

MORTGAGE & INDENTURE

Made the ___ day of November, 2005

between

OWNER

and

AGENT

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MORTGAGE & INDENTURE

THIS MORTGAGE AND INDENTURE bearing date the ____ day of _____, _____.

BETWEEN:

OWNER, a corporation incorporated under the laws of the Province of Alberta
(the "Owner")

AND

AGENT, a corporation incorporated under the laws of the Province of Alberta
(the "Agent")

WHEREAS the Owner is the registered owner of the Building and Lands (as defined herein);

AND WHEREAS the Owner is desirous of raising money for the purposes of _____/
and with a view to so doing is desirous of creating and issuing the Note Certificates, the
issuance of which is provided by this Indenture;

NOW THEREFORE IT IS HEREBY covenanted, agreed and declared as follows:

ARTICLE 1 – INTERPRETATION

1.1 Definitions

The terms defined in this Section 1.1 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of the Note Certificates shall have the respective meanings specified in this Section 1.1.

- (a) "Board of Directors" shall mean the Board of Directors of the Owner.
- (b) "Building" means the _____ constructed on the Lands as at the date hereof and as such facility is to be operated on behalf of the Owner, all for use as a _____.
- (c) "Business Day" shall mean any day other than a Saturday, Sunday, a legal holiday or a day on which banking institutions are closed in the City of _____, _____.
- (d) "Certificate of Authentication" shall refer to the authentication of the Agent endorsed upon the Note Certificates pursuant to Article 2.
- (e) "Construction Liens" means mechanics', labourers', builders', materialmens' or, without limiting the generality of the foregoing, any lien of a similar nature created by statute, arising out of the construction by the Owner of the Project or the furnishing of services, materials or supplies therefor, existing at the particular time upon the Project, which rank in priority to this Indenture.
- (f) "Event of Default" means any event specified in Section 6.1, continued for the period of time, if any, therein designated.

- (g) "Extraordinary Resolution" means a resolution passed (i) at a meeting of holders by not less than 66 2/3% of the votes cast thereat; or (ii) by instruments in writing signed in one or more counterparts by the holders of not less than 66 2/3% of the aggregate principal amount of Note Certificates then outstanding.
- (h) "Holders" or "holders" means the persons for the time being entered in the appropriate register or registers hereinafter mentioned as holders of any of the Note Certificates and owners of an undivided interest in and to the mortgage and charge hereby created and "Holder" or "holder" means any one of them.
- (i) "Indenture" means this instrument as originally executed or, if amended or supplemented as herein provided, as so amended or supplemented.
- (j) "Lands" means an estate in fee simple in those lands legally described on Schedule "A" hereto and excepting thereout all mines and minerals, subject to the Permitted Encumbrances.
- (k) "_____ Mortgage" means the first mortgage in favour of _____ registered for an original principal amount of \$_____, in respect of which there was outstanding on _____ the approximate principal amount of \$_____ together with interest thereon, and which mortgage is registered as instrument number _____.
- (l) "Mortgaged Property" means the Property as defined in Section 3.1 and also the undertaking, property, assets, rights and interests which are now or hereafter may be subjected or intended to be subjected to the charge in favour of the Agent created hereunder.
- (m) "Note Certificate" means a promissory note and mortgage certificate of the Owner issued or to be issued hereunder and for the time being outstanding, each entitled to and representing an undivided interest in the indebtedness and the mortgage and charge hereby created and which shall be issued in the form set forth in Schedule "B" hereto.
- (n) "Permitted Encumbrances" means as of any particular time any of the following encumbrances on the Mortgaged Property:
 - (i) any subsisting reservations, exceptions, limitations and provisos and conditions including royalties contained in the original grant of the Lands from the Crown;
 - (ii) any permits, licenses, agreements, restrictions or rights-of-way or other public easements and public access which, in the opinion of legal counsel to the holders, will not in the aggregate materially and adversely impair the use of the Lands for the purpose for which the Lands are held by the Owner;
 - (iii) zoning and building by-laws and ordinances and municipal by-laws and regulations which, in the opinion of legal counsel to the holders, do not materially interfere with the use by the Owner of the Lands for the purposes for which the Lands are held and for the time being used by the Owner; and
 - (iv) _____ Mortgage.
- (o) "Project" means the Lands and the Building.

1.2 Meaning of "Outstanding"

The term "outstanding" when used with reference to Note Certificates, shall, subject to the residual rights of a holder to claim any amounts from the Owner or the Agent pursuant to the provisions of Section 11.2, mean, as of any particular time, all Note Certificates authenticated and delivered by the Agent under this Indenture, except:

- (a) Note Certificates theretofore cancelled by the Owner in accordance with the provisions hereof or delivered to the Owner for cancellation;
- (b) Note Certificates for the payment of which monies in the necessary amount shall have been deposited for that purpose with the Agent; and
- (c) Note Certificates in lieu of or in substitution for which other Note Certificates shall have been authenticated and delivered pursuant to the terms of Sections 2.10 or 4.2.