

**THIS AGREEMENT** made this \_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_

**BETWEEN:**

**HIS MAJESTY THE KING** in right of

the Province of Alberta, as

represented by the Minister of Forestry and Parks

(Hereinafter called the "Ministry")

**- and -**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Hereinafter called the "Mortgagee")

**WHEREAS** the Mortgagee is engaged in the business of making loans to individuals or corporations on the security of mortgages on lands held by these individuals or corporations; and

**WHEREAS** the Ministry has administration of certain public lands under the *Public Lands Act* and the director, a statutory decision maker under the *Public Lands Act,* is authorized to issue dispositions in respect of those public lands to individuals and corporations and has the authority to enter into this Agreement on behalf of the Ministry.

**WHEREAS** the Ministry and the Mortgagee agree that the Mortgagee shall, subject to the terms of this Agreement and the provisions of the *Public Lands Act* and the Public Lands Administration Regulation, be able to use the Dispositions held by borrowers from the Mortgagee (“the Mortgagor”) as security for the loan granted to the Mortgagor by the Mortgagee.

**NOW THEREFORE** the Ministry and the Mortgagee agree that to achieve this object, the following procedure and conditions shall be adopted and observed.

1. Every mortgage issued by the Mortgagee in favour of the Mortgagor and security acquired thereunder given to secure the loan shall provide that any breach of the terms and conditions of the Dispositions shall entitle the Mortgagee to call in its loan.
2. As a condition of the director’s consent to the Mortgagor for the use of the Dispositions as security, the Mortgagor will be required to execute a Conditional surrender of Lease in the form set out in Appendix "B" hereto before the loan is made.
3. Once the director has consented to the use of the Dispositions as security and the Mortgagor has executed the Conditional Surrender of Lease, the Mortgagor may execute a mortgage of its interest under the Dispositions and the Ministry agrees that the interest so mortgaged shall constitute security for repayment of the loan.
4. Every loan which is covered by this Agreement (hereinafter called the "secured loan") shall be reported to the Ministry by the Mortgagee promptly upon being made.
5. The Mortgagee shall report the repayment of every secured loan promptly thereafter.
6. Upon and after the receipt of notice from the Mortgagee of the making of a secured loan, the Ministry will cause the Dispositions and any renewal or replacement thereof from time to time to be endorsed as to the interest of the Mortgagee until such times as notice of repayment of such loan is received from the Mortgagee, until the Dispositions are surrendered by virtue of notice from the Mortgagee given pursuant to the Conditional Surrender of Lease.
7. The Ministry will not consent to any assignment or transfer of the Dispositions or any renewal or replacement thereof without the consent of the Mortgagee as long as the secured loan remains outstanding.
8. The Ministry will cause the Mortgagee to be notified of any delinquency in payment of rental, fees, or taxes, or any non-performance on the part of the Mortgagor which would jeopardize the continuance of the Dispositions or their renewal and will advise the Mortgagee as to the corrective action required by the *Public Lands Act* and the regulations and the time within which such action must be taken.
9. The Ministry will cause the Mortgagee to be notified of any departmental action which might adversely affect the privileges of the Dispositions so that the Mortgagee may have the opportunity of protecting its interest, and if the Mortgagee or the Mortgagor does not take the necessary action to rectify the Mortgagor's delinquency or breach of the regulations within the time prescribed by the Ministry, acting reasonably, the Dispositions may be cancelled by the Ministry pursuant to the *Public Lands Act* and the regulations.
10. Upon receipt of notice from the Mortgagee pursuant to a Conditional Surrender of Lease, accompanied by the Conditional Surrender of Lease, the Ministry will terminate the Disposition or any renewal or replacement thereof.
11. Where a Disposition has been terminated in accordance with Section 10, the Ministry will issue a new Disposition on the lands therein described to such person qualified under provincial regulations, where the person has been recommended by the "Mortgagee" within one year from the date of termination of the Disposition provided however, that in such event the "Mortgagee" will be responsible to the Ministry for any loss in rent or taxes suffered by the Ministry by reason of such delay in the execution of such new Disposition.
12. This Memorandum of Agreement shall remain in effect until terminated by three months' notice given by either party to the other and termination by such notice shall not apply to secured loans made prior to the effective date thereof.
13. Any notice required or permitted to be given pursuant to this Memorandum of Agreement shall be in writing and shall be addressed and delivered to the parties hereto as follows:

For the Mortgagee:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

For the Ministry

Attention: Director, Public Lands Disposition Management

Alberta Forestry and Parks

5th Floor, South Petroleum Plaza

9815 108th Street NW

Edmonton, AB T5K 2G8

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1. This Memorandum of Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.
2. Each of the Ministry and the Mortgagee shall do, perform, execute, deliver all acts, deeds, and documents as may be necessary from time to time to give full force and effect to the interests of this Memorandum of Agreement however in no event will this section be interpreted so as to imply an obligation on the part of the Ministry to release any information contrary to the provisions of the *Freedom of Information and Protection of Privacy Act,* nor shall it apply with respect to the exercise of any regulatory functions of the Ministry under the *Public Lands Act* other than as may have been expressly agreed to in this Agreement*.*
3. This Memorandum of Agreement may be executed and delivered in counterparts, by facsimile or other electronic transmission, each of which will be deemed an original and all of which together constitute one and the same instrument.

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| Mortgagee: |  |  | |
|  |  | Per: |  |
|  |  |  |
|  | Per: |  |
|  |  |  |

Ministry:

The director, *Public Lands Act*