to the same.

25. COPY OF AGREEMENT

Debtor acknowledges receipt of a copy of this Agreement and waives any right it may have to receive a Financing Statement or Financing Change Statement relating to it.

IN WITNESS WHEREOF the Debtor has hereunto executed this Agreement this 15 day of ^{Aug}~~July~~, 2007 at Calgary, Alberta.

PERERA SHAWNEE LTD.

By: 
President and Secretary

(c/s)

FULL ADDRESS OF DEBTOR
425 - 78 Avenue S.W.
Calgary, Alberta, T2V 5K5

* Complete Affidavit of Execution if Debtor is an individual or partnership.

**SCHEDULE "A"
(DESCRIBED PROPERTY)**

*Obtain serial numbers for all motor vehicles, trailers, mobile homes, farm machinery, equipment and airplanes

SCHEDULE "B"
(DESCRIBED REAL PROPERTY)

*Obtain legal description

PLAN 0711797

BLOCK 1

LOT 1

EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

SCHEDULE "C"
(PERMITTED ENCUMBRANCES AFFECTING COLLATERAL)

SCHEDULE "D"
(OTHER TERMS AND CONDITIONS)

THE LAND TITLES ACT

MORTGAGE

PERERA SHAWNEE LTD.

KATHLEEN BURKE
BARRISTER & SOLICITOR

THIS IS EXHIBIT " D "
referred to in the Affidavit of
Michael Wheath
Sworn before me this 20
day of FEB A.D. 2010
[Signature]
A Commissioner for Oaths in and for
the Province of Alberta

who or whose successors and assigns are hereinafter included in the expression "the Mortgagor", being registered as owner of an estate in fee simple in possession, subject however to such encumbrances, liens and interests as are notified by memorandum underwritten or endorsed hereon, of all and singular that certain piece or parcel of land situate in the Province of Alberta, in the Dominion of Canada, being composed of:

PLAN 0711797
BLOCK 1
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

in consideration of the sum of Sixty-Five Million and 00/100 (\$65,000,000.00) Dollars

lent to me by **FIRST CALGARY SAVINGS & CREDIT UNION LTD.**

whose address in Alberta is P.O. Box 908, Calgary, Alberta, T2P 2J6

who and whose successors and assigns are hereinafter included in the expression "the Mortgagee", the receipt of which sum I do hereby acknowledge, covenant with the Mortgagee as follows:

1. THAT I will pay to the Mortgagee the above sum at its office in the City of Calgary, in the Province of Alberta, with interest at the rate of ten (10.00%) per cent, calculated semi-annually, or such other rate as may be payable from time to time pursuant to any agreement between the Mortgagor and the Mortgagee respecting an advance or pursuant to a Promissory Note or Notes and/or Authorized Overdraft Agreement evidencing the advances or any and all substitutions for or renewals of the said agreement or Promissory Note or Authorized Overdraft Agreement.

In the event the interest rate is a prime rate of interest, then prime rate means the floating annual rate of interest established and recorded as such by the Mortgagee from time to time as a reference rate for purposes of determining rates of interest the Mortgagee will charge on loans denominated in Canadian dollars to customers in Canada and designated as prime rate. A certificate of an officer of the Mortgagee shall be prima facie evidence of the prime rate from time to time.

THAT I will pay to the Mortgagee interest, in the manner aforesaid; on the principal sum remaining from time to time unpaid, all interest in arrears to become principal and to bear interest at the rate aforesaid. And that in case the sums hereby secured be not paid on the days above set forth I will, so long as said sums or any part thereof remain unpaid or owing in the security hereof, or during the continuance of this security, pay interest from day to day on the said sums or on so much thereof as shall for the time being remain due, owing or unpaid during the continuance of this security. And I further covenant that the taking of judgment or judgments under any of the covenants herein contained shall not operate as a merger of the said covenants, or affect the Mortgagee's right to interest at the above rate, on any moneys due and owing to the Mortgagee during the continuance of this security under the covenants herein contained or on any judgment to be recovered thereon. Provided that on default of payment of any instalment of interest secured under this mortgage the same shall thereupon become part of the principal hereby secured and shall bear interest from the time when same becomes due at the rate aforesaid, and on each day when any instalment of interest falls due hereunder, until the whole of the said principal and interest secured hereby is fully paid and satisfied. All sums of money, whether interest or otherwise then due and remaining unpaid, shall become principal and bear interest at the rate aforesaid. Payments as above shall be applied firstly to interest and secondly to principal. And I further covenant that the Mortgagee shall be entitled to interest after judgment on any judgment obtained at the Mortgage rate set out herein. I hereby waive all relevant provisions of the Interest Act of Canada or any legislation similar thereto or in replacement thereof.

2. THAT if any default shall happen to be made in any payment of principal or interest or any of the moneys hereby secured or any part thereof, then, and in such case, the whole principal moneys hereby secured shall, at the option of the Mortgagee, become due and payable in like manner to all intents and purposes as if the time herein mentioned for payment of such principal money had fully come and expired, AND in the event of making a breach of any of the covenants in this Mortgage contained, then such breach shall be deemed to be a default in payment of interest, and the Mortgagee shall at its option be at liberty to call in forthwith the whole of the principal and interest secured by this Mortgage and eject all persons in possession of the mortgaged premises. PROVIDED, however, and the parties hereby agree that the powers in this paragraph contained must be actually invoked to become effective and that nothing herein contained shall cause the Statute of Limitations to commence to run unless and until the Mortgagee shall actually exercise the option hereinbefore contained. It is further agreed that the issuance of a Statement of Claim shall itself be sufficient notice of the exercise, by the Mortgagee, of its option herein contained.

AND I further covenant that the Mortgagee shall not be bound to pursue action on my covenant or in debt together with an action to realize upon the security created herein, but the Mortgagee shall have the right to commence separate actions on each and every covenant should it so desire, with separate action in foreclosure should it so desire. Judgment in any one action shall not operate to merge any rights of the Mortgagee to separately pursue other covenants, or foreclosure action.

3. THAT

- (a) I shall forthwith insure and during the continuance of this security keep insured in favour of the Mortgagee, against loss or damage by fire and, as the Mortgagee may require, insure against loss or damage by tempest, tornado, cyclone, lightning and such other risks and perils as the Mortgagee may deem expedient, each and every building on the said land and which may hereafter be erected thereon, both during erection and thereafter, and all chattels secured herein, for the full insurable value thereof in lawful money of Canada. In the case of commercial properties this covenant shall in addition include boiler, plate glass, rental and public liability insurance in an amount satisfactory to the Mortgagee.
- (b) Prior to the making of any advance by the Mortgagee, I shall forthwith assign, transfer and deliver over unto the Mortgagee a policy or policies and receipts thereto appertaining evidencing such insurance, and at least fifteen days prior to the expiry of a policy or at least five days prior to the date fixed for cancellation of a policy should notice of cancellation be given, I shall deliver to the Mortgagee evidence of renewal or replacement.
- (c) Every policy of insurance shall be effected in such terms and with such insurer as may be approved by the Mortgagee; the loss under each policy shall be made payable to the Mortgagee with preference in its favour over any claim of any other person and each policy shall be retained by the Mortgagee during the currency of this loan. Should an insurer at any time cease to have the approval of the Mortgagee, I shall effect such new insurance as the Mortgagee may desire.
- (d) In the event of failure on my part to execute any obligation undertaken under this section, the Mortgagee may effect such insurance as it deems proper and I covenant to repay to the Mortgagee all premiums paid by it, and the amount of such premiums, from the date same are actually paid by the Mortgagee, shall in the meantime be added to the principal sum and shall be a charge upon the said land and shall bear interest at the rate aforesaid.
- (e) In case of loss or damage, I shall immediately notify the Mortgagee and the Mortgagee shall have the right to apply the funds wholly or in part in reduction of the indebtedness hereby secured notwithstanding that no amount at such time may be due and payable under the terms of repayment, or the funds, at the Mortgagee's sole discretion, may be used to meet costs of repair or reconstruction or may be paid in whole or in part to me, or to my assigns in which event the sum shall not be credited on the mortgage account, or partly in one such manner and partly in another. No damage may be repaired nor any reconstruction effected without the approval of the Mortgagee. The Mortgagee, may, at its option in case of loss or damage by fire, declare the whole amount of the principal monies hereby secured along with any unpaid interest, to be due and payable. It is further agreed that the issuance of a Statement of Claim shall itself be

sufficient declaration, by the Mortgagee, of its election to declare the balance outstanding to be due and payable.

- (f) I hereby assign absolutely to the Mortgagee all of my rights to, and interest in, any insurance proceeds payable with respect to the improvements to the land and the contents thereof.

4. THAT all moneys received by virtue of any policy or policies of insurance may, at the option of the Mortgagee, either be forthwith applied in or towards substantially rebuilding, reinstating and repairing the said building, or in or towards the payment of the last instalment of principal falling due under and by virtue of these presents and in the case of a surplus in or towards the payment of the instalment next preceding in point of time of payment, and so on until the whole of the principal hereunder shall be paid, and in the case of a surplus, then in or towards payment of interest at the rate aforesaid and so on until the whole of the principal sum and interest hereunder shall be fully paid and satisfied, the balance, if any, to be paid to me.

5. THAT I will furnish, forthwith on the happening of such loss or damage by fire or other hazard or peril, and at my expense, all the necessary proofs of loss and to do all the acts necessary to enable the Mortgagee to obtain payment of the insurance moneys.

6. THAT for the purpose of better securing the punctual payment of the interest on the said principal sum, I do hereby attorn to and become tenant of the Mortgagee for the said lands, at a yearly rental equivalent to the annual interest payable hereunder, to be paid in manner and on the days and times before appointed for the payment of the said interest; and on payment thereof shall be taken to be, and shall be, in satisfaction of the said interest; but nothing in this provision shall make the Mortgage chargeable or accountable as Mortgagee in possession. Provided also, that the Mortgagee may at any time after default in payment or performance of any covenant or condition hereunder, enter into and upon the said lands, or any part thereof, and determine the tenancy hereby created, without giving any notice to quit.

7. THAT if I shall make default in payment of any part of the said principal or interest or any other moneys hereby intended to be secured on any day or time hereinbefore limited for the payment thereof, it shall and may be lawful for the Mortgagee, and I do hereby grant full power and license to the Mortgagee to enter, seize and distrain upon the said lands, or any part thereof, and by distress warrant to recover by way of rent reserved, as in the case of a demise of the said lands, as much of the said principal, interest and other moneys as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent.

8. THAT if I shall make default in payment of the principal sum and interest thereon or any part thereof at any of the before appointed times, then the Mortgagee shall have the right and power, and I do hereby covenant with the Mortgagee for such purpose, and do grant to the Mortgagee full license and authority for such purpose, when and so often as in his discretion he shall think fit, to enter into possession, either by himself or his agent, of the said lands, and to collect the rents and profits thereof, and to make any demise and at such rent as he shall think proper, and that any proceedings for sale or foreclosure may be taken either before or after and subject to such demise or lease. To better give effect to the provisions of this paragraph, I hereby assign to the Mortgagee all rents due or accruing due, present and future, with respect to the lands. Nothing in the foregoing provisions shall make the Mortgagee chargeable or accountable as a Mortgagee in possession.

9. THAT the Mortgagee shall be entitled (in addition and without prejudice to all its other rights and privileges) forthwith to apply for and obtain the appointment of a Receiver or Manager, or Receiver and Manager or Receiver-Manager (hereinafter referred to as the "Receiver") of the mortgaged premises and of the rents, issues and profits thereof without the necessity of first exercising its right to enter into possession and every such Receiver shall be deemed the agent of the Mortgagor, and the Mortgagor shall be solely responsible for the acts or defaults of the Receiver and the Receiver shall have power to demand, recover and receive all the income of the property of which he may be appointed Receiver by action, distress or otherwise, either in the name of the Mortgagor or the Mortgagee, and give effectual receipts therefor and every such Receiver may by writing at the discretion of the Mortgagee be vested with any or all of the powers and discretions of the Mortgagee herein contained and such Receiver may complete or carry on the business of the Mortgagor relating to the mortgaged premises or any part thereof and in so doing shall have the same powers as the Mortgagor would have had in carrying on the same if it had not been in default hereunder, and for such purpose, the Receiver may borrow or raise money by way of security on all or any part or parts of the mortgaged premises, either in priority to this Mortgage or otherwise, and may exercise all the powers conferred upon the Mortgagee hereby; AND THAT the

Receiver may be removed, AND THAT if any Receiver is removed, dies or refuses to act or becomes incapable of acting a new Receiver may be appointed from time to time by the Mortgagee; AND THAT the Mortgagee may from time to time fix the remuneration of every Receiver and may recompense every such Receiver for all disbursements properly incurred by him in carrying out his duties, and his fees and such payments shall be added to the principal herein and be a charge upon the mortgaged premises and shall be payable on demand and shall bear interest at the rate then in effect, but the Mortgagee shall not be deemed to be a mortgagee in possession and shall not be accountable except for the monies actually received by it and the person paying money to, or in any way dealing with, the Receiver shall not be concerned to inquire whether any case has happened to authorize the Receiver to act and that subject to the retention of his remuneration and disbursements as aforesaid, the Receiver shall apply all monies received by him in such of the following modes and in such order or priority, subject to the order of any court of competent jurisdiction, or as otherwise provided at law, as the Mortgagee may from time to time at his option direct in writing, namely: IN discharge of all rents, taxes, rates, assessments and outgoing whatever affecting the mortgaged premises; and payment of all annual sums or other payments; and in making any payments due under any prior mortgage or lien; and in payment of any premiums for fire, or other insurance, if any, properly payable under this Mortgage, payment of which is directed or confirmed in writing by the Mortgagee; and in payment of the cost of executing necessary or proper repairs to the mortgaged premises or any part thereof directed or confirmed in writing by the Mortgagee; and in payment of the cost of carrying out or executing any of the powers, duties or discretions which vest in or may be vested in the Receiver by reason of the provisions contained in this Paragraph; and in payment of the interest accruing due under this Mortgage, and in or towards the discharge of the principal monies or any instalments thereof and solicitors' costs and other monies due and payable under this Mortgage, if and to the extent directed in writing by the Mortgagee; and shall pay the residue, if any, of the money received by him to the person who, but for the possession of the Receiver, would have been entitled to receive the income.

10. THAT I will pay all taxes, utilities and rates, condominium levies, liens, charges, and encumbrances, which are now or may hereafter be levied or charged against the said lands, or on this mortgage or on the Mortgagee in respect of this Mortgage and that the Mortgagee may at such time or times as he may deem it necessary, without the concurrence of any other person, make arrangements for the repairing, finishing, adding to or putting in order any building or buildings, or improvements on the said lands and for managing and taking care of the said lands and premises and may pay any such taxes, utilities and rates and any liens, condominium levies, charges or encumbrances upon the said lands, and moneys for insurance, and the amount so paid or indebtedness incurred as aforesaid by the Mortgagee, together with all costs, charges and expenses which may be incurred in connection therewith or in the taking, recovering and keeping possession of the said lands or inspecting the same (including allowances for such purpose) and generally in any other steps or proceedings, whether in Court or not, taken to protect his security or realize the moneys hereby secured, or to perfect the title to the said lands, shall become part of the principal hereby secured and be a charge on the said lands in favour of the Mortgagee, and shall be payable forthwith by me, my heirs, executors, administrators, successors or assigns to the Mortgagee with interest at the rate aforesaid from the date of payment of same by the Mortgagee, and in default, proceedings for sale or foreclosure may be taken in addition to all other remedies. In the event of the money hereby advanced, or any part thereof, being applied to the payment of any charges or encumbrances, the Mortgagee shall stand in the position of and be entitled to all the rights and remedies, whether legal or equitable of the person or persons so paid, whether any such charges or encumbrances have or have not been cancelled from the titles respecting the said lands.

11. THAT in the event the lands are vacant or apparently vacant, or in the event it would appear that there is any present or future risk of destruction or damage to the mortgaged premises, whether or not I am in default under the terms of this mortgage, the Mortgagee shall have the right to enter any building located upon the lands, and shall have the right to forcibly enter if necessary, for the purpose of preserving said building and maintaining adequate electricity and heat to the premises. The Mortgagee shall not by such action be deemed to be a Mortgagee in possession and shall not be considered a trespasser. All of the Mortgagee's costs with respect to so protecting or preserving the premises, or in maintaining heat or electricity, shall be added to the principal secured herein and shall be a charge upon the lands.

12. THAT, subject as hereinafter in this paragraph provided, I covenant to pay when and as the same fall due all taxes, rates, condominium levies, liens, charges, encumbrances or claims which are or may be or become charges or claims against the mortgaged premises or on this mortgage or on the Mortgagee in respect of this mortgage. Provided that in respect of municipal taxes, school taxes and local improvement rates (hereinafter referred to as "taxes") chargeable against the mortgaged premises, the Mortgagee shall have the right to collect the said taxes in the following manner:

- (a) The Mortgagee may deduct from any advance of the moneys secured by this mortgage an amount sufficient to pay the taxes which are due or accruing due as at the date of the advance.
- (b) After the date for adjustment of interest I shall pay to the Mortgagee in monthly instalments on the dates on which instalments of principal and interest are payable hereunder, sums estimated by the Mortgagee to be sufficient to pay the whole amount of taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment thereof;
- (c) Except as provided in the last preceding clause, I shall, in each and every month, pay to the Mortgagee one-twelfth of the amount (as estimated by the Mortgagee) of the taxes next becoming due and payable; and shall also pay to the Mortgagee on demand the amount, if any, by which the actual taxes exceed such estimated amount.

The Mortgagee agrees to apply such deduction and payments on the taxes chargeable against the said lands so long as I am not in default under any covenant, proviso or agreement contained herein, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of taxes more often than yearly. Provided however, that if, before any sum or sums so paid to the Mortgagee shall have been so applied, there shall be default by me in respect of any payment of principal or interest as herein provided, the Mortgagee may apply such sum or sums in or towards payment of the principal and/or interest in default. I further covenant and agree to transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of taxes and rates, condominium levies, liens, charges and encumbrances, forthwith after the receipt of same by me.

I further agree that I shall not be entitled to any interest on any monies paid by me to the Mortgagee on account for the taxes, rates, liens, charges, or claims above noted.

Notwithstanding the foregoing, the Mortgagee shall not be obliged to collect taxes as aforesaid.

13. THAT upon default being made in payment of any of the moneys hereby secured, the Mortgagee shall be entitled to sell and convey the said lands and premises, without entering into possession of the same and without giving any notice to me of his intention so to do, and either before or after and subject to any demise or lease made by the Mortgagee as hereinbefore provided. Provided that any sale made under the powers hereby given may be on such terms as to credit or otherwise as shall appear to the Mortgagee most advantageous, and for such price as can be reasonably obtained therefor, and that sales may be made of any portion or portions of the mortgaged lands and premises, from time to time to satisfy any interest or any part of the principal overdue, leaving the principal balance thereof to run at interest payable as aforesaid, and the Mortgagee may make any stipulation as to the title or otherwise as to the Mortgagee may seem proper, and the Mortgagee may rescind or vary any contract for sale of any of the said lands and premises, and resell without being responsible for any loss occasioned thereby; and for any of the said purposes may make and execute such agreements and assurances as shall be by the Mortgagee deemed necessary.

THAT in the event I am in default under any covenant, proviso, or agreement contained herein, then, in this event, I irrevocably appoint the Mortgagee as attorney on my behalf to execute such Agreements for Sale or Transfers of Land as may be necessary to effect the sale of same.

14. THAT in the event that this Mortgage is granted and approved by the Mortgagee as a second or other subsequent charge upon the said lands, I covenant and agree that I will well and truly pay all money accruing due under all prior mortgages and encumbrances charging the said lands, as and when the same shall become due, and that I will well and truly observe and perform the covenants of the Mortgagor or encumbrancer in any prior mortgage or encumbrance contained and in the event I shall make default in payment of the said moneys due under any prior mortgage or encumbrance or shall fail to observe or perform the covenants of the Mortgagor or encumbrancer in any prior mortgage or encumbrance contained then such default or failure shall constitute default under this Mortgage; AND FURTHER that in the event of default in payment of the moneys due under any prior mortgage or encumbrance, the Mortgagee shall have the right, but not the obligation, to pay the same and any moneys so paid by the Mortgagee herein shall forthwith be due and payable to the Mortgagee together with interest thereon at the rate herein mentioned, and shall be added to the principal herein and be a charge upon the lands and shall be recoverable, inter alia, by foreclosure proceedings along with other moneys secured by this mortgage.

15. THAT I shall not be entitled to a discharge of this mortgage until and unless I shall have kept and performed all the covenants, provisos, agreements and stipulations herein contained, whether the Mortgagee has taken legal proceedings thereon and recovered judgment or otherwise, and I covenant with the Mortgagee that I shall and will in everything do, perform and keep all the provisions and covenants in these presents, according to the true intent and meaning thereof.

16. THAT the said Mortgagee shall not be bound for any reason whatsoever to advance the money hereby intended to be secured nor shall the Mortgagee, in the event of advancing or having advanced a portion, be bound to advance the balance thereof. And it is further agreed that the Mortgagee may release any part or parts of the said lands at any time in his sole discretion, either with or without any consideration therefor, without responsibility therefor and without thereby releasing any other part of the said lands, or any collateral security, or any person from this mortgage, and from any of the covenants herein contained or contained in any collateral security.

AND further, if any portion of the principal sum secured by this Mortgage shall not be advanced at the date hereof the Mortgagee may advance the same in one or more sums at any future date or dates and the amount of such advances, when so made, shall be secured by this Mortgage and be repayable with interest as above provided, and shall be considered and treated as having been so secured and advanced as at the date of this Mortgage. The advance in part of the principal sum shall not bind the Mortgagee to advance the whole of the principal sum or any unadvanced portion thereof, but nevertheless the charge or mortgage by this Mortgage created shall take effect forthwith on the execution of the Mortgage.

AND further, all advances of the principal sum, which are repaid to the Mortgagee, may from time to time be readvanced, in whole or in part, by the Mortgagee, and such readvances shall form part of the principal herein and be a charge upon the lands. (The principal sum may accordingly be repaid in full and re-advanced thereafter. This mortgage shall therefore remain as security until a discharge of same has been signed by the Mortgagee.) This Mortgage shall be considered to be a revolving line of credit mortgage up to the principal sum secured herein and shall take priority pursuant to the appropriate provisions of the Land Titles Act of Alberta.

17. THAT any erection, machinery, fixed or otherwise, buildings or improvements now or hereafter put upon the said lands shall thereupon become fixtures, and be part of the realty and form a part of this security.

18. THAT in case of default being made in any of the covenants, agreements, provisos, and stipulations herein contained, or that are contained in any collateral security, and by reason of such default the Mortgagee considers it necessary to place this mortgage in the hands of his solicitors (whether for the purpose of pursuing the Mortgagor on the covenant to pay, of realization on the security, or both) then I covenant and agree with the Mortgagee to pay the full costs of the said solicitors as between solicitor and his own client. Any costs incurred by the Mortgagee to its solicitor shall, at the time the costs are incurred, be principal outstanding and shall bear interest as set out in this mortgage and shall be a charge on the lands.

THAT, in the event the Mortgagee considers it necessary to pursue any collateral security to this mortgage, and places same in the hands of his solicitors, then I covenant and agree with the Mortgagee to pay the full costs of the said solicitors, as between solicitor and his own client. Any such costs incurred by the Mortgagee to its solicitors shall, at the time the costs are incurred, be principal outstanding and shall bear interest as set out in this mortgage, and shall be a charge on the lands.

19. THAT I will remain in actual personal possession of the said lands during the existence of this mortgage, and will not permit or suffer any act of waste upon the said lands, and will during the existence of these presents well and sufficiently repair, maintain, mend and keep the buildings now or hereafter on the said lands and all fixtures and things thereunto affixed in good and substantial repair. Should I sell the said lands during the existence of this Mortgage, with the Mortgage being assumed, such sale shall not relieve me of my obligations contained in this paragraph, and I shall be liable to the Mortgagee for any damages resulting from the breach of my covenant herein, NOTWITHSTANDING such damages may be caused by the purchaser, or subsequent purchasers.

20. THAT, in case that this is a Mortgage on farm lands I agree that the Mortgagee may insure the crops now or hereafter on the said lands if any of the said lands are now or shall thereafter be brought under cultivation, for the amount of their full insurance value against loss or damage by hail and all premiums therefor shall be recovered and that I will if any part of the said lands be now under cultivation or if any part of the said land shall hereafter during the continuance of this security be brought under cultivation, cultivate all such part or parts in the

most approved husbandlike manner so as to maintain the said land in a good state of cultivation; PROVIDED, however, that I may summer-fallow in good farmerlike manner one-third of all broken acres of such cultivated lands (if any) in any year.

21. THAT the waiver of one or more defaults under this Mortgage shall not be construed as a waiver of any subsequent or other default. AND it is further agreed that the foreclosure, cancellation or any other dealings with any other security for the moneys advanced hereunder or secured hereby shall not release or affect this mortgage and that the taking of this mortgage or the foreclosure or cancellation thereof or any other dealings with, or proceedings under this mortgage shall not release or affect any other security held by the Mortgagee for the moneys advanced or secured hereby, and shall not affect the Mortgagee's right to pursue me in debt or upon any other of the covenants in this mortgage contained.

22. THAT all fees and charges of the Mortgagee's Solicitors, on a solicitor and his own client basis, in connection with the preparation and registration of this Mortgage and passing on of my title to the said land shall be paid by me forthwith and if I make default in paying the same the Mortgagee may pay the amount of such fees and charges and add the amount so paid to the principal sum hereby secured and it shall thereafter be a charge on the said lands in favour of the Mortgagee and shall be repayable with interest as aforesaid.

23. (a) I have a good title to the said lands;
 (b) I have a right to mortgage the said lands;
 (c) In case of a default the Mortgagee shall have quiet possession of the land free from all encumbrances;
 (d) I will execute such further assurances of the land as may be requisite;
 (e) I have done no act to encumber the land other than is disclosed upon the Certificate of Title to the mortgaged premises as of the date hereof;
 (f) I will deposit with the Mortgagee all documents and papers concerning or affecting the title of the said land and they shall be held by the Mortgagee during the currency of this mortgage.

24. THAT this mortgage and all the covenants herein shall be binding upon and enure to the benefit of the executors, administrators, successors and assigns of the parties hereto respectively and wherever the singular or masculine is used throughout this Mortgage, the plural or feminine or body corporate shall be implied wherever the context so requires. And it is further agreed that if this mortgage is entered into and executed by more than one person then all the covenants and stipulations herein contained and implied shall apply to and be binding upon all Mortgageors jointly and severally.

25. THAT I am aware of the Provisions of the Law of Property Act of the Revised Statutes of Alberta, R.S.A. 1980, or any legislation similar thereto or in replacement thereof, whereby it is provided that in any action brought upon any mortgage of land the remedy of the Mortgagee is limited to the land alone and no action shall lie on the covenant for payment contained in such mortgage, and in consideration of the within mortgage I hereby waive the said provisions of the said Act and agree with the Mortgagee, its successors and assigns, that in the event that I am in default the Mortgagee may proceed against me under this mortgage, and on my personal covenants herein contained notwithstanding the provisions of the said act or any legislation similar thereto or in replacement thereof.

26. THAT this mortgage is collateral security only for the due payment of the indebtedness hereby secured and that the Mortgagee may from time to time extend the time for the payment of the indebtedness hereby secured and may take bills or notes to cover the same or any part thereof and may from time to time renew such bills or notes so that the time for payment of any such indebtedness is extended beyond the time mentioned hereby, without affecting the liability of the Mortgagor hereunder or the security hereby given and nothing but the actual payment and satisfaction of such indebtedness shall discharge the Mortgagor or this Mortgage. Any renewal of this mortgage shall be at such interest rate and upon such other terms as may be agreed upon by the parties hereto, or by the then registered owner and the Mortgagee, and such interest rate and such other terms as may be agreed upon by the parties hereto, or by the then registered owner and the Mortgagee, and such interest rate and such other terms shall be binding without the necessity of registering an Extension or Amending Agreement against the title to the lands, on all persons who may take an interest in the lands subsequent to this mortgage, notwithstanding that such interest may be at a rate greater than is set out herein.

27. THAT NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, it is hereby understood and agreed that in the event of transfer or entering into any agreement of sale or transfer of title of the property hereby mortgaged, without having prior consent in writing of the Mortgagee, this mortgage shall become

immediately due and payable at the option of the Mortgagee and such option may be exercised by notice in writing sent to me by prepaid mail at the address last known to the Mortgagee. In the event that title or possession of the mortgaged property has been obtained by a purchaser or transferee without the prior consent in writing of the Mortgagee the aforesaid option may be exercised by notice in writing sent to the aforesaid purchaser or transferee by prepaid mail at the address of the aforesaid purchaser or transferee last known to the Mortgagee. It is further agreed that the issuance of a Statement of Claim shall itself be sufficient notice of the exercise, by the Mortgagee, of its option herein contained.

28. THAT in the event of discharge I will pay all costs of discharge including legal fees for preparation of discharge and the Mortgagee shall have a reasonable time to prepare and forward to me the discharge documents.

29. THAT it is hereby agreed that this mortgage is taken as collateral security only for the due payment of the said indebtedness and interest thereon and none of the rights and remedies of the Mortgagee in respect of the indebtedness or in respect of any note, cheque or other security now or hereafter acquired shall in any way be delayed or prejudiced by these presents.

30. THAT the principal money intended to be secured hereby is the sum of \$65,000,000.00 and interest is at the rate of ten (10.00%) per cent per annum, calculated semi-annually, or other rate or rates in effect and payable from time to time.

31. THAT the terms of repayment of and the rate of interest payable under this Mortgage may be varied, extended, increased or decreased or otherwise amended as the Mortgagee and the then registered owner(s) of the Mortgagor's current interest in the said lands may determine and agree in writing, from time to time and whether before, as at, or after the then maturity date of this Mortgage, and all of the same without prejudice to the rights of the Mortgagee against either the initial Mortgagor hereunder or any other person(s) liable for the payment of the monies secured by this Mortgage; further any alteration aforesaid may but need not be registered against the said lands and whether or not so registered, this Mortgage, as so altered, shall rank in priority to any and all interests registered against the leasehold interest in the said lands subsequent to the registration of this Mortgage as if and to the extent that said alteration had been registered before the registration of any of said subsequent interests.

32. THAT in the event the lands that are the subject matter of this mortgage are wholly or partially taken by expropriation or by the right of an eminent domain, or any similar such taking, then the following shall apply:

- (a) The entire balance of principal or interest then outstanding shall forthwith and without demand or notice become due and payable;
- (b) I do hereby assign to the Mortgagee the full proceeds to be obtained or acquired in any such taking and further assign to the Mortgagee my right to negotiate settlement on my behalf with the taking authority.

33. THAT I also pledge and charge to and in favour of the Mortgagee, as additional security for the sums advanced under this mortgage, all appliances which shall include, but not be limited to, the following: refrigerator, freezer, dishwasher, stove, and microwave oven, and whether same shall be built-in or movable in nature and whether currently at the premises or later brought onto the premises and I further agree not to remove these appliances while there are any sums outstanding to the Mortgagee.

34. THAT in the event the Mortgagee is a Credit Union, this mortgage shall be and is deemed to be a Loan Agreement pursuant to the requirements of the Credit Union Act of Alberta or any legislation similar thereto or in replacement thereof.

35. THAT the Mortgagor acknowledges and agrees that the terms and conditions of the offer of credit giving rise to this Mortgage, addressed to the Mortgagor and accepted by the Mortgagor (as amended from time to time, herein called the "Commitment Letter"), are hereby incorporated by reference as terms and conditions of this Mortgage and shall not merge herein and that default in any of such terms or conditions shall constitute default hereunder and that in the event of any conflict, the terms and provisions of this Mortgage shall govern.

36. THAT any default by the Mortgagor under any of the terms, covenants, provisos or conditions of the Lease, or any other security granted as additional or collateral security to this Mortgage shall, at the election of the

Mortgagee, constitute and be deemed a default under this Mortgage.

37. THAT in the event of the Mortgagor further encumbering its assets or making direct or indirect changes in its ownership, without the prior written consent of the Mortgagee, which consent shall not be unnecessarily withheld provided that the Mortgagor is not then in default hereunder, all monies hereby secured with accrued interest thereon shall immediately become due and payable at the Mortgagee's option and sole discretion.

38. THAT in the event the lands or part of the lands mortgaged herein is a condominium under the Condominium Property Act of Alberta or similar legislation, the following shall apply:

- (a) "Condominium Corporation" as used herein means the Condominium Corporation of which the Mortgagor is a member by virtue of the ownership by the Mortgagor of the condominium unit being charged by this mortgage.
- (b) I hereby assign, transfer and set over unto the Mortgagee all my rights which now exist, or may hereafter come into existence, to vote at meetings of the Condominium Corporation:
 - (i) In all cases in which a unanimous or special resolution is required by the Condominium Property Act of Alberta as amended, the By-Laws of the Corporation, or any Agreement with the Condominium Corporation,
 - (ii) In all other cases other than as referred to in Subclause (i) of this Clause (b), provided that in the event the Mortgagee is either not present, or present by proxy, if present, does not wish to vote, then I may exercise the voting right without further authority.
- (c) I do hereby covenant and agree to execute any documents which the Mortgagee may request me to execute, including, but not limited to proxies if required, in order to give effect to the assignment of the aforesaid voting rights of the Mortgagee.
- (d) I agree to observe and perform all covenants and provisions required to be observed and performed pursuant to:
 - (i) The terms of this Mortgage;
 - (ii) The Condominium Property Act of Alberta, all amendments thereto, and any legislation passed in substitution thereof, and
 - (iii) The By-Laws and Regulations of the Condominium Corporation and any amendments thereto.
- (e) I further covenant and agree that where I default in my obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf, or any assessment, instalment or payment due to the Condominium Corporation or upon breach of any covenant or provision hereinbefore in this paragraph contained, including those covenants or provisions referred to in Clause (d) hereof, regardless of any other action or proceeding taken to be or taken by the Condominium Corporation, the Mortgagee, at its option and without notice to me, may deem such default to be default under the terms of the mortgage and proceed to exercise its right herein.
- (f) Upon default herein and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessments, instalments or payments due to the Mortgagee or arising under any of the Clauses herein contained.
- (g) The Mortgagee shall have the right to pay any condominium levies in arrears, whether or not same rank in priority to this mortgage; and any money so paid shall be repayable by me forthwith and shall be added to the principal herein and shall be a charge upon the mortgaged premises.

39. THAT I represent and warrant to the Mortgagee that neither I, nor to the best of my knowledge, any other

person, have ever caused or permitted any hazardous materials to be placed, held, located, or disposed of on, under or at the Lands, and that my business and assets are operated in compliance with the applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials).

THAT I further represent and warrant to the Mortgagee that no enforcement actions with respect to environmental matters relating to the said Lands are threatened or pending, and that to the best of my knowledge there are no violations of any federal, provincial, or local environmental laws with respect to the Lands. I covenant and agree that, if any such violation should come to my attention during the currency of this Mortgage, I shall immediately notify the Mortgagee of same.

THAT I covenant and agree that I will, at all times during the continuance of this Mortgage, operate the Lands in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and shall permit the Mortgagee to conduct inspections and appraisals of all or any of my records, business and assets, at any time, from time to time, to ensure such compliance. I shall promptly pay all of the costs and expenses of conducting such inspections and appraisals, including costs on a solicitor-and-his-own-client basis, in default of which such costs and expenses shall immediately be added to the principal monies hereby secured, and shall be a charge against the Lands and shall bear interest at the mortgage rate until repaid. I hereby indemnify the Mortgagee, its officers, directors, employees, agents, and shareholders and agree to hold each of them harmless from and against any and all losses, liabilities, damages, costs, expenses and claims of any, and every kind whatsoever, relating to the hazardous materials placed, held, located, or disposed of on the Lands, including without limitation:

- (a) costs, on a solicitor-and-own-client full indemnity basis, of defending and/or counterclaiming or claiming against third parties in respect of any action or matter; and
- (b) any costs, liability or damage arising out of a settlement of any action entered into by the Mortgagee, with or without my consent, which at any time, from time to time, may be paid, incurred or asserted against any of them for, with respect to, or as a direct or indirect result of, the presence on or under, or escape, seepage, leakage, spillage, discharge, emission, or release from the Lands, or into or upon any lands, the atmosphere, any water course, body of water or wetland, of any hazardous materials; and
- (c) a reduction in the value of the Mortgaged Lands.

40. THAT this agreement shall be governed by the Laws of the Province of Alberta. In the event action under this agreement is commenced in a court of competent jurisdiction in the Province of Alberta, I hereby agree to attorn to the jurisdiction of the Alberta Court in the said action.

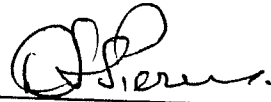
41. The Mortgagor agrees that this mortgage is a continuing collateral security and that the total amount hereby secured, including interest, is the aggregate amount of all debt instruments up to the amount specified as the Principal Amount, including any sum advanced, or readvanced, in stages or at any future time, and such debit instruments shall include all current or running accounts and all moneys and liabilities whether direct or indirect, absolute or contingent, now or hereafter owing, wheresoever or howsoever incurred from or by the Mortgagor, as principal or surety, whether alone or jointly with any other person and in whatever name style or firm, whether otherwise secured or not and whether arising from dealings between the Credit Union and the Mortgagor from other dealings or proceedings by which the Credit Union may become a creditor of the Mortgagor including, without limitation, advances upon overdrawn account or upon bills of exchange, promissory notes, lines of credit, or other obligations discounted for the Mortgagor or otherwise, all bills of exchange, promissory notes, lines of credit, and other obligations negotiable or otherwise representing money and liabilities, or any portion thereof, now or hereafter owing or incurred from or by the Mortgagor and all interest, damages, costs, charges and expenses which may become due or payable to the Credit Union or may be paid or incurred by the Credit Union, upon or in respect of the said money and liabilities or any portion thereof, all premiums of insurance upon the buildings, fixtures, and improvements now or hereafter brought or erected upon the said lands (which buildings, fixtures, improvements and the lands and premises shall hereinafter be referred to as the "Mortgaged Property" unless the context

otherwise provides), which may be paid by the Credit Union and taxes (hereinafter collectively referred to as the "Indebtedness").

42. THAT for the better securing to the Mortgagee the repayment in manner aforesaid of the said principal and interest and other charges and money hereby secured I do hereby mortgage to the said Mortgagee all my estate and interest in the said lands.

IN WITNESS WHEREOF the mortgagor has hereunto subscribed its name (and affixed its corporate seal by its duly authorized officers in that behalf) this 15 day of July, A.D. 2007.

PERERA SHAWNEE LTD.

Per: 

(c/s)

THE LAND TITLES ACT

DATED July _____, A.D. 2007

PERERA SHAWNEE LTD.

TO

**FIRST CALGARY
SAVINGS & CREDIT UNION LTD.**

MORTGAGE

Faber Bickman Leon
Barristers and Solicitors
350, 603 - 7th Avenue S.W.
CALGARY, Alberta
T2P 2T5

File No.: LDL2070697

THIS IS EXHIBIT "E"
referred to in the Affidavit of
Michael Wheatley

Sworn before me this 26

day of Feb A.D. 2010

[Signature]
A Commissioner for Oaths in and for
the Province of Alberta

KATHLEEN BURKE
BARRISTER & SOLICITOR

FIRST CALGARY

SAVINGS & CREDIT UNION LTD.

Branch No.

Loan No.

Member No.

Aug
July 15, 2007
[Signature]

PROMISSORY NOTE

\$24,339,255.00

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to FIRST CALGARY SAVINGS & CREDIT UNION LTD. ("the Credit Union"), at its branch at 1100, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1 the sum of Twenty-Four Million Three Hundred Thirty-Nine Thousand Two Hundred Fifty-Five and 00/100 (\$24,339,255.00) Dollars UPON DEMAND with interest thereon, from the date hereof, as set out hereunder.

Interest on the principal balance outstanding from time to time shall float at the rate of 1.00% per annum greater than the Credit Union's prime rate of interest as established from time to time. Interest shall be calculated monthly and not in advance and shall be paid monthly, commencing the 1st day of August, 2007..

As at the date hereof, the Credit Union's prime rate of interest is 6.25% per annum, calculated monthly and not in advance.

If, for any reason, the Credit Union's prime rate of interest cannot be established for any period, or should it be found to be unclear or uncertain, the prime rate of interest shall be deemed fixed for such period at the rate of 9.00% per annum, calculated monthly and not in advance.

In the event there are one or more prime interest rate changes effective within any interest calculation period, then the interest rate charged at the end of the calculation period shall be a weighted average of the interest rates effective during the calculation period. The weighting factor to be applied to any interest shall be the fraction of the month the interest rate in question was applicable.


Interest shall be payable before, as well as after, maturity and before, as well as after, default. All unpaid interest shall be added to principal and bear interest at the rate stated above.

Presentment for payment, notice of dishonor, protest, and notice of protest are all hereby expressly waived.

I hereby pledge all deposits, paid up shares and payments on shares which I now have or hereafter may have or become entitled to in the above named Credit Union as collateral security for this Promissory Note and any costs or expenses which may be imposed or incurred in connection with the collection thereof.

I agree to pay costs on a solicitor and own client full indemnity basis in the event that I default in payment of the within Promissory Note and collection procedures involving a Solicitor are necessary.

PERERA SHAWNEE LTD.

Per: 

SEALED ✓

(c/s)

THIS IS EXHIBIT " F " referred to in the Affidavit of Michael Wheatley

Sworn before me this 26 day of Feb A.D. 2010

[Signature]
A Commissioner for Oaths in and for the Province of Alberta
KATHLEEN BURKE
BARRISTER & SOLICITOR

FIRST CALGARY
SAVINGS & CREDIT UNION LTD.
Branch No. Loan No. Member No.

Aug
July 15, 2007
[Signature]

PROMISSORY NOTE

\$4,250,000.00

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to FIRST CALGARY SAVINGS & CREDIT UNION LTD. ("the Credit Union"), at its branch at 1100, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1 the sum of Four Million Two Hundred Fifty Thousand and 00/100 (\$4,250,000.00) Dollars UPON DEMAND with interest thereon, from the date hereof, as set out hereunder.

Interest on the principal balance outstanding from time to time shall float at the rate of 1.00% per annum greater than the Credit Union's prime rate of interest as established from time to time. Interest shall be calculated monthly and not in advance and shall be paid monthly, commencing the 1st day of August, 2007.

As at the date hereof, the Credit Union's prime rate of interest is 6.25% per annum, calculated monthly and not in advance.

If, for any reason, the Credit Union's prime rate of interest cannot be established for any period, or should it be found to be unclear or uncertain, the prime rate of interest shall be deemed fixed for such period at the rate of 9.00% per annum, calculated monthly and not in advance.

In the event there are one or more prime interest rate changes effective within any interest calculation period, then the interest rate charged at the end of the calculation period shall be a weighted average of the interest rates effective during the calculation period. The weighting factor to be applied to any interest shall be the fraction of the month the interest rate in question was applicable.

Interest shall be payable before, as well as after, maturity and before, as well as after, default. All unpaid interest shall be added to principal and bear interest at the rate stated above.

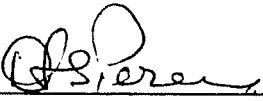
Presentment for payment, notice of dishonor, protest, and notice of protest are all hereby expressly waived.

I hereby pledge all deposits, paid up shares and payments on shares which I now have or hereafter may have or become entitled to in the above named Credit Union as collateral security for this Promissory Note and any costs or expenses which may be imposed or incurred in connection with the collection thereof.

I agree to pay costs on a solicitor and own client full indemnity basis in the event

that I default in payment of the within Promissory Note and collection procedures involving a Solicitor are necessary.

PERERA SHAWNEE LTD.

Per: 

SEALING ✓

(c/s)



PROMISSORY NOTE
(Floating Rate/Demand)

First Calgary Savings & Credit Union Ltd.
(the "Credit Union")
1100, 333 7th Ave. SW
Calgary, Alberta
Commercial Banking Branch
Member No.: 096-1793280

THIS IS EXHIBIT "G"
referred to in the Affidavit of
Michael Wheatley
Sworn before me this 26
day of Feb A.D. 2010

\$75,000.00
("Principal Sum")

[Signature]
Commissioner for Oaths in and for
the Province of Alberta

August 27, 2007
KATHLEEN BURKE
BARRISTER & SOLICITOR

FOR VALUE RECEIVED, the undersigned Borrower(s) jointly and severally promise(s) to pay to the Credit Union the sum of Seventy Five Thousand ----.00/100 Dollars (\$75,000.00) UPON DEMAND with interest thereon from the date hereof, as set out below.

Interest on the principal balance outstanding from time to time shall float at the rate of 1.00% per annum greater than the Credit Union's prime rate of interest as established from time to time. Interest shall be calculated monthly and not in advance, and shall be paid monthly commencing the 1st day of Sept., 2007.

As of the date hereof, the Credit Union's prime rate of interest is 6.25% per annum, calculated monthly and not in advance.

If, for any reason, the Credit Union's prime rate of interest cannot be established for any period, or should it be found to be unclear or uncertain, the prime rate of interest shall be deemed fixed for such period at the rate of 9.00% per annum, calculated monthly and not in advance.

Interest shall be payable before, as well as after, maturity and before, well as after, default. All unpaid interest shall be added to principal and bear interest at the rate stated above.

Presentments for payment, notice of dishonor, protest, and notice of protest are all hereby expressly waived.

The Borrower(s) hereby pledge all deposits, paid up shares and payments on shares which the Borrower(s) now have or hereafter may have or become entitled to in the above named Credit Union as collateral security for this Promissory Note and any costs or expenses which may be imposed or incurred in connection with the collection thereof.

The Borrower(s) agree(s) to pay costs on a Solicitor and his own client basis in the event that the Borrower(s) default in payment of the within Promissory Note and collection procedures involving a Solicitor are necessary.

Perera Shawnee Ltd

[Signature]

SEAL

BORROWER'S SIGNATURE

BORROWER'S SIGNATURE



PROMISSORY NOTE (Floating Rate/Demand)

First Calgary Savings & Credit Union Ltd. (the "Credit Union") 1100, 333 7th Ave. SW Calgary, Alberta Commercial Banking Branch Member No.: 096-1793280

\$271,200.00 (*Price incl. GST*)

September 4, 2007

FOR VALUE RECEIVED, the undersigned Borrower(s) jointly and severally promise(s) to pay to the Credit Union the sum of Two Hundred & seventy-one thousand, two hundred—,00/100 Dollars (\$271,200.00) UPON DEMAND with interest thereon from the date hereof, as set out below.

Interest on the principal balance outstanding from time to time shall float at the rate of 1.00% per annum greater than the Credit Union's prime rate of interest as established from time to time. Interest shall be calculated monthly and not in advance, and shall be paid monthly commencing the 1st day of Oct., 2007.

As of the date hereof, the Credit Union's prime rate of interest is 6.25% per annum, calculated monthly and not in advance.

If, for any reason, the Credit Union's prime rate of interest cannot be established for any period, or should it be found to be unclear or uncertain, the prime rate of interest shall be deemed fixed for such period at the rate of 2.00% per annum, calculated monthly and not in advance.

Interest shall be payable before, as well as after, maturity and before, well as after, default. All unpaid interest shall be added to principal and bear interest at the rate stated above.

Presentments for payment, notice of dishonor, protest, and notice of protest are all hereby expressly waived.

The Borrower(s) hereby pledge all deposits, paid up shares and payments on shares which the Borrower(s) now have or hereafter may have or become entitled to in the above named Credit Union as collateral security for this Promissory Note and any costs or expenses which may be imposed or incurred in connection with the collection thereof.

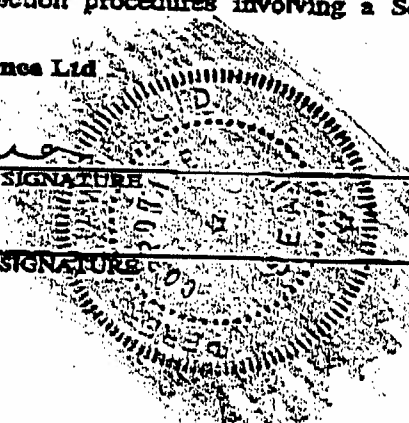
The Borrower(s) agree(s) to pay costs on a Solicitor and his own client basis in the event that the Borrower(s) default in payment of the within Promissory Note and collection procedures involving a Solicitor are necessary.

Perera Shawnee Ltd

[Handwritten signature]

BORROWER'S SIGNATURE

BORROWER'S SIGNATURE



THIS IS EXHIBIT - (4) referred to in the Affidavit of Michael Wheatle Sworn before me this 26 day of Feb A.D. 2007

[Handwritten signature]

A Commissioner for Oaths in and for the Province of Alberta

KATHLEEN BURKE BARRISTER & SOLICITOR

ASSIGNMENT OF RENTS AND LEASES

THIS INDENTURE made this 15 day of ^{Aug} ~~July~~, 2007

BETWEEN:

PERERA SHAWNEE LTD.

(hereinafter called "the Assignor")

THIS IS EXHIBIT " 1 -
referred to in the Affidavit of
Michael Whalley
Sworn before me this 26
day of Feb A.D. 20 10
[Signature]
A Commissioner for Oaths in and for
the Province of Alberta
KATHLEEN BURKE
BARRISTER & SOLICITOR

OF THE ONE PART

- and -

FIRST CALGARY SAVINGS & CREDIT UNION LTD.

(hereinafter called "the Assignee")

OF THE OTHER PART

WHEREAS BY Mortgage or Encumbrance Agreement (hereinafter called "the Mortgage") dated the 15 day of ^{Aug} ~~July~~ A.D. 2007, the Assignor mortgaged to the Assignee the following described lands, namely: [Signature]

see attached Schedule "A"

(hereinafter called "said lands") to secure repayment of the sum of \$65,000,000.00 with interest thereon as in the said Mortgage provided;

AND WHEREAS it was agreed that as additional security for the payment of the moneys secured and the performance of the Mortgage covenants the Assignor would assign to the Assignee the rents due in respect of said lands and any and every part thereof;

AND WHEREAS it was also agreed that as additional security for the payment of the moneys secured and the performance of the Mortgage covenants the Assignor would assign to the Assignee the Assignor's interest in all present and future leases in respect of said lands and any and every part thereof;

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the premises and of such advances that may from time to time be made by the Assignee under said Mortgage, the ASSIGNOR DOTY HEREBY ABSOLUTELY, TRANSFER AND SET OVER UNTO THE ASSIGNEE the following:

- a) all the rents due or to accrue due and payable in respect of the said lands, and any part thereof, during the currency of said Mortgage, under any and all present and future leases and rental agreements of every nature, kind and description in respect of said lands; and all benefit and advantage to be derived therefrom together with all rights of the Assignor for the enforcement of the payment thereof (and not to limit the generality of the foregoing including the right of distress) to hold and receive the rents unto the Assignee;
- b) the Assignor's rights, title, and interest in those leases which are described in Schedule "B" hereto; and
- c) the Assignor's rights, title, and interest in all future leases entered into by the Assignor, as lessor.

THE ASSIGNOR FURTHER COVENANTS AND AGREES WITH THE ASSIGNEE THAT:

1. Neither this assignment nor anything herein contained shall bind the Assignee to recognize any lease or agreement to lease said lands or any part thereof nor in any way render the interest of the Mortgagee under said Mortgage subject to any such lease or agreement and all remedies now available to the Assignee under said Mortgage are hereby reserved to the Assignee and may be exercised notwithstanding any such lease or this assignment.
2. Nothing herein shall have the effect of making the Assignee responsible for the collection of the rents, profits or other payments, or for the performance of any covenants, terms, or conditions either by the lessor or the lessee under any leases.
3. The Assignee shall not by virtue of this agreement or by exercising any of its rights hereunder be deemed to be a mortgagee in possession of the Lands.
4. All revenues, monies, advantages, rights, things expressed in terms of money, rents and profits, and all monies payable under any lease or leases are hereby assigned and taken as collateral security for the due payment of any sum due to the Mortgagee under the mortgage and any renewals thereof, and none of the rights and remedies of the Mortgagee under the mortgage shall be delayed or affected or in any way prejudiced by this agreement; and notwithstanding any variation in the terms of the mortgage or any release of part or parts of the mortgage security, this agreement shall continue until the whole of the monies secured by the mortgage shall be fully paid and satisfied.
5. The Assignee shall be liable to account only for such monies as are actually received by it by virtue of these presents, less any proper costs including the costs of collection including legal charges (on a solicitor-client scale) and the net amount of such monies as are actually received by the Assignee may, in its sole discretion be applied on

account of the monies due under the mortgage or may be paid to the Mortgagor.

6. Until default shall have been made in any of the terms, conditions and covenants in the mortgage, the Assignor shall be entitled to receive all rents, profits and other monies payable pursuant to the Leases and shall not be liable to account therefor to the Assignee, but upon default in any payment under the mortgage or any breach on the part of the Assignor of any of the covenants in the mortgage, and so often as either may occur, the Assignee shall thereupon be entitled to all rents, profits and other payments due or subsequently falling due under the Leases (whether or not notice thereof has been given by the Assignee).

7. Save and except in the ordinary course of its business and in accordance with good commercial practice, the Assignor shall not without the consent of the Assignee:

- (a) demand or accept payment of rent under any of the Leases more than one calendar month in advance;
- (b) make any amendment to any of the Leases or alter or vary the amount of rent payable thereunder;
- (c) consent to the termination of any of the Leases prior to the end of the stated term thereof; or
- (d) consent to an assignment or sublease of a lessee's interest or any part thereof;
- (e) release a lessee from the obligation to pay any rent arrears or from any unremedied breach of any covenant in the lease.

8. After any default in the performance of any obligation of the Assignor herein or in the mortgage, the Assignee, at its option, irrespective of whether or not notice has been delivered to the Assignor and without regard to the value of the lands secured by the mortgage, either in person or by agent, with or without bringing any action or proceeding, or by a receiver to be appointed by instrument in writing or by the court, may:

- (a) enter upon, take possession of, manage, and operate the leased Lands;
- (b) make, enforce, modify and accept the surrender of any of the Leases;
- (c) obtain and evict tenants;
- (d) fix or modify rents;
- (e) lease the lands, or a portion or portions thereof;

- (f) do any acts which the Assignee deems proper to protect the security hereof until all indebtedness secured by the mortgage is paid in full and, either with or without taking possession of the Lands, in its own name, sue for or otherwise collect and receive all rents, issues and profits, including those past due and unpaid and apply the same, less costs and expenses of operation and collection, including reasonable solicitor's fees on a solicitor/client basis, upon such indebtedness; and
- (g) pay utilities, cable television costs, and such other user costs as the Assignee may in its absolute discretion, deem appropriate.

9. The entering upon and taking possession of the Lands, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or waive, modify or affect any notice of default under the mortgage or invalidate any act done pursuant to such notice.

10. The Assignor shall within fifteen days of receipt of a written request from the Assignee therefor deliver to the Assignee full particulars of all of the Leases then in force between the Assignor and third parties and shall provide to the Assignee copies of the written agreements which constitute such Leases.

11. The Assignor shall from time to time upon receipt of written request or demand from the Assignee forthwith execute and deliver to the Assignee specific assignments of any or all of the Leases as the Assignee may require, and all rents and monies payable thereunder, in such form as may be required by the Assignee.

12. The Assignee may waive any default or breach of covenant hereunder.

13. Any default by the Assignor in the observance or performance of any of the covenants and agreements herein, or in the Leases on the Assignor's part to be observed or performed, shall constitute a default under the mortgage and the whole of the principal sum remaining unpaid and all interest and other monies due to the Assignee under the mortgage shall, at the option of the Assignee, forthwith become due and payable in like manner and with like consequences and effects to all intents and purposes whatsoever as if the time therein mentioned for payment of such principal money had fully come and expired.

14. The Assignor shall at all times during the currency of the mortgage insure and keep insured against loss of rents resulting from rent abating by reason of damage to the lands by fire, earthquake, tornado, act of God, or otherwise by reason of which abatement of rent may or shall result, and will pay all premiums and sums of money necessary for such purposes as the same shall become due and shall and does hereby assign over to the Assignee all of the proceeds of the policy or policies of insurance. The Assignor shall forthwith on the happening of any loss resulting from rent abating as aforesaid furnish at its expense all necessary proofs and do all necessary acts and things to enable the

Assignee to obtain payment of the insurance moneys and all insurance monies received by the Assignee by virtue of any such policy or policies less all proper costs of collection thereof may at the option of the Assignee either be forthwith applied in reduction of the moneys secured by said mortgage or be paid to the Assignee.

15. This assignment is additional security for the mortgage indebtedness, and the Assignee shall not by reason of this assignment, or by the collection of any monies hereunder, being rent or otherwise, be responsible for the observance, fulfilment, or performance of any covenant, term, or provision in any of the Leases, or any renewal thereof.

16. The Assignor covenants with the Assignee that the Leases described in Schedule "B" are good, valid, and subsisting and that the covenants, provisos, and conditions thereof on the part of the lessor have been duly observed and performed up to the date hereof.

17. The Assignor shall, at the request of the Assignee, execute such further assurances in respect of this agreement as the Assignee may reasonably require.

18. The terms "Assignor" and Assignee" and references thereof herein shall include the successors and assigns of the Assignor and Assignee respectively and if these presents are entered into and executed by more than one party as Assignor, then all covenants and stipulations herein contained or implied shall apply to and be binding upon all the parties comprising the Assignor jointly and severally and their successors and assigns.

IN WITNESS WHEREOF the Assignor has executed these presents the day and year first above written.

PERERA SHAWNEE LTD.

Per: 

President and Secretary

(c/s)

SCHEDULE "A"

PLAN 0711797

BLOCK 1

LOT 1

EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

SCHEDULE "B"**SUMMARY OF LEASES
AS AT July 24, 2007**

TENANT	NET RENTABLE SQ. FT.	ANNUAL RENT	LEASE EXPIRY/OPTIONS
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BETWEEN:

PERERA SHAWNEE LTD.

(the Assignor)

OF THE FIRST PART

- AND -

FIRST CALGARY SAVINGS & CREDIT UNION LTD.

(the Assignee)

OF THE SECOND PART

ASSIGNMENT OF RENTS & LEASES

FABER BICKMAN LEON
Barristers and Solicitors
#350, 603 - 7th Avenue S.W.
CALGARY, Alberta
T2P 2T5

Our File: LDL2070697/

ACCOUNT SET OFF AGREEMENT

TO: First Calgary Savings & Credit Union Ltd.
(the "Credit Union")
1100, 333 - 7th Avenue S.W.
Calgary, Alberta T2P 2Z1 (Branch)
Member No(s): _____

FROM:

Debtor: PERERA SHAWNEE LTD.

FOR VALUE RECEIVED, the Debtor hereby grants to the Credit Union, by way of mortgage, charge and assignment, a Security Interest in any monies now and hereafter on deposit with the Credit Union in the Collateral Accounts described below (herein called the "Collateral") provided that where an amount is stated under "Money Limitation" the Collateral shall not exceed the amount so stated. Any reference to "Collateral" shall, unless its context otherwise requires, be deemed a reference to "Collateral or any part thereof".

"Collateral Accounts" means the account or accounts described as follows:

<u>COLLATERAL ACCOUNT(S) #</u>	<u>MONEY LIMITATION(S)</u>
_____ and all subsequent renewals thereof	\$1,500,000.00

The Security Interest granted hereby secures payment of any and all obligations, indebtedness and liabilities of the Debtor to the Credit Union whether present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Debtor is bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness").

In addition to the foregoing, this agreement includes those Other Terms and Conditions set out below.

THIS AGREEMENT MADE BETWEEN THE DEBTOR AND THE CREDIT UNION HAS HEREUNTO BEEN EXECUTED AND DELIVERED BY THE DEBTOR this 15 day of ~~July~~ Aug, 2007 at Calgary, Alberta.

PERERA SHAWNEE LTD.

Per: [Signature]

(Use proper form of execution depending upon nature of Debtor)

THIS IS EXHIBIT - J (c/s)
referred to in the Affidavit of
Michael Wheatley
Sworn before me this 26
day of Feb A.D. 2010
[Signature]
A Commissioner for Oaths in and for
the Province of Alberta

[Faint stamp]

OTHER TERMS AND CONDITIONS**1. DEFINITIONS**

- (a) All capitalized terms used in this agreement ("Agreement") shall, except where defined herein, be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Alberta in force at the date of this Agreement ("PPSA").
- (b) "Agreed Rate" means the rate of interest payable under the document(s) evidencing the Indebtedness and in the event such document(s) bear different rates of interest the "Agreed Rate" shall mean the highest of such interest rates.
- (c) "Debtor" means the person or persons named above as the Debtor.
- (d) "Operation of Account Agreements" means the operation of account agreement or agreements between the Debtor and the Credit Union concerning the Collateral Accounts.

2. DEBTOR'S REPRESENTATIONS AND WARRANTIES

The Debtor represents and warrants and so long as this Agreement remains in effect continually represents and warrants that the name(s) of the Debtor is(are) accurately and fully set out above, and the Debtor is not known by any other name(s).

3. DEBTOR'S COVENANTS

The Debtor covenants and agrees that so long as any indebtedness exists:

- (a) The Credit Union is not indebted or liable to the Debtor for the Collateral;
- (b) the Debtor may not draw instruments against or withdraw any moneys which form part of the Collateral whether by cheques, drafts or other orders;
- (c) the Debtor may not assign, transfer or otherwise dispose of or deal with any moneys which form part of the Collateral; and
- (d) in the event of any conflict or inconsistency between any term(s) of this Agreement and any term(s) of the Operation of Account Agreement(s), the term(s) of this Agreement shall prevail.

4. DEFAULT

The happening of the following events shall constitute ("Default") hereunder:

- (a) nonpayment when due, whether by acceleration, demand or otherwise, of any amount forming part of the indebtedness;
- (b) failure of the Debtor to observe or perform any term contained in this Agreement or in any other agreement between the Debtor and the Credit Union;
- (c) declaration of incompetency by a court of competent jurisdiction or death of any individual Debtor or any individual partner of a partnership Debtor;
- (d) bankruptcy or insolvency of the Debtor; filing against the Debtor of a petition in bankruptcy; making of an assignment for the benefit of creditors by the Debtor; appointment of a Receiver or trustee for the debtor or for any property of the Debtor or institution by or against the Debtor of any proposal, plan of arrangement or other type of insolvency proceeding under the Bankruptcy Act or otherwise;
- (e) institution by or against the Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against, or winding up of the affairs of the Debtor;

- (f) the Debtor commits or threatens to commit an act of bankruptcy;
- (g) any execution, sequestration, extent or other process of any court becomes enforceable against the Debtor or if a distress, garnishment, third party demand or analogous process is levied upon the property of the Debtor or any part thereof;
- (h) any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of the Debtor pursuant to or in connection with this Agreement, or otherwise (including without limitation, the representations and warranties contained herein) or as an inducement to the Credit Union to extend any credit to or to enter into this or any other agreement with the Debtor, is false in any material respect at the time as of which the facts therein set forth were stated or certified, or omits any substantial contingent or unliquidated liability or claim against the Debtor; or if upon the date of execution of this Agreement there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to the Credit Union at or prior to the time of such execution; or
- (i) the Credit Union considers that it is insecure or that the prospect of payment or performance by the Debtor of the indebtedness is or is about to be impaired.

5. ACCELERATION

In the event of Default, the Credit Union, in its sole discretion, may without demand or notice of any kind, declare all or any of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable. This clause does not apply to or affect any of the Indebtedness payable on demand.

6. REMEDIES

On Default:

- (a) the Credit Union may enforce this Agreement by any method provided for in this Agreement, in the PPSA or as otherwise permitted by law or in equity;
- (b) the Credit Union may immediately apply all or any portion or portions of the Collateral and set off the same against and in reduction or extinction of all or any part of the Indebtedness, all as the Credit Union may see fit, and may debit the Collateral Accounts accordingly;
- (c) before, during or after realizing on the Collateral, the Credit Union may recover and enforce judgment against the Debtor for the Indebtedness;
- (d) the Credit Union may, but shall not be bound to, realize on the Collateral; and
- (e) if the Credit Union realizes on the Collateral and the realization is not sufficient to satisfy all the Indebtedness, the Debtor acknowledges and agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Credit Union shall be entitled to pursue full payment thereof.

7. COSTS AND EXPENSES

The Debtor shall pay all costs, charges and expenses reasonably incurred by the Credit Union (including, but without restricting the generality of the foregoing, costs as between a solicitor and his own client on a fully indemnity basis), in preparing, registering financing statements regarding or enforcing this Agreement, inspecting, taking custody of, preserving and disposing of Collateral and in enforcing or collecting the Indebtedness. All such costs, charges and expenses shall form part of the Indebtedness and be secured hereby and shall bear interest at the Agreed Rate from the date the same were incurred to the date of payment by the Debtor.

8. GENERAL

- (a) The Credit Union may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as the Credit Union may see fit without prejudice to the liability of the Debtor or to the Credit Union's right to hold and realize upon the Security

Interest. The Credit Union shall not be liable for any failure to exercise its remedies, realize or enforce the Collateral or to initiate any proceedings for such purposes.

- (b) No delay or omission by the Credit Union in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. The Credit Union may remedy any Default by the Debtor hereunder in any manner without waiving the Default remedied and without waiving any other prior or subsequent Default by the Debtor. All rights and remedies of the Credit Union granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (c) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.
- (d) If more than one Debtor executes this Agreement the obligations of such Debtors hereunder shall be joint and several.
- (e) No modification, variation or amendment of any term of this Agreement shall be binding or effective unless made by written agreement, executed by the parties hereto and no waiver of any term hereof shall be binding or effective unless in writing.
- (f) This Agreement is in addition to and not in substitution for any other agreements, securities or Security Interest now or hereafter held by the Credit Union and all such other agreements, securities and Security Interests shall remain in full force and effect.
- (g) The headings used in this Agreement are for convenience only and are not to be considered part of this Agreement and do not in any way limit, explain or amplify the terms of this Agreement.
- (h) When the context so requires, the singular shall be read as if the plural were expressed and vice versa and the terms hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, partnership or corporation.
- (i) Interest in the Collateral Accounts is subject to the provisions of this Agreement.
- (j) In the event any terms of this Agreement, as amended from time to time, shall be deemed invalid, void or unenforceable, in whole or in part, by any court of competent jurisdiction, the remaining terms of this Agreement shall remain in full force and effect.
- (k) Nothing herein contained shall in any way obligate the Credit Union to grant, continue, renew or extend time for payment of the Indebtedness.
- (l) Any failure by the Credit Union to register any financing statement(s) regarding the Security Interest hereby created shall not affect any rights or remedies the Credit Union has pursuant to this Agreement regarding the Collateral or otherwise, including, without limitation, the Credit Union's right not to pay out or be liable for any moneys which form part of the Collateral so long as any Indebtedness exists.
- (m) All rights and remedies which the Credit Union has pursuant to this Agreement, regarding the Collateral or otherwise, are independent of and apply regardless of the validity, perfection, or lack of perfection of the Security Interest created hereby.

9. ATTACHMENT

- (a) Subject to subclause (b), the Security Interest created hereby is intended to attach the Collateral when this Agreement is executed by the Debtor and delivered to the Credit Union.
- (b) With respect to that Collateral acquired by the Debtor after the date this Agreement is executed and delivered to the Credit Union, the Security Interest created hereby in such Collateral is intended to attach at the same time as the Debtor acquires rights in such Collateral.

10. DISCLOSING INFORMATION

This Agreement and any information pertaining thereto or to the Indebtedness may be disclosed by the Credit Union as required by the PPSA.

11. GOVERNING LAW AND JURISDICTION

This Agreement shall be interpreted in accordance with the laws of the Province of Alberta, and the Debtor irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in the courts of the Province of Alberta or in any court of competent jurisdiction, as the Credit Union may elect, and the Debtor agrees to attorn to the same.

12. COPY OF AGREEMENT

Debtor acknowledges receipt of a copy of this Agreement and waives any right it may have to receive a Financing Statement or Financing Change Statement relating to it, if any.

**INITIALS OF DEBTOR
(CREDIT UNION COPY ONLY)** _____

Handwritten initials in black ink, appearing to be 'S' and 'B' or similar, written over a horizontal line.

THIS AGREEMENT MADE THIS 9 DAY OF ^{August} ~~July~~, 2007

THIS IS EXHIBIT ^k referred to in the Affidavit of Michael Wheatley
Sworn before me this 26
day of Feb A.D. 2010
[Signature]
A Commissioner for Oaths in and for
the Province of Alberta
KATHLEEN BURKE
BARRISTER & SOLICITOR

TO: FIRST CALGARY SAVINGS & CREDIT UNION LTD.
#1100, 333 - 7 Avenue S.W.
Calgary, Alberta T2P 2Z1
(the "Lender")

RE: PERERA SHAWNEE LTD. and DON L. PERERA and SHIRANIE M. PERERA and
PERERA DEVELOPMENT CORPORATION
(the "Indemnifiers")

INDEMNITY AGREEMENT

WHEREAS the Lender has agreed to loan to PERERA SHAWNEE LTD. the sum of \$65,000,000.00 (the "Loan");

AND WHEREAS as security for the Loan, PERERA SHAWNEE LTD. has granted to the Lender a Mortgage over the lands legally described as follows:

PLAN 0711797
BLOCK 1
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.03 HECTARES (2.55 ACRES) MORE OR LESS

(the "Lands");

AND WHEREAS as part of the additional security for the Loan, DON L. PERERA and SHIRANIE M. PERERA and PERERA DEVELOPMENT CORPORATION have guaranteed repayment of the Loan to the Lender;

AND WHEREAS all parties hereto are aware that there may be environmental issues regarding the Lands ("Environmental Issues");

AND WHEREAS in the event the Lender suffers any loss, costs, expenses or damages resulting from any Environmental Issues relating to the Lands, the Indemnifiers hereto agree to indemnify and save harmless First Calgary from such losses, costs, expenses, damages, and legal costs calculated on a solicitor-and-his-own-client basis;

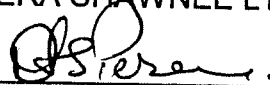
NOW THEREFORE in consideration of the Lender entering into the Loan with PERERA SHAWNEE LTD. and for other good and valuable consideration, the receipt of sufficiency of which is hereby acknowledged, the Indemnifiers jointly and severally hereby covenant and agree with and in favour of the Lender as follows:

1. The Indemnifiers jointly and severally indemnify and save harmless the Lender from any and all losses, costs, expenses or damages which the Lender may sustain in respect of any Environmental Issues regarding the Lands.

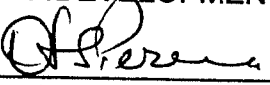
2. Without limiting the generality of the foregoing, as between the Lender and the Indemnifiers, the Indemnifiers are and shall continue to be liable jointly and severally hereunder notwithstanding the bankruptcy, insolvency, or liquidation of PERERA SHAWNEE LTD., voluntarily or otherwise, and notwithstanding any transaction or dealing whatsoever which may take place between the Lender and PERERA SHAWNEE LTD., or any other person, or any neglect or default of the Lender whatsoever which might otherwise operate as a discharge, whether partial or absolute, of the Indemnifiers and without restricting the generality of the foregoing, notwithstanding the release in whole or in part of any security held by the Lender in respect of PERERA SHAWNEE LTD..
3. This indemnity is in addition to and not in substitution for any guarantee or indemnity by whomsoever given to the Lender for the obligations of PERERA SHAWNEE LTD. at any time held by the Lender.
4. No modification of this Agreement shall be effective unless the same is in writing and executed by all of the parties hereto.
5. The liability of the Indemnifiers pursuant to this Agreement shall be joint and several.
6. All of the terms, covenants and conditions of this Agreement extend to and are binding upon the Indemnifiers and the Indemnifiers' heirs, executors, administrators, successors and assigns, as the case may be, and enure to the benefit of and may be enforced by the Lender, its successors and assigns, as the case may be.
7. This Agreement shall be construed in accordance with the laws of the Province of Alberta.

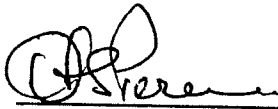
IN WITNESS WHEREOF the Indemnifiers have executed this Agreement as of the date first above written.

PERERA SHAWNEE LTD.

Per:  (c/s)

PERERA DEVELOPMENT CORPORATION

Per:  (c/s)


DON L. PERERA


SHIRANIE M. PERERA


WITNESS


WITNESS

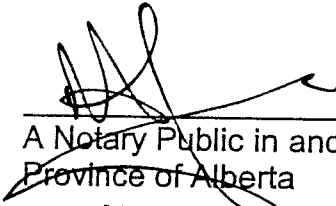
**THE GUARANTEES ACKNOWLEDGEMENT ACT
CERTIFICATE OF NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

1. DON L. PERERA of Calgary, Alberta, the Guarantor* in the Guarantee** dated ~~July~~ ^{August 14}, A.D. 2007 made between FIRST CALGARY SAVINGS & CREDIT UNION LTD. and DON L. PERERA which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he had executed the Guarantee;

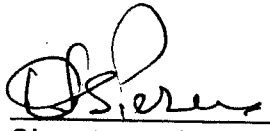
2. I satisfied myself by examination of him that he is aware of the contents of the Guarantee and understands it.

GIVEN at Calgary, Alberta, this 14 day of ~~July~~ ^{August}, A.D. 2007 under my hand and seal of office.


A Notary Public in and for the
Province of Alberta
MATTHEW X. JAMES LL.B.
Barrister & Solicitor

STATEMENT OF GUARANTOR

I am the person named in this certificate. I confirm that the contents of the Guarantee have been explained to me by the above notary public and that I understand the said Guarantee and my obligations thereunder.


Signature of Guarantor
DON L. PERERA

* "Guarantor" refers to DON L. PERERA, the Indemnifier named in the within Indemnity Agreement

** "Guarantee" refers to the within Indemnity Agreement

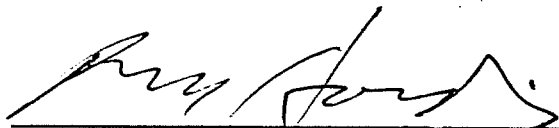
**THE GUARANTEES ACKNOWLEDGEMENT ACT
CERTIFICATE OF NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

1. ~~July~~ ^{August} SHIRANIE M. PERERA of Calgary, Alberta, the Guarantor* in the Guarantee** dated ~~July~~ ^{August} 8, A.D. 2007 made between FIRST CALGARY SAVINGS & CREDIT UNION LTD. and SHIRANIE M. PERERA which this certificate is attached to or noted upon, appeared in person before me and acknowledged that she had executed the Guarantee;

2. I satisfied myself by examination of her that she is aware of the contents of the Guarantee and understands it.

GIVEN at Calgary, Alberta, this 9 day of ~~July~~ ^{August}, A.D. 2007 under my hand and seal of office.

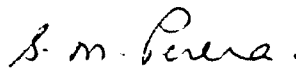


A Notary Public in and for the
Province of Alberta

RICHARD M. HARDING

STATEMENT OF GUARANTOR

I am the person named in this certificate. I confirm that the contents of the Guarantee have been explained to me by the above notary public and that I understand the said Guarantee and my obligations thereunder.



Signature of Guarantor
SHIRANIE M. PERERA

* "Guarantor" refers to SHIRANIE M. PERERA, the Indemnifier named in the within Indemnity Agreement

** "Guarantee" refers to the within Indemnity Agreement

GUARANTEE AND POSTPONEMENT
(of a Corporation)

FIRST CALGARY

(THIS IS EXHIBIT "L" - SAVINGS & CREDIT UNION LTD.
referred to in the Affidavit of (the "Credit Union"))

Michael Wheatley

Sworn before me this 26 Branch No./Loan No./Member No.

day of Feb A.D. 2010

[Signature]

TO THE CREDIT UNION:

A Commissioner for Oaths in and for
the Province of Alberta

KATHLEEN BURKE
BARRISTER & SOLICITOR

IN CONSIDERATION OF the Credit Union dealing with PERERA SHAWNEE LTD., of 425-78 Avenue S.W., Calgary, Alberta, T2V 5K5 (hereinafter referred to as the "Customer") the undersigned hereby jointly and severally guarantee(s) payment to the Credit Union of all present and future debts and liabilities direct or indirect or otherwise, now or at any time and from time to time hereafter due or owing to the Credit Union from or by the Customer or by any successor corporation of the Customer and whether incurred by the Customer alone or jointly with any other Corporation, person or persons, or otherwise howsoever; provided, however, that the liability of the undersigned and of each of the undersigned herein is limited to:

- the sum of \$25,000,000.00,
- interest from the date of demand for payment at the rate(s) agreed upon between the Credit Union and the Customer, and
- solicitor-client costs as provided for hereunder.

IT IS AGREED that no change in the name, objects, capital stock or constitution of the Customer, shall in any way affect the liability of the undersigned or any of them, either with respect to transactions occurring before or after any such change, and the Credit Union shall not be concerned to see or inquire into the powers of the Customer or any of its directors or other agents, acting or purporting to act on its behalf, and monies, advances, renewals or credits, in fact borrowed or obtained from the Credit Union in the professed exercise of such powers shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding that such borrowing or obtaining of monies, advances, renewals or credits shall be in excess of the powers of the Customer or of its directors or other agents aforesaid, or be in any way irregular, defective or informal.

IT IS FURTHER AGREED that the Credit Union, without notice to the undersigned and without exonerating in whole or in part the undersigned, or any of them (if more than one), may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from, or from perfecting securities of, may accept compositions from, and may otherwise deal with the Customer and all other persons (including the undersigned, or any one of them, and any other guarantor) and securities, as the Credit Union may see fit, and that all dividends, compositions, and monies received by the Credit Union from the Customer or from any other persons or estates capable of being applied by the Credit Union in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Credit Union shall be entitled to prove against the estate of the Customer upon any insolvency of winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Credit Union in respect of any such proof until the Credit Union shall have received from such estate payment in full of its claim with interest.

The undersigned agrees that the Credit Union may, without notice to the Guarantor(s), agree to change the interest rate on any or all of the debts and liabilities guaranteed herein by either raising or reducing the said interest rate, and that the undersigned shall be bound by such changes and interest rate and the undersigned further agrees that such changes in interest rate will in no way limit or lessen the liability of the undersigned and this Guarantee.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall cover and secure any ultimate balance owing to the Credit Union, but the Credit Union shall not be obliged to exhaust its recourse against the Customer or other persons or the securities it may hold before being entitled to payment from the undersigned of all and every of the debts and liabilities hereby guaranteed: Provided always that the undersigned, or any one or more of them (if more than one), or the respective executors, administrators or legal representatives of any of the undersigned, may determine his or their further liability under this continuing guarantee by ninety days' notice in writing to be given to the Credit Union, and the liability hereunder of the undersigned and each of them (if more than one), and his or their respective executors, administrators and legal representatives shall continue until the expiration of ninety days after the giving of such notice, notwithstanding the death or insanity of the undersigned, and after the expiry of such notice the undersigned and each of them (if more than one), and his or their respective executors, administrators and legal representatives shall remain liable under this guarantee in respect of any sum or sums of money owing to the Credit Union as aforesaid on the date such notice expired and also in respect of any contingent of future liabilities incurred to or by the Credit Union on or before such date but maturing thereafter, but such determination in any manner of further liability of any one or more of the undersigned or of the respective executors, administrators or legal representatives of any of the undersigned shall not prevent the continuance of the liability hereunder of any others or other of the undersigned or of their or his respective executors, administrators, or legal representative. Every Certificate issued under the hand of the Manager or Acting Manager of the Credit Union for the time being at the Branch where the Customer's account shall be kept, purporting to show the amount at any particular time due and payable to the Credit Union, and covered by this guarantee, shall be received as conclusive evidence as against the undersigned and every one of them (if more than one), and his or their respective executors, administrators and legal representatives, that such amount is at such time so due and payable to the Credit Union and is covered hereby.

THIS CONTRACT shall be construed in accordance with the laws of the Province of Alberta and for the purpose of legal proceedings this contract shall be deemed to have been made in the said Province and to be performed there, and the Courts of that Province shall have jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Credit Union from proceeding at its election against the undersigned in the Courts of any other Province or country.

NOTWITHSTANDING the provisions of any Statute relating to the rate of interest payable by debtors, this contract shall remain in full force and effect whatever the rate of interest received or demanded by the Credit Union.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned and each of them are hereby postponed to the debts and liabilities of the Customer to the Credit Union and all monies received by any of the undersigned or their or his assigns thereon shall be received as Trustees for the Credit Union and shall be paid over to the Credit Union.

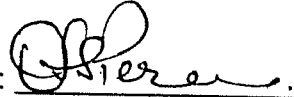
THE UNDERSIGNED and each of them (if more than one) acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned or any of them (if more than one) affecting the liability of the undersigned or any of them (if more than one) under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other Guarantees held or which may hereafter be held by the Credit Union.

IN THE EVENT the Credit Union engages a solicitor to effect collection of the amount outstanding under this guarantee, the undersigned agrees to pay the full costs of said solicitors as between solicitor and own client on a full indemnity basis.

AS WITNESS the hands and seals of the undersigned, at Calgary, Alberta, this 15 day of ~~July~~^{Aug} A.D. 2007.



PERERA DEVELOPMENT CORPORATION

Per: 

(C/S)

THIS IS EXHIBIT - M.
referred to in the Affidavit of
Michael Wheatley
Sworn before me this 26

First Calgary Savings & Credit Union Ltd.
(the "Credit Union")

**GENERAL
SECURITY AGREEMENT** Day of Feb A.D. 2010
AND CHARGE ON LAND

1100, 333 - 7th Avenue S.W.
Calgary, Alberta T2P 2Z1 (Branch)

FROM: KATHLEEN BURKE
BARRISTER & SOLICITOR
A Commissioner for Oaths in and for
the Province of Alberta

Corporate Guarantor: PERERA DEVELOPMENT CORPORATION Member No(s): _____

1. DEFINITIONS

(a) All capitalized terms used in this agreement ("Agreement") including any schedules ("Schedules") annexed hereto shall, except where defined herein, be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Alberta in force at the date of this Agreement ("PPSA").

(b) In this Agreement:

- (i) "Account Debtor" means a debtor of the Debtor on an Intangible, Chattel Paper or Account, or any obligor of the Debtor on an Instrument;
- (ii) "Agreed Rate" means the rate of interest payable under the document(s) evidencing the Indebtedness and in the event such document(s) bear different rates of interest the "Agreed Rate" shall mean the highest of such interest rates;
- (iii) "Consumer Goods" means those goods that are used or acquired by the Debtor for use primarily for his personal, family or household purposes;
- (iv) "Debtor" means the "Corporate Guarantor";
- (v) "Encumbrances" means any Security Interests, mortgages, liens, claims, charges and other encumbrances affecting the Collateral including Permitted Encumbrances but excluding the Security Interest created hereby;
- (vi) "Permitted Encumbrances" means any Encumbrances which are described in Schedule "C" and any others approved in writing by the Credit Union prior to their creation or assumption;
- (vii) "Real Property" means any real, immovable, and leasehold property, including fixtures; and
- (viii) "Receiver" includes a Receiver-Manager.

2. SECURITY INTEREST

a) PERSONAL PROPERTY:

For value received, the Debtor hereby grants to the Credit Union, by way of mortgage, charge and assignment, a Security Interest in the undertaking of the Debtor and in all Goods (including all parts, accessories, attachments, special tools, additions and Accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money, Securities and other property now or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all Proceeds thereof, (herein collectively called the "Collateral"), including, without limitation, all of the following property now or hereafter owned or acquired by or on behalf of the Debtor:

- (i) all property described in Schedule "A";
- (ii) all Inventory;
- (iii) all Equipment, including, without limitation, all machinery, tools, apparatus, plant, furniture, Fixtures and vehicles of whatsoever nature or kind;

- (iv) all Accounts, including, without limitation, all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action, judgments and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing due to or owned by or which may hereafter become due, owing or accruing due to or owned by the Debtor;
- (v) all deeds, documents, writings, papers and books of account and other books relating to or being records of Accounts, Chattel Paper, Instruments or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (vi) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other intellectual property; and
- (vii) all crops and livestock including all crops that are or which hereafter become crops on any real property described in Schedule "B".

Any reference to "Collateral" shall, unless its context otherwise requires, be deemed a reference to "Collateral or any part thereof".

The Security Interest granted hereby shall not extend or apply to and the Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

* The Security Interest granted hereby shall not extend or apply to and the Collateral shall not include the Debtor's Consumer Goods except for any described in Schedule "A". (* Delete and initial if inapplicable.)

b) REAL PROPERTY:

For value received, the Debtor hereby grants to the Credit Union a fixed mortgage and charge against:

- (i) any interest the Debtor currently has in any Real Property; and
- (ii) any interest the Debtor may acquire in any Real Property in the future.

3. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment of any and all obligations, indebtedness and liabilities of the Debtor to the Credit Union whether present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Debtor is bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness").

4. DEBTOR'S REPRESENTATIONS AND WARRANTIES

The Debtor represents and warrants and so long as this Agreement remains in effect continuously represents and warrants that:

- (a) the Collateral is genuine and owned by the Debtor free of all Encumbrances except Permitted Encumbrances;
- (b) each Account, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same and the amount represented by the Debtor to the Credit Union from time to time as owing by each Account Debtor is the correct amount actually and unconditionally owing by such Account Debtor;
- (c) there is no litigation, proceeding or dispute pending or to the knowledge of the Debtor threatened against or affecting the Debtor or the Collateral, the adverse determination of which might materially and adversely affect the Debtor's financial condition or impair the Debtor's ability to perform its obligations hereunder;

(d) the name(s) of the Debtor is(are) accurately and fully set out above, and the Debtor is not known by any other name(s); and

(e) there is no provision in any agreement to which the Debtor is a party, nor to the knowledge of the Debtor is there any statute, rule or regulation, or any judgment, decree or order of any court binding on the Debtor, which would be contravened by the execution and delivery of this Agreement.

5. DEBTOR'S COVENANTS

The Debtor covenants and agrees:

- (a) to defend the Collateral (except Collateral dealt with as permitted by clause 7 hereof) against the claims and demands of all other parties claiming the same or an interest therein;
- (b) to keep the Collateral free from all Encumbrances except Permitted Encumbrances;
- (c) subject to clause 7 hereof, not to sell, exchange, transfer, assign, lease, or otherwise dispose of Collateral or any interest therein without the prior written consent of the Credit Union;
- (d) to notify the Credit Union promptly of:
 - (i) any change in the information contained herein or in the Schedules relating to the Debtor, the Debtor's name, the Debtor's business or Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting the Debtor or Collateral;
 - (iv) any loss or damage to Collateral;
 - (v) any default by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and
 - (vi) the return to or repossession by the Debtor of Collateral;
- (e) to keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, bylaw, rule, regulation or ordinance;
- (f) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or Collateral as and when the same become due and payable;
- (g) to punctually make all payments and perform all obligations in any lease by the Debtor and under any agreement charging property of the Debtor;
- (h) to prevent Collateral from being or becoming a Fixture or an Accession to other property that is not Collateral;
- (i) to carry on and conduct the business of the Debtor in a proper and efficient manner so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral;
- (j) to deliver to the Credit Union from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents,

statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;

- (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to the Collateral; and
 - (v) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Credit Union may reasonably request;
- (k) not to remove any of the Collateral from the Province of Alberta without the prior written consent of the Credit Union;
- (l) in the event the value of the Collateral shall be materially reduced, to immediately reduce the amount of the Indebtedness by an amount determined by the Credit Union;
- (m) if the Collateral includes crops and livestock, in addition to the Debtor's other obligations regarding Collateral:
- (i) to do all acts which may be necessary to attend to, care for, raise and fatten the livestock and to grow, cultivate, spray, irrigate, cut, harvest, pick, clean, preserve and protect the crops, all according to the most approved methods of farming husbandry and to keep the farm(s) on which the Collateral is located free of noxious weeds and grasses, and maintain the present buildings and improvements on the said farm(s) in good condition and repair;
 - (ii) to provide suitable range, pasture and feed for all livestock and care for and protect them from disease, damage, injury, death, destruction by weather, wild animals, theft or other cause;
 - (iii) to pay, when due, all obligations incurred for labour or material or otherwise in the care or feeding or shearing of such livestock; and
 - (iv) at the request of the Credit Union, to deliver to the Credit Union the Debtor's Canadian Wheat Board producer's permit book and to assign to the Credit Union all of the Debtor's rights thereunder; and
- (n) to permit the Credit Union, by its officers or authorized agents, at any time, and from time to time, as often as the Credit Union in its sole discretion may determine, to enter the premises owned or occupied by the Debtor for the purpose of inspecting the Collateral and the operation of the Debtor's business.

6. INSURANCE

The Debtor shall insure and keep insured against loss or damage by fire or other insurable hazards the Collateral to the extent of its full insurable value, and shall maintain such other insurance as the Credit Union may reasonably require. The loss under the policies of insurance shall be made payable to the Credit Union as its interest may appear and the insurance shall be written by an insurance company approved by the Credit Union in terms satisfactory to the Credit Union and the Debtor shall provide the Credit Union with copies of the same. The Debtor shall pay all premiums and other sums of money necessary for such insurance as they become due and deliver to the Credit Union proof of said payment, and shall not allow anything to be done by which the policies may become vitiated. Upon the happening of any loss or damage the Debtor shall furnish at its expense all necessary proofs and shall do all necessary acts to enable the Credit Union to obtain payment of the insurance monies.

7. DEALING WITH COLLATERAL

The Debtor shall not sell, exchange, transfer, assign, lease or otherwise dispose of that Collateral described in Schedule "A" except with the prior written consent of the Credit Union which consent may be arbitrarily withheld. Until but not after Default the Debtor may deal with Collateral, other than that Collateral described in Schedule "A", in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions of this Agreement, provided that the Debtor may only sell, exchange, transfer, assign, lease or otherwise dispose of such Collateral for fair value on commercially reasonable terms and provided that all cash Proceeds therefrom are immediately deposited with the Credit Union.

8. COLLATERAL IN POSSESSION OF CREDIT UNION, RECEIVER OR SHERIFF

If Collateral is at any time in the possession of the Credit Union, a Receiver or Sheriff, the Credit Union, Receiver or Sheriff in possession, as the case may be:

- (a) shall not be required to take any steps to preserve any rights against other parties to any Chattel Paper, Security or Instrument constituting Collateral;
- (b) shall not be required to keep the Collateral identifiable; and
- (c) may use the Collateral in any manner and to any extent the Credit Union in its sole discretion, deems advisable.

9. SECURITIES

If the Collateral at any time includes Securities, the Debtor authorizes the Credit Union to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Credit Union or its nominee(s) may appear of record as the sole owner thereof; provided that, until Default, the Credit Union shall promptly deliver to the Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Debtor or its order a proxy to vote and take all action with respect to such Securities. After Default, the Debtor waives all rights to receive any notices or communications received by the Credit Union or its nominee(s) as such registered owner and agrees that no proxy issued by the Credit Union to the Debtor or its order as aforesaid shall thereafter be effective.

10. COLLECTION FROM ACCOUNT DEBTORS

Before or after Default, the Credit Union may notify any Account Debtor of this Security Interest and may direct such Account Debtor to make all payments to the Credit Union. The Debtor acknowledges that any payments on or other Proceeds of the Collateral received by the Debtor from any Account Debtor, whether before or after notice of this Security Interest is given to such Account Debtor and whether before or after Default, shall be received and held by the Debtor in trust for the Credit Union and shall be turned over to the Credit Union upon request. The Debtor agrees that it will not commingle any Proceeds of or payments on the Collateral with any of the Debtor's funds or property, but will hold them separate and apart.

11. OTHER TERMS

This Agreement includes the terms, if any, which are contained in Schedule "D".

12. APPLICATION OF MONIES

All Monies collected or received by the Credit Union pursuant to or in exercise of any right It possesses with respect to the Collateral shall be applied on account of the Indebtedness in such manner as the Credit Union may in its sole discretion determine or, at the option of the Credit Union, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Credit Union hereunder, and any surplus shall be accounted for as required by law.

13. DEFAULT

The happening of any of the following events shall constitute default ("Default") hereunder:

- (a) nonpayment when due, whether by acceleration, demand or otherwise, of any amount forming part of the Indebtedness;
- (b) failure of the Debtor to observe or perform any term contained in this Agreement or in any other agreement between the Debtor and the Credit Union;
- (c) declaration of incompetency by a court of competent jurisdiction or death of an individual Debtor or an individual partner of a partnership Debtor;

(d) bankruptcy or insolvency of the Debtor; filing against the Debtor of a petition in bankruptcy; making of an assignment for the benefit of creditors by the Debtor; appointment of a Receiver or trustee for the Debtor or for any property of the Debtor or institution by or against the Debtor of any proposal, plan of arrangement or other type of insolvency proceeding under the Bankruptcy Act or otherwise;

(e) institution by or against the Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against, or winding up of the affairs of the Debtor;

(f) any of the Encumbrances becomes enforceable;

(g) the Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets or commits or threatens to commit an act of bankruptcy;

(h) any execution, sequestration, extent or other process of any court becomes enforceable against the Debtor or if a distress or analogous process is levied upon the property of the Debtor or any part thereof;

(i) any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of the Debtor pursuant to or in connection with this Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to the Credit Union to extend any credit to or to enter into this or any other agreement with the Debtor, is false in any material respect at the time as of which the facts therein set forth were stated or certified, or omits any substantial contingent or unliquidated liability or claim against the Debtor; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to the Credit Union at or prior to the time of such execution;

(j) any of the licenses, permits or approvals granted by any government or any governmental authority and essential to the business of the Debtor is withdrawn, cancelled or significantly altered;

(k) at any time, there is a material adverse change in the financial condition of the Debtor; or

(l) the Credit Union considers that it is insecure, or that the prospect of payment or performance by the Debtor of the Indebtedness is or is about to be impaired, or that the Collateral is or is about to be placed in jeopardy.

14. ACCELERATION

In the event of Default, the Credit Union, in its sole discretion, may without demand or notice of any kind, declare all or any of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable. This clause does not apply to or affect any of the Indebtedness payable on demand.

15. REMEDIES

On Default:

(a) the Credit Union may enforce this Agreement by any method provided for in this Agreement, in the PPSA, in the *Law of Property Act*, or as otherwise permitted by law or in equity, and, without limitation, may dispose of Collateral by lease or deferred payment;

(b) the Credit Union may seize or otherwise take possession of the Collateral and/or Real Property or any part thereof and sell the same by public or private sale at such price and upon such terms as the Credit Union in its sole discretion may determine and the proceeds of such sale less all costs, charges and expenses of the Credit Union (including costs as between a solicitor and his own client on a full indemnity basis) shall be applied on the Indebtedness and the surplus, if any, shall be disposed of according to law;

(c) the Credit Union may take proceedings in any court of competent jurisdiction for the appointment of a Receiver;

(d) the Credit Union may appoint by instrument any person or persons to be a Receiver of any Collateral and/or

Real Property, and may remove any person so appointed and appoint another in his stead;

- (e) unless otherwise restricted by his appointment, any Receiver shall have the power:
 - (i) to take possession of any Collateral and/or Real Property and for that purpose to take any proceedings, in the name of the Debtor or otherwise;
 - (ii) to carry on or concur in carrying on the business of the Debtor;
 - (iii) to sell or lease any Collateral and/or Real Property;
 - (iv) to make any arrangement or compromise which he may think expedient in the interest of the Credit Union;
 - (v) to pay all liabilities and expenses connected with the Collateral and/or Real Property, including the cost of insurance and payment of taxes or other costs, charges or expenses incurred in obtaining, maintaining possession of and preserving the Collateral and/or Real Property, and the same shall be added to the Indebtedness.
 - (vi) to hold as additional security any increase or profits resulting from the Collateral;
 - (vii) to exercise all rights and remedies that the Credit Union may have under this Agreement, the PPSA, the *Law of Property Act* or otherwise at law or in equity;
 - (viii) with the written consent of the Credit Union, to borrow money for the purpose of carrying on the business of the Debtor or for maintenance of the Collateral and/or Real Property or any part thereof or for other purposes approved by the Credit Union, and any amount so borrowed together with interest thereon shall form a charge upon the Collateral in priority to the Security Interest created by this Agreement; and
 - (ix) to do any other act or thing as may be considered to be incidental or conducive to any of the matters and powers aforesaid;
- (f) the Debtor hereby appoints each Receiver appointed by the Credit Union to be its attorney to effect a sale or lease of any Collateral and/or Real Property and any deed, lease, agreement or other document signed by a Receiver pursuant to this power of attorney shall have the same effect as if it had been executed by and under the seal of the Debtor;
- (g) a Receiver appointed by the Credit Union shall be deemed to be the agent of the Debtor, and the Debtor shall be solely responsible for his acts or defaults and for his remuneration and expenses, and the Credit Union shall not be in any way responsible for any misconduct or negligence on the part of any Receiver;
- (h) all monies received by the Receiver after providing for payment of all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver shall be paid to the Credit Union and applied on account of the Indebtedness;
- (i) the Credit Union may enter upon, use and occupy all premises owned or occupied by the Debtor or wherein the Collateral may be situate;
- (j) before, during or after realizing on the Collateral and/or the Real Property, the Credit Union may recover and enforce judgment against the Debtor for the Indebtedness and all costs, charges and expenses reasonably incurred by the Credit Union (including, without limitation, costs as between a solicitor and his own client on a full indemnity basis) in recovering or enforcing judgment against the Debtor; and
- (k) the Credit Union may, but shall not be bound to, realize on the Collateral.

16. DEFICIENCY

If the Credit Union realizes on the Collateral and/or the Real Property and the realization is not sufficient to satisfy all the Indebtedness, the Debtor acknowledges and agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Credit Union shall be entitled to pursue full payment thereof.

17. COSTS AND EXPENSES

(a) Upon the Debtor's failure to perform any of its obligations under this Agreement then the Credit Union may, but shall not be obligated to perform the same and in the event of performance thereof by the Credit Union the Debtor shall pay to the Credit Union forthwith upon written demand therefor an amount equal to all costs, charges and expenses incurred by the Credit Union in performing the Debtor's obligations plus interest thereon at the Agreed Rate from the date such costs, charges and expenses are incurred by the Credit Union until paid by the Debtor.

(b) The Debtor shall pay all costs, charges and expenses reasonably incurred by the Credit Union or any Receiver appointed by it (including, but without restricting the generality of the foregoing, costs as between a solicitor and his own client on a full indemnity basis), in preparing, registering financing statements regarding or enforcing this Agreement, inspecting, taking custody of, preserving, repairing, maintaining, processing, preparing for disposition and disposing of Collateral and/or the Real Property and in enforcing or collecting the Indebtedness and all such costs, charges and expenses together with any monies owing as a result of any borrowing by any Receiver appointed by the Credit Union shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby. Such costs, charges and expenses shall bear interest at the Agreed Rate from the date the same were incurred to the date of payment by the Debtor.

(c) The Credit Union may pay or satisfy any Encumbrances or pay any sum necessary to clear title to any Collateral, and the Debtor agrees to repay the same on demand, plus interest thereon at the Agreed Rate.

(d) All amounts paid by the Credit Union pursuant to this clause together with interest thereon at the Agreed Rate shall form part of the Indebtedness and be secured hereby.

18. SET OFF

Without limiting any other right the Credit Union may have, the Credit Union may, in its sole discretion at any time and without notice, set off any and all amounts owed to the Debtor by the Credit Union in any capacity and, whether or not due, against any and all Indebtedness including any contingent or non-matured Indebtedness and Indebtedness as principal or guarantor.

19. FURTHER ASSURANCES

The Debtor agrees to execute and deliver to the Credit Union such further assurances, conveyances and supplemental deeds as may be necessary to properly carry out the intention of this Agreement, as determined by the Credit Union, or as may be required by the Credit Union from time to time.

20. NOTICE

Any notice or demand required or permitted to be made or given by the Credit Union to the Debtor may be validly served by leaving the same with, or by mailing the same by prepaid registered mail to, the Debtor at his address as set out herein (or at such other address as the Debtor may in writing notify the Credit Union of as the Debtor's address for service under this Agreement) or by leaving such notice with any officer or director of the Debtor as shown on the records of the Credit Union, and in the case of mailing such notice or demand shall be deemed to have been received by the Debtor on the third business day following the date of mailing.

21. GENERAL

(a) The Credit Union may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, Account Debtors, sureties and others and with Collateral and other security as the Credit Union may see fit without prejudice to the liability of the Debtor or the Credit Union's right to hold and realize upon the Security Interest. The Credit Union may demand,

collect and sue on Collateral in either the Debtor's or the Credit Union's name and may endorse the Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting Collateral. The Credit Union shall not be liable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to initiate any proceedings for such purposes.

(b) No delay or omission by the Credit Union in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. The Credit Union may remedy any Default by the Debtor hereunder in any manner without waiving the Default remedied and without waiving any other prior or subsequent Default by the Debtor. All rights and remedies of the Credit Union granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(c) The Debtor waives protest of any instrument constituting Collateral at any time held by the Credit Union in which the Debtor is in any way liable and notice of any other action taken by the Credit Union.

(d) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against the Credit Union.

(e) If more than one Debtor executes this Agreement the obligations of such Debtors hereunder shall be joint and several.

(f) No modification, variation or amendment of any term of this Agreement shall be binding or effective unless made by written agreement, executed by the parties hereto and no waiver of any term hereof shall be binding or effective unless in writing.

(g) This Agreement is in addition to and not in substitution for any other agreements, securities or Security Interests now or hereafter held by the Credit Union and all such other agreements, securities and Security Interests shall remain in full force and effect.

(h) The headings used in this Agreement are for convenience only and are not to be considered part of this Agreement and do not in any way limit, explain or amplify the terms of this Agreement.

(i) When the context so requires, the singular shall be read as if the plural were expressed and vice versa and the terms hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, partnership or corporation.

(j) In the event any terms of this Agreement, as amended from time to time, shall be deemed invalid, void or unenforceable, in whole or in part, by any court of competent jurisdiction, the remaining terms of this Agreement shall remain in full force and effect.

(k) Nothing herein contained shall in anyway obligate the Credit Union to grant, continue, renew or extend time for payment of the Indebtedness.

22. ATTACHMENT

(a) Subject to subclause (b), the Security Interest created hereby is intended to attach the Collateral when this Agreement is executed by the Debtor and delivered to the Credit Union,

(b) With respect to that Collateral acquired by the Debtor after the date this Agreement is executed and delivered to the Credit Union, the Security Interest created hereby in such Collateral is intended to attach at the same time as the Debtor acquires rights in such Collateral.

23. DISCLOSING INFORMATION

This Agreement and any information pertaining thereto or to the Indebtedness may be disclosed by the Credit Union

as required by the PPSA.

24. GOVERNING LAW AND JURISDICTION

This Agreement shall be interpreted in accordance with the laws of the Province of Alberta, and the Debtor irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in the courts of the Province of Alberta or in any court of competent jurisdiction, as the Credit Union may elect, and the Debtor agrees to attorn to the same.

25. COPY OF AGREEMENT

Debtor acknowledges receipt of a copy of this Agreement and waives any right it may have to receive a Financing Statement or Financing Change Statement relating to it.

IN WITNESS WHEREOF the Debtor has hereunto executed this Agreement this 15 ^{Aug} day of ~~July~~ 2007 at Calgary, Alberta.

PERERA DEVELOPMENT CORPORATION

By: *[Signature]*
President

(c/s)

FULL ADDRESS OF DEBTOR
425 - 78 Avenue S.W.
Calgary, Alberta, T2V 5K5

* Complete Affidavit of Execution if Debtor is an individual or partnership.

**SCHEDULE "A"
(DESCRIBED PROPERTY)**

*Obtain serial numbers for all motor vehicles, trailers, mobile homes, farm machinery, equipment and airplanes

SCHEDULE "B"
(DESCRIBED REAL PROPERTY)
*Obtain legal description

SCHEDULE "C"
(PERMITTED ENCUMBRANCES AFFECTING COLLATERAL)

SCHEDULE "D"
(OTHER TERMS AND CONDITIONS)

KATHLEEN BURKE
BARRISTER & SOLICITOR

THIS IS EXHIBIT "N"
referred to in the Affidavit of
Michael Wheat
Sworn before me this 26
day of Feb A.D. 2011
[Signature]
A Commissioner for Oaths in and for
the Province of Alberta

GUARANTEE AND POSTPONEMENT

TO: FIRST CALGARY SAVINGS & CREDIT UNION LTD.

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment to

FIRST CALGARY SAVINGS & CREDIT UNION LTD.

of the City of Calgary, in the Province of Alberta (hereinafter called "the Lender") of all debts and liabilities, present or future, direct or indirect, absolute or contingent (including any funds not advanced but held at the disposal of the Borrower under any lines of credit), matured or not, at any time owing by

PERERA SHAWNEE LTD.

(hereinafter called "the Borrower") to the Lender or remaining unpaid by the Borrower to the Lender, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Lender and the Borrower or by or from any agreement or dealings with any third party by which the Lender may be or become in any manner whatsoever a creditor of the Borrower or however otherwise incurred or arising anywhere within or outside the jurisdiction where this guarantee is executed and whether the Borrower be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "liabilities"), the liability of the undersigned hereunder being limited to:

- the sum of \$2,000,000.00,
- interest from the date of demand for payment at the rate(s) agreed upon between the Lender and the Borrower, and
- solicitor-client costs as provided for hereunder.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE LENDER AS FOLLOWS:

1. The Lender may, without notice to the Guarantor(s): grant time, renewals, extensions, indulgences, releases and discharges to; take securities (which word as used herein includes other guarantees) from and give the same and any or all existing securities up to; abstain from taking securities from or from perfecting securities of; cease or refrain from giving credit or making loans or advances to; accept compositions from and otherwise deal with; the Borrower and others and with all securities as the Lender may see fit, and may apply all moneys at any time received from the Borrower or others or from securities upon such part of the liabilities as the Lender deems best and change any such application in whole or in part from time to time as the Lender may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Lender from the Borrower or others,

whether occasioned by the fault of the Lender or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

2. The undersigned agrees that the Borrower and Lender may, without notice to the guarantor(s), agree to change the interest rate on any or all of the debts and liabilities guaranteed herein by either raising or reducing the said interest rate, and the undersigned shall be bound by such changes and interest rate and the undersigned further agrees that such changes in interest rate will in no way limit or lessen the liability of the undersigned and this Guarantee.
3. This guarantee shall be a continuing guarantee and shall cover all the liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Lender.
4. The Lender shall not be bound to exhaust its recourse against the Borrower or others or any securities it may at any time hold before being entitled to payment from the undersigned of the liabilities. The undersigned renounce to all benefits of discussion and division.
5. The undersigned or any of them may, by notice in writing delivered to the Lender receiving this instrument, determine their liability under this guarantee in respect of liabilities thereafter incurred or arising but not in respect of any liabilities theretofore incurred or arising even though not then matured, provided however that notwithstanding receipt of any such notice the Lender may fulfill any requirements of the Borrower based on agreements expressed or implied made prior to the receipt of such notice and any resulting liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.
6. All indebtedness and liability, present and future, of the Borrower to the undersigned or any of them are hereby assigned to the Lender and postponed to the liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Lender and forthwith upon receipt shall be paid over to the Lender, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct.
7. This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Borrower or in the membership of the Borrower's firm, through the death or retirement of one or more partners or the introduction of one or more other partners, or otherwise, or by the acquisition of the Borrower's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Borrower, or by the Borrower's business being amalgamated with a corporation, but shall, notwithstanding the happening of such event, continue to apply to all the liabilities whether theretofore or

thereafter incurred or arising and in this instrument the word Borrower shall include every such firm and corporation.

8. This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Lender, and all dividends, compositions, proceeds of security valued and payments received by the Lender from the Borrower or from others, or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Lender or proceeds thereof, the undersigned shall have no right to be subrogated in any rights of the Lender until the Lender shall have received payment in full of the liabilities.
9. All moneys, advances, renewals and credits in fact borrowed or obtained from the Lender shall be deemed to form part of the liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Borrower or of the directors, partners or agents thereof, or that the Borrower may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or credits, the whole whether known to the Lender or not; and any sum which may not be recoverable from the undersigned on the footing of a guarantee shall be recoverable from the undersigned and each of them as sole or principal debtor in respect thereof and shall be paid to the Lender on demand with interest.
10. This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Lender.
11. The undersigned and each of them shall be bound by any account settled between the Lender and the Borrower and, if no such account has been so settled immediately before demand of payment under this guarantee, any account stated by the Lender shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.
12. The undersigned confirm to the Lender that he or she is, or they are (as the case may be) aware of the financial affairs and condition of the Debtor and that the Lender has not made representations to him/her/them as to the Debtor's finances or affairs. This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Lender shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Lender each signatory thereof obtains from the Lender receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

13. No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor two days after an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Lender, is posted, postage prepaid, in the post office and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the guarantor last known to the Lender and posted as aforesaid shall be deemed to have been effectually made upon all of them. All payments hereunder shall be made to the Lender.

14. This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

15. This guarantee and agreement shall extend to and enure to the benefit of the Lender and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or each of them or any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

16. This guarantee shall be governed by the laws of the Province of Alberta, and the undersigned agree(s) to attorn to the jurisdiction of any competent court in the Province of Alberta should action on this guarantee be commenced within the said Province.

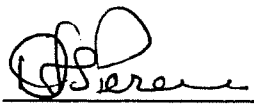
17. In the event the Lender engages a solicitor to effect collection of the amount outstanding under this guarantee, the undersigned agrees to pay the full costs of said solicitors as between solicitor and client.

GIVEN UNDER SEAL at the City of Calgary, in the Province of Alberta, this 15 day of ~~July~~, A.D. 2007.

AUGUST
SIGNED, SEALED AND DELIVERED
in the presence of:



WITNESS
ALLAN M. KOLINSKY, QC



DON L. PERERA

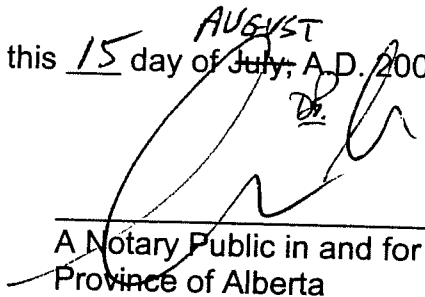
**THE GUARANTEES ACKNOWLEDGEMENT ACT
CERTIFICATE OF NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

1. DON L. PERERA of Calgary, Alberta, the guarantor in the guarantee dated ~~July~~ ^{AUGUST 28} 15, A.D. 2007 made between FIRST CALGARY SAVINGS & CREDIT UNION LTD. and DON L. PERERA which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he had executed the guarantee;

2. I satisfied myself by examination of him that he is aware of the contents of the guarantee and understands it.

GIVEN at Calgary, Alberta, this 15 ^{AUGUST} day of ~~July~~, A.D. 2007 under my hand and seal of office.

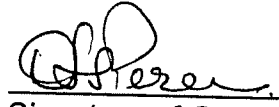


A Notary Public in and for the
Province of Alberta

ALLAN M. KOLINSKY

STATEMENT OF GUARANTOR

I am the person named in this certificate. I confirm that the contents of the guarantee have been explained to me by the above notary public and that I understand the said guarantee and my obligations thereunder.



Signature of Guarantor
DON L. PERERA

GUARANTEE AND POSTPONEMENT

TO: FIRST CALGARY SAVINGS & CREDIT UNION LTD.

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment to

FIRST CALGARY SAVINGS & CREDIT UNION LTD.

of the City of Calgary, in the Province of Alberta (hereinafter called "the Lender") of all debts and liabilities, present or future, direct or indirect, absolute or contingent (including any funds not advanced but held at the disposal of the Borrower under any lines of credit), matured or not, at any time owing by

PERERA SHAWNEE LTD.

(hereinafter called "the Borrower") to the Lender or remaining unpaid by the Borrower to the Lender, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Lender and the Borrower or by or from any agreement or dealings with any third party by which the Lender may be or become in any manner whatsoever a creditor of the Borrower or however otherwise incurred or arising anywhere within or outside the jurisdiction where this guarantee is executed and whether the Borrower be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "liabilities"), the liability of the undersigned hereunder being limited to:

- the sum of \$3,000,000.00,
- interest from the date of demand for payment at the rate(s) agreed upon between the Lender and the Borrower, and
- solicitor-client costs as provided for hereunder.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE LENDER AS FOLLOWS:

1. The Lender may, without notice to the Guarantor(s): grant time, renewals, extensions, indulgences, releases and discharges to; take securities (which word as used herein includes other guarantees) from and give the same and any or all existing securities up to; abstain from taking securities from or from perfecting securities of; cease or refrain from giving credit or making loans or advances to; accept compositions from and otherwise deal with; the Borrower and others and with all securities as the Lender may see fit, and may apply all moneys at any time received from the Borrower or others or from securities upon such part of the liabilities as the Lender deems best and change any such application in whole or in part from time to time as the Lender may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Lender from the Borrower or others,

whether occasioned by the fault of the Lender or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

2. The undersigned agrees that the Borrower and Lender may, without notice to the guarantor(s), agree to change the interest rate on any or all of the debts and liabilities guaranteed herein by either raising or reducing the said interest rate, and the undersigned shall be bound by such changes and interest rate and the undersigned further agrees that such changes in interest rate will in no way limit or lessen the liability of the undersigned and this Guarantee.
3. This guarantee shall be a continuing guarantee and shall cover all the liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Lender.
4. The Lender shall not be bound to exhaust its recourse against the Borrower or others or any securities it may at any time hold before being entitled to payment from the undersigned of the liabilities. The undersigned renounce to all benefits of discussion and division.
5. The undersigned or any of them may, by notice in writing delivered to the Lender receiving this instrument, determine their liability under this guarantee in respect of liabilities thereafter incurred or arising but not in respect of any liabilities theretofore incurred or arising even though not then matured, provided however that notwithstanding receipt of any such notice the Lender may fulfill any requirements of the Borrower based on agreements expressed or implied made prior to the receipt of such notice and any resulting liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.
6. All indebtedness and liability, present and future, of the Borrower to the undersigned or any of them are hereby assigned to the Lender and postponed to the liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Lender and forthwith upon receipt shall be paid over to the Lender, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct.
7. This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Borrower or in the membership of the Borrower's firm, through the death or retirement of one or more partners or the introduction of one or more other partners, or otherwise, or by the acquisition of the Borrower's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Borrower, or by the Borrower's business being amalgamated with a corporation, but shall, notwithstanding the happening of such event, continue to apply to all the liabilities whether theretofore or

thereafter incurred or arising and in this instrument the word Borrower shall include every such firm and corporation.

8. This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Lender, and all dividends, compositions, proceeds of security valued and payments received by the Lender from the Borrower or from others, or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Lender or proceeds thereof, the undersigned shall have no right to be subrogated in any rights of the Lender until the Lender shall have received payment in full of the liabilities.
9. All moneys, advances, renewals and credits in fact borrowed or obtained from the Lender shall be deemed to form part of the liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Borrower or of the directors, partners or agents thereof, or that the Borrower may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or credits, the whole whether known to the Lender or not; and any sum which may not be recoverable from the undersigned on the footing of a guarantee shall be recoverable from the undersigned and each of them as sole or principal debtor in respect thereof and shall be paid to the Lender on demand with interest.
10. This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Lender.
11. The undersigned and each of them shall be bound by any account settled between the Lender and the Borrower and, if no such account has been so settled immediately before demand of payment under this guarantee, any account stated by the Lender shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.
12. The undersigned confirm to the Lender that he or she is, or they are (as the case may be) aware of the financial affairs and condition of the Debtor and that the Lender has not made representations to him/her/them as to the Debtor's finances or affairs. This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Lender shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Lender each signatory thereof obtains from the Lender receiving this instrument a letter settling out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

13. No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor two days after an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Lender, is posted, postage prepaid, in the post office and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the guarantor last known to the Lender and posted as aforesaid shall be deemed to have been effectually made upon all of them. All payments hereunder shall be made to the Lender.

14. This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

15. This guarantee and agreement shall extend to and enure to the benefit of the Lender and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or each of them or any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

16. This guarantee shall be governed by the laws of the Province of Alberta, and the undersigned agree(s) to attorn to the jurisdiction of any competent court in the Province of Alberta should action on this guarantee be commenced within the said Province.

17. In the event the Lender engages a solicitor to effect collection of the amount outstanding under this guarantee, the undersigned agrees to pay the full costs of said solicitors as between solicitor and client.

GIVEN UNDER SEAL at the City of Calgary, in the Province of Alberta, this 16 day of ~~July~~, A.D. 2007.

Handwritten: 16th Aug

SIGNED, SEALED AND DELIVERED in the presence of:

Handwritten signature

WITNESS
Handwritten signature

WITNESS

Handwritten signature: Don L. Perera

DON L. PERERA
Handwritten signature: Shiranie M. Perera

SHIRANIE M. PERERA


**THE GUARANTEES ACKNOWLEDGEMENT ACT
CERTIFICATE OF NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

1. DON L. PERERA of Calgary, Alberta, the guarantor in the guarantee dated ~~July~~ ^{August} ~~16~~, A.D. 2007 made between FIRST CALGARY SAVINGS & CREDIT UNION LTD. and DON L. PERERA which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he had executed the guarantee;

2. I satisfied myself by examination of him that he is aware of the contents of the guarantee and understands it.

GIVEN at Calgary, Alberta, this 16 day of ~~July~~ ^{August}, A.D. 2007 under my hand and seal of office.

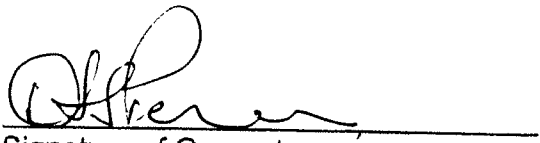


A Notary Public in and for the
Province of Alberta

MATTHEW X. JAMES LL.B.
Barrister & Solicitor

STATEMENT OF GUARANTOR

I am the person named in this certificate. I confirm that the contents of the guarantee have been explained to me by the above notary public and that I understand the said guarantee and my obligations thereunder.



Signature of Guarantor
DON L. PERERA

**THE GUARANTEES ACKNOWLEDGEMENT ACT
CERTIFICATE OF NOTARY PUBLIC**

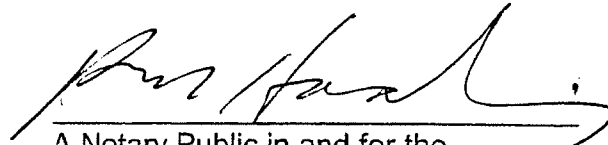
I HEREBY CERTIFY THAT:

p2mtd

1. SHIRANIE M. PERERA of Calgary, Alberta, the guarantor in the guarantee dated ~~July~~ ^{August} 16, A.D. 2007 made between FIRST CALGARY SAVINGS & CREDIT UNION LTD. and SHIRANIE M. PERERA which this certificate is attached to or noted upon, appeared in person before me and acknowledged that she had executed the guarantee;

2. I satisfied myself by examination of her that she is aware of the contents of the guarantee and understands it.

GIVEN at Calgary, Alberta, this ~~16~~ ¹⁷ day of ~~July~~ ^{August}, A.D. 2007 under my hand and seal of office.



A Notary Public in and for the
Province of Alberta
RICHARD M. HARDING
BARRISTER & SOLICITOR

STATEMENT OF GUARANTOR

I am the person named in this certificate. I confirm that the contents of the guarantee have been explained to me by the above notary public and that I understand the said guarantee and my obligations thereunder.



Signature of Guarantor
SHIRANIE M. PERERA

THE LAND TITLES ACT

MORTGAGE

KATHLEEN BURKE
BARRISTER & SOLICITOR
A Commissioner for Oaths in and for
the Province of Alberta

THIS IS EXHIBIT 0
referred to in the Affidavit of
Michael Wheatley
Sworn before me this 26
day of Feb A.D. 2010

WE, DON L. PERERA and SHIRANIE M. PERERA both of 708 Hillcrest Avenue S.W.,
Calgary, Alberta, T2S 0N4 each as to an undivided 1/2 interest

who or whose successors and assigns are hereinafter included in the expression "the Mortgagor", being registered as owner of an estate in fee simple in possession, subject however to such encumbrances, liens and interests as are notified by memorandum underwritten or endorsed hereon, of all and singular that certain piece or parcel of land situate in the Province of Alberta, in the Dominion of Canada, being composed of:

PLAN 2112AC
BLOCK 21A
LOT 4

in consideration of the sum of Three Million and 00/100 (\$3,000,000.00) Dollars being lent to PERERA SHAWNEE LTD. (the "Borrower") by **FIRST CALGARY SAVINGS & CREDIT UNION LTD.**

whose address in Alberta is P.O. Box 908, Calgary, Alberta, T2P 2J6

who and whose successors and assigns are hereinafter included in the expression "the Mortgagee", the receipt of which sum I do hereby acknowledge, covenant with the Mortgagee as follows:

1. THAT I will pay to the Mortgagee the above sum at its office in the City of Calgary, in the Province of Alberta, with interest at the rate hereinafter stated, UPON DEMAND.

THAT I will pay to the Mortgagee interest, at the rate(s) agreed upon between the Mortgagee and the Borrower, on the principal sum remaining from time to time unpaid, all interest in arrears to become principal and to bear interest at the rate aforesaid. And that in case the sums hereby secured be not paid on the days above set forth I will, so long as said sums or any part thereof remain unpaid or owing in the security hereof, or during the continuance of this security, pay interest from day to day on the said sums or on so much thereof as shall for the time being remain due, owing or unpaid during the continuance of this security. And I further covenant that the taking of judgment or judgments under any of the covenants herein contained shall not operate as a merger of the said covenants, or affect the Mortgagee's right to interest at the above rate, on any moneys due and owing to the Mortgagee during the continuance of this security under the covenants herein contained or on any judgment to be recovered thereon. Provided that on default of payment of any instalment of interest secured under this mortgage the same shall thereupon become part of the principal hereby secured and shall bear interest from the time when same becomes due at the rate aforesaid, and on each day when any instalment of interest falls due hereunder, until the whole of the said principal and interest secured hereby is fully paid and satisfied. All sums of money, whether interest or otherwise then due and remaining unpaid, shall become principal and bear interest at the rate aforesaid. Payments as above shall be applied firstly to interest and secondly to principal. And I further covenant that the Mortgagee shall be entitled to interest after judgment on any judgment obtained at the Mortgage rate set out herein. I hereby waive all relevant provisions of the Interest Act of Canada or any legislation similar thereto or in replacement thereof.

2. THAT if any default shall happen to be made in any payment of principal or interest or any of the moneys hereby secured or any part thereof, then, and in such case, the whole principal moneys hereby secured shall, at the option of the Mortgagee, become due and payable in like manner to all intents and purposes as if the time herein mentioned for payment of such principal money had fully come and expired, AND in the event of making a breach of any of the covenants in this Mortgage contained, then such breach shall be deemed to be a default in payment of interest, and the Mortgagee shall at its option be at liberty to call in forthwith the whole of the principal and interest secured by this Mortgage and eject all persons in possession of the mortgaged premises. PROVIDED, however, and the parties hereby agree that the powers in this paragraph contained must be actually invoked to become effective and that nothing herein contained shall cause the Statute of Limitations to commence

to run unless and until the Mortgagee shall actually exercise the option hereinbefore contained. It is further agreed that the issuance of a Statement of Claim shall itself be sufficient notice of the exercise, by the Mortgagee, of its option herein contained.

AND I further covenant that the Mortgagee shall not be bound to pursue action on my covenant or in debt together with an action to realize upon the security created herein, but the Mortgagee shall have the right to commence separate actions on each and every covenant should it so desire, with separate action in foreclosure should it so desire. Judgment in any one action shall not operate to merge any rights of the Mortgagee to separately pursue other covenants, or foreclosure action.

3. THAT

- (a) I shall forthwith insure and during the continuance of this security keep insured in favour of the Mortgagee, against loss or damage by fire and, as the Mortgagee may require, insure against loss or damage by tempest, tornado, cyclone, lightning and such other risks and perils as the Mortgagee may deem expedient, each and every building on the said land and which may hereafter be erected thereon, both during erection and thereafter, and all chattels secured herein, for the full insurable value thereof in lawful money of Canada. In the case of commercial properties this covenant shall in addition include boiler, plate glass, rental and public liability insurance in an amount satisfactory to the Mortgagee.
- (b) Prior to the making of any advance by the Mortgagee, I shall forthwith assign, transfer and deliver over unto the Mortgagee a policy or policies and receipts thereto appertaining evidencing such insurance, and at least fifteen days prior to the expiry of a policy or at least five days prior to the date fixed for cancellation of a policy should notice of cancellation be given, I shall deliver to the Mortgagee evidence of renewal or replacement.
- (c) Every policy of insurance shall be effected in such terms and with such insurer as may be approved by the Mortgagee; the loss under each policy shall be made payable to the Mortgagee with preference in its favour over any claim of any other person and each policy shall be retained by the Mortgagee during the currency of this loan. Should an insurer at any time cease to have the approval of the Mortgagee, I shall effect such new insurance as the Mortgagee may desire.
- (d) In the event of failure on my part to execute any obligation undertaken under this section, the Mortgagee may effect such insurance as it deems proper and I covenant to repay to the Mortgagee all premiums paid by it, and the amount of such premiums, from the date same are actually paid by the Mortgagee, shall in the meantime be added to the principal sum and shall be a charge upon the said land and shall bear interest at the rate aforesaid.
- (e) In case of loss or damage, I shall immediately notify the Mortgagee and the Mortgagee shall have the right to apply the funds wholly or in part in reduction of the indebtedness hereby secured notwithstanding that no amount at such time may be due and payable under the terms of repayment, or the funds, at the Mortgagee's sole discretion, may be used to meet costs of repair or reconstruction or may be paid in whole or in part to me, or to my assigns in which event the sum shall not be credited on the mortgage account, or partly in one such manner and partly in another. No damage may be repaired nor any reconstruction effected without the approval of the Mortgagee. The Mortgagee, may, at its option in case of loss or damage by fire, declare the whole amount of the principal monies hereby secured along with any unpaid interest, to be due and payable. It is further agreed that the issuance of a Statement of Claim shall itself be sufficient declaration, by the Mortgagee, of its election to declare the balance outstanding to be due and payable.
- (f) I hereby assign absolutely to the Mortgagee all of my rights to, and interest in, any insurance proceeds payable with respect to the improvements to the land and the contents thereof.

4. THAT all moneys received by virtue of any policy or policies of insurance may, at the option of the Mortgagee, either be forthwith applied in or towards substantially rebuilding, reinstating and repairing the said

building, or in or towards the payment of the last instalment of principal falling due under and by virtue of these presents and in the case of a surplus in or towards the payment of the instalment next preceding in point of time of payment, and so on until the whole of the principal hereunder shall be paid, and in the case of a surplus, then in or towards payment of interest at the rate aforesaid and so on until the whole of the principal sum and interest hereunder shall be fully paid and satisfied, the balance, if any, to be paid to me.

5. THAT I will furnish, forthwith on the happening of such loss or damage by fire or other hazard or peril, and at my expense, all the necessary proofs of loss and to do all the acts necessary to enable the Mortgagee to obtain payment of the insurance moneys.

6. THAT for the purpose of better securing the punctual payment of the interest on the said principal sum, I do hereby attorn to and become tenant of the Mortgagee for the said lands, at a yearly rental equivalent to the annual interest payable hereunder, to be paid in manner and on the days and times before appointed for the payment of the said interest; and on payment thereof shall be taken to be, and shall be, in satisfaction of the said interest; but nothing in this provision shall make the Mortgage chargeable or accountable as Mortgagee in possession. Provided also, that the Mortgagee may at any time after default in payment or performance of any covenant or condition hereunder, enter into and upon the said lands, or any part thereof, and determine the tenancy hereby created, without giving any notice to quit.

7. THAT if I shall make default in payment of any part of the said principal or interest or any other moneys hereby intended to be secured on any day or time hereinbefore limited for the payment thereof, it shall and may be lawful for the Mortgagee, and I do hereby grant full power and license to the Mortgagee to enter, seize and distress upon the said lands, or any part thereof, and by distress warrant to recover by way of rent reserved, as in the case of a demise of the said lands, as much of the said principal, interest and other moneys as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent.

8. THAT if I shall make default in payment of the principal sum and interest thereon or any part thereof at any of the before appointed times, then the Mortgagee shall have the right and power, and I do hereby covenant with the Mortgagee for such purpose, and do grant to the Mortgagee full license and authority for such purpose, when and so often as in his discretion he shall think fit, to enter into possession, either by himself or his agent, of the said lands, and to collect the rents and profits thereof, and to make any demise and at such rent as he shall think proper, and that any proceedings for sale or foreclosure may be taken either before or after and subject to such demise or lease. To better give effect to the provisions of this paragraph, I hereby assign to the Mortgagee all rents due or accruing due, present and future, with respect to the lands. Nothing in the foregoing provisions shall make the Mortgagee chargeable or accountable as a Mortgagee in possession.

9. THAT the Mortgagee shall be entitled (in addition and without prejudice to all its other rights and privileges) forthwith to apply for and obtain the appointment of a Receiver or Manager, or Receiver and Manager or Receiver-Manager (hereinafter referred to as the "Receiver") of the mortgaged premises and of the rents, issues and profits thereof without the necessity of first exercising its right to enter into possession and every such Receiver shall be deemed the agent of the Mortgagor, and the Mortgagor shall be solely responsible for the acts or defaults of the Receiver and the Receiver shall have power to demand, recover and receive all the income of the property of which he may be appointed Receiver by action, distress or otherwise, either in the name of the Mortgagor or the Mortgagee, and give effectual receipts therefor and every such Receiver may by writing at the discretion of the Mortgagee be vested with any or all of the powers and discretions of the Mortgagee herein contained and such Receiver may complete or carry on the business of the Mortgagor relating to the mortgaged premises or any part thereof and in so doing shall have the same powers as the Mortgagor would have had in carrying on the same if it had not been in default hereunder, and for such purpose, the Receiver may borrow or raise money by way of security on all or any part or parts of the mortgaged premises, and in priority to this Mortgage or otherwise, and may exercise all the powers conferred upon the Mortgagee hereby; AND THAT the Receiver may be removed, AND THAT if any Receiver is removed, dies or refuses to act or becomes incapable of acting a new Receiver may be appointed from time to time by the Mortgagee; AND THAT the Mortgagee may from time to time fix the remuneration of every Receiver and may recompense every such Receiver for all disbursements properly incurred by him in carrying out his duties, and his fees and such payments shall be added to the principal herein and be a charge upon the mortgaged premises and shall be payable on demand and shall

bear interest at the rate then in effect, but the Mortgagee shall not be deemed to be a mortgagee in possession and shall not be accountable except for the monies actually received by it and the person paying money to, or in any way dealing with, the Receiver shall not be concerned to inquire whether any case has happened to authorize the Receiver to act and that subject to the retention of his remuneration and disbursements as aforesaid, the Receiver shall apply all monies received by him in such of the following modes and in such order or priority, subject to the order of any court of competent jurisdiction, or as otherwise provided at law, as the Mortgagee may from time to time at his option direct in writing, namely: IN discharge of all rents, taxes, rates, assessments and outgoing whatever affecting the mortgaged premises; and payment of all annual sums or other payments; and in making any payments due under any prior mortgage or lien; and in payment of any premiums for fire, or other insurance, if any, properly payable under this Mortgage, payment of which is directed or confirmed in writing by the Mortgagee; and in payment of the cost of executing necessary or proper repairs to the mortgaged premises or any part thereof directed or confirmed in writing by the Mortgagee; and in payment of the cost of carrying out or executing any of the powers, duties or discretions which vest in or may be vested in the Receiver by reason of the provisions contained in this Paragraph; and in payment of the interest accruing due under this Mortgage, and in or towards the discharge of the principal monies or any instalments thereof and solicitors' costs and other monies due and payable under this Mortgage, if and to the extent directed in writing by the Mortgagee; and shall pay the residue, if any, of the money received by him to the person who, but for the possession of the Receiver, would have been entitled to receive the income.

10. THAT I will pay all taxes, utilities and rates, condominium levies, liens, charges, and encumbrances, which are now or may hereafter be levied or charged against the said lands, or on this mortgage or on the Mortgagee in respect of this Mortgage and that the Mortgagee may at such time or times as he may deem it necessary, without the concurrence of any other person, make arrangements for the repairing, finishing, adding to or putting in order any building or buildings, or improvements on the said lands and for managing and taking care of the said lands and premises and may pay any such taxes, utilities and rates and any liens, condominium levies, charges or encumbrances upon the said lands, and moneys for insurance, and the amount so paid or indebtedness incurred as aforesaid by the Mortgagee, together with all costs, charges and expenses which may be incurred in connection therewith or in the taking, recovering and keeping possession of the said lands or inspecting the same (including allowances for such purpose) and generally in any other steps or proceedings, whether in Court or not, taken to protect his security or realize the moneys hereby secured, or to perfect the title to the said lands, shall become part of the principal hereby secured and be a charge on the said lands in favour of the Mortgagee, and shall be payable forthwith by me, my heirs, executors, administrators, successors or assigns to the Mortgagee with interest at the rate aforesaid from the date of payment of same by the Mortgagee, and in default, proceedings for sale or foreclosure may be taken in addition to all other remedies. In the event of the money hereby advanced, or any part thereof, being applied to the payment of any charges or encumbrances, the Mortgagee shall stand in the position of and be entitled to all the rights and remedies, whether legal or equitable of the person or persons so paid, whether any such charges or encumbrances have or have not been cancelled from the titles respecting the said lands.

11. THAT in the event the lands are vacant or apparently vacant, or in the event it would appear that there is any present or future risk of destruction or damage to the mortgaged premises, whether or not I am in default under the terms of this mortgage, the Mortgagee shall have the right to enter any building located upon the lands, and shall have the right to forcibly enter if necessary, for the purpose of preserving said building and maintaining adequate electricity and heat to the premises. The Mortgagee shall not by such action be deemed to be a Mortgagee in possession and shall not be considered a trespasser. All of the Mortgagee's costs with respect to so protecting or preserving the premises, or in maintaining heat or electricity, shall be added to the principal secured herein and shall be a charge upon the lands.

12. THAT, subject as hereinafter in this paragraph provided, I covenant to pay when and as the same fall due all taxes, rates, condominium levies, liens, charges, encumbrances or claims which are or may be or become charges or claims against the mortgaged premises or on this mortgage or on the Mortgagee in respect of this mortgage. Provided that in respect of municipal taxes, school taxes and local improvement rates (hereinafter referred to as "taxes") chargeable against the mortgaged premises, the Mortgagee shall have the right to collect the said taxes in the following manner:

(a) The Mortgagee may deduct from any advance of the moneys secured by this mortgage an amount

sufficient to pay the taxes which are due or accruing due as at the date of the advance.

- (b) After the date for adjustment of interest I shall pay to the Mortgagee in monthly instalments on the dates on which instalments of principal and interest are payable hereunder, sums estimated by the Mortgagee to be sufficient to pay the whole amount of taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment thereof;
- (c) Except as provided in the last preceding clause, I shall, in each and every month, pay to the Mortgagee one-twelfth of the amount (as estimated by the Mortgagee) of the taxes next becoming due and payable; and shall also pay to the Mortgagee on demand the amount, if any, by which the actual taxes exceed such estimated amount.

The Mortgagee agrees to apply such deduction and payments on the taxes chargeable against the said lands so long as I am not in default under any covenant, proviso or agreement contained herein, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of taxes more often than yearly. Provided however, that if, before any sum or sums so paid to the Mortgagee shall have been so applied, there shall be default by me in respect of any payment of principal or interest as herein provided, the Mortgagee may apply such sum or sums in or towards payment of the principal and/or interest in default. I further covenant and agree to transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of taxes and rates, condominium levies, liens, charges and encumbrances, forthwith after the receipt of same by me.

I further agree that I shall not be entitled to any interest on any monies paid by me to the Mortgagee on account for the taxes, rates, liens, charges, or claims above noted.

Notwithstanding the foregoing, the Mortgagee shall not be obliged to collect taxes as aforesaid.

13. THAT upon default being made in payment of any of the moneys hereby secured, the Mortgagee shall be entitled to sell and convey the said lands and premises, without entering into possession of the same and without giving any notice to me of his intention so to do, and either before or after and subject to any demise or lease made by the Mortgagee as hereinbefore provided. Provided that any sale made under the powers hereby given may be on such terms as to credit or otherwise as shall appear to the Mortgagee most advantageous, and for such price as can be reasonably obtained therefor, and that sales may be made of any portion or portions of the mortgaged lands and premises, from time to time to satisfy any interest or any part of the principal overdue, leaving the principal balance thereof to run at interest payable as aforesaid, and the Mortgagee may make any stipulation as to the title or otherwise as to the Mortgagee may seem proper, and the Mortgagee may rescind or vary any contract for sale of any of the said lands and premises, and resell without being responsible for any loss occasioned thereby; and for any of the said purposes may make and execute such agreements and assurances as shall be by the Mortgagee deemed necessary.

THAT in the event I am in default under any covenant, proviso, or agreement contained herein, then, in this event, I irrevocably appoint the Mortgagee as attorney on my behalf to execute such Agreements for Sale or Transfers of Land as may be necessary to effect the sale of same.

14. THAT in the event that this Mortgage is granted and approved by the Mortgagee as a second or other subsequent charge upon the said lands, I covenant and agree that I will well and truly pay all money accruing due under all prior mortgages and encumbrances charging the said lands, as and when the same shall become due, and that I will well and truly observe and perform the covenants of the Mortgagor or encumbrancer in any prior mortgage or encumbrance contained and in the event I shall make default in payment of the said moneys due under any prior mortgage or encumbrance or shall fail to observe or perform the covenants of the Mortgagor or encumbrancer in any prior mortgage or encumbrance contained then such default or failure shall constitute default under this Mortgage; AND FURTHER that in the event of default in payment of the moneys due under any prior mortgage or encumbrance, the Mortgagee shall have the right, but not the obligation, to pay the same and any moneys so paid by the Mortgagee herein shall forthwith be due and payable to the Mortgagee together with interest

thereon at the rate herein mentioned, and shall be added to the principal herein and be a charge upon the lands and shall be recoverable, inter alia, by foreclosure proceedings along with other moneys secured by this mortgage.

15. THAT I shall not be entitled to a discharge of this mortgage until and unless I shall have kept and performed all the covenants, provisos, agreements and stipulations herein contained, whether the Mortgagee has taken legal proceedings thereon and recovered judgment or otherwise, and I covenant with the Mortgagee that I shall and will in everything do, perform and keep all the provisions and covenants in these presents, according to the true intent and meaning thereof.

16. THAT the said Mortgagee shall not be bound for any reason whatsoever to advance the money hereby intended to be secured nor shall the Mortgagee, in the event of advancing or having advanced a portion, be bound to advance the balance thereof. And it is further agreed that the Mortgagee may release any part or parts of the said lands at any time in his sole discretion, either with or without any consideration therefor, without responsibility therefor and without thereby releasing any other part of the said lands, or any collateral security, or any person from this mortgage, and from any of the covenants herein contained or contained in any collateral security.

AND further, if any portion of the principal sum secured by this Mortgage shall not be advanced at the date hereof the Mortgagee may advance the same in one or more sums at any future date or dates and the amount of such advances, when so made, shall be secured by this Mortgage and be repayable with interest as above provided, and shall be considered and treated as having been so secured and advanced as at the date of this Mortgage. The advance in part of the principal sum shall not bind the Mortgagee to advance the whole of the principal sum or any unadvanced portion thereof, but nevertheless the charge or mortgage by this Mortgage created shall take effect forthwith on the execution of the Mortgage.

AND further, all advances of the principal sum, which are repaid to the Mortgagee, may from time to time be readvanced, in whole or in part, by the Mortgagee, and such readvances shall form part of the principal herein and be a charge upon the lands. (The principal sum may accordingly be repaid in full and re-advanced thereafter. This mortgage shall therefore remain as security until a discharge of same has been signed by the Mortgagee.) This Mortgage shall be considered to be a revolving line of credit mortgage up to the principal sum secured herein and shall take priority pursuant to the appropriate provisions of the Land Titles Act of Alberta.

17. THAT any erection, machinery, fixed or otherwise, buildings or improvements now or hereafter put upon the said lands shall thereupon become fixtures, and be part of the realty and form a part of this security.

18. THAT in case of default being made in any of the covenants, agreements, provisos, and stipulations herein contained, or that are contained in any collateral security, and by reason of such default the Mortgagee considers it necessary to place this mortgage in the hands of his solicitors (whether for the purpose of pursuing the Mortgagor on the covenant to pay, of realization on the security, or both) then I covenant and agree with the Mortgagee to pay the full costs of the said solicitors as between solicitor and his own client. Any costs incurred by the Mortgagee to its solicitor shall, at the time the costs are incurred, be principal outstanding and shall bear interest as set out in this mortgage and shall be a charge on the lands.

THAT, in the event the Mortgagee considers it necessary to pursue any collateral security to this mortgage, and places same in the hands of his solicitors, then I covenant and agree with the Mortgagee to pay the full costs of the said solicitors, as between solicitor and his own client. Any such costs incurred by the Mortgagee to its solicitors shall, at the time the costs are incurred, be principal outstanding and shall bear interest as set out in this mortgage, and shall be a charge on the lands.

19. THAT I will remain in actual personal possession of the said lands during the existence of this mortgage, and will not permit or suffer any act of waste upon the said lands, and will during the existence of these presents well and sufficiently repair, maintain, mend and keep the buildings now or hereafter on the said lands and all fixtures and things thereunto affixed in good and substantial repair. Should I sell the said lands during the existence of this Mortgage, with the Mortgage being assumed, such sale shall not relieve me of my obligations contained in this paragraph, and I shall be liable to the Mortgagee for any damages resulting from the breach of my covenant herein, NOTWITHSTANDING such damages may be caused by the purchaser, or subsequent purchasers.

20. THAT, in case that this is a Mortgage on farm lands I agree that the Mortgagee may insure the crops now or hereafter on the said lands if any of the said lands are now or shall thereafter be brought under cultivation, for the amount of their full insurance value against loss or damage by hail and all premiums therefor shall be recovered and that I will if any part of the said lands be now under cultivation or if any part of the said land shall hereafter during the continuance of this security be brought under cultivation, cultivate all such part or parts in the most approved husbandlike manner so as to maintain the said land in a good state of cultivation; PROVIDED, however, that I may summer-fallow in good farmerlike manner one-third of all broken acres of such cultivated lands (if any) in any year.

21. THAT the waiver of one or more defaults under this Mortgage shall not be construed as a waiver of any subsequent or other default. AND it is further agreed that the foreclosure, cancellation or any other dealings with any other security for the moneys advanced hereunder or secured hereby shall not release or affect this mortgage and that the taking of this mortgage or the foreclosure or cancellation thereof or any other dealings with, or proceedings under this mortgage shall not release or affect any other security held by the Mortgagee for the moneys advanced or secured hereby, and shall not affect the Mortgagee's right to pursue me in debt or upon any other of the covenants in this mortgage contained.

22. THAT all fees and charges of the Mortgagee's Solicitors, on a solicitor and his own client basis, in connection with the preparation and registration of this Mortgage and passing on of my title to the said land shall be paid by me forthwith and if I make default in paying the same the Mortgagee may pay the amount of such fees and charges and add the amount so paid to the principal sum hereby secured and it shall thereafter be a charge on the said lands in favour of the Mortgagee and shall be repayable with interest as aforesaid.

23. (a) I have a good title to the said lands;
 (b) I have a right to mortgage the said lands;
 (c) In case of a default the Mortgagee shall have quiet possession of the land free from all encumbrances;
 (d) I will execute such further assurances of the land as may be requisite;
 (e) I have done no act to encumber the land other than is disclosed upon the Certificate of Title to the mortgaged premises as of the date hereof;
 (f) I will deposit with the Mortgagee all documents and papers concerning or affecting the title of the said land and they shall be held by the Mortgagee during the currency of this mortgage.

24. THAT this mortgage and all the covenants herein shall be binding upon and enure to the benefit of the executors, administrators, successors and assigns of the parties hereto respectively and wherever the singular or masculine is used throughout this Mortgage, the plural or feminine or body corporate shall be implied wherever the context so requires. And it is further agreed that if this mortgage is entered into and executed by more than one person then all the covenants and stipulations herein contained and implied shall apply to and be binding upon all Mortgagors jointly and severally.

25. THAT I am aware of the Provisions of the Law of Property Act of the Revised Statutes of Alberta, R.S.A. 1980, or any legislation similar thereto or in replacement thereof, whereby it is provided that in any action brought upon any mortgage of land the remedy of the Mortgagee is limited to the land alone and no action shall lie on the covenant for payment contained in such mortgage, and in consideration of the within mortgage I hereby waive the said provisions of the said Act and agree with the Mortgagee, its successors and assigns, that in the event that I am in default the Mortgagee may proceed against me under this mortgage, and on my personal covenants herein contained notwithstanding the provisions of the said act or any legislation similar thereto or in replacement thereof.

26. THAT this mortgage is collateral security only for the due payment of the indebtedness hereby secured and that the Mortgagee may from time to time extend the time for the payment of the indebtedness hereby secured and may take bills or notes to cover the same or any part thereof and may from time to time renew such bills or notes so that the time for payment of any such indebtedness is extended beyond the time mentioned hereby, without affecting the liability of the Mortgagor hereunder or the security hereby given and nothing but the actual payment and satisfaction of such indebtedness shall discharge the Mortgagor or this Mortgage. Any renewal of this mortgage shall be at such interest rate and upon such other terms as may be agreed upon by the parties hereto, or by the then registered owner and the Mortgagee, and such interest rate and such other terms as may

be agreed upon by the parties hereto, or by the then registered owner and the Mortgagee, and such interest rate and such other terms shall be binding without the necessity of registering an Extension or Amending Agreement against the title to the lands, on all persons who may take an interest in the lands subsequent to this mortgage, notwithstanding that such interest may be at a rate greater than is set out herein.

27. THAT NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, it is hereby understood and agreed that in the event of transfer or entering into any agreement of sale or transfer of title of the property hereby mortgaged, without having prior consent in writing of the Mortgagee, this mortgage shall become immediately due and payable at the option of the Mortgagee and such option may be exercised by notice in writing sent to me by prepaid mail at the address last known to the Mortgagee. In the event that title or possession of the mortgaged property has been obtained by a purchaser or transferee without the prior consent in writing of the Mortgagee the aforesaid option may be exercised by notice in writing sent to the aforesaid purchaser or transferee by prepaid mail at the address of the aforesaid purchaser or transferee last known to the Mortgagee. It is further agreed that the issuance of a Statement of Claim shall itself be sufficient notice of the exercise, by the Mortgagee, of its option herein contained.

28. THAT in the event of discharge I will pay all costs of discharge including legal fees for preparation of discharge and the Mortgagee shall have a reasonable time to prepare and forward to me the discharge documents.

29. THAT it is hereby agreed that this mortgage is taken as collateral security only for the due payment of the said indebtedness and interest thereon and none of the rights and remedies of the Mortgagee in respect of the indebtedness or in respect of any note, cheque or other security now or hereafter acquired shall in any way be delayed or prejudiced by these presents.

30. THAT the principal money intended to be secured hereby is the sum of \$3,000,000.00 and interest is at the rate(s) agreed upon between the Mortgagee and the Borrower.

31. THAT in the event the lands that are the subject matter of this mortgage are wholly or partially taken by expropriation or by the right of an eminent domain, or any similar such taking, then the following shall apply:

- (a) The entire balance of principal or interest then outstanding shall forthwith and without demand or notice become due and payable;
- (b) I do hereby assign to the Mortgagee the full proceeds to be obtained or acquired in any such taking and further assign to the Mortgagee my right to negotiate settlement on my behalf with the taking authority.

32. THAT I also pledge and charge to and in favour of the Mortgagee, as additional security for the sums advanced under this mortgage, all appliances which shall include, but not be limited to, the following: refrigerator, freezer, dishwasher, stove, and microwave oven, and whether same shall be built-in or movable in nature and whether currently at the premises or later brought onto the premises and I further agree not to remove these appliances while there are any sums outstanding to the Mortgagee.

33. THAT in the event the Mortgagee is a Credit Union, this mortgage shall be and is deemed to be a Loan Agreement pursuant to the requirements of the Credit Union Act of Alberta or any legislation similar thereto or in replacement thereof.

34. THAT in the event the lands or part of the lands mortgaged herein is a condominium under the Condominium Property Act of Alberta or similar legislation, the following shall apply:

- (a) "Condominium Corporation" as used herein means the Condominium Corporation of which the Mortgagor is a member by virtue of the ownership by the Mortgagor of the condominium unit being charged by this mortgage.
- (b) I hereby assign, transfer and set over unto the Mortgagee all my rights which now exist, or may hereafter come into existence, to vote at meetings of the Condominium Corporation:

- (i) In all cases in which a unanimous or special resolution is required by the Condominium Property Act of Alberta as amended, the By-Laws of the Corporation, or any Agreement with the Condominium Corporation,
 - (ii) In all other cases other than as referred to in Subclause (i) of this Clause (b), provided that in the event the Mortgagee is either not present, or present by proxy, if present, does not wish to vote, then I may exercise the voting right without further authority.
- (c) I do hereby covenant and agree to execute any documents which the Mortgagee may request me to execute, including, but not limited to proxies if required, in order to give effect to the assignment of the aforesaid voting rights of the Mortgagee.
- (d) I agree to observe and perform all covenants and provisions required to be observed and performed pursuant to:
- (i) The terms of this Mortgage;
 - (ii) The Condominium Property Act of Alberta, all amendments thereto, and any legislation passed in substitution thereof, and
 - (iii) The By-Laws and Regulations of the Condominium Corporation and any amendments thereto.
- (e) I further covenant and agree that where I default in my obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf, or any assessment, instalment or payment due to the Condominium Corporation or upon breach of any covenant or provision hereinbefore in this paragraph contained, including those covenants or provisions referred to in Clause (d) hereof, regardless of any other action or proceeding taken to be or taken by the Condominium Corporation, the Mortgagee, at its option and without notice to me, may deem such default to be default under the terms of the mortgage and proceed to exercise its right herein.
- (f) Upon default herein and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessments, instalments or payments due to the Mortgagee or arising under any of the Clauses herein contained.
- (g) The Mortgagee shall have the right to pay any condominium levies in arrears, whether or not same rank in priority to this mortgage; and any money so paid shall be repayable by me forthwith and shall be added to the principal herein and shall be a charge upon the mortgaged premises.

35. THAT I represent and warrant to the Mortgagee that neither I, nor to the best of my knowledge, any other person, have ever caused or permitted any hazardous materials to be placed, held, located, or disposed of on, under or at the Lands, and that my business and assets are operated in compliance with the applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials).

THAT I further represent and warrant to the Mortgagee that no enforcement actions with respect to environmental matters relating to the said Lands are threatened or pending, and that to the best of my knowledge there are no violations of any federal, provincial, or local environmental laws with respect to the Lands. I covenant and agree that, if any such violation should come to my attention during the currency of this Mortgage, I shall immediately notify the Mortgagee of same.

THAT I covenant and agree that I will, at all times during the continuance of this Mortgage, operate the Lands in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and shall permit the Mortgagee to conduct inspections and appraisals of all or any of my records, business and assets, at any time, from time to time, to ensure such compliance. I shall promptly pay all of the costs and expenses of conducting such inspections and appraisals,

including costs on a solicitor-and-own-client full indemnity basis, in default of which such costs and expenses shall immediately be added to the principal monies hereby secured, and shall be a charge against the Lands and shall bear interest at the mortgage rate until repaid. I hereby indemnify the Mortgagee, its officers, directors, employees, agents, and shareholders and agree to hold each of them harmless from and against any and all losses, liabilities, damages, costs, expenses and claims of any, and every kind whatsoever, relating to the hazardous materials placed, held, located, or disposed of on the Lands, including without limitation:

- (a) costs, on a solicitor-and-own-client full indemnity basis, of defending and/or counterclaiming or claiming against third parties in respect of any action or matter; and
- (b) any costs, liability or damage arising out of a settlement of any action entered into by the Mortgagee, with or without my consent, which at any time, from time to time, may be paid, incurred or asserted against any of them for, with respect to, or as a direct or indirect result of, the presence on or under, or escape, seepage, leakage, spillage, discharge, emission, or release from the Lands, or into or upon any lands, the atmosphere, any water course, body of water or wetland, of any hazardous materials; and
- (c) a reduction in the value of the Mortgaged Lands.

36. THAT this agreement shall be governed by the Laws of the Province of Alberta. In the event action under this agreement is commenced in a court of competent jurisdiction in the Province of Alberta, I hereby agree to attorn to the jurisdiction of the Alberta Court in the said action.

37. PREPAYMENT

- (a) If I am not in default hereunder, then I shall have the privilege at any time to prepay the whole or any part of moneys hereby secured then owing without notice or bonus.

Notwithstanding any partial prepayments, I shall continue to make all prescribed payments in strict accordance with the terms of this mortgage or any extensions or renewals thereof, without deduction, until all moneys hereby secured have been fully repaid.

38. This mortgage is collateral security to the guarantee and postponement of DON L. PERERA and SHIRANIE M. PERERA (copies of which are attached hereto), and to any guarantees executed as a result of the renewal thereof or in replacement thereto.


39. THAT for the better securing to the Mortgagee the repayment in manner aforesaid of the said principal and interest and other charges and money hereby secured I do hereby mortgage to the said Mortgagee all my estate and interest in the said lands.

IN WITNESS WHEREOF the mortgagors have hereunto subscribed their names this 9 day of ~~July~~, A.D. 2007.

August

WITNESS

WITNESS



DON L. PERERA



SHIRANIE M. PERERA

AFFIDAVIT OF EXECUTION

CANADA)
PROVINCE OF ALBERTA)
TO WIT)

RICHARD M. HARDING

I, BARRISTER & SOLICITOR, of the City of Calgary, in the Province of Alberta,
Barrister and Solicitor,

MAKE OATH AND SAY:

1. That I was personally present and did see ~~DON L. PERERA~~ and SHIRANIE M. PERERA named in the within instrument, who are personally known to me to be the persons named therein, duly sign and execute the same for the purpose named therein.
2. That the same was executed at the City of Calgary, in the Province of Alberta, and that I am the subscribing witness thereto.
3. That I know the said persons and each is in my belief of the full age of eighteen years.

SWORN to at the City of Calgary,)
in the Province of Alberta,)
this 13 day of ~~July~~, August ²⁰⁰⁷)
A.D. 2007)

L.M. Ellis

A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF ALBERTA

Lisa-Marie Ellis
Student-at-Law

Richard M. Harding

GUARANTEE AND POSTPONEMENT

TO: FIRST CALGARY SAVINGS & CREDIT UNION LTD.

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment to

FIRST CALGARY SAVINGS & CREDIT UNION LTD.

of the City of Calgary, in the Province of Alberta (hereinafter called "the Lender") of all debts and liabilities, present or future, direct or indirect, absolute or contingent (including any funds not advanced but held at the disposal of the Borrower under any lines of credit), matured or not, at any time owing by

PERERA SHAWNEE LTD.

(hereinafter called "the Borrower") to the Lender or remaining unpaid by the Borrower to the Lender, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Lender and the Borrower or by or from any agreement or dealings with any third party by which the Lender may be or become in any manner whatsoever a creditor of the Borrower or however otherwise incurred or arising anywhere within or outside the jurisdiction where this guarantee is executed and whether the Borrower be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "liabilities"), the liability of the undersigned hereunder being limited to:

- the sum of \$3,000,000.00,
- interest from the date of demand for payment at the rate(s) agreed upon between the Lender and the Borrower, and
- solicitor-client costs as provided for hereunder

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE LENDER AS FOLLOWS:

1. The Lender may, without notice to the Guarantor(s): grant time, renewals, extensions, indulgences, releases and discharges to; take securities (which word as used herein includes other guarantees) from and give the same and any or all existing securities up to; abstain from taking securities from or from perfecting securities of; cease or refrain from giving credit or making loans or advances to; accept compositions from and otherwise deal with; the Borrower and others and with all securities as the Lender may see fit, and may apply all moneys at any time received from the Borrower or others or from securities upon such part of the liabilities as the Lender deems best and change any such application in whole or in part from time to time as the Lender may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Lender from the Borrower or others,

whether occasioned by the fault of the Lender or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

2. The undersigned agrees that the Borrower and Lender may, without notice to the guarantor(s), agree to change the interest rate on any or all of the debts and liabilities guaranteed herein by either raising or reducing the said interest rate, and the undersigned shall be bound by such changes and interest rate and the undersigned further agrees that such changes in interest rate will in no way limit or lessen the liability of the undersigned and this Guarantee.
3. This guarantee shall be a continuing guarantee and shall cover all the liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Lender.
4. The Lender shall not be bound to exhaust its recourse against the Borrower or others or any securities it may at any time hold before being entitled to payment from the undersigned of the liabilities. The undersigned renounce to all benefits of discussion and division.
5. The undersigned or any of them may, by notice in writing delivered to the Lender receiving this instrument, determine their liability under this guarantee in respect of liabilities thereafter incurred or arising but not in respect of any liabilities theretofore incurred or arising even though not then matured, provided however that notwithstanding receipt of any such notice the Lender may fulfill any requirements of the Borrower based on agreements expressed or implied made prior to the receipt of such notice and any resulting liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.
6. All indebtedness and liability, present and future, of the Borrower to the undersigned or any of them are hereby assigned to the Lender and postponed to the liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Lender and forthwith upon receipt shall be paid over to the Lender, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct.
7. This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Borrower or in the membership of the Borrower's firm, through the death or retirement of one or more partners or the introduction of one or more other partners, or otherwise, or by the acquisition of the Borrower's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Borrower, or by the Borrower's business being amalgamated with a corporation, but shall, notwithstanding the happening of such event, continue to apply to all the liabilities whether theretofore or

thereafter incurred or arising and in this instrument the word Borrower shall include every such firm and corporation.

8. This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Lender, and all dividends, compositions, proceeds of security valued and payments received by the Lender from the Borrower or from others, or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Lender or proceeds thereof, the undersigned shall have no right to be subrogated in any rights of the Lender until the Lender shall have received payment in full of the liabilities.

9. All moneys, advances, renewals and credits in fact borrowed or obtained from the Lender shall be deemed to form part of the liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Borrower or of the directors, partners or agents thereof, or that the Borrower may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or credits, the whole whether known to the Lender or not; and any sum which may not be recoverable from the undersigned on the footing of a guarantee shall be recoverable from the undersigned and each of them as sole or principal debtor in respect thereof and shall be paid to the Lender on demand with interest.

10. This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Lender.

11. The undersigned and each of them shall be bound by any account settled between the Lender and the Borrower and, if no such account has been so settled immediately before demand of payment under this guarantee, any account stated by the Lender shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender

12. The undersigned confirm to the Lender that he or she is, or they are (as the case may be) aware of the financial affairs and condition of the Debtor and that the Lender has not made representations to him/her/them as to the Debtor's finances or affairs. This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Lender shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Lender each signatory thereof obtains from the Lender receiving this instrument a letter settling out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

13. No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor two days after an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Lender, is posted, postage prepaid, in the post office and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the guarantor last known to the Lender and posted as aforesaid shall be deemed to have been effectually made upon all of them. All payments hereunder shall be made to the Lender.

14. This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

15. This guarantee and agreement shall extend to and enure to the benefit of the Lender and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or each of them or any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

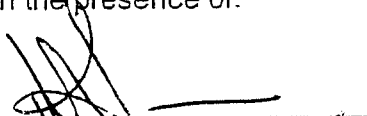
16. This guarantee shall be governed by the laws of the Province of Alberta, and the undersigned agree(s) to attorn to the jurisdiction of any competent court in the Province of Alberta should action on this guarantee be commenced within the said Province.


17. In the event the Lender engages a solicitor to effect collection of the amount outstanding under this guarantee, the undersigned agrees to pay the full costs of said solicitors as between solicitor and client.

GIVEN UNDER SEAL at the City of Calgary, in the Province of Alberta, this 16 day of ~~July~~ ^{August}, A.D. 2007.


*Leah D
1mb*


SIGNED, SEALED AND DELIVERED
in the presence of:



WITNESS


WITNESS



DON L. PERERA


SHIRANIE M. PERERA

**THE GUARANTEES ACKNOWLEDGEMENT ACT
CERTIFICATE OF NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

1. DON L. PERERA of Calgary, Alberta, the guarantor in the guarantee dated ~~July~~ ^{August} ~~16~~, A.D. 2007 made between FIRST CALGARY SAVINGS & CREDIT UNION LTD. and DON L. PERERA which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he had executed the guarantee;

2. I satisfied myself by examination of him that he is aware of the contents of the guarantee and understands it.

GIVEN at Calgary, Alberta, this 16 day of ~~July~~ ^{August}, A.D. 2007 under my hand and seal of office.



A Notary Public in and for the
Province of Alberta

MATTHEW X. JAMES LL.B.
Barrister & Solicitor

STATEMENT OF GUARANTOR

I am the person named in this certificate. I confirm that the contents of the guarantee have been explained to me by the above notary public and that I understand the said guarantee and my obligations thereunder.



Signature of Guarantor
DON L. PERERA

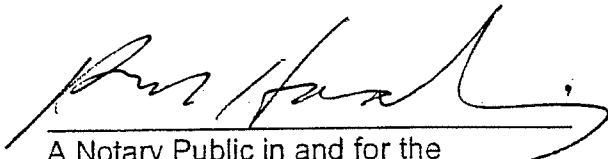
**THE GUARANTEES ACKNOWLEDGEMENT ACT
CERTIFICATE OF NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

perera 1. ~~July~~ ^{August} 16, A.D. 2007 SHIRANIE M. PERERA of Calgary, Alberta, the guarantor in the guarantee dated made between FIRST CALGARY SAVINGS & CREDIT UNION LTD. and SHIRANIE M. PERERA which this certificate is attached to or noted upon, appeared in person before me and acknowledged that she had executed the guarantee;

2. I satisfied myself by examination of her that she is aware of the contents of the guarantee and understands it.

GIVEN at Calgary, Alberta, this ~~July~~ ^{August} 16 day of ~~July~~ ^{August}, A.D. 2007 under my hand and seal of office.



A Notary Public in and for the
Province of Alberta
RICHARD M. HARDING
BARRISTER & SOLICITOR

STATEMENT OF GUARANTOR

I am the person named in this certificate. I confirm that the contents of the guarantee have been explained to me by the above notary public and that I understand the said guarantee and my obligations thereunder.

S. M. Perera

Signature of Guarantor
SHIRANIE M. PERERA



THIS IS EXHIBIT "P" referred to in the Affidavit of Michael Wheeler
 Sworn before me this 26 day of Feb A.D. 2009
 [Signature]
 A Commissioner for Oaths in and for the Province of Alberta

RECEIVED JUN 29 2009

KATHLEEN BURKE
 BARRISTER & SOLICITOR

Writer's Direct Line: (403) 503-4172
 E-Mail: tcammell@1stcalgary.com

June 12, 2009

Perera Shawnee Ltd
 425 - 78 Ave. SW
 Calgary, Alberta
 T2V 5K5

Sent be email to Don Perera at
 donperera@pereradevelopments.com

Attention: Don Perera

Dear Don:

RE: COMMITMENT LETTER

First Calgary Savings & Credit Union Ltd. ("First Calgary") is pleased to advise that the following Mortgage loan has been approved on the terms and conditions set forth below. If you agree with these terms and conditions please sign the duplicate copy of this letter in the space provided below and return same to the writer's attention.

Borrower: Perera Shawnee Ltd

Guarantors: Perera Development Corporation
 Don Perera
 Shiranie M. Perera

Credit Facility: Construction Loan

Amount: \$4,540,000

Purpose: Phase II/III construction financing for Parking/Entrance Podium at 14619 Shawnee Gate SE, Calgary, Ab. Called the "HIGHBURY" - See Programme below

Loan # 503:	Programme		Financing
Construction Costs:			
Work in Place	\$5,209,603	Equity - Paid to date	\$3,492,274
Additional Hard costs	\$4,380,000	- Cash	<u>\$1,807,726</u>
Soft Costs	\$ 160,000	Total Equity (to be	\$5,300,000
Other	<u>\$ 90,397</u>	verified by Q. S. before	
		and advances on Loan #	
		503)	
TOTAL	<u>\$9,840,000</u>	First Calgary Loan	<u>\$4,540,000</u>
		TOTAL	<u>\$9,840,000</u>

Rate of Interest:

First Calgary floating Prime lending rate plus 3.00% payable on the first of each month. First Calgary's Prime lending rate means the annual rate of interest announced from time to time by First Calgary.

Non-refundable Application Fee: \$45,400 payable on acceptance of this letter.

Repayment:

- 1) Payable on demand, with interest only payable in arrears on the first day of each month.
- 2) On any sales of the condominium units 100% of all remaining sales proceeds paid to First Calgary under the repayment terms for existing loans # 501 and # 502 after repayment of Loans # 501 and # 502 in full.

Construction Completion Date: December 31, 2009

Pre-disbursement Conditions:

1. Tech-Cost Construction Consultants Ltd will provide First Calgary with a satisfactory review of the "Podium" cost budget and verify equity (\$5,300,000) as stated in the "Programme" above is in place prior to any advances on loan #503. Tech-Cost Construction Consultants Ltd will also be providing Quantity Survey reports to support all draws as per "Disbursement" Conditions noted below.
2. First Calgary will be provided with satisfactory confirmation of outstanding balances of any prior encumbrances on 708 Hillcrest Ave. S.W Calgary which shall not exceed \$1,746,000.
3. First Calgary will be provided with final versions of the two May 15, 2009 Appraisal Update letters from Colliers.

4. All other terms and conditions for Loan #'s 501, 502 and Letters of Credit shall remain in place.

DISBURSEMENT:

On a standard cost-to-complete basis after receiving the following:

1. all requisitions for funding shall be accompanied by a certificate from a Quantity Surveyor firm (Tech Cost)
 - i) detailed breakdown of original estimated cost, revised costs per change orders if any, completed construction to date, cost-to-complete and that the undisbursed loan portion will cover the cost to complete,
 - ii) all development work is done in accordance with approved plans and specifications, and
 - iii) development work is progressing within the original time schedule
2. receipt of satisfactory Land Titles Searches
3. all draws are to be supported by a signed Declaration of the Borrower, as it relates to the status of sub-trades and supplier accounts

OTHER CONDITIONS (Loan # 503)

1. Borrower is responsible for all legal, appraisal fees, including engineering inspections, searches, etc.
2. Borrower is responsible for payment of all G.S.T.
3. All project cost overruns shall be funded by the Borrower with the source of funding clearly identified prior to further draw downs

Security and Other Documents:

The Borrower agrees to provide to First Calgary in form and substance satisfactory to it and its solicitors, all security and supporting agreements requested by First Calgary including the following documentation (the "Security") which will be held by First Calgary as Security for the loan and all other direct and indirect liabilities of the Borrower and the Guarantors (or any of them) to First Calgary from time to time.

Security currently held and will continue to be held for all loans:

1. An Operation of Account Agreement and Common Share Agreement with First Calgary

2. All corporate documents, including:
 - a) Borrowing Resolution,
 - b) Certified Copy of a Resolution of the Directors approving the Security granted,
 - c) Certificate of Incumbency,
 - d) Officer's Certificate, and
 - e) Certificate of Non-restriction
3. Accepted Commitment Letter
4. Opinions of counsel to the Borrower and Corporate Guarantor in such form as First Calgary shall require.
5. A \$65,000,000 Collateral Mortgage creating a First Mortgage charge of the property which is municipally and legally described as:

14635 Shawnee Gate SW, Calgary
 (Plan 0711797 Block 1, Lot 1, previously Plan 4845 JK, Block E - 2.52 Acres)
 (hereinafter referred to as the "Property")
6. A First Assignment of All Rents and Leases from the Property upon terms which will, until default hereunder or under the Security documents, permit you to continue to receive such rents and revenue
7. Assignment of Adequate Builders All Risk Insurance over subject noted Property showing First Calgary as first loss payee complete with Standard Mortgage Endorsement Clause
8. A General Security Agreement providing a floating charge over all assets currently owned and after acquired and a charge on land of the borrower, registered at Alberta Personal Property Registry
9. A \$25,000,000 Guarantee & Postponement of Claim from the Perera Development Corporation supported by:
 - a. Corporate Resolution, other corporate documents as determined by First Calgary's Solicitors
 - b. a General Security Agreement providing a floating charge over all assets currently owned and after acquired and a charge on land of the borrower, registered at Alberta Personal Property Registry
10. A \$3,000,000 joint and several Guarantee & Postponement of Claim from the Don L. Perera and Shiranie M Perera supported by;

a. \$3,000,000 Collateral Mortgage creating a First Mortgage charge of the property which is municipally and legally described as:
 708 Hillcrest Ave. SW, Calgary, Alberta
 (Lot 4, Lot 21A, Plan 2112AC)
 (hereinafter referred to as the "Property")
 (allowable prior encumbrance, \$1,746,000 – Bank of Montreal # 061 238 697)

b. Independent Legal Advice for both Guarantors

11. A \$2,000,000 Guarantee & Postponement of Claim from the Don L. Perera, which is in addition to the Guarantee stated at "10." above.
12. Environmental Indemnity Agreement from the Borrower and the Guarantors
13. Satisfactory Opinion from First Calgary's counsel.

Additional Security to be obtained:

14. Demand Promissory Note for \$4,540,000
15. Borrowing Resolution
16. A \$4,540,000 Guarantee & Postponement of Claim from the Don L. Perera, which is in addition to the Guarantees stated at "10." And "11" above.

Reporting Requirement: Annual Statements:

In each year during the term of the loan, Review Engagement Financial Statements of the Borrower and Corporate Guarantor shall be submitted to First Calgary within ninety (90) days after the Borrower's fiscal year end. An officer of the Borrower shall certify the truth and accuracy of such Operating Statements acceptable to First Calgary. In addition, the Guarantor will provide an updated Personal Financial Statement.

Commitment Expiry Date:

In the event this letter is not accepted by June 30, 2009, this Letter expires.

Additional Terms and Conditions:

The attached Schedule "A" outlines additional terms and conditions that form part of this letter.

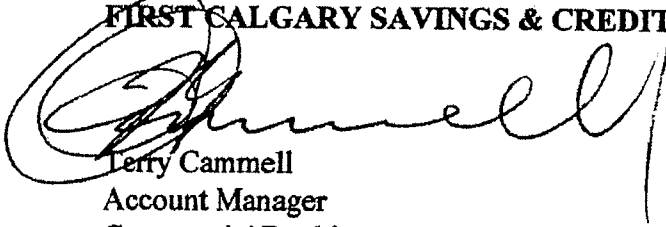
The terms of this letter are open for acceptance by you and all Guarantors executing the duplicate copy of this letter where indicated below and returning it together with the remaining portion of the application fee of \$45,400 to our office at 1100, 333 - 7th Avenue SW

Calgary Alberta T2P 2Z1, on or before 3:00 p.m. on June 30, 2009, after which date and time this offer shall lapse if it is not accepted.

We wish to thank you for allowing First Calgary the opportunity of being of assistance to you.

Yours truly,

FIRST CALGARY SAVINGS & CREDIT UNION LTD.


A handwritten signature in black ink, appearing to read "Terry Cammell", written over the company name. The signature is fluid and cursive, with a large initial "T" and a long horizontal stroke.

Terry Cammell
Account Manager
Commercial Banking

ACCEPTANCE

We hereby accept and agree to the Mortgage loan on the terms and conditions outlined by the Proposal Letter dated June 12, 2009 on this 16th day of June, 2009.

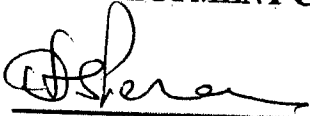
PERERA SHAWNEE LTD

Per: 

(c/s) *524252 ✓*

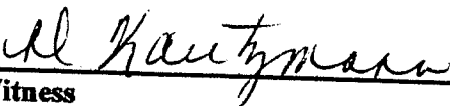
Per: _____

PERERA DEVELOPMENT CORPORATION

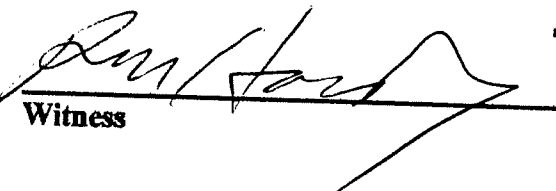
Per: 


(c/s) *524252 ✓*

Per: _____


Witness


Don Perera, Guarantor


Witness


Shiranie M. Perera, Guarantor

ACCEPTANCE

We hereby accept and agree to the Mortgage loan on the terms and conditions outlined by the Proposal Letter dated June 12, 2009 on this 16th day of June, 2009.


PERERA SHAWNEE LTD

Per: 

(c/s)

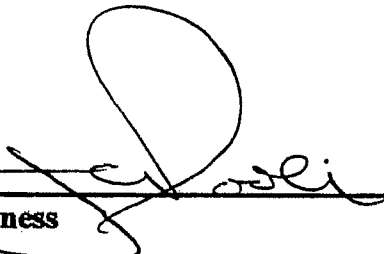
Per: _____


PERERA DEVELOPMENT CORPORATION

Per: 

(c/s)

Per: _____


Witness


Don Perera, Guarantor

Witness

Shiranie M. Perera, Guarantor

SCHEDULE "A"
ADDITIONAL TERMS AND CONDITIONS

Taxes:

All realty taxes and local improvement assessments are to be paid by you or your tenants to the municipality when due and you shall provide First Calgary annually, if requested, with receipted copies of the realty tax bills for the Property. First Calgary may, at its sole option, require that you pay on the monthly payment date provided for herein one-twelfth of the annual realty taxes payable or estimated by First Calgary to be payable for the forthcoming year. Any deficiency between actual and estimated taxes shall be payable to First Calgary forthwith upon demand.

Insurance:

You will insure and keep fully insured the Property and all tangible personal property against the following perils:

- a. With respect to all buildings and other improvements now or hereafter situated on the Property and all insurable property included within the buildings, coverage against loss or damage by fire and other insurable hazards defined in an "All Risks" insurance policy for the full replacement cost with provision for permission to occupy and with automatic vacancy permit;
- b. Boiler and pressure vessel insurance, if applicable, for the full replacement cost of the Property and all improvements thereon or such lesser amount as shall be acceptable to First Calgary;
- c. Business interruption or rental loss insurance acceptable to First Calgary for an indemnity period of not less than 12 months and with coverage of not less than 100% of the resulting loss or rent or other revenue received from the operation of the building;
- d. Loss or damage of all personal property by fire or other insurable hazards, including theft, in an amount not less than the full replacement cost thereof, and
- e. Public liability insurance to an amount not less than \$2,000,000 on an occurrence basis.

The policies of insurance to be maintained shall not contain any co-insurance clauses less than 90% and shall be in form and with insurers satisfactory to First Calgary and shall include the agreement of the insurer that the policy will not be cancelled or permitted to expire on expiry date without at least thirty (30) days prior written notice of intended cancellation or non-renewal to First Calgary. First Calgary shall be named in all policies of insurance other than public liability insurance as the first loss payee and as first mortgagee upon the terms of the standard Insurance Bureau of Canada Mortgage Endorsement Clause.

You will furnish to First Calgary or its solicitors, at least ten (10) days prior to the advance of any funds a binder policy, with certified copies of the policies being provided within 45 days thereafter, providing the above coverages.

Title:

The Borrower will have, as the registered owner of the Property, good title in fee simple to the Property, and First Calgary's charge on the Property will be first in priority over all other encumbrances, leases, agreements for leases, restrictions, agreements, liens, assignments, easements mortgages and charges whatsoever to the full extent of the loan except as First Calgary may in writing consent.

The Property and all improvements thereon shall have been duly authorized and comply in all respects with all applicable laws, by-laws, government requirements, whether federal, provincial or municipal including, without restriction, those dealing with planning, zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped areas, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety and there shall be no outstanding work orders against the Property or the improvements or any part thereof.

The Borrower shall provide such certificates or other written confirmation as First Calgary's solicitors may reasonably require, certifying that no control orders, stop orders or prosecutions exist with respect to the Property or any activity or operation carried out thereon pursuant to any federal, provincial, municipal or local environmental, health and safety laws, statutes and regulations as may apply to the Property or the activities or operations carried out thereon.

Leases:

In the event the Property is leased, it shall be in accordance with the lease documents, and on the terms and for the rents set out in Schedule "B" to this letter. You will provide at First Calgary's request, executed copies of such leases for our review which must be in a form and upon terms acceptable to us. You will also provide to our solicitors an Estoppel Certificate with the written acknowledgement of each tenant as to the status of its tenancy at the time of advance of funds. At the time of advance of the funds each tenant must be in possession of the whole of its leased premises, carrying on business thereon and paying rent pursuant to the terms of the lease and the landlord and tenant shall otherwise have performed all their obligations contained in the lease.

First Calgary may at its option require that all present and future leases of the Property be postponed by way of a registered postponement agreement in favour of First Calgary's interest in the Property.

Costs and Fees:

Whether or not the transaction contemplated hereby is completed, you will pay all First Calgary's costs associated with this transaction, including the legal fees and disbursements of our solicitors (on a solicitor and his own client basis) and our agents in connection with this letter and the loan and the security documents resulting therefrom. Such fees, disbursements and costs may be deducted from the Mortgage proceeds or the Commitment Fee, if collected.

Right of Termination:

First Calgary shall have the right to terminate its agreement to provide the loan to you and be relieved of all obligations in connection therewith in the event any of the following events should occur:

- a. You fail or are unable or are unwilling for any reason whatsoever to comply with any of the terms and conditions set out in this letter within the time indicated for such compliance; or
- b. You fail or refuse to execute any documentation requested by our solicitors or to deliver such documentation to our solicitors; or
- c. The net proceeds of the loan have not been fully advanced on or before the commitment expiry date referred to herein; or
- d. You refuse to accept the funds when advanced; or
- e. You or any other person or corporation whose covenant is required shall become bankrupt, or subject to bankruptcy, receivership or insolvency proceedings; or
- f. There has been in the sole opinion of First Calgary a material adverse change in the condition of the Property or the Borrower or in the actual or anticipated revenues from the Property as set out in Schedule "B" hereto; or
- g. Urea formaldehyde foam insulation or any construction material containing asbestos or other substance considered harmful by First Calgary has been used or will be used in the Property; or there is in, or on about the Property any product or substance including, without restriction, PCBs contaminants or hazardous materials, equipment or anything which does, or is likely to, constitute an environmental hazard or contravenes any environmental law, regulation, order, decree or directive; or
- h. You have not complied with all the provisions of the *Builders' Lien Act* of Alberta and amendments thereto, to our satisfaction; or

- i. First Calgary or its solicitor, acting reasonably, is not satisfied with the matters set out under the heading "Title" above; or
- j. All legal matters and documentation relating to the transaction have not been completed to First Calgary's and its counsel's satisfaction.

If First Calgary elects to terminate its agreement to provide the loan to you prior to the advance of the entire amount of the loan, the amount advanced on the loan, if any, together with interest thereon at the rate set out herein shall become immediately due and payable and First Calgary shall, whether or not any proceeds have been advanced, be entitled to retain the Commitment Fee as compensation for all damages sustained by it, it being agreed that the amount of such Commitment Fee is a fair estimate of the damages which will be suffered by First Calgary in such event.

Environmental Representations:

As set out in the security documentation.

Amendment:

Any amendment to this commitment or Security documents must be in writing and signed by a duly authorized officer of First Calgary.

Assignment:

The undersigned understands and acknowledges that First Calgary may, at its sole discretion, assign this Mortgage to a third party of its choice. The undersigned consents to the disclosure by First Calgary to any such assignee and its agents of personal information of the undersigned relating to this Mortgage and consents to the collection and use of such personal information by such assignee and its agents. The undersigned also consents to the collection and use of said personal information by third parties involved in the assignment or sale of loans and the further disclosure of such information to the third parties' agents and assignees and those parties' subsequent collection and use of the information, in each case, for the purpose of the ongoing management of the loans.

However, this agreement of First Calgary may not be assigned nor transferred by the Borrower without the prior written consent of First Calgary.

Governing Law:

The agreement constituted by your acceptance of this letter shall be governed by the laws of the Province of Alberta.

Headings:

The headings contained in this letter are for reference only and shall not constitute any part of the terms and conditions contained herein.

Payments:

Unless otherwise directed and agreed to by First Calgary all amounts payable by the Borrower hereunder shall be paid to First Calgary at its Commercial Banking Branch, 1100 - 333 Seventh Avenue, S.W., Calgary, Alberta, T2P 2Z1, in Canadian dollars.

Successors and Assigns:

Subject to the provisions hereof, this agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Severability:

Each provision of this agreement is severable and any term or provisions hereby declared to the contrary to, prohibited by, or invalid under applicable laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining terms and provisions hereof.

Survival:

The terms and conditions of this letter shall, after acceptance by you, survive the execution and registration of all security documentation and there shall be no merger of these provisions or conditions in the Security and that in case of a conflict between the provisions hereof and any of the security documents, First Calgary may elect which provisions shall prevail.

Time:

Time shall in all respects be of the essence hereof.

Waiver:

No terms or requirement of this commitment or any security documents may be waived or varied orally or by any course of conduct or any officer, employee, or agent of the lender. Any failure by First Calgary to exercise any rights or remedies hereunder or under any of the Security shall not constitute a waiver thereof.



PROMISSORY NOTE
(Floating Rate/Demand)

First Calgary Savings & Credit Union Ltd.
(the "Credit Union")

100, 333 - 7th Avenue SW
Calgary, Alberta T2P 2Z1

096 Branch

Member No.: 1793280-503

THIS IS EXHIBIT " Q "
referred to in the Affidavit of
Michael Wheatley
Sworn before me this 20
day of Feb A.D. 2010

\$4,540,000.00
("Principal Sum")

[Signature] KATHLEEN BURKE
A Commissioner for Oaths in and Barrister & Solicitor
the Province of Alberta

June 18, 2009

FOR VALUE RECEIVED, the undersigned Borrower(s) jointly and severally promise(s) to pay to the Credit Union the sum of Four Million Five Hundred and Forty Thousand Dollars/100 Dollars (\$4,540,000.00) UPON DEMAND with interest thereon from the date hereof, as set out below.

Interest on the principal balance outstanding from time to time shall float at the rate of 3.00% per annum greater than the Credit Union's prime rate of interest as established from time to time. Interest shall be calculated monthly and not in advance, and shall be paid monthly commencing the 1st day of July, 2009.

As of the date hereof, the Credit Union's prime rate of interest is 2.25% per annum, calculated monthly and not in advance.

If, for any reason, the Credit Union's prime rate of interest cannot be established for any period, or should it be found to be unclear or uncertain, the prime rate of interest shall be deemed fixed for such period at the rate of 9.00% per annum, calculated monthly and not in advance.

Interest shall be payable before, as well as after, maturity and before, well as after, default. All unpaid interest shall be added to principal and bear interest at the rate stated above.

Presentments for payment, notice of dishonor, protest, and notice of protest are all hereby expressly waived.

The Borrower(s) hereby pledge all deposits, paid up shares and payments on shares which the Borrower(s) now have or hereafter may have or become entitled to in the above named Credit Union as collateral security for this Promissory Note and any costs or expenses which may be imposed or incurred in connection with the collection thereof.

The Borrower(s) agree(s) to pay costs on a Solicitor and his own client basis in the event that the Borrower(s) default in payment of the within Promissory Note and collection procedures involving a Solicitor are necessary.

[Signature]
(Affix Corporate Seal)

Perera Shawnee Ltd.
[Signature]