TRUST INDENTURE

DATED AS OF THE 22nd DAY OF MAY, 2014

BETWEEN

SEAIR INC.

AND

CST TRUST COMPANY

PROVIDING FOR THE ISSUE OF 8% SECURED, SUBORDINATE, REDEEMABLE CONVERTIBLE DEBENTURES

UP TO $1,000,000

MATURITY DECEMBER 31, 2015

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THIS INDENTURE made as of the **22nd** day of May, 2014.

BETWEEN:

SEAIR INC., a corporation existing under the laws of the Province of Alberta and having an office in the City of Calgary in the Province of Alberta

(hereinafter called the "**Corporation**")

AND

CST TRUST COMPANY, a trust company existing under the laws of Canada

(hereinafter called the "**Trustee**")

WITNESSETH THAT:

WHEREAS the Corporation deems it necessary and is duly authorized to create and issue the Debentures to be created and issued as herein provided;

AND WHEREAS all necessary steps in relation to the Corporation have been duly enacted, passed and confirmed and other proceedings taken and conditions complied with to make the creation and issue of the Debentures proposed to be issued hereunder legal, valid and binding on the Corporation in accordance with the laws relating to the Corporation;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Trustee;

AND WHEREAS the Trustee has agreed to act as Trustee on behalf of the Debentureholders (and not as agent of the Corporation) in the manner and upon the terms set forth herein;

NOW THEREFORE that in consideration of the mutual covenants and agreements herein contained and the sum of one ($1.00) dollar now paid by each party hereto to each of the other parties hereto, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Indenture and in the Debentures, unless there is something in the subject matter or context inconsistent therewith, the expressions following shall have the following meanings, namely:

(a) "**Applicable Laws**" any statute of Canada or a province thereof, and the regulations under any such named or other statute, relating to trust indentures or to the rights, duties and obligations of trustees under trust indentures, to the extent that such provisions are at the time in force and applicable to this Indenture and all judgments, orders and decisions of all Governmental Authorities in which the person in question is a party or by which it is bound or having application to the person, property, transaction or event;

(b) "**Applicable Securities Legislation**" means applicable securities laws (including rules, regulations, policies and instruments enacted thereunder) in each of the Provinces of Canada where the Debentures are offered and sold by the Corporation or where the Corporation is currently a reporting issuer;

(c) "**Beneficial Holder**" means any person who holds a beneficial interest in a Global Debenture or whose beneficial interest is represented by Book Entry Only Debentures held through a book-entry only position with the Depository;

(d) "**Book Entry**" means a Debenture to be registered in the name of the Depository or its nominee and can be a certificated or non-certificated issue;

(e) **Book Entry Only Debentures**" means Debentures issued under this Indenture in a Book Entry form which are held only on a book based (electronic) register maintained by the Trustee;

(f) "**Business Day**" means any day other than a Saturday, Sunday or any other day that is a statutory holiday in the City of Calgary in the Province of Alberta;

(g) "**CDS**" means CDS Clearing and Depository Services Inc.;

(h) **Charge**" means the security interests created by or intended to be created by this Indenture in accordance with the provisions of the PPSA;

(i) "**Collateral**" means the whole, or any item or part, of the property, assets, rights and undertaking of the Corporation from time to time subjected or intended to be subjected to the Charge and any reference herein to the Collateral shall, unless the context otherwise requires, be deemed to be a reference to all of the Collateral or any part thereof; provided, however, that the Collateral shall not include the assets used in connection with the Corporation's septic business;

(j) "**Common Shares**" means the common shares in the capital of the Corporation;

(k) "**Conversion Price**" means a conversion price of $0.30 per Common Share (as may be adjusted in accordance with the provisions of Article 6) which may be issued from time to time upon conversion of the Indebtedness in accordance with the provisions of Article 6;

(l) "**Conversion Right**" has the meaning ascribed thereto in Section 6.1;

(m) "**Corporation's Auditors**" or "**Auditors of the Corporation**" means an independent firm of chartered accountants duly appointed as auditors of the Corporation;

(n) "**Counsel**" means a barrister or solicitor or firm of barristers or solicitors retained or employed by the Trustee or retained or employed by the Corporation and acceptable to the Trustee;

(o) "**Date of Conversion**" has the meaning ascribed thereto in Section 6.2(b);

(p) "**Debentureholders**" or "**Holders**" means the persons for the time being entered in the register for Debentures as registered holders of Debentures;

(q) "**Debentures**" means the debentures designated as 8% secured, subordinate, redeemable convertible debentures as described in Article 2;

(r) "**Depository**" means, with respect to the Debentures issued in the form of one or more Global Debentures, the person designated as depository by the Corporation pursuant to Section 2.2(c) until a successor depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "**Depository**" shall mean each person who is then a depository hereunder;

(s) "**Depository Participant**" means a broker, dealer, bank, other financial institution or other person, on whose behalf the Depository or its nominee holds Debentures pursuant to a book based system;

(t) "**Encumbrance**" means any mortgage, lien, pledge, assignment, charge, security interest, title retention agreement, hypothec, levy, execution, seizure, attachment, garnishment, right of distress, trust claim, or other adverse claim in respect of any property of any nature or kind whatsoever howsoever arising (whether consensual, statutory or arising by operation of law or otherwise) and includes arrangements known as sale and lease-back, sale and buy-back and sale with an option to buy-back;

(u) "**Environmental Laws**" means all federal, provincial, state, municipal, county, local and other laws, statutes, codes, ordinances, by-laws, rules, regulation, policies, guidelines, certificates, approvals, permits, consents, directions, standards, judgments, orders and other authorizations, as well as common law, civil and other jurisprudence or authority, in each case domestic or foreign, having the force of law at any time relating in whole or in part to any Environmental Matters and any permit, order, directions, certificate, approval, consent, registration, licence or other authorization of any kind held or required to be held or required to be held in connection with any Environmental Matters.

(v) "**Environmental Matters**" means:

  (a) condition or substance, heat, energy, sound, vibration, radiation or odour that may affect any component of the earth and its surrounding atmosphere or affect human health or any plant, animal or other living organism; and

  (b) any waste, toxic substance, contaminant or dangerous good or the deposit, release or discharge of any thereof into any component of the earth and its surrounding atmosphere.

(w) "**Event of Default**" has the meaning ascribed thereto in Section 8.1;

(x) "**Exchange**" means the principal stock exchange on which the Common Shares are then listed or quotation system on which the Common Shares are then quoted;

(y) "**Existing Debentures**" means the 8% secured, subordinate, redeemable, convertible debentures of the Corporation in the principal amount not to exceed $8,800,000 and issued pursuant to the trust indenture dated October 31, 2012, as supplemented, which Existing Debentures charge the Collateral and such charge is to rank *pari passu* with the Charge.

(z) "**Extraordinary Resolution**" has the meaning ascribed thereto in Section 10.12;

(aa) "**Forced Conversion Condition**" means the condition that (i) the 20-day weighted average closing trading price of the Common Shares on the Exchange is greater than $0.38 per share, and (ii) the Corporation has positive net income, as reflected in its publically filed financial statements, in any interim period following the date of issuance of the Debentures;

(bb) "**Forced Conversion Date**" has the meaning ascribed thereto in Section 6.3(b);

(cc) "**Forced Conversion Notice**" has the meaning ascribed thereto in Section 6.3(a);

(dd) "**Forced Conversion Right**" has the meaning ascribed thereto in Section 6.3(a);

(ee) "**Fully Registered Debentures**" means Debentures registered as to both principal and interest;

(ff) "**GAAP**" means generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants which includes International Financial Reporting Standards as applicable;

(gg) "**Global Debenture**" means a Debenture that is issued to and registered in the name of the Depository, or its nominee, for purposes of being held by or on behalf of the Depository as custodian for participants in the Depository's book-entry only registration system;

(hh) **Governmental Authority**" means the Government of Canada or a province thereof; any governmental body, agency, authority, board, bureau, department or commission (including any taxing authority); any instrumentality or office of any of the foregoing (including any court or tribunal) exercising executive, legislative, judicial, regulatory or administrative functions; or any person directly or indirectly controlled by any of the foregoing;

(ii) "**Indebtedness**" means the Corporation's obligations for payment of principal and interest to the Trustee and the Holders under this Indenture;

(jj) "**Interest Obligation**" means the obligation of the Corporation to pay interest on the Debentures, as and when the same becomes due;

(kk) "**Interest Payment Date**" means the date specified in a Debenture as the date on which a quarterly instalment of interest on such Debenture shall become due and payable, which dates shall be on the last day of the months of March, June, September and December in each year in which Debentures are outstanding with the first interest payment date being September 30, 2014;

(ll) "**Market Price**" means the market price of the Common Shares as defined under the policies of the Exchange. If the Common Shares are not listed on any stock exchange or quoted on any quotation system, reference shall be made for the purpose of the above calculation to the fair market value of the Common Shares as reasonably determined by the board of directors of the Corporation;

(mm) "**Maturity Date**" means, with respect to any Debenture, the date on which the principal of such Debenture becomes due and payable as therein or herein provided, whether at the stated maturity thereof being December 31, 2015 or by declaration of acceleration, call for redemption or otherwise;

(nn) "**Officer's Certificate**" means a certificate of the Corporation signed by any one authorized officer or director of the Corporation, in his or her capacity as an officer or director of the Corporation, as the case may be, and not in his or her personal capacity;

(oo) "**Permitted Encumbrances**" means, as of any date, any of the following:

(a) liens for taxes, assessments or governmental charges;

(i) not at such date due or delinquent; or

(ii) the validity of which the Corporation shall be contesting in good faith and in respect of which:

(A) an amount in cash sufficient to pay such taxes, assessments or charges shall have been deposited with a court, a taxing or assessing authority or the Trustee; or

(B) a surety bond, satisfactory to the holders, for such amount shall have been deposited with the Trustee;

(b) the lien of any judgment rendered, or of any claim filed, against the Corporation which the Corporation shall be contesting in good faith and in respect of which:

(i) an amount in cash sufficient to pay such judgment or claim shall have been deposited with a court or the Trustee; or

(ii) a surety bond, satisfactory to the Trustee, for such amount, shall have been deposited with the Trustee;

(c) undetermined or inchoate liens incidental to construction or current operations which have not at such date been filed pursuant to law against its property or against the Corporation or which relate to obligations not at such date due or delinquent;

(d) easements, rights of way, servitudes or other similar rights in property (including, without limitation, rights of way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which in the aggregate do not materially detract from the value of such property or materially impair its use in the operation of the business of the Corporation;

(e) security given by the Corporation to a public utility, any municipality, governmental or other public authority when required by such utility, municipality or authority in the ordinary course of the business of the Corporation;

(f) any other lien, the validity of which is being contested in good faith and where the Corporation has deposited:

(i) with a court or the Trustee, an amount in cash sufficient to pay the same in full; or

(ii) with the Trustee, a surety bond, satisfactory to the Trustee, for such amount; (h) any security or encumbrance which by its terms is subordinated to the Charge;

(g) the security interest and charges granted pursuant to the Existing Debentures; and

(h) security given by the Corporation in respect of Senior Debt.

(pp) "**person**" includes an individual, corporation, company, partnership, joint venture, association, corporation, trustee, unincorporated organization or government or any agency or political subdivision thereof;

(qq) "**PPSA**" means the *Personal Property Security Act* (Alberta), as amended from time to time; and the terms "proceeds", "chattel paper", "intangible", "instrument", "accessions", "document of title" and "account" shall, when used herein, have the same meanings as are ascribed thereto in the PPSA;

(rr) "**Redemption Amount**" has the meaning ascribed in Section 5.1;

(ss) "**Redemption Date**" has the meaning ascribed in Section 5.1;

(tt) "**Redemption Notice**" has the meaning ascribed in Section 5.3;

(uu) "**Register**" has the meaning ascribed in Section 4.1;

(vv) "**Restrictive Legend**" has the meaning ascribed in Section 2.2(c);

(ww) "**Security Interests**" means a mortgage, indenture, pledge, deposit by way of security, charge, hypothec, assignment by way of security, security interest, lien (whether statutory, equitable or at common law), title retention agreement, a right of set-off (if created for the purpose of directly or indirectly securing the repayment of money owed), and any other interest in property or assets, howsoever created or arising, that secures payment or performance of an obligation;

(xx) "**Senior Debt**" means the present or future indebtedness for money borrowed by the Corporation or an affiliate (including a Subsidiary) from institutional lenders, including, without limitation, banks, credit unions, crown corporations and such other institutional lenders as may be acceptable to the Corporation;

(yy) "**Subsidiary**" has the meaning ascribed thereto in the *Business Corporations Act* (Alberta);

(zz) "**Trustee**" means CST Trust Company or its successors or assigns appointed in the manner provided in this Indenture;

(aaa) "**this Indenture**", "**this Trust Indenture**", "**hereto**", "**herein**", "**hereby**", "**hereunder**", "**hereof**" and similar expressions refer to this Indenture and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto; and

(bbb) "**Written Direction of the Corporation**" means an instrument in writing signed by any one officer or director of the Corporation.

1.2 Meaning of "Outstanding"

Every Debenture certified and delivered by the Trustee hereunder shall be deemed to be outstanding until it is cancelled or delivered to the Trustee for cancellation, or the payment thereof shall have been set aside under Section 9.2, provided that:

(a) Debentures which have been repurchased in part shall be deemed to be outstanding only to the extent of the unpurchased part of the principal amount thereof;

(b) when a new Debenture has been issued in substitution for a Debenture which has been lost, stolen or destroyed, only one of such Debentures shall be counted for the purpose of determining the aggregate principal amount of Debentures outstanding; and

(c) for the purposes of any provision of this Indenture entitling Holders of outstanding Debentures to vote, sign consents, requisitions or other instruments or take any other action under this Indenture, or to constitute a quorum of any meeting of Debentureholders, Debentures owned directly or indirectly, legally or equitably, by the Corporation shall be disregarded except that:

(i) for the purpose of determining whether the Trustee shall be protected in relying on any such vote, consent, acquisition or other instrument or action, or on the Holders of Debentures present or represented at any meeting of

Debentureholders, only the Debentures which the Trustee knows are so owned shall be so disregarded; and

(ii) Debentures so owned which have been pledged in good faith other than to the Corporation or a Subsidiary shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Debentures, sign consents, requisitions or other instruments or take such other actions in his discretion free from the control of the Corporation.

1.3 Interpretation

In this Indenture:

(a) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa;

(b) all references to Sections and Schedules refer, unless otherwise specified, to sections of and schedules to this Indenture;

(c) all references to Sections refer, unless otherwise specified, to sections, subsections or clauses of this Indenture; and

(d) words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by and do not imply limitation of their context or the words or phrases which precede or succeed them.

1.4 Headings Etc.

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Debentures.

1.5 Day not a Business Day

In the event that any day on or before which any action required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

1.6 Applicable Law

This Indenture and the Debentures shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall be treated in all respects as Alberta contracts.

1.7 Monetary References

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of Canada unless otherwise expressed.

1.8 Invalidity, Etc.

Any provision hereof which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof.

1.9 Language

Each of the parties hereto hereby acknowledges that it has consented to and requested that this Indenture and all documents relating thereto, including, without limiting the generality of the foregoing, the form of Debenture attached hereto as Schedule A, be drawn up in the English language only.

1.10 Successors and Assigns

All covenants and agreements in this Indenture by the Corporation shall bind its successors and assigns, whether expressed or not.

1.11 Benefits of Indenture

Nothing in this Indenture or in the Debentures, express or implied, shall give to any person, other than the parties hereto and their successors hereunder, any paying agent, the Holders of Debentures, and (to the extent provided in Section 8.11) the officers, directors and shareholders of the Corporation, any benefit or any legal or equitable right, remedy or claim under this Indenture.

ARTICLE 2
THE DEBENTURES

2.1 Terms of Debentures

(a) The Debentures authorized to be issued under this Indenture shall be limited to an aggregate principal amount of up to $1,000,000.

(b) The Debentures shall be dated the day on which they are issued and shall bear interest at the rate of eight (8%) percent per annum payable in accordance with Section 2.4. All Debentures need not be issued at the same time and may be issued from time to time.

(c) Other than as provided for in this Indenture, the Debentures shall be non-voting.

(d) The Debentures will be repaid on the earlier of: (i) the Maturity Date; or (ii) the date the Indebtedness otherwise becomes due and payable under this Indenture.

(e) The Debentures will be secured obligations of the Corporation in accordance with the provisions of Article 3.

(f) The Corporation shall have the right, at any time prior to maturity, to redeem the Debentures in accordance with Article 5.

(g) Debentureholders shall have the right, at any time, to convert the Indebtedness into Common Shares at the Conversion Price in accordance with Article 6.

(h) The Corporation shall have the right, at any time after October 30, 2014, to compel the conversion of the Indebtedness into Common Shares at the Conversion Price in accordance with Article 6.

(i) The Debentures shall be issued in denominations of $1,000 and integral multiples of $1,000.

2.2 Form of Debentures

(a) The Debentures and the registration panel and certificate of the Trustee endorsed thereon shall be substantially in the form set out in Schedule A hereto or in such other form or forms (which may include legends) as the directors of the Corporation shall by resolution determine prior to the time of issue thereof and as shall be approved by the Trustee, whose approval shall be conclusively evidenced by its certification thereof. Notwithstanding the foregoing, the Debentures may be issued in electronic or non-certificated form.

(b) The Debentures may be engraved, lithographed, printed, mimeographed or typewritten, or partly in one form and partly in another, as the Corporation may determine, provided that if a Debenture is issued in mimeographed or typewritten form, the Corporation, on the demand of the Holder thereof, shall make available within a reasonable time after such demand, without expense to such Holder, an engraved, lithographed or printed Debenture in exchange therefor.

(c) The Debentures shall be issued as Global Debentures registered in the name of the Depository, which as of the date hereof, shall be CDS (or any nominee of the Depository). No Beneficial Holder will receive definitive certificates representing their interest in Debentures. A Global Debenture may be exchanged for Debentures in registered form that are not Global Debentures, or transferred to and registered in the name of a person other than the Depository, or a nominee thereof, as provided in Article 4.

(d) Every Debenture, at the time of initial issuance, shall be subject to the restrictions on transfer provided in the following legend (the "**Restrictive Legend**") until such date as the Restrictive Legend is no longer required by applicable law:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE September 23, 2014"

"WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL SEPTEMBER 23, 2014"

(e) Upon the transfer, exchange or replacement of Debentures bearing the Restrictive Legend, the Trustee shall deliver only Debentures that bear the Restrictive Legend. Notwithstanding the foregoing, the Restrictive Legend may be removed upon transfer, exchange or replacement after the date that is 4 months plus 1 day from the date of issuance.

(f) Any and all Common Shares issued upon conversion shall bear such legends as the Corporation may have been advised by Counsel as are required under or as a result of Applicable Securities Legislation or stock exchange or other regulatory requirements applicable to the Corporation or any person to whom such securities are issued.

2.3 Repayment of Principal on Maturity

The principal amount of each Debenture is due and payable on the Maturity Date of such Debenture in lawful money of Canada against the surrender of such Debenture by the Holder at any of the places at which the Register is maintained pursuant to Section 4.1.

Payments of amounts due upon maturity of the Debentures will be made in the following manner. On or before 2:00 p.m., Calgary Time, on the Business Day immediately prior to the Maturity Date for Debentures outstanding from time to time under this Indenture, the Corporation will deliver to the Trustee a certified cheque, bank draft or wire transfer in an amount sufficient to pay the cash amount payable in respect of such Debentures. The Trustee, on behalf of the Corporation, will pay to each holder entitled to receive payment the principal amount of and premium (if any) on the Debenture, upon surrender of the Debenture at any branch of the Trustee designated for such purpose from time to time by the Corporation and the Trustee. The delivery of such funds to the Trustee will satisfy and discharge the liability of the Corporation for the Debentures to which the delivery of funds relates to the extent of the amount delivered and such Debentures will thereafter to that extent not be considered as outstanding under this Indenture and such Holder will have no other right in regard thereto other than to receive out of the money so delivered or made available the amount to which it is entitled.

2.4 Payment of Interest

Interest shall accrue from the original date of issue of the Debentures on the outstanding principal amount at the rate of eight percent (8%) per annum calculated on the portion of the principal amount that remains unpaid, both before and after maturity, default or judgment, and be payable (other than the first interest payment) in equal quarterly instalments on the last day of March, June, September and December of each year, commencing on September 30, 2014 and ending on the Maturity Date (or at such earlier date on which the Debenture is converted, redeemed or retracted pursuant to the terms hereof), on a non-compounding basis. Interest for any period of less than one quarter is calculated on the basis of the actual number of days for which the principal is outstanding computed on the basis of a year of 365 days or 366 days in the case of a leap year.

Wherever in this Indenture or a Debenture there is mention, in any context, of the payment of interest, such mention is deemed to include the payment of interest on amounts in default to the extent that, in such context, such interest is, was or would be payable pursuant to this Indenture or such Debenture, and express mention of interest on amounts in default in any of the provisions of this Indenture shall not be construed as excluding such interest in those provisions of this Indenture in which such express mention is not made.

As interest becomes due on each Debenture, the Corporation shall, on or before 11:00 a.m., Calgary Time, on the fifth (5th) Business Day immediately prior to the applicable Interest Payment Date, deliver to the Trustee a certified cheque, bank draft or wire transfer in an amount sufficient to pay the interest in respect of such Debentures.

Upon receipt of such interest payment from the Corporation, the Trustee, on behalf of the Corporation, shall then send or forward by prepaid ordinary mail, electronic transfer of funds or such other means as may be agreed to by the Trustee, payment of such interest (less any tax required to be withheld there from, if applicable) to the order of the registered Holder of such Debenture appearing on the Register maintained by the Trustee addressed to the Holder at the Holder's last address appearing on the Register, unless such Holder otherwise directs. If payment is made to the Holder by cheque, such cheque shall be forwarded at least three (3) Business Days prior to each applicable Interest Payment Date and if payment is made by other means (such as electronic transfer of funds, provided the Trustee must receive confirmation of its receipt of funds prior to being required to wire funds to Holders), such payment shall be made in a manner whereby the Holder receives credit for such payment on the date such interest on such Debenture becomes due. The mailing of such cheque or the making of such payment by other means shall, to the extent of the sum represented thereby, plus the amount of any tax withheld as aforesaid, satisfy and discharge all liability for interest on such Debenture, unless in the case of payment by cheque, such cheque is not paid at par on presentation. In the event of non-receipt of any cheque for or other payment of interest by the person to whom it is so sent as aforesaid, the Trustee will cause to be issued to such person a replacement cheque or other payment for a like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction. Notwithstanding the foregoing, if the Corporation or Trustee is prevented by circumstances beyond its control (including, without limitation, any interruption in mail service) from making payment of any interest due on each Debenture in the manner provided above, the Corporation or Trustee may make payment of such interest or make such interest available for payment in any other manner acceptable to the Trustee with the same effect as though payment had been made in the manner provided above.

2.5 Payment of Overdue Interest

The Corporation shall, on demand, pay to the Trustee interest on all overdue amounts in connection with this Indenture from the date any such amount becomes overdue and for so long as such amount remains unpaid at a rate per annum which is eight (8%) percent per annum, on a non-compounding basis. Interest on such overdue amounts shall be payable both before and after default, maturity and judgment.

2.6 Issuance

The Debentures may be issued hereunder only upon the terms and subject to compliance with the provisions and conditions hereinafter set forth. The Debentures shall have the attributes and be subject to the provisions set out in this Indenture. The Trustee shall have no duty or responsibility with respect to the use or application of any of the Debentures so certified and delivered or of the proceeds thereof.

The Corporation may from time to time request the Trustee to certify and deliver Debentures by delivering to the Trustee the documents referred to below whereupon the Trustee shall certify such Debentures and cause the same to be delivered in accordance with the written direction of the Corporation referred to below or pursuant to such procedures acceptable to the Trustee as may be specified from time to time by a written direction of the Corporation. In certifying such Debentures, the

Trustee shall be entitled to receive and shall be fully protected in relying upon, unless and until such documents have been superseded or revoked:

(a) a written direction of the Corporation requesting certification and delivery of such Debentures and setting forth delivery instructions;

(b) an opinion of Counsel, in form and substance satisfactory to the Trustee, acting reasonably, to the effect that all requirements imposed by this Indenture or by law in connection with the proposed issue of Debentures have been complied with, subject to the delivery of certain documents or instruments specified in such opinion; and

(c) an Officer's Certificate certifying that the Corporation is not in default under this indenture, that the terms and conditions for the certification and delivery of Debentures have been complied with subject to the delivery of any documents or instruments specified in such Officer's Certificate and that no Event of Default exists or will exist upon such certification and delivery.

2.7 Execution of Debentures

All Debentures shall be signed (either printed or otherwise mechanically reproduced) by any one authorized director or officer of the Corporation, holding office at the time of signing. An officer's signature upon a Debenture shall for all purposes of this Indenture be deemed to be the signature of the person whose signature it purports to be. Notwithstanding that any person whose signature, either printed or otherwise mechanically reproduced, appears on a Debenture as a director or officer may no longer hold such office at the date of the Debenture or at the date of the certification and delivery thereof, such Debenture shall be valid and binding upon the Corporation and entitled to the benefits of this Indenture.

2.8 Certification

The Corporation may, from time to time, request the Trustee to certify and deliver Debentures by delivering a Written Direction of the Corporation requesting certification and delivery of such Debentures and setting forth delivery instructions, whereupon the Trustee shall certify such Debentures and cause the same to be delivered in accordance with the Written Direction of the Corporation.

No Debenture shall be issued or, if issued, shall be obligatory or shall entitle the Holder to the benefits of this Indenture, until it has been manually certified by or on behalf of the Trustee substantially in the form set out in this Indenture or in some other form approved by the Trustee. Such certification on any Debenture shall be conclusive evidence that such Debenture is duly issued, is a valid obligation of the Corporation and the Holder is entitled to the benefits hereof.

The certificate of the Trustee signed on the Debentures shall not be construed as a representation or warranty by the Trustee as to the validity of this Indenture or of the Debentures or as to the issuance of the Debentures and the Trustee shall in no respect be liable or answerable for the use made of the Debentures or the proceeds thereof. The certificate of the Trustee signed on the Debentures shall, however, be a representation and warranty by the Trustee that the Debentures have been duly certified by or on behalf of the Trustee pursuant to the provisions of this Indenture.

2.9 Mutilation, Loss, Theft or Destruction

In case any of the Debentures issued hereunder shall become mutilated or be lost, stolen or destroyed, the Corporation, in its discretion, may issue, and thereupon the Trustee shall certify and deliver upon receiving a Written Direction of the Corporation, a new Debenture upon surrender and cancellation of the mutilated Debenture, or in the case of a lost, stolen or destroyed Debenture, in lieu of and in substitution for the same, and the substituted Debenture shall be in a form approved by the Trustee and shall be entitled to the benefits of this Indenture and rank equally in accordance with its terms with all other Debentures issued or to be issued hereunder. In case of loss, theft or destruction the applicant for a substituted Debenture shall furnish to the Corporation and to the Trustee such evidence of the loss, theft or destruction of the Debenture as shall be satisfactory to them in their discretion and shall also furnish an indemnity satisfactory to them in their discretion. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Debenture.

2.10 Debentures to Rank *Pari Passu*

The Debentures will be direct secured obligations of the Corporation. Each Debenture will rank *pari passu* with each other Debenture (regardless of their actual date or terms of issue).

2.11 Record of Payments

The Trustee shall maintain accounts and records evidencing each payment of principal of and interest on Debentures, which accounts and records shall constitute, in the absence of manifest error, prima facie evidence thereof.

2.12 Right to Receive Indenture

Each Debentureholder is entitled to receive from the Corporation a copy of this Indenture on written request and upon payment of a reasonable copying charge.

2.13 Charge and Security Interest

The Charge and security interest granted hereunder shall rank *pari passu* with the charge and security interests granted under and pursuant to the Existing Debentures.

2.14 Rights of the Debentureholders

The rights of the Debentureholders and the priorities set forth herein shall apply in all events and circumstances regardless of:

(a) the date of any issuance of the Debentures or any Existing Debentures;

(b) the date of creating, granting, execution, attachment, filing, registration or perfection of any security interests created hereunder or under the Existing Debentures or enforcement of any Charge or Collateral or any charge or collateral under the Existing Debentures or any part thereof, or acceleration or demand of any indebtedness or any part thereof;

(c) the date of an Event of Default hereunder or the date of an event of default under the Existing Debentures (or the dates of crystallization of any floating charges held by the trustees) for the benefit of the Holders of the Debentures or the Existing Debentures; or

(d) any priority granted to the Charge and Collateral or the charge and collateral under the Existing Debentures by any principal of law or any statutes including any personal property security or like statute.

2.15 Notice of Event of Default

The Trustee on behalf of the Debentureholders shall promptly provide notice to the trustee under the Existing Debentures that an Event of Default has occurred and of its intention to declare the principal of and premium (if any) and interest on the Debentures to be due and payable.

2.16 Notice to the Debentureholders

Prior to declaring that the principal of and premium (if any) and interest on the Debentures are due and payable or taking any proceeding to enforce the security, Charge or Collateral hereunder, the Trustee shall provide not less than 30 days' notice to the trustee under the Existing Debentures provided however if the Trustee determines in good faith that any delay in demanding payment or enforcing the Charge or Collateral would be prejudiced to the Debentureholders such notice need only be given at the time that demand for payment or enforcement is made.

2.17 Contesting Security

The Trustee, for itself and on behalf of the Debentureholders, agrees that it shall not contest or bring into question the validity, perfection or enforceability of any of the security for the Existing Debentures or the relative priority of the security for the Existing Debentures.

ARTICLE 3
SECURITY

3.1 Security

To secure the payment, performance and satisfaction in full of the Indebtedness, the Corporation hereby (subject to the exceptions contained in Sections 3.3 and 3.4):

(a) assigns, transfers, mortgages, pledges and charges in favour of the Trustee and grants to and in favour of the Trustee, for and on behalf of each Debentureholder, a continuing security interest in and to all of the Corporation's present and after-acquired personal property of whatsoever kind and wheresoever situate, including, without limitation, all proceeds in the form of goods, chattel, paper, investment property, documents of title, instruments, intellectual property, money or intangibles; and

(b) assigns, transfers, mortgages, pledges and charges as and by way of a floating charge to and in favour of the Trustee, for and on behalf of each Debentureholder, in and to all of the undertaking and all the property and assets, rights and things of the Corporation both present and future, legal or equitable, of which the Corporation may be possessed or to which it may be entitled or which may hereafter be acquired by the Corporation, including all its right, title, estate and interest in and to any and all real, personal or mixed property, now owned or hereafter acquired by the Corporation and all proceeds and all products of, and all accessions to, any of the foregoing;

TO HAVE AND TO HOLD the Collateral and the Charge and all rights hereby conferred unto the Trustee.

3.2 Attachment

The Corporation acknowledges conclusively that the Corporation and the Trustee intend the Charge in the Collateral to attach immediately upon the execution of this Indenture, except in the case of Collateral in which the Corporation subsequently acquires rights, in which case the Charge shall attach contemporaneously with the Corporation acquiring rights therein without the need for any further or other deed, act or consideration. The Charge shall be effective and shall attach as of the date hereof whether the monies hereby secured or any part thereof shall become owing by the Corporation before or after or upon the date of execution of this Indenture. The Corporation acknowledges conclusively that value has been given.

3.3 Leases

(a) The last day of any term reserved by any lease, oral or written, or any agreement therefore, now held or hereafter acquired by the Corporation, is hereby excepted out of the Charge and does not and shall not form part of the Collateral, but the Corporation shall stand possessed of the reversion remaining in the Corporation of any leasehold premises for the time being demised as aforesaid upon trust to assign and dispose thereof as the Trustee shall direct and upon any sale of the leasehold premises, or any part thereof, the Trustee, for the purpose of vesting the aforesaid reversion of any such term or any renewal thereof in any purchaser or purchasers thereof, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other person or persons as trustee or trustees of the aforesaid reversion of any such term or any renewal thereof in the place of the Corporation and to vest same accordingly in the new trustee or trustees so appointed freed and discharged from any obligation respecting same.

(b) The assets comprising the Corporation's septic business are hereby excepted out of the Charge and do not and shall not form part of the Collateral.

3.4 Contractual Rights

In the event the validity and effectiveness of the Charge over any of the Collateral requires the consent, approval or waiver of a third person in order to be effective as against such third person, the Charge with respect to any such Collateral shall be effective as against the Corporation and all persons other than such third person and shall be effective as against such third person when the applicable consent, approval or waiver is obtained, retroactively, to the fullest extent legally possible, to the later of the date hereof or the date such consent, approval or waiver is obtained or becomes effective, as applicable, and until such consent, approval or waiver is obtained, the Corporation shall (subject to the other terms hereof) stand possessed of such Collateral upon trust to assign and dispose thereof as the Trustee shall for such purposes direct.

3.5 Liability of Trustee

Neither the Trustee nor any receiver or receiver-manager of the Collateral shall (i) be responsible or liable for any debts contracted by it, for damages to persons or property, for salaries or for non-fulfilment of contracts during any period when the Trustee or any receiver or receiver-manager of the Collateral shall manage or be in possession of the Collateral; (ii) be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable; (iii) be bound to do, observe or perform or to see to the observance or performance by the Corporation of any obligations or covenants imposed upon the Corporation; or (iv) in the case of any chattel paper, security or instrument, be obligated to preserve rights against any other persons. The Corporation hereby waives any provision of Applicable Law permitted to be waived by it which imposes higher or greater obligations upon the Trustee or any receiver or receiver-manager of the Collateral than aforesaid.

3.6 Mandatory Provisions of Applicable Law

All rights, remedies, and powers provided herein may be exercised only to the extent that the exercise thereof does not violate any mandatory provision of Applicable Law and all the provisions of this Indenture are intended to be subject to all mandatory provisions of Applicable Law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Indenture invalid, unenforceable or not entitled to be recorded, registered or filed under any mandatory provisions of Applicable Law. If any mandatory provision of Applicable Law shall provide for different or additional requirements than or to those specified herein as prerequisites to or incidental to the realization, sale or foreclosure of the Charge or any part thereof, then, to that extent, such laws shall be deemed to have been set forth herein at length, and any conflicting provisions hereof shall be disregarded, and the method of realization, sale or foreclosure of the Charge required by any such laws shall, insofar as may be necessary, be substituted herein as the method of realization, sale or foreclosure in lieu of that set forth above. Any provision hereof contrary to mandatory provisions of Applicable Law shall be deemed to be ineffective and shall be severable from and not invalidate any other provision of this Indenture.

3.7 Further Assurances

The Corporation hereby covenants and agrees that it will at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, mortgages, transfers, assignments and assurances as the Trustee may reasonably require for the better accomplishing and effectuating the purpose of this Indenture, including the execution and delivery of a general security agreement as well as indentures supplemental hereto more particularly describing the Collateral or to correct or amplify the description of the Collateral or to better assure, convey and confirm unto the Trustee any of the Collateral. Upon the execution of any supplemental indenture under this Section, this Indenture shall be modified in accordance therewith, and each such supplemental indenture shall form part of this Indenture for all purposes.

3.8 Registration

The Corporation hereby authorizes and directs the Trustee for and on behalf of the Holders to file or register such documents, caveats, security notices and financing statements, in such manner, in such offices and places, and at such times and as often as may be required by Applicable Law or as may be necessary or desirable to perfect and preserve the Charge and the rights conferred or intended to be conferred upon the Trustee by the Charge. The Trustee will promptly provide the Corporation with evidence (satisfactory to the Corporation) of such filing or registration.

3.9 Limitations on Encumbrances on Collateral

The Corporation shall not, without the prior written consent of the Trustee, create, incur or permit to exist, and will defend the Collateral against, and will take such action as is necessary to remove, any Encumbrance or claim on, or to, the Collateral, other than the Charge and Permitted Encumbrances (which for greater certainty includes the security interests and charge granted to the Existing Debentures).

3.10 Discharge

Subject to the provisions of Article 9, upon the full and final payment and performance of the Indebtedness, this Indenture and the rights hereby granted shall be terminated and thereupon the Trustee shall cancel and discharge the Charge and execute and deliver to the Corporation such deeds and other instruments as shall be requisite to cancel and discharge the Charge. Further, this Indenture shall continue to be effective or be reinstated, as the case may be, if for any reason at any time any payment or performance of the Indebtedness, or any part thereof, is rescinded, reversed, nullified, rendered void or voidable or such payment must otherwise be restored, refunded, returned or reimbursed by the Trustee or a Holder.

3.11 Partial Discharge

No postponement or partial release or discharge of the Charge in respect of all or any part of the Collateral shall in any way operate or be construed so as to release and discharge the Charge except as therein specifically provided, or so as to release or discharge the Corporation from its liability to fully pay and satisfy the Indebtedness.

3.12 Additional Security

Nothing in this Indenture contained shall detract from or limit the absolute obligation of the Corporation to make payment of this Indenture and of all monies owing hereunder at the time and in the manner provided in this Indenture and to perform or observe any other act or condition which it is required to perform or observe hereunder whether or not the Charge is operative, and the rights under this Indenture shall be in addition to and not in substitution for any other Security Interests of any and every character now or hereafter held by the Trustee for the Indebtedness.

ARTICLE 4
REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP

4.1 Fully Registered Debentures

(a) With respect to each series of Debentures issuable as Fully Registered Debentures, the Corporation shall cause to be kept by and at the principal office of the Trustee in Calgary, Alberta or Toronto, Ontario, a register (the "**Register**") in which shall be entered the names and addresses of the holders of Fully Registered Debentures and particulars of the Debentures held by them respectively and of all transfers of Fully Registered Debentures. Such registration shall be noted on the Debentures by the Trustee or other registrar unless a new Debenture shall be issued upon such transfer. For greater certainty, the Trustee is hereby appointed as the transfer agent, registrar and paying agent for the Debentures.

(b) No transfer of a Fully Registered Debenture shall be valid unless made on the register referred to in Section 4.1(a) by the registered Holder or such Holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and execution satisfactory to the Trustee upon surrender of the Debentures together with a duly executed form of transfer acceptable to the Trustee and upon compliance with such other reasonable requirements as the Trustee may prescribe.

4.2 Global Debentures

(a) If the Debentures are issued in whole or in part as one or more Global Debentures, the name and address of the holder of each such Global Debenture (being the Depository, or its nominee, for such Global Debenture) as holder thereof and particulars of the Global Debenture held by it, and of all transfers thereof shall be recorded in the Register. If any Debentures are at any time not Global Debentures, the provisions of Section 4.1 shall govern with respect to registrations and transfers of such Debentures.

(b) Notwithstanding any other provision of this Indenture, a Global Debenture may not be transferred by the registered holder thereof and accordingly, no definitive certificates shall be issued to Beneficial Holders except in the following circumstances or as otherwise specified in a resolution of the Trustee, a resolution of the Board of Directors, Officer's Certificate or supplemental indenture:

(i) Global Debentures may be transferred by a Depository to a nominee of such Depository or by a nominee of a Depository to such Depository or to another nominee of such Depository or by a Depository or its nominee to a successor Depository or its nominee;

(ii) Global Debentures may be transferred at any time after the Depository for such Global Debentures (i) has notified the Trustee, or the Corporation has notified the Trustee, that the Depository is unwilling or unable to continue as Depository for such Global Debentures, or (ii) the Depository ceases to be eligible to be a Depository, provided that at the time of such transfer the Corporation has not appointed a successor Depository for such Global Debentures;

(iii) Global Debentures may be transferred at any time after the Corporation has determined, in its sole discretion, to terminate the book-entry only registration system in respect of such Global Debentures and has communicated such determination to the Trustee in writing;

(iv) Global Debentures may be transferred at any time after the Trustee has determined that an Event of Default has occurred and is continuing with respect to the Debentures, provided that Beneficial Holders representing, in the aggregate, not less than 25% of the aggregate principal amount of the Debentures advise the Depository in writing, through the Depository

Participants, that the continuation of the book-entry only registration system for such series of Debentures is no longer in their best interest and also provided that at the time of such transfer the Trustee has not waived the Event of Default pursuant to Section 8.3;

(v) Global Debentures may be transferred if required by applicable law; or

(vi) Global Debentures may be transferred if the book-entry only registration system ceases to exist.

(c) With respect to the Global Debentures, unless and until definitive certificates have been issued to Beneficial Holders pursuant to Section 4.2(b):

(i) the Corporation and the Trustee may deal with the Depository for all purposes (including paying interest on the Debentures) as the sole holder of such series of Debentures and the authorized representative of the Beneficial Holders;

(ii) the rights of the Beneficial Holders shall be exercised only through the Depository and shall be limited to those established by law and agreements between such Beneficial Holders and the Depository or the Depository Participants;

(iii) the Depository will make book-entry transfers among the Depository Participants; and

(iv) whenever this Indenture requires or permits actions to be taken based upon instruction or directions of Debentureholders evidencing a specified percentage of the outstanding Debentures, the Depository shall be deemed to be counted in that percentage only to the extent that it has received instructions to such effect from the Beneficial Holders or the Depository Participants, and has delivered such instructions to the Trustee.

(d) Whenever a notice or other communication is required to be provided to Debentureholders, unless and until definitive certificate(s) have been issued to Beneficial Holders pursuant to this Section 4.2, the Trustee shall provide all such notices and communications to the Depository and the Depository shall deliver such notices and communications to such Beneficial Holders in accordance with Applicable Securities Legislation. Upon the termination of the book-entry only registration system on the occurrence of one of the conditions specified in Section 4.2(b), the Trustee shall notify all applicable Depositary Participants and Beneficial Holders, through the Depository, of the availability of definitive Debenture certificates. Upon surrender by the Depository of the certificate(s) representing the Global Debentures and receipt of new registration instructions from the Depository, the Trustee shall deliver the definitive Debenture certificates for such Debentures to the holders thereof in accordance with the new registration instructions and thereafter, the registration and transfer of such Debentures will be governed by Section 4.1 and the remaining Sections of this Article 4.

(e) Notwithstanding any provisions made in this Indenture for the issuance, certification and authentication of Debentures in physical form as Fully Registered Debentures or

Global Debentures, the Debentures issued under the terms of this Indenture may also be issued to the Depository in book based only form, physically non-certificated and appearing on the register of the Trustee as a book based entry. In the absence of any physical securities being created for certification by the Corporation and authentication by the Trustee both at the initial issuance of the Debentures and at the time of any subsequent additional issuance of Debentures pursuant to the terms of a supplemental indenture, confirmation of the due issuance and validity of any Debentures shall be based upon the comparison of the Debentures in quantity and description appearing under the relevant broker's instant deposit request identification number to the quantity and description of Debentures as detailed in the delivery order of the Corporation addressed to the Trustee and to the broker upon whose posting of the Book Entry Only Debentures to the Book Entry records of the Depository on a non-certificated basis, on which both the Corporation and the Trustee shall depend.

In the establishment and maintenance of a non-certificated Book Entry Only Debenture issue, the Trustee shall maintain such a record on its register for Debentures in book based form only. Transfers of Debentures appearing on the register of the Depository shall otherwise occur as provided for in this Indenture. It is understood by the parties hereto that under no circumstances shall Debentures be issued in physical certificated form save under the circumstances described in this Section 4.2 or under circumstances beyond the control of the Trustee. The parties hereto further recognize that, notwithstanding the issuance of Debentures in book based only form, conversions of Debentures shall occur as contemplated by the terms of this Indenture but the Trustee is permitted to employ whatever reasonable means it may from time to time require in order to guarantee the unhindered (but subject to the terms and conditions hereof) conversion of such Debentures appearing on the register for Debentures in book based only form by making whatever arrangements are deemed necessary by it with the Depository.

4.3 Transferee Entitled to Registration

The transferee of a Debenture shall be entitled, after the appropriate form of transfer is lodged with the Trustee or other permitted registrar and upon compliance with all other conditions in that behalf required by this Indenture or by law, to be entered on the Register as the owner of such Debenture free from all equities or rights of set-off or counterclaim between the Corporation and the transferor or any previous Holder of such Debenture, save in respect of equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

4.4 No Notice of Trusts

Neither the Corporation nor the Trustee nor any registrar shall be bound to take notice of or see to the execution of any trust (other than that created by this Indenture) whether express, implied or constructive, in respect of any Debenture, and may transfer the same on the direction of the person registered as the Holder thereof, whether named as Trustee or otherwise, as though that person were the beneficial owner thereof.

4.5 Registers Open for Inspection

The Register referred to in Sections 4.1 and 4.2 shall be open for inspection during regular business hours for inspection by the Corporation, the Trustee or any Debentureholder. Every registrar, including the Trustee, shall from time to time when requested so to do by the Corporation or by the Trustee, in writing, furnish the Corporation or the Trustee, as the case may be, with a list of names and addresses of Holders of registered Debentures entered on the Register kept by them and showing the principal amount of the Debentures held by each such holder, provided the Trustee shall be entitled to charge a reasonable fee to provide such a list.

4.6 Exchanges of Debentures

(a) Subject to Section 4.7, Debentures in any authorized form or denomination may be exchanged for Debentures in any other authorized form or denomination, of the same date of maturity and of the same aggregate principal amount as the Debentures so exchanged.

(b) In respect of exchanges of Debentures permitted by Section 4.6(a), Debentures may be exchanged only at the principal offices of the Trustee in the city of Calgary. Any Debentures tendered for exchange shall be surrendered to the Trustee. The Corporation shall execute and the Trustee, upon receiving Written Direction of the Corporation, shall certify all Debentures necessary to carry out exchanges as aforesaid. All Debentures surrendered for exchange shall be cancelled.

(c) Debentures issued in exchange for Debentures which at the time of such issue have been selected or called for redemption at a later date shall be deemed to have been selected or called for redemption in the same manner and shall have noted thereon a statement to that effect.

4.7 Closing of Registers

(a) Neither the Corporation nor the Trustee nor any registrar shall be required to make transfers or exchanges or conversions of Debentures on any Interest Payment Date for such Debentures or during the ten preceding Business Days.

(b) In the event that any Debentures have been issued hereunder, the Corporation and the Trustee agree that additional Debentures will not be issued hereunder (i) on any Interest Payment Date or during a period of 10 Business Days immediately preceding any such date, or (ii) on the day of any selection by the Trustee of any Debentures to be redeemed or purchased or during the 10 preceding Business Days or thereafter until after the mailing of any notice of redemption or purchase.

4.8 Charges for Registration, Transfer and Exchange

For each Debenture exchanged, registered, transferred or discharged from registration, the Trustee or other registrar, except as otherwise herein provided, may make a reasonable charge for its services and in addition may charge a reasonable sum for each new Debenture issued (such amounts to be agreed upon from time to time by the Trustee and the Corporation), and payment of such charges and reimbursement of the Trustee or other registrar for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange, registration, transfer or discharge from registration as a condition precedent thereto. Notwithstanding the foregoing provisions, no charge shall be made to a Debentureholder hereunder:

(a) for any exchange, registration, transfer or discharge from registration of any Debenture applied for within a period of two months from the date of the first delivery of Debentures;

(b) for any exchange of a Global Debenture as contemplated in Section 4.2;

(c) for any exchange of any Debenture resulting from a partial redemption under Section 5.7; or

(d) for any exchange of any Debenture resulting from a partial conversion under Section 6.2(d).

4.9 Ownership of Debentures

(a) Unless otherwise required by law, the person in whose name any registered Debenture is registered shall for all the purposes of this Indenture be and be deemed to be the owner thereof and payment of or on account of the principal of and premium, if any, on such Debenture and interest thereon shall be made to such registered Holder.

(b) Neither the Corporation nor the Trustee shall have any liability for:

(i) any aspect of the records relating to the beneficial ownership of the Debentures held by a Depository or of the payments relating thereto; or

(ii) maintaining, supervising or reviewing any such records relating to the Debentures.

The rules governing Depositories provide that they act as the agent and depository for Depository Participants. As a result, such Depository Participants must look solely to the Depository and Beneficial Holders of Debentures must look solely to the Depository Participants for the payment of principal and interest on the Debentures paid by or on behalf of the Corporation to the Depository.

(c) Beneficial Holders of Debentures:

(i) may not have Debenture certificates registered in their name;

(ii) may not have physical certificates representing their interest in the Debentures;

(iii) may not be able to sell the Debentures to institutions required by law to hold certificates for securities they own; and

(iv) may be unable to pledge Debentures as security.

(d) The registered Holder for the time being of any registered Debenture shall be entitled to the principal, premium, if any, and/or interest evidenced by such instruments, respectively, free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate Holder thereof and all persons may act accordingly and the receipt by any such registered Holder of any such principal, premium or interest shall be a good discharge to the Corporation and/or the Trustee for the same and neither the Corporation nor the Trustee shall be bound to inquire into the title of any such registered Holder.

(e) Where Debentures are registered in more than one name, the principal, premium, if any, and interest from time to time payable in respect thereof may be paid to the order of all such Holders, failing written instructions from them to the contrary, and the receipt by any one of such Holders thereof shall be a valid discharge, to the Trustee, any registrar and to the Corporation.

(f) In the case of the death of one or more joint Holders of any Debenture the principal, premium, if any, and interest from time to time payable thereon may be paid to the order of the survivor or survivors of such registered Holders and the receipt by any such survivor or survivors thereof shall be a valid discharge to the Trustee and any registrar and to the Corporation.

ARTICLE 5
REDEMPTION AND REPURCHASE

5.1 Redemption of Debentures: Notice to Trustee

At any time after issue and prior to the Maturity Date, the Corporation shall have the right at its option, to redeem either in whole at any time or in part from time to time, upon payment in lawful money of Canada of an amount equal to the outstanding principal amount of such the Debentures to be redeemed plus all accrued but unpaid interest on such principal amount to the date (**"Redemption Date"**) specified by the Corporation for redemption (the **"Redemption Amount"**).

5.2 Places of Payment

The Redemption Amount will be payable upon presentation and surrender of the Debentures called for redemption at the place where the Register is maintained pursuant to Section 4.1 or at any other places specified in the Redemption Notice.

5.3 Notice of Redemption

Notice of redemption of the Debentures shall be given to the Trustee and Holders at least 30 days prior to the Redemption Date (the **"Redemption Notice"**) substantially in the form set forth in Schedule "B" and in the manner provided in Sections 11.2 and 11.3. Such Redemption Notice shall specify (a) the aggregate principal amount of the Debentures called for redemption, (b) the Redemption Date, (c) the Redemption Amount, (d) the places of payment of the Redemption Amount, and (e) if less than all outstanding Debentures are to be redeemed, the identification (and in the case of partial redemption, the respective principal amounts) of the Debentures to be redeemed.

5.4 The Debentures Due on Redemption Date

Upon a Redemption Notice being given in accordance with Section 5.3, the Redemption Amount with respect to the Debentures so to be redeemed shall be and become due and payable on the Redemption Date specified in such notice and with the same effect as if it were the Maturity Date of such Debentures, the provisions hereof or of any such Debentures notwithstanding; and, from and after such Redemption Date, interest shall cease to accrue in respect of those Debentures or such portion of Debentures being redeemed, unless payment of the Redemption Amount shall not be made on presentation for surrender of such Debentures at any of the places specified in Section 5.2 on or after the Redemption Date and prior to the setting aside of the Redemption Amount pursuant to Article 9.

5.5 Deposit of Redemption Monies

Upon the Debentures being called for redemption as provided for in Section 5.3, the Corporation shall deposit with the Trustee a certified cheque, bank draft or wire transfer, on or before the Business Day prior to the Redemption Date specified in the Redemption Notice, such sums as are sufficient to pay the applicable Redemption Amount of the Debentures which are to be redeemed on such Redemption Date. The Trustee shall pay or cause to be paid to the Holders, upon surrender of the Debentures, the Redemption Amount thereof from the sums so deposited.

5.6 Failure to Surrender the Debentures Called for Redemption

If a Holder of any of the Debentures called for redemption in accordance with Section 5.3 should, within 30 days from the Redemption Date, fails to surrender any of such Debentures or fails within such time to (a) accept payment of the Redemption Amount payable in respect thereof or (b) give such receipt therefore, if any, as the Trustee may require, such Redemption Amount shall be set aside in trust for such Holder, in accordance with Section 8.6 and Article 9, and such setting aside shall for all purposes be deemed a payment to the Holder of the sum set aside and, to that extent, such Debentures shall thereafter not be considered as outstanding hereunder and the Holder shall have no right as a Holder of such Debentures, as of the Redemption Date, except to receive payment, upon surrender of its Debentures, of the monies set aside, without interest thereon.

5.7 Less than all the Debentures Redeemed

If less than all of the Debentures outstanding are to be redeemed, each Holder of Debentures shall have a proportion of the Debentures held by such Holder redeemed equal to the proportion which the aggregate principal amount of the Debenture to be redeemed is to the aggregate principal amount of all the Debentures outstanding at such time, rounded up to the next whole multiple of $10 of principal amount of the Debentures held by such Holder.

The Holder of any Debenture called for redemption in part only, upon surrender of such Debenture for payment, shall be entitled to receive without expense to such Holder, a new Debenture for the unredeemed part of the Debenture so surrendered, and the Corporation shall execute and the Trustee shall certify and deliver, at the expense of the Corporation, such new Debenture upon receipt of the Debenture so surrendered.

5.8 Cancellation of Redeemed Debentures

All the Debentures redeemed in whole or in part pursuant to this Article 5 shall be forthwith delivered to and cancelled by the Trustee and may not be reissued and no Debenture shall be issued in substitution therefore, except for the principal amount of such Debenture not redeemed by the Corporation.

ARTICLE 6
CONVERSION OF DEBENTURES

6.1 Conversion by Debentureholder

Subject to Section 4.7, a Holder of Debentures issued hereunder may, at the option of the Holder, convert (the **"Conversion Right"**) in whole or in part the outstanding principal amount of such Debentures into Common Shares at the Conversion Price, subject to adjustment as provided herein, at any time after the date of issuance of the Debentures to but excluding the earlier of: (i) the Maturity Date; and (ii) such earlier date as the principal amount hereof may become due in accordance with the provisions of this Indenture including on a Redemption Date.

Such Conversion Right shall extend only to the maximum number of whole Common Shares into which the aggregate principal amount of the Debenture surrendered for conversion at any one time by the Holder thereof may be converted. Fractional interests in Common Shares shall be adjusted for in the manner provided in Section 6.4.

6.2 Manner of Exercise of Right to Convert by Debentureholder

(a) The Holder of a Debenture desiring to convert such Debenture in whole or in part into Common Shares shall surrender such Debenture to the Trustee at its principal offices in the City of Calgary together with a conversion notice in the form attached hereto as Schedule "C" duly executed by the Holder or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Trustee, exercising his right to convert such Debenture in accordance with the provisions of this Article 6. Thereupon such Holder, or, subject to compliance with all reasonable requirements of the Trustee, his nominee(s) or assignee(s) shall be entitled to be entered in the books of the Corporation as at the Date of Conversion (or such later date as is specified in Article 6) as the holder of the number of Common Shares into which such Debenture is convertible in accordance with the provisions of this Article 6 and, within ten (10) Business Days after the Date of Conversion, the Corporation shall deliver to the Trustee, a certificate or certificates for such Common Shares and make or cause to be made any payment of interest to which such Holder is entitled in accordance with Article 6 hereof.

(b) For the purposes of this Article 6, a Debenture shall be deemed to be surrendered for conversion on the date (herein called the **"Date of Conversion"**) on which it is so surrendered in accordance with the provisions of this Article 6 and, in the case of a Debenture so surrendered by post or other means of transmission, on the date on which it is received by the Trustee at its offices specified in Section 11.3; provided that, if a Debenture is surrendered for conversion on a day on which the register of Common Shares is closed, the person or persons entitled to receive Common Shares shall become the holder or holders of record of such Common Shares as at the date on which such register is next reopened.

(c) Any part, being $1,000 or an integral multiple thereof, of a Debenture in a denomination in excess of $1,000 may be converted as provided in this Article 6 and all references in this Indenture to conversion of Debentures shall be deemed to include conversion of such part.

(d) Upon a Holder of any Debenture exercising his Conversion Right in respect of only a part of the Debenture and surrendering such Debenture to the Trustee in accordance with Section 6.2(b), the Trustee shall cancel the same and shall without charge forthwith certify and deliver to the Holder a new Debenture or Debentures in an aggregate principal amount equal to the unconverted part of the principal amount of the Debenture so surrendered.

(e) The Holder of a Debenture surrendered for conversion in accordance with this Section 6.2 shall be entitled to receive accrued and unpaid interest in respect thereof up to but excluding the Date of Conversion.

(f) The Common Shares issued upon conversion shall rank only in respect of distributions or dividends declared in favour of Holders of record on and after the Date of Conversion or such later date as such Holder shall become the holder of record of such Common Shares pursuant to Section 6.2(b), from which applicable date they will for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Common Shares.

6.3 Conversion by the Corporation

(a) At any time, and from time to time, after on or after the date that is six (6) months following issuance of the Debentures, and provided the Forced Conversion Condition has been satisfied, the Corporation shall have the right, but not the obligation, to compel the conversion of all or any part of the principal amount of the Debentures for the time being outstanding and any accrued and unpaid interest thereon into Common Shares at the Conversion Price, subject to adjustment as provided herein, (the **"Forced Conversion Right"**) by delivery to Holders of Debentures of a conversion notice (the "**Forced Conversion Notice**").

(b) The Corporation shall send the Forced Conversion Notice to Holders of Debentures within 30 days of satisfying the Forced Conversion Condition setting out: (i) that the Forced Conversion Condition has been satisfied (and the applicable trading period associated therewith); (ii) the date as of which the conversion is effective (the **"Forced Conversion Date"**); (iii) the Conversion Price and the number of Common Shares the Holders are entitled to receive; and (iv) the procedure the Holders must follow to receive certificates representing the Common Shares.

(c) Concurrently with the delivery of the Forced Conversion Notices pursuant to Subsection 6.3(c), the Corporation shall deliver copies of same to the Trustee.

(d) The Corporation shall on or about the Forced Conversion Date make the delivery to the Trustee for delivery to and on account of the Holders of Debentures, of certificates representing the Common Shares to which the Holders are entitled. The Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with the Forced Conversion Right. The delivery of such certificates to the Trustee will satisfy and discharge the liability of the Corporation for the Debentures to which the delivery of certificates relates to the extent of the certificates delivered and such Debentures will thereafter to that extent not be considered as outstanding under this indenture and such Holders of Debentures will have no other right in regard thereto other than to receive out of the certificates so delivered, the certificate(s) to which they are entitled.

(e) Upon the Corporation exercising its right of Forced Conversion Right in respect of only a part of the Debentures, the Trustee shall cancel the same and shall without charge forthwith certify and deliver to the Holder a new Debenture or Debentures in an aggregate principal amount equal to the unconverted part of the principal amount of the Debenture so converted.

(f) No fractional Common Shares shall be delivered upon the exercise of the Forced Conversion Right and Holders of Debentures will not be entitled to any compensation for such fractional Common Shares.

(g) A Holder of Debentures shall be treated as a holder of record of the Common Shares issued pursuant to the Forced Conversion Right effective immediately after the close of business on the Forced Conversion Date, and shall be entitled to all substitutions therefor, all income earned thereon or accretions thereto and all dividends or distributions (including dividends and dividends or distributions in kind) thereon and arising thereafter, and in the event that the Trustee receives the same, it shall hold the same in trust for the benefit of such Holder.

(h) The Corporation shall at all times reserve and keep available out of its authorized Common Shares (if the number thereof is or becomes limited), solely for the purpose of issue and delivery upon the exercise of the Forced Conversion Right as provided herein, and shall issue to Holders of Debentures to whom Common Shares will be issued pursuant to the Forced Conversion Right, such number of Common Shares as shall be issuable in such event. All Common Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.

(i) The Corporation shall comply with all applicable securities legislation regulating the issue and delivery of Common Shares pursuant to the Forced Conversion Right.

6.4 Adjustment of Conversion Price

The Conversion Price in effect at any date shall be subject to adjustment from time to time as set forth below.

(a) If and whenever at any time prior to the Date of Conversion or the Forced Conversion Date, as applicable, the Corporation shall (i) subdivide or redivide the outstanding Common Shares into a greater number of shares, (ii) reduce, combine or consolidate the outstanding Common Shares into a smaller number of shares, or (iii) issue Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a dividend or distribution (other than the issue of Common Shares to holders of Common Shares who have elected to receive dividends or distributions in the form of Common Shares in lieu of cash dividends or cash distributions paid in the ordinary course on the Common Shares), the Conversion Price in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Common Shares by way of a dividend or distribution, as the case may be, shall in the case of any of the events referred to in (i) and (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, redivision or dividend, or shall, in the case of any of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation. Such adjustment shall be made successively whenever any event referred to in this Section 6.4(a) occur. Any such issue of Common Shares by way of a dividend or distribution shall be deemed to have been made on the record date for the dividend or distribution for the purpose of calculating the number of outstanding Common Shares under subsection (d) of this Section 6.4.

(b) If and whenever at any time prior to the Date of Conversion or the Forced Conversion Date, as applicable, the Corporation shall fix a record date for the issuance of options, rights or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible into Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the current Market Price of a Common Share on such record date, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the quotient obtained by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible securities so offered) by such current Market Price per Common Share, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase (or into which the convertible securities so offered are convertible). Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such options, rights or warrants are not so issued or any such options, rights or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be re adjusted to the Conversion Price which would then be in effect if such record date had not been fixed or to the Conversion Price which would then be in effect if only the number of Common Shares (or securities convertible into Common Shares) actually issued upon the exercise of such options, rights or warrants were included in such fraction, as the case may be.

(c) If and whenever at any time prior to the Date of Conversion or the Forced Conversion Date, as applicable, the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of (i) shares of any class other than Common Shares and other than shares distributed to holders of Common Shares who have elected to receive dividends or distributions in the form of such shares in lieu of dividends or distributions paid in the ordinary course, (ii) rights, options or warrants (excluding rights, options or warrants entitling the holders thereof as at a specified date to subscribe for or purchase Common Shares or securities convertible into Common Shares for a period of not more than 45 days after such date), (iii) evidences of its indebtedness, or (iv) assets (excluding dividends or distributions paid in the ordinary course) then, in each such case, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the current Market Price per Common Share on such record date, less the fair market value (as determined by the directors of the Corporation, with the approval of the Trustee, which determination shall be conclusive) of such shares, rights, options, warrants, evidences of indebtedness or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such current Market Price per Common Share. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that such distribution is not so made, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or to the Conversion Price which would then be in effect if only such shares, rights, options, warrants, evidences of indebtedness or assets actually distributed were included in such fraction, as the case may be. In subsection (iv) of this Section 6.4(c) the term "dividends or distributions paid in the ordinary course" shall include the value of any securities or other property or assets distributed in lieu of cash dividends or distributions paid in the ordinary course at the option of shareholders.

(d) If and whenever at any time prior to the Date of Conversion or the Forced Conversion Date, as applicable, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Section 6.4(a) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other person or other entity; or a sale or conveyance of the assets of the Corporation as an entirety or substantially as an entirety to any other person or other entity or a liquidation, dissolution or winding-up of the Corporation, any Holder of a Debenture who has not exercised its Conversion Right prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale, conveyance, liquidation, dissolution or winding-up, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares then sought to be acquired by it, the number of Common Shares, shares or other securities or assets of the Corporation or of the person or other entity resulting from such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, or to which such sale or conveyance may be made or which holders of Common Shares receive pursuant to such liquidation, dissolution or winding-up, as the case may be, that such Holder of a Debenture would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale, conveyance, liquidation, dissolution or winding-up, if, on the record date or the effective date thereof, as the case may be, the Holder had been the registered holder of the number of Common Shares sought to be acquired by it and to which it was entitled to acquire upon the exercise of the Conversion Right or the Forced Conversion Right, as applicable. If determined appropriate by the directors of the Corporation, to give effect to or to evidence the provisions of this Section 6.4(d), the Corporation, its successor, or such purchasing person or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance or liquidation, dissolution or winding-up, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Holder of Debentures to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, shares or other securities or property to which a Holder of Debentures is entitled on the exercise of its Conversion Right or the Forced Conversion Right, as applicable, thereafter. Any indenture entered into between the Corporation and the Trustee pursuant to the provisions of this Section 6.4(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 13. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing person or other entity and the Trustee shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 6.4 and which shall apply to successive reclassifications, capital reorganizations, consolidations, amalgamations, arrangements, mergers, sales or conveyances or to a liquidation, dissolution or winding up.

(e) In any case in which this Section 6.4 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Holder of any Debenture converted after such record date and before the occurrence of such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event; provided, however, that the Corporation shall deliver to such Holder an appropriate instrument evidencing such Holder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the Date of Conversion or the Forced Conversion Date, as applicable.

(f) The adjustments provided for in this Section 6.4 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 6.4, provided that, notwithstanding any other provision of this Section 6.3, no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price then in effect; provided however, that any adjustments which by reason of this Section 6.4(f) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(g) For the purpose of calculating the number of Common Shares outstanding, Common Shares owned by or for the benefit of the Corporation shall not be counted.

(h) In the event of any question arising with respect to the adjustments provided in this Section 6.4, such question shall be conclusively determined by a firm of chartered accountants appointed by the Corporation and acceptable to the Trustee (who may be the auditors of the Corporation); such accountants shall have access to all necessary records of the Corporation and such determination shall be binding upon the Corporation, the Trustee, and the Debentureholders.

(i) In case the Corporation shall take any action affecting the Common Shares other than action described in this Section 6.4, which in the opinion of the directors of the Corporation, would materially affect the rights of Debentureholders, the Conversion Price shall be adjusted in such manner and at such time, by action of the directors of the Corporation, subject, if applicable, to the prior written consent of any stock exchange on which the Common Shares are then listed, as the directors of the Corporation, in their sole discretion may determine to be equitable in the circumstances. Failure of the directors to make such an adjustment shall be conclusive evidence that they have determined that it is equitable to make no adjustment in the circumstances.

(j) Subject, if applicable, to the prior written consent of the exchange on which the Debentures are then listed, no adjustment in the Conversion Price shall be made in respect of any event described in Section 6.4(a), 6.4(b) or 6.4(c) other than the events described in Section 6.4(a)(i) or 6.4(a)(ii) if the Holders of the Debentures are entitled to participate in such event (or to receive the benefit of such event on conversion of their Debentures) on the same terms mutatis mutandis as if they had converted their Debentures prior to the effective date or record date, as the case may be, of such event.

6.5 No Requirement to Issue Fractional Common Shares

The Corporation shall not be required to issue fractional Common Shares upon the conversion of Debentures pursuant to this Article 6. If more than one Debenture shall be surrendered for conversion at one time by the same Holder, the number of whole Common Shares issuable upon conversion thereof shall be computed on the basis of the aggregate principal amount of such Debentures to be converted. If any fractional interest in a Common Share would, except for the provisions of this Section 6.5, be deliverable upon the conversion of any Indebtedness, the Corporation shall, in lieu of delivering any certificate representing such fractional interest, issue to the Holder of such Debenture certificates representing the nearest whole Common Share determined by rounding upward or downward, as applicable, such that each fractional Common Share which is greater than or equal to 0.50 shall be rounded upward to the next whole Common Share and each fractional Common Share which is less than or equal to 0.49 shall be rounded downward to the last whole Common Share.

6.6 Corporation to Reserve Common Shares

The Corporation covenants with the Trustee that it will at all times reserve and keep available out of its authorized Common Shares, solely for the purpose of issue upon conversion of Debentures as set forth in this Article 6 provided, and conditionally allot to Debentureholders who may exercise their Conversion Right hereunder, such number of Common Shares as shall then be issuable upon the conversion of all outstanding Debentures. The Corporation covenants with the Trustee that all Common Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.

6.7 Cancellation of Converted Debentures

Subject to the provisions of Sections 6.2 and 6.3 as to Debentures converted in part, all Debentures converted in whole or in part under the provisions of this Article 6 shall be delivered to and cancelled by the Trustee and no Debenture shall be issued in substitution therefor.

6.8 Certificate as to Adjustment

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 6.4, deliver an Officer's Certificate to the Trustee specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate and the amount of the adjustment specified therein shall be verified by an opinion of a firm of chartered accountants appointed by the Corporation and acceptable to the Trustee (who may be the auditors of the Corporation) and shall be conclusive and binding on all parties in interest. When so approved, the Corporation shall, except in respect of any subdivision, redivision, reduction, combination or consolidation of the Common Shares, forthwith give notice to the Debentureholders in the manner provided in Section 11.2 specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Conversion Price; provided that, if the Corporation has given notice otherwise than under this Section 6.8 covering all the relevant facts in respect of such event and if the Trustee approves, no such notice need be given under this Section 6.8.

6.9 Notice of Special Matters

The Corporation covenants with the Trustee that so long as any Debenture remains outstanding, it will give notice to the Trustee, and to the Debentureholders in the manner provided in Sections 11.2 and 11.3, of its intention to fix a record date for any event referred to in Section 6.4(a) (other than a subdivision, redivision, reduction, combination or consolidation of its Common Shares) which may give rise to an adjustment in the Conversion Price, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that, the Corporation shall only be required to specify in such notice such particulars of such event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than fourteen (14) days, in each case, prior to such applicable record date.

6.10 Protection of Trustee

Subject to Section 12.3 the Trustee:

(a) shall not at any time be under any duty or responsibility to any Debentureholder to determine whether any facts exist which may require any adjustment in the Conversion Price, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(b) shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any shares or other securities or property which may at any time be issued or delivered upon the conversion of any Debenture; and

(c) shall not be responsible for any failure of the Corporation to make any cash payment or to issue, transfer or deliver Common Shares, or share certificates upon the surrender of any Debenture for the purpose of conversion, or to comply with any of the covenants contained in this Article 6.

ARTICLE 7
COVENANTS OF THE CORPORATION

The Corporation hereby covenants and agrees with the Trustee for the benefit of the Trustee and the Debentureholders, that so long as any Debentures remain outstanding:

7.1 To Pay Principal and Interest

The Corporation will duly and punctually pay or cause to be paid to every Debentureholder the principal of and interest accrued on the Debentures of which it is the Holder on the dates, at the places and in the manner mentioned herein and in the Debentures.

7.2 To Pay Trustee's Remuneration

The Corporation will pay the Trustee reasonable remuneration for its services as Trustee hereunder and will repay to the Trustee on demand all monies which shall have been paid by the Trustee in connection with the execution of the trusts hereby created and such monies including the Trustee's remuneration, shall be payable out of any funds coming into the possession of the Trustee in priority to payment of any principal of the Debentures or interest thereon. The said remuneration shall continue to be payable until the trusts hereof be finally wound up and whether or not the trusts of this Indenture shall be in the course of administration by or under the direction of a court of competent jurisdiction.

7.3 To Give Notice of Default

The Corporation shall notify the Trustee immediately upon obtaining knowledge of any Event of Default hereunder in the manner set forth in Section 11.3, and the Trustee shall upon receiving such notice from the Corporation, immediately notify the Holders of Debentures of such **"Event of Default"** in the manner set forth in Section 11.2.

7.4 Preservation of Existence, etc.

Subject to the express provisions hereof, the Corporation will carry on and conduct its business and activities, and cause its Subsidiaries, if any, to carry on and conduct their businesses, in a proper, efficient and business-like manner and in accordance with good business practices; and, subject to the express provisions hereof, it will use its commercially reasonable efforts to do or cause to be done all things necessary to preserve and keep in full force and effect its and its Subsidiaries, if any, respective existences and rights.

7.5 Keeping of Books

The Corporation will keep or cause to be kept proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Corporation in accordance with GAAP.

7.6 Not to Extend Time for Payment of Interest

In order to prevent any accumulation after maturity of unpaid interest, the Corporation shall not directly or indirectly extend or assent to the extension of time for payment of any interest upon any Debentures and it shall not directly or indirectly be or become a party to or approve any such arrangement by purchasing or funding any interest on Debentures or in any other manner.

7.7 Annual Certificate of Compliance

The Corporation shall deliver to the Trustee, within 120 days after the end of each calendar year and at any time upon request by the Trustee, an Officer's Certificate as to the knowledge of such officer of the Corporation who executes the Officer's Certificate of the Corporation's compliance with all conditions and covenants in this Indenture certifying that after reasonable investigation and inquiry, the Corporation has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which could, with the giving of notice, lapse of time or otherwise, constitute an Event of Default hereunder, or if such is not the case, setting forth with reasonable particulars the circumstances of any failure to comply and steps taken or proposed to be taken to eliminate such circumstances and remedy such Event of Default, as the case may be.

7.8 No Distributions on Common Shares if Event of Default

The Corporation shall not declare or make any dividends on distribution to the holders of its issued and outstanding Common Shares after the occurrence of an Event of Default unless and until such default shall have been cured or waived or shall have ceased to exist.

7.9 Performance of Covenants by Trustee

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Trustee may notify the Debentureholders of such failure on the part of the Corporation or may itself perform any of the covenants capable of being performed by it, but shall be under no obligation to do so or to notify the Debentureholders. All sums so expended or advanced by the Trustee in such performance shall be repayable as provided in Section 7.2. No such performance, expenditure or advance by the Trustee shall be deemed to relieve the Corporation of any default hereunder.

7.10 Negative Covenants

The Corporation shall not, and covenants with the Trustee on behalf of the Trustee and the Debentureholders, that it shall not, without the consent of Holders by Extraordinary Resolution:

(a) sell, exchange, transfer, assign or dispose of all or substantially all of its property and assets; provided, however, that the Corporation shall be permitted to dispose of all or any part of the assets comprising the Corporation’s septic business without the consent of Debentureholders;

(b) create or suffer to be created any mortgage, hypothec, lien, charge, encumbrance or security interest of whatsoever nature upon its property ranking in priority to or *pari passu* with the Charge except for Permitted Encumbrances and the Existing Debentures;

(c) incur or become liable for any indebtedness for borrowed money, in addition to that hereunder when it is in default under this Indenture, except for current indebtedness incurred in the ordinary course of business of the Corporation or incurred to avoid an Event of Default under this Indenture;

(d) guarantee the debts, liabilities or obligations of any person or become the endorser on any note or other obligation when it is in default under this Indenture;

(e) lend money to any person, when it is in default under this Indenture;

(f) make any capital expenditures, other than in the ordinary course of business of the Corporation, when it is in default under this Indenture; or

(g) make any distribution to its shareholders or any of them or declare or pay any dividends when it is in default under this Indenture.

7.11 Defend Property

The Corporation, at its own cost, shall protect its property against all liabilities of any nature, shall pay or cause to be paid all such liabilities and all charges incurred in its business operations unless same is being contested in good faith and shall indemnify and hold the Trustee free and clear of any liens, charges and security interest or attempted liens, charges or security interests upon its property.

ARTICLE 8
DEFAULT AND ENFORCEMENT OF SECURITY

8.1 Events of Default

Each of the following events constitutes, and is herein sometimes referred to as, an "**Event of Default**":

(a) failure for thirty (30) days to pay interest on the Debentures when due;

(b) failure to pay principal or premium, if any, on the Debentures when due at maturity;

(c) default in the observance or performance of any material covenant or condition of this Indenture by the Corporation for a period of thirty (30) days after notice in writing has been given by the Trustee to the Corporation specifying such default and requiring the Corporation to remedy such default;

(d) the Corporation shall cease to carry on the ordinary course of its business or a substantial part thereof;

(e) if a decree or order of a court having jurisdiction is entered adjudging the Corporation a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against, or against any substantial part of, the property of the Corporation, or appointing a receiver of, or of any substantial part of, the property of the Corporation or ordering the winding-up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of sixty (60) days;

(f) if the Corporation institutes proceedings to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada) for such bankruptcy or insolvency or any other bankruptcy, insolvency or analogous laws, or consents to the filing of any such petition or to the appointment of a receiver of, or of any substantial part of, the property of the Corporation or makes a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due;

(g) if a resolution is passed for the winding-up or liquidation of the Corporation;

(h) if, after the date of this Indenture, any proceedings with respect to the Corporation are taken with respect to a compromise or arrangement, with respect to creditors of the Corporation generally, under the applicable legislation of any jurisdiction; or

(i) if a default has occurred under the terms of the Existing Debentures;

in each and every such event the Trustee may, in its discretion, and shall, upon receipt of a request in writing signed by the Holders of not less than 25% in principal amount of the Debentures then outstanding, subject to the provisions of Section 8.3, by notice in writing to the Corporation declare the principal of and interest on all Debentures then outstanding and all other monies outstanding hereunder to be due and payable and the same shall forthwith become immediately due and payable to the Trustee, and the Corporation shall forthwith pay to the Trustee for the benefit of the Debentureholders such principal, accrued and unpaid interest and interest on amounts in default on such Debenture (and, where such a declaration is based upon a voluntary winding-up or liquidation of the Corporation, the premium, if any, on the Debentures then outstanding which would have been payable upon the redemption thereof by the Corporation on the date of such declaration) and all other monies outstanding hereunder, together with subsequent interest at the rate borne by the Debentures on such principal, interest and such other monies from the date of such declaration until payment is received by the Trustee, such subsequent interest to be payable at the times and places and in the monies mentioned in and according to the tenor of the Debentures. Such payment when made shall be deemed to have been made in discharge of the Corporation's obligations hereunder and any monies so received by the Trustee shall be applied in the manner provided in Section 8.6.

For greater certainty, for the purposes of this Section 8.1, a Debenture shall be in default in respect of an Event of Default if such Event of Default relates to a default in the payment of principal, premium, if any, or interest on the Debentures.

8.2 Notice of Events of Default

If an Event of Default shall occur and be continuing the Trustee shall, within thirty (30) days after it receives written notice of the occurrence of such Event of Default, give notice of such Event of Default to the Debentureholders in the manner provided in Section 11.2, provided that notwithstanding the foregoing, unless the Trustee shall have been requested to do so by the Holders of at least 25% of the principal amount of the Debentures then outstanding, the Trustee shall not be required to give such notice if the Trustee in good faith shall have determined that the withholding of such notice is in the best interests of the Debentureholders and shall have so advised the Corporation in writing.

8.3 Waiver of Default

Upon the happening of any Event of Default hereunder:

(a) the Holders of the Debentures shall have the power (in addition to the powers exercisable by Extraordinary Resolution as hereinafter provided) by requisition in writing by the Holders of more than 50% of the principal amount of Debentures then outstanding, to instruct the Trustee to waive any Event of Default and to cancel any declaration made by the Trustee pursuant to Section 8.1 and the Trustee shall thereupon waive the Event of Default and cancel such declaration, or either, upon such terms and conditions as shall be prescribed in such requisition; provided that, notwithstanding the foregoing if the Event of Default has occurred by reason of the non-observance or non-performance by the Corporation of any covenant applicable only to one or more series of Debentures, then the Holders of more than 50% of the principal amount of the outstanding Debentures shall be entitled to exercise the foregoing power and the Trustee shall so act; and

(b) the Trustee, so long as it has not become bound to declare the principal and interest on the Debentures then outstanding to be due and payable, or to obtain or enforce payment of the same, shall have power to waive any Event of Default if, in the Trustee's opinion, acting reasonably, the same shall have been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration theretofore made by the Trustee in the exercise of its discretion, upon such terms and conditions as the Trustee may deem advisable, acting reasonably.

No such act or omission either of the Trustee or of the Debentureholders shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

8.4 Enforcement by the Trustee

Subject to the provisions of Section 8.3 and to the provisions of any Extraordinary Resolution that may be passed by the Debentureholders, if the Corporation shall fail to pay to the Trustee, forthwith after the same shall have been declared to be due and payable under Section 8.1, the principal of and premium (if any) and interest on all Debentures then outstanding, together with any other amounts due hereunder, the Trustee may in its discretion and shall upon receipt of a request in writing signed by the Holders of not less than 25% in principal amount of the Debentures then outstanding and upon being funded and indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed in its name as trustee hereunder to obtain or enforce payment of such principal of and premium (if any) and interest on all the Debentures then outstanding together with any other amounts due hereunder by such proceedings authorized by this Indenture or by law or equity as the Trustee in such request shall have been directed to take, or if such request contains no such direction, or if the Trustee shall act without such request, then by such proceedings authorized by this Indenture or by suit at law or in equity as the Trustee shall deem expedient.

The Trustee shall be entitled and empowered, either in its own name or as Trustee of an express trust, or as attorney-in-fact for the Holders of the Debentures, or in any one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Trustee and of the holders of the Debentures allowed in any insolvency, bankruptcy, liquidation or other judicial proceedings relative to the Corporation or its creditors or relative to or affecting its property. The Trustee is hereby irrevocably appointed (and the successive respective Holders of the Debentures by taking and holding the same shall be conclusively deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective Holders of the Debentures with authority to make and file in the respective names of the Holders of the Debentures or on behalf of the Holders of the Debentures as a class, subject to deduction from any such claims of the amounts of any claims filed by any of the Holders of the Debentures themselves, any proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any such other papers and documents and to do and perform any and all such acts and things for and on behalf of such Holders of the Debentures, as may be necessary or advisable in the opinion of the Trustee, relying on the advice of Counsel, in order to have the respective claims of the Trustee and of the Holders of the Debentures against the Corporation or its property allowed in any such proceeding, and to receive payment of or on account of such claims; provided, however, that subject to Section 8.3, nothing contained in this Indenture shall be deemed to give to the Trustee, unless so authorized by Extraordinary Resolution, any right to accept or consent to any plan of reorganization or otherwise by action of any character in such proceeding to waive or change in any way any right of any Debentureholder.

The Trustee shall also have the power at any time and from time to time to institute and to maintain such suits and proceedings as it may be advised shall be necessary or advisable to preserve and protect its interests and the interests of the Debentureholders. All rights of action hereunder may be enforced by the Trustee without the possession of any of the Debentures or the production thereof on the trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in the name of the Trustee as trustee of an express trust, and any recovery of judgment shall be for the rateable benefit of the Holders of the Debentures subject to the provisions of this Indenture. In any proceeding brought by the Trustee (and also any proceeding in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this Indenture, to which the Trustee shall be a party) the Trustee shall be held to represent all the Holders of the Debentures, and it shall not be necessary to make any Holders of the Debentures parties to any such proceeding.

8.5 No Suits by Debentureholders

No Holder of any Debenture shall have any right to institute any action, suit or proceeding at law or in equity for the purpose of enforcing payment of the principal of or interest on the Debentures or for the execution of any trust or power hereunder or for the appointment of a liquidator or receiver or for a receiving order under the *Bankruptcy and Insolvency Act* (Canada) or to have the Corporation wound up or to file or prove a claim in any liquidation or bankruptcy proceeding or for any other remedy hereunder, unless: (a) such Holder shall previously have given to the Trustee written notice of the happening of an Event of Default hereunder; and (b) the Debentureholders by Extraordinary Resolution or by written instrument signed by the Holders of at least 25% in principal amount of the Debentures then outstanding shall have made a request to the Trustee and the Trustee shall have been afforded reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its name for such purpose; and (c) the Debentureholders or any of them shall have furnished to the Trustee, when so requested by the Trustee, sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and (d) the Trustee shall have failed to act within a reasonable time after such notification, request and offer of indemnity and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to any such proceeding or for any other remedy hereunder by or on behalf of the Holder of any Debentures.

8.6 Application of Monies by Trustee

(a) Except as herein otherwise expressly provided, any monies received by the Trustee from the Corporation pursuant to the foregoing provisions of this Article 8, or as a result of legal or other proceedings or from any Trustee in bankruptcy or liquidator of the Corporation, shall be applied, together with any other monies in the hands of the Trustee available for such purpose, as follows:

(i) first, in payment or in reimbursement to the Trustee of its compensation, costs, charges, expenses, borrowings, advances or other monies furnished or provided by or at the instance of the Trustee in or about the execution of its trusts under, or otherwise in relation to, this Indenture, with interest thereon as herein provided;

(ii) second, but subject as hereinafter in this Section 8.6 provided, in payment rateably and proportionately to the Holders of the Debentures and the holders of the Existing Debentures, of the principal of and premium (if any) and accrued and unpaid interest on amounts in default on the Debentures and the Existing Debentures which shall then be outstanding in priority of principal first and then premium and the accrued and unpaid interest of amounts in default on the Debentures and the Existing Debentures unless otherwise directed by Extraordinary Resolution and in that case in such order or priority as between principal, premium (if any) and interest on the Debentures (but not as between the Debentures and the Existing Debentures) as may be directed by such resolution; and

(iii) third, in payment of the surplus, if any, of such monies to the Corporation or its assigns;

provided, however, that no payment shall be made pursuant to clause (ii) above in respect of the principal, premium or interest on any Debenture held, directly or indirectly, by or for the benefit of the Corporation or any Subsidiary (other than any Debenture pledged for value and in good faith to a person other than the Corporation or any Subsidiary but only to the extent of such person's interest therein) except subject to the prior payment in full of the principal, premium (if any) and interest (if any) on all Debentures which are not so held.

(b) The Trustee shall not be bound to apply or make any partial or interim payment of any monies coming into its hands if the amount so received by it, after reserving thereout such amount as the Trustee may think necessary to provide for the payments mentioned in Section 8.6(a), is insufficient to make a distribution of at least 2% of the aggregate principal amount of the outstanding Debentures, but it may retain the money so received by it and invest or deposit the same as provided in Section 12.10 `until the money or the investments representing the same, with the income derived therefrom, together with any other monies for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth. The foregoing shall, however, not apply to a final payment in distribution hereunder.

8.7 Notice of Payment by Trustee

Not less than 15 days notice shall be given in the manner provided in Section 11.2 by the Trustee to the Debentureholders of any payment to be made under this Article 8. Such notice shall state the time when and place where such payment is to be made and also the liability under this Indenture to which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Debentureholders will be entitled to interest only on the balance (if any) of the principal monies, premium (if any) and interest (if any) due to them, respectively, on the Debentures, after deduction of the respective amounts payable in respect thereof on the day so fixed.

8.8 Trustee May Demand Production of Debentures

The Trustee shall have the right to demand production of the Debentures in respect of which any payment of principal, interest or premium required by this Article 8 is made and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee may, in its discretion, dispense with such production and endorsement, upon such indemnity being given to it and to the Corporation as the Trustee shall deem sufficient.

8.9 Remedies Cumulative

No remedy herein conferred upon or reserved to the Trustee, or upon or to the Holders of Debentures is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by equity.

8.10 Judgment Against the Corporation

The Corporation covenants and agrees with the Trustee that, in case of any judicial or other proceedings to enforce the rights of the Debentureholders, judgment may be rendered against it in favour of the Debentureholders or in favour of the Trustee, as Trustee for the Debentureholders, for any amount which may remain due in respect of the Debentures and premium (if any) and the interest thereon and any other monies owing hereunder.

8.11 Immunity of Trustee and Others

The Debentureholders and the Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future officer, director, or shareholder of the Corporation or of any successor, in each case in such capacity, for the payment of the principal of or premium or interest on any of the Debentures or on any covenant, agreement, representation or warranty by the Corporation herein or in the Debentures contained.

8.12 Enforcement

Any time after the Charge has become enforceable the Trustee shall have the following rights and powers:

(a) to enter, take possession of, inspect, collect, get in, manage or use all or any part of the Collateral with the power to exclude the Corporation therefrom and for such purpose to take any proceedings in the name of the Corporation or otherwise;

(b) to preserve, maintain and repair the Collateral and make such replacements thereof and additions thereto as it deems advisable;

(c) to collect any proceeds arising in respect of the Collateral;

(d) to collect, realize upon or sell, dispose, lease the Collateral, either as a whole or in part;

(e) to institute proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral (which receiver shall not be the Trustee or any person related to the Trustee);

(f) to institute proceedings in any court of competent jurisdiction for sale or foreclosure of the Collateral;

(g) to file proofs of claim and other documents to establish claims in any proceeding relating to the Corporation;

(h) to undertake any other remedy or proceeding authorized or permitted under law or equity;

(i) to pay or otherwise satisfy in whole or in part any Encumbrances which, in the Trustee's opinion, rank in priority to the security hereof; and

(j) by instrument in writing, to appoint any person or persons (other than the Trustee himself) as a receiver of the Collateral and to remove any receiver so appointed and appoint another or others in its stead.

The Charge may be realized and the rights enforced by any remedy or in any manner permitted by this Indenture or by law or equity and no remedy for the realization of the Charge hereof shall be exclusive of or dependent upon any other remedy and all or any remedies may from time to time be exercised independently or in any combination.

In addition to the remedies of the Trustee set forth above, the Trustee may, any time after the Charge has become enforceable:

(a) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral;

(b) carry on all or any part of the business of the Corporation and, to the exclusion of all others including the Corporation, enter upon, occupy and use all or any of the premises of the Corporation, buildings, plant, undertaking and other property of or used by the Corporation for such time as the Trustee sees fit, free of charge, and the Trustee shall not be liable for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection therewith or resulting therefrom;

(c) borrow for the purpose of carrying on the business of the Corporation or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a security interest in the Collateral, whether or not in priority to the documents evidencing the Charge, to secure repayment; and

(d) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Corporation.

8.13 Disposition

Without limiting the generality of the foregoing in connection with the exercise of remedies under this Article 8, any time after the Charge has become enforceable, it shall be lawful for the Trustee:

(a) to make any sale, lease or other disposition of the Collateral either for cash or upon credit or partly for one and partly for the other upon such conditions as to terms of payment as are commercially reasonable;

(b) to rescind or vary any contract for sale, lease or other disposition that the Trustee may have entered into pursuant hereto and resell, release or redispose of the Collateral with or under any of the powers conferred herein; and

(c) to stop, suspend or adjourn any sale, lease or other disposition from time to time and to hold the same adjourned without further notice, provided same is done in a commercially reasonable manner.

Upon any such sale, lease or other disposition, the obligations of the Corporation under the Debentures or otherwise secured by this Indenture shall only be discharged to the extent of any money or other proceeds of realization actually collected or received by the Trustee or any receiver. The Corporation shall be accountable for any deficiency and the Trustee shall be accountable for any surplus. The Trustee may deliver to the purchaser or purchasers of the Collateral or any part thereof good and sufficient conveyances or deeds for the same free and clear of any claim by the Corporation. Provided that the Trustee has complied with this Indenture, the purchaser or lessee receiving any disposition of the Collateral or any part thereof need not inquire whether default under this Indenture has actually occurred but may as to this and all other matters rely upon a statutory declaration of an officer of the Trustee, which declaration shall be conclusive evidence as between the Corporation and any such purchaser or lessee, and the purchaser or lessee need not look to the application of the purchase money, rent or other consideration given upon such sale, lease or other disposition, which shall not be affected by any irregularity of any nature or kind relating to the crystallizing or enforcing of the security hereof or the taking of possession of the Collateral or the sale, lease or other disposition thereof.

8.14 Powers of Receiver

Any receiver appointed as aforesaid shall have the power without legal process:

(a) to take possession of and to collect and get in and use the Collateral and for those purposes to enter the Collateral and to act whether by action, distress, or otherwise, in the name of the Corporation or otherwise as the receiver considers necessary;

(b) to carry on or concur in carrying on the business of the Corporation and to employ and discharge any Persons upon the terms and at the remuneration the receiver considers proper;

(c) to keep in repair the Collateral and to do all necessary things to carry on the business of the Corporation and to protect the Collateral;

(d) to make any arrangement or compromise which the receiver considers expedient in the interests of the Trustee and to exchange any part or parts of the Collateral for any other property suitable for the purposes of the Corporation upon such terms as the receiver considers expedient, either with or without payment of money for equality of exchange or otherwise;

(e) to borrow money to carry on the business of the Corporation or to maintain the whole or any part of the Collateral;

(f) to sell or lease or concur in the selling or leasing of the whole or any part of the Collateral and in exercising the receiver's foregoing power to sell, or lease the Collateral the receiver may in his absolute discretion:

   (i) sell or lease the whole or any part of the Collateral by public or private tender or by private contract;

   (ii) grant options to purchase, lease or sublease;

   (iii) grant rights of first refusal to purchase, lease or sublease;

   (iv) complete any contract for sale, lease, sublease, option or right of first refusal;

   (v) grant exclusive and multiple listing contracts for sale, lease or sublease;

   (vi) sign and file subdivision, condominium, strata, consolidation or other plans;

   (vii) effect a sale, lease or sublease by conveying in the name of or on behalf of the Corporation or otherwise;

   (viii) make any stipulation as to title or conveyance or commencement of title;

   (ix) rescind or vary any contract of sale, lease, sublease, option or right of first refusal;

   (x) resell, release or sublease without being answerable for any loss occasioned thereby;

(xi) sell, lease or sublease on terms as to credit as shall appear to be most advantageous to the receiver and if a sale, lease or sublease is on credit the receiver shall not be accountable for any moneys until actually received; and

(xii) make any arrangements or compromises which the receiver shall think expedient;

(g) to exercise on behalf of the Trustee all of the rights and remedies herein granted to the Trustee;

and for the purposes aforesaid the Corporation hereby irrevocably empowers the receiver so appointed as its attorney to execute deeds, transfers, leases, subleases, contracts, agreements or other documents on its behalf and in its place under the receiver's seal and the same shall bind the Corporation and have the same effect as if such deeds were under the Corporation's common seal or to affix the Corporation's common seal or a duplicate thereof to any of the same.

8.15 Validity of Sale

The Corporation covenants and agrees with the Trustee that no purchaser, lessee or sublessee at any sale, lease or sublease purporting to be made by the receiver pursuant to the aforesaid power shall be bound to enquire whether any notice required hereunder has been given, or as to the necessity or expediency of the sale or lease or the stipulations subject to which it is made, or otherwise as to the propriety of the sale, lease or sublease or regularity of its proceedings, or be affected by notice that no default has been made or continues, or notice that the sale or lease is otherwise unnecessary, improper or irregular, and despite any impropriety or irregularity, or notice thereof to any purchaser, the sale or lease as regards that purchaser, lessee or sublessee shall be deemed to be within the aforesaid powers and be valid accordingly and the remedy, if any, of the Corporation in respect of any impropriety or irregularity whatsoever in any sale, lease or sublease by the receiver shall be in damages only.

8.16 Receiver Agent of Corporation

Any receiver appointed by the Trustee shall act as agent for the Trustee for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Corporation. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Corporation or as agent for the Trustee, as the Trustee may determine in its discretion. Provided that the Trustee has complied with this Indenture, the Corporation agrees to ratify and confirm all actions of the receiver acting as their agent, and to release and indemnify the receiver in respect of all such actions. Provided that the Trustee has complied with this Indenture, the Trustee, in appointing or refraining from appointing any receiver shall not incur liability to the receiver, the Corporation or otherwise and shall not be responsible for any misconduct or negligence of such receiver or for any loss resulting therefrom. The receiver shall be considered to be the agent of the Corporation and the Corporation shall be responsible for the receiver's acts, defaults and remuneration.

8.17 Application of Moneys

All moneys actually received by the Trustee or by the receiver in enforcing the Charge shall be applied, subject to the proper claims of any other person:

(a) first, to pay or reimburse the Trustee and any receiver for the costs, charges, expenses and advances payable by the Corporation in accordance herewith;

(b) second, in or toward the payment to the Debentureholders and the Trustee of all obligations under the Debentures or otherwise secured hereunder; and

(c) third, any surplus shall be paid to the Corporation or its assigns or as a court of competent jurisdiction may direct.

8.18 Care and Custody of Collateral

Provided the same is commercially reasonable, the Trustee shall not be bound to collect, dispose of, realize or enforce any of the Corporation's right, title and interest in and to the Collateral or to institute proceedings for the purpose thereof and, without limiting the generality of the foregoing, the Trustee shall not be required to take any steps necessary to preserve rights against prior parties in respect of any negotiable Collateral. The Trustee may, after the Charge becomes enforceable: (i) notify any Person obligated on an account or on chattel paper or any obligor on an instrument to make payment thereunder to the Trustee whether or not the Corporation was theretofore making collections thereon; and (ii) assume control of any proceeds arising from the Collateral.

8.19 Dealing with the Collateral

The Trustee shall not be obliged to exhaust its recourse against the Corporation or any other Person or Persons or against any other security it may hold in respect of the obligations under the Debentures or secured by this Indenture before realizing upon or otherwise dealing with the Collateral in such manner as the Trustee may consider desirable. Provided it acts in a commercially reasonable manner, the Trustee shall not be (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of the Trustee, the Corporation or any other parties in respect thereof; (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.

8.20 Standards of Sale

Without prejudice to the ability of the Trustee to sell, consign, lease or otherwise dispose of the Collateral in any manner so long as every aspect of the disposition is commercially reasonable, the Corporation acknowledges that a disposition of Collateral by the Trustee which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

(a) Collateral may be disposed of in whole or in part;

(b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;

(c) any purchaser or lessee of such Collateral may be a customer of the Trustee or a Debentureholder; (d) a disposition of Collateral may provide time for payment on credit; and

(d) the Trustee may establish an upset or reserve bid or price in respect of Collateral.

8.21 Remedies

The Corporation acknowledges that the types and periods of restrictions and notices in this Indenture are fair and reasonable. The Corporation recognizes that a breach or a threatened breach of any provisions of this Indenture or the Debentures shall result in the Trustee and the Debentureholders suffering irreparable harm which cannot be calculated or fully or adequately compensated by recovery of damages, agrees that the Trustee is entitled to both temporary and permanent injunctive relief or other equitable relief in addition to any other rights or remedies it may have and hereby waives any defences thereto.

8.22 Distrain

The Corporation covenants and agrees with the Trustee that at any time after the Charge hereby constituted has become enforceable, the Trustee shall have the right and power to distrain for costs or charges secured hereby or arrears of interest or principal outstanding on the Debentures.

ARTICLE 9
SATISFACTION AND DISCHARGE

9.1 Cancellation and Destruction

All Debentures shall forthwith after payment of all obligations thereunder be delivered to the Trustee and cancelled by it. All Debentures cancelled or required to be cancelled under this or any other provision of this Indenture shall be destroyed by the Trustee.

9.2 Non-Presentation of Debentures

In case the Holder of any Debenture shall fail to present the same for payment on the date on which the principal, premium (if any) or the interest thereon or represented thereby becomes payable either at maturity or otherwise or shall not accept payment on account thereof and give such receipt therefor, if any, as the Trustee may require:

(a) the Corporation shall be entitled to pay or deliver to the Trustee and direct it to set aside;

(b) in respect of monies in the hands of the Trustee which may or should be applied to the payment of the Debentures, the Corporation shall be entitled to direct the Trustee to set aside; or

(c) if the redemption was pursuant to notice given by the Trustee, the Trustee may itself set aside;

the principal, premium (if any) or the interest, as the case may be, in trust to be paid to the Holder of such Debenture upon due presentation or surrender thereof in accordance with the provisions of this Indenture; and thereupon the principal, premium (if any) or the interest payable on or represented by each Debenture in respect whereof such monies, have been set aside shall be deemed to have been paid and the Holder thereof shall thereafter have no right in respect thereof except that of receiving delivery and payment of the monies (without interest thereon), so set aside by the Trustee upon due presentation and surrender thereof, subject always to the provisions of Section 9.3.

9.3 Repayment of Unclaimed Monies

Any moneys set aside under section 9.2 in respect of any Debentures and not claimed by and paid to the Holder thereof, as provided in section 9.2, within four (4) years less one (1) day after the date of such setting aside shall be returned to the Corporation (without interest thereon), the Trustee shall be released from all further liability with respect to such moneys, and thereafter such Holder shall have no rights in respect of such Debentures, except to obtain payment of such moneys(without interest thereon) from the Corporation.

9.4 Discharge

The Trustee shall at the written request of the Corporation and upon payment of all costs, charges, and expenses properly incurred by the Trustee in relation to this Indenture and all interest thereon and the remuneration of the Trustee, release and discharge this Indenture and execute and deliver such instruments as it shall be advised by Counsel are requisite for that purpose and to release the Corporation from its covenants herein contained (other than the provisions relating to the indemnification of the Trustee), upon proof being given to the reasonable satisfaction of the Trustee that the principal and premium (if any) of and interest (including interest on amounts in default, if any), on all the Debentures and all other monies payable hereunder have been paid or satisfied or that all the Debentures having matured or having been duly called for redemption, payment of the principal of and interest (including interest on amounts in default, if any) on such Debentures and of all other monies payable hereunder has been duly and effectually provided for in accordance with the provisions hereof.

9.5 Satisfaction

(a) The Corporation shall be deemed to have fully paid, satisfied and discharged all of the outstanding Debentures and the Trustee, at the expense of the Corporation, shall execute and deliver proper instruments acknowledging the full payment, satisfaction and discharge of such Debentures, when, with respect to all of the outstanding Debentures, the Corporation has deposited or caused to be deposited with the Trustee as trust funds or property in trust for the purpose of making payment on such Debentures, an amount in money, sufficient to pay, satisfy and discharge the entire amount of principal, premium, if any, and interest, if any, to maturity of all such Debentures, and:

(i) the Corporation has paid, caused to be paid or made provisions to the satisfaction of the Trustee for the payment of all other sums payable with respect to all of such Debentures (together with all applicable expenses of the Trustee in connection with the payment of such Debentures); and

(ii) the Corporation has delivered to the Trustee an Officer's Certificate stating that all conditions precedent herein provided relating to the payment, satisfaction and discharge of all such Debentures have been complied with.

Any deposits with the Trustee referred to in this Section 9.5 shall be irrevocable, subject to Section 9.5, and shall be made under the terms of an escrow and/or trust agreement in form and substance satisfactory to the Trustee and which provides for the due and punctual payment of the principal of, and interest and premium, if any, on the Debentures being satisfied.

(b) Upon the satisfaction of the conditions set forth in this Article 9 with respect to all the outstanding Debentures, the terms and conditions of the Debentures shall no longer be binding upon or applicable to the Corporation.

(c) If the Trustee is unable to apply any money or securities in accordance with this Section 9.5 by reason of any legal proceeding or any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Corporation's obligations under this Indenture and the affected Debentures shall be revived and reinstated as though no money or securities had been deposited pursuant to this Section 9.5 until such time as the Trustee is permitted to apply all such money or securities in accordance with this Section 9.5, provided that if the Corporation has made any payment in respect of principal, premium or interest on Debentures or, as applicable, other amounts because of the reinstatement of its obligations, the Corporation shall be subrogated to the rights of the Holders of such Debentures to receive such payment from the money or securities held by the Trustee.

9.6 Continuance of Rights, Duties and Obligations

Where trust funds or trust property have been deposited pursuant to Section 9.5, the Holders of Debentures and the Corporation shall continue to have and be subject to their respective rights, duties and obligations under Article 2 and Article 4.

ARTICLE 10
MEETINGS OF DEBENTUREHOLDERS

10.1 Right to Convene Meeting

The Trustee or the Corporation may at any time and from time to time, and the Trustee shall, on receipt of a written request of the Corporation or a written request signed by the Holders of not less than 25% of the principal amount of the Debentures then outstanding and upon receiving funding and being indemnified to its reasonable satisfaction by the Corporation or by the Debentureholders signing such request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Debentureholders. In the event of the Trustee failing, within thirty (30) days after receipt of any such request and such funding and indemnity, to give notice convening a meeting, the Corporation or such Debentureholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Calgary or at such other place as may be approved or determined by the Trustee.

10.2 Notice of Meetings

At least twenty-one (21) days notice of any meeting shall be given to the Debentureholders in the manner provided in Section 11.2 and a copy of such notice shall be sent by post to the Trustee, unless the meeting has been called by it. Such notice shall state the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat and it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 10. The accidental omission to give notice of a meeting to any Holder of Debentures shall not invalidate any resolution passed at any such meeting. A Holder may waive notice of a meeting either before or after the meeting.

10.3 Chairman

Some person, who need not be a Debentureholder, nominated in writing by the Trustee shall be chairman of the meeting and if no person is so nominated, or if the person so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, a majority of the Debentureholders present in person or by proxy shall choose some person present to be chairman.

10.4 Quorum

Subject to the provisions of Section 10.12, at any meeting of the Debentureholders a quorum shall consist of Debentureholders present in person or by proxy and representing at least 25% in principal amount of the outstanding Debentures. If a quorum of the Debentureholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Debentureholders or pursuant to a request of the Debentureholders, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting, the Debentureholders present in person or by proxy shall, subject to the provisions of Section 10.12, constitute a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent 25% of the principal amount of the outstanding Debentures. Any business may be brought before or dealt with at an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless the required quorum be present at the commencement of business.

10.5 Power to Adjourn

The chairman of any meeting at which a quorum of the Debentureholders is present may, with the consent of the Holders of a majority in principal amount of the Debentures represented thereat, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

10.6 Show of Hands

Every question submitted to a meeting shall, subject to Section 10.7, be decided in the first place by a majority of the votes given on a show of hands except that votes on Extraordinary Resolutions shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Debentures, if any, held by him.

10.7 Poll

On every Extraordinary Resolution, and on any other question submitted to a meeting when demanded by the chairman or by one or more Debentureholders or proxies for Debentureholders, a poll shall be taken in such manner and either at once or after an adjournment as the chairman shall direct. Questions other than Extraordinary Resolutions shall, if a poll be taken, be decided by the votes of the Holders of a majority in principal amount of the Debentures represented at the meeting and voted on the poll.

10.8 Voting

On a show of hands every person who is present and entitled to vote, whether as a Debentureholder or as proxy for one or more Debentureholders or both, shall have one vote. On a poll each Debentureholder present in person or represented by a proxy duly appointed by an instrument in writing shall be entitled to one vote in respect of each $1,000 principal amount of Debentures of which he shall then be the Holder. A proxy need not be a Debentureholder. In the case of joint Holders of a Debenture, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others but in case more than one of them be present in person or by proxy, they shall vote together in respect of the Debentures of which they are joint Holders.

10.9 Regulations

A Debentureholder may be present and vote at any meeting of Debentureholders by an authorized representative. The Corporation (in case it convenes the meeting) or the Trustee (in any other case) for the purpose of enabling the Debentureholders to be present and vote at any meeting without producing their Debentures, and of enabling them to be present and vote at any such meeting by proxy and of lodging instruments appointing such proxies at some place other than the place where the meeting is to be held, may from time to time make and vary such regulations as it shall think fit providing for and governing any or all of the following matters:

(a) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and the production of the authority of any person signing on behalf of a Debentureholder;

(b) the deposit of instruments appointing proxies at such place as the Trustee, the Corporation or the Debentureholder convening the meeting, as the case may be, may, in the notice convening the meeting, direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the same must be deposited; and

(c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, faxed or sent by other electronic means before the meeting to the Corporation or to the Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as the Holders of any Debentures, or as entitled to vote or, subject to Section

10.10 at the meeting in respect thereof, shall be Debentureholders and persons whom Debentureholders have by instrument in writing duly appointed as their proxies.

10.10 Persons Entitled to Attend Meetings

The Corporation and the Trustee, by their respective officers, directors and employees, the Auditors of the Corporation and the legal advisers of the Corporation, the Trustee or any Debentureholder may attend any meeting of the Debentureholders, but shall have no vote as such.

10.11 Powers Exercisable by Extraordinary Resolution

In addition to the powers conferred upon them by any other provisions of this Indenture or by law, a meeting of the Debentureholders shall have the following powers exercisable from time to time by Extraordinary Resolution, subject in the case of the matters in Sections 10.11 (a), (b), (c), (d) and (l) to receipt of the prior approval of the exchange on which the Debentures are then listed, if applicable:

(a) power to authorize the Trustee to grant extensions of time for payment of any principal, premium or interest on the Debentures, whether or not the principal, premium, or interest, the payment of which is extended, is at the time due or overdue;

(b) power to sanction any modification, abrogation, alteration, compromise or arrangement of the rights of the Debentureholders or the Trustee, subject to the consent of the Trustee, against the Corporation, or against its property, whether such rights arise under this Indenture or the Debentures or otherwise;

(c) power to assent to any modification of or change in or addition to or omission from the provisions contained in this Indenture or any Debenture which shall be agreed to by the Corporation and to authorize the Trustee to concur in and execute any indenture supplemental hereto embodying any modification, change, addition or omission;

(d) power to sanction any scheme for the reconstruction, reorganization or recapitalization of the Corporation or for the consolidation, amalgamation or merger of the Corporation with any other person or for the sale, leasing, transfer or other disposition of all or substantially all of the undertaking, property and assets of the Corporation or any part thereof;

(e) power to direct or authorize the Trustee to exercise any power, right, remedy or authority given to it by this Indenture in any manner specified in any such Extraordinary Resolution or to refrain from exercising any such power, right, remedy or authority;

(f) power to waive, and direct the Trustee to waive, any default hereunder and/or cancel any declaration made by the Trustee pursuant to Section 8.1 either unconditionally or upon any condition specified in such Extraordinary Resolution;

(g) power to restrain any Debentureholder from taking or instituting any suit, action or proceeding for the purpose of enforcing payment of the principal, premium or interest on the Debentures, or for the execution of any Corporation or power hereunder;

(h) power to direct any Debentureholder who, as such, has brought any action, suit or proceeding to stay or discontinue or otherwise deal with the same upon payment, if the taking of such suit, action or proceeding shall have been permitted by Section 8.5, of the costs, charges and expenses reasonably and properly incurred by such Debentureholder in connection therewith;

(i) power to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with Holders of any shares or other securities of the Corporation;

(j) power to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise, and to direct the Trustee to exercise, on behalf of the Debentureholders, such of the powers of the Debentureholders as are exercisable by Extraordinary Resolution or other resolution as shall be included in the resolution appointing the committee. The resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such committee. Such committee shall consist of such number of persons as shall be prescribed in the resolution appointing it and the members need not be themselves Debentureholders. Every such committee may elect its chairman and may make regulations respecting its quorum, the calling of its meetings, the filling of vacancies occurring in its number and its procedure generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by minutes signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all Debentureholders. Neither the committee nor any member thereof shall be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith;

(k) power to remove the Trustee from office and to appoint a new Trustee or Trustees provided that no such removal shall be effective unless and until a new Trustee or Trustees shall have become bound by this Indenture;

(l) power to sanction the exchange of the Debentures for or the conversion thereof into shares, bonds, debentures or other securities or obligations of the Corporation or of any other person formed or to be formed;

(m) power to authorize the distribution in specie of any shares or securities received pursuant to a transaction authorized under the provisions of Section 10.11(l);

(n) power to authorize the distribution in specie of any shares, bonds, debentures or other securities or obligations or cash or other consideration received hereunder or the use or disposal of the whole or any part of such shares, bonds, debentures or other securities or obligations or cash or other consideration in such manner and for such purpose as may be deemed advisable and specified in such Extraordinary Resolution;

(o) power to authorize the Trustee or any other person or persons to bid at any sale of the Corporation's properties or assets or any part thereof and to borrow the moneys required to make any deposit at said sale or pay the balance of the purchase price and to hypothecate, mortgage, pledge, charge, cede and transfer the property or assets so purchased as security for the repayment of the moneys so borrowed and interest thereon, or itself, himself or themselves, as the case may be, to advance such moneys (in which event it, he or they shall have a lien upon the property or assets so purchased for the amount so advanced and interest thereon) and to hold any property or assets so purchased (subject to any hypothec, mortgage, pledge, charge or lien to secure any moneys so borrowed or advanced) in trust for all the Debentureholders outstanding at the time of such sale pro rata in proportion to the amounts due to them thereon respectively for principal and interest before such sale, and to sell, transfer and convey the whole or any part or parts of the property or assets so purchased for such consideration in cash or in the shares, bonds, debentures or other securities or obligations of any company formed or to be formed, or partly in cash and partly in such securities or obligations, and upon such terms and conditions as may be determined by such Extraordinary Resolution of the Debentureholders and, subject to such terms and conditions, to dispose of such cash, shares, bonds, debentures or other securities or obligations pursuant to the provisions of Section 10.11(n) above, and until the sale, transfer or conveyance of the whole of such property or assets so purchased to maintain and operate such part of said property and assets as has not been disposed of, and for such purposes to borrow moneys and to hypothecate, mortgage, pledge, charge and cede and transfer the property and assets so purchased, or any part thereof, as security for the repayment of the moneys so borrowed, with interest thereon, or itself, himself or themselves, as the case may be, to advance such moneys (in which event it, he or they shall have a lien or charge upon the property and assets so purchased for the amounts so advanced and interest thereon) and otherwise deal with such property and assets and the proceeds of any sale, transfer or conveyance thereof as the Debentureholders may by such Extraordinary Resolution direct; and

(p) power to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Debentureholders or by any committee appointed pursuant to Section 10.11(j); and

provided none of the above shall allow the Debentureholders to pass a resolution which prejudices the Trustee’s right to be paid its fees and expenses hereunder and to claim all indemnifications set out herein.

10.12 Meaning of "Extraordinary Resolution"

(a) The expression "**Extraordinary Resolution**" when used in this Indenture means, subject as hereinafter in this Article 10 provided, a resolution proposed to be passed as an Extraordinary Resolution at a meeting of Debentureholders (including an adjourned meeting) duly convened for the purpose and held in accordance with the provisions of this Article 10 at which the Holders of not less than 25% of the principal amount of the Debentures then outstanding present or represented by proxy at the meeting and voted upon on a poll on such resolution and passed thereat by the affirmative vote of Holders of not less than 66⅔% of the principal amount of the Debentures present or represented by proxy at the meeting voted upon on a poll shall be an Extraordinary Resolution within the meaning of this Indenture.

(b) If, at any such meeting, the Holders of not less than 25% of the principal amount of the Debentures then outstanding are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of Debentureholders, shall be dissolved but in any other case it shall stand adjourned to such date, being not less than 14 nor more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 10 days notice shall be given of the time and place of such adjourned meeting in the manner provided in Section 11.2. Such notice shall state that at the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum. At the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed thereat by the affirmative vote of Holders of not less than 66⅔% of the principal amount of the Debentures present or represented by proxy at the meeting voted upon on a poll shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that the Holders of not less than 25% in principal amount of the Debentures then outstanding are not present in person or by proxy at such adjourned meeting.

(c) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

10.13 Powers Cumulative

Any one or more of the powers in this Indenture stated to be exercisable by the Debentureholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers from time to time shall not be deemed to exhaust the rights of the Debentureholders to exercise the same or any other such power or powers thereafter from time to time.

10.14 Minutes

Minutes of all resolutions and proceedings at every meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman of the meeting at which such resolutions were passed or proceedings had, or by the chairman of the next succeeding meeting of the Debentureholders, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting, in respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken thereat to have been duly passed and taken.

10.15 Instruments in Writing

All actions which may be taken and all powers that may be exercised by the Debentureholders at a meeting held as hereinbefore in this Article 10 provided may also be taken and exercised by the Holders of 66⅔% of the principal amount of all the then outstanding Debentures by a resolution in writing signed by such Debentureholders.

10.16 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 10 at a meeting of Debentureholders shall be binding upon all the Debentureholders, whether present at or absent from such meeting, and every instrument in writing signed by Debentureholders in accordance with Section 12.14 shall be binding upon all the Debentureholders, whether signatories thereto or not, and each and every Debentureholder and the Trustee (subject to the provisions for its indemnity herein contained) shall be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing.

10.17 Evidence of Rights of Debentureholders

(a) Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Debentureholders may be in any number of concurrent instruments of similar tenor signed or executed by such Debentureholders.

(b) The Trustee may, in its discretion, require proof of execution in cases where it deems proof desirable and may accept such proof as it shall consider proper.

ARTICLE 11
NOTICES

11.1 Notice to Corporation

Any notice to the Corporation under the provisions of this Indenture shall be valid and effective if delivered to the Corporation at: 250 Diamond Avenue, P.O. Box 3329, Spruce Grove, Alberta T7X 3A6, or if given by registered letter, postage prepaid, to such offices and so addressed and if mailed, shall be deemed to have been effectively given three Business Days following the mailing thereof. The Corporation may from time to time notify the Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Corporation for all purposes of this Indenture.

11.2 Notice to Debentureholders

All notices to be given hereunder with respect to the Debentures shall be deemed to be validly given to the Holders thereof if sent by first class mail, postage prepaid, by letter or circular addressed to such Holders at their addresses appearing in the Register and shall be deemed to have been effectively given three Business Days following the day of mailing. Accidental error or omission in giving notice or accidental failure to mail notice to any Debentureholder or the inability of the Corporation to give or mail any notice due to anything beyond the reasonable control of the Corporation shall not invalidate any action or proceeding founded thereon.

If any notice given in accordance with the foregoing paragraph would be unlikely to reach the Debentureholders to whom it is addressed in the ordinary course of post by reason of an interruption in mail service, whether at the place of dispatch or receipt or both, the Corporation shall give such notice by publication at least once in the City of Calgary, Alberta (or in such of those cities as, in the opinion of the Trustee, is sufficient in the particular circumstances), each such publication to be made in a daily newspaper of general circulation in the designated city.

Any notice given to Debentureholders by publication shall be deemed to have been given on the day on which publication shall have been effected at least once in each of the newspapers in which publication was required.

All notices with respect to any Debenture may be given to whichever one of the Holders thereof (if more than one) is named first in the Registers hereinbefore mentioned, and any notice so given shall be sufficient notice to all Holders of any persons interested in such Debenture.

11.3 Notice to Trustee

Any notice to the Trustee under the provisions of this Indenture shall be valid and effective if delivered to the Trustee, CST Trust Company, at its principal office in the City of Calgary, at 600, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1, Attention: Director, Corporate Trust Services or if given by registered letter, postage prepaid, to such office and so addressed and, if mailed, shall be deemed to have been effectively given three Business Days following the mailing thereof, or if sent by courier, shall be deemed to have been effectively given and received on the day such delivery is accepted and signed for, or sending the same by facsimile transmission to the same addressee at (403) 776-3916, which if sent by facsimile transmission and received not later than 5:00 p.m. (Calgary time) on a Business Day, shall be deemed to have been given and received on such date and otherwise on the next Business Day.. The Trustee may from time to time notify the Corporation in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Trustee for all purposes of this Indenture.

11.4 Mail Service Interruption

If by reason of any interruption of mail service, actual or threatened, any notice to be given to the Trustee would reasonably be unlikely to reach its destination by the time notice by mail is deemed to have been given pursuant to Section 11.3, such notice shall be valid and effective only if delivered at the appropriate address in accordance with Section 11.3.

ARTICLE 12
CONCERNING THE TRUSTEE

12.1 No Conflict of Interest

The Trustee represents to the Corporation that at the date of execution and delivery by it of this Indenture there exists no material conflict of interest in the role of the Trustee as a fiduciary hereunder but if, notwithstanding the provisions of this Section 12.1, such a material conflict of interest exists, or hereafter arises, the validity and enforceability of this Indenture, and the Debentures issued hereunder, shall not be affected in any manner whatsoever by reason only that such material conflict of interest exists or arises but the Trustee shall, within 90 days after ascertaining that it has a material conflict of interest, either eliminate such material conflict of interest or resign in the manner and with the effect specified in Section 12.2.

Subject to the preceding paragraph, the Trustee, in its personal or any other capacity, may buy, lend upon and deal in securities of the Corporation and generally may contract and enter into business transactions with the Corporation or any of its affiliates without being liable to account for any profit made thereby.

12.2 Replacement of Trustee

The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Corporation 60 days' notice in writing or such shorter notice as the Corporation may accept as sufficient. If at any time a material conflict of interest exists in the Trustee's role as a trustee hereunder the Trustee shall, within 30 days after ascertaining that such a material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in this Section 12.2. The validity and enforceability of this Indenture and of the Debentures issued hereunder shall not be affected in any manner whatsoever by reason only that such a material conflict of interest exists. In the event of the Trustee resigning or being removed or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new Trustee unless a new Trustee has already been appointed by the Debentureholders. Failing such appointment by the Corporation, the retiring Trustee or any Debentureholder may apply to a Judge of the Court of Queen's Bench of Alberta on such notice as such Judge may direct at the Corporation's expense, for the appointment of a new Trustee but any new Trustee so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Debentureholders and the appointment of such new Trustee shall be effective only upon such new Trustee becoming bound by this Indenture. Any new Trustee appointed under any provision of this Section 12.2 shall be a corporation authorized to carry on the business of a trust company in Alberta. On any new appointment the new Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Trustee.

Any company into which the Trustee may be merged or, with or to which it may be consolidated, amalgamated or sold, or any company resulting from any merger, consolidation, sale or amalgamation to which the Trustee shall be a party, shall be the successor Trustee under this Indenture without the execution of any instrument or any further act. Nevertheless, upon the written request of the successor Trustee or of the Corporation, the Trustee ceasing to act shall execute and deliver an instrument assigning and transferring to such successor Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver all property and money held by such Trustee to the successor Trustee so appointed in its place. Should any deed, conveyance or instrument in writing from the Corporation be required by any new Trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall on request of said new Trustee, be made, executed, acknowledged and delivered by the Corporation.

12.3 Duties of Trustee

In the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Trustee shall act honestly and in good faith and exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

The Trustee may use its own judgment in the performance of its duties as trustee, but at any time it may apply to the Corporation or to the Trustees counsel, for instructions or advice, and the Corporation will fully protect and hold the Trustee harmless from all liability for any action taken, or not taken, by the Trustee in accordance with or pursuant to such instructions or advice that may be given to it.

12.4 Reliance Upon Declarations, Opinions, etc.

In the exercise of its rights, duties and obligations hereunder the Trustee may, if acting in good faith, rely, as to the truth of the statements and accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or requirement of this Indenture or required by the Trustee to be furnished to it in the exercise of its rights and duties hereunder, if the Trustee examines such statutory declarations, opinions, reports or certificates and determines that they comply with Section 12.5, if applicable, and with any other applicable requirements of this Indenture. The Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. Without restricting the foregoing, the Trustee may rely on an opinion of Counsel satisfactory to the Trustee notwithstanding that it is delivered by a solicitor or firm which acts as solicitors for the Corporation. The Trustee will not in any way be responsible for the consequence of any breach on the part of the Corporation or any of the Corporation's covenants contained herein.

12.5 Evidence and Authority to Trustee, Opinions, etc.

The Corporation shall furnish to the Trustee evidence of compliance with the conditions precedent provided for in this Indenture relating to any action or step required or permitted to be taken by the Corporation or the Trustee under this Indenture or as a result of any obligation imposed under this Indenture, including without limitation, the certification and delivery of Debentures hereunder, the satisfaction and discharge of this Indenture and the taking of any other action to be taken by the Trustee at the request of or on the application of the Corporation, forthwith if and when (a) such evidence is required by any other Section of this Indenture to be furnished to the Trustee in accordance with the terms of this Section 12.5, or (b) the Trustee, in the exercise of its rights and duties under this Indenture, gives the Corporation written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice.

Such evidence shall consist of:

(a) a certificate made by any one officer or director of the Corporation, stating that any such condition precedent has been complied with in accordance with the terms of this Indenture;

(b) in the case of a condition precedent compliance with which is, by the terms of this Indenture, made subject to review or examination by a solicitor, an opinion of Counsel that such condition precedent has been complied with in accordance with the terms of this Indenture; and

(c) in the case of any such condition precedent compliance with which is subject to review or examination by auditors or accountants, an opinion or report of the Auditors of the Corporation, whom the Trustee for such purposes hereby approves, that such condition precedent has been complied with in accordance with the terms of this Indenture.

Whenever such evidence relates to a matter other than the certificates and delivery of Debentures and the satisfaction and discharge of this Indenture, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other person whose qualifications give authority to a statement made by him, provided that if such report or opinion is furnished by a Trustee, officer or employee of the

Corporation it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate, in accordance with the immediately preceding paragraph of this Section.

Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in the Indenture shall include (a) a statement by the person giving the evidence that he has read and is familiar with those provisions of this Indenture relating to the condition precedent in question, (b) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in such evidence are based, (c) a statement that, in the belief of the person giving such evidence, he has made such examination or investigation as is necessary to enable him to make the statements or give the opinions contained or expressed therein, and (d) a statement whether in the opinion of such person the conditions precedent in question have been complied with or satisfied.

The Corporation shall furnish to the Trustee at any time if the Trustee reasonably so requires, its certificate that the Corporation has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which would, with the giving of notice or the lapse of time, or both, or otherwise, constitute an Event of Default, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance. The Corporation shall, whenever the Trustee so requires, furnish the Trustee with evidence by way of statutory declaration, opinion, report or certificate as specified by the Trustee as to any action or step required or permitted to be taken by the Corporation or as a result of any obligation imposed by this Indenture.

12.6 Officer's Certificates Evidence

Except as otherwise specifically provided or prescribed by this Indenture, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, the Trustee, if acting in good faith, may rely absolutely upon an Officer's Certificate or Written Direction of the Corporation.

12.7 Experts, Advisers and Agents

The Trustee may:

(a) employ or retain and act and rely on the opinion or advice of or information obtained from any solicitor, auditor, valuator, engineer, surveyor, appraiser or other expert, whether obtained by the Trustee or by the Corporation, or otherwise, and shall not be liable for acting, or refusing to act, in good faith on any such opinion or advice and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid; and

(b) employ such agents and other assistants as it may reasonably require for the proper discharge and determination of its duties hereunder, and may pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof and any solicitors employed or consulted by the Trustee may, but need not be, solicitors for the Corporation.

12.8 Protection of Trustee.

By way of supplement to the provisions of any law for the time being relating to trustees, it is expressly declared and agreed as follows:

(a) the Trustee will bear no liability for monies deposited other than with the Trustee. The Trustee will disburse monies according to this indenture only to the extent that monies have been deposited with it;

(b) no provision of this indenture shall operate to confer any obligation, duty or power on the Trustee in any jurisdiction in which it does not have the legal capacity required to assume, hold or carry out such obligation, duty or power. For the purposes of this Section 12.8, legal capacity includes, without limitation, the capacity to act as a trustee in such jurisdiction;

(c) the Trustee shall not be liable for or by reason of any statements of fact or recitals in this indenture or in the Debentures (except the representations contained in Sections 12.1 and 12.14 hereof and in the certificate of the Trustee on the Debentures) or required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;

(d) nothing herein contained shall impose any obligation on the Trustee to see to or to require evidence of the registration or filing (or renewal thereof) of this indenture or any instrument ancillary or supplemental hereto;

(e) the Trustee shall not be bound to give notice to any Person of the execution hereof; and

(f) the Trustee shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of the covenants herein contained or of any acts of the agents of the Corporation. For greater certainty, the Trustee shall not be liable to the Debentureholders for the principal or the interest of the Debentures in the event the Corporation fails to pay the same as such obligations are the sole responsibility of the Corporation.

12.9 Investment of Monies Held by Trustee

Unless otherwise provided in this Indenture, any monies held by the Trustee, which, under the trusts of this Indenture, may be held in an interest-bearing account and may, but need not, invest same in the deposit department in the name of the Trustee in any chartered bank of Canada and their Affiliates but the Trustee, its Affiliates or any chartered bank of Canada and its affiliates shall not be liable to account for any profit to any parties to this agreement or to any person or entity other than at the rate of interest, if any, then current on similar deposits established from time to time by the Trustee, its Affiliates or a chartered bank of Canada and its Affiliates .

Unless and until the Trustee shall have declared the principal of and interest on the Debentures to be due and payable, the Trustee shall pay over to the Corporation all interest received by the Trustee in respect of any investments or deposits made pursuant to the provisions of this Section.

12.10 Trustee Not Ordinarily Bound

Except as provided in Section 8.2 and as otherwise specifically provided herein, the Trustee shall not, subject to Section 12.3, be bound to give notice to any person of the execution hereof, nor to do, observe or perform or see to the observance or performance by the Corporation of any of the obligations herein imposed upon the Corporation or of the covenants on the part of the Corporation herein contained, nor in any way to supervise or interfere with the conduct of the Corporation's business, unless the Trustee shall have been required to do so in writing by the Holders of not less than 25% of the aggregate principal amount of the Debentures then outstanding or by any Extraordinary Resolution of the Debentureholders passed in accordance with the provisions contained in Article 10, and then only after it shall have been funded and indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

12.11 Trustee Not Required to Give Security

The Trustee shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

12.12 Trustee Not Bound to Act on Corporation’s Request

Except as in this Indenture otherwise specifically provided, the Trustee shall not be bound to act in accordance with any direction or request of the Corporation until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act upon any such copy purporting to be authenticated and believed by the Trustee to be genuine.

12.13 Conditions Precedent to Trustee's Obligations to Act Hereunder

The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing the rights of the Trustee and of the Debentureholders hereunder shall be conditional upon the Debentureholders furnishing when required by notice in writing by the Trustee, sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

The Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding require the Debentureholders at whose instance it is acting to deposit with the Trustee the Debentures held by them for which Debentures the Trustee shall issue receipts.

Except as provided specifically herein, the Trustee shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof and provided with such evidence of compliance with every covenant, condition or other requirement specified herein, to be furnished to the Trustee in connection with such notice, act, action or proceeding or in connection with the exercise of its rights and duties hereunder and such other evidence of compliance with the provisions of this Indenture as the Trustee may reasonably require.

Except as provided specifically herein, the Trustee shall not be bound to do, observe or perform or see to the observance or performance by the Corporation of any of the obligations herein imposed upon the Corporation or of the covenants on the part of the Corporation herein contained, nor in any way to supervise or interfere with the conduct of the Corporation's business, unless the Trustee shall have been required to do so by a resolution of Debentureholders passed in accordance with the provisions contained herein.

The Trustee shall not be required to take notice of any Event of Default hereunder, unless and until notified in writing of such Event of Default, which notice shall distinctly specify the Event of Default desired to be brought to the attention of the Trustee, and, in the absence of any such notice, the Trustee may for all purposes of this Indenture conclusively assume that no Event of Default has occurred. No such notice shall in any way limit the discretion herein given to the Trustee to determine whether or not the Trustee shall take action with respect to any Event of Default.

12.14 Authority to Carry on Business

The Trustee represents to the Corporation that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trust company in the Province of Alberta but if, notwithstanding the provisions of this Section 12.14, it ceases to be so authorized to carry on business, the validity and enforceability of this Indenture and the securities issued hereunder shall not be affected in any manner whatsoever by reason only of such event but the Trustee shall, within 90 days after ceasing to be authorized to carry on the business of trust company in the Province of Alberta, either become so authorized or resign in the manner and with the effect specified in Section 12.2.

12.15 Compensation and Indemnity

The Corporation shall pay the Trustee reasonable remuneration for its services as trustee hereunder, which shall include any remuneration for the Trustee's services which the Corporation has agreed, in writing, to pay to the Trustee and, in addition, the Corporation will repay to the Trustee on demand all monies which shall have been paid by the Trustee for legal expenses or charges or any other expenditures whatever which the Trustee may reasonably make in and about the execution of the trusts hereby created and such monies, including the Trustee's remuneration, until paid by the Corporation, shall be payable out of any funds coming into the possession of the Trustee in priority to any of the Debentures or interest.

The Corporation hereby indemnifies and saves harmless the Trustee and its directors, officers, employees and agents, representatives, successors and assigns from and against any and all actions and suits whether groundless or otherwise and from any and all loss, damages, charges, expenses, and disbursements, claims, demands, penalties, fines, actions, demands, levies or liability whatsoever which may be brought against the Trustee or which it may suffer or incur as a result of or arising out of the performance of its duties and obligations hereunder save only in the event of the negligence, wilful misconduct or fraud of the Trustee. The Trustee shall notify the Corporation promptly of any claim for which it may seek indemnity. The Corporation shall defend the claim and the Trustee shall co-operate in the defence. The Trustee may have separate counsel and the Corporation shall pay the reasonable fees and expenses of such counsel. The Corporation need not pay for any settlement made without its consent, which consent must not be unreasonably withheld. Without limiting the generality of the foregoing, the obligation to indemnify, defend and save harmless in accordance herewith shall apply in respect of liabilities suffered by, imposed upon, incurred in any way connected with or arising from, directly or indirectly, any Environmental Laws. This indemnity shall survive the resignation or removal of the Trustee or the discharge of this Indenture.

12.16 Additional Limitations on Liability

It is expressly declared and agreed that:

(a) the Trustee shall not be liable for, or by reason of, any failure or defeat of title to, or security interest upon, the Corporation’s assets or any part thereof;

(b) the Trustee shall not be liable for, or by reason of, any statements of fact or representations in this Trust Indenture or in the Debentures or be required to verify the same, but all such statements and representations are and shall be deemed to be made by the Corporation except that the Trustee shall be responsible for the accuracy of the certificate of authentication of the Trustee on any Debenture;

(c) nothing herein contained shall impose any obligation on the Trustee to see to, or require evidence of, the registration or filing or re-registration or re-filing of this Trust Indenture or any instrument ancillary or supplemental hereto or any other deed or writing creating a security interest upon the Corporation’s assets or to procure any further, other or additional instrument of further assurance or to do any other act for the continuance of the security interests constituted by this Trust Indenture or for giving notice of the existence of such security interests;

(d) the Trustee shall not incur any liability or responsibility whatever in consequence of permitting or suffering the Corporation to retain or be in possession of any part of the Corporation’s assets and to use and enjoy the same unless herein expressly otherwise provided; nor shall the Trustee be or become responsible or liable for any destruction, deterioration, loss, injury or damage which may be done or occur to the Corporation’s assets by the Corporation, its agents or servants, or by any other person or be responsible for the consequence of any breach by the Corporation of any of the covenants herein contained or of any acts of the agents or servants of the Corporation; and

(e) the Trustee shall not, nor shall the agents or attorneys of the Trustee, be liable by reason of any entry into possession of the Corporation’s assets or any part thereof, to account as mortgagee in possession or for anything except actual receipts, or be liable for any loss on realization or for any default or omission for which a mortgagee in possession might be liable save such as may be caused by its negligence, willful misconduct or fraud.

12.17 Duties and Obligations of Trustee

The duties and obligations of the Trustee shall be determined solely by the provisions hereof and, accordingly, the Trustee shall not be responsible except for the performance of such duties and obligations as it has undertaken herein.

12.18 Delegation of Powers

The Trustee may delegate to any person the performance of any of the Corporations and powers vested in it by this Indenture and any such delegation may be made upon such terms and conditions and subject to such regulations as the Trustee may think to be in the interests of the Debentureholders.

12.19 Trustee Not Required to Register

Nothing herein contained shall impose upon the Trustee any obligation to see to, or to require evidence of, the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto.

12.20 Acceptance of Trust

The Trustee hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various persons who shall from time to time be Debentureholders, subject to all the terms and conditions herein set forth.

12.21 Anti-Money Laundering and Anti-Terrorist Legislation

The Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee, in its sole judgment, acting reasonably, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti- terrorist legislation, regulation or guideline. Further, should the Trustee, in its sole judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on ten days' written notice to the Corporation, provided that the Trustee's written notice shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Trustee's satisfaction within such ten day period, then such resignation shall not be effective.

12.22 Privacy Laws

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Indenture. Despite any other provision of this Indenture, neither party shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation shall, prior to transferring or causing to be transferred personal information to the Trustee, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Trustee shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Trustee agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this Indenture and not to use it for any other purpose except with the consent of or direction from the Corporation or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

12.23 Force Majeure

The Trustee shall not be personally liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

ARTICLE 13
SUPPLEMENTAL INDENTURES

13.1 Supplemental Indenture

From time to time the Trustee and, when authorized by a resolution of the directors of the Corporation, the Corporation, may, and they shall when required by this Indenture, execute, acknowledge and deliver by their proper officers deeds or indentures supplemental hereto which thereafter shall form part hereof, for any one or more of the following purposes:

(a) adding to the covenants of the Corporation herein contained of the protection of the Debentureholders, or of the Debentures of any series, or providing for events of default, in addition to those herein specified;

(b) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Debentures which do not affect the substance thereof and which in the opinion of the Trustee relying on an opinion of Counsel will not be prejudicial to the interests of the Debentureholders;

(c) evidencing the succession, or successive successions, of others to the Corporation and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture;

(d) giving effect to any Extraordinary Resolution passed as provided in Section 10.12; and

(e) for any other purpose not inconsistent with the terms of this Indenture.

Unless the supplemental indenture requires the consent of concurrence of Debentureholders or the Holders of a particular series of Debentures, as the case may be, by Extraordinary Resolution, the consent or concurrence of Debentureholders or the Holders of a particular series of Debentures, as the case may be, shall not be required in connection with the execution, acknowledgement or delivery of supplemental indenture. The Corporation and the Trustee may without the consent or concurrence of the Debentureholders by supplemental indenture or otherwise, make any changes or corrections in this Indenture which it shall have been advised by Counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omissions or mistakes or manifest errors contained herein or in any indenture supplemental hereto or any Written Direction of the Corporation provided for the issue of Debentures, providing that in the opinion of the Trustee (relying upon an opinion of Counsel) the rights of the Debentureholders are in no way prejudiced thereby.

ARTICLE 14
EXECUTION AND FORMAL DATE

14.1 Execution

This Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

14.2 Formal Date

For the purpose of convenience this Indenture may be referred to as bearing the formal date of May 22, 2014 irrespective of the actual date of execution hereof.

14.3 Counterparts

This Indenture may be executed in counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.

14.4 Governing Law

This Indenture shall be construed in accordance with the laws of the Province Alberta and the federal laws applicable therein and shall be treated in all respects as Alberta contracts. Each of the parties hereto, which shall include the Debentureholders, irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Alberta with respect to all matters arising out of this Indenture and the transactions contemplated herein.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS whereof the parties hereto have executed these presents under the hands of their proper officers in that behalf.

SEAIR INC.

By: "*Jim Laird*" (signed)
Jim Laird, Chief Financial Officer

CST TRUST COMPANY

By: "*Nelia Andrade*" (signed)
Authorized Signing Officer

By: "*Jeannine Rigon*" (signed)
Authorized Signing Officer

SCHEDULE "A"
8% SECURED, SUBORDINATED, REDEEMABLE CONVERTIBLE DEBENTURES

SEAIR INC.
(A corporation amalgamated under the *Business Corporations Act* (Alberta)

No. ● $●

Seair Inc. (the "**Corporation**") for value received hereby acknowledges itself indebted to ________________________ (the "**Debentureholder**" or the "**Holder**"), subject to the provisions of the trust indenture (the "**Indenture**") dated May 22, 2014 between the Corporation and CST Trust Company (the "**Trustee**") promises to pay to the registered Holder hereof on December 31, 2015 (the "**Maturity Date**") or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture the principal sum of ________________ ($) in lawful money of Canada on presentation and surrender of this Debenture at the office of the Trustee in Calgary, Alberta or Toronto, Ontario in in accordance with the terms of the Indenture and, subject as hereinafter provided, interest shall accrue from the date of issue of the Debentures on the outstanding principal amount at the rate of eight percent (8%) per annum calculated on the portion of the principal amount that remains unpaid, both before and after maturity, default or judgment, and be payable (other than the first interest payment) in equal quarterly instalments on the last day of March, June, September and December of each year, commencing on September 30, 2014 and ending on the Maturity Date (or at such earlier date on which the Debenture is converted or redeemed pursuant to the terms hereof), on a non-compounding basis. Interest for any period less than a quarter is calculated on the basis of the actual number of days for which the principal is outstanding computed on the basis of a year of 365 days or 366 days in the case of a leap year.

The principal hereof may become or be declared due and payable before the stated Maturity Date in the events, in the manner, with the effect and at the times provided in the Indenture.

This Debenture is one of the Debentures of the Corporation issued or issuable under the provisions of the Indenture. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the Debentures are or are to be issued and held and the rights and remedies of the Holders of the Debentures and of the Corporation and of the Trustee, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the Holder of this Debenture by acceptance hereof assents.

The Debentures are issuable only in denominations of $1,000 and integral multiples of $1,000 thereof. Upon compliance with the provisions of the Indenture, Debentures of any denomination may be exchanged for an equal aggregate principal amount of Debentures in any other authorized denomination or denominations.

To secure the repayment of the principal amount of Debentures outstanding and the interest accrued thereon, subject to the terms of the Indenture, the Corporation hereby grants to and in favour of the Trustee a continuing security interest in all of the Corporation's present and after acquired personal property.

This Debenture ranks *pari passu* with all other Debentures certified and issued under the Indenture and with the Existing Debentures (as defined in the Indenture).

Upon at least 30 days' prior notice, the Corporation may, at its option, redeem all or less than all of the Debentures upon payment of an amount equal to the principal amount of Debentures to be redeemed plus all accrued but unpaid interest on such principal amount to the Redemption Date.

The whole or any part, being $1,000 or an integral multiple thereof, of the principal of this Debenture plus accrued interest and unpaid interest, is convertible at the option of the holder hereof, upon surrender of this Debenture at the principal office of the Trustee in Calgary, Alberta or Toronto, Ontario, at any time prior to the close of business on the Maturity Date or, if this Debenture is called for redemption on or prior to such date, then up to but not after the close of business on the last Business Day immediately preceding the date specified for redemption of this Debenture, into Common Shares at a conversion price of $0.30 (the "**Conversion Price**") per Common Share. In addition, at any time, and from time to time, after October30, 2014, and provided the Forced Conversion Condition (as defined in the Indenture) has been satisfied, the Corporation shall have the right, but not the obligation, to compel the conversion of all or any part of the principal amount of the Debentures for the time being outstanding and any accrued and unpaid interest thereon into Common Shares at the Conversion Price. The Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Common Shares will be issued on any conversion. No adjustment in the number of Common Shares to be issued upon conversion will be made for distribution or dividends on Common Shares issuable upon conversion or for interest accrued on Debentures surrendered for conversion. If a Debenture is surrendered for conversion on an Interest Payment Date or during the ten (10) preceding Business Days, the person or persons entitled to receive Common Shares in respect of the Debenture so surrendered for conversion shall not become the holder or holders of record of such Common Shares until the day following such Interest Payment Date.

The Indenture contains provisions making binding upon all Holders of Debentures outstanding thereunder resolutions passed at meetings of such Holders held in accordance with such provisions and instruments signed by the Holders of a specified majority of Debentures outstanding, which resolutions or instruments may have the effect of amending the terms of this Debenture or the Indenture.

The Indenture contains provisions disclaiming any personal liability on the part of shareholders, officers, directors or agents of the Corporation in respect of any obligation or claim arising out of the Indenture or this Debenture.

This Debenture may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the Registers to be kept at the principal office of the Trustee in the City of Calgary or in such other place or places and/or by such other registrars (if any) as the Corporation with the approval of the Trustee may designate. No transfer of this Debenture shall be valid unless made on the Register by the registered Holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in form and substance satisfactory to the Trustee or other registrar, and upon compliance with such reasonable requirements as the Trustee and/or other registrar may prescribe and upon surrender of this Debenture for cancellation. Thereupon a new Debenture or Debentures in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Debenture shall not become obligatory for any purpose until it shall have been certified by the Trustee under the Indenture.

Capitalized words or expressions used in this Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture.

IN WITNESS WHEREOF the Corporation has caused this Debenture to be signed by its authorized representatives as of the ___ day of _________________, 2____.

SEAIR INC.

Per: ___________________________________

This Debenture is one of the 8% Secured, Subordinated, Redeemable Convertible Debentures referred to in the Indenture within mentioned.

CST TRUST COMPANY

Per: ___________________________________

Date of Certification: _____________________

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto ____, whose address and social insurance number, if applicable, are set forth below, this Debenture (or $ _____________ principal amount hereof*) of Seair Inc. (the "**Corporation**") standing in the name(s) of the undersigned in the register maintained by the Corporation with respect to such Debenture and does hereby irrevocably authorize and direct _________ _______ to transfer such Debenture in such register, with full power of substitution in the premises.

Dated:____

Address of Transferee: ____
(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: ____

*If less than the full principal amount of the within Debenture is to be transferred, indicate in the space provided the principal amount (which must be $1,000 or an integral multiple thereof, unless you hold an Debenture in a non-integral multiple of 1,000 by reason of your having exercised your right to exchange upon the making of an Offer, in which case such Debenture is transferable only in its entirety) to be transferred.

2. The signature(s) to this assignment must correspond with the name(s) as written upon the face of this Initial Debenture in every particular without alteration or any change whatsoever. The signature(s) must be guaranteed by a Schedule I Canadian chartered bank or by a member of an acceptable Medallion Guarantee Program. Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".

3. The registered holder of this Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Debenture.

Signature of Guarantor

_______________________________ _______________________________
Authorized Officer Signature of transferring registered holder

____
Name of Institution

SCHEDULE "B"

To the Indenture dated May 22, 2014 (the "**Indenture**") between Seair Inc. and CST Trust Company, as Trustee, providing for the issue of 8% Secured, Subordinated, Redeemable Convertible Debentures.

REDEMPTION NOTICE

To: Holders of Debentures
CST TRUST COMPANY (the "**Trustee**")

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

1. Notice is hereby given pursuant to Section 5.3 of the Indenture (the "**Indenture**") dated as of May 22, 2014 between the Corporation and Trustee, as the same may be amended, supplemented or restated from time to time, that $____________ principal amount of Debentures will be redeemed as of _______________ (the "**Redemption Date**"), upon payment of a redemption amount equal to such $______________ principal amount of Debentures to be redeemed plus all accrued but unpaid interest on such principal amount to the Redemption Date (the "**Redemption Amount**").

2. The Redemption Amount will be payable upon presentation and surrender of the Debentures called for redemption at the main office of the Trustee in Calgary, Alberta or Toronto, Ontario.

3. The interest upon the principal amount of Debentures called for redemption shall cease to be payable from and after the Redemption Date, unless payment of the Redemption Amount shall not be made on presentation for surrender of such Debentures at any of the above-mentioned address on or after the Redemption Date or prior to the setting aside of the Redemption Amount pursuant to the Indenture.

4. If less than all of the Debentures are to be redeemed, each Holder of Debentures shall have a proportion of the Debentures held by such Holder redeemed equal to the proportion which the aggregate dollar amount of Debentures to be redeemed is to the aggregate dollar amount of all Holders outstanding, rounded up to the next whole multiple of $10 of principal amount of Debentures held by such Holder.

DATED this ____ day of ______________________.

____

By: ________________________________
Authorized Director

SCHEDULE "C"

To the Indenture dated May 22, 2014 (the "**Indenture**") between Seair Inc. and CST Trust Company, as Trustee, providing for the issue of 8% Secured, Subordinated, Redeemable Convertible Debentures.

CONVERSION NOTICE

To: Seair Inc. (the "**Corporation**")

And To: CST TRUST COMPANY (the "**Trustee**")

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

1. Notice is hereby given pursuant to Article 6 of the Indenture (the "**Indenture**") that the undersigned Debentureholder irrevocably exercises the right of the Debentureholder to convert such Debenture (or $ _____________ principal amount thereof) at the Conversion Price into and aggregate of ______________ Common Shares.

2. The undersigned hereby directs that the Common Shares be issued and delivered as follows (**Please Print**):

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF COMMON SHARES

(If Common Shares are to be issued to a person other than the registered Debentureholder, the Holder must pay to the Corporation all eligible taxes and the signature of the Holder must be guaranteed by a Schedule I Canadian chartered bank, or by a medallion signature guarantee from a member of a recognized Signature Medallion Guarantee Program).

DATED this _____ day of _____________________, __________.

Signature of Debentureholder

Signature Guarantee

Print name

Address