



**SPECIFIC SECURITY AGREEMENT**  
(For Specific Indebtedness)

First Calgary Savings & Credit Union Ltd.  
(the "Credit Union")  
1100 - 333 - 7<sup>th</sup> Ave. SW  
Calgary, Alberta T2P 2Z1  
Commercial Banking (096) Branch  
Member No.: 1793280

THIS IS EXHIBIT "T"  
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

Borrower(s): Perera Shawnee Ltd  
425 - 78 Ave. SW  
Calgary, Alberta  
T2V 5K5

KATHLEEN BURKE  
BARRISTER & SOLICITOR

FOR VALUE RECEIVED, the Debtor hereby grants to the Credit Union, by way of mortgage, charge and assignment, a Security Interest in the following (herein collectively called the "Collateral"):

- (i) all property described below (herein call the "Described Property");
- (ii) all parts, accessories, attachments, Accessions, additions or increases to the Described Property;
- (iii) all substitutions for or replacements of the Described Property;
- (iv) all Proceeds of the Described Property, and
- (v) all deeds, documents, writings, papers and books relating to or being records of the Described Property.

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

"Described Property" means the following property (in describing motor vehicles, trailers, mobile homes, airplanes and outboard boat motors, serial numbers must be included as part of description):

Proceeds from sales of Condominium units located at 14635 Shawnee Gate SE, Calgary, including but not limited to the "amenities holdbacks" as and when released.

The Security Interest granted hereby secures payment of any and all obligations, indebtedness and liabilities of the Debtor (either alone or with others) to the Credit Union pursuant to the following document(s) (such document(s) herein called the "Document(s)"):

\*Demand Collateral Mortgage (Land Title registration # 071 422 840), and several Demand Promissory Notes

(herein 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 DECEMBER, 2009, AT CALGARY, ALBERTA.

Perera Shawnee Ltd  
\*\*Debtor name if corporation or partnership.

[Signature]

(SEAL) ✓

Witness:

\*Describe the Document(s) creating the indebtedness.

\*\*Use proper form of execution depending upon nature of Debtor.

CANADA  
PROVINCE OF ALBERTA  
TO WIT

**AFFIDAVIT OF EXECUTION**

I, \_\_\_\_\_, of the City of Calgary, in the Province of Alberta,

MAKE OATH AND SAY AS FOLLOWS:

1. That I was personally present and did see the Debtor named in this Agreement who is/are personally known to me to be the person(s) 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 I am subscribing witness thereto.
3. That I know the said Debtor and he/she/they is/are in my belief the full age of 18 years.

SWORN BEFORE ME at the City

of Calgary, in the Province of Alberta,

this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

A Commissioner for Oaths in and for  
the Province of Alberta.

**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) In this Agreement:
  - (i) "Agreed Rate" means the rate of interest payable under the Document(s) and in the event such Document(s) bear different rates of interest the "Agreed Rate" shall mean the highest of such interest rates;
  - (ii) "Debtor" means the person or persons named above as being the Debtor;
  - (iii) "Encumbrances" means any Security Interest, mortgages, liens, claims, charges and other encumbrances affecting the Collateral but excluding the Security Interest created hereby.

**2. 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;
  - (b) 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;
  - (c) 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
  - (d) 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 judgement, decree or order of any court binding on the Debtor, which would be contravened by the execution and delivery of this Agreement.

**3. DEBTOR'S COVENANTS**

- The Debtor covenants and agrees:
- (a) to defend the Collateral 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;
  - (c) 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 relating to the Debtor, the Debtor's name or Collateral;
    - (ii) the details of any claims or litigation affecting the Debtor or Collateral, and
    - (iii) any loss or damage to 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, by-law, 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 prevent Collateral from being or becoming a Fixture or an Accession to other property that is not Collateral;
  - (h) to keep, proper, accurate and complete records of the Collateral;
  - (i) to deliver to the Credit Union from time to time promptly upon request:
    - (i) all records, relating to the Collateral for the purpose of inspecting or copying the same;
    - (ii) all policies and certificates of insurance relating to the Collateral, and
    - (iii) such information concerning the Collateral, as the Credit Union may reasonably request;
  - (j) not to remove any of the Collateral from the Province of Alberta without the prior written consent of the Credit Union;

- (k) 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;
- (l) 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 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;
  - (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
- (m) 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.

#### 4. 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.

#### 5. 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.

#### 6. DEFAULT

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

- (a) non-payment 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) 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 Collateral or if a distress or analogous process is levied upon Collateral;
- (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;
- (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, or that the Collateral is or is about to be placed in jeopardy.

#### 7. 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.

#### 8. 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, 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 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) before, during or after realizing on the Collateral, the Credit Union may recover and enforce judgement 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 judgement against the Debtor, and
- (d) the Credit Union may, but shall not be bound to, realize on the Collateral.

#### 9. DEFICIENCY

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.

#### 10. 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 (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 in enforcing or collecting the Indebtedness and all such costs, charges and expenses 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.

JP

11. **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.
12. **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.
13. **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.
14. **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 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, 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) 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 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.
  - (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 dependant upon the person referred to being a male, female, partnership or corporation.
  - (i) 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.
  - (j) Nothing herein contained shall in any way obligate the Credit Union to grant, continue, renew or extend time for payment of the Indebtedness.
15. **ATTACHMENT**  
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.
16. **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.
17. **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 the 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.
18. **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.